Michigan Department of Treasury
496 (02/06)

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type	Local Unit Name	County
☐County ☒City ☐Twp ☐Village ☐Other	City of Cadillac	Wexford

Fiscal Year End	Opinion Date	Date Audit Report Submitted to State
June 30, 2006	November 20, 2007	December 12, 2007

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

	YES	NO	**Check each applicable box below**. (See instructions for further detail.)
1.	☒	☐	All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2.	☒	☐	There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3.	☒	☐	The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4.	☒	☐	The local unit has adopted a budget for all required funds.
5.	☒	☐	A public hearing on the budget was held in accordance with State statute.
6.	☒	☐	The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7.	☒	☐	The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8.	☒	☐	The local unit only holds deposits/investments that comply with statutory requirements.
9.	☒	☐	The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan,* as revised (see Appendix H of Bulletin).
10.	☒	☐	There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11.	☒	☐	The local unit is free of repeated comments from previous years.
12.	☒	☐	The audit opinion is UNQUALIFIED.
13.	☒	☐	The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14.	☒	☐	The board or council approves all invoices prior to payment as required by charter or statute.
15.	☒	☐	To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)
Financial Statements	☒	
The letter of Comments and Recommendations	☒	
Other (Describe) Single Audit	☒	

Certified Public Accountant (Firm Name)	Telephone Number		
Baird, Cotter and Bishop, P.C.	231-775-9789		
Street Address	**City**	**State**	**Zip**
134 W. Harris Street	Cadillac	MI	49601
Authorizing CPA Signature	**Printed Name**	**License Number**	
John F. Taylor, C.P.A.	John F. Taylor, C.P.A.	1101008199	

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November 21, 2007

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, 2007, 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, 2007, 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, 2007, are fairly presented in conformity with generally accepted accounting principles (GAAP).

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. 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. The single audit section is included because the City's expenditures of federal grants exceeded $500,000 this year.

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

With the highest unemployment rate in the United States, Michigan's economic climate continues to suffer in comparison to the rest of the union. Not surprisingly, unemployment in our state has led to growth in other negative economic indicators. Those without work are seeking assistance from social service programs at a rate that is clearly outpacing our State's ability to meet the demand for such services. Michigan has also witnessed a steadily increasing number of people without health insurance – even among those who are employed, as employers struggle to remain competitive in the global market place by cutting employee benefit costs. Another crisis that became evident this past year was the growing rate of mortgage foreclosures. In 2007, Michigan was one of the top five states in the nation for mortgage foreclosures. From January 2006 to January 2007, the number of foreclosures in Michigan jumped by 147%.

The Big Three automakers continued to experience difficulty in 2007, with General Motors and Ford still unable to show profits amid declining market shares. However, analysts project optimism for both GM and Ford in the coming years, based on new product launches and continued cost cutting measures, with GM expected to return to profitability in 2008 and Ford expected to do the same in 2009. A dichotomy still exists in the Michigan legislature regarding how to deal with Michigan's economic challenges. One group of policy makers clearly believes that the way back to prosperity for Michigan is through additional cuts in state spending and taxes. The other believes it is necessary for the state to invest in its infrastructure and the state's education system in order to achieve economic recovery. These collective discussions resulted in replacement of the repealed Single Business Tax (SBT) with the Michigan Business Tax (MBT), considered by most to be a simpler and more equitable way to collect taxes from the business community. These discussions were also responsible for the passage of Michigan Public Act 93, which expanded the state sales tax to include numerous services.

However, conversations are ongoing and lawmakers are currently discussing a repeal of the expanded sales tax. The City of Cadillac, along with the Michigan Municipal League and others have joined in the Michigan Fiscal Responsibility Project, which urges all lawmakers to fully replace the revenues that would be lost with the repeal of PA 93 to ensure funding for essential public services supported by state tax revenues, including public safety, education, health care and other human services. It is expected that the legislature will continue to focus energy on revamping the state tax code to address funding concerns, while at the same time attempting to improve the business climate throughout the state.

Despite its challenges, Michigan is transitioning its policies to compete in the global knowledge economy as fast as any state in the nation, according to the 2007 State New Economy Index. The Index measures how quickly individual U.S. states are moving away from the outdated policies of the Industrial Era and towards economies based on information, innovation, and globalization. Michigan placed 19th in the 2007 index, up 15 spots from the 1999 index, marking the biggest jump toward an innovation economy than any other state in America.

Cadillac and its business community remains a bright spot in the state of Michigan. However, we are not without our own challenges. Business retention and expansion of existing businesses remains a key strategy that Cadillac employs to maintain and even grow its local economic base. Four Winns is a prime example of that strategy paying dividends. Just seven years ago, the parent company of Four Winns, OMC, declared bankruptcy and the Four Winns division was put up for sale. Four Winns LLC is one of the world's leading boat manufacturers. All out efforts were made to retain Four Winns in Cadillac after its purchase by Genmar Corporation and incentives totaling nearly $15 million were offered by the state and the city to that end. Thankfully, those efforts paid off and Four Winns stayed in Cadillac. Earlier this year, continuous product development by the company led Four Winns to create a new 45 foot cabin cruiser (the V458), which required a plant addition and various public infrastructure improvements necessary to accommodate the expansion. In partnership with the Michigan Economic Development Corporation, the City was able to secure a Community Development Block Grant to fund $800,000 in public infrastructure improvements. In turn, Four Winns pledged a minimum private investment of $1,800,000 and the creation of 80 new full time jobs.

Additionally, significant effort has been expended working with another local manufacturer to expand its Cadillac facility. A final decision is expected in 2008 and we are confident the expansion will occur in Cadillac.

New multi-family housing development continued in Cadillac during this past year, after nearly 20 years of little to no activity in this sector. Over 600 residential units have been approved for construction in the last two years, with 200 of those now complete. Neighborhood preservation activities also continued with a nomination of the former Carnegie Library building (now the Wexford County Historical Museum) to the National Register of Historic Places approved.

The Cadillac Downtown Development Authority (DDA) continued its planning toward the future transformation of the Mitchell Street corridor this past year. A successful partnership with the Michigan Department of Transportation has been established that will allow street reconstruction, underground utility, and other transportation enhancements through one large construction project. The DDA has successfully secured an $800,000 grant to assist in funding the traffic calming/pedestrian safety enhancements. The total project cost for the 1.4 mile long corridor improvement project is expected to reach nearly $6,000,000. The DDA will invest just $600,000 of its funds in the project, thereby leveraging $10 in other funding

(including approximately $650,000 from Cadillac's Water and Sewer Fund) for every $1 it spends.

Private investment in the downtown area also continued this year with substantial exterior completion of the Lakeside Condominium project and first floor renovations at the new Cadillac Family Pharmacy building (106 N. Mitchell Street.) Incentives available through the City's DDA and Brownfield Redevelopment Authority were integral components of each of these private investment projects.

Cadillac is a destination well known for its natural resources, which are essential to our quality of life for locals and tourists alike. A successful effort initiated and led by the City continued this year to control the growth of Eurasian water milfoil in Lake Cadillac. Left unchecked, water milfoil is an aggressive, invasive plant species that will devastate most native plants and significantly alter the resulting animal habitat. Close monitoring of our control efforts are expected to continue into the foreseeable future to protect this extremely valuable community asset.

From an organizational perspective, the City of Cadillac faced many financial challenges this year. Revenue sharing from the State of Michigan was once again not fully funded, with the City receiving less than the level of revenue it received in 1998. This effectively has resulted in an eleven year freeze to this most important revenue stream. While Proposal A continues to restrict local property tax revenue, discussions also continue regarding the elimination of the personal property tax, from which Cadillac derives 20% of its local property tax revenue. Clearly, these have proven to be very challenging and uncertain times. The City's focus on increasing efficiencies through the use of technology continues in an attempt to maintain quality public services. Several retirements in 2007 will also lead to at least a temporary reduction in the cost of labor to the City of Cadillac as these vacant positions are filled by less experienced staff. Overall employment levels of City staff are now at historic lows and any additional cuts cannot be done without significant reductions in municipal services.

FUTURE OUTLOOK

While Michigan is making strides to turn around its state economy, it is still expected to struggle economically in the next few years, due in large part to its heavy reliance on the manufacturing sector, especially those involved in the production of durable goods. Transition of the state's economy to a highly competitive manufacturing sector, along with one that focuses more on information, innovation, and globalization will not be a quick or easy task and all communities in Michigan will continue to be influenced by this slow and painful process to varying degrees. The diversity found throughout our manufacturing base will help to mitigate this impact on Cadillac.

Debate is expected to continue at the state level as legislators wrestle with how to adjust the state tax code to provide the appropriate amount of revenue needed for public infrastructure and services while at the same time enabling the state's economic recovery. The debate between those who believe the state can cut its way back to competitiveness and those who

believe the state must invest in its services and infrastructure is expected to continue as well. This continuous debate and the financial uncertainty that it produces is likely to negatively impact business decisions in Michigan, further delaying the overall state recovery. The City of Cadillac will follow this process closely and advocate where possible to ensure the interests of our community and citizens are well represented and protected.

Locally, we anticipate stable to slight growth in our manufacturing sector as a result of our targeted retention and expansion efforts. Even with diversity in our manufacturing base, we still have a number of suppliers to the automotive industry and it is predicted that the ultimate recovery of the domestic auto industry will drive the success or failure for many of our local companies. We also anticipate stable to slight growth in our tourist industry, but rising gas prices will continue to create uncertainties in this arena as well.

Groundwater issues will continue to consume a significant amount of resources over the coming years. While the groundwater treatment system established through the Local Development Finance Authority is doing an excellent job of protecting our well field from known contaminants, several more recently discovered plumes of contaminated groundwater pose new threats to our drinking water supply. These threats are currently being evaluated and the city is charting an appropriate course of action that will likely include the relocation of its well field. The Wexford County landfill will continue to face significant financial challenges related to its groundwater contamination issues, which may very well threaten its long-term viability and operation. As City of Cadillac residents are also Wexford County residents, the City will continue to work with the County to ensure affordable long term solid waste management for our area.

As the 2017 deadline for the sanitary sewer districts outside the corporate boundaries of the City of Cadillac approaches, talks with surrounding townships regarding possible alternatives for continuing such services have been ongoing. The City's emphasis and concern in these discussions has been to show the cost of sustaining urban density and that it is not just limited to water and sewer systems and their operation. Additional public services, such as police and fire protection, building inspection, general government administration, etc. are all required as well. Therefore, it is necessary to consider matters of equity when participating in such discussions to protect the interests of our community and its citizens. While an agreement has not yet been reached, there has been a positive exchange of ideas regarding how equity issues can be satisfied in this context.

After 18 years of dedicated service to the City of Cadillac, our longest-ever serving Mayor, Ronald J. Blanchard announced he would not seek another two-year term in 2008. Filling that seat will be William Barnett, a long-time resident of the City of Cadillac, who has previously served on the Cadillac City Council and the Wexford County Board of Commissioners. We are confident the new City Council team (which also includes new first ward council member Shari Spoelman) will endeavor to work together for the benefit of all citizens and exhibit leadership that guides Cadillac to even greater levels of economic well-being and quality of life.

Even though we have clear challenges ahead, we are fortunate that this community has laid the groundwork to proactively and aggressively respond to these situations, and turn them into opportunities for growth and added stability. Accountability to the local citizenry remains a key issue as tough decisions affecting service quality and quantity are made. The City master plan will be updated within the next fiscal year, which will not only add to the planning base that is already in place, but also will open dialog with our citizens to help define the future direction most desired for the community.

OTHER INFORMATION

Debt Administration: At June 30, 2007, the City had a number of debt issues outstanding. These issues included $1,395,000 of general obligation bonds, $485,000 of special assessment debt, and $1,432,000 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 $139.00, down from $151.90 in 2006. There were no new debt issues in 2007; therefore the decrease resulted from normal principal payments made throughout the year.

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 increased from $420,728 in 2006 to $460,981 in 2007. This represents an increase in interest revenue of $40,253. An upward trend in rates of return as well as a slight increase in funds available to invest contributed to the upswing in interest earnings for the year.

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, 2006. This was the twenty-second 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, 2007. 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-three 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

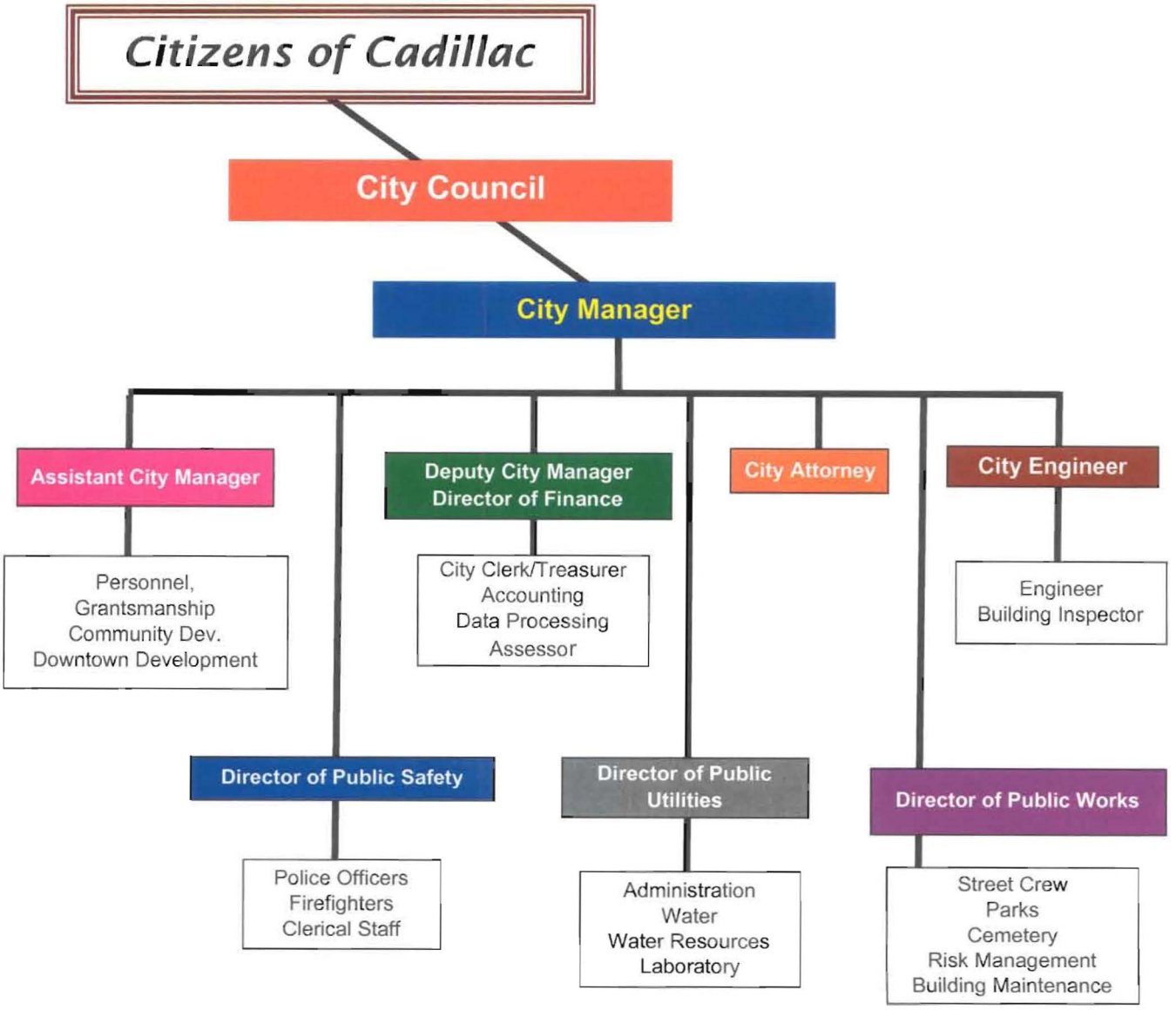
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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.

President

Executive Director

City of Cadillac
Chart of Organization
2006-2007



Baird, Cotter and Bishop, P.C.
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November 20, 2007

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, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Cadillac, Michigan's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cadillac, Michigan, as of June 30, 2007, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2007, on our consideration of the City of Cadillac, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages iii through xiv and budgetary comparison information on pages 62 through 64 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C

Management's Discussion and Analysis

The management of the City of Cadillac, Michigan ("the City") offers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2007, 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 $36.4 million (shown as *Net Assets*), representing an increase of $1,730,590 over the previous fiscal year. Governmental Activities represented $994,003 of this increase, while Business-Type activities accounted for $736,587 of the increase.

Fund Level Financial Highlights

- As of June 30, 2007, the governmental funds of the City of Cadillac reported combined ending fund balances of $6,297,862, of which $3,657,886 is unreserved.
- The unreserved fund balance of the City's General Fund increased this year to $1,724,440, or 24.98% of total General Fund expenditures.

Long-Term Debt

- The City of Cadillac's total debt **decreased** by $233,000 during the fiscal year. The Stores and Garage Fund borrowed $500,000 on a note, but no other debt issues were undertaken.

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 and Sewer Fund and the Building Authority Operating Fund. Presentation of major funds can be found on Pages 65-103 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 basis of accounting. Under this reporting system, capital items, debt payments and certain other items are treated differently than on the government-wide statements. These items are recorded in the governmental fund statements on the Statement of Revenues, Expenditures and Changes in Fund Balance as an expenditure. No depreciation is recorded on capital items. The balance sheet for governmental funds does not include any capital items or long-term debt. Governmental funds for the City include the General Fund as well as the special revenue, capital project, debt service and permanent funds.

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 26 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report further presents Required Supplementary Information (RSI) that explains and supports the information presented in the financial statements. This information can be found beginning on Page 62 of this report.

Government-Wide Financial Analysis

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 $36,436,667 at June 30, 2007, 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	
	2007	2006	2007	2006	2007	2006
Current and other assets	$ 8,876	$ 8,131	$ 5,007	$ 4,429	$ 13,883	$ 12,560
Capital Assets	15,864	15,169	19,532	19,775	35,396	34,944
Total Assets	$ 24,740	$ 23,300	$ 24,539	$ 24,204	$ 49,279	$ 47,504
Long-term laibilities	$ 3,286	$ 2,893	$ 7,433	$ 7,906	$ 10,719	$ 10,799
Other liabilities	1,198	1,145	925	854	2,123	1,999
Total Liabilities	$ 4,484	$ 4,038	$ 8,358	$ 8,760	$ 12,842	$ 12,798
Net Assets						
Invested in capital assets net of related debt	13,560	12,563	11,610	11,404	25,170	23,967
Restricted	1,162	792	1,799	1,656	2,961	2,448
Unrestricted	5,534	5,907	2,772	2,384	8,306	8,291
Total Net Assets	$ 20,256	$ 19,262	$ 16,181	$ 15,444	$ 36,437	$ 34,706

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 $8,306,022 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 $1,730,590 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.

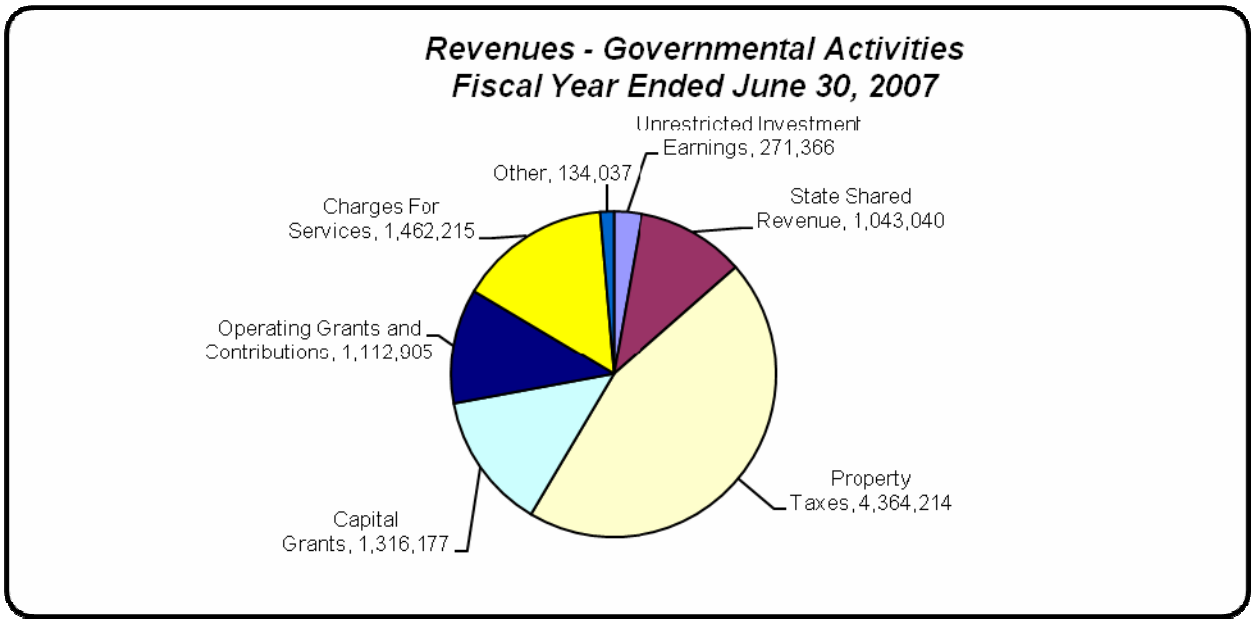
The following table illustrates and summarizes the results of the changes in the Net Assets for the City. The condensed information was derived from the Government-wide Statement of Activities.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Revenues						
Program Revenues						
Charges for Services	$ 1,462	$ 1,355	$ 3,980	$ 3,916	$ 5,442	$ 5,271
Operating Grants and Contributions	1,113	1,031		76	1,113	1,107
Capital Grants	1,316	505	410		1,726	505
General Revenues						
Property Taxes and Assessments	4,364	4,188			4,364	4,188
State Shared Revenue	1,043	1,055			1,043	1,055
Unrestricted Investment Earnings	271	215	161	115	432	330
Other	135	148			135	148
Total Revenues	$ 9,704	$ 8,497	$ 4,551	$ 4,107	$ 14,255	$ 12,604
Expenses						
General Government, Administrative	$ 1,829	$ 2,313			$ 1,829	$ 2,313
Public Safety	3,449	3,403			3,449	3,403
Public Works	2,473	1,834			2,473	1,834
Recreation and Culture	448	417			448	417
Redevelopment and Housing		51			-	51
Economic Development/Assistance	404	74			404	74
Interest on Long-Term Debt	107	118			107	118
Water and Sewer			3,623	3,605	3,623	3,605
Automobile Parking System			134	131	134	131
Building Authority Operating			57	48	57	48
Total Expenses	$ 8,710	$ 8,210	$ 3,814	$ 3,784	$ 12,524	$ 11,994
Changes in Net Assets	$ 994	$ 287	$ 737	$ 323	$ 1,731	$ 610
Beginning Net Assets	18,974	18,974	15,121	15,121	34,706	34,096
Ending Net Assets	$ 19,968	$ 19,261	$ 15,858	$ 15,444	$ 36,437	$ 34,706

Governmental Activities

The following chart details the revenue sources for the governmental activities of the City for the fiscal year ended June 30, 2007:

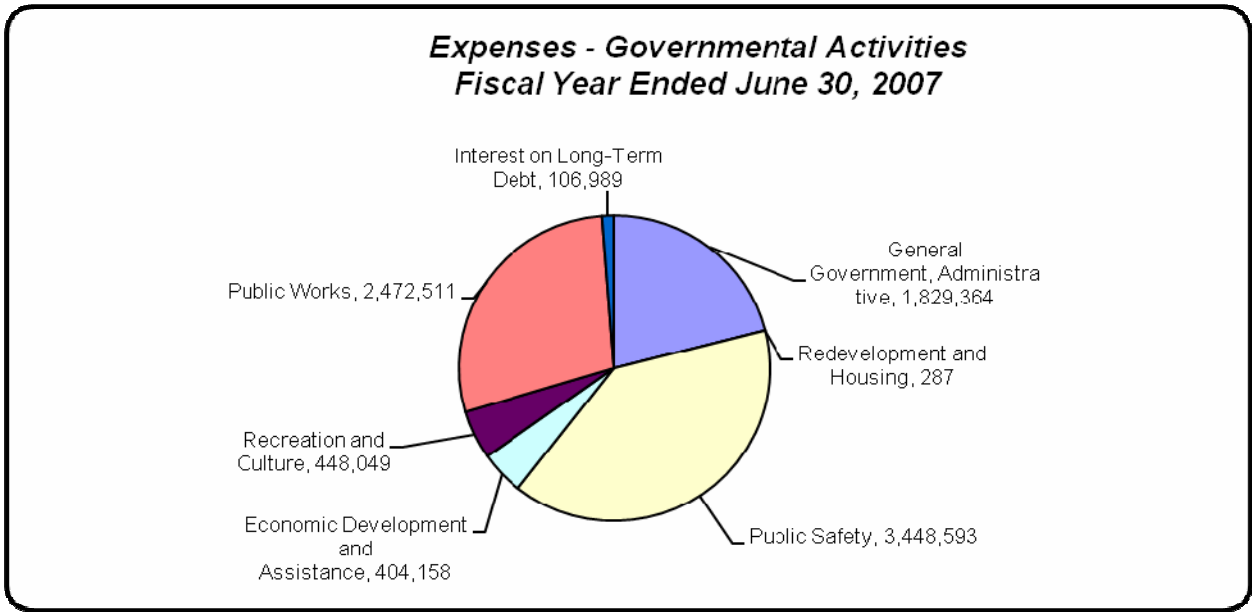


Governmental activities accounted for a total of $9,703,954 in revenue for the fiscal year. The most significant portion of the revenue for all governmental activities of the City of Cadillac comes from Property Taxes (44.97%). This figure includes property tax levies as well as assessments on properties that are used for debt service on the City's special assessment debt. The City's operating millage remained the same in 2007 at 13.9473 mills. The City's charter allows the City to levy up to 15 mills for operations. Due to State statutes, the City is currently at its maximum tax levy, and can only raise the levy to the charter maximum with the approval of the voters.

State shared revenue is collected by the State of Michigan and distributed to local governments by formula allocation of portions of the State sales tax and motor fuel and weight taxes. In 2007, the amount of state shared revenue received by the City once again trended downward, representing declining sales tax collections and discretionary reductions by the State in revenue sharing payments.

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

The following chart depicts expenses of the governmental activities of the City for the fiscal year ended June 30, 2007:

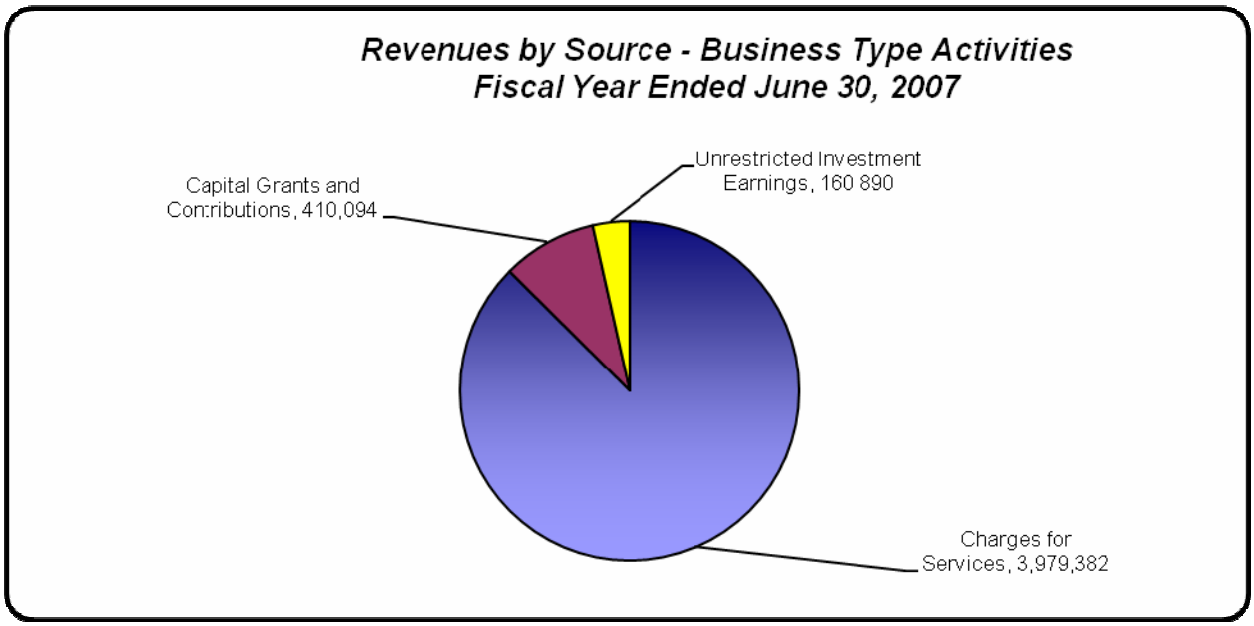


The City's governmental activities expenses are dominated by the Public Safety expenses that total 39.6% of total expenses of $8.7 million. The City spent $3.4 million in FY2007 on Public Safety. Public Works expenditures represented the next largest portion of expenditures, accounting for $2.4 million, or 28.4% of total governmental activities expenditures. General Government, Administrative expenditures also consumed significant resources, totaling $1.8 million during the year. This represents 21.0% of the expenses within the governmental activities. Expenses in the Major Street Fund ($1,470,064) and Local Street Fund ($527,619) represent a majority of the Public Works expenditures.

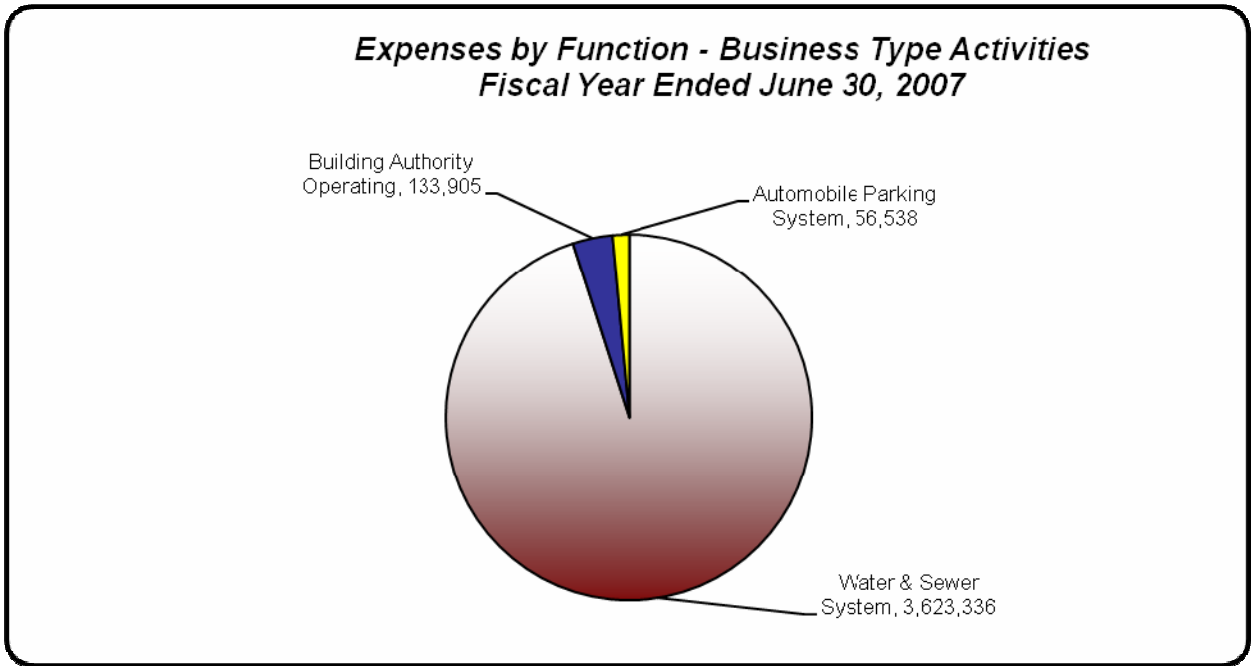
Business-Type Activities

The following charts illustrate the revenue and expense activity within the City's business-type activities. These activities accounted for an increase of $736,587 in the City's Net Assets, or about 42.6% of the total growth in the City's net assets for the fiscal year ended June 30, 2007.

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 95% of the total expenses and 91% 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, 2007, its governmental funds reported fund balances of $6,297,862. This ending fund balance is $456,149 higher than the end of the previous fiscal year. There were a couple of contributing factors to this increase, as discussed below in the fund-specific analysis. Of the total ending fund balance, $3,657,886, or 58%, is unreserved. This amount includes $236,232 designated for street improvements, $1,087,159 designated for working capital, $617,775 designated to cover sick and vacation time that has accrued on behalf of the City's employees but has not yet been taken, and $19,506 designated for Tax Tribunel. An additional $1,697,214 of unreserved and undesignated fund balance exists in the City's Special Revenue funds. The remaining $2,639,976 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 fund balance of the General Fund increased $281,478 in the current fiscal year. A couple of factors contributed to this increase in FY2007. Additional interest income was earned on cash available for investment. Engineering fees came in higher than anticipated and principal payments were received on an interest-only land contract. Payments were also received this fiscal year on past amounts due on a PILOT as a result of an internal audit of previous year PILOT payments received. The fund balance that is designated for working capital is $1,087,159, or 15% of total General Fund expenditures. From a budgetary standpoint, all of the General Fund's major functions saw final expenditures fall below appropriations except for Community and Economic Development, Culture and Recreation, and Intergovernmental expenditures. The Community and Economic Development function received a grant for a substantial economic development project that was completed throughout 2007. This project had not been budgeted for in the General Fund, but due to the availability of grant dollars, the project was undertaken. Other functions saw only minor overages.

Major Street Fund – The Major Street Fund completed $967,885 in street improvements in this fiscal year. Major projects were completed on Chestnut Street, E. Pine and Shelby Streets, and work began on the reconstruction of North Park Street. The fund balance of the Major Street Fund ended the year at $140,166, which was $187,214 lower than the end of the previous fiscal year. Final proceeds from capital improvement bonds issued in a previous fiscal year were used to fund current year capital projects which accounts for the reduction in the fund balance.

Local Street Fund – The Local Street Fund completed $69,159 in street construction and improvements in this fiscal year. Construction was completed on Nelson Street, and work started on a new street constructed in conjunction with expansion efforts at Four Winns Boats. The fund balance of the fund ended $11,772 lower than the previous year. Similar to the Major Street Fund, the usage of the last remaining bond proceeds issued in previous fiscal year to fund current year capital projects was the principle source of this decrease.

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 $2,427,822 in unrestricted net assets. All Water and Sewer rates were increased by 3% for this fiscal year. This rate increase and other fluctuations in usage yielded an overall increase in operating revenues from $3,669,776 in 2006 to $3,734,817 in 2007, an overall 2% increase. The fund saw an increase in interest income of $43,813, or 41% from the previous fiscal year. The net assets of the fund increased $611,872. Much of this increase resulted from a capital grant from the State of Michigan in the amount of $394,990 to cover the substantial engineering fees related to the nearly $4 million wastewater treatment system expansion project. 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 $66,935. 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, 2007 amounted to $35,396,608 (net of accumulated depreciation). Capital assets of the City include any items purchased that cost in excess of $5,000 and have an expected useful life greater than one year. The City has invested in a broad range of capital assets, as detailed below:

City of Cadillac
Capital Assets as of June 30, 2007
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Infrastructure	$ 16,128	$ 14,962			$ 16,128	$ 14,962
Land and Land Improvements	3,341	3,335	1,044	1,025	4,385	4,360
Buildings	4,404	4,294	2,649	2,629	7,053	6,923
Improvements Other than Buildings			28,036	27,830	28,036	27,830
Machinery and Equipment	4,666	4,293	1,156	1,121	5,822	5,414
Subtotal	$ 28,539	$ 26,884	$ 32,885	$ 32,605	$ 61,424	$ 59,489
Construction in Progress	0	0	453	138	453	138
Accumulated Depreciation	(12,675)	(11,715)	(13,806)	(12,968)	(26,481)	(24,683)
Net Capital Assets	$ 15,864	$ 15,169	$ 19,532	$ 19,775	$ 35,396	$ 34,944

Major capital asset events during FY2007 included the following:

- Renovated 30-year old City Council chambers, adding significant technological capabilities and functionality to the area, at a cost of $109,965.
- Purchased new SCBA breathing units for the fire department at a cost of $69,424. Much of the funding for this project came from a grant.
- Replaced aging bridge on the lakefront walkway at a cost of $128,604.
- Installed four (4) wireless cameras in the City's parks system.
- Upgraded sprinkler systems in City-maintained parks at a cost of $50,500.
- Continued computer replacement program, purchasing $29,544 in new computer workstations.
- Implemented new document management system to move towards electronic document storage at a cost of $25,878.
- Purchase new police patrol vehicle, a 2007 Chevrolet Impala, at a cost of $22,730
- Installed new exhaust removal system in fire department at a cost of $30,429.
- Installed cameras in patrol vehicles for $35,675.
- Purchased a new front-end loader for $75,998 and new plow truck for $103,550 for use in the Street Department.
- Purchased two new trucks in the Utilities department.
- Upgraded water and sewer infrastructure, investing $202,357 in the system.

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

Long-Term Debt. As of June 30, 2007, the City had total long-term debt outstanding of $11,317,000. Of this amount, $1,395,000 comprises debt backed by the full faith and credit of the City, while $485,000 is special assessment debt for which the City is liable only in the event of default by the property owners subject to assessment. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources. Most of the City's revenue bonds are associated with the Water and Sewer Fund ($6,925,000), are backed by revenues from the Water and Sewer system, and have been used to finance major capital projects within the Water and Sewer systems.

City of Cadillac
General Obligation and Revenue Bonds
as of June 30, 2007
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
General Obligation Bonds	$ 1,395	$ 1,525			$ 1,395	$ 1,525
Special Assessment Debt with governmental commitment	485	625			485	625
Contracts and Notes	1,432	928			1,432	928
Revenue Bonds			8,005	8,470	8,005	8,470
Total	$ 3,312	$ 3,078	$ 8,005	$ 8,470	$ 11,317	$ 11,548

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 $271,606,409 is $27,160,640, which is significantly in excess of the City's outstanding general obligation debt of $1,395,000. More information on the City's long-term debt is available in the Notes to Financial Statements section of this document, on Pages 43-48.

Economic Condition and Outlook

The City saw its unemployment rate increase this year from 7.9% a year ago to 8.1% as of September 30, 2007. This continues to be above the statewide unemployment rate of 7.7%, which is up from 7.1% last year. The State of Michigan continues to lag behind other states in terms of economic recovery, which is a significant concern for our local economy.

More information regarding the economic outlook of the City can be found in the Transmittal Letter on Pages I-VIII 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, Michigan 49601, or call us at (231) 775-0181.

CITY OF CADILLAC, MICHIGAN

STATEMENT OF NET ASSETS
JUNE 30, 2007

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	COMPONENT UNITS
CURRENT ASSETS				
Cash	$ 998,100	$ 453,398	$ 1,451,498	$ 104,893
Investments	6,006,101	3,476,398	9,482,499	1,869,634
Receivables				
Taxes	9,062	0	9,062	135
Accounts	143,280	330,969	474,249	2,239
Unbilled Services	0	260,894	260,894	0
Cylinder Deposits	0	10,500	10,500	0
Grants	7,500	0	7,500	0
Mortgages and Notes	415,744	0	415,744	0
Accrued Interest	89,644	33,906	123,550	15,508
Special Assessments	625,268	0	625,268	0
External Parties (Fiduciary Funds)	24,440	5,492	29,932	0
Internal Balances	(68,593)	68,593	0	0
Due from Other Governments	341,364	48,968	390,332	202,843
Inventory	57,115	210,636	267,751	0
Prepaid Expenses	211,166	17,878	229,044	82
Total Current Assets	$ 8,860,191	$ 4,917,632	$ 13,777,823	$ 2,195,334
NONCURRENT ASSETS				
CAPITAL ASSETS				
Land and Land Improvements	$ 3,341,061	$ 1,044,314	$ 4,385,375	$ 8,965
Buildings	4,403,644	2,649,258	7,052,902	0
Improvements Other than Buildings	0	28,036,470	28,036,470	226,767
Machinery and Equipment	4,666,393	1,155,634	5,822,027	0
Infrastructure	16,127,493	0	16,127,493	0
Construction Work in Progress	0	452,604	452,604	0
	$ 28,538,591	$ 33,338,280	$ 61,876,871	$ 235,732
Less Accumulated Depreciation	12,674,442	13,805,821	26,480,263	57,019
Net Capital Assets	$ 15,864,149	$ 19,532,459	$ 35,396,608	$ 178,713
OTHER ASSETS				
Deferred Charge - Bond Issuance Costs	$ 15,393	$ 88,861	$ 104,254	$ 0
Total Noncurrent Assets	$ 15,879,542	$ 19,621,320	$ 35,500,862	$ 178,713
TOTAL ASSETS	$ 24,739,733	$ 24,538,952	$ 49,278,685	$ 2,374,047

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

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	COMPONENT UNITS
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	$ 381,273	$ 108,093	$ 489,366	$ 17,060
Security Deposit Payable	1,086	0	1,086	0
Accrued Expenses	150,014	199,618	349,632	1,828
Accrued Interest	27,883	124,710	152,593	0
Due to Other Governments	126,112	0	126,112	0
External Parties Payable (Fiduciary Funds)	7,386	0	7,386	0
Utility Deposits	0	2,850	2,850	0
Deferred Revenue - Unearned	19,174	0	19,174	0
Current Portion of Long-Term Debt	485,473	490,000	975,473	5,208
Total Current Liabilities	$ 1,198,401	$ 925,271	$ 2,123,672	$ 24,096
LONG-TERM LIABILITIES				
Revenue Bonds				
(Net of Deferred Refunding Amount)	$ 0	$ 7,922,818	$ 7,922,818	$ 0
General Obligation Bonds	1,395,000	0	1,395,000	0
Special Assessment Bonds	485,000	0	485,000	0
Notes Payable	923,664	0	923,664	0
Net Other Post Employment Benefits Liability	459,187	0	459,187	0
Accrued Compensated Sick and Vacation	508,150	0	508,150	5,208
Less: Current Portion	(485,473)	(490,000)	(975,473)	(5,208)
Total Long-Term Liabilities	$ 3,285,528	$ 7,432,818	$ 10,718,346	$ 0
TOTAL LIABILITIES	$ 4,483,929	$ 8,358,089	$ 12,842,018	$ 24,096
EQUITY				
Net Assets:				
Invested in Capital Assets, Net of Related Debt	$ 13,560,485	$ 11,609,641	$ 25,170,126	$ 178,713
Restricted for Debt Service	0	1,799,073	1,799,073	0
Restricted for Ground Water Cleanup	0	0	0	1,753,028
Restricted for Life Insurance	198,424	0	198,424	0
Restricted for Employees' Life and Health Insurance	946,121	0	946,121	0
Restricted for Special Purposes	16,901	0	16,901	0
Unrestricted	5,533,873	2,772,149	8,306,022	418,210
TOTAL NET ASSETS	$ 20,255,804	$ 16,180,863	$ 36,436,667	$ 2,349,951

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

CITY OF CADILLAC, MICHIGAN

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2007

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUES AND CHANGE IN NET ASSETS: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	PRIMARY GOVERNMENT: TOTALS	COMPONENT UNITS
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES								
General Government, Administrative	$ 1,829,364	$ 458,892	$ 70,964	$ 0	$ (1,299,508)	$ 0	$ (1,299,508)	$ 0
Public Safety	3,448,593	470,581	11,748	85,908	(2,880,356)	0	(2,880,356)	0
Public Works	2,472,511	532,742	873,990	963,569	(102,210)	0	(102,210)	0
Recreation and Culture	448,049	0	122,924	50,000	(275,125)	0	(275,125)	0
Redevelopment and Housing	287	0	0	0	(287)	0	(287)	0
Economic Development and Assistance	404,158	0	3,279	216,700	(184,179)	0	(184,179)	0
Interest on Long-Term Debt	106,989	0	30,000	0	(76,989)	0	(76,989)	0
Total Governmental Activities	$ 8,709,951	$ 1,462,215	$ 1,112,905	$ 1,316,177	$ (4,818,654)	$ 0	$ (4,818,654)	$ 0
BUSINESS-TYPE ACTIVITIES								
Water and Sewer System	$ 3,623,336	$ 3,734,817	$ 0	$ 410,094	$ 0	$ 521,575	$ 521,575	$ 0
Building Authority Operating	133,905	195,870	0	0	0	61,965	61,965	0
Automobile Parking System	56,538	48,695	0	0	0	(7,843)	(7,843)	0
Total Business-Type Activities	$ 3,813,779	$ 3,979,382	$ 0	$ 410,094	$ 0	$ 575,697	$ 575,697	$ 0
TOTAL PRIMARY GOVERNMENT	$ 12,523,730	$ 5,441,597	$ 1,112,905	$ 1,726,271	$ (4,818,654)	$ 575,697	$ (4,242,957)	$ 0
COMPONENT UNITS								
Local Development Finance Authority	$ 297,806	$ 16,248	$ 0	$ 0	$ 0	$ 0	$ 0	$ (281,558)
Non-Major Component Units	83,180	0	3,585	0	0	0	0	(79,595)
TOTAL COMPONENT UNITS	$ 380,986	$ 16,248	$ 3,585	$ 0	$ 0	$ 0	$ 0	$ (361,153)
GENERAL REVENUES								
Property Taxes and Assessments					$ 4,364,214	$ 0	$ 4,364,214	$ 425,573
State Shared Revenue - Unrestricted					1,043,040	0	1,043,040	0
Investment Earnings - Unrestricted					271,366	160,890	432,256	89,540
Gain on Sale of Capital Assets					109,312	0	109,312	0
Other					24,725	0	24,725	5,000
Total General Revenues					$ 5,812,657	$ 160,890	$ 5,973,547	$ 520,113
Change in Net Assets					$ 994,003	$ 736,587	$ 1,730,590	$ 158,960
NET ASSETS - Beginning of Year					19,261,801	15,444,276	34,706,077	2,190,991
NET ASSETS - End of Year					$ 20,255,804	$ 16,180,863	$ 36,436,667	$ 2,349,951

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

CITY OF CADILLAC, MICHIGAN
GOVERNMENTAL FUNDS

BALANCE SHEET
JUNE 30, 2007

	GENERAL FUND	MAJOR STREET	LOCAL STREET	NONMAJOR FUNDS	TOTALS
ASSETS					
Cash	$ 303,425	$ 1,633	$ 62,786	$ 544,630	$ 912,474
Investments	1,360,154	0	0	3,550,215	4,910,369
Receivables					
Taxes	9,062	0	0	0	9,062
Accounts	129,706	603	4,032	2,258	136,599
Grants	0	0	0	7,500	7,500
Mortgages and Notes	99,259	0	0	316,485	415,744
Accrued Interest	11,899	0	0	65,774	77,673
Special Assessments					
Current	0	0	0	108,866	108,866
Deferred	0	0	0	516,402	516,402
Due from Other Funds	210,253	50,329	12,495	47,822	320,899
Due from Other Governments	190,944	106,465	43,955	0	341,364
Inventory, At Cost	5,790	0	0	0	5,790
Prepaid Expenditures	69,612	1,332	1,228	6,638	78,810
TOTAL ASSETS	$ 2,390,104	$ 160,362	$ 124,496	$ 5,166,590	$ 7,841,552
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	$ 238,429	$ 116	$ 348	$ 100,829	$ 339,722
Accrued Expenditures	78,818	3,968	5,016	3,124	90,926
Due to Other Funds	11,442	16,112	20,506	66,661	114,721
Security Deposit Payable	0	0	0	1,086	1,086
Due to Other Governments	126,112	0	0	0	126,112
Deferred Revenue	117,277	0	0	753,846	871,123
Total Liabilities	$ 572,078	$ 20,196	$ 25,870	$ 925,546	$ 1,543,690

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

	GENERAL FUND	MAJOR STREET	LOCAL STREET	NONMAJOR FUNDS	TOTALS
FUND BALANCE					
Reserved for:					
Inventory	$ 5,790	$ 0	$ 0	$ 0	$ 5,790
Prepaid Expenditures	69,612	1,332	1,228	6,638	78,810
Pistol Range	1,283	0	0	0	1,283
Antique Fire Truck	1,639	0	0	0	1,639
Veterans Memorial	1,855	0	0	0	1,855
Youth Services	844	0	0	0	844
Drug Forfeiture	2,921	0	0	0	2,921
Fire Safety House	2,250	0	0	0	2,250
Blackburn Skate Park	4,998	0	0	0	4,998
White Pine Trail	2,394	0	0	0	2,394
Capital Improvements	0	0	0	1,390,294	1,390,294
Cemetery Perpetual Care	0	0	0	529,052	529,052
Debt Service	0	0	0	508,552	508,552
Other Purposes	0	0	0	109,294	109,294
Unreserved:					
Designated for:					
Street Improvements	0	138,834	97,398	0	236,232
Sick and Vacation	617,775	0	0	0	617,775
Working Capital	1,087,159	0	0	0	1,087,159
Tax Tribunal	19,506	0	0	0	19,506
Undesignated, Reported in Nonmajor:					
Special Revenue Funds	0	0	0	1,697,214	1,697,214
Total Fund Balance	$ 1,818,026	$ 140,166	$ 98,626	$ 4,241,044	$ 6,297,862
TOTAL LIABILITIES AND FUND BALANCE	$ 2,390,104	$ 160,362	$ 124,496	$ 5,166,590	$ 7,841,552

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, 2007

Total Fund Balances for Governmental Funds		$ 6,297,862
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land and Land Improvements	$ 3,247,090	
Buildings	3,991,699	
Equipment	2,212,448	
Infrastructure	16,127,493	
Accumulated Depreciation	(11,003,824)	14,574,906
Bond issuance costs are reported as expenditures in the governmental fund.		15,393
Other long-term assets are not available to pay for current period expenditures and therefore are not reported in the funds.		
Special Assessments Receivable	$ 516,402	
Personal Property Taxes Receivable	6,344	
Deferred Revenue - Loans Receivable	329,203	851,949
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		1,905,705
Internal service funds are used by management to charge costs of certain activities, such as insurance and data processing, to individual funds. The net result of the look-back adjustment as it relates to enterprise fund customers are treated as interfund payables and receivables between governmental activities and business-type activities.		(91,127)
Governmental liabilities for other post employment benefits are not due and payable in the current period and therefore are not reported in the funds.		(459,187)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds Payable	$ (1,395,000)	
Special Assessment Bonds Payable	(485,000)	
Notes Payable	(423,664)	
Accrued Interest Payable	(27,883)	
Compensated Absences	(508,150)	(2,839,697)
NET ASSETS OF GOVERNMENTAL ACTIVITIES		$ 20,255,804

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, 2007

	GENERAL FUND	MAJOR STREET	LOCAL STREET	NONMAJOR FUNDS	TOTALS
REVENUES					
Taxes	$ 4,362,865	$ 0	$ 0	$ 237,398	$ 4,600,263
Licenses and Permits	1,730	0	0	0	1,730
Federal Grants	352,608	254,776	11,608	0	618,992
State Grants	1,087,073	1,139,709	196,996	0	2,423,778
Contributions from Local Units	189,612	0	0	30,000	219,612
Charges for Services	1,057,101	0	0	138,535	1,195,636
Fines and Forfeits	28,546	0	0	0	28,546
Interest and Rents	123,025	3,362	7,716	203,779	337,882
Gain (Loss) on Investments	0	0	0	173,057	173,057
Other Revenue	300,295	603	4,032	202,423	507,353
Total Revenues	$ 7,502,855	$ 1,398,450	$ 220,352	$ 985,192	$ 10,106,849
EXPENDITURES					
General Government	$ 1,790,061	$ 0	$ 0	$ 139,880	$ 1,929,941
Public Safety	3,236,286	0	0	92,255	3,328,541
Public Works	766,708	1,470,064	496,606	0	2,733,378
Community and Economic Development	333,866	0	0	50,357	384,223
Culture and Recreation	408,434	0	0	61,364	469,798
Capital Outlay	0	0	0	29,536	29,536
Debt Service	0	0	31,013	398,504	429,517
Intergovernmental	367,672	0	0	4,444	372,116
Total Expenditures	$ 6,903,027	$ 1,470,064	$ 527,619	$ 776,340	$ 9,677,050
Excess (Deficiency) of Revenues Over Expenditures	$ 599,828	$ (71,614)	$ (307,267)	$ 208,852	$ 429,799
OTHER FINANCING SOURCES (USES)					
Transfers In	$ 0	$ 0	$ 441,300	$ 604,378	$ 1,045,678
Transfers Out	(344,700)	(115,600)	(145,805)	(439,573)	(1,045,678)
Loan Proceeds	26,350	0	0	0	26,350
Total Other Financing Sources (Uses)	$ (318,350)	$ (115,600)	$ 295,495	$ 164,805	$ 26,350
Net Change in Fund Balance	$ 281,478	$ (187,214)	$ (11,772)	$ 373,657	$ 456,149
FUND BALANCE - Beginning of Year	1,536,548	327,380	110,398	3,867,387	5,841,713
FUND BALANCE - End of Year	$ 1,818,026	$ 140,166	$ 98,626	$ 4,241,044	$ 6,297,862

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, 2007

Net change in Fund Balance - Total Governmental Funds	$	456,149
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, the costs of those assets are allocated over their estimated useful lives and reported as depreciation in the statement of activities.		
Depreciation Expense		(965,591)
Capital Outlay		1,576,263
In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increases financial resources. The change in net assets differs from the change in fund balances by the cost of the capital assets sold net of accumulated depreciation.		
Governmental Funds - Cost of capital assets sold		(47,270)
Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid.		
Accrued Interest Payable - Beginning of Year		27,400
Accrued Interest Payable - End of Year		(27,883)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but not in the statement of activities (where it is a reduction of liabilities).		328,397
Repayments of loan receivables are revenues in the governmental funds, but not in the statement of activities (where they are a reduction of assets).		(26,128)
Loan proceeds provide current financial resources to governmental funds by issuing debt which increases long-term debt in the Statement of Net Assets.		(26,350)
The effects of bond issuance costs, premiums, discounts, and similar items are reported in the governmental funds when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		(2,071)

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, 2007

Under the modified accrual basis of accounting, revenue is recognized when measurable and available. The entity wide statements recognize revenue when earned.	
Special assessment revenue previously recognized when earned for the entity wide statements.	(62,108)
The gain on property that was sold on a contract in a prior year was deferred and is being recognized as principal is collected in the governmental funds.	(32,418)
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	1,349
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	472,588
Compensated Absences - End of Year	(508,150)
Expense for the unfunded portion of the other post employment benefit obligation reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	
Other Post Employment Benefit Obligation - Beginning of Year	235,302
Other Post Employment Benefit Obligation - End of Year	(459,187)
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.	53,711
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 994,003

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2007

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MAJOR FUNDS		
	WATER AND SEWER	BUILDING AUTHORITY OPERATING	NONMAJOR ENTERPRISE FUND
ASSETS			
CURRENT ASSETS			
Cash	$ 373,472	$ 26,601	$ 53,325
Investments	1,560,317	43,266	73,742
Receivables			
Accounts	330,969	0	0
Unbilled Services	260,894	0	0
Accrued Interest	31,532	919	1,455
Cylinder Deposits	10,500	0	0
Due from Other Funds	5,492	0	0
Due from Other Governments	0	48,968	0
Inventory, At Cost	210,636	0	0
Prepaid Expense	17,682	162	34
Total Current Assets	$ 2,801,494	$ 119,916	$ 128,556
NONCURRENT ASSETS			
RESTRICTED ASSETS			
Investments			
Bond Reserve Account	$ 1,365,599	$ 0	$ 0
Bond Replacement Account	433,474	0	0
Total Restricted Assets	$ 1,799,073	$ 0	$ 0
CAPITAL ASSETS			
Land and Land Improvements	$ 142,828	$ 90,445	$ 811,041
Buildings	930,747	1,718,511	0
Improvements Other Than Buildings	28,036,470	0	0
Machinery and Equipment	1,155,634	0	0
Construction Work In Progress	452,604	0	0
	$ 30,718,283	$ 1,808,956	$ 811,041
Less Accumulated Depreciation	13,247,139	391,423	167,259
Net Capital Assets	$ 17,471,144	$ 1,417,533	$ 643,782
OTHER ASSETS			
Deferred Charge - Bond Issuance Costs	$ 71,183	$ 17,678	$ 0
Total Noncurrent Assets	$ 19,341,400	$ 1,435,211	$ 643,782
TOTAL ASSETS	$ 22,142,894	$ 1,555,127	$ 772,338

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

TOTALS	INTERNAL SERVICE FUNDS
$ 453,398	$ 85,626
1,677,325	1,095,732
330,969	6,681
260,894	0
33,906	11,971
10,500	0
5,492	13,410
48,968	0
210,636	51,325
17,878	132,356
$ 3,049,966	$ 1,397,101
$ 1,365,599	$ 0
433,474	0
$ 1,799,073	$ 0
$ 1,044,314	$ 93,971
2,649,258	411,945
28,036,470	0
1,155,634	2,453,945
452,604	0
$ 33,338,280	$ 2,959,861
13,805,821	1,670,618
$ 19,532,459	$ 1,289,243
$ 88,861	$ 0
$ 21,420,393	$ 1,289,243
$ 24,470,359	$ 2,686,344

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2007

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MAJOR FUNDS		
	WATER AND SEWER	BUILDING AUTHORITY OPERATING	NONMAJOR ENTERPRISE FUND
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	$ 107,212	$ 881	$ 0
Accrued Interest	112,641	12,069	0
Other Accrued Expenses	199,618	0	0
Due to Other Funds	22,534	0	0
Utility Deposits	2,850	0	0
Current Portion of Long-Term Debt	385,000	105,000	0
Total Current Liabilities	$ 829,855	$ 117,950	$ 0
LONG-TERM LIABILITIES			
1999 Revenue Refunding Bonds (Net of Deferred Refunding Amount)	$ 1,361,773	$ 975,000	$ 0
2001 Revenue Bonds (Net of Deferred Refunding Amount)	5,096,045	0	0
Note Payable	0	0	0
Total Long-Term Liabilities	$ 6,457,818	$ 975,000	$ 0
TOTAL LIABILITIES	$ 7,287,673	$ 1,092,950	$ 0
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	$ 10,628,326	$ 337,533	$ 643,782
Restricted for Debt Service	1,799,073	0	0
Restricted for Benefit Programs	0	0	0
Unrestricted (Deficit)	2,427,822	124,644	128,556
TOTAL NET ASSETS	$ 14,855,221	$ 462,177	$ 772,338

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

TOTALS	INTERNAL SERVICE FUNDS
$ 108,093	$ 41,551
124,710	14,380
199,618	44,708
22,534	180,000
2,850	0
490,000	50,000
$ 947,805	$ 330,639
$ 2,336,773	$ 0
5,096,045	0
0	450,000
$ 7,432,818	$ 450,000
$ 8,380,623	$ 780,639
$ 11,609,641	$ 1,289,243
1,799,073	0
0	1,144,545
2,681,022	(528,083)
$ 16,089,736	$ 1,905,705

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, 2007

Total Net Assets - Total Proprietary Funds	$ 16,089,736
Amounts reported for proprietary activities in the statement of net assets are different because:	
Internal service funds are used by management to charge costs of certain activities, such as motor pool, insurance and data processing, to individual funds. The net result of the look-back adjustment as it relates to enterprise fund customers are treated as interfund payables and receivables between governmental activities and business-type activities.	91,127
NET ASSETS OF PROPRIETARY FUNDS	$ 16,180,863

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

CITY OF CADILLAC, MICHIGAN
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2007

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MAJOR FUNDS		
	WATER AND SEWER	BUILDING AUTHORITY OPERATING	NONMAJOR ENTERPRISE FUND
OPERATING REVENUES			
Operating Revenues	$ 3,734,817	$ 195,870	$ 48,695
OPERATING EXPENSES			
Personal Services	$ 778,690	$ 0	$ 8,296
Contractual Services	471,446	37,888	19,584
Supplies	371,245	0	5,123
Heat, Light and Power	341,851	2,982	0
Depreciation and Amortization	814,055	38,435	16,754
Employee Benefits	338,656	0	4,032
Administrative	212,300	5,000	0
Total Operating Expenses	$ 3,328,243	$ 84,305	$ 53,789
Operating Income (Loss)	$ 406,574	$ 111,565	$ (5,094)
NONOPERATING REVENUES (EXPENSES)			
Interest Revenue	$ 150,640	$ 4,970	$ 5,280
Interest and Fiscal Charges	(355,436)	(49,600)	0
Gain (Loss) on Sale of Capital Assets	0	0	0
Total Nonoperating Revenues (Expenses)	$ (204,796)	$ (44,630)	$ 5,280
Income (Loss) Before Contributions	$ 201,778	$ 66,935	$ 186
CAPITAL CONTRIBUTIONS			
State Revolving Fund Grant	$ 394,990	$ 0	$ 0
Community Development Block Program Grant	15,104	0	0
Total Capital Contributions	$ 410,094	$ 0	$ 0
Change in Net Assets	$ 611,872	$ 66,935	$ 186
TOTAL NET ASSETS - Beginning of Year	14,243,349	395,242	772,152
TOTAL NET ASSETS - End of Year	$ 14,855,221	$ 462,177	$ 772,338

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

TOTALS	INTERNAL SERVICE FUNDS
$ 3,979,382	$ 1,722,608
$ 786,986	$ 219,662
528,918	234,484
376,368	136,615
344,833	27,878
869,244	200,317
342,688	760,799
217,300	67,700
$ 3,466,337	$ 1,647,455
$ 513,045	$ 75,153
$ 160,890	$ 49,272
(405,036)	(14,380)
0	1,260
$ (244,146)	$ 36,152
$ 268,899	$ 111,305
$ 394,990	$ 0
15,104	0
$ 410,094	$ 0
$ 678,993	$ 111,305
15,410,743	1,794,400
$ 16,089,736	$ 1,905,705

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, 2007

Net Change in Fund Net Assets - Total Proprietary Funds	$	678,993
Amounts reported for proprietary activities in the statement of activities are different because:		
Internal service funds are used by management to charge costs of certain activities, such as motor pool, insurance and data processing, to individual funds. The net result of the look-back adjustment as it relates to enterprise fund customers are treated as interfund payables and receivables between governmental activities and business-type activities.		57,594
CHANGE IN NET ASSETS OF PROPRIETARY FUNDS	$	736,587

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, 2007

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MAJOR FUNDS		
	WATER AND SEWER	BUILDING AUTHORITY OPERATING	NONMAJOR ENTERPRISE FUND
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash Flows from Operating Activities:			
Cash Received from Customers	$ 3,828,160	$ 195,870	$ 48,695
Cash Received from Interfund Services Provided and Used	0	0	0
Cash Payments to Suppliers for Goods and Services	(1,368,669)	(93,340)	(30,745)
Cash Payments to Employees for Services	(1,097,978)	0	(8,296)
Other Operating Revenues	0	0	0
Net Cash Provided by Operating Activities	$ 1,361,513	$ 102,530	$ 9,654
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	$ (586,962)	$ (19,500)	$ 0
Loan Proceeds	410,094	0	0
Principal Paid	(365,000)	(100,000)	0
Interest Paid	(348,729)	(50,625)	0
Proceeds from Sale of Capital Assets	0	0	0
Net Cash Provided (Used) for Capital and Related Financing Activities	$ (890,597)	$ (170,125)	$ 0
Cash Flows from Investing Activities:			
Interest Received	$ 143,833	$ 5,888	$ 3,828
Purchase of Investment Securities	(489,698)	(4,580)	(43,839)
Proceeds from Sale and Maturities of Investment Securities	122,964	47,841	1,262
Net Cash Provided (Used) by Investing Activities	$ (222,901)	$ 49,149	$ (38,749)
Net Increase (Decrease) in Cash and Cash Equivalents	$ 248,015	$ (18,446)	$ (29,095)
CASH AND CASH EQUIVALENTS - Beginning of Year	125,457	45,047	82,420
CASH AND CASH EQUIVALENTS - End of Year	$ 373,472	$ 26,601	$ 53,325

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

TOTALS	INTERNAL SERVICE FUNDS
$ 4,072,725	$ 0
0	1,802,537
(1,492,754)	(1,306,076)
(1,106,274)	(214,659)
0	26
$ 1,473,697	$ 281,828
$ (606,462)	$ (282,482)
410,094	500,000
(465,000)	0
(399,354)	0
0	1,260
$ (1,060,722)	$ 218,778
$ 153,549	$ 47,620
(538,117)	(347,199)
172,067	32,629
$ (212,501)	$ (266,950)
$ 200,474	$ 233,656
252,924	(148,030)
$ 453,398	$ 85,626

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, 2007

	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)	$ 406,574	$ 111,565	$ (5,094)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	$ 814,055	$ 38,435	$ 16,754
(Increase) Decrease in Current Assets			
Accounts Receivable	91,003	0	0
Due from Other Funds	2,340	0	0
Due from Other Governments - Operating	0	(48,968)	0
Inventory	(17,287)	0	0
Prepaid Expense	35,052	1,169	(4)
Increase (Decrease) in Current Liabilities			
Accounts Payable	34,793	329	0
Other Accrued Expenses	19,368	0	0
Due to Other Funds	(23,766)	0	(2,002)
Due to Other Governments	(1,199)	0	0
Utility Deposits	580	0	0
Total Adjustments	$ 954,939	$ (9,035)	$ 14,748
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 1,361,513	$ 102,530	$ 9,654

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

TOTALS	INTERNAL SERVICE FUNDS
$ 513,045	$ 75,153
$ 869,244	$ 200,317
91,003	1,217
2,340	78,738
(48,968)	0
(17,287)	(2,802)
36,217	(43,728)
35,122	(25,724)
19,368	(2,191)
(25,768)	848
(1,199)	0
580	0
$ 960,652	$ 206,675
$ 1,473,697	$ 281,828

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

CITY OF CADILLAC, MICHIGAN
FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2007

	PENSION TRUST FUND	AGENCY
ASSETS		
Cash	$ 179,757	$ 74,549
Investments		
Mutual Funds	1,767	0
Municipal Employees' Retirement System	6,730,522	0
Due from Other Funds	0	7,386
Due from Other Governments	0	288
Prepaid Items	5,007	0
TOTAL ASSETS	$ 6,917,053	$ 82,223
LIABILITIES		
Due to Other Funds	$ 24,440	$ 5,492
Due to Other Governments	0	76,731
TOTAL LIABILITIES	$ 24,440	$ 82,223
NET ASSETS		
Held in Trust for Employees' Pension Benefits	$ 6,892,613	$ 0

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, 2007

	PENSION TRUST FUND
ADDITIONS	
Contributions	
Employer	$ 556,555
Employee	30,974
Total Contributions	$ 587,529
Investment Income	
Interest and Dividend Income	$ 5,603
Net Appreciation (Depreciation) in the Fair Value of Plan Investments	975,835
Investment Expenses	(27,533)
Net Investment Income (Loss)	$ 953,905
Total Additions (Deletions)	$ 1,541,434
DEDUCTIONS	
Benefit Payments	
Retirement	$ 442,196
Administrative Expenses	
Contracted Services	20,382
Total Deductions	$ 462,578
Net Increase (Decrease) in Plan Assets	$ 1,078,856
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
Beginning of Year	5,813,757
End of Year	$ 6,892,613

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

CITY OF CADILLAC, MICHIGAN
COMPONENT UNITS

STATEMENT OF NET ASSETS
JUNE 30, 2007

	LOCAL DEVELOPMENT FINANCE AUTHORITY	NONMAJOR COMPONENT UNITS	TOTALS
ASSETS			
Cash	$ 66,305	$ 38,588	$ 104,893
Investments	1,780,734	88,900	1,869,634
Receivables			
Taxes	0	135	135
Accounts	2,119	120	2,239
Accrued Interest	14,699	809	15,508
Due from Other Governments	84,501	118,342	202,843
Prepaid Expenditures	0	82	82
Total Current Assets	$ 1,948,358	$ 246,976	$ 2,195,334
CAPITAL ASSETS			
Land Improvements	$ 0	$ 8,965	$ 8,965
Improvements Other Than Buildings	226,767	0	226,767
	$ 226,767	$ 8,965	$ 235,732
Less Accumulated Depreciation	54,778	2,241	57,019
Net Capital Assets	$ 171,989	$ 6,724	$ 178,713
TOTAL ASSETS	$ 2,120,347	$ 253,700	$ 2,374,047
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	$ 16,780	$ 280	$ 17,060
Accrued Expenses	702	1,126	1,828
Current Portion of Long-Term Debt	0	5,208	5,208
Total Current Liabilities	$ 17,482	$ 6,614	$ 24,096
LONG-TERM LIABILITIES			
Accrued Compensated Sick and Vacation	$ 0	$ 5,208	$ 5,208
Less: Current Portion	0	(5,208)	(5,208)
Total Long-Term Liabilities	$ 0	$ 0	$ 0
TOTAL LIABILITIES	$ 17,482	$ 6,614	$ 24,096
EQUITY			
Net Assets:			
Invested in Capital Assets, Net of Related Debt	$ 171,989	$ 6,724	$ 178,713
Restricted for Prepaid Expenditures	0	82	82
Restricted for Groundwater Clean-Up	1,753,028	0	1,753,028
Restricted for Debt Service	8,252	0	8,252
Unrestricted	169,595	240,280	409,875
TOTAL NET ASSETS	$ 2,102,864	$ 247,086	$ 2,349,950

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

CITY OF CADILLAC, MICHIGAN
COMPONENT UNITS

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2007

		PROGRAM REVENUES		NET (EXPENSES) REVENUES AND CHANGE IN NET ASSETS		
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	LOCAL DEVELOPMENT FINANCE AUTHORITY	NONMAJOR COMPONENT UNITS	TOTALS
Local Development Finance Authority	$ 297,807	$ 16,248	$ 0	$ (281,559)	$ 0	$ (281,559)
Downtown Development Authority	82,380	0	3,585	0	(78,795)	(78,795)
Brownfield Redevelopment Authority	800	0	0	0	(800)	(800)
TOTAL COMPONENT UNITS	$ 380,987	$ 16,248	$ 3,585	$ (281,559)	$ (79,595)	$ (361,154)
GENERAL REVENUES						
Property Taxes				$ 276,107	$ 149,466	$ 425,573
Unrestricted Investment Earnings				82,974	6,566	89,540
Other				0	5,000	5,000
Total General Revenues				$ 359,081	$ 161,032	$ 520,113
Change in Net Assets				$ 77,522	$ 81,437	$ 158,959
NET ASSETS - Beginning of Year				2,025,342	165,649	2,190,991
NET ASSETS - End of Year				$ 2,102,864	$ 247,086	$ 2,349,950

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

BLENDED COMPONENT UNITS

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

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

DISCRETELY PRESENTED COMPONENT UNITS

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

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

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

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

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

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

The City of Cadillac reports the following major governmental funds:

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

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

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

The City of Cadillac reports the following major proprietary funds:

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

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

Additionally the City of Cadillac reports the following fund types:

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

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

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

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

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

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

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

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

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

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

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

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

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

D. Assets, Liabilities and Equity

1. Deposits and Investments

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

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, two-thirds of county taxes, 50% of Cadillac Area Public School and 100% state education taxes are levied and due July 1, and become delinquent after August 14. The balance of county and 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 2006 taxable valuation of the City of Cadillac totaled $235,417,445, on which ad valorem taxes levied consisted of 13.9473 mills for the City of Cadillac operating purposes and 2.7000 mills for the City of Cadillac Policemen and Firemen Retirement System. These levies raised approximately $3,284,165 for operating purposes and $635,754 for the Policemen and Firemen Retirement System. These amounts are recognized in the respective General Fund or Component Unit Fund financial statements as taxes receivable or as tax revenue. Portions of these taxes levied were captured by the Downtown Development Authority, the Local Development Finance Authority, and the Brownfield Redevelopment Authority.

3. *Inventories and Prepaid Items*

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

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

4. *Restricted Assets*

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

5. *Capital Assets*

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

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

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

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

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

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

6. Compensated Absences

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

7. Long-term Obligations

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

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

8. Fund Equity

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

9. Use of Estimates

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

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. Two budget amendments were made during the year in a legally permissible manner.

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

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

	APPROPRIATIONS	EXPENDITURES
General Fund		
Community and Economic Development	$ 129,400	$ 333,866
Culture and Recreation	382,900	408,434
Intergovernmental	365,700	367,672
Major Street Fund		
Public Works	1,432,700	1,470,064

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

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of June 30, 2007, the City had the following investments and maturities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Primary Government					
U.S. Government Agencies	$ 4,740,636	$ 1,826,437	$ 1,185,378	$ 1,316,429	$ 412,392
Local Government Notes	732,278	114,361	315,694	302,223	0
	$ 5,472,914	$ 1,940,798	$ 1,501,072	$ 1,618,652	$ 412,392
Component Units:					
U.S. Government Agencies	$ 1,848,224	$ 703,293	$ 257,211	$ 473,643	$ 414,077

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

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

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

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

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2007, $3,330,279 of the City's bank balance of $4,492,946 was exposed to custodial credit risk because it was uninsured and uncollateralized. As of the same date the discretely presented component unit's had exposure to custodial credit risk because $140,407 of the bank balance of $241,574 was uninsured and uncollateralized. Neither the government nor the discretely presented component unit's have a deposit policy for custodial credit risk.

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

As of June 30, 2007, the City had the following investments:

	CARRYING AMOUNT	FAIR VALUE
Investments - Primary Government		
U.S. Government Agency		
Securities	$ 4,740,636	$ 4,740,636
Common Stocks	722,452	722,452
Government Notes	732,278	732,278
Mutual Funds	7,432,172	7,432,172
	$ 13,627,538	$ 13,627,538

	CARRYING AMOUNT	FAIR VALUE
Investments - Component Units		
U.S. Government Agency		
Securities	$ 1,848,224	$ 1,848,224
Mutual Funds	21,409	21,409
	$ 1,869,633	$ 1,869,633

A reconciliation of cash and investments follows:

	PRIMARY GOVERNMENT	COMPONENT UNITS
Cash on Hand	$ 1,200	$ 0
Carrying amount of Deposits	4,291,854	104,893
Carrying amount of Investments	13,627,538	1,869,634
	$ 17,920,592	$ 1,974,527

	PRIMARY GOVERNMENT	COMPONENT UNITS
Government-wide Statement of Net Assets		
Cash	$ 1,451,498	$ 104,893
Investments	9,482,499	1,869,634
Statement of Fiduciary Net Assets		
Cash	254,306	0
Investments	6,732,289	0
	$ 17,920,592	$ 1,974,527

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	$ 9,062	$ 0	$ 0	$ 0	$ 0	$ 0	$ 9,062
Accounts	129,706	603	4,032	330,969	0	8,939	474,249
Grants	0	0	0	0	0	7,500	7,500
Unbilled Services	0	0	0	260,894	0	0	260,894
Special Assessments							
Current	0	0	0	0	0	108,866	108,866
Deferred	0	0	0	0	0	516,402	516,402
Mortgages and Notes	99,259	0	0	0	0	316,485	415,744
Accrued Interest	11,899	0	0	31,532	919	79,200	123,550
Cylinder Deposits	0	0	0	10,500	0	0	10,500
Receivables	$ 249,926	$ 603	$ 4,032	$ 633,895	$ 919	$1,037,392	$1,926,767

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)	$ 6,344	$ 0	
Property taxes prepaid (General Fund)	0	11,674	
Mortgages and notes receivable (General Fund)	99,259	0	
Deferred Grant Revenue (Special Revenue Funds)	0	7,500	
Mortgages and notes receivable (Special Revenue Funds)	229,944	0	
Special assessment receivables (Debt Service Funds)	195,610	0	
Special assessment receivables (Capital Projects Funds)	320,792	0	
	$ 851,949	$ 19,174	$ 871,123

C. Capital Assets

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	$ 2,499,221	$ 49,610	$ 43,727	$ 2,505,104
Capital Assets, Being Depreciated				
Buildings	$ 3,881,734	$ 109,965	$ 0	$ 3,991,699
Land Improvements	741,986	0	0	741,986
Machinery and Equipment	1,970,005	300,650	58,207	2,212,448
Infrastructure	14,961,845	1,165,648	0	16,127,493
Total Capital Assets, Being Depreciated	$21,555,570	$ 1,576,263	$ 58,207	$23,073,626
Less Accumulated Depreciation For:				
Buildings	$ 2,395,558	$ 85,484	$ 0	$ 2,481,042
Land Improvements	340,497	30,245	0	370,742
Machinery and Equipment	1,230,177	148,422	54,663	1,323,936
Infrastructure	6,126,664	701,440	0	6,828,104
Total Accumulated Depreciation	$10,092,896	$ 965,591	$ 54,663	$11,003,824
Total Capital Assets, Being Depreciated, Net	$11,462,674	$ 610,672	$ 3,544	$12,069,802
Governmental Activities Capital Assets, Net	$13,961,895	$ 660,282	$ 47,271	$14,574,906
Internal Service Fund Net Fixed Assets				1,289,243
Net Fixed Assets per Statement of Net Assets				$15,864,149

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated				
Land	$ 362,532	$ 0	$ 0	$ 362,532
Construction in Progress	137,701	574,366	259,463	452,604
Total Capital Assets, Not Being Depreciated	$ 500,233	$ 574,366	$ 259,463	$ 815,136
Capital Assets, Being Depreciated				
Buildings	$ 2,629,758	$ 19,500	$ 0	$ 2,649,258
Improvements other than buildings	28,492,937	225,315	0	28,718,252
Machinery and Equipment	1,120,641	46,745	11,752	1,155,634
Total Capital Assets, Being Depreciated	$ 32,243,336	$ 291,560	$ 11,752	$ 32,523,144
Less Accumulated Depreciation For:				
Buildings	$ 971,473	$ 52,709	$ 0	$ 1,024,182
Improvements other than buildings	11,210,733	733,097	0	11,943,830
Machinery and Equipment	786,154	63,407	11,752	837,809
Total Accumulated Depreciation	$ 12,968,360	$ 849,213	$ 11,752	$ 13,805,821
Total Capital Assets, Being Depreciated, Net	$ 19,274,976	$ (557,653)	$ 0	$ 18,717,323
Business-type Activities Capital Assets, Net	$ 19,775,209	$ 16,713	$ 259,463	$ 19,532,459

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

Governmental activities:	
General Government	$ 67,198
Public Safety	127,244
Public Works, including depreciation of general infrastructure assets	638,112
Recreation and Culture	115,874
Economic Development and Assistance	17,163
Total depreciation expense - governmental activities	$ 965,591

Business-type activities:	
Water and Sewer	$ 797,829
Automobile Parking System	16,754
Building Authority Operating	34,630
Total depreciation expense - business-type activities	$ 849,213

Construction Commitments:

The City has active construction projects as of June 30, 2007. The constructions projects are for street construction and for the underlying water and sewer infrastructure. The total contract balances were approximately $306,000 with $110,348 being expended as of June 30, 2007. The remaining commitments total $195,652. The projects are being funded with water and sewer revenues, general revenues, Act 51 Street revenues and special assessments.

Discretely Presented Component Units:

	Beginning Balance	Increases	Decreases	Ending Balance
Government-Type Activities				
Capital Assets, Being Depreciated				
Improvements Other Than Buildings	$ 8,965	$ 0	$ 0	$ 8,965
Less Accumulated Depreciation For:				
Improvements Other Than Buildings	(1,345)	(896)	0	(2,241)
Total Capital Assets, Being Depreciated, Net	$ 7,620	$ 896	$ 0	$ 6,724
Business-Type Activities				
Capital Assets, Being Depreciated				
Improvements Other Than Buildings	$ 226,767	$ 0	$ 0	$ 226,767
Less Accumulated Depreciation For:				
Improvements Other Than Buildings	(50,242)	(4,536)	0	(54,778)
Total Capital Assets, Being Depreciated, Net	$ 176,525	$ (4,536)	$ 0	$ 171,989

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

Governmental activities:	
Economic Development and Assistance	$ 896
Business-type activities	
Utilities	$ 4,536

D. Interfund Receivables, Payables and Transfers

The composition of due to/due from balances as of June 30, 2007, is as follows:

	General Fund	Major Street	Local Street	Nonmajor Governmental Funds	Water and Sewer	Internal Service Funds	Agency	Total Due to
Due to								
General Fund	$ 0	$ 0	$ 0	$ 1,758	$ 0	$ 2,298	$ 7,386	$ 11,442
Major Street Fund	5,000	0	0	0	0	11,112	0	16,112
Local Street Fund	0	0	0	20,506	0	0	0	20,506
Nonmajor Governmental Funds	605	50,329	12,495	3,232	0	0	0	66,661
Water and Sewer Fund	208	0	0	22,326	0	0	0	22,534
Internal Service Funds	180,000	0	0	0	0	0	0	180,000
Pension Trust Fund	24,440	0	0	0	0	0	0	24,440
Agency	0	0	0	0	5,492	0	0	5,492
Total Due from	$ 210,253	$ 50,329	$ 12,495	$ 47,822	$ 5,492	$ 13,410	$ 7,386	$ 347,187

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, 2007, are expected to be repaid within one year.

The interfund transfers during the year ended June 30, 2007, are as follows:

	Local Street	Nonmajor Governmental Funds	Total Transfers Out
Transfers Out			
General Fund	$ 344,300	$ 400	$ 344,700
Major Street Fund	97,000	18,600	115,600
Local Street Fund	0	145,805	145,805
Nonmajor Governmental Funds	0	439,573	439,573
Total Transfers In	$ 441,300	$ 604,378	$ 1,045,678

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 two noncancelable leases for office equipment and six noncancelable leases for vehicles. The leases are operating leases with no contingent lease payments. The equipment may be purchased at the end of the lease for fair market value. Total costs for these leases were approximately $29,936 for the year ended June 30, 2007. Future minimum lease payments are as follows:

YEAR ENDED JUNE 30,	
2008	$ 28,700
2009	18,311
2010	10,801
	$ 57,812

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

The assets acquired through the lease are as follows:

ASSETS	GENERAL FUND
Machinery and equipment	$ 26,350
Less: Accumulated Depreciation	(2,635)
TOTAL	$ 23,715

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2007, were as follows:

YEAR ENDED JUNE 30,	GENERAL FUND
2008	$ 9,840
2009	9,840
2010	5,740
Total minimum lease payments	$ 25,420
Less: Amount representing interest	(2,385)
Present value of minumum lease payments	$ 23,035

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, 2007 (in thousands of dollars):

Governmental Activities:

	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	OTHER LONG-TERM DEBT	SICK AND VACATION PAY	TOTAL
Debt Payable at July 1, 2006	$ 1,525	$ 625	$ 456	$ 473	$ 3,079
New Debt Incurred	0	0	526	117	643
Debt Retired	(130)	(140)	(58)	(82)	(410)
Debt Payable at June 30, 2007	$ 1,395	$ 485	$ 924	$ 508	$ 3,312
Due within one year	$ 135	$ 120	$ 140	$ 90	$ 485

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

Debt payable at June 30, 2007 is comprised of the following individual issues (in thousands of dollars):

General Obligation Bonds:

$230,000 1996 Michigan Transportation Fund Bonds due in annual installments of $20,000 to $25,000 through October 1, 2010; interest at 5.50 percent	$ 95
$110,000 1997 Michigan Transportation Fund Bonds due in annual installments of $15,000 through October 1, 2008; interest at 5.35 percent	30
$300,000 2000 Michigan Transportation Fund Bonds due in annual installments of $20,000 to $35,000 through October 1, 2014; interest at 5.40 to 5.55 percent	220
$310,000 1997 Building Authority Bonds due in annual installments of $25,000 to $30,000 through October 1, 2012; interest at 5.00 to 5.25 percent	165
$995,000 2004 General Obligation Capital Improvement Bonds due in annual installments of $55,000 to $85,000 through September 1, 2019; interest at 2.35 to 4.25 percent	885
	$ 1,395

Special Assessment Bonds		
$220,000 Special Assessment Limited Tax Bonds due in one installment of $15,000 on October 1, 2007; interest at 5.60 percent		15
$425,000 Special Assessment Limited Tax Bonds due in annual installments of $10,000 to $30,000 through October 1, 2010; interest at 5.40 to 5.65 percent		85
$360,000 Special Assessment Limited Tax Bonds due in annual installments of $20,000 to $25,000 through October 1, 2011; interest at 5.35 to 5.45 percent		120
$210,000 Special Assessment Limited Tax Bonds due in annual installments of $5,000 to $20,000 through October 1, 2014; interest at 5.40 to 5.55 percent		85
$325,000 Special Assessment Limited Tax Bonds due in annual installments of $5,000 to $35,000 through October 1, 2015; interest at 3.80 to 5.00 percent		180
	$	485
Other Long-Term Debt:		
$212,653 Michigan Jobs Commission loan due in quarterly installments of $4,430 to $13,291 beginning September 1, 2005 and running through December 1, 2016; this loan in interest-free	$	168
$27,000 Loan, due in semi-annual installments of $13,500 through 2008; interest at 3.00 percent		27
$235,000 Loan, due in annual installments of $26,111 through 2014; interest at 3.00 percent		183
$45,000 Loan, due in annual installments of $11,250 through 2009; interest at 3.00 percent		23
$26,350 Loan, due in monthly installments of $820 through 2010; interest at 7.529 percent		23
$500,000 Loan, due in annual installments of $50,000 through 2017; interest at 5.25 percent		500
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)		508
	$	1,432
	$	3,312

The annual requirements to amortize debt outstanding other than vested sick and vacation pay as of June 30, 2007, are as follows (in thousands of dollars):

YEAR ENDING JUNE 30,	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	OTHER LONG-TERM DEBT	TOTAL
2008				
PRINCIPAL	$ 135	$ 120	$ 140	$ 395
INTEREST	56	21	38	115
TOTAL	$ 191	$ 141	$ 178	$ 510
2009				
PRINCIPAL	$ 145	$ 105	$ 114	$ 364
INTEREST	50	16	28	94
TOTAL	$ 195	$ 121	$ 142	$ 458
2010				
PRINCIPAL	$ 135	$ 90	$ 99	$ 324
INTEREST	44	11	23	78
TOTAL	$ 179	$ 101	$ 122	$ 402
2011				
PRINCIPAL	$ 140	$ 70	$ 94	$ 304
INTEREST	38	7	20	65
TOTAL	$ 178	$ 77	$ 114	$ 369
2012				
PRINCIPAL	$ 120	$ 55	$ 94	$ 269
INTEREST	33	4	16	53
TOTAL	$ 153	$ 59	$ 110	$ 322
2013-2017				
PRINCIPAL	$ 475	$ 45	$ 383	$ 903
INTEREST	94	3	34	131
TOTAL	$ 569	$ 48	$ 417	$ 1,034
2018-2020				
PRINCIPAL	$ 245	$ 0	$ 0	$ 245
INTEREST	17	0	0	17
TOTAL	$ 262	$ 0	$ 0	$ 262
GRAND TOTAL				
PRINCIPAL	$ 1,395	$ 485	$ 924	$ 2,804
INTEREST	332	62	159	553
TOTAL	$ 1,727	$ 547	$ 1,083	$ 3,357

Business-Type Activities:

The following is a summary of debt transactions of the City of Cadillac for the year ended June 30, 2007, (in thousands of dollars) reported in Business-Type Activities:

	REVENUE BONDS
Debt Payable at July 1, 2006	$ 8,470
New Debt Incurred	0
Debt Retired	(465)
Debt Payable at June 30, 2007	$ 8,005

Revenue Bonds:

$1,655,000 Water Supply and Wastewater System Revenue Refunding Bonds due in one installment of $220,000 on September 1, 2007; interest at 5.50 percent	$ 220
$2,300,000 Water Supply and Wastewater System Revenue Bonds due in one installment on September 1, 2007, of $95,000, interest at 5.375 percent	95
$2,110,000 Water Supply and Wastewater System Revenue and Revenue Refunding Bonds due in annual installments of $5,000 to $305,000 through September 1, 2019; interest at 4.15 to 4.90 percent	1,445
$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 4.25 to 5.125 percent	5,165
$1,265,000 1999 Building Authority Refunding Bonds due in annual installments of $105,000 to $140,000 through October 1, 2015; interest at 4.20 to 4.60 percent	1,080
	$ 8,005
Less unamortized deferred charges	82
Long-term debt per Statement of Net Assets	$ 7,923

The annual requirements to amortize debt outstanding reported in business-type activities as of June 30, 2007, are as follows (in thousands of dollars):

YEAR ENDING JUNE 30,	REVENUE BONDS
2008	
PRINCIPAL	$ 490
INTEREST	374
TOTAL	$ 864
2009	
PRINCIPAL	$ 515
INTEREST	351
TOTAL	$ 866
2010	
PRINCIPAL	$ 540
INTEREST	328
TOTAL	$ 868
2011	
PRINCIPAL	$ 570
INTEREST	303
TOTAL	$ 873
2012	
PRINCIPAL	$ 600
INTEREST	275
TOTAL	$ 875
2013-2017	
PRINCIPAL	$ 1,965
INTEREST	1,041
TOTAL	$ 3,006
2018-2022	
PRINCIPAL	$ 1,445
INTEREST	672
TOTAL	$ 2,117
2023-2027	
PRINCIPAL	$ 1,880
INTEREST	251
TOTAL	$ 2,131
GRAND TOTAL	
PRINCIPAL	$ 8,005
INTEREST	3,595
TOTAL	$ 11,600

$508,552 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, 2007, outstanding revenue bonds (including prior year's refundings) of $1,605,000 are considered to be defeased. These are by fund type, as follows:

Enterprise Funds	$ 1,605,000

2. *Component Units*

As of June 30, 2007, the City of Cadillac's discretely presented component units had no outstanding debt.

G. Fund Balance Reserves and Designations

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

NET ASSETS		
Restricted		
General Fund		
Special Purposes		$ 16,901
Self-Insured Fund		
Retirees' Life Insurance	$ 198,424	
Employees' Life and Health Insurance	946,121	1,144,545
Water and Sewer Fund		
Debt Service		1,799,073
		$ 2,960,519

FUND BALANCE/NET ASSETS

Reserved				
General Fund				
Inventory	$	5,790		
Prepaid Expenditures		69,612		
Veterans Memorial		1,855		
Pistol Range		1,283		
Antique Fire Truck		1,639		
Youth Services		844		
Drug Forfeiture		2,921		
Fire Safety House		2,250		
Blackburn Skate Park		4,998		
White Pine Trail		2,394	$	93,586
Special Revenue Funds				
Major Street Fund				
Prepaid Expenditures	$	1,332		
Local Street Fund				
Prepaid Expenditures		1,228		
Cemetery Operating Fund				
Capital Improvements		11,163		
Prepaid Expenditures		724		
Cadillac Development Fund				
Loans Receivable		32,546		
Prepaid Expenditures		94		
Clam River Greenway Fund				
Parks		1,719		
Building Inspection Fund				
Prepaid Expenditures		602		
Milfoil Eradication Fund				
Milfoil Eradication		64,111		
Prepaid Expenditures		5,218		118,737
Debt Service Funds				
Reserved for Debt Service				
1992 Special Assessment Debt Retirement Fund	$	671		
1993 Special Assessment Debt Retirement Fund		17,088		
1996 Special Assessment Debt Retirement Fund		109,883		

1996 Michigan Transportation Fund		
Debt Retirement Fund	3,946	
1997 Special Assessment Debt Retirement Fund	171,675	
1997 Michigan Transportation Fund		
Debt Retirement Fund	609	
1997 Building Authority Debt Retirement Fund	338	
2000 Special Assessment Debt Retirement Fund	128,972	
2004 Special Assessment Debt Retirement Fund	74,963	
2004 Capital Improvement Bonds		
Debt Retirement Fund	407	508,552
Capital Projects Fund		
Industrial Park Fund		
Industrial Development	$ 428,797	
Special Assessment Capital Projects Fund		
Special Assessment Project Construction	101,190	529,987
Reserved		
Permanent Funds		
Cemetery Perpetual Care Fund		
Cemetery Perpetual Care Endowment	$ 529,052	
Capital Projects Trust Fund		
Capital Projects Trust Fund	860,062	1,389,114
Fiduciary Fund		
Policeman and Fireman Retirment System		
Employees' Pension Benefits		6,892,613
Component Units		
Downtown Devlopment Authority Operating Fund		
Prepaid Expenditures	$ 82	
L.D.F.A. Debt Retirement Fund		
Debt Service	8,253	
L.D.F.A. Operating Fund		
Groundwater Cleanup	1,753,028	1,761,363
TOTAL FUND BALANCE/NET ASSETS RESERVES		$ 11,293,952

Unreserved - Designated		
General Fund		
Sick and Vacation	$ 617,775	
Working Capital	1,087,159	
Tax Tribunal	19,506	$ 1,724,440
Special Revenue Funds		
Major Street Fund		
Street Improvements	$ 138,834	
Local Street Fund		
Street Improvements	97,398	236,232
TOTAL FUND BALANCE DESIGNATIONS		$ 1,960,672

IV. OTHER INFORMATION

A. Amortization of Bond Issuance Costs

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

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

B. Mortgages and Notes Receivable

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

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

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

C. City Obligation for Special Assessment Debts

As described in Note III-F, the City has special assessment bonds payable totaling $485,000. In the event that property owners default on the special assessments levied to pay these bonds, the City is obligated to make payment from its own funds. The City currently has funds set aside totaling $503,252

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

D. Wexford County Airport Authority

The Wexford County Airport Authority is a joint venture created to construct, maintain, operate and improve the Wexford County Airport. Authority board members are appointed by the mayor with the advice and consent of the City Council and by the Wexford County Board of Commissioners. The Authority receives funding from the City and from Wexford County. The Authority's fiscal year corresponds with the County's and, because the County has majority representation on the board and provides 60% of the Authority's funding, its financial statements are included in the County's comprehensive annual financial report rather than the City's. The following financial information was taken from the Authority's December 31, 2006, audited financial statements:

Total Assets	$ 2,056,545
Total Liabilitites	4,667
Investment in Capital Assets	1,842,856
Net Assets Invested in Capital Assets	1,842,856
Net Assets - Unrestricted	209,022
Total Revenues - Governmental and Business Type Activities	649,349
Total Expenses - Governmental and Business Type Activities	792,128
Change in Net Assets	(142,779)

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

Accounts Payable	$ 2,735
Customer Deposits	1,932

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

E. Statement of Cash Flows

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

F. Due from Other Governments

Amounts due from other governments consists of $390,332 in state-shared revenues, undrawn grants and contributions from local units.

G. Contingent Liabilities

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

H. Other Post Employment Benefits

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

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

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

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

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

	General Retiree Health Care Plan	Policemen and Firemen Retiree Health Care Plan
Plan Members	$25/Month - Single $50/Month - Family	$25/Month - Single $50/Month - Family
Annual required contribution	$ 105,105	$ 197,123
Interest on net OPEB obligation	4,494	17,163
Adjustment to annual required contribution	0	0
Annual OPEB cost	109,599	214,286
Contributions made	(50,000)	(50,000)
Increase in net OPEB obligation	59,599	164,286
Net OPEB obligation - Beginning of Year	36,854	198,448
Net OPEB obligation - End of Year	$ 96,453	$ 362,734

The City's annual OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for 2007 and the two preceding years were as follows:

	Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
General Retiree Health Care Plan	6/30/2005	$ 96,248	51.95%	$ 46,248
	6/30/2006	103,068	109.11%	36,854
	6/30/2007	109,599	45.62%	96,453
Policemen and Firemen Retiree	6/30/2005	180,511	27.70%	130,511
	6/30/2006	198,436	65.76%	198,448
	6/30/2007	214,286	23.34%	362,734

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

	General Retiree Health Care Plan	Policemen and Firemen Retiree Health Care Plan
Actuarial accrued liability (a)	$ 1,963,259	$ 2,634,900
Actuarial value of plan assets (b)	162,619	263,030
Unfunded actuarial accrued liability (funding excess) (a) - (b)	$ 1,800,640	$ 2,371,870
Funded ratio (b) / (a)	8.28%	9.98%
Covered payroll (c)	$ 1,512,299	$ 1,213,806
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ([(a) - (b)]/(c))	119.07%	195.41%

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

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

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

I. Employee Retirement Systems

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

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

Funding Policy. The contribution requirements of the City are established and may be amended by the retirement board. Police and fire department members are required to contribute 3.00% of their annual covered payroll. The City is required to contribute at actuarially determined rates; the current rates are 35.39% for police and 35.40% for fire of annual covered payroll. The City pays all costs of administering the plan.

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

Annual required contribuiton	$ 556,555
Interest on net pension obligation	0
Adjustment to annual required contribution	0
Annual pension cost	$ 556,555
Contributions made	556,555
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, 2006, actuarial valuation using the entry-age normal cost valuation method. The actuarial assumptions included (a) 7.00% investment rate of return (administrative expenses are paid by the City) and (b) projected salary increases ranging from 4.00% to 5.50% per year. Both (a) and (b) included an inflation component of 4.00%. The assumptions did not include post-retirement benefit increases, which are currently not provided for in the plan. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a period of 12 future years.

Four-Year Trend Information for PFRS

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2004	$ 334,368	100.0%	0
6/30/2005	446,560	100.0%	0
6/30/2006	469,725	100.0%	0
6/30/2007	556,555	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)
6/30/2003	$ 5.9	$ 7.3	$ 1.4	80.8%	$ 1.2	116.7%
6/30/2004	5.8	8.0	2.2	72.5%	1.4	157.1%
6/30/2005	5.9	8.5	2.6	69.4%	1.4	185.7%
6/30/2006	6.0	9.6	3.6	62.5%	1.4	257.1%

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

Funding Policy. MERS members are not required to make any contributions to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 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, 2006 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions include (a) 8.0% investment rate of return (net of administrative expenses), and (b) projected salary increases ranging from 4.50% to 12.90% per year. Both (a) and (b) include an inflation component of 4.50%. The actuarial value of assets was determined on the basis of a method that calculates expected investment income at the valuation rate of return and adds a portion of the difference between the expected investment income and actual investment income earned on a market value basis. The difference in investment income between expected return and market return is recognized over a 10 year period at the rate of 10% per year. Positive unfunded accrued liability (if any) is amortized as a level percentage of payroll over a period of 29 years, while negative unfunded liability (if any) is amortized as a level percentage of payroll over a period of 10 years.

Four-Year Trend Information for MERS

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2003	$ 0	100.0%	$ 0
6/30/2004	0	100.0%	0
6/30/2005	0	100.0%	0
6/30/2006	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 AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2003	$ 10,054	$ 8,911	$ (1,143)	112.8%	$ 2,639	(43.31)
6/30/2004	9,991	9,170	(821)	109.0%	2,451	(33.50)
6/30/2005	10,274	9,727	(547)	105.6%	2,470	(22.15)
6/30/2006	10,813	10,162	(651)	106.4%	2,561	(25.42)

J. Component Unit Disclosures

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

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

	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	LOCAL DEVELOPMENT FINANCE AUTHORITY	BROWNFIELD REDEVELOPMENT AUTHORITY	TOTAL
Assets					
Current Assets	$ 138,441	$ 1,167	$ 1,948,358	$ 107,368	$ 2,195,334
Capital Assets - Net	6,724	0	171,989	0	178,713
TOTAL ASSETS	$ 145,165	$ 1,167	$ 2,120,347	$ 107,368	$ 2,374,047

	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	LOCAL DEVELOPMENT FINANCE AUTHORITY	BROWNFIELD REDEVELOPMENT AUTHORITY	TOTAL
Liabilities					
Current Liabilities	$ 1,406	$ 0	$ 17,482	$ 0	$ 18,888
Compensated Absences	5,208	0	0	0	5,208
Total Liabilities	$ 6,614	$ 0	$ 17,482	$ 0	$ 24,096
Equity					
Invested in Capital Assets, Net of Related Debt	$ 6,724	$ 0	$ 171,989	$ 0	$ 178,713
Net Assets	131,827	1,167	1,930,876	107,368	2,171,238
Total Equity	$ 138,551	$ 1,167	$ 2,102,865	$ 107,368	$ 2,349,951
TOTAL LIABILITIES AND EQUITY	$ 145,165	$ 1,167	$ 2,120,347	$ 107,368	$ 2,374,047

Statements of Changes in Net Assets

	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	LOCAL DEVELOPMENT FINANCE AUTHORITY	BROWNFIELD REDEVELOPMENT AUTHORITY	TOTAL
Revenues	$ 158,250	$ 0	$ 375,329	$ 6,367	$ 539,946
Expenditures					
Operating and Other	$ 52,380	$ 0	$ 297,806	$ 800	$ 350,986
Intergovernmental	30,000	0	0	0	30,000
Total Expenditures	$ 82,380	$ 0	$ 297,806	$ 800	$ 380,986
Change in Net Assets	$ 75,870	$ 0	$ 77,523	$ 5,567	$ 158,960
Equity - Beginning of Year	62,681	1,167	2,025,342	101,801	2,190,991
Equity - End of Year	$ 138,551	$ 1,167	$ 2,102,865	$ 107,368	$ 2,349,951

K. Risk Management

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

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

On January 5, 1981, the City Council approved Resolution 81.8 which, as amended provides $2,500 to $5,500 of life insurance benefits for all employees who retired on or after April 1, 1968 under either the municipal employee's retirement system (MERS) or under Act 345. Currently, 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 no 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 $198,424 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 $543,365 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:

	2007	2006
Unpaid Claims, Beginning of Year	$ 56,245	$ 32,414
Incurred Claims (Including IBNR's)	255,713	281,476
Claim Payments	(281,636)	(257,645)
Unpaid Claims, End of Year	$ 30,322	$ 56,245

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.

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

YEAR ENDED JUNE 30, 2007

	GENERAL FUND				MAJOR STREET FUND				LOCAL STREET FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES												
Taxes	$ 4,174,200	$ 4,434,200	$ 4,362,865	$ (71,335)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Licenses and Permits	1,300	1,300	1,730	430	0	0	0	0	0	0	0	0
Federal Grants	50,000	110,000	352,608	242,608	255,500	255,500	254,776	(724)	0	0	11,608	11,608
State Grants	1,036,300	1,036,500	1,087,073	50,573	1,029,100	1,029,100	1,139,709	110,609	213,200	213,200	196,996	(16,204)
Contributions from Local Units	200,100	187,000	189,612	2,612	0	0	0	0	0	0	0	0
Charges for Services	1,008,000	1,031,000	1,057,101	26,101	0	0	0	0	0	0	0	0
Fines and Forfeits	33,000	33,000	28,546	(4,454)	0	0	0	0	0	0	0	0
Interest and Rents	47,400	98,100	123,025	24,925	10,000	10,000	3,362	(6,638)	11,200	11,200	7,716	(3,484)
Other Revenue	210,000	257,000	300,295	43,295	0	0	603	603	0	0	4,032	4,032
Total Revenues	$ 6,760,300	$ 7,188,100	$ 7,502,855	$ 314,755	$ 1,294,600	$ 1,294,600	$ 1,398,450	$ 103,850	$ 224,400	$ 224,400	$ 220,352	$ (4,048)
EXPENDITURES												
General Government	$ 1,650,500	$ 1,854,200	$ 1,790,061	$ 64,139	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Public Safety	3,145,000	3,383,500	3,236,286	147,214	0	0	0	0	0	0	0	0
Public Works	756,000	794,100	766,708	27,392	1,436,700	1,432,700	1,470,064	(37,364)	539,100	539,100	496,606	42,494
Community and Economic Development	123,400	129,400	333,866	(204,466)	0	0	0	0	0	0	0	0
Culture and Recreation	339,400	382,900	408,434	(25,534)	0	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0	0	145,600	145,600	31,013	114,587
Intergovernmental	339,200	365,700	367,672	(1,972)	0	0	0	0	0	0	0	0
Total Expenditures	$ 6,353,500	$ 6,909,800	$ 6,903,027	$ 6,773	$ 1,436,700	$ 1,432,700	$ 1,470,064	$ (37,364)	$ 684,700	$ 684,700	$ 527,619	$ 157,081
Excess (Deficiency) of Revenues Over Expenditures	$ 406,800	$ 278,300	$ 599,828	$ 321,528	$ (142,100)	$ (138,100)	$ (71,614)	$ 66,486	$ (460,300)	$ (460,300)	$ (307,267)	$ 153,033
OTHER FINANCING SOURCES (USES)												
Transfers In	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 441,300	$ 441,300	$ 441,300	$ 0
Transfers Out	(404,300)	(344,300)	(344,700)	(400)	(115,700)	(119,700)	(115,600)	4,100	0	0	(145,805)	(145,805)
Loan Proceeds	0	0	26,350	26,350	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	$ (404,300)	$ (344,300)	$ (318,350)	$ 25,950	$ (115,700)	$ (119,700)	$ (115,600)	$ 4,100	$ 441,300	$ 441,300	$ 295,495	$ (145,805)
Net Change in Fund Balance	$ 2,500	$ (66,000)	$ 281,478	$ 347,478	$ (257,800)	$ (257,800)	$ (187,214)	$ 70,586	$ (19,000)	$ (19,000)	$ (11,772)	$ 7,228
FUND BALANCE - Beginning of Year	1,112,089	1,112,089	1,536,548	424,459	381,231	381,231	327,380	(53,851)	34,602	34,602	110,398	75,796
FUND BALANCE - End of Year	$ 1,114,589	$ 1,046,089	$ 1,818,026	$ 771,937	$ 123,431	$ 123,431	$ 140,166	$ 16,735	$ 15,602	$ 15,602	$ 98,626	$ 83,024

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

General Health Care Plan

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

Policemen and Firemen Retiree Health Care

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

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

CITY OF CADILLAC, MICHIGAN

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2007

I. Budgetary Information

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

2. Public hearings are conducted to obtain taxpayer comments.

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

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

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

6. Budgets for the General, Special Revenue, Debt Service and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget for the Special Assessment Capital Projects Fund is not required to be presented as required supplemental information. All appropriations lapse at year end. Budgeted amounts are as originally adopted, or as amended by the City Council from time to time throughout the year. Four budget amendments were made during the year in a legally permissible manner.

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

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

MAJOR STREET FUND

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

LOCAL STREET FUND

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

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 303,425	$ 398,875
Investments	1,360,154	614,680
Receivables		
Taxes	9,062	7,206
Accounts	129,706	90,712
Note	99,259	181,286
Accrued Interest	11,899	6,377
Due from Other Funds	210,253	425,793
Due from Other Governments	190,944	147,937
Inventory, At Cost	5,790	3,423
Prepaid Expenditures	69,612	150,105
TOTAL ASSETS	$ 2,390,104	$ 2,026,394
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$ 238,429	$ 99,203
Accrued Expenditures	78,818	77,856
Due to Other Funds	11,442	46,303
Due to Other Governments	126,112	41,396
Deferred Revenue	117,277	225,088
Total Liabilities	$ 572,078	$ 489,846
FUND BALANCE		
Reserved for:		
Inventory	$ 5,790	$ 3,423
Prepaid Expenditures	69,612	150,105
Pistol Range	1,283	816
Antique Fire Truck	1,639	2,059
Veterans Memorial	1,855	1,855
Youth Services	844	844
Drug Forfeiture	2,921	2,676
Fire Safety House	2,250	2,250
Blackburn Skate Park	4,998	3,991
Say Nay to Drugs	0	15
White Pine Trail	2,394	2,731
Unreserved		
Designated for:		
Sick and Vacation	617,775	89,086
Working Capital	1,087,159	1,257,191
Tax Tribunal	19,506	19,506
Total Fund Balance	$ 1,818,026	$ 1,536,548
TOTAL LIABILITIES AND FUND BALANCE	$ 2,390,104	$ 2,026,394

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

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

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	BUDGET		2007	2006
	ORIGINAL	FINAL	ACTUAL	ACTUAL
REVENUES				
Taxes	$ 4,174,200	$ 4,434,200	$ 4,362,865	$ 4,188,262
Licenses and Permits	1,300	1,300	1,730	1,345
Federal Grants	50,000	110,000	352,608	45,600
State Grants	1,036,300	1,036,500	1,087,073	1,137,330
Contributions from Local Units	200,100	187,000	189,612	190,877
Charges for Services	1,008,000	1,031,000	1,057,101	954,202
Fines and Forfeits	33,000	33,000	28,546	28,110
Interest and Rents	47,400	98,100	123,025	58,801
Other Revenue	210,000	257,000	300,295	271,796
Total Revenues	$ 6,760,300	$ 7,188,100	$ 7,502,855	$ 6,876,323
EXPENDITURES				
General Government	$ 1,650,500	$ 1,854,200	$ 1,790,061	$ 1,557,282
Public Safety	3,145,000	3,383,500	3,236,286	3,389,571
Public Works	756,000	794,100	766,708	712,912
Community and Economic Development	123,400	129,400	333,866	88,430
Culture and Recreation	339,400	382,900	408,434	256,669
Intergovernmental	339,200	365,700	367,672	316,748
Total Expenditures	$ 6,353,500	$ 6,909,800	$ 6,903,027	$ 6,321,612
Excess (Deficiency) of Revenues Over Expenditures	$ 406,800	$ 278,300	$ 599,828	$ 554,711
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	$ 0	$ 0	$ 26,350	$ 0
Transfers Out	(404,300)	(344,300)	(344,700)	(320,652)
Total Other Financing Sources (Uses)	$ (404,300)	$ (344,300)	$ (318,350)	$ (320,652)
Net Change in Fund Balance	$ 2,500	$ (66,000)	$ 281,478	$ 234,059
FUND BALANCE - Beginning of Year	1,112,089	1,112,089	1,536,548	1,302,489
FUND BALANCE - End of Year	$ 1,114,589	$ 1,046,089	$ 1,818,026	$ 1,536,548

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF REVENUES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2007

	BUDGET		
	ORIGINAL	FINAL	ACTUAL
REVENUES			
Taxes			
Property Tax	$ 3,675,000	$ 3,979,000	$ 3,836,611
Industrial Facilities Tax	200,000	160,000	160,786
Property Tax Administration Fee	117,000	137,000	134,690
Trailer Park Fees	2,200	2,200	2,199
Penalties and Interest	48,000	38,000	39,620
Payments in Lieu of Tax			
Housing Commission	62,000	68,000	111,715
Community Antenna Television	70,000	50,000	77,244
Total Taxes	$ 4,174,200	$ 4,434,200	$ 4,362,865
Licenses and Permits			
Business Licenses	$ 1,300	$ 1,300	$ 1,730
Federal Grants			
Homeland Security	$ 0	$ 60,000	$ 85,908
Land and Water Conservation Fund Grant	50,000	50,000	50,000
Community Development Block Grants	0	0	216,700
Total Federal Grants	$ 50,000	$ 110,000	$ 352,608
State Grants			
Sales and Use Tax	$ 990,000	$ 990,000	$ 1,043,040
Telecommunications Right of Way Maintenance	35,000	35,000	32,285
Liquor Licenses	7,800	8,000	8,053
MJTC Grant	3,500	3,500	3,695
Total State Grants	$ 1,036,300	$ 1,036,500	$ 1,087,073
Contributions from Local Units			
Fire Protection	$ 150,000	$ 160,000	$ 162,316
Cadillac Area Public Schools - Youth Services Officer	50,100	27,000	27,296
Total Contributions from Local Units	$ 200,100	$ 187,000	$ 189,612

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF REVENUES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2007

	BUDGET		
	ORIGINAL	FINAL	ACTUAL
Charges for Services			
Northflight Ambulance	$ 50,000	$ 50,000	$ 52,221
Zoning Fees	5,100	4,100	2,000
Exemption Certificate Fees	1,700	3,000	3,900
Police Charges	4,200	4,200	3,588
Rental Housing Ordinance Fees	5,200	9,200	8,600
Engineering Fees	45,000	45,000	91,978
Solid Waste Collection	536,000	554,000	532,742
Sale of Maps and Ordinances	600	1,000	1,688
Administration	360,200	360,200	360,200
Miscellaneous	0	300	184
Total Charges for Services	$ 1,008,000	$ 1,031,000	$ 1,057,101
Fines and Forfeits			
Violation Bureau and Ordinance Fines	$ 33,000	$ 33,000	$ 28,546
Interest and Rents			
Interest	$ 45,000	$ 95,700	$ 120,675
Land and Building Rental	2,400	2,400	2,350
Total Interest and Rents	$ 47,400	$ 98,100	$ 123,025
Other Revenue			
Contributions and Donations from Private Sources	$ 0	$ 0	$ 1,981
Reimbursements - Housing Commission	205,000	235,000	242,131
Sale of Property and Equipment	0	0	32,663
Miscellaneous (Refunds and Rebates)	5,000	22,000	23,520
Total Other Revenue	$ 210,000	$ 257,000	$ 300,295
TOTAL REVENUES	$ 6,760,300	$ 7,188,100	$ 7,502,855
OTHER FINANCING SOURCES			
Loan Proceeds	$ 0	$ 0	$ 26,350

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2007

	BUDGET		
	ORIGINAL	FINAL	ACTUAL
GENERAL GOVERNMENT			
Legislative			
Personal Services	$ 14,300	$ 14,500	$ 14,900
Employee Benefits	1,200	1,200	1,175
Office Supplies	1,800	1,800	1,935
Contractual Services	15,000	15,000	4,989
Dues and Publications	11,200	11,200	7,346
Travel and Education	16,600	16,600	11,396
Ordinances and Proceedings	4,600	7,400	7,176
	$ 64,700	$ 67,700	$ 48,917
City Manager			
Personal Services	$ 120,000	$ 120,000	$ 125,680
Employee Benefits	22,500	27,300	25,679
Office Supplies	1,900	1,900	1,520
Postage	300	300	144
Data Processing	3,200	3,200	3,200
Dues and Publications	2,600	3,100	3,223
Telephone	900	2,800	2,012
Travel and Education	5,000	6,000	7,484
Vehicle Lease	4,300	4,300	5,646
	$ 160,700	$ 168,900	$ 174,588
Assistant City Manager			
Personal Services	$ 45,000	$ 47,000	$ 47,395
Employee Benefits	6,000	10,200	8,784
Office Supplies	2,600	3,600	3,981
Postage	600	1,000	970
Contractual Services	40,000	40,000	38,590
Data Processing	3,200	3,200	3,200
Dues and Publications	2,000	2,000	137
Telephone	600	1,600	1,507
Travel and Education	1,700	2,200	2,080
Suggestion Award Program	400	400	50
Capital Outlay	1,200	1,700	1,700
	$ 103,300	$ 112,900	$ 108,394

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2007

	BUDGET		
	ORIGINAL	FINAL	ACTUAL
Finance			
Personal Services	$ 120,500	$ 120,500	$ 126,277
Employee Benefits	43,100	44,600	43,156
Office Supplies	12,200	24,200	23,171
Postage	2,200	2,200	1,921
Audit	11,000	10,000	9,510
Data Processing	16,000	16,000	16,000
Dues and Publications	6,700	6,700	4,320
Telephone	1,500	2,000	1,787
Travel and Education	8,500	8,500	6,173
Capital Outlay	1,200	1,800	1,800
	$ 222,900	$ 236,500	$ 234,115
Assessor			
Personal Services	$ 0	$ 0	$ 660
Employee Benefits	0	0	50
Office Supplies	200	200	37
Postage	3,000	3,000	2,181
Contractual Services	20,000	12,000	10,143
Wexford County Contract	103,500	100,000	96,860
Data Processing	46,400	46,400	46,400
Board of Review	400	400	399
	$ 173,500	$ 162,000	$ 156,730
City Clerk/Treasurer			
Personal Services	$ 131,500	$ 131,500	$ 134,826
Employee Benefits	61,000	114,100	109,431
Office Supplies	2,100	2,100	2,727
Postage	6,100	9,100	9,559
Data Processing	39,000	39,000	39,000
Dues and Publications	600	600	589
Telephone	0	100	0
Travel and Education	400	1,200	802
Bad Debt Expense	15,000	110,000	104,501
Capital Outlay	1,200	0	0
	$ 256,900	$ 407,700	$ 401,435

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2007

	BUDGET		
	ORIGINAL	FINAL	ACTUAL
Election			
Personal Services	$ 5,000	$ 5,000	$ 4,729
Office Supplies	2,500	2,500	1,303
	$ 7,500	$ 7,500	$ 6,032
Building and Grounds			
Personal Services	$ 29,000	$ 29,000	$ 31,150
Employee Benefits	8,900	13,400	8,154
Operating Supplies	14,200	14,200	14,457
Contractual Services	21,000	21,000	13,430
Service and Lease Contracts	12,500	12,500	7,495
Insurance	91,100	96,100	93,502
Utilities	92,000	92,000	91,565
Repairs and Maintenance	15,000	15,000	15,290
Equipment Rental	5,800	5,800	6,336
Capital Outlay	99,000	114,000	112,665
Parking Lot	2,300	2,300	2,260
	$ 390,800	$ 415,300	$ 396,304
Legal			
Office Supplies	$ 1,400	$ 1,400	$ 1,400
Contractual Services	80,200	80,200	78,073
Travel and Education	1,000	1,000	682
	$ 82,600	$ 82,600	$ 80,155
Engineer			
Personal Services	$ 114,800	$ 114,800	$ 107,803
Employee Benefits	38,400	42,400	42,526
Office Supplies	3,500	3,500	3,488
Postage	200	200	73
Contractual Services	8,000	8,000	8,074
Data Processing	16,000	16,000	16,000
Dues and Publications	700	1,700	1,472
Telephone	700	700	433
Travel and Education	500	1,000	755
Equipment Rental	4,800	4,800	2,767
	$ 187,600	$ 193,100	$ 183,391
Total General Government	$ 1,650,500	$ 1,854,200	$ 1,790,061

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2007

	BUDGET		
	ORIGINAL	FINAL	ACTUAL
PUBLIC SAFETY			
Police Department			
Personal Services			
Supervisory	$ 148,100	$ 148,100	$ 93,716
Regular	651,400	651,400	680,329
Staff	78,800	78,800	73,342
Crossing Guards	12,000	12,000	8,092
Volunteers	5,000	5,000	3,624
Summer Patrol	21,000	21,000	16,737
Overtime	86,500	91,500	79,356
Employee Benefits	635,016	720,016	674,107
Office Supplies	9,000	10,500	10,624
Operating Supplies	44,000	48,000	51,157
Community Service Supplies	1,500	1,500	364
Uniform Cleaning	9,500	9,500	8,973
Data Processing	50,000	50,000	50,000
Dues and Publications	2,000	4,400	4,402
Radio and Equipment Maintenance	3,000	3,000	2,567
Telephone	5,000	5,000	4,488
Travel and Education	32,600	31,100	29,897
Vehicle Repairs and Maintenance	25,500	25,100	28,407
Uniforms and Maintenance	11,500	11,500	11,029
Equipment Rental	27,700	23,700	21,827
Vehicle Lease	7,800	7,800	3,566
Copier Lease	3,700	3,700	2,958
Capital Outlay	98,100	98,100	78,365
	$ 1,968,716	$ 2,060,716	$ 1,937,927
Fire Department			
Personal Services			
Supervisory	$ 33,600	$ 33,600	$ 34,794
Regular	480,000	440,000	433,056
Volunteers	40,000	40,000	29,600
Overtime	111,300	119,300	130,828
Employee Benefits	405,184	456,684	435,150
Office Supplies	1,500	2,500	2,239
Operating Supplies	19,800	20,300	21,708
Community Service Supplies	1,700	1,700	1,215
Uniform Cleaning	2,200	2,200	2,175

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2007

	BUDGET		
	ORIGINAL	FINAL	ACTUAL
Subsistence Allowance	12,000	12,000	15,432
Data Processing	7,700	7,700	7,700
Dues and Publications	2,500	2,500	2,154
Radio and Equipment Maintenance	3,500	3,000	2,550
Telephone	1,200	1,200	1,321
Travel and Education	14,500	16,500	16,219
Vehicle Repairs and Maintenance	17,500	20,500	20,081
Uniforms and Maintenance	15,000	15,000	16,122
Vehicle Lease	3,900	3,900	3,406
Employee Safety	3,200	3,200	3,200
Capital Outlay	0	121,000	119,409
	$ 1,176,284	$ 1,322,784	$ 1,298,359
Total Public Safety	$ 3,145,000	$ 3,383,500	$ 3,236,286
PUBLIC WORKS			
Miscellaneous			
Personal Services	$ 3,000	$ 5,000	$ 4,075
Employee Benefits	2,000	2,000	3,389
Street Lighting	88,900	88,900	98,367
Maintenance of Dam	1,600	3,200	3,232
Equipment Rental	10,000	15,000	13,605
Hydrant Rental	22,700	22,700	22,700
Property Taxes	1,100	21,100	20,291
	$ 129,300	$ 157,900	$ 165,659
Sidewalks and Alleys			
Personal Services	$ 7,000	$ 10,000	$ 9,189
Employee Benefits	4,500	4,700	3,803
Operating Supplies	0	1,000	1,637
Equipment Rental	17,000	17,000	17,646
	$ 28,500	$ 32,700	$ 32,275
Leaves			
Personal Services	$ 6,500	$ 6,500	$ 3,616
Employee Benefits	3,900	3,900	1,834
Equipment Rental	33,000	33,000	20,115
	$ 43,400	$ 43,400	$ 25,565

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2007

	BUDGET		
	ORIGINAL	FINAL	ACTUAL
Grass and Weed Control			
Personal Services	$ 6,400	$ 8,400	$ 7,390
Employee Benefits	3,700	4,900	3,842
Equipment Rental	24,900	24,900	22,794
	$ 35,000	$ 38,200	$ 34,026
Composting			
Personal Services	$ 4,900	$ 4,900	$ 4,270
Employee Benefits	2,600	2,800	2,081
Equipment Rental	3,700	3,700	1,222
	$ 11,200	$ 11,400	$ 7,573
Waste Removal			
Personal Services	$ 200	$ 200	$ 59
Employee Benefits	100	500	31
Operating Supplies	100	1,600	990
Removal Contract	497,800	497,800	497,270
County Landfill Fees	10,300	10,300	3,242
Equipment Rental	100	100	18
	$ 508,600	$ 510,500	$ 501,610
Total Public Works	$ 756,000	$ 794,100	$ 766,708
COMMUNITY AND ECONOMIC DEVELOPMENT			
Economic Development			
Job Training Project Contracted Services	$ 0	$ 0	$ 214,000
Planning and Zoning			
Personal Services	$ 53,500	$ 53,500	$ 56,391
Employee Benefits	24,100	24,400	23,418
Office Supplies	5,000	5,000	1,721
Postage	500	500	648
Data Processing	3,200	3,200	3,200
Dues and Publications	500	500	370
Telephone	400	400	443
Travel and Education	500	500	0
Publishing	0	0	1,055
Equipment Rental	600	600	292
Capital Outlay	0	1,000	1,000
	$ 88,300	$ 89,600	$ 88,538

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2007

	BUDGET		
	ORIGINAL	FINAL	ACTUAL
Community Promotions			
Personal Services	$ 10,500	$ 10,500	$ 7,971
Employee Benefits	6,100	6,300	4,094
Operating Supplies	1,500	3,000	2,745
Newsletter	2,000	3,000	2,875
Contractual Services	5,500	6,500	6,135
Utilities	1,200	2,200	1,640
Equipment Rental	7,300	7,300	5,821
Special Projects	0	0	47
Chamber of Commerce	1,000	1,000	0
	$ 35,100	$ 39,800	$ 31,328
Total Community and Economic Development	$ 123,400	$ 129,400	$ 333,866
CULTURE AND RECREATION			
Arts Commission			
Contractual Services	$ 10,500	$ 10,500	$ 10,500
Municipal Parks			
Personal Services	$ 61,200	$ 69,200	$ 71,041
Employee Benefits	17,500	17,900	18,234
Operating Supplies	14,500	14,500	15,708
Contractual Services	2,200	2,200	1,697
Telephone	500	500	472
Travel and Education	200	300	192
Utilities	17,500	20,500	21,257
Repairs and Maintenance	21,300	21,300	22,613
Equipment Rental	12,900	12,900	9,406
Building Rental	1,100	1,100	1,100
Capital Outlay	180,000	212,000	236,214
	$ 328,900	$ 372,400	$ 397,934
Total Culture and Recreation	$ 339,400	$ 382,900	$ 408,434

CITY OF CADILLAC, MICHIGAN
GENERAL FUND

ANALYSIS OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2007

	BUDGET		
	ORIGINAL	FINAL	ACTUAL
INTERGOVERNMENTAL EXPENDITURES			
Recreation			
Cadillac Community Schools Recreation Program	$ 66,200	$ 66,200	$ 66,200
Wexford County Swimmers' Itch Control Program	35,000	35,000	32,476
Housing			
Cadillac Housing Commission	205,000	235,000	241,123
Airport			
Wexford County Airport Authority	31,800	28,300	26,800
Clam Lake Township	1,200	1,200	1,073
Total Intergovernmental Expenditures	$ 339,200	$ 365,700	$ 367,672
TOTAL EXPENDITURES	$ 6,353,500	$ 6,909,800	$ 6,903,027
OTHER FINANCING USES			
Transfers Out			
Sick and Vacation Funding	$ 60,000	$ 0	$ 0
Local Street Fund	344,300	344,300	344,300
1993 Michigan Transportation Fund Debt Retirement Fund	0	0	400
	$ 404,300	$ 344,300	$ 344,700

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 1,633	$ 54,896
Receivables		
Accounts	603	0
Due from Other Funds	50,329	189,367
Due from Other Governments	106,465	103,331
Prepaid Expenditures	1,332	1,102
TOTAL ASSETS	$ 160,362	$ 348,696
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$ 116	$ 756
Accrued Expenditures	3,968	3,316
Due to Other Funds	16,112	17,244
Total Liabilities	$ 20,196	$ 21,316
FUND BALANCE		
Reserved for:		
Prepaid Expenditures	$ 1,332	$ 1,102
Unreserved		
Designated for Street Improvements	138,834	326,278
Total Fund Balance	$ 140,166	$ 327,380
TOTAL LIABILITIES AND FUND BALANCE	$ 160,362	$ 348,696

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	BUDGET		2007	2006
	ORIGINAL	FINAL	ACTUAL	ACTUAL
REVENUES				
Federal Grants				
Community Development Block Grant	$ 255,500	$ 255,500	$ 254,776	$ 222,746
State Grants				
MDOT - Street Improvements	375,000	375,000	495,000	63,804
Motor Vehicle Highway Fund (Act 51)	540,300	540,300	525,708	532,066
State Trunkline Maintenance	113,800	113,800	119,001	126,822
Contributions from Local Units				
D.D.A. Capital Projects	0	0	0	1,797
Interest and Rents				
Interest	10,000	10,000	3,362	12,626
Other Revenue				
Contributions and Donations from Private Sources	0	0	603	1,826
Total Revenues	$ 1,294,600	$ 1,294,600	$ 1,398,450	$ 961,687
EXPENDITURES				
Major Streets				
Construction - Streets	$ 838,800	$ 838,800	$ 967,885	$ 433,754
Surface Maintenance				
Personal Services	$ 18,000	$ 18,000	$ 11,303	$ 13,507
Employee Benefits	10,200	10,200	5,845	6,467
Materials	8,800	8,800	5,976	7,887
Equipment Rental	17,400	17,400	9,302	15,888
	$ 54,400	$ 54,400	$ 32,426	$ 43,749
Sweeping and Flushing				
Personal Services	$ 4,800	$ 4,800	$ 3,053	$ 3,757
Employee Benefits	2,900	2,900	1,531	1,960
Equipment Rental	28,900	24,900	18,761	22,822
	$ 36,600	$ 32,600	$ 23,345	$ 28,539

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	BUDGET		2007	2006
	ORIGINAL	FINAL	ACTUAL	ACTUAL
Forestry				
Personal Services	$ 13,800	$ 13,800	$ 10,087	$ 11,656
Employee Benefits	8,000	8,000	5,154	5,926
Materials	2,700	2,700	3,013	6,289
Contractual Services	1,500	1,500	1,477	2,965
Travel and Education	800	800	200	451
Repairs and Maintenance	300	300	0	22
Equipment Rental	19,700	19,700	15,105	24,192
	$ 46,800	$ 46,800	$ 35,036	$ 51,501
Catch Basins				
Personal Services	$ 6,300	$ 6,300	$ 3,431	$ 3,535
Employee Benefits	3,700	3,700	1,262	1,615
Materials	1,900	1,900	1,632	1,391
Contractual Services	2,600	2,600	2,145	2,639
Equipment Rental	22,800	22,800	7,920	4,031
	$ 37,300	$ 37,300	$ 16,390	$ 13,211
Drainage				
Personal Services	$ 5,900	$ 5,900	$ 6,363	$ 4,970
Employee Benefits	3,500	3,500	3,454	2,387
Materials	100	500	349	192
Contractual Services	2,000	1,600	0	0
Equipment Rental	2,000	2,000	2,564	2,022
	$ 13,500	$ 13,500	$ 12,730	$ 9,571
Traffic Services				
Personal Services	$ 14,200	$ 14,200	$ 12,038	$ 8,688
Employee Benefits	8,300	8,300	6,050	4,512
Materials	16,400	16,400	13,907	16,799
Contractual Services	21,000	21,000	13,698	5,642
Equipment Rental	7,900	7,900	5,585	9,428
	$ 67,800	$ 67,800	$ 51,278	$ 45,069
Winter Maintenance				
Personal Services	$ 21,600	$ 21,600	$ 22,488	$ 21,294
Employee Benefits	12,600	12,600	10,758	10,056
Materials	15,200	15,200	13,514	13,046
Equipment Rental	54,900	54,900	62,523	50,321
	$ 104,300	$ 104,300	$ 109,283	$ 94,717

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	BUDGET		2007	2006
	ORIGINAL	FINAL	ACTUAL	ACTUAL
Administration				
Personal Services	$ 43,600	$ 43,600	$ 45,586	$ 44,603
Employee Benefits	18,800	18,800	14,444	16,825
Office Supplies	100	100	0	0
Audit	1,800	1,800	1,800	1,800
Data Processing	17,000	17,000	17,000	17,000
Travel and Education	1,700	1,700	1,435	352
Equipment Rental	6,000	6,000	6,568	6,526
Administrative	34,400	34,400	35,000	38,000
	$ 123,400	$ 123,400	$ 121,833	$ 125,106
State Trunkline Maintenance				
Surface Maintenance				
Personal Services	$ 1,200	$ 1,200	$ 2,839	$ 1,972
Employee Benefits	700	700	1,442	1,108
Materials	1,000	1,000	1,330	1,254
Equipment Rental	1,500	1,500	4,393	2,332
	$ 4,400	$ 4,400	$ 10,004	$ 6,666
Sweeping and Flushing				
Personal Services	$ 500	$ 500	$ 496	$ 874
Employee Benefits	200	700	323	391
Equipment Rental	3,000	3,000	2,411	3,237
	$ 3,700	$ 4,200	$ 3,230	$ 4,502
Traffic Signals				
Utilities	$ 6,700	$ 6,200	$ 7,634	$ 6,399
Trees & Shrubs				
Personal Services	$ 0	$ 0	$ 0	$ 1,770
Employee Benefits	0	0	0	887
Equipment Rental	0	0	0	2,482
	$ 0	$ 0	$ 0	$ 5,139
Drainage				
Personal Services	$ 3,200	$ 3,200	$ 855	$ 840
Employee Benefits	1,800	1,800	456	278
Materials	100	100	0	2,398
Repairs and Maintenance	100	100	0	0
Equipment Rental	100	100	345	2,560

CITY OF CADILLAC, MICHIGAN
MAJOR STREET FUND

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

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	BUDGET		2007	2006
	ORIGINAL	FINAL	ACTUAL	ACTUAL
Contractual Services	100	100	0	0
	$ 5,400	$ 5,400	$ 1,656	$ 6,076
Winter Maintenance				
Personal Services	$ 16,300	$ 16,300	$ 14,577	$ 3,510
Employee Benefits	9,600	9,600	6,992	1,652
Materials	18,300	18,300	16,491	0
Equipment Rental	33,900	33,900	30,471	6,802
	$ 78,100	$ 78,100	$ 68,531	$ 11,964
Snow Hauling				
Personal Services	$ 4,400	$ 4,400	$ 2,316	$ 13,998
Employee Benefits	2,500	2,500	1,105	6,642
Materials	0	0	0	14,511
Equipment Rental	8,600	8,600	5,382	28,724
	$ 15,500	$ 15,500	$ 8,803	$ 63,875
Total Expenditures	$ 1,436,700	$ 1,432,700	$ 1,470,064	$ 949,838
Excess (Deficiency) of Revenues Over Expenditures	$ (142,100)	$ (138,100)	$ (71,614)	$ 11,849
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)				
Local Street Fund	$ (97,000)	$ (97,000)	$ (97,000)	$ (97,000)
2004 Capital Improvement Bonds Debt Retirement Fund	(18,700)	(22,700)	(18,600)	(19,100)
Net Other Financing Sources (Uses)	$ (115,700)	$ (119,700)	$ (115,600)	$ (116,100)
Net Change in Fund Balance	$ (257,800)	$ (257,800)	$ (187,214)	$ (104,251)
FUND BALANCE - Beginning of Year	381,231	381,231	327,380	431,631
FUND BALANCE - End of Year	$ 123,431	$ 123,431	$ 140,166	$ 327,380

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 62,786	$ 59,110
Investments	0	5,070
Receivables		
Accounts	4,032	0
Due from Other Funds	12,495	17,212
Due from Other Governments	43,955	32,931
Prepaid Expenditures	1,228	1,018
TOTAL ASSETS	$ 124,496	$ 115,341
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$ 348	$ 62
Accrued Expenditures	5,016	4,781
Due to Other Funds	20,506	100
Total Liabilities	$ 25,870	$ 4,943
FUND BALANCE		
Reserved for Prepaid Expenditures	$ 1,228	$ 1,018
Unreserved		
Designated for Street Improvements	97,398	109,380
Total Fund Balance	$ 98,626	$ 110,398
TOTAL LIABILITIES AND FUND BALANCE	$ 124,496	$ 115,341

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

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

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	BUDGET		2007	2006
	ORIGINAL	FINAL	ACTUAL	ACTUAL
REVENUES				
Federal Grants				
Community Development Block Grant	$ 0	$ 0	$ 11,608	$ 0
State Grants				
Motor Vehicle Highway Fund (Act 51)	213,200	213,200	196,996	199,439
Interest and Rents				
Interest	11,200	11,200	7,716	8,706
Other Revenue				
Contributions and Dontations from Private Sources	0	0	4,032	1,111
Total Revenues	$ 224,400	$ 224,400	$ 220,352	$ 209,256
EXPENDITURES				
Street Construction				
Contractual Services	$ 45,000	$ 45,000	$ 69,159	$ 190,197
Surface Maintenance				
Personal Services	$ 21,300	$ 21,300	$ 16,708	$ 15,423
Employee Benefits	12,400	12,400	8,860	7,779
Materials	14,300	14,300	12,343	9,448
Equipment Rental	31,100	31,100	23,861	19,880
	$ 79,100	$ 79,100	$ 61,772	$ 52,530
Sweeping and Flushing				
Personal Services	$ 7,500	$ 7,500	$ 7,666	$ 6,022
Employee Benefits	4,400	4,400	3,797	3,183
Equipment Rental	45,000	45,000	42,950	37,082
	$ 56,900	$ 56,900	$ 54,413	$ 46,287
Forestry				
Personal Services	$ 25,200	$ 25,200	$ 20,602	$ 31,727
Employee Benefits	12,700	12,700	10,327	15,976
Materials	6,200	6,200	6,889	3,112
Contractual Services	2,500	2,500	1,477	3,000
Equipment Rental	26,800	26,800	33,317	47,950
	$ 73,400	$ 73,400	$ 72,612	$ 101,765

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

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

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	BUDGET		2007	2006
	ORIGINAL	FINAL	ACTUAL	ACTUAL
Catch Basins				
Personal Services	$ 9,000	$ 9,000	$ 14,300	$ 13,544
Employee Benefits	5,900	5,900	3,915	3,981
Materials	300	300	236	7
Contractual Services	2,500	2,500	507	15,557
Utilities	400	900	600	571
Equipment Rental	52,000	52,000	15,117	21,110
	$ 70,100	$ 70,600	$ 34,675	$ 54,770
Drainage				
Personal Services	$ 7,100	$ 7,100	$ 7,498	$ 7,021
Employee Benefits	3,900	3,400	4,023	3,489
Materials	300	300	0	0
Equipment Rental	4,100	4,100	3,303	2,767
	$ 15,400	$ 14,900	$ 14,824	$ 13,277
Traffic Services				
Personal Services	$ 7,500	$ 7,500	$ 5,788	$ 8,824
Employee Benefits	6,600	6,600	3,477	3,951
Materials	1,200	1,200	1,579	3,044
Contractual Services	500	500	0	0
Equipment Rental	3,400	3,400	3,416	3,901
	$ 19,200	$ 19,200	$ 14,260	$ 19,720
Winter Maintenance				
Personal Services	$ 12,500	$ 12,500	$ 13,808	$ 16,534
Employee Benefits	9,400	9,400	6,633	8,001
Materials	11,000	11,000	7,677	9,057
Equipment Rental	47,100	47,100	40,942	50,002
	$ 80,000	$ 80,000	$ 69,060	$ 83,594
Administration				
Personal Services	$ 31,500	$ 31,500	$ 40,819	$ 39,992
Employee Benefits	16,500	16,500	12,610	14,783
Office Supplies	100	100	0	0
Audit	1,700	1,700	1,650	1,650
Data Processing	14,000	14,000	14,000	14,000
Equipment Rental	6,000	6,000	6,552	6,870
Administrative	30,200	30,200	30,200	35,100
	$ 100,000	$ 100,000	$ 105,831	$ 112,395

CITY OF CADILLAC, MICHIGAN
LOCAL STREET FUND

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

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	BUDGET		2007	2006
	ORIGINAL	FINAL	ACTUAL	ACTUAL
Debt Service				
Principal	$ 98,500	$ 98,500	$ 26,111	$ 26,111
Interest	47,100	47,100	4,902	7,914
	$ 145,600	$ 145,600	$ 31,013	$ 34,025
Total Expenditures	$ 684,700	$ 684,700	$ 527,619	$ 708,560
Excess (Deficiency) of Revenues Over Expenditures	$ (460,300)	$ (460,300)	$ (307,267)	$ (499,304)
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)				
General Fund	344,300	344,300	344,300	276,500
Major Street Fund	97,000	97,000	97,000	97,000
1997 Michigan Transportation Fund Debt Retirement Fund	0	0	(17,200)	(13,000)
1996 Michigan Transportation Fund Debt Retirement Fund	0	0	(26,000)	(27,100)
1993 Michigan Transportation Fund Debt Retirement Fund	0	0	0	(19,103)
2000 Michigan Transportation Fund Debt Retirement Fund	0	0	(33,305)	(28,897)
2004 Capital Improvement Bonds Debt Retirement Fund	0	0	(69,300)	(69,900)
Net Other Financing Sources (Uses)	$ 441,300	$ 441,300	$ 295,495	$ 215,500
Net Change In Fund Balance	$ (19,000)	$ (19,000)	$ (11,772)	$ (283,804)
FUND BALANCE - Beginning of Year	34,602	34,602	110,398	394,202
FUND BALANCE - End of Year	$ 15,602	$ 15,602	$ 98,626	$ 110,398

MAJOR PROPRIETARY FUNDS

WATER AND SEWER FUND

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

BUILDING AUTHORITY OPERATING FUND

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

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	2007	2006
ASSETS		
CURRENT ASSETS		
Cash	$ 373,472	$ 125,457
Investments	1,560,317	1,204,024
Receivables		
Accounts	330,969	411,074
Unbilled Services	260,894	271,792
Accrued Interest	31,532	24,725
Cylinder Deposits	10,500	10,500
Due from Other Funds	5,492	7,832
Inventory, At Cost	210,636	193,349
Prepaid Expense	17,682	52,734
Total Current Assets	$ 2,801,494	$ 2,301,487
NONCURRENT ASSETS		
RESTRICTED ASSETS		
Investments		
Bond Reserve Account	$ 1,365,599	$ 1,365,571
Bond Replacement Account	433,474	423,062
Total Restricted Assets	$ 1,799,073	$ 1,788,633
CAPITAL ASSETS		
Land and Land Improvements	$ 142,828	$ 124,058
Buildings	930,747	930,747
Improvements Other than Buildings	28,036,470	27,829,925
Machinery and Equipment	1,155,634	1,120,641
Construction Work in Progress	452,604	137,701
	$ 30,718,283	$ 30,143,072
Less Accumulated Depreciation	13,247,139	12,461,063
Net Capital Assets	$ 17,471,144	$ 17,682,009
OTHER ASSETS		
Deferred Charge - Bond Issuance Costs	$ 71,183	$ 83,940
Total Noncurrent Assets	$ 19,341,400	$ 19,554,582
TOTAL ASSETS	$ 22,142,894	$ 21,856,069

	2007	2006
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	$ 107,212	$ 72,419
Accrued Interest	112,641	118,895
Other Accrued Expenses	199,618	180,250
Due to Other Funds	22,534	46,300
Due to Other Governments	0	1,199
Utility Deposits	2,850	2,270
Current Portion of Revenue Bonds	385,000	365,000
Total Current Liabilities	$ 829,855	$ 786,333
LONG-TERM LIABILITIES		
1993 Revenue Refunding Bonds		
(Net of Deferred Refunding Amount)	$ 0	$ 214,294
1995 Revenue Bonds	0	95,000
1999 Revenue Refunding Bonds		
(Net of Deferred Refunding Amount)	1,361,773	1,420,361
2001 Revenue Bonds		
(Net of Deferred Refunding Amount)	5,096,045	5,096,732
Total Long-Term Liabilities	$ 6,457,818	$ 6,826,387
TOTAL LIABILITIES	$ 7,287,673	$ 7,612,720
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	$ 10,628,326	$ 10,490,622
Restricted for Debt Service	1,799,073	1,788,633
Unrestricted	2,427,822	1,964,094
TOTAL NET ASSETS	$ 14,855,221	$ 14,243,349

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

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

	2007	2006
OPERATING REVENUES		
Sewer Charges to Customers	$ 1,974,631	$ 2,087,948
Water Charges to Customers	1,057,747	1,067,273
Fire Protection	93,307	88,975
Hydrant Rental	9,458	15,133
Sales of Services and Materials	599,674	410,447
Total Operating Revenues	$ 3,734,817	$ 3,669,776
OPERATING EXPENSES		
Personal Services	$ 778,690	$ 783,118
Contractual Services	471,446	554,500
Supplies	371,245	336,687
Heat, Light and Power	341,851	280,570
Depreciation and Amortization	814,055	802,444
Employee Benefits	338,656	306,820
Administrative	212,300	198,100
Total Operating Expenses	$ 3,328,243	$ 3,262,239
Operating Income	$ 406,574	$ 407,537
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	$ 150,640	$ 106,827
Interest and Fiscal Charges	(355,436)	(376,823)
Total Nonoperating Revenues (Expenses)	$ (204,796)	$ (269,996)
Income (Loss) Before Contributions	$ 201,778	$ 137,541
CAPITAL CONTRIBUTIONS		
State Revolving Fund Grant	$ 394,990	$ 0
Community Development Block Program Grant	15,104	76,448
Total Capital Contributions	$ 410,094	$ 76,448
Change in Net Assets	$ 611,872	$ 213,989
TOTAL NET ASSETS - Beginning of Year	$ 14,243,349	$ 14,029,360
TOTAL NET ASSETS - End of Year	$ 14,855,221	$ 14,243,349

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	2007	2006
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 3,828,160	$ 3,769,845
Cash Payments to Suppliers for Goods and Services	(1,368,669)	(1,524,496)
Cash Payments to Employees for Services	(1,097,978)	(1,104,016)
Net Cash Provided by Operating Activities	$ 1,361,513	$ 1,141,333
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	$ (586,962)	$ (536,328)
Grant Proceeds	410,094	76,448
Principal Paid	(365,000)	(350,000)
Interest Paid	(348,729)	(382,739)
Net Cash Provided (Used) for Capital and Related Financing Activities	$ (890,597)	$ (1,192,619)
Cash Flows from Investing Activities:		
Interest Received	$ 143,833	$ 114,719
Purchase of Investment Securities	(489,698)	(844,812)
Proceeds from Sale and Maturities of Investment Securities	122,964	182,443
Net Cash Provided (Used) by Investing Activities	$ (222,901)	$ (547,650)
Net Increase (Decrease) in Cash and Cash Equivalents	$ 248,015	$ (598,936)
CASH AND CASH EQUIVALENTS - Beginning of Year	125,457	724,393
CASH AND CASH EQUIVALENTS - End of Year	$ 373,472	$ 125,457

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	2007	2006
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ 406,574	$ 407,537
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities		
Depreciation and Amortization	$ 814,055	$ 802,444
(Increase) Decrease in Current Assets		
Accounts Receivable	91,003	(137,872)
Due from Other Funds	2,340	230,893
Due from Other Governments-Operating	0	7,048
Inventory	(17,287)	(2,082)
Prepaid Expense	35,052	(52,734)
Increase (Decrease) in Current Liabilities		
Accounts Payable	34,793	(12,294)
Other Accrued Expenses	19,368	(14,078)
Due to Other Funds	(23,766)	(86,674)
Due to Other Governments	(1,199)	(836)
Utility Deposits	580	(19)
Total Adjustments	$ 954,939	$ 733,796
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 1,361,513	$ 1,141,333

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
ADMINISTRATIVE			
Personal Services	$ 287,500	$ 360,999	$ 409,312
Employee Benefits	136,400	182,331	179,544
Office Supplies	7,900	9,200	9,203
Postage	15,000	19,684	14,345
Safety Supplies	4,000	4,018	7,856
Property Taxes	7,100	7,087	7,087
Contractual Services	59,000	69,063	68,990
Engineering Fees	12,500	11,662	14,182
Legal Fees	5,000	33	128
Audit	5,000	4,800	4,800
State Mandated Fees	15,200	22,340	14,792
Data Processing	50,000	50,000	46,000
Bad Debt Expenses	1,000	0	0
Insurance	38,400	38,323	29,440
Dues and Publications	2,500	1,903	2,616
Repairs and Maintenance	500	364	681
Telephone	4,500	4,962	4,644
Alarm System	4,800	3,847	3,372
Travel and Education	9,000	9,853	8,043
Employee Safety	1,200	1,200	1,200
Pubic Relations	1,000	1,145	527
Grant Match	5,000	0	0
Administration	212,300	212,300	198,100
	$ 884,800	$ 1,015,114	$ 1,024,862
BUILDINGS AND WATER TANK			
Personal Services	$ 15,000	$ 5,600	$ 7,744
Employee Benefits	4,900	555	797
Operating Supplies	12,000	16,343	12,117
Repairs and Maintenance	2,000	3,404	361
	$ 33,900	$ 25,902	$ 21,019

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
GENERAL STREET EXPENSE			
Personal Services	$ 1,200	$ 441	$ 650
Employee Benefits	750	240	121
Operating Supplies	4,000	4,868	44,764
Contractual Services	16,900	9,987	11,231
	$ 22,850	$ 15,536	$ 56,766
METER READING AND COLLECTION			
Personal Services	$ 17,500	$ 5,641	$ 12,045
Employee Benefits	8,550	1,867	3,766
Operating Supplies	300	0	163
	$ 26,350	$ 7,508	$ 15,974
CUSTOMER SERVICES			
Personal Services	$ 8,500	$ 6,356	$ 8,132
Employee Benefits	4,200	2,816	2,711
	$ 12,700	$ 9,172	$ 10,843
PUMPING STATION			
Personal Services	$ 6,500	$ 3,428	$ 2,531
Employee Benefits	3,250	1,453	909
Operating Supplies	7,500	9,065	8,074
Chemicals	19,500	24,421	27,363
Laboratory Control	22,500	21,711	20,831
Utilities	100,100	118,321	102,154
Repairs and Maintenance	2,800	2,747	1,147
	$ 162,150	$ 181,146	$ 163,009

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
MAINTENANCE - MAINS AND HYDRANTS			
Personal Services	$ 65,500	$ 60,617	$ 53,559
Employee Benefits	30,550	25,105	21,913
Operating Supplies	33,000	18,512	45,466
Contractual Services	7,500	4,942	5,507
	$ 136,550	$ 109,176	$ 126,445
MAINTENANCE - SERVICE CONNECTIONS			
Personal Services	$ 5,500	$ 2,115	$ 836
Employee Benefits	2,750	507	418
Operating Supplies	5,500	2,849	2,739
Repairs and Maintenance	2,000	998	0
	$ 15,750	$ 6,469	$ 3,993
METER - OPERATIONS			
Personal Services	$ 74,000	$ 61,377	$ 63,617
Employee Benefits	36,000	26,483	25,696
Operating Supplies	22,100	34,725	15,805
	$ 132,100	$ 122,585	$ 105,118
WELLS AND WELL FIELDS			
Personal Services	$ 4,700	$ 1,889	$ 4,262
Employee Benefits	2,350	378	1,846
Operating Supplies	9,100	3,372	3,110
Contractual Services	25,000	33,891	31,933
Repairs and Maintenance	22,700	22,111	14,602
	$ 63,850	$ 61,641	$ 55,753

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
NEW SERVICES			
Personal Services	$ 3,500	$ 1,302	$ 556
Employee Benefits	1,750	516	360
Operating Supplies	25,000	24,174	12,568
Contractual Services	2,700	1,350	195
	$ 32,950	$ 27,342	$ 13,679
PRELIMINARY TREATMENT			
Personal Services	$ 9,100	$ 11,890	$ 7,108
Employee Benefits	4,550	5,178	2,847
Operating Supplies	800	500	61
Utilities	2,000	1,967	1,704
Repairs and Maintenance	2,500	2,833	4,231
	$ 18,950	$ 22,368	$ 15,951
PRIMARY TREATMENT			
Personal Services	$ 12,400	$ 10,054	$ 10,989
Employee Benefits	6,150	4,344	4,090
Operating Supplies	200	0	1
Repairs and Maintenance	3,200	2,658	418
	$ 21,950	$ 17,056	$ 15,498
SECONDARY TREATMENT			
Personal Services	$ 16,000	$ 11,850	$ 13,663
Employee Benefits	7,850	4,448	4,799
Operating Supplies	2,200	12	0
Utilities	40,000	49,180	42,588
Repairs and Maintenance	2,300	1,627	3,716
	$ 68,350	$ 67,117	$ 64,766

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
TERTIARY TREATMENT			
Personal Services	$ 13,500	$ 10,720	$ 12,344
Employee Benefits	6,600	3,727	4,153
Operating Supplies	7,800	10,617	4,160
Utilities	16,500	22,623	19,616
Repairs and Maintenance	8,600	10,636	9,432
	$ 53,000	$ 58,323	$ 49,705
SLUDGE TREATMENT AND DISPOSAL			
Personal Services	$ 26,000	$ 21,036	$ 27,464
Employee Benefits	12,800	9,170	9,987
Operating Supplies	5,200	1,297	2,832
Laboratory Control	5,500	3,735	6,928
Injection Contract Costs	35,000	55,667	113,713
Utilities	8,100	9,836	8,518
Repairs and Maintenance	8,600	8,500	8,446
	$ 101,200	$ 109,241	$ 177,888
NUTRIENT REMOVAL			
Personal Services	$ 15,000	$ 5,206	$ 8,258
Employee Benefits	7,350	2,386	2,837
Operating Supplies	2,100	429	2,251
Chemicals	27,000	41,257	39,484
Repairs and Maintenance	3,000	6,467	3,477
	$ 54,450	$ 55,745	$ 56,307

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
EFFLUENT DISPOSAL			
Personal Services	$ 16,000	$ 9,309	$ 10,649
Employee Benefits	7,850	4,008	4,301
Operating Supplies	3,500	1,389	0
Plant Lab Supplies	4,900	6,522	8,237
Chemicals	1,000	0	0
Laboratory Control	8,300	12,067	9,874
Utilities	5,600	9,434	8,542
Repairs and Maintenance	4,600	7,329	4,760
	$ 51,750	$ 50,058	$ 46,363
INDUSTRIAL SURVEILLANCE			
Personal Services	$ 16,500	$ 8,069	$ 10,656
Employee Benefits	8,100	2,948	4,241
Operating Supplies	3,000	677	514
Laboratory Control	5,000	1,755	1,455
Repairs and Maintenance	250	728	526
	$ 32,850	$ 14,177	$ 17,392
BUILDINGS AND GROUNDS			
Personal Services	$ 56,200	$ 63,175	$ 42,822
Employee Benefits	25,000	22,292	14,569
Operating Supplies	19,300	36,337	17,700
Utilities	50,000	66,130	68,041
Repairs and Maintenance	17,800	23,237	15,914
	$ 168,300	$ 211,171	$ 159,046

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
SANITARY SEWERS			
Personal Services	$ 39,500	$ 34,131	$ 32,708
Employee Benefits	19,150	12,659	7,476
Operating Supplies	8,000	10,273	11,881
Contractual Services	15,500	4,674	31,489
Repairs and Maintenance	600	675	737
	$ 82,750	$ 62,412	$ 84,291
LIFT STATIONS			
Personal Services	$ 24,200	$ 13,990	$ 15,852
Employee Benefits	11,800	5,619	5,612
Operating Supplies	4,500	6,245	3,149
Disposal Fees	2,000	1,100	1,530
Utilities	30,100	55,551	29,407
Repairs and Maintenance	18,200	19,244	17,882
	$ 90,800	$ 101,749	$ 73,432
VEHICLES - WATER			
Personal Services	$ 1,500	$ 1,142	$ 1,072
Employee Benefits	850	258	332
Operating Supplies	400	626	436
Fuel and Oil	4,500	4,647	4,829
Repairs and Maintenance	4,500	4,285	5,791
	$ 11,750	$ 10,958	$ 12,460

CITY OF CADILLAC, MICHIGAN
WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
VEHICLES - DISTRIBUTION			
Personal Services	$ 500	$ 0	$ 0
Employee Benefits	450	0	0
Operating Supplies	700	986	660
Fuel and Oil	13,000	17,129	16,983
Repairs and Maintenance	15,000	14,659	10,674
	$ 29,650	$ 32,774	$ 28,317
LABORATORY			
Personal Services	$ 46,500	$ 68,353	$ 26,289
Employee Benefits	19,850	19,368	3,495
Operating Supplies	17,100	21,803	19,936
Repairs and Maintenance	8,000	7,154	9,943
Equipment Rental	1,000	562	1,255
Research and Development	2,600	2,208	0
	$ 95,050	$ 119,448	$ 60,918
OTHER EXPENSE			
Depreciation and Amortization	$ 775,000	$ 814,055	$ 802,444
TOTAL OPERATING EXPENSES	$ 3,179,750	$ 3,328,243	$ 3,262,239

CITY OF CADILLAC, MICHIGAN
BUILDING AUTHORITY OPERATING FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	2007	2006
ASSETS		
CURRENT ASSETS		
Cash	$ 26,601	$ 45,047
Investments	43,266	86,527
Receivables		
Interest	919	1,837
Due from Other Governments	48,968	0
Prepaid Expense	162	1,331
Total Current Assets	$ 119,916	$ 134,742
NONCURRENT ASSETS		
CAPITAL ASSETS		
Land	$ 90,445	$ 90,445
Buildings	1,718,511	1,699,011
	$ 1,808,956	$ 1,789,456
Less Accumulated Depreciation	391,423	356,792
Net Capital Assets	$ 1,417,533	$ 1,432,664
OTHER ASSETS		
Deferred Charge - Bond Issuance Costs	17,678	21,482
Total Noncurrent Assets	$ 1,435,211	$ 1,454,146
TOTAL ASSETS	$ 1,555,127	$ 1,588,888

	2007	2006
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	$ 881	$ 552
Accrued Interest	12,069	13,094
Current Portion of Revenue Bonds	105,000	100,000
Total Current Liabilities	$ 117,950	$ 113,646
LONG-TERM LIABILITIES		
1999 Revenue Refunding Bonds	975,000	1,080,000
TOTAL LIABILITIES	$ 1,092,950	$ 1,193,646
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	$ 337,533	$ 252,664
Unrestricted	124,644	142,578
TOTAL NET ASSETS	$ 462,177	$ 395,242

CITY OF CADILLAC, MICHIGAN
BUILDING AUTHORITY OPERATING FUND

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

	2007	2006
OPERATING REVENUES		
Building Rental	$ 195,870	$ 195,870
OPERATING EXPENSES		
Contractual Services	$ 29,299	$ 25,157
Audit	900	900
Insurance	593	572
Building Maintenance	7,096	5,022
Utilities	2,982	2,286
Depreciation and Amortization	38,435	37,962
Administration	5,000	5,000
Total Operating Expenses	$ 84,305	$ 76,899
Operating Income (Loss)	$ 111,565	$ 118,971
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	$ 4,970	$ 4,882
Interest Expense	(49,600)	(54,517)
Total Nonoperating Revenues (Expenses)	$ (44,630)	$ (49,635)
Income (Loss)	$ 66,935	$ 69,336
TOTAL NET ASSETS - Beginning of Year	395,242	325,906
TOTAL NET ASSETS - End of Year	$ 462,177	$ 395,242

CITY OF CADILLAC, MICHIGAN

BUILDING AUTHORITY OPERATING FUND
COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	2007	2006
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 195,870	$ 195,870
Cash Payments to Suppliers for Goods and Services	(93,340)	(47,353)
Net Cash Provided (Used) by Operating Activities	$ 102,530	$ 148,517
Cash Flows from Capital and Related Financing Activities:		
Principal Paid	$ (100,000)	$ (95,000)
Interest Paid	(50,625)	(55,908)
Acquisition and Construction of Capital Assets	(19,500)	0
Net Cash Provided (Used) for Capital and Related Financing Activities	$ (170,125)	$ (150,908)
Cash Flows from Investing Activities:		
Interest Received	$ 5,888	$ 4,075
Purchase of Investment Securities	(4,580)	(44,863)
Proceeds from Sale and Maturities of Investment Securities	47,841	41,705
Net Cash Provided (Used) by Investing Activities	$ 49,149	$ 917
Net Increase (Decrease) in Cash and Cash Equivalents	$ (18,446)	$ (1,474)
CASH AND CASH EQUIVALENTS - Beginning of Year	45,047	46,521
CASH AND CASH EQUIVALENTS - End of Year	$ 26,601	$ 45,047

CITY OF CADILLAC, MICHIGAN

BUILDING AUTHORITY OPERATING FUND
COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	2007	2006
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ 111,565	$ 118,971
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:		
Depreciation and Amortization	$ 38,435	$ 37,962
(Increase) Decrease in Current Assets		
Due from Other Governments	(48,968)	0
Prepaid Expense	1,169	(1,331)
Increase (Decrease) in Current Liabilities		
Accounts Payable	329	(3,989)
Due to Other Funds	0	(3,096)
Total Adjustments	$ (9,035)	$ 29,546
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 102,530	$ 148,517

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

COMBINING BALANCE SHEET

JUNE 30, 2007

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
ASSETS			
Cash	$ 245,774	$ 159,915	$ 104,342
Investments	1,487,522	289,401	421,037
Receivables			
Accounts	2,258	0	0
Grants	7,500	0	0
Mortgages and Notes	316,485	0	0
Accrued Interest	27,125	16,836	19,553
Special Assessments			
Current	0	58,198	50,668
Deferred	0	195,610	320,792
Due from Other Funds	1,740	3,855	42,227
Prepaid Expenditures	6,638	0	0
TOTAL ASSETS	$ 2,095,042	$ 723,815	$ 958,619
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	$ 39,997	$ 0	$ 60,832
Accrued Expenditures	3,124	0	0
Security Deposits Payable	1,086	0	0
Due to Other Funds	0	19,653	47,008
Deferred Revenue	237,444	195,610	320,792
Total Liabilities	$ 281,651	$ 215,263	$ 428,632
FUND BALANCE			
Reserved	$ 116,177	$ 508,552	$ 529,987
Unreserved			
Undesignated	1,697,214	0	0
Total Fund Balance	$ 1,813,391	$ 508,552	$ 529,987
TOTAL LIABILITIES AND FUND BALANCE	$ 2,095,042	$ 723,815	$ 958,619

PERMANENT FUNDS	TOTALS
$ 34,599	$ 544,630
1,352,255	3,550,215
0	2,258
0	7,500
0	316,485
2,260	65,774
0	108,866
0	516,402
0	47,822
0	6,638
$ 1,389,114	$ 5,166,590

$ 0	$ 100,829
0	3,124
0	1,086
0	66,661
0	753,846
$ 0	$ 925,546

$ 1,389,114	$ 2,543,830
0	1,697,214
$ 1,389,114	$ 4,241,044
$ 1,389,114	$ 5,166,590

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2007

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
REVENUES			
Taxes and Special Assessments	$ 110,784	$ 64,906	$ 61,708
Contributions from Local Units	0	30,000	0
Charges for Services	138,535	0	0
Interest and Rents	113,541	29,545	32,652
Gain (Loss) on Investments	0	0	0
Other Revenue	41,989	0	151,534
Total Revenues	$ 404,849	$ 124,451	$ 245,894
EXPENDITURES			
General Government	$ 138,480	$ 0	$ 0
Public Safety	92,255	0	0
Community and Economic Development	50,357	0	0
Cultural and Recreation	61,364	0	0
Capital Outlay	0	0	29,536
Debt Service	0	368,216	30,288
Intergovernmental	4,444	0	0
Total Expenditures	$ 346,900	$ 368,216	$ 59,824
Excess (Deficiency) of Revenues Over Expenditures	$ 57,949	$ (243,765)	$ 186,070
OTHER FINANCING SOURCES (USES)			
Transfers In	$ 312,573	$ 291,805	$ 0
Transfers Out	(291,247)	(127,000)	0
Total Other Financing Sources (Uses)	$ 21,326	$ 164,805	$ 0
Net Change in Fund Balances	$ 79,275	$ (78,960)	$ 186,070
FUND BALANCES - Beginning of Year	1,734,116	587,512	343,917
FUND BALANCES - End of Year	$ 1,813,391	$ 508,552	$ 529,987

PERMANENT FUNDS	TOTALS
$ 0	$ 237,398
0	30,000
0	138,535
28,041	203,779
173,057	173,057
8,900	202,423
$ 209,998	$ 985,192
$ 1,400	$ 139,880
0	92,255
0	50,357
0	61,364
0	29,536
0	398,504
0	4,444
$ 1,400	$ 776,340
$ 208,598	$ 208,852
$ 0	$ 604,378
(21,326)	(439,573)
$ (21,326)	$ 164,805
$ 187,272	$ 373,657
1,201,842	3,867,387
$ 1,389,114	$ 4,241,044

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.

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

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

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

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

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

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

CITY OF CADILLAC, MICHIGAN
NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2007

	CEMETERY OPERATING	COMMUNITY DEVELOPMENT	H.L. GREEN OPERATING	CADILLAC DEVELOPMENT
ASSETS				
Cash	$ 23,487	$ 0	$ 52,506	$ 51,763
Investments	61,895	0	29,847	1,371,263
Receivables				
Accounts	0	0	0	0
Grants	0	0	0	0
Mortgages and Notes	0	0	150,784	165,701
Accrued Interest	347	0	107	26,602
Due from Other Funds	0	0	0	0
Prepaid Expenditures	724	0	0	94
TOTAL ASSETS	$ 86,453	$ 0	$ 233,244	$ 1,615,423
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 3,117	$ 0	$ 0	$ 20,061
Accrued Expenditures	1,442	0	0	499
Security Deposits Payable	0	0	0	0
Deferred Revenue	0	0	150,784	79,160
Total Liabilities	$ 4,559	$ 0	$ 150,784	$ 99,720
FUND BALANCES				
Reserved for:				
Prepaid Expenditures	$ 724	$ 0	$ 0	$ 94
Capital Improvements	11,163	0	0	0
Milfoil Eradication	0	0	0	0
Mortgages and Notes Receivable	0	0	0	32,546
Parks and Recreation	0	0	0	0
Unreserved	70,007	0	82,460	1,483,063
Total Fund Balances	$ 81,894	$ 0	$ 82,460	$ 1,515,703
TOTAL LIABILITIES AND FUND BALANCES	$ 86,453	$ 0	$ 233,244	$ 1,615,423

NAVAL RESERVE CENTER	CLAM RIVER GREENWAY	BUILDING INSPECTION	RENTAL REHABILITATION GRANT	MILFOIL ERADICATION	TOTALS
$ 28,705	$ 1,719	$ 7,377	$ 0	$ 80,217	$ 245,774
24,517	0	0	0	0	1,487,522
2,258	0	0	0	0	2,258
0	7,500	0	0	0	7,500
0	0	0	0	0	316,485
69	0	0	0	0	27,125
0	0	0	1,740	0	1,740
0	0	602	0	5,218	6,638
$ 55,549	$ 9,219	$ 7,979	$ 1,740	$ 85,435	$ 2,095,042
$ 713	$ 0	$ 0	$ 0	$ 16,106	$ 39,997
0	0	1,183	0	0	3,124
1,086	0	0	0	0	1,086
0	7,500	0	0	0	237,444
$ 1,799	$ 7,500	$ 1,183	$ 0	$ 16,106	$ 281,651
$ 0	$ 0	$ 602	$ 0	$ 5,218	$ 6,638
0	0	0	0	0	11,163
0	0	0	0	64,111	64,111
0	0	0	0	0	32,546
0	1,719	0	0	0	1,719
53,750	0	6,194	1,740	0	1,697,214
$ 53,750	$ 1,719	$ 6,796	$ 1,740	$ 69,329	$ 1,813,391
$ 55,549	$ 9,219	$ 7,979	$ 1,740	$ 85,435	$ 2,095,042

CITY OF CADILLAC, MICHIGAN
NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2007

	CEMETERY OPERATING	COMMUNITY DEVELOPMENT	H.L. GREEN OPERATING	CADILLAC DEVELOPMENT
REVENUES				
Taxes	$ 0	$ 0	$ 0	$ 0
Charges for Services	50,129	0	0	0
Interest and Rents	3,760	0	8,446	59,386
Other Revenue	245	0	24,640	4,767
Total Revenues	$ 54,134	$ 0	$ 33,086	$ 64,153
EXPENDITURES				
General Government	$ 108,744	$ 0	$ 0	$ 0
Public Safety	0	0	0	0
Cultural and Recreation	0	0	0	0
Community and Economic Development	0	0	600	49,325
Intergovernmental	0	0	0	4,444
Total Expenditures	$ 108,744	$ 0	$ 600	$ 53,769
Excess (Deficiency) of Revenues Over Expenditures	$ (54,610)	$ 0	$ 32,486	$ 10,384
OTHER FINANCING SOURCES (USES)				
Transfers In	$ 21,326	$ 10,000	$ 0	$ 271,247
Transfers Out	0	(271,247)	(10,000)	(10,000)
Total Other Financing Sources (Uses)	$ 21,326	$ (261,247)	$ (10,000)	$ 261,247
Net Change in Fund Balances	$ (33,284)	$ (261,247)	$ 22,486	$ 271,631
FUND BALANCES - Beginning of Year	115,178	261,247	59,974	1,244,072
FUND BALANCES - End of Year	$ 81,894	$ 0	$ 82,460	$ 1,515,703

NAVAL RESERVE CENTER	CLAM RIVER GREENWAY	BUILDING INSPECTION	RENTAL REHABILITATION GRANT	MILFOIL ERADICATION	TOTALS
$ 0	$ 0	$ 0	$ 0	$ 110,784	$ 110,784
0	0	88,406	0	0	138,535
37,755	122	448	0	3,624	113,541
0	190	197	0	11,950	41,989
$ 37,755	$ 312	$ 89,051	$ 0	$ 126,358	$ 404,849
$ 29,736	$ 0	$ 0	$ 0	$ 0	$ 138,480
0	0	92,255	0	0	92,255
0	4,335	0	0	57,029	61,364
0	0	0	432	0	50,357
0	0	0	0	0	4,444
$ 29,736	$ 4,335	$ 92,255	$ 432	$ 57,029	$ 346,900
$ 8,019	$ (4,023)	$ (3,204)	$ (432)	$ 69,329	$ 57,949
$ 0	$ 0	$ 10,000	$ 0	$ 0	$ 312,573
0	0	0	0	0	(291,247)
$ 0	$ 0	$ 10,000	$ 0	$ 0	$ 21,326
$ 8,019	$ (4,023)	$ 6,796	$ (432)	$ 69,329	$ 79,275
45,731	5,742	0	2,172	0	1,734,116
$ 53,750	$ 1,719	$ 6,796	$ 1,740	$ 69,329	$ 1,813,391

CITY OF CADILLAC, MICHIGAN
CEMETERY OPERATING FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 23,487	$ 54,487
Investments	61,895	62,323
Receivables		
Accrued Interest	347	347
Due from Other Funds	0	3,647
Prepaid Expenditures	724	680
TOTAL ASSETS	$ 86,453	$ 121,484
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$ 3,117	$ 4,961
Accrued Expenditures	1,442	1,342
Due to Other Funds	0	3
Total Liabilities	$ 4,559	$ 6,306
FUND BALANCE		
Reserved for:		
Prepaid Expenditures	$ 724	$ 680
Capital Improvements	11,163	10,918
Unreserved	70,007	103,580
Total Fund Balance	$ 81,894	$ 115,178
TOTAL LIABILITIES AND FUND BALANCE	$ 86,453	$ 121,484

CITY OF CADILLAC, MICHIGAN
CEMETERY OPERATING FUND

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

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Charges for Services			
Sale of Lots and Burial Rights	$ 8,000	$ 8,900	$ 14,200
Grave Openings and Storage	33,000	32,850	35,675
Foundations and Miscellaneous	9,000	8,379	9,187
Interest and Rents			
Interest	1,600	3,760	4,883
Other Revenue			
Contributions from Private Sources	5,000	245	1,914
Total Revenues	$ 56,600	$ 54,134	$ 65,859
EXPENDITURES			
General Government			
Personal Services	$ 40,100	$ 48,429	$ 46,830
Employee Benefits	15,600	13,491	14,454
Operating Supplies	8,800	9,417	9,610
Audit	700	600	600
Data Processing	4,000	4,000	4,000
Insurance	100	79	76
Travel and Education	300	399	487
Utilities	10,400	13,293	9,295
Repairs and Maintenance	4,300	4,479	7,394
Equipment Rental	4,200	2,784	4,646
Capital Outlay	12,900	11,773	1,100
Total Expenditures	$ 101,400	$ 108,744	$ 98,492
Excess (Deficiency) of Revenues Over Expenditures	$ (44,800)	$ (54,610)	$ (32,633)
OTHER FINANCING SOURCES			
Transfers In			
Cemetery Perpetual Care Fund	25,000	21,326	30,370
Net Change In Fund Balance	$ (19,800)	$ (33,284)	$ (2,263)
FUND BALANCE - Beginning of Year	108,541	115,178	117,441
FUND BALANCE - End of Year	$ 88,741	$ 81,894	$ 115,178

CITY OF CADILLAC, MICHIGAN
COMMUNITY DEVELOPMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 0	$ 8,763
Investments	0	250,751
Receivables		
Installment Notes	0	3,733
Mortgages	0	76,914
Accrued Interest	0	2,169
Prepaid Expenditures	0	76
TOTAL ASSETS	$ 0	$ 342,406
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accrued Expenditures	$ 0	$ 487
Due to Other Funds	0	25
Deferred Revenues		
Installment Notes and Mortgages	0	80,647
Total Liabilities	$ 0	$ 81,159
FUND BALANCE		
Reserved for:		
Prepaid Expenditures	$ 0	$ 76
Unreserved	0	261,171
Total Fund Balance	$ 0	$ 261,247
TOTAL LIABILITIES AND FUND BALANCE	$ 0	$ 342,406

CITY OF CADILLAC, MICHIGAN
COMMUNITY DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Interest and Rents			
Interest on Installment Loans	$ 0	$ 0	$ 120
Interest on Investments	0	0	9,361
Other Revenues			
Loan Principal Collections	0	0	1,854
Penalties and Miscellaneous	0	0	40
Total Revenues	$ 0	$ 0	$ 11,375
EXPENDITURES			
Redevelopment and Housing			
Personal Services	$ 0	$ 0	$ 23,283
Employee Benefits	0	0	3,042
Audit	0	0	950
Office Supplies	0	0	338
Postage	0	0	66
Contracted Services	0	0	130
Data Processing	0	0	4,000
Travel and Education	0	0	1,328
Dues and Publications	0	0	627
Administrative	0	0	17,600
Total Expenditures	$ 0	$ 0	$ 51,364
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ 0	$ (39,989)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)			
H.L. Green Operating Fund	$ 0	$ 10,000	$ 0
Cadillac Development Fund	0	(271,247)	0
Total Transfers In (Out)	$ 0	$ (261,247)	$ 0
Net Change in Fund Balance	$ 0	(261,247)	$ (39,989)
FUND BALANCE - Beginning of Year	288,836	261,247	301,236
FUND BALANCE - End of Year	$ 288,836	$ 0	$ 261,247

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 52,506	$ 29,515
Investments	29,847	30,030
Receivables		
Note	150,784	175,424
Accrued Interest	107	429
TOTAL ASSETS	$ 233,244	$ 235,398
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Deferred Revenue	$ 150,784	$ 175,424
FUND BALANCE		
Unreserved	82,460	59,974
TOTAL LIABILITIES AND FUND BALANCE	$ 233,244	$ 235,398

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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Interest and Rents			
Interest on Installment Note	$ 7,800	$ 8,446	$ 7,354
Other Revenue			
Note Principal Collections	25,000	24,640	21,894
Total Revenues	$ 32,800	$ 33,086	$ 29,248
EXPENDITURES			
Community and Economic Development			
Audit	$ 700	$ 600	$ 600
Debt Service			
Principal Payments	0	0	41,500
Total Expenditures	$ 700	$ 600	$ 42,100
Excess (Deficiency) of Revenues Over Expenditures	$ 32,100	$ 32,486	$ (12,852)
OTHER FINANCING SOURCES (USES)			
Transfers Out			
Community Development Fund	$ (10,000)	$ (10,000)	$ 0
Cadillac Development Fund	0	0	(23,884)
Total Other Financing Sources (Uses)	$ (10,000)	$ (10,000)	$ (23,884)
Net Change In Fund Balance	$ 22,100	$ 22,486	$ (36,736)
FUND BALANCE - Beginning of Year	60,610	59,974	96,710
FUND BALANCE - End of Year	$ 82,710	$ 82,460	$ 59,974

CITY OF CADILLAC, MICHIGAN
CADILLAC DEVELOPMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 51,763	$ 12,078
Investments	1,371,263	1,186,603
Receivables		
Notes	88,787	36,224
Mortgages	76,914	0
Accrued Interest	26,602	13,251
Prepaid Expenditures	94	0
TOTAL ASSETS	$ 1,615,423	$ 1,248,156
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$ 20,061	$ 0
Accrued Expenditures	499	0
Due to Other Funds	0	4,084
Deferred Revenues		
Installment Notes and Mortgages	79,160	0
Total Liabilities	$ 99,720	$ 4,084
FUND BALANCE		
Reserved for:		
Notes Receivable	$ 32,546	$ 36,224
Prepaid Expenditures	94	0
Unreserved	1,483,063	1,207,848
Total Fund Balance	$ 1,515,703	$ 1,244,072
TOTAL LIABILITIES AND FUND BALANCE	$ 1,615,423	$ 1,248,156

CITY OF CADILLAC, MICHIGAN
CADILLAC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Interest and Rents			
Interest on Investments	$ 38,900	$ 59,386	$ 45,395
Other Revenue			
Contributions and Donations from Private Sources	4,000	3,279	0
Loan Principal Collections	0	1,488	0
Loan Proceeds	45,000	0	0
Total Revenues	$ 87,900	$ 64,153	$ 45,395
EXPENDITURES			
Community and Economic Development			
Personal Services	$ 23,500	$ 24,322	$ 0
Employee Benefits	5,400	3,460	0
Audit	1,300	1,350	400
Office Supplies	500	120	0
Postage	500	162	0
Data Processing	4,000	4,000	0
Administrative	15,000	15,000	0
Travel and Education	1,000	512	0
Dues and Publications	400	399	0
Telephone	200	0	0
Intergovernmental Expenditures			
Public Works			
Downtown Development Authority	0	4,444	0
Total Expenditures	$ 51,800	$ 53,769	$ 400
Excess (Deficiency) of Revenues Over Expenditures	$ 36,100	$ 10,384	$ 44,995
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)			
H.L. Green Operating Fund	$ (10,000)	$ 0	$ 23,884
Community Development Fund	0	271,247	0
Building Inspection Fund	(5,000)	(10,000)	(60,484)
Total Transfers In (Out)	$ (15,000)	$ 261,247	$ (36,600)
Net Change in Fund Balance	$ 21,100	$ 271,631	$ 8,395
FUND BALANCE - Beginning of Year	1,274,977	1,244,072	1,235,677
FUND BALANCE - End of Year	$ 1,296,077	$ 1,515,703	$ 1,244,072

CITY OF CADILLAC, MICHIGAN
NAVAL RESERVE CENTER FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 28,705	$ 21,347
Investments	24,517	24,589
Receivables		
Accounts	2,258	0
Accrued Interest	69	276
Prepaid Expenditures	0	605
TOTAL ASSETS	$ 55,549	$ 46,817
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$ 713	$ 0
Security Deposits Payable	1,086	1,086
Total Liabilities	$ 1,799	$ 1,086
FUND BALANCE		
Reserved for:		
Prepaid Expenditures	$ 0	$ 605
Unreserved	53,750	45,126
Total Fund Balance	$ 53,750	$ 45,731
TOTAL LIABILITIES AND FUND BALANCE	$ 55,549	$ 46,817

CITY OF CADILLAC, MICHIGAN
NAVAL RESERVE CENTER FUND

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

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Interest and Rents			
Interest	$ 1,000	$ 2,314	$ 1,905
Rents	28,000	35,441	32,489
Total Revenues	$ 29,000	$ 37,755	$ 34,394
EXPENDITURES			
General Government			
Audit	$ 400	$ 400	$ 400
Insurance	700	605	583
Utilities	21,000	22,393	21,984
Building Maintenance	6,900	6,338	11,113
Total Expenditures	$ 29,000	$ 29,736	$ 34,080
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ 8,019	$ 314
FUND BALANCE - Beginning of Year	52,017	45,731	45,417
FUND BALANCE - End of Year	$ 52,017	$ 53,750	$ 45,731

CITY OF CADILLAC, MICHIGAN
CLAM RIVER GREENWAY FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 1,719	$ 5,742
Grants Receivable	7,500	0
TOTAL ASSETS	$ 9,219	$ 5,742
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Deferred Revenue	$ 7,500	$ 0
FUND BALANCE		
Reserved for:		
Parks and Recreation	1,719	5,742
TOTAL LIABILITIES AND FUND BALANCE	$ 9,219	$ 5,742

CITY OF CADILLAC, MICHIGAN
CLAM RIVER GREENWAY FUND

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

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
State Grants	$ 172,200	$ 0	$ 0
Interest and Rents			
Interest	0	122	176
Other Revenue			
Contributions and Donations from Private Sources	95,200	190	10,000
Total Revenues	$ 267,400	$ 312	$ 10,176
EXPENDITURES			
Cultural and Recreation			
Audit	$ 400	$ 400	$ 0
Engineering Fees	23,100	3,935	4,332
Construction	243,900	0	1,092
Debt Service			
Interest Payments	0	0	1,280
Total Expenditures	$ 267,400	$ 4,335	$ 6,704
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ (4,023)	$ 3,472
FUND BALANCE - Beginning of Year	2,870	5,742	2,270
FUND BALANCE - End of Year	$ 2,870	$ 1,719	$ 5,742

CITY OF CADILLAC, MICHIGAN
BUILDING INSPECTION FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 7,377	$ 0
Due from Other Funds	0	6,086
Prepaid Expenditures	602	544
Total Assets	$ 7,979	$ 6,630
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$ 0	$ 602
Bank Overdraft	0	545
Accrued Expenditures	1,183	1,122
Due to Other Funds	0	4,361
Total Liabilities	$ 1,183	$ 6,630
FUND BALANCE		
Reserved for:		
Prepaid Expenditures	$ 602	$ 0
Unreserved	6,194	0
Total Fund Balance	$ 6,796	$ 0
TOTAL LIABILITIES AND FUND BALANCE	$ 7,979	$ 6,630

CITY OF CADILLAC, MICHIGAN
BUILDING INSPECTION FUND

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

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Charges for Services			
Building Permits	$ 72,000	$ 88,061	$ 61,247
Heating and Fence Permits	7,000	345	12,135
Interest and Rents			
Interest	200	448	199
Other Revenue			
Miscellaneous	200	197	261
Total Revenues	$ 79,400	$ 89,051	$ 73,842
EXPENDITURES			
Public Safety			
Building Inspection			
Personal Services	$ 55,100	$ 56,571	$ 87,069
Employee Benefits	29,600	25,765	37,282
Office Supplies	2,300	1,327	3,704
Postage	1,200	761	897
Audit	400	400	400
Data Processing	3,200	3,200	3,200
Dues and Publications	600	580	534
Communication	100	0	0
Travel and Education	2,400	2,324	799
Equipment Rental	1,000	327	441
Capital Outlay	0	1,000	0
Total Expenditures	$ 95,900	$ 92,255	$ 134,326
Excess (Deficiency) of Revenues Over Expenditures	$ (16,500)	$ (3,204)	$ (60,484)
OTHER FINANCING SOURCES (USES)			
Transfers In			
Cadillac Development Fund	34,500	10,000	60,484
Net Change in Fund Balance	$ 18,000	$ 6,796	$ 0
FUND BALANCE - Beginning of Year	0	0	0
FUND BALANCE - End of Year	$ 18,000	$ 6,796	$ 0

CITY OF CADILLAC, MICHIGAN
RENTAL REHABILITATION GRANT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Due from Other Funds	$ 1,740	$ 2,172
LIABILITIES AND FUND BALANCE		
LIABILITIES	$ 0	$ 0
FUND BALANCE		
Unreserved	1,740	2,172
TOTAL LIABILITIES AND FUND BALANCE	$ 1,740	$ 2,172

CITY OF CADILLAC, MICHIGAN
RENTAL REHABILITATION GRANT FUND

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

	2007	2006
REVENUES		
Federal		
Community Development Block Grant Funds	$ 0	$ 18,222
EXPENDITURES		
Community and Economic Development		
Rehabilitation	$ 0	$ 16,750
Audit	400	400
Administration	32	900
Total Expenditures	$ 432	$ 18,050
Excess (Deficiency) of Revenues Over Expenditures	$ (432)	$ 172
FUND BALANCE - Beginning of Year	2,172	2,000
FUND BALANCE - End of Year	$ 1,740	$ 2,172

CITY OF CADILLAC, MICHIGAN
MILFOIL ERADICATION FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 80,217	$ 26,898
Accounts Receivable	0	1,000
Due from Other Funds	0	8,652
Prepaid Expenditures	5,218	0
Total Assets	$ 85,435	$ 36,550
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$ 16,106	$ 36,550
FUND BALANCE		
Reserved for:		
Prepaid Expenditures	$ 5,218	$ 0
Milfoil Eradication	64,111	0
Total Fund Balance	$ 69,329	$ 0
TOTAL LIABILITIES AND FUND BALANCE	$ 85,435	$ 36,550

CITY OF CADILLAC, MICHIGAN
MILFOIL ERADICATION FUND

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

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Taxes			
Special Assessments	$ 110,000	$ 110,784	$ 0
Interest and Rents			
Interest	2,700	3,624	298
Other Revenue			
Contributions from Private Sources	12,000	11,950	1,100
Total Revenues	$ 124,700	$ 126,358	$ 1,398
EXPENDITURES			
Cultural and Recreation			
Audit	$ 400	$ 400	$ 0
Contracted Services	123,200	56,629	45,550
Total Expenditures	$ 123,600	$ 57,029	$ 45,550
Excess (Deficiency) of Revenues Over Expenditures	$ 1,100	$ 69,329	$ (44,152)
OTHER FINANCING SOURCES			
Transfers In			
General Fund	0	0	44,152
Net Change in Fund Balance	$ 1,100	$ 69,329	$ 0
FUND BALANCE - Beginning of Year	38,000	0	0
FUND BALANCE - End of Year	$ 39,100	$ 69,329	$ 0

NONMAJOR DEBT SERVICE FUNDS

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

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

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

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

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.

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

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

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

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

CITY OF CADILLAC, MICHIGAN
NON-MAJOR DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2006

	1992 SPECIAL ASSESSMENT	1993 SPECIAL ASSESSMENT	1993 MICHIGAN TRANSPORTATION FUND
ASSETS			
Cash	$ 671	$ 7,080	$ 0
Investments	0	859	0
Receivables			
Accrued Interest	0	518	0
Special Assessments			
Current	0	8,631	0
Deferred	0	0	0
Due from Other Funds	0	0	0
TOTAL ASSETS	$ 671	$ 17,088	$ 0
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Due to Other Funds	$ 0	$ 0	$ 0
Deferred Revenues	0	0	0
Total Liabilities	$ 0	$ 0	$ 0
FUND BALANCES			
Reserved for Debt Service	671	17,088	0
TOTAL LIABILITIES AND FUND BALANCE	$ 671	$ 17,088	$ 0

1996 SPECIAL ASSESSMENT	1996 MICHIGAN TRANSPORTATION FUND	1997 SPECIAL ASSESSMENT	1997 MICHIGAN TRANSPORTATION FUND	1997 BUILDING AUTHORITY
$ 21,203	$ 3,946	$ 18,180	$ 609	$ 338
65,555	0	136,341	0	0
4,021	0	5,600	0	0
15,872	0	14,786	0	0
44,605	0	59,145	0	0
3,232	0	0	0	0
$ 154,488	$ 3,946	$ 234,052	$ 609	$ 338
$ 0	$ 0	$ 3,232	$ 0	$ 0
44,605	0	59,145	0	0
$ 44,605	$ 0	$ 62,377	$ 0	$ 0
109,883	3,946	171,675	609	338
$ 154,488	$ 3,946	$ 234,052	$ 609	$ 338

2000 SPECIAL ASSESSMENT	2000 MICHIGAN TRANSPORTATION FUND	2002 SPECIAL ASSESSMENT	2004 CAPITAL IMPROVEMENT BOND	TOTALS
$ 31,688	$ 0	$ 59,995	$ 16,205	$ 159,915
86,646	0	0	0	289,401
2,749	0	3,948	0	16,836
7,889	0	11,020	0	58,198
31,334	0	60,526	0	195,610
0	605	0	18	3,855
$ 160,306	$ 605	$ 135,489	$ 16,223	$ 723,815

$ 0	$ 605	$ 0	$ 15,816	$ 19,653
31,334	0	60,526	0	195,610
$ 31,334	$ 605	$ 60,526	$ 15,816	$ 215,263
128,972	0	74,963	407	508,552
$ 160,306	$ 605	$ 135,489	$ 16,223	$ 723,815

CITY OF CADILLAC, MICHIGAN
NON-MAJOR DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2007

	1992 SPECIAL ASSESSMENT	1993 SPECIAL ASSESSMENT	1993 MICHIGAN TRANSPORTATION FUND
REVENUES			
Taxes and Special Assessments	$ 0	$ 8,756	$ 0
Contributions from Local Units	0	0	0
Interest and Rents	3,708	1,845	0
Total Revenues	$ 3,708	$ 10,601	$ 0
EXPENDITURES			
Debt Service			
Principal Retirement	$ 20,000	$ 15,000	$ 0
Interest and Fiscal Charges	920	1,553	0
Audit	540	540	400
Total Expenditures	$ 21,460	$ 17,093	$ 400
Excess (Deficiency) of Revenues Over Expenditures	$ (17,752)	$ (6,492)	$ (400)
OTHER FINANCING SOURCES (USES)			
Transfers In	$ 3,000	$ 0	$ 400
Transfers Out	0	(24,000)	0
Total Other Financing Sources (Uses)	$ 3,000	$ (24,000)	$ 400
Net Change in Fund Balances	$ (14,752)	$ (30,492)	$ 0
FUND BALANCES - Beginning of Year	15,423	47,580	0
FUND BALANCES - End of Year	$ 671	$ 17,088	$ 0

1996 SPECIAL ASSESSMENT	1996 MICHIGAN TRANSPORTATION FUND	1997 SPECIAL ASSESSMENT	1997 MICHIGAN TRANSPORTATION FUND	1997 BUILDING AUTHORITY
$ 17,096	$ 0	$ 16,752	$ 0	$ 0
0	0	0	0	30,000
8,274	0	8,678	0	0
$ 25,370	$ 0	$ 25,430	$ 0	$ 30,000
$ 30,000	$ 20,000	$ 25,000	$ 15,000	$ 20,000
5,778	6,075	7,427	2,303	9,262
543	403	544	400	400
$ 36,321	$ 26,478	$ 32,971	$ 17,703	$ 29,662
$ (10,951)	$ (26,478)	$ (7,541)	$ (17,703)	$ 338
$ 0	$ 26,000	$ 0	$ 17,200	$ 0
0	0	(100,000)	0	0
$ 0	$ 26,000	$ (100,000)	$ 17,200	$ 0
$ (10,951)	$ (478)	$ (107,541)	$ (503)	$ 338
120,834	4,424	279,216	1,112	0
$ 109,883	$ 3,946	$ 171,675	$ 609	$ 338

2000 SPECIAL ASSESSMENT	2000 MICHIGAN TRANSPORTATION FUND	2002 SPECIAL ASSESSMENT	2004 CAPITAL IMPROVEMENT BOND	TOTALS
$ 9,424	$ 0	$ 12,878	$ 0	$ 64,906
0	0	0	0	30,000
2,992	0	4,048	0	29,545
$ 12,416	$ 0	$ 16,926	$ 0	$ 124,451
$ 20,000	$ 20,000	$ 30,000	$ 55,000	$ 270,000
5,458	12,906	8,423	32,461	92,566
540	400	540	400	5,650
$ 25,998	$ 33,306	$ 38,963	$ 87,861	$ 368,216
$ (13,582)	$ (33,306)	$ (22,037)	$ (87,861)	$ (243,765)
$ 24,000	$ 33,305	$ 100,000	$ 87,900	$ 291,805
0	0	(3,000)	0	(127,000)
$ 24,000	$ 33,305	$ 97,000	$ 87,900	$ 164,805
$ 10,418	$ (1)	$ 74,963	$ 39	$ (78,960)
118,554	1	0	368	587,512
$ 128,972	$ 0	$ 74,963	$ 407	$ 508,552

CITY OF CADILLAC, MICHIGAN
1992 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 671	$ 36,269
Investments	0	82,417
Receivables		
Accrued Interest	0	811
Special Assessments - Current	0	8,769
TOTAL ASSETS	$ 671	$ 128,266
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to Other Funds	$ 0	$ 112,843
FUND BALANCE		
Reserved for Debt Service	671	15,423
TOTAL LIABILITIES AND FUND BALANCE	$ 671	$ 128,266

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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Taxes and Special Assessments			
Special Assessments	$ 16,000	$ 0	$ 8,671
Interest and Rents			
Interest on Assessments	4,500	40	1,337
Interest on Investments	3,500	3,668	3,666
Total Revenues	$ 24,000	$ 3,708	$ 13,674
EXPENDITURES			
Debt Service			
Principal Retirement	$ 20,000	$ 20,000	$ 25,000
Interest and Fiscal Charges	1,000	920	2,303
Audit	600	540	540
Total Expenditures	$ 21,600	$ 21,460	$ 27,843
Excess (Deficiency) of Revenues Over Expenditures	$ 2,400	$ (17,752)	$ (14,169)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)			
2000 Special Assessment Debt Retirement	$ (47,200)	$ 0	$ (85,000)
2002 Special Assessment Debt Retirement	0	3,000	0
Total Other Financing Sources (Uses)	$ (47,200)	$ 3,000	$ (85,000)
Net Change in Fund Balance	$ (44,800)	$ (14,752)	$ (99,169)
FUND BALANCE - Beginning of Year	44,800	15,423	114,592
FUND BALANCE - End of Year	$ 0	$ 671	$ 15,423

CITY OF CADILLAC, MICHIGAN
1993 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 7,080	$ 6,605
Investments	859	30,551
Receivables		
Accrued Interest	518	1,568
Special Assessments - Current	8,631	8,856
Special Assessments - Deferred	0	8,756
TOTAL ASSETS	$ 17,088	$ 56,336
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Deferred Revenues	$ 0	$ 8,756
FUND BALANCE		
Reserved for Debt Service	17,088	47,580
TOTAL LIABILITIES AND FUND BALANCE	$ 17,088	$ 56,336

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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Taxes and Special Assessments			
Special Assessments	$ 7,500	$ 8,756	$ 9,463
Interest and Rents			
Interest on Investments	2,000	1,264	2,099
Interest on Assessments	2,500	581	1,027
Total Revenues	$ 12,000	$ 10,601	$ 12,589
EXPENDITURES			
Debt Service			
Principal Retirement	$ 15,000	$ 15,000	$ 15,000
Interest and Fiscal Charges	1,700	1,553	2,370
Audit	600	540	540
Total Expenditures	$ 17,300	$ 17,093	$ 17,910
Excess (Deficiency) of Revenues Over Expenditures	$ (5,300)	$ (6,492)	$ (5,321)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)			
2000 Special Assessment Debt Retirement	(24,000)	(24,000)	(20,000)
Net Change in Fund Balance	$ (29,300)	$ (30,492)	$ (25,321)
FUND BALANCE - Beginning of Year	47,901	47,580	72,901
FUND BALANCE - End of Year	$ 18,601	$ 17,088	$ 47,580

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 0	$ 21,237
Due from Other Funds	0	3
TOTAL ASSETS	$ 0	$ 21,240
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to Other Funds	$ 0	$ 21,240
FUND BALANCE		
Reserved for Debt Service	0	0
TOTAL LIABILITIES AND FUND BALANCE	$ 0	$ 21,240

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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES	$ 0	$ 0	$ 0
EXPENDITURES			
Debt Service			
Principal Retirement	$ 0	$ 0	$ 20,000
Interest and Fiscal Charges	0	0	840
Audit	0	400	400
Total Expenditures	$ 0	$ 400	$ 21,240
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ (400)	$ (21,240)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)			
General Fund	$ 0	$ 400	$ 0
Local Street	0	0	19,103
Total Other Financing Sources (Uses)	$ 0	$ 400	$ 19,103
Net Change in Fund Balance	$ 0	$ 0	$ (2,137)
FUND BALANCE - Beginning of Year	0	0	2,137
FUND BALANCE - End of Year	$ 0	$ 0	$ 0

CITY OF CADILLAC, MICHIGAN
1996 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 21,203	$ 12,666
Investments	65,555	84,897
Receivables		
Accrued Interest	4,021	5,084
Special Assessments - Current	15,872	16,178
Special Assessments - Deferred	44,605	61,700
Due from Other Funds	3,232	2,009
TOTAL ASSETS	$ 154,488	$ 182,534
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Deferred Revenues	$ 44,605	$ 61,700
FUND BALANCE		
Reserved for Debt Service	109,883	120,834
TOTAL LIABILITIES AND FUND BALANCE	$ 154,488	$ 182,534

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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Taxes and Special Assessments			
Special Assessments	$ 14,000	$ 17,096	$ 16,178
Penalties and Interest	5,000	0	0
Interest and Rents			
Interest on Investments	2,000	4,182	3,085
Interest on Assessments	6,000	4,092	5,266
Total Revenues	$ 27,000	$ 25,370	$ 24,529
EXPENDITURES			
Debt Service			
Principal Retirement	$ 30,000	$ 30,000	$ 30,000
Interest and Fiscal Charges	5,700	5,778	7,377
Audit	600	540	540
Office Supplies	0	3	0
Total Expenditures	$ 36,300	$ 36,321	$ 37,917
Excess (Deficiency) of Revenues Over Expenditures	$ (9,300)	$ (10,951)	$ (13,388)
FUND BALANCE - Beginning of Year	122,322	120,834	134,222
FUND BALANCE - End of Year	$ 113,022	$ 109,883	$ 120,834

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 3,946	$ 4,424
LIABILITIES AND FUND BALANCE		
LIABILITIES	$ 0	$ 0
FUND BALANCE		
Reserved for Debt Service	3,946	4,424
TOTAL LIABILITIES AND FUND BALANCE	$ 3,946	$ 4,424

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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES	$ 0	$ 0	$ 0
EXPENDITURES			
Debt Retirement			
Principal Retirement	$ 20,000	$ 20,000	$ 20,000
Interest and Fiscal Charges	6,000	6,075	7,178
Audit	400	400	400
Office Supplies	0	3	0
Total Expenditures	$ 26,400	$ 26,478	$ 27,578
Excess (Deficiency) of Revenues Over Expenditures	$ (26,400)	$ (26,478)	$ (27,578)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)			
Local Street Fund	26,400	26,000	27,100
Net Change in Fund Balance	$ 0	$ (478)	$ (478)
FUND BALANCE - Beginning of Year	2	4,424	4,902
FUND BALANCE - End of Year	$ 2	$ 3,946	$ 4,424

CITY OF CADILLAC, MICHIGAN
1997 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 18,180	$ 106,746
Investments	136,341	140,661
Receivables		
Accrued Interest	5,600	9,474
Special Assessments - Current	14,786	15,179
Special Assessments - Deferred	59,145	75,897
Due from Other Funds	0	7,156
TOTAL ASSETS	$ 234,052	$ 355,113
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to Other Funds	$ 3,232	$ 0
Deferred Revenues	59,145	75,897
Total Liabilities	$ 62,377	$ 75,897
FUND BALANCE		
Reserved for Debt Service	171,675	279,216
TOTAL LIABILITIES AND FUND BALANCE	$ 234,052	$ 355,113

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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Taxes and Special Assessments			
Special Assessments	$ 16,000	$ 16,752	$ 18,531
Interest and Rents			
Interest on Investments	1,500	3,962	619
Interest on Assessments	9,000	4,716	6,019
Total Revenues	$ 26,500	$ 25,430	$ 25,169
EXPENDITURES			
Debt Service			
Principal Retirement	$ 25,000	$ 25,000	$ 25,000
Interest and Fiscal Charges	7,500	7,427	8,740
Audit	600	540	540
Office Supplies	0	4	0
Total Expenditures	$ 33,100	$ 32,971	$ 34,280
Excess (Deficiency) of Revenues Over Expenditures	$ (6,600)	$ (7,541)	$ (9,111)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)			
2002 Special Assessment Debt Retirement	(100,000)	(100,000)	0
Net Change in Fund Balance	$ (106,600)	$ (107,541)	$ (9,111)
FUND BALANCE - Beginning of Year	280,127	279,216	288,327
FUND BALANCE - End of Year	$ 173,527	$ 171,675	$ 279,216

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 609	$ 1,112
LIABILITIES AND FUND BALANCE		
LIABILITIES	$ 0	$ 0
FUND BALANCE		
Reserved for Debt Service	609	1,112
TOTAL LIABILITIES AND FUND BALANCE	$ 609	$ 1,112

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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES	$ 0	$ 0	$ 0
EXPENDITURES			
Debt Service			
Principal Retirement	$ 15,000	$ 15,000	$ 10,000
Interest and Fiscal Charges	2,200	2,303	2,960
Audit	400	400	400
Total Expenditures	$ 17,600	$ 17,703	$ 13,360
Excess (Deficiency) of Revenues Over Expenditures	$ (17,600)	$ (17,703)	$ (13,360)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)			
Local Street Fund	17,600	17,200	13,000
Net Change in Fund Balance	$ 0	$ (503)	$ (360)
FUND BALANCE - Beginning of Year	72	1,112	1,472
FUND BALANCE - End of Year	$ 72	$ 609	$ 1,112

CITY OF CADILLAC, MICHIGAN
1997 BUILDING AUTHORITY DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 338	$ 38,403
Due from Other Governments	0	30,647
Total Assets	$ 338	$ 69,050
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to Other Funds	$ 0	$ 69,050
FUND BALANCE		
Reserved for Debt Service	338	0
TOTAL LIABILITIES AND FUND BALANCE	$ 338	$ 69,050

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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Contributions from Local Units	$ 29,700	$ 30,000	$ 30,647
EXPENDITURES			
Debt Service			
Principal Retirement	$ 20,000	$ 20,000	$ 20,000
Interest and Fiscal Charges	9,300	9,262	10,248
Audit	400	400	400
Total Expenditures	$ 29,700	$ 29,662	$ 30,648
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ 338	$ (1)
FUND BALANCE - Beginning of Year	1	0	1
FUND BALANCE - End of Year	$ 1	$ 338	$ 0

CITY OF CADILLAC, MICHIGAN
2000 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 31,688	$ 109,925
Investments	86,646	0
Receivables		
Accrued Interest	2,749	3,186
Special Assessments - Current	7,889	8,218
Special Assessments - Deferred	31,334	41,437
Due from Other Funds	0	367
TOTAL ASSETS	$ 160,306	$ 163,133
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to Other Funds	$ 0	$ 3,142
Deferred Revenues	31,334	41,437
Total Liabilities	$ 31,334	$ 44,579
FUND BALANCE		
Reserved for Debt Service	128,972	118,554
TOTAL LIABILITIES AND FUND BALANCE	$ 160,306	$ 163,133

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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Taxes and Special Assessments			
Special Assessments	$ 12,000	$ 9,424	$ 10,614
Interest and Rents			
Interest on Investments	0	564	0
Interest on Assessments	3,000	2,428	2,282
Total Revenues	$ 15,000	$ 12,416	$ 12,896
EXPENDITURES			
Debt Service			
Principal Retirement	$ 20,000	$ 20,000	$ 20,000
Interest and Fiscal Charges	5,500	5,458	6,532
Audit	600	540	540
Total Expenditures	$ 26,100	$ 25,998	$ 27,072
Excess (Deficiency) of Revenues Over Expenditures	$ (11,100)	$ (13,582)	$ (14,176)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)			
1993 Special Assessment Debt Retirement	$ 24,000	$ 24,000	$ 20,000
2002 Special Assessment Debt Retirement	0	0	(3,142)
1992 Special Assessment Debt Retirement	0	0	85,000
Total Other Financing Sources (Uses)	$ 24,000	$ 24,000	$ 101,858
Net Change in Fund Balance	$ 12,900	$ 10,418	$ 87,682
FUND BALANCE - Beginning of Year	77,622	118,554	30,872
FUND BALANCE - End of Year	$ 90,522	$ 128,972	$ 118,554

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 0	$ 4
Due from Other Funds	605	97
TOTAL ASSETS	605	101
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to Other Funds	$ 605	$ 100
FUND BALANCE		
Reserved for Debt Service	0	1
TOTAL LIABILITIES AND FUND BALANCE	$ 605	$ 101

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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES	$ 0	$ 0	$ 0
EXPENDITURES			
Debt Service			
Principal Retirement	$ 20,000	$ 20,000	$ 15,000
Interest and Fiscal Charges	12,700	12,906	13,846
Audit	400	400	400
Total Expenditures	$ 33,100	$ 33,306	$ 29,246
Excess (Deficiency) of Revenues Over Expenditures	$ (33,100)	$ (33,306)	$ (29,246)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)			
Local Street Fund	33,100	33,305	28,897
Net Change in Fund Balance	$ 0	$ (1)	$ (349)
FUND BALANCE - Beginning of Year	350	1	350
FUND BALANCE - End of Year	$ 350	$ 0	$ 1

CITY OF CADILLAC, MICHIGAN
2002 SPECIAL ASSESSMENT DEBT RETIREMENT FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 59,995	$ 24,461
Receivables		
Accrued Interest	3,948	4,738
Special Assessments - Current	11,020	12,727
Special Assessments - Deferred	60,526	73,411
Due from Other Funds	0	3,142
TOTAL ASSETS	$ 135,489	$ 118,479
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to Other Funds	$ 0	$ 45,068
Deferred Revenue	60,526	73,411
Total Liabilities	$ 60,526	$ 118,479
FUND BALANCE		
Reserved for Debt Service	74,963	0
TOTAL LIABILITIES AND FUND BALANCE	$ 135,489	$ 118,479

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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Taxes and Special Assessments			
Special Assessments	$ 19,000	$ 12,878	$ 13,443
Interest and Rents			
Interest on Assessments	2,600	4,048	4,768
Total Revenues	$ 21,600	$ 16,926	$ 18,211
EXPENDITURES			
Debt Service			
Principal Retirement	$ 30,000	$ 30,000	$ 35,000
Interest and Fiscal Charges	8,700	8,423	9,528
Audit	600	540	540
Total Expenditures	$ 39,300	$ 38,963	$ 45,068
Excess (Deficiency) of Revenues Over Expenditures	$ (17,700)	$ (22,037)	$ (26,857)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)			
1992 Special Assessment Debt Retirement	$ 47,200	$ (3,000)	$ 0
1997 Special Assessment Debt Retirement	100,000	100,000	0
2000 Special Assessment Debt Retirement	0	0	3,142
Total Other Financing Sources (Uses)	$ 147,200	$ 97,000	$ 3,142
Net Change in Fund Balance	$ 129,500	$ 74,963	$ (23,715)
FUND BALANCE - Beginning of Year	1,215	0	23,715
FUND BALANCE - End of Year	$ 130,715	$ 74,963	$ 0

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 16,205	$ 11,323
Due from Other Funds	18	0
TOTAL ASSETS	$ 16,223	$ 11,323
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to Other Funds	$ 15,816	$ 10,955
FUND BALANCE		
Reserved for Debt Service	407	368
TOTAL LIABILITIES AND FUND BALANCE	$ 16,223	$ 11,323

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

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

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES	$ 0	$ 0	$ 0
EXPENDITURES			
Debt Service			
Principal Retirement	$ 55,000	$ 55,000	$ 55,000
Interest and Fiscal Charges	32,500	32,461	33,632
Audit	400	400	0
Total Expenditures	$ 87,900	$ 87,861	$ 88,632
Excess (Deficiency) of Revenues Over Expenditures	$ (87,900)	$ (87,861)	$ (88,632)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)			
Major Street Fund	$ 18,600	$ 18,600	$ 19,100
Local Street Fund	69,300	69,300	69,900
Total Other Financing Sources (Uses)	$ 87,900	$ 87,900	$ 89,000
Net Change in Fund Balance	$ 0	$ 39	$ 368
FUND BALANCE - Beginning of Year	0	368	0
FUND BALANCE - End of Year	$ 0	$ 407	$ 368

NONMAJOR CAPITAL PROJECTS FUNDS

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

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

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

CITY OF CADILLAC, MICHIGAN
NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2007

	INDUSTRIAL PARK	SPECIAL ASSESSMENTS CAPITAL PROJECTS	TOTALS
ASSETS			
Cash	$ 6,659	$ 97,683	$ 104,342
Investments	421,037	0	421,037
Receivables			
Accrued Interest	2,191	17,362	19,553
Special Assessments - Current	0	50,668	50,668
Special Assessments - Deferred	0	320,792	320,792
Due from Other Funds	0	42,227	42,227
TOTAL ASSETS	$ 429,887	$ 528,732	$ 958,619
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	$ 1,090	$ 59,742	$ 60,832
Due to Other Funds	0	47,008	47,008
Deferred Revenues	0	320,792	320,792
Total Liabilities	$ 1,090	$ 427,542	$ 428,632
FUND BALANCES			
Reserved for			
Industrial Development	$ 428,797	$ 0	$ 428,797
Special Assessment Project Construction	0	101,190	101,190
Total Fund Balance	$ 428,797	$ 101,190	$ 529,987
TOTAL LIABILITIES AND FUND BALANCES	$ 429,887	$ 528,732	$ 958,619

CITY OF CADILLAC, MICHIGAN
NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2007

	INDUSTRIAL PARK	SPECIAL ASSESSMENT CAPITAL PROJECTS	TOTALS
REVENUES			
Taxes and Special Assessments	$ 0	$ 61,708	$ 61,708
Interest and Rents	13,807	18,845	32,652
Other Revenue	151,534	0	151,534
Total Revenues	$ 165,341	$ 80,553	$ 245,894
EXPENDITURES			
Capital Outlay	$ 24,913	$ 4,623	$ 29,536
Debt Service	17,721	12,567	30,288
Total Expenditures	$ 42,634	$ 17,190	$ 59,824
Excess (Deficiency) of Revenues Over Expenditures	$ 122,707	$ 63,363	$ 186,070
FUND BALANCES - Beginning of Year	306,090	37,827	343,917
FUND BALANCES - End of Year	$ 428,797	$ 101,190	$ 529,987

CITY OF CADILLAC, MICHIGAN
INDUSTRIAL PARK FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 6,659	$ 17,156
Investments	421,037	287,162
Receivables		
Accrued Interest	2,191	2,940
TOTAL ASSETS	$ 429,887	$ 307,258
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$ 1,090	$ 1,168
FUND BALANCE		
Reserved for Industrial Development	428,797	306,090
TOTAL LIABILITIES AND FUND BALANCE	$ 429,887	$ 307,258

CITY OF CADILLAC, MICHIGAN
INDUSTRIAL PARK FUND

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

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Interest and Rents			
Interest	$ 4,500	$ 13,807	$ 12,796
Other Revenue			
Sale of Property	152,000	151,534	169,000
Total Revenues	$ 156,500	$ 165,341	$ 181,796
EXPENDITURES			
Capital Outlay			
Contracted Services	$ 3,000	$ 4,844	$ 3,642
Fees and Commissions	15,500	15,300	8,840
Property Taxes	4,200	4,119	4,120
Land	0	0	13,345
Audit	700	650	650
Debt Service			
Principal Payments	17,800	17,721	26,582
Total Expenditures	$ 41,200	$ 42,634	$ 57,179
Excess (Deficiency) of Revenues Over Expenditures	$ 115,300	$ 122,707	$ 124,617
FUND BALANCE - Beginning of Year	236,823	306,090	181,473
FUND BALANCE - End of Year	$ 352,123	$ 428,797	$ 306,090

CITY OF CADILLAC, MICHIGAN
SPECIAL ASSESSMENTS CAPITAL PROJECTS FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 97,683	$ 183,964
Receivables		
Accrued Interest	17,362	20,653
Special Assessments - Current	50,668	48,177
Special Assessments - Deferred	320,792	317,309
Due from Other Funds	42,227	11,855
Due from Other Governments	0	31,757
TOTAL ASSETS	$ 528,732	$ 613,715
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$ 59,742	$ 69,212
Due to Other Funds	47,008	189,367
Deferred Revenues	320,792	317,309
Total Liabilities	$ 427,542	$ 575,888
FUND BALANCE		
Reserved for Special Assessment Project Construction	101,190	37,827
TOTAL LIABILITIES AND FUND BALANCE	$ 528,732	$ 613,715

CITY OF CADILLAC, MICHIGAN
SPECIAL ASSESSMENTS CAPITAL PROJECTS FUND

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

YEAR ENDED JUNE 30, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Taxes and Special Assessments			
Special Assessments	$ 30,000	$ 61,708	$ 88,132
Interest and Rents			
Interest on Assessments	6,000	17,242	20,653
Interest on Investments	1,000	1,603	2,263
Total Revenues	$ 37,000	$ 80,553	$ 111,048
EXPENDITURES			
Capital Outlay			
Audit	$ 2,200	$ 2,000	$ 2,000
Public Improvements	0	2,623	94,523
Debt Service			
Principal Retirement	0	11,250	11,250
Interest and Fiscal Charges	0	1,317	1,647
Total Expenditures	$ 2,200	$ 17,190	$ 109,420
Excess (Deficiency) of Revenues Over Expenditures	$ 34,800	$ 63,363	$ 1,628
FUND BALANCE - Beginning of Year	299	37,827	36,199
FUND BALANCE - End of Year	$ 35,099	$ 101,190	$ 37,827

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, 2007

	CEMETERY PERPETUAL CARE	CAPITAL PROJECTS TRUST	TOTALS
ASSETS			
Cash	$ 31,831	$ 2,768	$ 34,599
Investments	497,221	855,034	1,352,255
Receivables			
Accrued Interest	0	2,260	2,260
TOTAL ASSETS	$ 529,052	$ 860,062	$ 1,389,114
LIABILITIES AND FUND BALANCE			
LIABILITIES	$ 0	$ 0	$ 0
FUND BALANCES			
Reserved For:			
Cemetery Perpetual Care	$ 529,052	$ 0	$ 529,052
Capital Projects Endowment	0	860,062	860,062
Total Fund Balances	$ 529,052	$ 860,062	$ 1,389,114
TOTAL LIABILITIES AND FUND BALANCES	$ 529,052	$ 860,062	$ 1,389,114

CITY OF CADILLAC, MICHIGAN
NONMAJOR PERMANENT FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2007

	CEMETERY PERPETUAL CARE	CAPITAL PROJECTS TRUST	TOTALS
REVENUES			
Interest and Rents			
Interest	$ 21,434	$ 6,607	$ 28,041
Gain on Investments	47,304	125,753	173,057
Other Revenues	8,900	0	8,900
Total Revenues	$ 77,638	$ 132,360	$ 209,998
EXPENDITURES			
General Government			
Contractual Services	1,000	400	1,400
Excess (Deficiency) of Revenues Over Expenditures	$ 76,638	$ 131,960	$ 208,598
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(21,326)	0	(21,326)
Net Change in Fund Balances	$ 55,312	$ 131,960	$ 187,272
FUND BALANCES - Beginning of Year	473,740	728,102	1,201,842
FUND BALANCES - End of Year	$ 529,052	$ 860,062	$ 1,389,114

CITY OF CADILLAC, MICHIGAN
CEMETERY PERPETUAL CARE FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 31,831	$ 21,085
Investments	497,221	456,302
TOTAL ASSETS	$ 529,052	$ 477,387
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to Other Funds	$ 0	$ 3,647
FUND BALANCE		
Reserved for Cemetery Perpetual Care	529,052	473,740
TOTAL LIABILITIES AND FUND BALANCE	$ 529,052	$ 477,387

CITY OF CADILLAC, MICHIGAN
CEMETERY PERPETUAL CARE FUND

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

	2007	2006
REVENUES		
Interest and Rents		
Interest	$ 21,434	$ 30,370
Gain (Loss) on Investments	47,304	815
Other Revenue		
Perpetual Care of Lots	8,900	14,393
Total Revenues	$ 77,638	$ 45,578
EXPENDITURES		
General Government		
Audit	1,000	1,000
Excess (Deficiency) of Revenues Over Expenditures	$ 76,638	$ 44,578
OTHER FINANCING SOURCES (USES)		
Transfers (Out)		
Cemetery Operating Fund	(21,326)	(30,370)
Net Change in Fund Balance	$ 55,312	$ 14,208
FUND BALANCE - Beginning of Year	473,740	459,532
FUND BALANCE - End of Year	$ 529,052	$ 473,740

CITY OF CADILLAC, MICHIGAN
CAPITAL PROJECTS TRUST FUND

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 2,768	$ 2,944
Investments	855,034	722,853
Receivables		
Accrued Interest	2,260	2,305
TOTAL ASSETS	$ 860,062	$ 728,102
LIABILITIES AND FUND BALANCE		
LIABILITIES	$ 0	$ 0
FUND BALANCE		
Reserved for Capital Projects Endowment	860,062	728,102
TOTAL LIABILITIES AND FUND BALANCE	$ 860,062	$ 728,102

CITY OF CADILLAC, MICHIGAN
CAPITAL PROJECTS TRUST FUND

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

	2007	2006
REVENUES		
Interest and Rents		
Interest	$ 6,607	$ 3,803
Gain on Investments	125,753	55,460
Total Revenues	$ 132,360	$ 59,263
EXPENDITURES		
General Government		
Audit	400	400
Excess (Deficiency) of Revenues Over Expenditures	$ 131,960	$ 58,863
FUND BALANCE - Beginning of Year	728,102	669,239
FUND BALANCE - End of Year	$ 860,062	$ 728,102

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,

	2007	2006
ASSETS		
CURRENT ASSETS		
Cash	$ 53,325	$ 82,420
Receivables		
Interest	1,455	3
Investments	73,742	31,165
Prepaid Expense	34	30
Total Current Assets	$ 128,556	$ 113,618
NONCURRENT ASSETS		
CAPITAL ASSETS		
Land	$ 249,221	$ 249,221
Land Improvements	561,820	561,820
	$ 811,041	$ 811,041
Less Accumulated Depreciation	167,259	150,505
Net Capital Assets	$ 643,782	$ 660,536
TOTAL ASSETS	$ 772,338	$ 774,154
LIABILITIES		
Due to Other Funds	$ 0	$ 2,002
NET ASSETS		
Invested in Capital Assets	$ 643,782	$ 660,536
Unrestricted	128,556	111,616
TOTAL NET ASSETS	$ 772,338	$ 772,152

CITY OF CADILLAC, MICHIGAN
AUTOMOBILE PARKING SYSTEM

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

	2007	2006
OPERATING REVENUES		
Charges for Services		
Parking Lot Assessments	$ 45,620	$ 45,620
Parking Violations	1,536	3,070
Courtesy Parking	1,539	1,507
Total Operating Revenues	$ 48,695	$ 50,197
OPERATING EXPENSES		
Personal Services	$ 2,877	$ 2,716
Employee Benefits	1,479	1,431
Office Supplies	160	149
Audit	800	800
Data Processing	2,900	2,900
Depreciation	16,754	16,754
Snow Removal		
Personal Services	5,301	5,228
Employee Benefits	2,492	2,457
Operating Supplies	60	9
Equipment Rental	15,750	13,180
Lot Maintenance		
Personal Services	118	442
Employee Benefits	61	229
Operating Supplies	4,903	1,156
Equipment Rental	134	283
Total Operating Expenses	$ 53,789	$ 47,734
Operating Income (Loss)	$ (5,094)	$ 2,463
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	5,280	3,741
Change in Net Assets	$ 186	$ 6,204
TOTAL NET ASSETS - Beginning of Year	772,152	765,948
TOTAL NET ASSETS - End of Year	$ 772,338	$ 772,152

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	2007	2006
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 48,695	$ 52,310
Cash Payments to Suppliers for Goods and Services	(30,745)	(23,160)
Cash Payments to Employees for Services	(8,296)	(8,386)
Net Cash Provided (Used) by Operating Activities	$ 9,654	$ 20,764
Cash Flows from Investing Activities:		
Interest Received	$ 3,828	$ 3,738
Purchase of Investment Securities	(43,839)	(31,166)
Proceeds from Sale and Maturities of Investment Securities	1,262	1
Net Cash Provided (Used) by Investing Activities	$ (38,749)	$ (27,427)
Net Increase (Decrease) in Cash and Cash Equivalents	$ (29,095)	$ (6,663)
CASH AND CASH EQUIVALENTS - Beginning of Year	82,420	89,083
CASH AND CASH EQUIVALENTS - End of Year	$ 53,325	$ 82,420

CITY OF CADILLAC, MICHIGAN

AUTOMOBILE PARKING SYSTEM

COMPARATIVE STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30,

	2007	2006
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ (5,094)	$ 2,463
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:		
Depreciation	$ 16,754	$ 16,754
(Increase) Decrease in Current Assets		
Accounts Receivable	0	2,113
Prepaid Expense	(4)	(30)
Increase (Decrease) in Current Liabilities		
Accounts Payable	0	(2,469)
Due to Other Funds	(2,002)	1,933
Total Adjustments	$ 14,748	$ 18,301
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 9,654	$ 20,764

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 network.

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

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

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2007

	CENTRAL STORES AND MUNICIPAL GARAGE	DATA PROCESSING
ASSETS		
Cash	$ 39,148	$ 6,575
Investments	338	0
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)		
Accounts	5,011	0
Accrued Interest	0	0
Due from Other Funds	13,410	0
Inventory, At Cost	51,325	0
Prepaid Expenses	18,844	75,784
Capital Assets (Net of Accumulated Depreciation)	936,422	352,821
TOTAL ASSETS	$ 1,064,498	$ 435,180
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	$ 10,755	$ 474
Accrued Interest	14,380	0
Other Accrued Expenses	44,366	342
Due to Other Funds	0	180,000
Current Portion of Note Payable	50,000	0
Total Current Liabilities	$ 119,501	$ 180,816
LONG-TERM LIABILITIES		
Note Payable	450,000	0
TOTAL LIABILITIES	$ 569,501	$ 180,816
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	$ 936,422	$ 352,821
Restricted for:		
Retirees' Life Insurance	0	0
Employees' Life and Health Insurance	0	0
Unrestricted (Deficit)	(441,425)	(98,457)
TOTAL NET ASSETS	$ 494,997	$ 254,364

SELF-INSURANCE	SAFETY	TOTALS
$ 28,104	$ 11,799	$ 85,626
1,095,394	0	1,095,732
1,670	0	6,681
11,971	0	11,971
0	0	13,410
0	0	51,325
37,728	0	132,356
0	0	1,289,243
$ 1,174,867	$ 11,799	$ 2,686,344
$ 30,322	$ 0	$ 41,551
0	0	14,380
0	0	44,708
0	0	180,000
0	0	50,000
$ 30,322	$ 0	$ 330,639
0	0	450,000
$ 30,322	$ 0	$ 780,639
$ 0	$ 0	$ 1,289,243
198,424	0	198,424
946,121	0	946,121
0	11,799	(528,083)
$ 1,144,545	$ 11,799	$ 1,905,705

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

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

YEAR ENDED JUNE 30, 2007

	CENTRAL STORES AND MUNICIPAL GARAGE	DATA PROCESSING
OPERATING REVENUES		
Charges for Services	$ 501,979	$ 300,800
Other Revenue	0	0
Total Operating Revenues	$ 501,979	$ 300,800
OPERATING EXPENSES		
Personal Services	$ 181,469	$ 36,193
Contractual Services	52,451	133,019
Supplies	125,456	10,777
Heat, Light and Power	27,329	549
Depreciation	133,550	66,767
Employee Benefits	99,739	12,679
Benefit Payments	0	0
Equipment Rental	15,047	0
Administrative	47,400	20,300
Total Operating Expenses	$ 682,441	$ 280,284
Operating Income (Loss)	$ (180,462)	$ 20,516
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	$ 443	$ 1,843
Interest Expense	(14,380)	0
Gain (Loss) on Sale of Capital Assets	0	1,260
Total Nonoperating Revenues (Expenses)	$ (13,937)	$ 3,103
Changes In Net Assets	$ (194,399)	$ 23,619
TOTAL NET ASSETS - Beginning of Year	689,396	230,745
TOTAL NET ASSETS - End of Year	$ 494,997	$ 254,364

SELF-INSURANCE	SAFETY	TOTALS
$ 864,920	$ 5,300	$ 1,672,999
49,609	0	49,609
$ 914,529	$ 5,300	$ 1,722,608
$ 0	$ 2,000	$ 219,662
33,440	527	219,437
0	382	136,615
0	0	27,878
0	0	200,317
0	0	112,418
648,381	0	648,381
0	0	15,047
0	0	67,700
$ 681,821	$ 2,909	$ 1,647,455
$ 232,708	$ 2,391	$ 75,153
$ 46,445	$ 541	$ 49,272
0	0	(14,380)
0	0	1,260
$ 46,445	$ 541	$ 36,152
$ 279,153	$ 2,932	$ 111,305
865,392	8,867	1,794,400
$ 1,144,545	$ 11,799	$ 1,905,705

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2007

	CENTRAL STORES AND MUNICIPAL GARAGE	DATA PROCESSING
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services Provided and Used	$ 493,432	$ 300,800
Cash Payments to Suppliers for Goods and Services	(414,355)	(143,081)
Cash Payments to Employees for Services	(173,027)	(39,632)
Other Operating Revenues	26	0
Net Cash Provided (Used) by Operating Activities	$ (93,924)	$ 118,087
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	$ (184,748)	$ (97,734)
Loan Proceeds	500,000	0
Proceeds from Sale of Capital Assets	0	1,260
Net Cash Provided (Used) for Capital and Related Financing Activities	$ 315,252	$ (96,474)
Cash Flows from Investing Activities:		
Interest Received	$ 443	$ 1,843
Purchase of Investment Securities	(17)	0
Proceeds from Sale and Maturities of Investment Securities	0	0
Net Cash Provided (Used) by Investing Activities	$ 426	$ 1,843
Net Increase (Decrease) in Cash and Cash Equivalents	$ 221,754	$ 23,456
CASH AND CASH EQUIVALENTS - Beginning of Year	(182,606)	(16,881)
CASH AND CASH EQUIVALENTS - End of Year	$ 39,148	$ 6,575

SELF-INSURANCE	SAFETY	TOTALS
$ 1,003,005	$ 5,300	$ 1,802,537
(746,397)	(2,243)	(1,306,076)
0	(2,000)	(214,659)
0	0	26
$ 256,608	$ 1,057	$ 281,828
$ 0	$ 0	$ (282,482)
0	0	500,000
0	0	1,260
$ 0	$ 0	$ 218,778
$ 44,793	$ 541	$ 47,620
(347,182)	0	(347,199)
32,629	0	32,629
$ (269,760)	$ 541	$ (266,950)
$ (13,152)	$ 1,598	$ 233,656
41,256	10,201	(148,030)
$ 28,104	$ 11,799	$ 85,626

CITY OF CADILLAC, MICHIGAN
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2006

	CENTRAL STORES AND MUNICIPAL GARAGE	DATA PROCESSING
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ (180,462)	$ 20,516
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	$ 133,550	$ 66,767
(Increase) Decrease in Current Assets		
Accounts Receivable	2,887	0
Due from Other Funds	(11,408)	0
Inventory	(2,802)	0
Prepaid Expense	66,481	(72,481)
Increase (Decrease) in Current Liabilities		
Accounts Payable	403	(204)
Other Accrued Expenses	1,248	(3,439)
Due to Other Funds	(103,821)	106,928
Total Adjustments	$ 86,538	$ 97,571
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (93,924)	$ 118,087

SELF-INSURANCE	SAFETY	TOTALS
$ 232,708	$ 2,391	$ 75,153
$ 0	$ 0	$ 200,317
(1,670)	0	1,217
90,146	0	78,738
0	0	(2,802)
(37,728)	0	(43,728)
(25,923)	0	(25,724)
0	0	(2,191)
(925)	(1,334)	848
$ 23,900	$ (1,334)	$ 206,675
$ 256,608	$ 1,057	$ 281,828

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	2007	2006
ASSETS		
CURRENT ASSETS		
Cash	$ 39,148	$ 0
Investments	338	321
Receivables		
Accounts	5,011	7,898
Due from Other Funds	13,410	2,002
Inventory, At Cost	51,325	48,523
Prepaid Expense	18,844	85,325
Total Current Assets	$ 128,076	$ 144,069
CAPITAL ASSETS		
Land and Land Improvements	$ 93,971	$ 93,971
Buildings	411,945	411,945
Machinery and Equipment	1,638,541	1,605,359
	$ 2,144,457	$ 2,111,275
Less Accumulated Depreciation	1,208,035	1,226,051
Net Capital Assets	$ 936,422	$ 885,224
TOTAL ASSETS	$ 1,064,498	$ 1,029,293

	2007	2006
LIABILITIES		
CURRENT LIABILITIES		
Bank Overdraft	$ 0	$ 182,606
Accounts Payable	10,755	10,352
Accrued Interest	14,380	0
Other Accrued Expenses	44,366	43,118
Due to Other Funds	0	103,821
Current Portion of Note Payable	50,000	0
Total Current Liabilities	$ 119,501	$ 339,897
LONG-TERM LIABILITIES		
Note Payable	450,000	0
TOTAL LIABILITIES	$ 569,501	$ 339,897
NET ASSETS		
Invested in Capital Assets	$ 936,422	$ 885,224
Unrestricted (Deficit)	(441,425)	(195,828)
TOTAL NET ASSETS	$ 494,997	$ 689,396

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,

	2007	2006
OPERATING REVENUES		
Charges for Services		
Services and Materials	$ 35,710	$ 31,067
Equipment Rentals	466,243	498,347
Other Revenue	26	958
Total Operating Revenues	$ 501,979	$ 530,372
OPERATING EXPENSES		
Salaries and Wages	$ 174,275	$ 164,651
Employee Benefits	95,890	94,777
Contractual Services	1,852	416
Employee Safety	900	900
Operating Supplies	122,480	116,827
Audit	3,000	3,000
Data Processing	21,000	21,000
Insurance	15,255	18,748
Property Taxes	2,064	1,645
Travel and Education	1,201	754
Heat, Light and Power	27,329	23,454
Equipment Maintenance	7,179	12,571
Equipment Rental	734	1,298
Depreciation	133,550	125,896
Outside Work		
Salaries and Wages	7,194	5,015
Employee Benefits	3,849	2,510
Operating Supplies	2,976	7,258
Equipment Rental	7,276	2,997
Vehicle Lease	7,037	7,677
Administrative	47,400	44,000
Total Operating Expenses	$ 682,441	$ 655,394
Operating Income (Loss)	$ (180,462)	$ (125,022)

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,

	2007	2006
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	$ 443	$ 55
Interest Expense	(14,380)	0
Gain (Loss) on Sale of Capital Assets	0	6,623
Total Nonoperating Revenues (Expenses)	$ (13,937)	$ 6,678
Change in Net Assets	$ (194,399)	$ (118,344)
TOTAL NET ASSETS - Beginning of Year	689,396	807,740
TOTAL NET ASSETS - End of Year	$ 494,997	$ 689,396

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	2007	2006
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services Provided and Used	$ 493,432	$ 573,911
Cash Payments to Suppliers for Goods and Services	(414,355)	(496,610)
Cash Payments to Employees for Services	(173,027)	(165,663)
Other Operating Revenues	26	958
Net Cash Provided (Used) by Operating Activities	$ (93,924)	$ (87,404)
Cash Flows from Capital and Related Financing Activities		
Acquisition and Construction of Capital Assets	$ (184,748)	$ (137,934)
Loan Proceeds	500,000	0
Proceeds from Sale of Capital Assets	0	6,623
Net Cash Provided (Used) for Capital and Related Financing Activities	$ 315,252	$ (131,311)
Cash Flows from Investing Activities:		
Interest Received	$ 443	$ 55
Purchase of Investment Securities	(17)	(13)
Net Cash Provided (Used) By Investing Activities	$ 426	$ 42
Net Increase (Decrease) in Cash and Cash Equivalents	$ 221,754	$ (218,673)
CASH AND CASH EQUIVALENTS - Beginning of Year	(182,606)	36,067
CASH AND CASH EQUIVALENTS - End of Year	$ 39,148	$ (182,606)

CITY OF CADILLAC, MICHIGAN
CENTRAL STORES AND MUNICIPAL GARAGE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	2007	2006
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ (180,462)	$ (125,022)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	$ 133,550	$ 125,896
(Increase) Decrease in Current Assets		
Accounts Receivable	2,887	530
Due from Other Funds	(11,408)	43,967
Inventory	(2,802)	(1,252)
Prepaid Expense	66,481	(85,325)
Increase (Decrease) in Current Liabilities		
Accounts Payable	403	985
Accrued Expenses	1,248	(1,012)
Due to Other Funds	(103,821)	(46,171)
Total Adjustments	$ 86,538	$ 37,618
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (93,924)	$ (87,404)

CITY OF CADILLAC, MICHIGAN
DATA PROCESSING FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	2007	2006
ASSETS		
CURRENT ASSETS		
Cash	$ 6,575	$ 0
Prepaid Expense	75,784	3,303
Total Current Assets	$ 82,359	$ 3,303
CAPITAL ASSETS		
Furniture, Fixtures and Equipment	$ 815,404	$ 717,670
Less Accumulated Depreciation	462,583	395,816
Net Capital Assets	$ 352,821	$ 321,854
TOTAL ASSETS	$ 435,180	$ 325,157
LIABILITIES		
CURRENT LIABILITIES		
Bank Overdraft	$ 0	$ 16,881
Accounts Payable	474	678
Other Accrued Expenses	342	3,781
Due to Other Funds	180,000	73,072
TOTAL LIABILITIES	$ 180,816	$ 94,412
NET ASSETS		
Invested in Capital Assets	$ 352,821	$ 321,854
Unrestricted (Deficit)	(98,457)	(91,109)
TOTAL NET ASSETS	$ 254,364	$ 230,745

CITY OF CADILLAC, MICHIGAN
DATA PROCESSING FUND

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

	2007	2006
OPERATING REVENUES		
Interdepartmental Billings	$ 300,800	$ 296,800
OPERATING EXPENSES		
Salaries and Wages	$ 36,193	$ 43,077
Employee Benefits	12,679	21,756
Dues and Publications	0	78
Audit	800	800
Insurance	161	159
Computer Programming	126,966	68,840
Telephone	549	569
Travel and Education	2,124	3,635
Office Supplies	10,777	12,800
Depreciation	66,767	55,881
Repairs and Maintenance	2,968	2,488
Administrative	20,300	21,200
Total Operating Expenses	$ 280,284	$ 231,283
Operating Income (Loss)	$ 20,516	$ 65,517
NONOPERATING REVENUES (EXPENSES)		
Interest Revenue	$ 1,843	$ 2,102
Gain (Loss) on Sale of Capital Assets	1,260	1,837
Total Nonoperating Revenues (Expenses)	$ 3,103	$ 3,939
Change In Net Assets	$ 23,619	$ 69,456
TOTAL NET ASSETS - Beginning of Year	230,745	161,289
TOTAL NET ASSETS - End of Year	$ 254,364	$ 230,745

CITY OF CADILLAC, MICHIGAN
DATA PROCESSING FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	2007	2006
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services Provided and Used	$ 300,800	$ 296,800
Cash Payments to Suppliers for Goods and Services	(143,081)	(233,840)
Cash Payments to Employees for Services	(39,632)	(42,035)
Net Cash Provided (Used) by Operating Activities	$ 118,087	$ 20,925
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	$ (97,734)	$ (59,054)
Proceeds from Sale of Capital Assets	1,260	1,837
Net Cash Provided (Used) for Capital and Related Financing Activities	$ (96,474)	$ (57,217)
Cash Flows from Investing Activities:		
Interest Received	$ 1,843	$ 2,102
Net Increase (Decrease) in Cash and Cash Equivalents	$ 23,456	$ (34,190)
CASH AND CASH EQUIVALENTS - Beginning of Year	(16,881)	17,309
CASH AND CASH EQUIVALENTS - End of Year	$ 6,575	$ (16,881)

CITY OF CADILLAC, MICHIGAN
DATA PROCESSING FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	2007	2006
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ 20,516	$ 65,517
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	$ 66,767	$ 55,881
(Increase) Decrease in Current Assets		
Inventory	0	405
Prepaid Expense	(72,481)	(3,303)
Increase (Decrease) in Current Liabilities		
Accounts Payable	(204)	(17,804)
Other Accrued Expenses	(3,439)	1,042
Due to Other Funds	106,928	(80,813)
Total Adjustments	$ 97,571	$ (44,592)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 118,087	$ 20,925

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	2007	2006
ASSETS		
CURRENT ASSETS		
Cash	$ 28,104	$ 41,256
Investments	1,095,394	780,841
Receivables		
Accounts	1,670	0
Accrued Interest	11,971	10,319
Due from Other Funds	0	90,146
Prepaid Expenditures	37,728	0
TOTAL ASSETS	$ 1,174,867	$ 922,562
LIABILITIES		
Accounts Payable	$ 30,322	$ 56,245
Due to Other Funds	0	925
TOTAL LIABILITIES	$ 30,322	$ 57,170
NET ASSETS		
Restricted for:		
Retirees' Life Insurance	$ 198,424	$ 191,356
Employees' Life and Health Insurance	946,121	674,036
TOTAL NET ASSETS	$ 1,144,545	$ 865,392

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

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

YEAR ENDED JUNE 30,

	2007	2006
OPERATING REVENUES		
Charges for Services		
Employer Contributions	$ 864,920	$ 881,265
Other Revenue	49,609	47,034
Total Operating Revenues	$ 914,529	$ 928,299
OPERATING EXPENSES		
Contractual Services		
Administration	$ 33,440	$ 18,182
Benefit Payments		
Insurance Premiums	392,668	485,141
Medical Claims	255,713	281,476
Total Operating Expenses	$ 681,821	$ 784,799
Operating Income (Loss)	$ 232,708	$ 143,500
NONOPERATING REVENUES		
Interest Revenue	46,445	20,448
Change in Net Assets	$ 279,153	$ 163,948
TOTAL NET ASSETS - Beginning of Year	865,392	701,444
TOTAL NET ASSETS - End of Year	$ 1,144,545	$ 865,392

CITY OF CADILLAC, MICHIGAN
SELF-INSURANCE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	2007	2006
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services Provided and Used	$ 1,003,005	$ 948,437
Cash Payments to Suppliers for Goods and Services	(746,397)	(760,043)
Net Cash Provided (Used) by Operating Activities	$ 256,608	$ 188,394
Cash Flows from Investing Activities:		
Interest Received	$ 44,793	$ 22,040
Purchase of Investment Securities	(347,182)	(590,721)
Proceeds from Sale and Maturities of Investment Securities	32,629	328,670
Net Cash Provided (Used) by Investing Activities	$ (269,760)	$ (240,011)
Net Increase (Decrease) in Cash and Cash Equivalents	$ (13,152)	$ (51,617)
CASH AND CASH EQUIVALENTS - Beginning of Year	41,256	92,873
CASH AND CASH EQUIVALENTS - End of Year	$ 28,104	$ 41,256
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ 232,708	$ 143,500
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
(Increase) Decrease in Current Assets		
Accounts Receivable	$ (1,670)	$ 50
Due from Other Funds	90,146	20,088
Prepaid Expense	(37,728)	0
Increase (Decrease) in Current Liabilities		
Accounts Payable	(25,923)	23,831
Due to Other Funds	(925)	925
Total Adjustments	$ 23,900	$ 44,894
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 256,608	$ 188,394

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

COMPARATIVE STATEMENT OF NET ASSETS
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 11,799	$ 10,201
LIABILITIES		
Due to Other Funds	0	1,334
NET ASSETS		
Unrestricted	$ 11,799	$ 8,867

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

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

	2007	2006
OPERATING REVENUES		
Interdepartmental Billings	$ 5,300	$ 5,300
OPERATING EXPENSES		
Personal Services	$ 2,000	$ 1,334
Operating Supplies	382	699
Dues and Publications	32	437
Audit	400	400
Travel and Education	95	130
Total Operating Expenses	$ 2,909	$ 3,000
Operating Income (Loss)	$ 2,391	$ 2,300
NONOPERATING REVENUE (EXPENSES)		
Interest Revenue	541	307
Change in Net Assets	$ 2,932	$ 2,607
TOTAL NET ASSETS - Beginning of Year	8,867	6,260
TOTAL NET ASSETS - End of Year	$ 11,799	$ 8,867

CITY OF CADILLAC, MICHIGAN
SAFETY FUND

COMPARATIVE STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30,

	2007	2006
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash Flows from Operating Activities:		
Cash Received from Interfund Services Provided and Used	$ 5,300	$ 5,300
Cash Payments to Suppliers for Goods and Services	(2,243)	(3,825)
Cash Payments to Employees for Services	(2,000)	(1,334)
Net Cash Provided (Used) by Operating Activities	$ 1,057	$ 141
Cash Flows from Investing Activities		
Interest Received	541	307
Net Increase (Decrease) in Cash and Cash Equivalents	$ 1,598	$ 448
CASH AND CASH EQUIVALENTS - Beginning of Year	10,201	9,753
CASH AND CASH EQUIVALENTS - End of Year	$ 11,799	$ 10,201
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ 2,391	$ 2,300
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Increase (Decrease) in Current Liabilities		
Accounts Payable	$ 0	$ (2,180)
Due to Other Funds	(1,334)	21
Total Adjustments	$ (1,334)	$ (2,159)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 1,057	$ 141

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,

	2007	2006
ASSETS		
Cash	$ 179,757	$ 0
Investments		
Mutual Funds	1,767	2,035
Municipal Employees' Retirement System	6,730,522	5,786,409
Due from Other Funds	0	25,947
Prepaid Deductions	5,007	5,007
TOTAL ASSETS	$ 6,917,053	$ 5,819,398
LIABILITIES		
Bank Overdraft	$ 0	$ 5,641
Due to Other Funds	24,440	0
Total Liabilities	$ 24,440	$ 5,641
NET ASSETS		
Held in Trust for Employees' Pension Benefits	$ 6,892,613	$ 5,813,757

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM

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

	2007	2006
ADDITIONS		
Contributions		
Employer	$ 556,555	$ 469,725
Employee	30,974	42,125
Total Contributions	$ 587,529	$ 511,850
Investment Income		
Interest and Dividend Income	$ 5,603	$ 130,581
Net Appreciation (Depreciation) in the Fair Value of Plan Investments	975,835	295,734
Investment Expenses	(27,533)	(58,521)
Net Investment Income (Loss)	$ 953,905	$ 367,794
Total Additions (Deletions)	$ 1,541,434	$ 879,644
DEDUCTIONS		
Benefit Payments		
Retirement	$ 442,196	$ 434,449
Administrative Expenses		
Contracted Services		
Actuarial Fees	18,282	10,175
Auditing	2,100	0
Total Deductions	$ 462,578	$ 444,624
Net Increase (Decrease) in Plan Assets	$ 1,078,856	$ 435,020
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS		
Beginning of Year	5,813,757	5,378,737
End of Year	$ 6,892,613	$ 5,813,757

AGENCY FUND

CURRENT TAX COLLECTION FUND

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

CITY OF CADILLAC, MICHIGAN

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2007

	BALANCE 7/1/2006	ADDITIONS	DEDUCTIONS	BALANCE 6/30/2007
CURRENT TAX COLLECTION FUND				
ASSETS				
Cash	$ 66,761	$ 8,512,106	$ 8,504,318	$ 74,549
Due from Other Funds	0	24,939	17,553	7,386
Due from Other Governments	2,474	0	2,186	288
Total Assets	$ 69,235	$ 8,537,045	$ 8,524,057	$ 82,223
LIABILITIES				
Due to Other Governments	$ 23,243	$ 8,498,457	$ 8,444,969	$ 76,731
Due to Other Funds	45,992	5,492	45,992	5,492
Total Liabilities	$ 69,235	$ 8,503,949	$ 8,490,961	$ 82,223

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

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

D.D.A. Capital Projects Fund - This fund was established to provide a source of revenue for the D.D.A. to undertake various capital and public infrastructure improvements within the D.D.A. 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, 2007

	MAJOR L.D.F.A.	TOTAL NONMAJOR COMPONENT UNITS	TOTALS
ASSETS			
CURRENT ASSETS			
Cash	$ 66,305	$ 38,588	$ 104,893
Investments	1,780,734	88,900	1,869,634
Receivables			
Taxes	0	135	135
Accounts	2,119	120	2,239
Accrued Interest	14,699	809	15,508
Due from Other Governments	84,501	118,342	202,843
Prepaid Expenditures	0	82	82
TOTAL CURRENT ASSETS	$ 1,948,358	$ 246,976	$ 2,195,334
CAPITAL ASSETS			
Investment in System	$ 226,767	$ 0	$ 226,767
Less Accumulated Depreciation	54,778	0	54,778
Net Capital Assets	$ 171,989	$ 0	$ 171,989
TOTAL ASSETS	$ 2,120,347	$ 246,976	$ 2,367,323
LIABILITIES AND EQUITY			
LIABILITIES			
Accounts Payable	$ 16,780	$ 280	$ 17,060
Accrued Expenditures	702	1,126	1,828
Deferred Revenue	0	135	135
Total Liabilities	$ 17,482	$ 1,541	$ 19,023

CITY OF CADILLAC, MICHIGAN

MAJOR AND NONMAJOR COMPONENT UNITS
COMBINING BALANCE SHEET

JUNE 30, 2007

	MAJOR L.D.F.A.	TOTAL NONMAJOR COMPONENT UNITS	TOTALS
EQUITY			
Net Assets			
Invested in Capital Assets	$ 171,989	$ 0	$ 171,989
Unrestricted	169,595	0	169,595
Fund Balance			
Reserved for:			
Prepaid Expenditures	0	82	82
Debt Service	8,253	0	8,253
Ground Water Clean-up	1,753,028	0	1,753,028
Unreserved	0	245,353	245,353
Total Net Assets/Fund Balance	$ 2,102,865	$ 245,435	$ 2,348,300
TOTAL LIABILITIES AND EQUITY	$ 2,120,347	$ 246,976	$ 2,367,323

CITY OF CADILLAC, MICHIGAN

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

YEAR ENDED JUNE 30, 2007

	MAJOR L.D.F.A.	TOTAL NONMAJOR COMPONENT UNITS	TOTALS
REVENUES			
Taxes	$ 276,107	$ 149,439	$ 425,546
Interest and Rents	75,676	6,566	82,242
Other Revenues	0	8,585	8,585
Total Revenues	$ 351,783	$ 164,590	$ 516,373
EXPENDITURES			
Economic Development	$ 0	$ 51,940	$ 51,940
Public Works	289,124	0	289,124
General Government			
Audit	400	0	400
Intergovernmental Expenditures	0	30,000	30,000
Total Expenditures	$ 289,524	$ 81,940	$ 371,464
Excess (Deficiency) of Revenues Over Expenditures	$ 62,259	$ 82,650	$ 144,909
FUND BALANCES - Beginning of Year	1,699,022	162,785	1,861,807
FUND BALANCES - End of Year	$ 1,761,281	$ 245,435	$ 2,006,716

CITY OF CADILLAC, MICHIGAN

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

JUNE 30, 2007

	OPERATING FUND	DEBT RETIREMENT FUND	UTILITIES FUND	TOTAL
ASSETS				
CURRENT ASSETS				
Cash	$ 13,672	$ 3,376	$ 49,257	$ 66,305
Investments	1,663,762	1	116,971	1,780,734
Receivables				
Accounts	0	0	2,119	2,119
Accrued Interest	13,377	0	1,322	14,699
Due from Other Governments	79,625	4,876	0	84,501
Total Current Assets	$ 1,770,436	$ 8,253	$ 169,669	$ 1,948,358
CAPITAL ASSETS				
Investment in System	$ 0	$ 0	$ 226,767	$ 226,767
Less Accumulated Depreciation	0	0	54,778	54,778
Net Capital Assets	$ 0	$ 0	$ 171,989	$ 171,989
TOTAL ASSETS	$ 1,770,436	$ 8,253	$ 341,658	$ 2,120,347
LIABILITIES AND EQUITY				
LIABILITIES				
Accounts Payable	$ 16,780	$ 0	$ 0	$ 16,780
Accrued Expenditures	628	0	74	702
Total Liabilities	$ 17,408	$ 0	$ 74	$ 17,482
EQUITY				
Net Assets				
Invested in Capital Assets	$ 0	$ 0	$ 171,989	$ 171,989
Unrestricted	0	0	169,595	169,595
Fund Balance				
Reserved for:				
Debt Service	0	8,253	0	8,253
Ground Water Clean-up	1,753,028	0	0	1,753,028
Total Net Assets/Fund Balance	$ 1,753,028	$ 8,253	$ 341,584	$ 2,102,865
TOTAL LIABILITIES AND EQUITY	$ 1,770,436	$ 8,253	$ 341,658	$ 2,120,347

CITY OF CADILLAC, MICHIGAN

L.D.F.A. GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2007

	OPERATING FUND	DEBT RETIREMENT FUND	TOTAL
REVENUES			
Taxes	$ 276,107	$ 0	$ 276,107
Interest and Rents	75,529	147	75,676
Total Revenues	$ 351,636	$ 147	$ 351,783
EXPENDITURES			
Public Works	$ 289,124	$ 0	$ 289,124
General Government			
Audit	0	400	400
Total Expenditures	$ 289,124	$ 400	$ 289,524
Excess (Deficiency) of Revenues Over Expenditures	$ 62,512	$ (253)	$ 62,259
FUND BALANCE - Beginning of Year	1,690,516	8,506	1,699,022
FUND BALANCE - End of Year	$ 1,753,028	$ 8,253	$ 1,761,281

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 13,672	$ 14,078
Investments	1,663,762	1,610,892
Receivables		
Accrued Interest	13,377	13,633
Due from Other Governments	79,625	59,363
TOTAL ASSETS	$ 1,770,436	$ 1,697,966
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$ 16,780	$ 6,644
Accrued Expenditures	628	806
Total Liabilities	$ 17,408	$ 7,450
FUND BALANCE		
Reserved for Groundwater Cleanup	1,753,028	1,690,516
TOTAL LIABILITIES AND FUND BALANCE	$ 1,770,436	$ 1,697,966

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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Taxes			
Property Taxes	$ 0	$ 79,625	$ 59,363
Groundwater Cleanup Special Assessment	195,000	196,482	225,837
Penalties and Interest	400	0	4,018
Total Taxes	$ 195,400	$ 276,107	$ 289,218
Interest and Rents			
Interest	53,000	75,529	58,223
Total Revenues	$ 248,400	$ 351,636	$ 347,441
EXPENDITURES			
Public Works			
Personal Services	$ 16,500	$ 18,254	$ 16,607
Employee Benefits	6,650	6,863	6,265
Audit	400	400	400
Legal Fees	9,000	13,910	4,150
Supplies	13,200	10,143	9,020
Contractual Services	86,000	85,251	71,340
Heat, Light and Power	121,000	124,265	109,439
Equipment Maintenance	33,650	30,038	10,335
Total Expenditures	$ 286,400	$ 289,124	$ 227,556
Excess (Deficiency) of Revenues Over Expenditures	$ (38,000)	$ 62,512	$ 119,885
FUND BALANCE - Beginning of Year	1,646,531	1,690,516	1,570,631
FUND BALANCE - End of Year	$ 1,608,531	$ 1,753,028	$ 1,690,516

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,

	2007	2006
ASSETS		
Cash	$ 3,376	$ 823
Investments	1	2,407
Due from Other Governments	4,876	5,276
TOTAL ASSETS	$ 8,253	$ 8,506
LIABILITIES AND FUND BALANCE		
LIABILITIES	$ 0	$ 0
FUND BALANCE		
Reserved for Debt Service	8,253	8,506
TOTAL LIABILITIES AND FUND BALANCE	$ 8,253	$ 8,506

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

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2007	2006
REVENUES		
Interest and Rents		
Interest	$ 147	$ 9,506
EXPENDITURES		
General Government		
Refunds	$ 0	$ 584,924
Audit	400	1,000
Total Expenditures	$ 400	$ 585,924
Excess (Deficiency) of Revenues Over Expenditures	$ (253)	$ (576,418)
FUND BALANCE - Beginning of Year	8,506	584,924
FUND BALANCE - End of Year	$ 8,253	$ 8,506

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,

	2007	2006
ASSETS		
CURRENT ASSETS		
Cash	$ 49,257	$ 28,945
Investments	116,971	117,127
Receivables		
Accounts	2,119	1,420
Accrued Interest	1,322	1,319
Due from Other Governments	0	1,199
Total Current Assets	$ 169,669	$ 150,010
CAPITAL ASSETS		
Investment in System	$ 226,767	$ 226,767
Less Accumulated Depreciation	54,778	50,242
Net Capital Assets	$ 171,989	$ 176,525
TOTAL ASSETS	$ 341,658	$ 326,535
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued Expenses	$ 74	$ 215
NET ASSETS		
Invested in Capital Assets	$ 171,989	$ 176,525
Unrestricted	169,595	149,795
Total Net Assets	$ 341,584	$ 326,320

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,

	2007	2006
OPERATING REVENUES		
Water Charges to Customers	$ 16,248	$ 12,519
OPERATING EXPENSES		
Personal Services	$ 2,639	$ 1,838
Employee Benefits	707	657
Audit	400	400
Depreciation	4,536	4,416
Total Operating Expenses	$ 8,282	$ 7,311
Operating Income (Loss)	$ 7,966	$ 5,208
NON-OPERATING REVENUES (EXPENSES)		
Interest Revenue	7,298	5,874
Change in Net Assets	$ 15,264	$ 11,082
NET ASSETS - Beginning of Year	326,320	315,238
NET ASSETS - End of Year	$ 341,584	$ 326,320

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,

	2007	2006
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash Flows from Operating Activities		
Cash Received from Customers	$ 16,748	$ 14,837
Cash Payments to Suppliers for Goods and Services	(3,887)	(2,740)
Net Cash Provided by Operating Activities	$ 12,861	$ 12,097
Cash Flows from Capital and Related Financing Activities		
Purchase of Fixed Assets	$ 0	$ (11,955)
Cash Flows from Investing Activities		
Interest Received	$ 7,295	$ 7,029
Proceeds from Sales and Maturities	5,800	327
Purchase of Investment Securities	(5,644)	(6,623)
Net Cash Provided (Used) by Investing Activities	$ 7,451	$ 733
Net Increase (Decrease) in Cash and Cash Equivalents	$ 20,312	$ 875
CASH AND CASH EQUIVALENTS - Beginning of Year	28,945	28,070
CASH AND CASH EQUIVALENTS - End of Year	$ 49,257	$ 28,945
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income	$ 7,966	$ 5,208
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	$ 4,536	$ 4,416
(Increase) Decrease in Current Assets		
Accounts Receivable	(699)	1,482
Due from Other Governments	1,199	836
Increase (Decrease) in Current Liabilities		
Other Accrued Expenses	(141)	155
Total Adjustments	$ 4,895	$ 6,889
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 12,861	$ 12,097

CITY OF CADILLAC, MICHIGAN
NONMAJOR GOVERNMENTAL COMPONENT UNITS
COMBINING BALANCE SHEET
JUNE 30, 2007

	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	BROWNFIELD REDEVELOPMENT AUTHORITY	TOTALS
ASSETS				
Cash	$ 21,448	$ 1,167	$ 15,973	$ 38,588
Investments	0	0	88,900	88,900
Receivables				
Taxes	135	0	0	135
Accounts	120	0	0	120
Accrued Interest	0	0	809	809
Due from Other Governments	116,656	0	1,686	118,342
Prepaid Expenditures	82	0	0	82
TOTAL ASSETS	$ 138,441	$ 1,167	$ 107,368	$ 246,976
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	$ 280	$ 0	$ 0	$ 280
Accrued Expenditures	1,126	0	0	1,126
Deferred Revenue	135	0	0	135
Total Liabilities	$ 1,541	$ 0	$ 0	$ 1,541
FUND BALANCE				
Reserved for Prepaid Expenditures	$ 82	$ 0	$ 0	$ 82
Unreserved	136,818	1,167	107,368	245,353
Total Fund Balances	$ 136,900	$ 1,167	$ 107,368	$ 245,435
TOTAL LIABILITIES AND FUND BALANCES	$ 138,441	$ 1,167	$ 107,368	$ 246,976

CITY OF CADILLAC, MICHIGAN

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

YEAR ENDED JUNE 30, 2007

	DOWNTOWN DEVELOPMENT AUTHORITY	ECONOMIC DEVELOPMENT CORPORATION	BROWNFIELD REDEVELOPMENT AUTHORITY	TOTALS
REVENUES				
Taxes	$ 147,753	$ 0	$ 1,686	$ 149,439
Interest and Rents	1,885	0	4,681	6,566
Other Revenues	8,585	0	0	8,585
Total Revenues	$ 158,223	$ 0	$ 6,367	$ 164,590
EXPENDITURES				
Economic Development	$ 51,140	$ 0	$ 800	$ 51,940
Intergovernmental	30,000	0	0	30,000
Total Expenditures	$ 81,140	$ 0	$ 800	$ 81,940
Excess (Deficiency) of Revenues Over Expenditures	$ 77,083	$ 0	$ 5,567	$ 82,650
FUND BALANCES - Beginning of Year	59,817	1,167	101,801	162,785
FUND BALANCES - End of Year	$ 136,900	$ 1,167	$ 107,368	$ 245,435

CITY OF CADILLAC, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2007

	OPERATING FUND	CAPITAL PROJECTS FUND	TOTAL
ASSETS			
Cash	$ 9,385	$ 12,063	$ 21,448
Receivables			
Taxes	135	0	135
Accounts	120	0	120
Due from Other Governments	0	116,656	116,656
Prepaid Expenditures	82	0	82
TOTAL ASSETS	$ 9,722	$ 128,719	$ 138,441
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts Payable	$ 280	$ 0	$ 280
Accrued Expenditures	1,126	0	1,126
Deferred Revenue	135	0	135
Total Liabilities	$ 1,541	$ 0	$ 1,541
FUND BALANCE			
Reserved for Prepaid Expenditures	$ 82	$ 0	$ 82
Unreserved	8,099	128,719	136,818
Total Fund Balance	$ 8,181	$ 128,719	$ 136,900
TOTAL LIABILITIES AND FUND BALANCE	$ 9,722	$ 128,719	$ 138,441

CITY OF CADILLAC, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2007

	OPERATING FUND	CAPITAL PROJECTS FUND	TOTAL
REVENUES			
Taxes	$ 31,097	$ 116,656	$ 147,753
Interest and Rents	999	886	1,885
Other Revenues	8,585	0	8,585
Total Revenues	$ 40,681	$ 117,542	$ 158,223
EXPENDITURES			
Economic Development	$ 40,195	$ 10,945	$ 51,140
Intergovernmental Expenditures	0	30,000	30,000
Total Expenditures	$ 40,195	$ 40,945	$ 81,140
Excess (Deficiency) of Revenues Over Expenditures	$ 486	$ 76,597	$ 77,083
FUND BALANCES - Beginning of Year	7,695	52,122	59,817
FUND BALANCES - End of Year	$ 8,181	$ 128,719	$ 136,900

CITY OF CADILLAC, MICHIGAN

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 9,385	$ 10,515
Receivables		
Taxes	135	108
Accounts	120	125
Prepaid Expenditures	82	66
TOTAL ASSETS	$ 9,722	$ 10,814
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$ 280	$ 8
Accrued Expenditures	1,126	759
Due to Other Governments	0	2,244
Deferred Revenue	135	108
Total Liabilities	$ 1,541	$ 3,119
FUND BALANCE		
Reserved for Prepaid Expenditures	$ 82	$ 66
Unreserved	8,099	7,629
Total Fund Balance	$ 8,181	$ 7,695
TOTAL LIABILITIES AND FUND BALANCE	$ 9,722	$ 10,814

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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Taxes			
Property Tax	$ 31,900	$ 31,097	$ 30,619
Interest and Rents			
Interest	800	999	802
Other Revenues			
DEQ Management Fee	5,000	5,000	5,000
Contributions from Private Sources	3,200	3,585	3,245
Refunds and Rebates	0	0	54
Total Revenues	$ 40,900	$ 40,681	$ 39,720
EXPENDITURES			
Economic Development			
Personal Services	$ 23,900	$ 25,058	$ 22,808
Employee Benefits	4,300	3,316	2,849
Audit	700	700	700
Contractual Services	9,800	8,542	7,390
Postage	500	456	340
Printing and Publishing	1,000	1,220	1,695
Office Supplies	500	601	407
Travel and Education	300	302	8
Downtown Marketing	1,700	0	2,015
Total Expenditures	$ 42,700	$ 40,195	$ 38,212
Excess (Deficiency) of Revenues Over Expenditures	$ (1,800)	$ 486	$ 1,508
FUND BALANCE - Beginning of Year	6,187	7,695	6,187
FUND BALANCE - End of Year	$ 4,387	$ 8,181	$ 7,695

CITY OF CADILLAC, MICHIGAN

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 12,063	$ 37,122
Investments	0	45,043
Receivables		
Accrued Interest	0	1,487
Due from Other Governments	116,656	0
TOTAL ASSETS	$ 128,719	$ 83,652
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	$ 0	$ 883
Due to Other Governments	0	30,647
Total Liabilities	$ 0	$ 31,530
FUND BALANCE		
Unreserved	128,719	52,122
TOTAL LIABILITIES AND FUND BALANCE	$ 128,719	$ 83,652

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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Taxes			
Property Taxes	$ 105,000	$ 116,656	$ 105,389
Interest and Rents			
Interest	500	886	658
Total Revenues	$ 105,500	$ 117,542	$ 106,047
EXPENDITURES			
Economic Development			
Construction	$ 1,500	$ 1,335	$ 0
Contracted Services	48,900	9,610	21,481
Intergovernmental Expenditures			
Public Works	30,000	30,000	32,444
Total Expenditures	$ 80,400	$ 40,945	$ 53,925
Excess (Deficiency) of Revenues Over Expenditures	$ 25,100	$ 76,597	$ 52,122
FUND BALANCE - Beginning of Year	58,900	52,122	0
FUND BALANCE - End of Year	$ 84,000	$ 128,719	$ 52,122

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

COMPARATIVE BALANCE SHEET
JUNE 30,

	2007	2006
ASSETS		
Cash	$ 1,167	$ 1,167
LIABILITIES AND FUND BALANCE		
LIABILITIES	$ 0	$ 0
FUND BALANCE		
Unreserved	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,

	2007	2006
REVENUES	$ 0	$ 0
EXPENDITURES	0	0
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ 0
FUND BALANCE - Beginning of Year	1,167	1,167
FUND BALANCE - End of Year	$ 1,167	$ 1,167

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

COMPARATIVE BALANCE SHEET

JUNE 30,

	2007	2006
ASSETS		
Cash	$ 15,973	$ 10,311
Investments	88,900	90,362
Receivables		
Accrued Interest	809	1,128
Due from Other Governments	1,686	0
TOTAL ASSETS	$ 107,368	$ 101,801
LIABILITIES AND FUND BALANCE		
LIABILITIES	$ 0	$ 0
FUND BALANCE		
Unreserved	107,368	101,801
TOTAL LIABILITIES AND FUND BALANCE	$ 107,368	$ 101,801

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, 2007
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2006

	2007		2006
	BUDGET	ACTUAL	ACTUAL
REVENUES			
Taxes			
Property Taxes	$ 27,800	$ 1,686	$ 1,659
Interest and Rents			
Interest on Investments	2,000	4,681	2,300
Total Revenues	$ 29,800	$ 6,367	$ 3,959
EXPENDITURES			
Economic Development			
Contracted Services	$ 27,800	$ 0	$ 750
Audit	800	800	800
Total Expenditures	$ 28,600	$ 800	$ 1,550
Excess (Deficiency) of Revenues Over Expenditures	$ 1,200	$ 5,567	$ 2,409
FUND BALANCE - Beginning of Year	99,592	101,801	99,392
FUND BALANCE - End of Year	$ 100,792	$ 107,368	$ 101,801

CITY OF CADILLAC, MICHIGAN

1996 MICHIGAN TRANSPORTATION FUND BONDS
JUNE 30, 2007

TITLE OF ISSUE	1996 Michigan Transportation Fund Bonds	
PURPOSE	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.	
DATE OF ISSUE	May 1, 1996	
AMOUNT OF ISSUE		$ 230,000
AMOUNT REDEEMED		
Prior to Current Period	$ 115,000	
During Current Period	20,000	135,000
BALANCE OUTSTANDING - June 30, 2007		$ 95,000

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
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 %	25,000	687	25,687
		$ 95,000	$ 10,862	$ 105,862

CITY OF CADILLAC, MICHIGAN

1997 MICHIGAN TRANSPORTATION FUND BONDS
JUNE 30, 2007

TITLE OF ISSUE	1997 Michigan Transportation Fund Bonds
PURPOSE	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.
DATE OF ISSUE	May 1, 1997

AMOUNT OF ISSUE		$ 110,000
AMOUNT REDEEMED		
Prior to Current Period	$ 65,000	
During Current Period	15,000	80,000
BALANCE OUTSTANDING - June 30, 2007		$ 30,000

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
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
		$ 30,000	$ 1,604	$ 31,604

CITY OF CADILLAC, MICHIGAN

2000 MICHIGAN TRANSPORTATION FUND BONDS
JUNE 30, 2007

TITLE OF ISSUE	2000 Michigan Transportation Fund Bonds	
PURPOSE	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.	
DATE OF ISSUE	June 1, 2000	
AMOUNT OF ISSUE		$ 300,000
AMOUNT REDEEMED		
Prior to Current Period	$ 60,000	
During Current Period	20,000	80,000
BALANCE OUTSTANDING - June 30, 2007		$ 220,000

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
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
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
		$ 220,000	$ 53,261	$ 273,261

CITY OF CADILLAC, MICHIGAN

1997 BUILDING AUTHORITY BONDS
JUNE 30, 2007

TITLE OF ISSUE	City of Cadillac Building Authority 1997 Building Authority Bonds		
PURPOSE	Paying all or part of the cost of public parking lot improvements in the City of Cadillac		
DATE OF ISSUE	December 1, 1997		
AMOUNT OF ISSUE			$ 310,000
AMOUNT REDEEMED			
Prior to Current Period		$ 125,000	
During Current Period		20,000	145,000
BALANCE OUTSTANDING - June 30, 2007			$ 165,000

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
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
		$ 165,000	$ 26,800	$ 191,800

CITY OF CADILLAC, MICHIGAN

2004 GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS
JUNE 30, 2007

TITLE OF ISSUE	City of Cadillac 2004 General Obligation Capital Improvement Bonds	
PURPOSE	For the purpose of paying all or part of acquiring and constructing various street improvements in the City, including all related appurtenances and attachments pursuant to Act 34, Public Acts of Michigan 2001.	
DATE OF ISSUE	November 1, 2004	
AMOUNT OF ISSUE		$ 995,000
AMOUNT REDEEMED		
Prior to Current Period	$ 55,000	
During Current Period	55,000	110,000
BALANCE OUTSTANDING - June 30, 2007		$ 885,000

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
September 1, 2007	2.35 %	$ 55,000	$ 15,816	$ 70,816
March 1, 2008			15,170	15,170
September 1, 2008	2.60 %	55,000	15,170	70,170
March 1, 2009			14,455	14,455
September 1, 2009	2.90 %	60,000	14,455	74,455
March 1, 2010			13,585	13,585

CITY OF CADILLAC, MICHIGAN

2004 GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS
JUNE 30, 2007

	INTEREST RATES	REQUIREMENTS		
		PRINCIPAL	INTEREST	TOTAL
September 1, 2010	3.15 %	60,000	13,585	73,585
March 1, 2011			12,640	12,640
September 1, 2011	3.35 %	65,000	12,640	77,640
March 1, 2012			11,551	11,551
September 1, 2012	3.50 %	65,000	11,551	76,551
March 1, 2013			10,414	10,414
September 1, 2013	3.65 %	65,000	10,414	75,414
March 1, 2014			9,228	9,228
September 1, 2014	3.75 %	70,000	9,228	79,228
March 1, 2015			7,915	7,915
September 1, 2015	3.85 %	70,000	7,915	77,915
March 1, 2016			6,568	6,568
September 1, 2016	3.95 %	75,000	6,568	81,568
March 1, 2017			5,086	5,086
September 1, 2017	4.05 %	80,000	5,086	85,086
March 1, 2018			3,466	3,466
September 1, 2018	4.15 %	80,000	3,466	83,466
March 1, 2019			1,806	1,806
September 1, 2019	4.25 %	85,000	1,806	86,806
		$ 885,000	$ 239,584	$ 1,124,584

CITY OF CADILLAC, MICHIGAN

1992 SPECIAL ASSESSMENT LIMITED TAX BONDS
JUNE 30, 2007

TITLE OF ISSUE	1992 Special Assessment Limited Tax Bonds	
PURPOSE	Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac.	
DATE OF ISSUE	June 1, 1992	
AMOUNT OF ISSUE		$ 360,000
AMOUNT REDEEMED		
Prior to Current Period	$ 340,000	
During Current Period	20,000	360,000
BALANCE OUTSTANDING - June 30, 2007		$ 0

CITY OF CADILLAC, MICHIGAN

1993 SPECIAL ASSESSMENT LIMITED TAX BONDS
JUNE 30, 2007

TITLE OF ISSUE	1993 Special Assessment Limited Tax Bonds	
PURPOSE	Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac.	
DATE OF ISSUE	June 1, 1993	
AMOUNT OF ISSUE		$ 220,000
AMOUNT REDEEMED		
Prior to Current Period	$ 190,000	
During Current Period	15,000	205,000
BALANCE OUTSTANDING - June 30, 2007		$ 15,000

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
October 1, 2007	5.60 %	$ 15,000	$ 420	$ 15,420

CITY OF CADILLAC, MICHIGAN

1996 SPECIAL ASSESSMENT LIMITED TAX BONDS
JUNE 30, 2007

TITLE OF ISSUE	City of Cadillac 1996 Special Assessment Limited Tax Bonds		
PURPOSE	Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac		
DATE OF ISSUE	May 1, 1996		
AMOUNT OF ISSUE			$ 425,000
AMOUNT REDEEMED			
Prior to Current Period		$ 310,000	
During Current Period		30,000	340,000
BALANCE OUTSTANDING - June 30, 2007			$ 85,000

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
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
		$ 85,000	$ 7,363	$ 92,363

CITY OF CADILLAC, MICHIGAN

1997 SPECIAL ASSESSMENT LIMITED TAX BONDS
JUNE 30, 2007

TITLE OF ISSUE	City of Cadillac 1997 Special Assessment Limited Tax Bonds		
PURPOSE	Paying all or part of the cost of public improvements in certain Special Assessment Districts in the City of Cadillac.		
DATE OF ISSUE	May 1, 1997		
AMOUNT OF ISSUE			$ 360,000
AMOUNT REDEEMED			
Prior to Current Period		$ 215,000	
During Current Period		25,000	240,000
BALANCE OUTSTANDING - June 30, 2007			$ 120,000

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
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
		$ 120,000	$ 15,676	$ 135,676

CITY OF CADILLAC, MICHIGAN

2000 SPECIAL ASSESSMENT LIMITED TAX BONDS
JUNE 30, 2007

TITLE OF ISSUE	City of Cadillac 2000 Special Assessment Limited Tax Bonds	
PURPOSE	Paying the cost of public improvements in certain Special Assessment Districts in the City of Cadillac	
DATE OF ISSUE	June 1, 2000	
AMOUNT OF ISSUE		$ 210,000
AMOUNT REDEEMED		
Prior to Current Period	$ 105,000	
During Current Period	20,000	125,000
BALANCE OUTSTANDING - June 30, 2007		$ 85,000

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
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
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
		$ 85,000	$ 13,602	$ 98,602

CITY OF CADILLAC, MICHIGAN

2002 SPECIAL ASSESSMENT LIMITED TAX BONDS
JUNE 30, 2007

TITLE OF ISSUE	2002 Special Assessment Limited Tax Bonds	
PURPOSE	For the purpose of constructing public improvements in certain Special Assessment Districts in the City of Cadillac	
DATE OF ISSUE	June 1, 2002	
AMOUNT OF ISSUE		$ 325,000
AMOUNT REDEEMED		
Prior to Current Period	$ 115,000	
During Current Period	30,000	145,000
BALANCE OUTSTANDING - June 30, 2007		$ 180,000

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
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
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
		$ 180,000	$ 24,562	$ 204,562

CITY OF CADILLAC, MICHIGAN

1993 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE REFUNDING BONDS
JUNE 30, 2007

TITLE OF ISSUE	City of Cadillac Water Supply and Wastewater System Revenue Refunding Bonds, Series 1993	
PURPOSE	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	
DATE OF ISSUE	July 1, 1993	
AMOUNT OF ISSUE		$ 1,655,000
AMOUNT REDEEMED		
Prior to Current Period	$ 1,230,000	
During Current Period	205,000	1,435,000
BALANCE OUTSTANDING - June 30, 2007		$ 220,000

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
September 1, 2007	5.50 %	$ 220,000	$ 6,050	$ 226,050

CITY OF CADILLAC, MICHIGAN

1995 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE BONDS
JUNE 30, 2007

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
AMOUNT REDEEMED		
Prior to Current Period	$ 2,115,000	
During Current Period	90,000	2,205,000
BALANCE OUTSTANDING - June 30, 2007		$ 95,000
CALL PROVISIONS	Scheduled redemption during years 2004-2007, with option to redeem resting with the Issuer, thereafter.	

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
September 1, 2007	5.375 %	$ 95,000	$ 2,553	$ 97,553

CITY OF CADILLAC, MICHIGAN

1999 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE AND REVENUE REFUNDING BONDS
JUNE 30, 2007

TITLE OF ISSUE	City of Cadillac Water Supply and Wastewater System Revenue and Revenue Refunding Bonds, Series 1999
PURPOSE	To finance the cost of (1) acquiring and constructing additions, extensions and improvements to the City's water supply and wastewater system, (2) refunding the City's Water Supply and Wastewater System Revenue Bonds, Series 1989, maturing in the years 2000, 2001 and 2008 on September 1, 1999, (3) refunding the City's Water Supply and Wastewater System Revenue Bonds, Series 1993, maturing in the years 2000 through and including 2008 on September 1, 1999, and (4) paying certain expenses relating to the issuance of the Bonds.
DATE OF ISSUE	May 5, 1999

AMOUNT OF ISSUE		$ 2,110,000
AMOUNT REDEEMED		
Prior to Current Period	$ 605,000	
During Current Period	60,000	665,000
BALANCE OUTSTANDING - June 30, 2007		$ 1,445,000

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
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

CITY OF CADILLAC, MICHIGAN

1999 WATER SUPPLY AND WASTEWATER SYSTEM REVENUE AND REVENUE REFUNDING BONDS
JUNE 30, 2007

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
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
		$ 1,445,000	$ 518,255	$ 1,963,255

CITY OF CADILLAC, MICHIGAN

2001 WATER AND SEWER REVENUE AND REVENUE REFUNDING BONDS
JUNE 30, 2007

TITLE OF ISSUE	City of Cadillac Water and Sewer Revenue and Revenue Refunding Bonds, Series 2001		
PURPOSE	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.		
DATE OF ISSUE	August 1, 2001		
AMOUNT OF ISSUE			$ 5,215,000
AMOUNT REDEEMED			
Prior to Current Period		$ 40,000	
During Current Period		10,000	50,000
BALANCE OUTSTANDING - June 30, 2007			$ 5,165,000

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
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
March 1, 2010			114,729	114,729
September 1, 2010	4.63 %	450,000	114,729	564,729
March 1, 2011			104,322	104,322

CITY OF CADILLAC, MICHIGAN

2001 WATER AND SEWER REVENUE AND REVENUE REFUNDING BONDS
JUNE 30, 2007

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
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
		$ 5,165,000	$ 2,833,476	$ 7,998,476

CITY OF CADILLAC, MICHIGAN

1999 BUILDING AUTHORITY REFUNDING BONDS
JUNE 30, 2007

TITLE OF ISSUE	1999 Building Authority Refunding Bonds	
PURPOSE	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	
DATE OF ISSUE	February 2, 1999	
AMOUNT OF ISSUE		$ 1,265,000
AMOUNT REDEEMED		
Prior to Current Period	$ 85,000	
During Current Period	100,000	185,000
BALANCE OUTSTANDING - June 30, 2007		$ 1,080,000

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
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
October 1, 2011	4.60 %	115,000	14,835	129,835
April 1, 2012			12,190	12,190

CITY OF CADILLAC, MICHIGAN

1999 BUILDING AUTHORITY REFUNDING BONDS
JUNE 30, 2007

DUE DATES	INTEREST RATES	REQUIREMENTS PRINCIPAL	INTEREST	TOTAL
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
		$ 1,080,000	$ 233,848	$ 1,313,848

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT

STATEMENT OF 2006 TAX ROLL
JUNE 30, 2007

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
Wexford County	$ 217,725,044	8.0797	$ 1,759,102	$ 1,672,248	$ 86,854
Cadillac Area Public Schools					
Operating	119,353,744	17.5505	2,094,695	1,993,552	101,143
Debt Retirement	217,725,044	3.0000	653,011	619,712	33,299
State Education Tax	217,725,044	6.0000	1,306,082	1,259,031	47,051
Wexford-Missaukee Intermediate School District	217,725,044	5.9419	1,293,424	1,208,101	85,323
Cadillac-Wexford Transit Authority	217,725,044	0.6000	130,616	122,003	8,613
Cadillac-Wexford Public Library	217,725,044	0.6785	147,701	137,961	9,740
Wexford County Council on Aging	217,725,044	0.9976	217,174	202,852	14,322
City of Cadillac					
General Fund	217,725,044	13.9473	3,036,650	2,927,276	109,374
Policemen and Firemen					
Retirement System	217,725,044	2.7000	587,839	566,667	21,172
Public Improvement					
Special Assessments			313,082	279,073	34,009
Water and Sewer Delinquent Accounts			9,040	5,492	3,548
Unpaid Invoices			1,737	1,404	333
Administration Fees			127,187	120,525	6,662
			$ 11,677,340	$ 11,115,897	$ 561,443

CITY OF CADILLAC, MICHIGAN
LOCAL DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF 2006 TAX ROLL
JUNE 30, 2007

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY LDFA	NET COLLECTIONS DUE TO UNITS
Wexford County	$ 1,807,048	8.0797	$ 14,600	$ 0	$ 14,600	$ (14,600)	$ 0
Cadillac Area Public Schools							
Operating	1,807,048	17.5505	31,715	0	31,715	0	31,715
Debt Retirement	1,807,048	3.0000	5,421	0	5,421	0	5,421
State Education Tax	1,807,048	6.0000	10,842	0	10,842	0	10,842
Wexford-Missaukee Intermediate							
School District	1,807,048	5.9419	10,737	0	10,737	0	10,737
Cadillac-Wexford Transit Authority	1,807,048	0.6000	1,084	0	1,084	(1,084)	0
Cadillac-Wexford Public Library	1,807,048	0.6785	1,226	0	1,226	(1,226)	0
Wexford County Council on Aging	1,807,048	0.9976	1,803	0	1,803	(1,803)	0
Local Development Finance Authority							
Capture	(1,807,048)	27.0031	0	0	0	48,795	48,795
Groundwater Treatment							
Special Assessments			196,482	2,892	193,590	0	193,590
City of Cadillac							
General Fund	1,807,048	13.9473	25,203	0	25,203	(25,203)	0
Policemen and Firemen							
Retirement System	1,807,048	2.7000	4,879	0	4,879	(4,879)	0
			$ 303,992	$ 2,892	$ 301,100	$ 0	$ 301,100

CITY OF CADILLAC, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF 2006 TAX ROLL
JUNE 30, 2007

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY DDA	NET COLLECTIONS DUE TO UNITS
Wexford County	$ 15,871,650	8.0797	$ 128,238	$ 14,459	$ 113,779	$ (34,905)	$ 78,874
Cadillac Area Public Schools							
Operating	15,871,650	17.5505	278,555	31,407	247,148	0	247,148
Debt Retirement	15,871,650	3.0000	47,615	5,369	42,246	0	42,246
State Education Tax	15,871,650	6.0000	95,230	10,737	84,493	0	84,493
Wexford-Missaukee Intermediate							
School District	15,871,650	5.9419	94,308	10,633	83,675	0	83,675
Cadillac-Wexford Transit Authority	15,871,650	0.6000	9,523	1,074	8,449	(2,592)	5,857
Cadillac-Wexford Public Library	15,871,650	0.6785	10,769	1,214	9,555	(2,931)	6,624
Wexford County Council on Aging	15,871,650	0.9976	15,834	1,785	14,049	(4,310)	9,739
Downtown Development Authority							
Special Assessments	15,871,650	1.9548	31,024	3,498	27,526	0	27,526
Capture	(4,442,350)	27.0031	0	0	0	116,655	116,655
City of Cadillac							
General Fund	15,871,650	13.9473	221,367	24,959	196,408	(60,253)	136,155
Policemen and Firemen							
Retirement System	15,871,650	2.7000	42,853	4,832	38,021	(11,664)	26,357
			$ 975,316	$ 109,967	$ 865,349	$ 0	$ 865,349

CITY OF CADILLAC, MICHIGAN
BROWNFIELD REDEVELOPMENT DISTRICT
STATEMENT OF 2006 TAX ROLL
JUNE 30, 2007

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY BROWNFIELD	NET COLLECTIONS DUE TO UNITS
Wexford County	$ 13,803	8.07970	$ 112	$ 0	$ 112	$ (112)	$ 0
Cadillac Area Public Schools							
Operating	55,900	17.55050	981	0	981	(981)	0
Debt Retirement	55,900	3.90000	168	0	168	0	168
State Education Tax	55,900	6.00000	335	0	335	0	335
Wexford-Missaukee Intermediate							
School District	55,900	5.94190	332	0	332	(332)	0
Cadillac-Wexford Transit Authority	13,803	0.60000	8	0	8	(8)	0
Cadillac-Wexford Public Library	13,803	0.67850	9	0	9	(9)	0
Wexford County Council on Aging	13,803	0.99760	14	0	14	(14)	0
Brownfield Redevelopment District Capture							
Intermediated School District	55,900	5.94190	0	0	0	332	332
Cadillac Area Public Schools	55,900	17.55050	0	0	0	981	981
All Other Levies	13,803	32.94500	0	0	0	373	373
City of Cadillac							
General Fund	13,803	13.94730	193	0	193	(193)	0
Policemen and Firemen							
Retirement System	13,803	2.70000	37	0	37	(37)	0
			$ 2,189	$ 0	$ 2,189	$ 0	$ 2,189

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT
STATEMENT OF 2006 INDUSTRIAL FACILITIES TAX ROLL
JUNE 30, 2007

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
Wexford County	$ 20,339,446	4.03985	$ 82,165	$ 80,608	$ 1,557
Cadillac Area Public Schools					
Operating (State Share)					
After Proposal A	20,862,916	8.77525	183,075	179,693	3,382
Debt Retirement	20,339,446	1.50000	30,508	29,930	578
State Education Tax	17,686,580	6.00000	107,202	104,890	2,312
State Education Tax	761,000	3.00000	2,283	2,283	0
Wexford-Missaukee Intermediate					
School District					
Operating	20,339,446	0.13570	2,760	2,760	0
State Share	20,339,446	2.83525	57,666	56,521	1,145
Cadillac-Wexford Transit Authority	20,339,446	0.30000	6,102	5,986	116
Cadillac-Wexford Public Library	20,339,446	0.33925	6,898	6,767	131
Wexford County Council on Aging	20,339,446	0.49880	10,144	9,952	192
City of Cadillac					
General Fund	20,339,446	6.97365	141,838	139,150	2,688
Policemen and Firemen					
Retirement System	20,339,446	1.35000	27,457	26,937	520
			$ 658,098	$ 645,477	$ 12,621

CITY OF CADILLAC, MICHIGAN
LOCAL DEVELOPMENT FINANCE AUTHORITY
STATEMENT OF 2006 INDUSTRIAL FACILITIES TAX ROLL
JUNE 30, 2007

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES RETURNED DELINQUENT	TAXES COLLECTED	LESS TAXES CAPTURED BY LDFA	NET COLLECTIONS DUE TO UNITS
Wexford County	$ 2,283,423	4.03985	$ 9,225	$ 0	$ 9,225	$ (9,225)	$ 0
Cadillac Area Public Schools							
Operating (State Share)							
After Proposal A	1,759,953	8.77525	15,444	0	15,444	0	15,444
Debt Retirement	2,283,423	1.50000	3,425	0	3,425	0	3,425
State Education Tax	1,759,953	6.00000	10,560	0	10,560	0	10,560
Wexford-Missaukee Intermediate							
School District							
Operating	2,283,423	0.13570	310	0	310	0	310
State Share	2,283,423	2.83525	6,474	0	6,474	0	6,474
Cadillac-Wexford Transit Authority	2,283,423	0.30000	685	0	685	(685)	0
Cadillac-Wexford Public Library	2,283,423	0.33925	775	0	775	(774)	1
Wexford County Council on Aging	2,283,423	0.49880	1,139	0	1,139	(1,139)	0
Local Development Finance							
Authority Capture			0	0	0	30,830	30,830
City of Cadillac							
General Fund	2,283,423	6.97365	15,924	0	15,924	(15,924)	0
Policemen and Firemen							
Retirement System	2,283,423	1.35000	3,083	0	3,083	(3,083)	0
			$ 67,044	$ 0	$ 67,044	$ 0	$ 67,044

CITY OF CADILLAC, MICHIGAN
PRIMARY GOVERNMENT

STATEMENT OF 2006 OBSOLETE PROPERTIES TAX ROLL
JUNE 30, 2007

	TAXABLE VALUATION	MILLS LEVIED	TAXES ASSESSED	TAXES COLLECTED	TAXES RETURNED DELINQUENT
Wexford County	$ 53,900	8.0797	$ 435	$ 435	$ 0
Cadillac Area Public Schools					
Operating	126,041	17.5505	2,212	2,212	0
Debt Retirement	126,041	3.0000	378	378	0
State Education Tax	126,041	6.0000	756	756	0
Wexford-Missaukee Intermediate School District	53,900	5.9419	320	320	0
Cadillac-Wexford Transit Authority	53,900	0.6000	32	32	0
Cadillac-Wexford Public Library	53,900	0.6785	37	37	0
Wexford County Council on Aging	53,900	0.9976	54	54	0
City of Cadillac					
General Fund	53,900	13.9473	752	752	0
Policemen and Firemen					
Retirement System	53,900	2.7000	146	146	0
Public Improvement					
Special Assessments			870	870	0
Administration Fees			60	60	0
			$ 6,052	$ 6,052	$ 0

STATISTICAL SECTION

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

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Financial Trends 254-259

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity 260-263

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity 264-268

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 269-270

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information 271-273

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Other Schedules 274-288

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

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

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

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

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

	Fiscal Year				
	2003	2004	2005	2006	2007
Business-Type Activities:					
Charges for Services:					
Water and Sewer System	$ 3,037	$ 3,258	$ 3,395	$ 3,670	$ 3,735
Automobile Parking System	196	196	196	196	196
Building Authority Operating	44	44	46	50	49
Operating Grants and Contributions	0	0	14	0	0
Capital Grants and Contributions	50	213		76	410
Total Business-Type Activities Program Revenues	$ 3,327	$ 3,711	$ 3,651	$ 3,992	$ 4,390
Total Primary Government Program Revenues	$ 6,813	$ 6,860	$ 6,539	$ 6,883	$ 8,281
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Property Taxes	$ 3,205	$ 3,547	$ 3,667	$ 4,188	$ 4,364
State Shared Revenue - Unrestricted	1,163	1,147	1,066	1,055	1,043
Investment Earnings - Unrestricted	224	135	182	215	271
Gain (Loss) on Sale of Capital Assets	16	(2)	16	134	109
Other	142	8	14	14	25
Transfers	(193)	0		0	0
Special Items	0	0	212	0	0
Total Governmental Activities	$ 4,557	$ 4,835	$ 5,157	$ 5,606	$ 5,812
Business-Type Activities					
Investment Earnings - Unrestricted	54	66	90	115	161
Gain (Loss) on Sale of Capital Assets	0	(36)	0	0	0
Transfers	255	0	0	0	0
Total Business-Type Activities	$ 309	$ 30	$ 90	$ 115	$ 161
Total Primary Government	$ 4,866	$ 4,865	$ 5,247	$ 5,721	$ 5,973
Change in Net Assets					
Governmental Activities	$ 946	$ 253	$ 78	$ 287	$ 994
Business-Type Activities	243	237	75	323	737
Total Primary Government	$ 1,189	$ 490	$ 153	$ 610	$ 1,731

CITY OF CADILLAC, MICHIGAN
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	$ 142,740	$ 102,042	$ 79,838	$ 45,422	$ 54,960	$ 154,162	$ 338,335	$ 143,221	$ 170,765	$ 93,586
Unreserved	848,367	862,509	998,011	864,736	657,674	984,548	1,022,612	1,159,268	1,365,783	1,724,440
Total General Fund	$ 991,107	$ 964,551	$ 1,077,849	$ 910,158	$ 712,634	$ 1,138,710	$ 1,360,947	$ 1,302,489	$ 1,536,548	$ 1,818,026
All Other Governmental Funds										
Reserved	$ 1,417,474	$ 1,272,837	$ 1,416,485	$ 1,051,026	$ 1,286,653	$ 2,302,924	$ 2,096,445	$ 2,053,122	$ 2,189,636	$ 2,546,390
Unreserved, reported in:										
Special Revenue Funds	891,763	1,072,074	2,161,666	2,325,242	2,357,246	2,138,562	2,159,694	2,593,396	2,115,529	1,933,446
Total All Other Governmental Funds	$ 2,309,237	$ 2,344,911	$ 3,578,151	$ 3,376,268	$ 3,643,899	$ 4,441,486	$ 4,256,139	$ 4,646,518	$ 4,305,165	$ 4,479,836

CITY OF CADILLAC, MICHIGAN
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues										
Taxes and Special Assessments	$2,907,263	$3,019,776	$3,020,518	$3,076,836	$3,169,173	$3,432,606	$3,752,186	$3,851,994	$4,353,294	$ 4,600,263
Licenses and Permits	49,789	67,702	1,935	1,700	1,455	940	1,390	1,160	1,345	1,730
Federal Grants	272,441	756,253	518,532	972,834	717,706	800,708	132,878	551,158	286,568	618,992
State Grants	2,254,940	2,408,901	2,078,448	2,305,913	2,198,060	2,448,492	2,271,457	1,975,966	2,062,398	2,423,778
Contributions from Local Units	112,566	117,291	150,990	128,628	182,121	216,529	210,905	290,625	223,321	219,612
Charges for Services	704,540	778,014	785,258	789,248	799,010	931,470	919,017	921,931	1,086,646	1,195,636
Fines and Forfeits	37,172	29,288	27,962	27,175	29,316	28,226	36,247	35,306	28,110	28,546
Interest and Rents	534,548	519,775	517,884	536,806	492,843	293,478	208,833	249,077	282,366	337,882
Gain (Loss) on Investments	0	0	0	0	0	542	124,939	28,978	56,275	173,057
Other Revenue	409,484	372,138	1,177,897	456,707	369,293	631,093	577,932	350,624	492,252	507,353
Total Revenues	$7,282,743	$8,069,138	$8,279,424	$8,295,847	$7,958,977	$8,784,084	$8,235,784	$8,256,819	$8,872,575	$ 10,106,849
Expenditures										
General Government	$1,243,528	$1,334,440	$1,345,093	$1,485,144	$1,575,793	$1,364,291	$1,892,716	$1,674,851	$1,691,254	$ 1,929,941
Public Safety	2,437,941	2,473,027	2,748,774	2,713,177	2,603,464	2,670,927	2,824,591	3,132,114	3,612,327	3,328,541
Public Works	1,929,315	2,144,587	1,725,089	2,795,225	2,033,717	2,560,945	2,115,134	2,621,945	2,337,285	2,733,378
Redevelopment and Housing	93,758	106,839	89,180	92,554	85,637	192,495	57,426	119,110	51,964	0
Community & Economic Development	647,838	575,478	381,831	360,294	42,247	40,149	257,993	73,528	57,593	384,223
Capital Outlay	30,147	483,767	158,231	85,945	479,346	262,902	271,730	122,759	127,120	29,536
Culture and Recreation	140,278	135,505	189,685	280,963	344,621	654,700	354,368	418,927	268,500	469,798
Debt Service										
Principal	367,000	359,500	641,387	348,500	412,760	292,907	313,679	322,404	395,443	325,082
Interest	256,644	233,374	224,985	213,750	211,881	112,080	102,365	101,871	116,395	98,785
Other Charges	0	68,590	0	0	0	6,120	6,040	26,002	5,240	5,650
Intergovernmental	253,542	248,816	290,772	287,015	285,105	295,177	309,852	306,387	316,748	372,116
Total Expenditures	$7,399,991	$8,163,923	$7,795,027	$8,662,567	$8,074,571	$8,452,693	$8,505,894	$8,919,898	$8,979,869	$ 9,677,050

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Other Financing Sources (Uses)										
Transfers In	$1,122,177	$1,071,136	$1,004,848	$1,667,877	$1,147,028	$1,208,058	$ 765,974	$ 716,087	$ 817,632	$ 1,045,678
Transfers Out	(1,078,500)	(1,003,317)	(924,856)	(1,625,750)	(1,054,664)	(1,400,791)	(765,974)	(716,087)	(817,632)	(1,045,678)
Bond Proceeds	310,000	50,158	510,000	0	321,750	0	0	995,000	0	0
Loan Proceeds	0	163,000	272,149	0	0	231,905	307,000	0	0	26,350
Total Other Financing Sources (Uses)	$ 353,677	$ 280,977	$ 862,141	$ 42,127	$ 414,114	$ 39,172	$ 307,000	$ 995,000	0	$ 26,350
Net Change in Fund Balances	$ 236,429	$ 186,192	$1,346,538	$ (324,593)	$ 298,520	$ 370,563	$ 36,890	$ 331,921	$ (107,294)	$ 456,149
Debt Service as a percentage of non-capital expenditures	8.46%	8.61%	11.34%	6.56%	8.22%	5.02%	5.13%	5.12%	5.84%	4.45%

CITY OF CADILLAC, MICHIGAN
TAXABLE VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Real Property Valuation	Personal Property Valuation	Total Taxable Valuation	Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
1998	$134,086,505	$ 32,023,100	$ 166,109,605	$ 397,886,136	41.75%	$13.9600
1999	138,456,334	35,290,222	173,746,556	411,683,512	42.20%	13.9600
2000	143,791,718	33,979,991	177,771,709	398,922,200	44.56%	14.0900
2001	153,053,692	35,377,232	188,430,924	429,828,200	43.84%	14.0371
2002	165,243,210	31,372,200	196,615,410	470,913,500	41.75%	13.9907
2003	168,351,258	43,240,100	211,591,358	508,916,600	41.58%	13.9473
2004	178,542,129	42,307,800	220,849,929	544,632,400	40.55%	13.9473
2005	184,439,086	44,176,605	228,615,691	572,448,210	39.94%	13.9473
2006	195,913,798	57,748,505	253,662,303	598,120,000	42.41%	13.9473
2007	217,388,709	54,217,700	271,606,409	661,735,800	41.04%	13.9473

Source: City of Cadillac Treasurer's Office

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

CITY OF CADILLAC, MICHIGAN
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	Direct Tax Rates			*Overlapping Tax Rates* [a]							
	City of Cadillac			*Wexford County*							
Fiscal Year	**General**	**Police & Fire Retirement**	**Total City**	**Wexford County**	**Cadillac-Wexford Transit Authority**	**Council on Aging**	**Wexford County Library**	**Cadillac Area Public Schools**	**Wexford Missaukee Intermediate Schools**	**State Education Tax**	**Total Direct & Overlapping Rates**
1998	13.9600	1.3000	15.2600	8.3718	0.4000	1.0000	0.5000	22.4000	6.1500	6.0000	60.0818
1999	14.0900	1.1000	15.1900	8.3383	0.3984	0.9960	0.5500	22.2717	6.1232	6.0000	59.8676
2000	14.0371	1.0000	15.0371	8.2506	0.3942	0.9960	0.5500	20.5594	6.0882	6.0000	57.8755
2001	13.9907	1.0000	14.9907	8.2506	0.3942	0.9913	0.5500	21.7149	6.0882	6.0000	58.9799
2002	13.9473	1.4000	15.3473	8.1678	0.4000	0.9950	0.6500	21.3763	6.0388	6.0000	58.9752
2003	13.9473	1.6000	15.5473	8.1040	0.3910	0.9872	0.6838	21.3005	6.0000	5.0000	58.0138
2004	13.9473	1.8000	15.7473	8.0893	0.3960	0.9942	0.6825	21.4505	5.9853	6.0000	59.3451
2005	13.9473	1.8000	15.7473	8.0665	0.3948	0.9913	0.6805	21.4505	5.9614	6.0000	59.2923
2006	13.9473	2.7000	16.6473	8.0797	0.6000	0.9976	0.6785	20.5505	5.9419	6.0000	59.4955
2007	13.9473	2.8000	16.7473	8.0797	0.6000	0.9976	0.6785	20.9000	5.9419	6.0000	59.9450

Source: City of Cadillac Treasurer's Office

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

CITY OF CADILLAC, MICHIGAN
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

	2007			*1998*		
Taxpayer	**Taxable Value**	**Rank**	**Percentage of Total City Taxable Value [a]**	**Taxable Value**	**Rank**	**Percentage of Total City Taxable Value [b]**
Cadillac Renewable Energy [c]	$ 12,300,000	1	4.53%	$ 16,375,000	2	8.24%
Cadillac Rubber & Plastics [e]	7,464,590	2	2.75%	6,888,523	4	3.47%
Cadillac Casting [d]	6,596,400	3	2.43%	17,215,400	1	8.66%
Consumers Energy	5,852,150	4	2.15%	4,624,700	6	2.33%
Rexair, Inc.	5,520,467	5	2.03%	7,145,000	3	3.60%
FIAMM Technologies, Inc.	4,726,894	6	1.74%	5,108,711	5	2.57%
AAR Cadillac Manufacturing	4,694,349	7	1.73%			
Michigan Rubber Products	4,635,170	8	1.71%	4,389,384	7	2.21%
Paulstra CRC Corporation	4,206,100	9	1.55%	3,301,300	9	1.66%
Four Winns Boats, LLC	3,408,230	10	1.25%	3,707,969	8	1.87%
Transpro Group				3,299,700	10	1.66%
Totals	$ 59,404,350		21.87%	$ 72,055,687		36.27%

Source: City of Cadillac Treasurer's Office

[a] Based on total taxable value of $271,606,409.

[b] Based on total taxable value of $198,943,068.

[c] Formerly Beaver MI Associates LTD Partnership.

[d] Formerly CMI Cast Parts.

[e] Formerly AVON Rubber and Plastics.

CITY OF CADILLAC, MICHIGAN
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal year of Levy		Collections in Subsequent Years	Total Collections to Date [a]	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	$ 2,760,777	$ 2,614,120	94.69%	$ 146,657	$ 2,760,777	100.00%
1999	2,785,428	2,641,637	94.84%	143,791	2,785,428	100.00%
2000	2,879,032	2,740,866	95.20%	138,166	2,879,032	100.00%
2001	3,107,601	2,950,978	94.96%	156,623	3,107,601	100.00%
2002	3,167,040	3,029,463	95.66%	137,577	3,167,040	100.00%
2003	3,265,098	3,136,141	96.05%	128,957	3,265,098	100.00%
2004	3,481,675	3,364,230	96.63%	117,445	3,481,675	100.00%
2005	3,648,449	3,529,267	96.73%	119,182	3,648,449	100.00%
2006	3,803,126	3,691,936	97.08%	111,190	3,803,126	100.00%
2007	4,109,224	3,952,750	96.19%	156,474	4,109,224	100.00%

Source: City of Cadillac Treasurer's Office

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

CITY OF CADILLAC, MICHIGAN
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

	Governmental Activities			*Business-Type Activities*				
Fiscal Year	**General Obligation Bonds**	**Special Assessment Bonds**	**Other Debt [2]**	**Water & Sewer Revenue Bonds**	**Building Authority Revenue Bonds**	**Total Primary Government**	**Percentage of Personal Income [1]**	**Per Capita [1]**
1998	$ 1,050	$ 1,647	$ 544	$ 5,245	$ 1,635	$ 10,121	5.07%	$ 1,002
1999	960	1,445	620	6,145	1,740	10,910	5.12%	1,080
2000	1,175	1,205	893	5,890	1,670	10,833	0.49%	1,083
2001	1,080	1,060	776	5,620	1,600	10,136	4.65%	1,014
2002	985	1,240	671	8,615	1,525	13,036	5.83%	1,304
2003	890	1,075	963	8,530	1,225	12,683	5.57%	1,268
2004	785	925	1,255	7,975	1,365	12,305	5.14%	1,231
2005	1,665	775	1,036	7,640	1,275	12,391	5.25%	1,239
2006	1,525	625	928	7,290	1,180	11,548	N/A	1,155
2007	1,395	485	1,432	6,925	1,080	11,317	N/A	1,132

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

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

[2] Other debt includes City obligations to the State of Michigan for two community development loans, three internal loans, and accrued and unused paid leave for City employees.

CITY OF CADILLAC, MICHIGAN
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Less: Amount Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value[1] of Property	Per Capita[2]
1998	1,050	2	1,048	0.631%	103.72
1999	960	8	952	0.548%	94.22
2000	1,175	8	1,167	0.656%	116.70
2001	1,080	14	1,066	0.566%	106.60
2002	985	13	972	0.494%	97.20
2003	890	7	883	0.417%	88.30
2004	785	10	775	0.351%	77.50
2005	1,665	9	1,656	0.724%	165.60
2006	1,525	6	1,519	0.599%	151.90
2007	1,395	5	1,390	0.548%	139.00

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

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

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

CITY OF CADILLAC, MICHIGAN
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2007
(dollars in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable[1]	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Wexford County	$ 5,056	28.25%	$ 1,428
Cadillac Area Public Schools	21,255	39.49%	8,393
Subtotal Overlapping Debt			$ 9,821
City of Cadillac Direct Debt			1,519
Total Direct and Overlapping Debt			$ 11,340

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

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

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

City of Cadillac Taxable Value:	***$271,606,409***
Wexford County Taxable Value:	***$961,444,358***
CAPS Taxable Value:	***$687,855,409***

CITY OF CADILLAC, MICHIGAN
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	Fiscal Year									
	1998	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Debt Limit	$ 16,611	$ 17,375	$ 17,777	$ 18,843	$ 19,662	$ 21,159	$ 22,085	$ 22,862	$ 23,652	$ 27,161
Total net debt applicable to limit	1,048	952	1,167	1,066	972	883	775	1,656	1,519	1,390
Legal debt margin	$ 15,563	$ 16,423	$ 16,610	$ 17,777	$ 18,690	$ 20,276	$ 21,310	$ 21,206	$ 22,133	$ 25,771
Total net debt applicable to the limit as a percentage of debt limit	6.31%	5.48%	6.56%	5.66%	4.94%	4.17%	3.51%	7.24%	6.42%	5.12%

Legal Debt Margin Calculation for Fiscal Year 2007

Taxable Value			$ 271,606
Statutory Debt Limit (10%) of total taxable value)			$ 27,161
Debt Applicable to Limit:			
Gross Bonded Debt and Other Long-Term Debt		11,317	
Less:			
Assets Available for Debt Service	5		
Bond Debt not Subject to Limit:			
Special Assessment Bonds	485		
Revenue Bonds	8,005		
Other Debt	1,432	9,927	
Total Amount of Debt Applicable to Debt Limit			1,390
Legal Debt Margin			$ 25,771

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

CITY OF CADILLAC, MICHIGAN
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	Water & Sewer Revenue Bonds						*Special Assessment Bonds*			
Fiscal Year	**Water & Sewer Revenue**	**Less: Operating Expenses**	**Net Available Revenue**	***Debt Service*** **Principal**	***Debt Service*** **Interest**	**Coverage**	**Special Assessment Collections**	***Debt Service*** **Principal**	***Debt Service*** **Interest**	**Coverage**
1998	$ 2,738	$ 1,737	$ 1,001	$ 220	$ 314	1.87	$ 249	$ 196	$ 98	0.85
1999	2,817	1,734	1,083	225	315	2.01	275	202	89	0.95
2000	3,185	1,840	1,345	255	315	2.36	260	474	82	0.47
2001	3,241	1,810	1,431	270	289	2.56	248	171	66	1.05
2002	3,330	1,982	1,348	280	278	2.42	282	200	61	1.08
2003	3,088	2,111	977	310	414	1.35	375	178	60	1.58
2004	3,321	2,193	1,128	330	399	1.55	408	150	52	2.02
2005	3,480	2,284	1,196	335	383	1.67	420	150	44	2.16
2006	3,777	2,460	1,317	350	366	1.84	416	150	35	2.25
2007	3,886	2,514	1,372	365	348	1.92	515	140	28	3.07

Note: Details regarding the City's outstanding debt can be found in the Notes to the financial statements. Water and Sewer revenues includes investment earnings. Operating expenses do not include interest, depreciation, or amortization expenses.

CITY OF CADILLAC, MICHIGAN
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Fiscal Year	Population[1]	Personal Income (amounts expressed in thousands)	Per Capita Personal Income[2]	School Enrollment[3]	Local Unemployment Percentage Rate[4]	State Unemployment Percentage Rate[4]	Civilian Labor Force[4]
1998	10,104	$ 199,574	$ 19,752	3,834	8.2	4.0	20,802
1999	10,104	213,114	21,092	3,787	6.4	3.8	22,267
2000	10,000	221,670	22,167	3,608	6.4	3.7	22,596
2001	10,000	217,780	21,778	3,514	9.4	5.2	21,836
2002	10,000	223,750	22,375	3,465	8.3	6.2	21,369
2003	10,000	227,810	22,781	3,639	9.8	7.1	21,298
2004	10,000	239,200	23,920	3,674	8.2	7.0	21,553
2005	10,000	236,050	23,605	3,614	7.3	6.7	21,707
2006	10,000	N/A	N/A	3,479	7.9	7.1	22,088
2007	10,000	N/A	N/A	3,460	8.1	7.7	21,648

Data Sources:

[1] Bureau of the Census

[2] Bureau of Economic Analysis

[3] School Districts

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

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

CITY OF CADILLAC, MICHIGAN
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2007			*1998*		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Four Winns Boats	845	1	4.25%	600	2	3.23%
AAR Mobility Systems	720	2	3.62%	348	9	1.87%
Avon Automotive	644	3	3.24%			0.00%
Mercy Hospital Cadillac	584	4	2.93%	538	3	2.89%
Cadillac Area Public Schools	500	5	2.51%	420	7	2.26%
Cadillac Castings[1]	389	6	1.95%	450	5	2.42%
Michigan Rubber Products	359	7	1.80%	495	4	2.66%
BorgWarner Cooling Systems[2]	229	8	1.15%	346	8	1.86%
Rexair, Inc.	222	9	1.12%	450	6	2.42%
CNI (Universal Trim)	185	10	0.93%			0.00%
Avon Rubber and Plastics				936	1	5.03%
FIAMM Technologies, LLC				180	10	0.97%
	4,677		23.50%	4,763		25.61%

Source: Michigan Department of Labor & Economic Growth; Cadillac Area Chamber of Commerce

[1] Formerly known as CMI Cadillac.

[2] Formerly known as Kysor of Cadillac.

Note: Percentage of Total City Employment is based on total employment in the Wexford-Missaukee labor market area.

CITY OF CADILLAC, MICHIGAN
FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Full-Time Equivalent Employees as of June 30,									
Function	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
General Government										
City Manager	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Administrative Services	0.85	0.85	0.85	0.85	0.85	1.00	0.90	0.90	0.90	0.90
Finance	3.00	3.00	3.00	3.00	3.00	2.20	1.94	1.94	1.94	1.94
Clerk/Treasurer	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
City Hall	1.45	1.45	0.45	1.45	1.75	2.50	1.90	1.30	1.30	1.30
City Engineer	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41
Public Safety										
Police	19.50	19.50	19.50	19.50	19.50	18.50	17.15	18.41	18.41	18.41
Fire	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50
Building Inspector	1.28	1.28	1.28	1.28	1.28	1.28	1.38	1.38	1.38	1.38
Planning/Zoning	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21
Public Works	14.50	14.50	14.50	14.50	14.50	14.17	14.22	14.22	14.22	14.22
Data Processing	1.00	1.00	1.00	1.00	1.30	1.20	1.26	1.06	1.06	0.06
Auto Parking	0.00	0.00	0.00	0.00	0.40	0.35	0.35	0.09	0.09	0.09
Water & Sewer	21.00	21.00	21.00	21.00	21.00	21.20	21.20	21.00	21.00	21.00
Community Development	0.30	0.30	0.30	0.30	0.30	0.30	0.40	0.40	0.40	0.40
Cemetery	0.50	0.50	0.50	0.50	0.50	0.68	0.68	0.68	0.68	0.68
Total	84.00	84.00	83.00	84.00	85.00	84.00	82.00	82.00	82.00	81.00

Source: City of Cadillac Finance Department

CITY OF CADILLAC, MICHIGAN
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
Function	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Police										
Traffic Citations	1,491	2,843	1,699	1,167	895	857	1,530	1,468	1,257	N/A[1]
Fire										
Number of Fire Inspections	41	30	50	30	50	50	57	129	370	N/A[1]
Number of Fires Reported	29	70	63	52	33	57	54	64	51	N/A[1]
Number of EMT Runs	984	837	516	463	949	1,347	1,414	1,322	1,119	N/A[1]
Building Inspection										
Number of Permits Issued	540	560	571	512	565	523	525	466	403	N/A[1]
Water										
Total Customers	3,375	3,383	3,408	3,414	3,407	3,456	3,487	3,520	3,524	3,517
Average Daily Consumption (thousands of gallons)	2,320	2,298	2,417	2,349	2,132	2,202	2,155	2,252	2,310	2,564
Wastewater										
Total Customers	3,477	3,481	3,499	3,504	3,493	3,526	3,544	3,569	3,573	3,564
Average Daily Treatment (thousands of gallons)	2,225	2,028	2,227	2,260	2,231	2,087	2,103	2,173	2,098	2,467

[1] Public Safety statistics are kept on a calendar year basis and are therefore not yet available for 2006.
Note: Indicators are not available for the general government function.

Source: Various government departments

CITY OF CADILLAC, MICHIGAN
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	1998	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Function										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Mobile Units	7	7	7	7	9	9	9	9	9	9
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Mobile Units	7	7	7	7	6	6	6	6	6	6
Culture and Recreation										
Parks Acreage	117	117	117	117	117	117	117	117	117	117
Parks	4	4	4	4	4	4	4	4	4	4
Streets										
Streets (Miles)	66	66	66	66	68	68	68	68	68	68
Street Lights	572	572	568	570	571	573	574	574	574	574
Water										
Fire Hydrants	406	414	422	432	432	453	455	454	454	458
Miles of Water Mains	61	61	61	61	63	63	63	63	64	64
Water Mains Replaced (Feet)	6,000	7,000	7,858	7,200	6,330	4,700	3,450	3,185	200(1)	2,360
Wastewater										
Miles of Sewer Mains	63	63	63	63	59	59	59	59	59	59
Feet of Sanitary Sewers Inspected with TV Cameras	4,687	2,010	2,150	2,805	4,600	3,670	2,949	3,380	1,900	1,350

(1) Water mains replaced were low in 2006, but the main projects through the year, including North Boulevard, Paluster Street and Kenwood Street were all projects where a total of one mile of new water mains were added.

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

Source: Various City government departments

CITY OF CADILLAC, MICHIGAN
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
COMPARATIVE SCHEDULE
LAST TEN FISCAL YEARS

FISCAL YEARS	ACTUARIAL ACCRUED LIABILITY	ASSETS ALLOCATED TO FUNDING	PERCENT FUNDED	UNFUNDED ACTUARIAL ACCRUED LIABILITY
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)
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)

EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL		VALUATION PAYROLL	ACTIVE MEMBERS	RETIRANTS AND BENEFICIARIES	ACTIVE MEMBERS AVERAGE ANNUAL PAY	AGE	SERVICE
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				
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				

CITY OF CADILLAC, MICHIGAN
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
COMPARATIVE SCHEDULE
LAST TEN FISCAL YEARS

FISCAL YEARS	ACTUARIAL ACCRUED LIABILITY	ASSETS ALLOCATED TO FUNDING	PERCENT FUNDED	UNFUNDED ACTUARIAL ACCRUED LIABILITY
2004	9,170,012	9,990,746	109.2	(820,734)
2005	9,727,339	10,274,211	105.6	(546,872)
2006	10,161,879	10,812,671	106.4	(650,792)
2007	N/A	N/A	N/A	N/A

NOTES:

(1) The retirement board has implemented a program of contribution credits which give recognition to accelerated funding levels. Recent economic trends have produced a combination of high rates of investment return and moderating salary increments, which in turn have pushed funding levels significantly ahead of schedule. The retirement board believes that overly rapid funding rates are inconsistent with the basic financial objective of level percent of payroll contributions. The accelerated funding credit allows contributions to temporarily be lower than the regular contribution. The accelerated contribution would be a percentage of payroll, but because of the accelerated funding credit, the employer contribution rate was actually 0%.

Source: Gabriel, Roeder, Smith & Company, Actuaries

EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL		VALUATION PAYROLL	ACTIVE MEMBERS	RETIRANTS AND BENEFICIARIES	ACTIVE MEMBERS AVERAGE ANNUAL PAY	AGE	SERVICE
7.83		883,119	24	46	36,051	46.8	12.9
7.56	(2)	872,706	27				
8.34	(3)	129,730	4				
8.61	(4)	274,145	9				
7.17	(5)	96,440	1				
7.81	(6)	195,344	3				
7.93		856,613	23	46	37,997	48.1	13.9
7.63	(2)	872,436	25				
8.36	(3)	140,049	4				
8.63	(4)	293,606	9				
7.17	(5)	103,690	1				
7.80	(6)	203,413	3				
7.93		1,015,806	26	47	38,799	48.0	13.6
7.63	(2)	775,555	25				
8.36	(3)	144,512	4				
8.63	(4)	307,119	9				
7.17	(5)	108,458	1				
7.80	(6)	209,300	3				
N/A		N/A		N/A	N/A	N/A	N/A

(2) Local 14317 includes additional negotiated benefit for the union.
(3) Separate benefits for Housing Commission.
(4) Separate benefits for Library.
(5) Separate benefits for City Manager.
(6) Separate benefits for Department Heads.

CITY OF CADILLAC, MICHIGAN
POLICEMEN AND FIREMEN RETIREMENT SYSTEM (1)
COMPARATIVE SCHEDULE
LAST TEN FISCAL YEARS

FISCAL YEARS	(2) ACTUARIAL ACCRUED LIABILITY	ASSETS ALLOCATED TO FUNDING	PERCENT FUNDED	UNFUNDED ACTUARIAL ACCRUED LIABILITY
1998	5,021,702	4,721,444	94	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	7,982,006	5,848,560	73.3	2,133,446
2005	8,519,041	5,865,340	68.8	2,653,701
2006	9,627,000	6,892,613	71.6	2,734,387
2007	N/A	N/A	N/A	N/A

NOTES:

(1) Program began in fiscal year 1978. A vote to add needed millage in addition to the charter maximum was approved November 10, 1977. Act 345 limits eligibility only to police officers and firefighters. The fund is managed by a local board of directors.

(2) Data from Gabriel, Roeder, Smith and Co., Actuaries.

(3) Police 11.47%, Fire 12.91%

(4) Police 12.73%, Fire 11.25%

(5) Police 15.50%, Fire 17.44%

(6) Police 17.34%, Fire 23.89%

(7) Police 28.26%, Fire 26.58% (Each group contributes 3% of salary to cover benefit enhancements.)

EMPLOYER CONTRIBUTIONS PERCENT OF PAYROLL		VALUATION PAYROLL	ACTIVE MEMBERS	RETIRANTS AND BENEFICIARIES	AVERAGE ANNUAL PAY	AGE	SERVICE
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	(3)	1,347,171	29	21	46,454	40.8	12.6
12.19	(4)	1,406,654	29	21	48,505	41.8	13.6
16.41	(5)	1,352,466	28	24	48,302	41.4	12.5
20.01	(6)	1,237,171	26	26	47,584	41.5	13.1
27.61	(7)	1,391,450	27	27	51,535	41.2	12.6
31.10	(8)	1,446,234	27	30	53,564	41.6	13.1
38.39	(9)	1,437,073	27	28	53,225	42.6	14.1
N/A		N/A	N/A	N/A	N/A	N/A	N/A

(8) Police 30.83%, Fire 31.51% (Each group contributes 3% of salary to cover benefit enhancements.)

(9) Police 38.39%, Fire 38.40% (Each group contributes 3% of salary to cover benefit enhancements.)

CITY OF CADILLAC, MICHIGAN
LABOR AGREEMENTS
JUNE 30, 2007

	DATE EFFECTIVE JULY 1,	EXPIRATION DATE JUNE 30,
POLICE		
Police Officers Association of Michigan (POAM) Local - Cadillac Police Officers Association (CPOA)	2005	2008
Command Officers Association of Michigan (COAM) Local - Cadillac Command Officers Association (CCOA)	2007	2010
FIRE		
International Association of Fire Fighters Local 704	2006	2009
STREET DIVISION - DPW AND PUBLIC UTILITIES DEPARTMENT		
United Steelworkers of America Local Union No. 14317	2007	2010

Source: City of Cadillac Human Resources Department

CITY OF CADILLAC, MICHIGAN
TAX INFORMATION
JUNE 30, 2007

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

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

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

Date of Sale May,	Delinquent Tax Properties to be Sold Year
1998	1995
1999	1996
2000	1997
2001	1998 and 1999
2002	2000
2003	2001
2004	2002
2005	2003
2006	2004
2007	2005

CITY OF CADILLAC, MICHIGAN

NUMBER OF WATER SUPPLY AND WASTEWATER TREATMENT CUSTOMERS
LAST TEN FISCAL YEARS

FISCAL YEAR	WATER SUPPLY CUSTOMERS NUMBER	WATER SUPPLY CUSTOMERS PERCENTAGE OF CHANGE	WASTEWATER TREATMENT CUSTOMERS NUMBER	WASTEWATER TREATMENT CUSTOMERS PERCENTAGE OF CHANGE
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
2005	3,520	0.95	3,569	0.71
2006	3,524	0.11	3,573	0.11
2007	3,517	(0.20)	3,564	(0.25)

AVERAGE NUMBER OF WATER SUPPLY AND WASTEWATER TREATMENT CUSTOMERS
BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2007

METER CLASSIFICATION	AVERAGE CUSTOMERS WATER SUPPLY	AVERAGE CUSTOMERS WASTEWATER TREATMENT
Unmetered	0	176
5/8"	3,185	3,118
3/4"	5	5
1"	130	105
1 1/2"	83	68
2"	86	68
3"	9	9
4"	13	11
6"	5	3
8"	1	1
TOTAL	3,517	3,564

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

CITY OF CADILLAC, MICHIGAN

MONTHLY READY-TO-SERVE CHARGE FOR FIRE PROTECTION
THROUGH FISCAL YEAR JUNE 30, 2007

LINE SIZE	MONTHLY READY-TO-SERVE CHARGE
3/4"	$ 1.80
1"	3.05
1 1/2"	6.05
2"	9.75
3"	21.20
4"	36.45
6"	76.10
8"	109.60
10"	176.55
12"	261.70

MONTHLY WATER SUPPLY READY-TO-SERVE CHARGE BY METER CLASSIFICATION
FISCAL YEARS ENDED JUNE 30, 1998 THOUGH 2007

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
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
2005	4.60	6.85	11.40	22.80	36.40	79.70	136.65	284.60	409.90
2006	4.80	7.10	11.85	23.70	37.85	82.90	142.10	296.00	426.30
2007	4.95	7.30	12.20	24.40	39.00	85.40	146.35	304.90	439.10

CITY OF CADILLAC, MICHIGAN

MONTHLY READY-TO-SERVE CHARGE FOR WASTEWATER TREATMENT
THROUGH FISCAL YEAR JUNE 30, 2007

YEAR ENDING JUNE 30,	METER CLASSIFICATION								
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"
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
2005	7.50	11.25	18.75	37.50	60.00	131.30	225.00	468.80	675.05
2006	7.80	11.70	19.50	39.00	62.40	136.55	234.00	487.55	702.05
2007	8.05	12.05	20.10	40.15	64.30	140.65	241.00	502.15	723.10

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

CITY OF CADILLAC, MICHIGAN

FIFTEEN LARGEST WATER AND SEWER USERS
JANUARY 1, 2006 THROUGH DECEMBER 31, 2006

		CUBIC FEET		GALLONS		DOLLARS
		WATER	SEWER	WATER	SEWER	WATER AND SEWER
1)	Cadillac Castings, Inc.	10,371,700	7,676,400	77,580,316	57,419,472	$ 425,871
2)	Avon Rubber & Plastics, Inc.	13,460,200	10,872,200	100,682,296	81,324,056	276,700
3)	AAR Cadillac Manufacturing	16,005,700	9,296,900	119,722,636	69,540,812	236,871
4)	Paulstra CRC	1,088,000	4,000,800	8,138,240	29,925,984	85,292
5)	Mercy Hospital	4,089,000	4,089,000	30,585,720	30,585,720	62,776
6)	Piranha Hose	4,317,200	4,317,200	32,292,656	32,292,656	56,481
7)	Cadillac Renewable Energy	602,800	4,529,100	4,508,944	33,877,668	51,920
8)	Borg-Warner	3,735,200	3,735,200	27,939,296	27,939,296	48,800
9)	Michigan Rubber Products	2,568,600	2,568,600	19,213,128	19,213,128	35,611
10)	Pheasant Ridge Estates	2,627,000	2,627,000	19,649,960	19,649,960	30,771
11)	Country Acres	1,901,400	1,901,400	14,222,472	14,222,472	26,873
12)	4- WINNS	1,331,200	1,331,200	9,957,376	9,957,376	24,547
13)	Leisure Park	707,000	707,000	5,288,360	5,288,360	10,420
14)	Kolarevic Car Wash	635,800	635,800	4,755,784	4,755,784	8,918
15)	Rexair, Inc.	289,600	289,600	2,166,208	2,166,208	7,914
TOTAL						$ 1,389,765

MONTHLY WATER SUPPLY COMMODITY CHARGE
FISCAL YEARS ENDED OR ENDING JUNE 30, 1998 THROUGH 2007

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
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
2005	0.97	0.83	0.74	0.63	0.54
2006	1.01	0.86	0.77	0.66	0.57
2007	1.04	0.89	0.79	0.68	0.59

CITY OF CADILLAC, MICHIGAN

MONTHLY WASTEWATER TREATMENT COMMODITY CHARGE
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED OR ENDING JUNE 30,	CHARGE PER 100 CF	PERCENT CHANGE
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
2005	1.74	4.2
2006	1.81	4.0
2007	1.86	2.8

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

CITY OF CADILLAC, MICHIGAN

WATER SUPPLY AND WASTEWATER TREATMENT VOLUME AS PUMPED
LAST TEN FISCAL YEARS

	WATER SUPPLY VOLUME AS PUMPED			WASTEWATER TREATMENT VOLUME AS PUMPED			WASTEWATER TREATMENT AS A PERCENT OF WATER SUPPLY
FISCAL YEAR	CUBIC FEET	GALLONS	CHANGE IN PERCENT	CUBIC FEET	GALLONS	CHANGE IN PERCENT	
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
2005	109,906,000	822,100,000	0.05	106,048,000	793,240,000	0.03	96.49
2006	112,727,000	843,200,000	2.60	102,366,000	765,700,000	(3.50)	90.80
2007	125,094,000	935,700,000	10.97	120,361,000	900,300,000	17.58	96.22

WATER SUPPLY AND WASTEWATER TREATMENT VOLUME BILLED BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2007

	WATER SUPPLY VOLUME AS BILLED		WASTEWATER TREATMENT VOLUME AS BILLED	
METER CLASSIFICATION	CUBIC FEET	PERCENT OF TOTAL	CUBIC FEET	PERCENT OF TOTAL
Unmetered	0		N/A	
5/8"	25,995,500	29.98	25,365,100	32.79
3/4"	19,500	0.02	19,500	0.03
1"	3,247,100	3.74	2,594,700	3.35
1 1/2"	3,386,800	3.90	2,876,800	3.72
2"	13,946,800	16.08	21,836,000	28.23
3"	2,566,500	2.96	2,572,400	3.33
4"	15,008,300	17.30	8,591,300	11.11
6"	21,536,900	24.83	12,460,400	16.11
8"	1,030,000	1.19	1,030,000	1.33
TOTAL	86,737,400	100.00	77,346,200	100.00

CITY OF CADILLAC, MICHIGAN
WATER SUPPLY AND WASTEWATER TREATMENT REVENUE
AS BILLED BY METER CLASSIFICATION
FISCAL YEAR ENDED JUNE 30, 2007

METER CLASSIFICATION	WATER SUPPLY REVENUE	WATER SUPPLY PERCENT OF TOTAL	WASTEWATER TREATMENT REVENUE	WASTEWATER TREATMENT PERCENT OF TOTAL
Unmetered			$ 44,587	2.35
5/8"	$ 437,255	43.29	734,599	38.70
3/4"	608	0.06	931	0.05
1"	48,043	4.75	72,352	3.81
1 1/2"	53,388	5.28	84,541	4.45
2"	147,264	14.57	454,683	23.95
3"	30,337	3.00	64,257	3.39
4"	125,668	12.44	176,471	9.30
6"	154,543	15.29	248,881	13.11
8"	13,363	1.32	16,973	0.89
TOTAL	$ 1,010,469	100.00	$ 1,898,275	100.00

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

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November 20, 2007

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

Mayor and City Council
City of Cadillac, Michigan

We have audited the basic financial statements of City of Cadillac as of and for the year ended June 30, 2007, and have issued our report thereon dated November 20, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered City of Cadillac's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Cadillac's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more than remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

COMPLIANCE AND OTHER MATTERS

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

This report is intended solely for the information and use of the mayor and city council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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November 20, 2007

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Mayor and City Council
City of Cadillac, Michigan

COMPLIANCE

We have audited the compliance of the City of Cadillac, Michigan with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The City of Cadillac, Michigan's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Cadillac, Michigan's management. Our responsibility is to express an opinion on the City of Cadillac, Michigan's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Cadillac, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Cadillac, Michigan's compliance with those requirements.

In our opinion, the City of Cadillac, Michigan complied in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2007.

INTERNAL CONTROL OVER COMPLIANCE

The management of the City of Cadillac, Michigan is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Cadillac, Michigan's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is a more than remote likelihood that noncompliance with a type of compliance requirement of a federal program is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above

This report is intended solely for the information and use of the mayor and city council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C

CITY OF CADILLAC, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2007

Federal Grantor/Passthrough Grantor/ Program Title	Federal CFDA Number	Federal Awards Expended
Department of Homeland Security		
Assistance to Firefighters	97.044	
Project No. EMW-2006-FG-14938		$ 57,000
Project No. EMW-2005-FG-14655		28,908
Total U.S. Department of Homeland Security		$ 85,908
Department of Interior, National Park Service		
Passed Through the Michigan Department of Natural Resources		
Outdoor Recreation, Acquisition, Development and Planning Grant	15.916	
Project No. 26-01647		$ 50,000
U.S. Department of Housing and Economic Development		
Passed Through the Michigan Strategic Fund		
Community Development Block Grant/State's Program	14.228	
Project No. MSC 204021-EDIG		$ 269,880
Project No. MSC 206050-EDIG		11,608
Project No. MSC 204075-EDJT		216,700
Total U.S. Department of Housing and Economic Development		$ 498,188
Total Federal Expenditures		$ 634,096
Reconciliation to financial statements:		
Amount recorded as federal grants revenue		$ 618,992
Amount recorded as a capital contribution in the Water and Sewer Fund		15,104
		$ 634,096

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(A) Significant Accounting Policies Used in Preparing Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting and presents transactions in the same manner as reflected in the basic financial statements of the City.

(B) Michigan Department of Transportation Grants

The Michigan Department of Transportation (MDOT) acts as the agent of the Federal Highway Administration (FHWA) in the administration of federal funds provided to the City for the improvement of road systems in the City. These funds cover projects under the certification of acceptance procedures or the secondary road plan procedures approved by FHWA. Although these funds are provided for the improvement of road systems in the City, MDOT, as the agency of FHWA, is responsible for controlling the receipts and disbursements related to these funds. In this capacity, MDOT also awards construction contracts and, in some instances, contracts for services. The City receives interim and final accounting of project receipts and disbursements from MDOT. Since all project administration is performed by MDOT, the amounts are not included in the City's schedule of expenditures of federal awards.

CITY OF CADILLAC, MICHIGAN

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

There were no prior year findings.

CITY OF CADILLAC, MICHIGAN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Section I - Summary of Auditors Results

Financial Statements

Type of auditors' report issued: Unqualified

Material weakness(es) identified:	_____	Yes	X	No
Significant deficiences identified as material weakness(es)?	_____	Yes	X	None reported
Noncompliance material to financial statements noted?	_____	Yes	X	No

Federal Awards

Internal control over major programs:

Material weakness(es) identified:	_____	Yes	X	No
Significant deficiences identified as material weakness(es)?	_____	Yes	X	None reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported with Section 510(a) of Circular A-133?	_____	Yes	X	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.228	Community Development Block Grant/ States Program

Dollar threshold used to distinguish between Type A and Type B programs: $300,000

Auditee qualified as low-risk auditee?	_____	Yes	X	No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

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November 20, 2007

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, 2007, we would like to make the following comments and recommendations:

General Condition of Records

During the 2006-2007 fiscal year, the City maintained over forty separate funds. We found the accounting records to be in balance, in good order, 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 twenty-second consecutive Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for its June 30, 2006, comprehensive annual financial report. We believe this year's report will qualify also.

Financial Condition

During the year ended June 30, 2007, the City's entity-wide financial condition improved by $1,710,590 from beginning net assets of $34,706,077 to ending net assets of $36,436,667. Over $1,000,000 of this increase was attributable to capital grants that the City received for infrastructure projects and fire equipment. The General Fund modified accrual basis fund balance increased by $281,478 from $1,536,548 to $1,818,026. We feel these results are noteworthy given the continued 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.

Central Stores and Municipal Garage Fund

The Central Stores and Municipal Garage Fund experienced a decrease in net assets of $194,339 during the year ended June 30, 2007. Last year, it lost $118,344. Since June 30, 2005, fund net assets have decreased from $885,224 to $494,997. The equipment rental rates used to charge equipment usage out to other funds are set by the Michigan Department of Transportation annually. We

recommend that the City look into the possibility of adding a fuel cost surcharge to these rates as fuel costs fluctuate during the year. Additional increases in rates may also be necessary. In addition, the procedures used for gathering equipment usage hours data necessary for billing the other funds should be reviewed to insure that all billable hours are being captured and charged out. We believe that higher rental rates and the assurance that all billable equipment usage hours are being captured, will help stem the losses this fund has been experiencing.

Local Development Finance Authority (LDFA)

The Local Development Finance Authority paid off the last of its tax increment financing bonds in 2005. Since then, the authority has continued to capture some tax increment revenue, which has been accounted for in the LDFA Operating Fund. Since these captured revenues are restricted to use for capital projects within the boundaries of the LDFA, we recommend that a new capital projects fund be established and all captured revenues currently in the LDFA Operating Fund be transferred to the new fund.

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.

Baird, Cotter & Bishop, P.C