

City of Oak Park,  
Michigan



Year Ended  
June 30, 2018

Comprehensive  
Annual Financial  
Report

Prepared by  
*Finance Department*

City Manager  
*Erik Tungate*

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# CITY OF OAK PARK, MICHIGAN

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## INTRODUCTORY SECTION

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# CITY OF OAK PARK

## OFFICE OF THE CITY MANAGER

**Mayor**  
Marian McClellan  
**Mayor Pro Tem**  
Solomon Radner  
**Council Members**  
Carolyn Burns  
Ken Rich  
Regina Weiss  
**City Manager**  
Erik Tungate

December 17, 2018

To the Honorable Mayor, Members of the City Council  
and the Citizens of the City of Oak Park, Michigan

The comprehensive annual financial report (CAFR) of the City of Oak Park (the "City") for the year ended June 30, 2018, is hereby submitted as mandated by the City Charter, Section 9.8, and state statute, Public Act 2 of 1968. The City Charter and state statute require that the City issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The financial statements and supplemental schedules contained herein have been audited by Rehmann Robson, Certified Public Accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section, which is unaudited, includes this letter of transmittal, an organizational chart and a list of the City's principal officials. The basic financial statements include the government-wide financial statements and fund financial statements as well as the independent auditor's report on these financial statements. The required supplemental information includes management's discussion and analysis and information on the pension and other postemployment benefits plans. Other supplementary information includes combining and individual fund financial statements and schedules. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

### The Reporting Entity and Services Provided

The City has defined its financial reporting entity in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). The City includes all the funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Mayor and City Council. Based on these criteria, the Economic Development Corporation, Brownfield Redevelopment Authority and Corridor Improvement Authority have been included in this report.

The City provides a full range of services including police and fire protection; sanitation services; the construction and maintenance of highways, streets and infrastructure; planning and zoning; library services; and recreational activities and cultural events. In addition, water and sewer services are provided under an enterprise fund concept, with user charges set by City Council to ensure adequate coverage of operating expenses and payments on outstanding debt.

### Local Economy and Governmental Structure

The City of Oak Park is located near the southeast corner of Oakland County in metropolitan Detroit, and approximately 3.5 miles from Macomb County and adjacent to the northern boundary of the City of Detroit and Wayne County. The City contains approximately 5.5 square miles with a population of 29,319 as reported by the U.S. Bureau of Census for 2010.

The City operates under the Council-Manager form of government as established in its charter adopted October 29, 1945. The City Council is comprised of a Mayor, elected at-large every two years, and four Councilmembers, two elected at-large every four years. The City Council is responsible for enacting ordinances, resolutions and regulations governing the City. City Council also appoints the members of various statutory and advisory boards and commissions, the City Manager, and the City Attorney. The City Manager is responsible for the day-to-day management of the City and enforcement of laws and ordinances established by City Council and appoints and supervises the heads of departments of the City organization.

The City of Oak Park has grown over the years to a point where only one percent of its total land area is vacant. Although most of the growth occurring in Oakland County is taking place to the west and north, the I-696 freeway, which runs through Oak Park, provides a corridor of opportunity for redevelopment and enhancement of existing development.

It is management's goal to maintain high quality services to the citizens of Oak Park during economic uncertainty. The City has adopted prudent financial policies, which will help guide it through the upcoming years. The City has a strong property tax base and management believes it can meet the challenges confronting the community in the near future.

### Major Initiatives

The following were among those many diverse activities and accomplishments to which both the elected officials and staff devoted their energies in fiscal year 2017-2018:

- 1) The City's number one priority was preserving fund balance while maintaining or improving existing city services. The City's General Fund had an original budget that did not anticipate an increase in fund balance. Due to the significant efforts on behalf of the entire city, the amended operating budget was balanced and the overall result was an increase to the fund balance in the General Fund of more than \$40,000, bringing total fund balance at June 30, 2018 to approximately \$3,894,000 or 18.90% of expenditures and transfers. The ending fund balance continues to be in the targeted range for the fourth year in a row.
- 2) The second priority was to address the long-term legacy costs. The City was able to contribute \$60,899 and \$894 over the actuarially required public safety and employees pension contributions, respectively. In addition, the City made a voluntary contribution in excess of the pay-as-you-go contribution to the OPEB fund totaling \$600,000.
- 3) The third priority was economic development and improving the quality of life for residents and businesses. The focus on economic development projects is to rehabilitate existing structures and promote new development. The quality of life issues include additional public safety officers for safety and code enforcement officers to ensure all structures and city lots are maintained are up to existing code.

## Financial Information

Management of the City is responsible for establishing and maintaining internal control 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 is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance 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.

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

## Long-term Financial Planning

The City Council has adopted the following financial policies to guide the process for long-term financial decisions: 1) Debt Management Policy - provides guidelines for borrowing money to finance projects; 2) Cash Management Policy - provides guidelines for the day-to-day handling of cash and investments; 3) Capital Improvement Policy - sets capitalization thresholds and parameters for capital asset purchases; and 4) Investment Policy - provides guidelines for investment of the City's liquid assets.

A large parcel of property owned by the State of Michigan, which formerly housed the Eight Mile Armory, has stood vacant for many years. The State has sold this parcel for commercial development with portions of this property currently being redeveloped. This project continues to stimulate development in that area and provide additional tax dollars to fund future development.

As the City continues to operate in an environment of slow economic growth and significant limitations on revenues, additional funding sources may need to be found to fund large capital projects. This may include additional taxes, which can only be raised by a vote of the people. Other sources of revenue may include grants, special assessments or raising fees. These challenges will be met following the financial policies above.

## Federal Financial Assistance

As a recipient of federal financial assistance, the City is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control systems are evaluated periodically by management to achieve these objectives. The City was not required to have a single audit in fiscal year 2017-2018 to test these controls, per Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), because it did not received more than \$750,000 in federal awards this fiscal year.

## Budgeting Controls

In accordance with state law, the City's budget is prepared on the modified accrual basis for governmental funds, and its accounting records are also maintained on that basis. Under modified accrual accounting, revenues are recorded when they are both measurable and available. Expenditures are recorded when a liability is incurred, except for interest on long-term debt and accrued vacation benefits. Governmental funds, such as the City's general fund, special revenue funds, debt service funds and capital projects funds, are reported on the modified accrual basis. The City's enterprise fund, internal service funds and pension and other employee benefits trust funds are reported on the accrual basis, under which revenues are recorded when earned and expenses are recorded when incurred.

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level for the general and special revenue funds. However, for internal accounting purposes, budgetary control is maintained by object class (line account) for all funds. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Purchase orders that would create an over encumbrance are not written until additional appropriations are available. Encumbered accounts lapse at year-end. There were no encumbrances outstanding at June 30, 2018.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

#### Acknowledgements

The preparation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of the Department of Finance and Administrative Services, Department of Technical and Planning Services and our independent auditors, Rehmann Robson, Certified Public Accountants. Each of them has our sincere thanks.

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

Sincerely,

*[Signature omitted for security purposes]*

Erik Tungate  
City Manager

# CITY OF OAK PARK, MICHIGAN

## ELECTED AND APPOINTED OFFICIALS

### City Council

Marian McClellan  
*Mayor*

Solomon Radner  
*Mayor Pro-Tem*

Carolyn Burns  
Ken Rich  
Regina Weiss  
*Council Members*

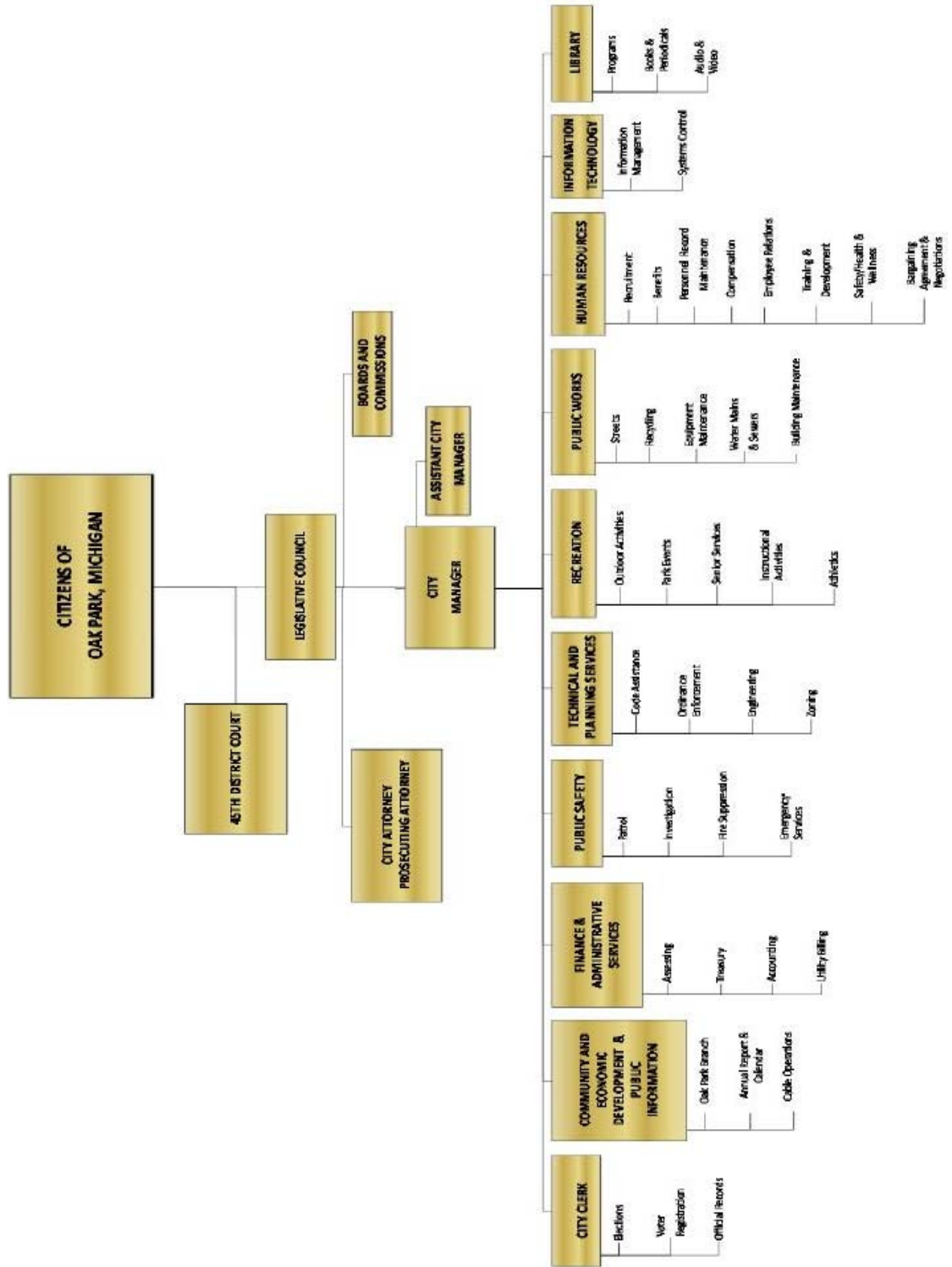
### Appointed Officials and Senior Management

Erik Tungate, City Manager

Kevin Yee, Assistant City Manager / Public Works Director  
T. Edwin Norris, City Clerk  
Saundra Crawford, Director of Finance and Administrative Services  
Jamen Winters, Deputy Finance Director  
John Gillooly and Ebony Duff, City Attorney  
Brandon Bowman, Library Director  
Robert Barrett, Director of Technical and Planning Services  
Steve Cooper, Director of Public Safety  
Laurie Stasiak, Director of Recreation  
Steve Lukasik, Deputy Treasurer  
WCA Assessing, City Assessor  
Scott Lemarbe, General Foreman  
Ed Mlynczyk, General Foreman  
Mike Pinkerton, Deputy Director of Public Safety  
Daniel Fairless, Deputy Director of Technical and Planning Services  
David DeCoster, Deputy Director of DPW & Director of Facilities  
Kevin VanDewalle, Water Supervisor  
Maralee Rosemond, Senior Services Coordinator  
Vicky Brooks, Director of Human Resources & Operations  
Kimberly Marrone, Director of Economic Development & Communications  
Denise Desantis, Director of Communications & Public Information  
Crystal McLain, Director of Strategic Planning and Special Projects

# CITY OF OAK PARK, MICHIGAN

## Table of Organization





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Oak Park  
Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

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## FINANCIAL SECTION

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## INDEPENDENT AUDITORS' REPORT

December 17, 2018

The Honorable Mayor and Members of the City Council  
City of Oak Park, Michigan

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *City of Oak Park, Michigan* (the "City"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Independent Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## *Opinions*

In our opinion, the financial statements referred to previously 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 Oak Park, Michigan, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## *Implementation of GASB Statement No. 75*

As described in Note 24, the City implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the current year. Accordingly, beginning net position of the governmental activities, business-type activities and water and sewer enterprise funds were restated. Our opinion is not modified with respect to this matter.

## *Required Supplementary Information*

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

## *Other Information*

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

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

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

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2018, on our consideration of the City of Oak Park, Michigan's internal control over financial reporting and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Rehmann Johnson LLC*

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

As management of the City of Oak Park, Michigan (the "City"), we offer readers an overview of the City's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the financial statements.

#### Financial Highlights

- The City's net position decreased in the current year. Net position of the governmental activities decreased by \$8.0 million, or 9.0 percent. Net position of the business-type activities decreased by \$1.6 million, or 10.8 percent.
- The total cost of all of the City's governmental programs was \$38.6 million.
- In the City's business-type activities, revenues were \$12.4 million while expenses were \$11.2 million.
- The fund balance of the City's governmental funds reported an increase of \$1.4 million, or 14.9 percent, over the prior year from \$9.2 million to \$10.6 million.
- The general fund reported an increase in fund balance of \$40,748, or 1.1 percent.
- The City's installment debt outstanding decreased \$2.5 million, or 7.0 percent, over the prior year from \$35.2 million to \$32.7 million.

#### Using this Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements for governmental activities show how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

#### Reporting the City as a Whole

Our analysis of the City as a whole begins with the statement of net position. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. You can think of the City's net position (the difference between assets and deferred outflows and liabilities and deferred inflows) as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.



## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

In the statement of net position and the statement of activities, we divide the City into three kinds of activities:

- **Governmental activities** — Most of the City's basic services are reported here, including general government, judicial, public safety, road maintenance and repair, public works, health and sanitation, culture and recreation, library, community development, and interest and fiscal charges. Property taxes, franchise fees, and state grants finance most of these activities.
- **Business-type activities** — The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system is reported here.
- **Discretely presented component units** — The City includes three separate legal entities in its report, the Economic Development Corporation, Brownfield Authority, and Corridor Improvement Authority. Although legally separate, these discretely presented component units are important because the City is financially accountable for them.

#### Reporting the City's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by statute and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other monies. The City's three kinds of funds—governmental, proprietary and fiduciary—use different accounting approaches.

*Governmental funds.* Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation following the fund financial statements.

*Proprietary funds.* When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise fund (a type of proprietary fund) is the same as the business-type activities we report in the government-wide statements but in greater detail. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities, such as the City's motor pool operation.

*Fiduciary funds.* This category includes the City's pension and other employee benefits trust funds along with its agency funds, which account for monies held on behalf of others.

#### Reporting the City as Trustee

The City is the trustee, or fiduciary, for its employees' pension plan and retirees' health care - general and public safety employees' fund. It is also responsible for other assets in an agency capacity. All of the City's fiduciary activities are reported in the separate statements of fiduciary net position and the statement of changes in fiduciary net position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

#### The City as a Whole

The City's total net position decreased over the prior year from negative \$23.8 million to negative \$83.5 million. Our analysis below focuses on the net position and changes in net position of the City's governmental and business-type activities.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 13,254,663	\$ 13,049,009	\$ 6,481,588	\$ 6,750,669	\$ 19,736,251	\$ 19,799,678
Capital assets, net	42,172,417	44,771,972	28,271,318	27,986,286	70,443,735	72,758,258
Total assets	<u>55,427,080</u>	<u>57,820,981</u>	<u>34,752,906</u>	<u>34,736,955</u>	<u>90,179,986</u>	<u>92,557,936</u>
Deferred outflows of resources	9,506,305	4,253,027	183,633	202,909	9,689,938	4,455,936
Long-term debt	29,289,513	30,597,521	9,269,941	7,417,014	38,559,454	38,014,535
Pension and other postemployment benefits	128,644,291	69,981,091	11,899,892	6,964,780	140,544,183	76,945,871
Other liabilities	2,019,428	2,882,084	941,907	1,345,637	2,961,335	4,227,721
Total liabilities	<u>159,953,232</u>	<u>103,460,696</u>	<u>22,111,740</u>	<u>15,727,431</u>	<u>182,064,972</u>	<u>119,188,127</u>
Deferred inflows of resources	1,311,823	1,637,864	-	-	1,311,823	1,637,864
Net position						
Net investment in capital assets	15,026,750	16,080,881	22,094,929	20,845,966	37,121,679	36,926,847
Restricted	4,388,861	3,372,538	-	-	4,388,861	3,372,538
Unrestricted (deficit)	<u>(115,747,281)</u>	<u>(62,477,971)</u>	<u>(9,270,130)</u>	<u>(1,633,533)</u>	<u>(125,017,411)</u>	<u>(64,111,504)</u>
Total net position (deficit)	<u>\$ (96,331,670)</u>	<u>\$ (43,024,552)</u>	<u>\$ 12,824,799</u>	<u>\$ 19,212,433</u>	<u>\$ (83,506,871)</u>	<u>\$ (23,812,119)</u>

Except for the unrestricted net position deficit in the governmental and business-type activities, the City reports positive balances in all other categories of net position. The net position deficits are a direct result of the net pension liability from the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in fiscal year 2015 and the other postemployment benefit liability from the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the current year.

Net position of the City's governmental activities decreased by \$8.0 million. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – changed from negative \$62.5 million at June 30, 2017 to negative \$115.7 million at the end of this year. The decrease in unrestricted net position (increase in the deficit) is largely due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the current year.

The net position of the business-type activities decreased by \$1.6 million. The decrease in net position is due primarily to the change in the net pension and other postemployment benefit liabilities.

# CITY OF OAK PARK, MICHIGAN

## Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 6,890,525	\$ 5,840,771	\$12,356,387	\$11,353,474	\$ 19,246,912	\$ 17,194,245
Operating grants	3,096,285	2,452,723	90,817	-	3,187,102	2,452,723
Capital grants	44,438	422,628	-	-	44,438	422,628
General revenues:						
Property taxes	16,340,124	17,125,027	-	-	16,340,124	17,125,027
State shared	3,556,332	3,329,476	-	-	3,556,332	3,329,476
Other taxes	642,949	683,781	-	-	642,949	683,781
Investment earnings	120,820	101,695	23,870	25,044	144,690	126,739
Other	-	-	6,731	-	6,731	-
<b>Total revenues</b>	<b>30,691,473</b>	<b>29,956,101</b>	<b>12,477,805</b>	<b>11,378,518</b>	<b>43,169,278</b>	<b>41,334,619</b>
<b>Expenses</b>						
General government	8,428,726	4,078,708	-	-	8,428,726	4,078,708
Judicial	3,312,598	2,000,064	-	-	3,312,598	2,000,064
Public safety	16,032,718	9,299,317	-	-	16,032,718	9,299,317
Road maintenance and repair	2,599,451	3,141,546	-	-	2,599,451	3,141,546
Public works	2,047,753	1,516,904	-	-	2,047,753	1,516,904
Health and sanitation	2,726,238	2,498,707	-	-	2,726,238	2,498,707
Culture and recreation	903,615	658,582	-	-	903,615	658,582
Library	962,330	821,249	-	-	962,330	821,249
Community development	709,763	444,575	-	-	709,763	444,575
Interest on long-term debt	921,950	1,076,246	-	-	921,950	1,076,246
Water and sewer	-	-	11,182,425	9,972,023	11,182,425	9,972,023
<b>Total expenses</b>	<b>38,645,142</b>	<b>25,535,898</b>	<b>11,182,425</b>	<b>9,972,023</b>	<b>49,827,567</b>	<b>35,507,921</b>
Change in net position before special item	(7,953,669)	4,420,203	1,295,380	1,406,495	(6,658,289)	5,826,698
Special item	-	-	(2,850,000)	-	(2,850,000)	-
Change in net position	(7,953,669)	4,420,203	(1,554,620)	1,406,495	(9,508,289)	5,826,698
<b>Net position</b>						
Beginning of year	(43,024,552)	(47,444,755)	19,212,433	17,805,938	(23,812,119)	(29,638,817)
Restatement for GASB 75	(45,353,449)	-	(4,833,014)	-	(50,186,463)	-
End of year	<u>\$ (96,331,670)</u>	<u>\$ (43,024,552)</u>	<u>\$12,824,799</u>	<u>\$19,212,433</u>	<u>\$ (83,506,871)</u>	<u>\$ (23,812,119)</u>

The City's total revenue for all programs and services remained relatively consistent with the prior year with a 4.4 percent (\$1.8 million) increase. The total cost of all programs and services increased by 40.3 percent (\$14.3 million). This increase is largely due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the current year.

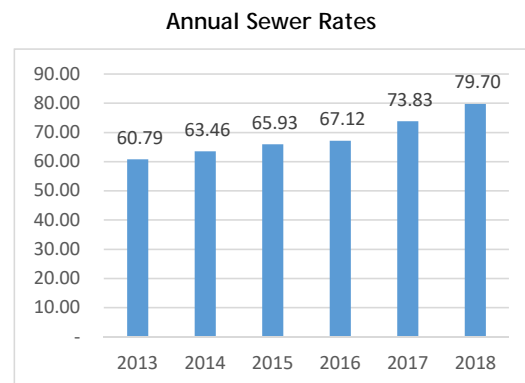
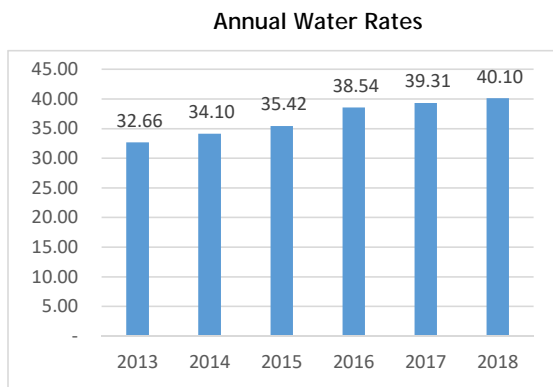
**Governmental activities.** Revenues for the City's governmental activities increased by 2.5 percent (\$0.7 million), while total expenses increased 51.3 percent (\$13.1 million).

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

**Business-type activities.** The City has one business-type activity: the water and sewer system. Revenues of the City's water and sewer activity increased by 9.7 percent (\$1.1 million). Expenses increased by 12.1 percent (\$1.2 million). The City reported net income before special item of \$1.3 million in the water and sewer activity. This was a decrease from fiscal year 2017 net income of \$1.4 million. The factors driving these results include:

- The City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the current year.
- The City raised water and sewer rates in conjunction with the estimated cost increases for the fiscal year with the intent of maintaining the net position of the fund. The City settled a lawsuit subsequent to year end related to fiscal year 2018 and prior billings which resulted in a refund of \$2,850,000 being recorded. The lawsuit expense represents the majority of the decrease in the 2018 net position.
- Water rates increased from \$39.31 in fiscal year 2016-2017 to \$40.10 per 1,000 cubic feet in fiscal year 2017-2018. Sewer rates increased from \$73.83 to \$79.70 per 1,000 cubic feet. A recent history of the City's water and sewer rates follows:



### The City's Funds

As the City completed the year, its governmental funds reported a total fund balance of \$10.6 million, which is above last year's total of \$9.2 million. Included in this year's total change in fund balance is an increase of \$40,748 in the City's general fund. Refer below for further information regarding the significant changes in general fund revenues and expenditures.

### General Fund Budgetary Highlights

Over the course of the year, the City Council made quarterly budget amendments and other amendments as necessary. Budget amendments generally fall into three categories. The first category includes amendments and supplemental appropriations that were approved as projects and contracts were competitively bid and come in higher than originally budgeted. The second included Council approved increases in appropriations when preparing the subsequent year's budget. These appropriations were to adjust the original budget when departments submitted estimated year-end figures that exceeded current budgeted amounts. Finally, amending the budget at the last City Council meeting of the fiscal year to prevent significant budget overruns.

Total actual revenues were greater than the final amended budgeted amount by \$253,696. Significant increases from the final amended budgeted amounts included \$129,764 of court fines revenue received over estimated amounts and \$86,457 of unbudgeted right of way fees received.

The actual expenditures were \$112,394 more than the final budget amounts in the general fund with five expenditure activities exceeding their budget. Refer to footnote 3 for a detailed listing of these overages. The expenditure overage is primarily due to the voluntary contribution to the City's OPEB plan of \$600,000 over the pay as you go amount from the fiscal year 2018 expenditure savings.

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

*General fund revenues.* The following paragraphs analyze the activities of the City's major operating fund. General fund revenues totaled \$20.6 million, an increase of 2.67% over the prior year. Revenues by source were as follows:

General Fund Revenues					
	Fiscal Year		Percent of Total	Increase (Decrease)	% Change from Prior Year
	2018	2017			
Property taxes	\$ 12,395,925	\$ 12,724,183	60.05%	\$ (328,258)	-2.58%
Licenses and permits	688,406	516,630	3.33%	171,776	33.25%
Intergovernmental	3,517,417	3,383,187	17.04%	134,230	3.97%
Charges for services	608,329	546,315	2.95%	62,014	11.35%
Fines and forfeits	2,067,620	1,742,209	10.02%	325,411	18.68%
Interest income	93,060	63,807	0.45%	29,253	45.85%
Other	1,272,279	1,129,931	6.16%	142,348	12.60%
<b>Total</b>	<b>\$ 20,643,036</b>	<b>\$ 20,106,262</b>	<b>100.00%</b>	<b>\$ 536,774</b>	<b>2.67%</b>

Ad valorem taxes provide the City's primary source of revenue. The City's total tax rate is 36.1688 per \$1,000 of taxable value. This is below the state's legal limit as provided for by the Headlee Amendment and the Truth in Taxation Act and includes the 6.8953 mill voter-approved levy for PA 345 public safety retirement costs. The overall increase in revenue is due to the decrease in the reserve for chargebacks and property tax appeals. See rates, as follows:

Purpose of Millage	2018 Rate	2017 Rate
Operating	16.1117	16.2712
Library	1.4690	1.4836
Solid Waste/Refuse	2.9088	2.9377
2012 Debt	1.6800	1.8500
2015 Debt	1.6100	1.8000
2010 Debt	1.9050	2.0000
Recreation	0.4925	0.4974
Public Safety	1.9700	1.9896
Headlee Override	1.1265	1.1377
Public Safety Act 345	6.8953	6.9636
	<b>36.1688</b>	<b>36.9308</b>

Licenses and permits increase was primarily due to redevelopment projects which resulted in new construction and permit related activities.

Intergovernmental revenues increase was primarily due to slightly higher amounts received from the State of Michigan due to increases in sales tax collections and CVTRS revenue sharing.

Charges for services increase is due primarily to increase in SMART Bus subsidy received in the current year.

Fines and forfeits revenues increase was primarily due to increased ticket collection revenue collected by the district court.

Interest income increase is attributable to higher interest rates recognized on city investments due to several rate increases by the Federal Reserve.

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

Other revenues increase is primarily due to increase in prescription drug subsidy rebates on employees healthcare.

*General fund expenditures.* General fund expenditures were \$18.6 million, an increase of \$0.6 million or 3.4%, over the prior year. Broken down by function, expenditures were as follows:

	General Fund Expenditures				
	Fiscal Year		Percent of Total	Increase (Decrease)	% Change from Prior Year
	2018	2017			
General government	\$ 3,498,671	\$ 4,007,155	18.78%	\$ (508,484)	-12.69%
Public safety	10,198,874	9,359,363	54.74%	839,511	8.97%
Public works	714,724	770,441	3.84%	(55,717)	-7.23%
Culture and recreation	666,885	656,008	3.58%	10,877	1.66%
Community development	156,576	154,129	0.84%	2,447	1.59%
Nondepartmental	3,396,046	3,069,226	18.23%	326,820	10.65%
<b>Total</b>	<b>\$ 18,631,776</b>	<b>\$ 18,016,322</b>	<b>100.00%</b>	<b>\$ 615,454</b>	<b>3.42%</b>

General government expenditures decrease is due primarily to increased utilization of technical and planning personnel services to other departments and funds.

The public safety department increase is due primarily to increase in personnel costs, increase in motor pool utilization and increase in pension defined benefit pension contributions (including amount over required ARC).

The public works department decrease was primarily due to increased utilization of personnel in other departments and funds.

Culture and recreation remained relatively consistent.

Community development remained relatively consistent.

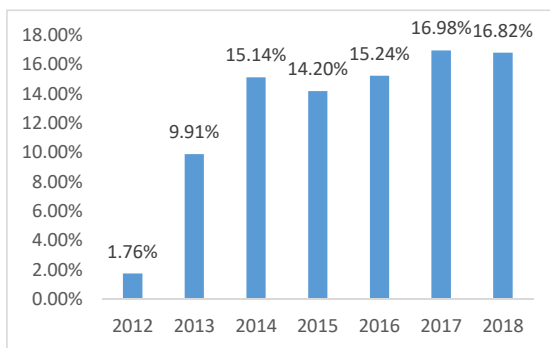
Nondepartmental expenditures increase is largely due to the additional voluntary contribution to the OPEB plan of \$600,000 above the pay-as-you-go amount.

## CITY OF OAK PARK, MICHIGAN

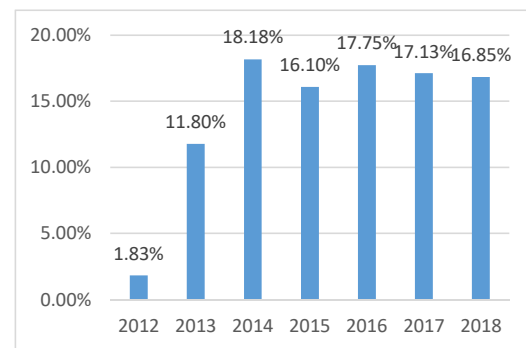
### Management's Discussion and Analysis

**General fund.** Fund balance at June 30, 2018 increased by 1.1 percent or \$40,748 over the prior year. The unassigned (and available for appropriation portion of) fund balance increased by \$58,329 to a balance of \$3.5 million which provides the City with 68 days of expenditures, and is equivalent to 18.6 percent of annual expenditures and transfers. Our goal is to maintain this percentage at 8.3 to 18.0 percent (one to two months expenditures), a level considered adequate to meet any unforeseen events and avoid cash shortfalls during periods of low tax collections. An additional goal is to maintain fund balance at 10 to 15 percent of revenues. Unassigned fund balance can be graphically demonstrated as follows:

Unassigned Fund Balance as a  
% of Revenues



Unassigned Fund Balance as a  
% of Expenditures and Transfers Out



### Capital Asset and Debt Administration

**Capital assets.** At June 30, 2018, the City had \$70.4 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, and water and sewer lines.

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,642,187	\$ 1,642,187	\$ 11,502	\$ 11,502	\$ 1,653,689	\$ 1,653,689
Rights-of-way	600,818	600,818	-	-	600,818	600,818
Work in progress	-	1,171,788	1,588,382	1,479,085	1,588,382	2,650,873
Infrastructure - roads	19,272,653	20,052,346	-	-	19,272,653	20,052,346
Infrastructure - sidewalks	2,028,840	2,225,201	-	-	2,028,840	2,225,201
Infrastructure - systems	-	-	26,573,838	26,328,072	26,573,838	26,328,072
Buildings	15,126,913	15,537,718	1,300	2,167	15,128,213	15,539,885
Improvements	2,028,106	2,011,604	-	-	2,028,106	2,011,604
Library collection	203,205	198,998	-	-	203,205	198,998
Equipment - vehicles	990,886	969,406	-	-	990,886	969,406
Equipment - miscellaneous	278,809	361,906	96,296	165,460	375,105	527,366
<b>Total capital assets, net</b>	<b>\$ 42,172,417</b>	<b>\$ 44,771,972</b>	<b>\$28,271,318</b>	<b>\$27,986,286</b>	<b>\$ 70,443,735</b>	<b>\$ 72,758,258</b>

More detailed information about the City's capital assets is presented in Note 9 to the financial statements.

**Long-term debt.** Under current state statutes, the City's net debt may not exceed 10% of the total assessed value of real and personal property as certified by the City Assessor. The City's net debt of \$26,859,682 is 4.6% of assessed value, and provides a legal debt margin of \$31,674,920. Net general bonded debt per capita equaled \$846.

The long-term debt obligations of the City consist of general obligation bonds outstanding and a capital lease.

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

At year-end, the City had \$32,741,389 in installment debt outstanding versus \$35,200,320 last year, a decrease of 7.0 percent, as shown in the table below.

	Installment Debt					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds (backed by the City)	\$ 24,495,000	\$ 25,915,000	\$ 6,176,389	\$ 7,140,320	\$ 30,671,389	\$ 33,055,320
Capital lease	2,070,000	2,145,000	-	-	2,070,000	2,145,000
<b>Total</b>	<b>\$ 26,565,000</b>	<b>\$ 28,060,000</b>	<b>\$ 6,176,389</b>	<b>\$ 7,140,320</b>	<b>\$ 32,741,389</b>	<b>\$ 35,200,320</b>

At June 30, 2018, the 2012 street improvement refunding bonds, the 2015 street improvement refunding bonds, and the 2010 municipal complex bonds were the only outstanding governmental general obligation bonds. These bonds are paid by a tax levied on all taxpayers separate from the operating millage. A mill represents \$1 of tax for every \$1,000 of taxable value of real and personal property. The City's debt service levy in fiscal year 2017-2018 was 5.1950 mills. Requirements for general obligation bonds will decrease until all bonds are paid off in May 2036.

The City belongs to a consortium of cities known as the Twelve Towns Drainage District. This District was formed to collect and treat sewage and stormwater for 14 communities. In 1998 the Michigan Department of Environmental Quality ordered the District to upgrade its retention facility and decrease its excess flows into Lake St. Clair. The total estimated cost of these improvements is \$130 million, of which the City of Oak Park is responsible for 13.48%. This project began in fiscal year 2000-2001.

The District is borrowing funds through construction drawdowns to complete this project. As of June 30, 2018, the City is obligated to pay \$6,176,389. Due to the nature of draws, the exact obligation will be unknown until the project is complete or no other draws are made. Payments on these obligations continue until 2029, ranging from \$65,707 to \$1,054,343. The City will continue to monitor the sewer rates to ensure sufficient cashflow to repay this debt.

The City's general obligation Standard & Poor's Rating Service underlying bond rating was upgraded to be A+/Positive last year. The State limits the amount of general obligation debt that cities can issue to 10 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is below this \$58,534,602 state-imposed limit.

Other obligations include accrued vacation pay, sick leave, and claims and judgments. More detailed information about the City's long-term liabilities is presented in Note 10 to the financial statements.

#### Economic Factors and Next Year's Budget and Rates

Oak Park (population 29,319) is primarily a residential community located in southeastern Oakland County, Michigan. The local tax base has experienced an increase of 4.2% for fiscal year 2017-2018 and is expected to have a modest increase in the following year (4.3% expected for 2018-2019). This rebound in the economy is encouraging but will continue to present challenges in the near future. Service levels will continue to be adjusted to match annual revenues.

In November 2012, the voters approved the creation of an Act 345 retirement system for public safety employees. The approval comes with the ability to use a property tax levy to fund a portion of public safety retirement costs (previously paid by the general fund). The voters approved up to 7 mills to be assessed annually to be used for this purpose for a seven year period beginning in 2013-2014 fiscal year. In fiscal years 2015-2016 the full 7 mills was levied and 6.8953 mills were levied for fiscal year 2017-2018.

Overall net general bonded debt is moderate and continues to decline for the fourth year in a row, at \$846 per capita and 5.40% of actual taxable value of property.



## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

The City's elected and appointed officials considered many factors when setting the fiscal year 2018-2019 budget including tax rates and fees to be charged for the business-type activities. One of those factors is the economy. Unemployment in the City now stands at 5.7 percent versus 5.8 percent a year ago. This compares with the State's unemployment rate of 3.9 percent and the national rate of 3.7 percent.

These indicators were taken into account when adopting the general fund budget for fiscal year 2018-2019. The fiscal year 2018-2019 budget was adopted in May 2018. Amounts available for appropriation in the general fund budget are \$21.435 million, an increase of 5.3% percent over the estimated fiscal year 2017-2018 amount of \$20.35 million. Property tax revenue is budgeted to increase slightly by 4.1%. Overall, revenues are expected to remain relatively flat. Budgeted expenditures are expected to increase, to \$20.82 million from \$20.56 million in fiscal year 2017-2018. The City has added no major new programs or initiatives to the fiscal year 2018-2019 budget.

The expense plan for the water and sewer fund for fiscal year 2018-2019 is \$14,035,882 an increase of \$3.02 million from fiscal year 2017-2018. The plan includes an increase in water rates of 3.9% and an increase in sewer rates of 20%. This increase is necessary due to an increase in the wholesale water and sewage rates from Oakland County.

This plan includes expenses for the Twelve Towns Drainage District (known also as the George W. Kuhn Drain). Construction continues and ten bonds have been issued to pay for the costs. The City is responsible for 13.48% of the cost. Debt payments have been built into the budget and sewer rates increased to meet our obligations. The George W. Kuhn Drain debt payment will be \$1.0 million in fiscal year 2018-2019.

#### Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance and Administrative Services' Office, at the City of Oak Park, 14000 Oak Park Blvd., Oak Park, MI, 48237.

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## BASIC FINANCIAL STATEMENTS

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# CITY OF OAK PARK, MICHIGAN

## Statement of Net Position

June 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and investments	\$ 10,556,577	\$ 2,832,807	\$ 13,389,384	\$ 511,608
Receivables	2,275,128	3,648,774	5,923,902	-
Prepaid items	422,958	7	422,965	-
Capital assets not being depreciated	2,243,005	1,599,884	3,842,889	-
Capital assets being depreciated, net	39,929,412	26,671,434	66,600,846	-
<b>Total assets</b>	<b>55,427,080</b>	<b>34,752,906</b>	<b>90,179,986</b>	<b>511,608</b>
<b>Deferred outflows of resources</b>				
Deferred pension amounts	4,406,681	127,358	4,534,039	-
Deferred OPEB amounts	4,931,972	56,275	4,988,247	-
Deferred charge on refunding	167,652	-	167,652	-
<b>Total deferred outflows of resources</b>	<b>9,506,305</b>	<b>183,633</b>	<b>9,689,938</b>	<b>-</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	2,019,428	941,907	2,961,335	482,911
Long-term debt:				
Due within one year	2,383,162	1,579,501	3,962,663	-
Due in more than one year	26,906,351	7,690,440	34,596,791	-
Other liabilities due in more than one year:				
Net pension liability	47,453,707	6,549,835	54,003,542	-
Net OPEB liability	81,190,584	5,350,057	86,540,641	-
<b>Total liabilities</b>	<b>159,953,232</b>	<b>22,111,740</b>	<b>182,064,972</b>	<b>482,911</b>
<b>Deferred inflows of resources</b>				
Deferred pension amounts	974,829	-	974,829	-
Deferred OPEB amounts	336,994	-	336,994	-
<b>Total deferred inflows of resources</b>	<b>1,311,823</b>	<b>-</b>	<b>1,311,823</b>	<b>-</b>
<b>Net position</b>				
Net investment in capital assets	15,026,750	22,094,929	37,121,679	-
Restricted for:				
Capital projects	219,105	-	219,105	-
Debt service	496,311	-	496,311	-
Judicial	188,053	-	188,053	-
Public safety	73,631	-	73,631	-
Road maintenance and repair	2,071,466	-	2,071,466	-
Public works	1,217,168	-	1,217,168	-
Library	123,127	-	123,127	-
Unrestricted (deficit)	(115,747,281)	(9,270,130)	(125,017,411)	28,697
<b>Total net position (deficit)</b>	<b>\$ (96,331,670)</b>	<b>\$ 12,824,799</b>	<b>\$ (83,506,871)</b>	<b>\$ 28,697</b>

The accompanying notes are an integral part of these basic financial statements.

# CITY OF OAK PARK, MICHIGAN

## Statement of Activities

For the Year Ended June 30, 2018

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities:					
General government	\$ 8,428,726	\$ 4,414,603	\$ -	\$ 44,438	\$ (3,969,685)
Judicial	3,312,598	191,037	188,796	-	(2,932,765)
Public safety	16,032,718	66,021	33,098	-	(15,933,599)
Road maintenance and repair	2,599,451	191,986	2,607,190	-	199,725
Public works	2,047,753	532,062	-	-	(1,515,691)
Health and sanitation	2,726,238	1,462,305	-	-	(1,263,933)
Culture and recreation	903,615	-	-	-	(903,615)
Library	962,330	32,511	86,971	-	(842,848)
Community development	709,763	-	180,230	-	(529,533)
Interest and fiscal charges	921,950	-	-	-	(921,950)
Total governmental activities	38,645,142	6,890,525	3,096,285	44,438	(28,613,894)
Business-type activities -					
Water and sewer	11,182,425	12,356,387	90,817	-	1,264,779
Total primary government	<u>\$ 49,827,567</u>	<u>\$ 19,246,912</u>	<u>\$ 3,187,102</u>	<u>\$ 44,438</u>	<u>\$(27,349,115)</u>
Component units					
Brownfield Authority	\$ 492,326	\$ -	\$ -	\$ -	\$ (492,326)
Corridor Improvement Authority	10,866	-	-	-	(10,866)
Total component units	<u>\$ 503,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (503,192)</u>

continued...

# CITY OF OAK PARK, MICHIGAN

## Statement of Activities

For the Year Ended June 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Change in net position				
Net (expense) revenue	\$ (28,613,894)	\$ 1,264,779	\$ (27,349,115)	\$ (503,192)
General revenues:				
Property taxes levied for:				
General purposes	13,957,227	-	13,957,227	507,982
Debt services	2,382,897	-	2,382,897	-
State shared revenues	3,556,332	-	3,556,332	-
Franchise fees	642,949	-	642,949	-
Investment earnings	120,820	23,870	144,690	57
Other	-	6,731	6,731	-
Total general revenues	20,660,225	30,601	20,690,826	508,039
Special item - settlement of lawsuit (note 25)	-	(2,850,000)	(2,850,000)	-
Change in net position	(7,953,669)	(1,554,620)	(9,508,289)	4,847
Net position (deficit), beginning of year, as restated	(88,378,001)	14,379,419	(73,998,582)	23,850
Net position (deficit), end of year	\$ (96,331,670)	\$ 12,824,799	\$ (83,506,871)	\$ 28,697

concluded.

The accompanying notes are an integral part of these basic financial statements.

# CITY OF OAK PARK, MICHIGAN

## Balance Sheet

Governmental Funds

June 30, 2018

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 3,758,347	\$ 6,441,968	\$ 10,200,315
Receivables:			
Taxes	15,879	-	15,879
Special assessments	-	424,786	424,786
Accounts	202,239	525,754	727,993
Due from other governments	591,424	515,046	1,106,470
Due from other funds	51,864	-	51,864
Prepaid items	422,560	61	422,621
<b>Total assets</b>	<b>\$ 5,042,313</b>	<b>\$ 7,907,615</b>	<b>\$ 12,949,928</b>
<b>Liabilities</b>			
Accounts payable	\$ 602,645	\$ 513,240	\$ 1,115,885
Accrued liabilities	505,509	147,478	652,987
Due to other funds	-	51,864	51,864
<b>Total liabilities</b>	<b>1,108,154</b>	<b>712,582</b>	<b>1,820,736</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue	23,466	-	23,466
Unavailable revenue - property taxes	15,879	-	15,879
Unavailable revenue - special assessments	-	421,628	421,628
Unavailable revenue - grants	-	102,775	102,775
<b>Total deferred inflows of resources</b>	<b>39,345</b>	<b>524,403</b>	<b>563,748</b>
<b>Fund balances</b>			
Nonspendable	422,560	61	422,621
Restricted	-	4,640,051	4,640,051
Assigned	-	2,083,209	2,083,209
Unassigned	3,472,254	(52,691)	3,419,563
<b>Total fund balances</b>	<b>3,894,814</b>	<b>6,670,630</b>	<b>10,565,444</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,042,313</b>	<b>\$ 7,907,615</b>	<b>\$ 12,949,928</b>

The accompanying notes are an integral part of these basic financial statements.



## CITY OF OAK PARK, MICHIGAN

### Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
June 30, 2018

Fund balances - total governmental funds \$ 10,565,444

Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources,  
and therefore are not reported in the fund financial statements.

Capital assets not being depreciated	2,243,005
Capital assets being depreciated, net	39,929,412
Less net capital assets accounted for in internal service funds	(990,886)

The focus of governmental funds is on short-term financing. Accordingly, some  
assets will not be available to pay for current-period expenditures. Those  
assets (such as certain receivables) are offset by deferred inflows in the  
governmental funds, and thus are not included in fund balance.

Unavailable receivables	23,466
Unavailable property taxes receivable	15,879
Unavailable long-term special assessments receivable	421,628
Unavailable grants receivable	102,775

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

Net position of governmental activities accounted for in internal service funds	1,305,445
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Certain liabilities, such as bonds payable, are not due and payable  
in the current period, and therefore are not reported in the funds.

Accrued interest on long-term debt	(208,516)
Bonds and capital leases payable	(26,565,000)
Unamortized bond premium	(790,993)
Accrued compensated absences	(1,933,520)
Unamortized deferred charge on refunding	167,652

Certain pension and postemployment-related amounts are not due and payable  
in the current period or do not represent current financial resources and  
therefore are not reported in the funds.

Net pension liability	(47,453,707)
Deferred outflows related to the net pension liability	4,406,681
Deferred inflows related to the net pension liability	(974,829)
Net other postemployment benefit liability	(81,190,584)
Deferred outflows related to the net other postemployment benefit liability	4,931,972
Deferred inflows related to the net other postemployment benefit liability	(336,994)

Net position (deficit) of governmental activities	<u>\$ (96,331,670)</u>
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The accompanying notes are an integral part of these basic financial statements.

# CITY OF OAK PARK, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2018

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property taxes	\$ 12,395,925	\$ 4,354,834	\$ 16,750,759
Special assessments	-	526,728	526,728
Licenses and permits	688,406	-	688,406
Intergovernmental:			
Federal grants	-	220,773	220,773
State grants	3,517,417	2,848,599	6,366,016
Charges for services	608,329	1,621,085	2,229,414
Fines and forfeitures	2,067,620	266,521	2,334,141
Interest income	93,060	27,051	120,111
Other	1,272,279	533,943	1,806,222
<b>Total revenues</b>	<b>20,643,036</b>	<b>10,399,534</b>	<b>31,042,570</b>
<b>Expenditures</b>			
Current:			
General government	3,498,671	-	3,498,671
Judicial	-	2,169,253	2,169,253
Public safety	10,198,874	37,406	10,236,280
Road maintenance and repair	-	2,184,807	2,184,807
Public works	714,724	42,516	757,240
Health and sanitation	-	2,726,238	2,726,238
Culture and recreation	666,885	-	666,885
Library	-	805,382	805,382
Community development	156,576	463,333	619,909
Nondepartmental costs	3,396,046	-	3,396,046
Debt service:			
Principal	-	1,495,000	1,495,000
Interest and fiscal charges	-	980,695	980,695
Capital outlay and construction	-	134,188	134,188
<b>Total expenditures</b>	<b>18,631,776</b>	<b>11,038,818</b>	<b>29,670,594</b>
<b>Revenues over (under) expenditures</b>	<b>2,011,260</b>	<b>(639,284)</b>	<b>1,371,976</b>
<b>Other financing sources (uses)</b>			
Transfers in	-	2,568,991	2,568,991
Transfers out	(1,970,512)	(598,479)	(2,568,991)
<b>Total other financing sources (uses)</b>	<b>(1,970,512)</b>	<b>1,970,512</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>40,748</b>	<b>1,331,228</b>	<b>1,371,976</b>
<b>Fund balances, beginning of year</b>	<b>3,854,066</b>	<b>5,339,402</b>	<b>9,193,468</b>
<b>Fund balances, end of year</b>	<b>\$ 3,894,814</b>	<b>\$ 6,670,630</b>	<b>\$ 10,565,444</b>

The accompanying notes are an integral part of these basic financial statements.

## CITY OF OAK PARK, MICHIGAN

### Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended June 30, 2018

Net change in fund balances - total governmental funds \$ 1,371,976

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital assets purchased / constructed	363,184
Depreciation expense	(2,631,622)
Loss on disposal of capital assets	(352,597)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Net change in deferred inflows for long-term special assessments receivable	(410,635)
Net change in deferred inflows for grants receivable	58,829

Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments on long-term liabilities	1,495,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in accrued interest payable on long-term debt	71,641
Amortization of deferred charge on refunding	(12,896)
Change in net pension liability and related deferred amounts	(809,497)
Change in net other postemployment benefit liability	(6,908,039)
Change in the accrual for compensated absences	(250,154)

An internal service fund is used by management to charge the costs of certain services to individual governmental funds. The net revenue (expense) attributable to those funds is reported with governmental activities.

Operating loss from governmental activities in internal service funds	60,432
Interest income from internal service funds	709

Change in net position of governmental activities	<u>\$ (7,953,669)</u>
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The accompanying notes are an integral part of these basic financial statements.

# CITY OF OAK PARK, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund  
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 12,255,630	\$ 12,380,359	\$ 12,395,925	\$ 15,566
Licenses and permits	475,325	678,475	688,406	9,931
Intergovernmental -				
State grants	3,360,398	3,522,365	3,517,417	(4,948)
Charges for services	679,510	623,303	608,329	(14,974)
Fines and forfeitures	1,643,638	1,937,856	2,067,620	129,764
Interest income	35,225	54,979	93,060	38,081
Other	1,186,572	1,192,003	1,272,279	80,276
<b>Total revenues</b>	<b>19,636,298</b>	<b>20,389,340</b>	<b>20,643,036</b>	<b>253,696</b>
<b>Expenditures</b>				
General government:				
City council	66,213	62,310	53,998	(8,312)
City manager	366,703	414,886	390,639	(24,247)
Human resources	366,694	358,633	333,203	(25,430)
Information technology	250,315	248,715	236,280	(12,435)
City attorney	285,600	290,600	303,182	12,582
Prosecuting attorney	66,660	66,660	66,660	-
City clerk	284,714	288,090	278,012	(10,078)
Finance and administrative services	1,051,956	1,083,883	1,027,949	(55,934)
Public information	284,127	271,194	243,771	(27,423)
Technical and planning services	1,373,533	1,350,964	1,268,127	(82,837)
Less reimbursements from other funds for finance and administrative services	(699,500)	(692,500)	(703,150)	(10,650)
<b>Total general government</b>	<b>3,697,015</b>	<b>3,743,435</b>	<b>3,498,671</b>	<b>(244,764)</b>
Public safety:				
General	9,519,095	9,799,941	10,016,462	216,521
K9 unit	179,716	186,908	182,412	(4,496)
<b>Total public safety</b>	<b>9,698,811</b>	<b>9,986,849</b>	<b>10,198,874</b>	<b>212,025</b>
Public works:				
Building and maintenance	866,797	651,072	560,930	(90,142)
Administration	12,565	10,445	7,819	(2,626)
Shepherd park	56,076	58,603	72,406	13,803
Other parks	69,781	54,904	73,569	18,665
<b>Total public works</b>	<b>1,005,219</b>	<b>775,024</b>	<b>714,724</b>	<b>(60,300)</b>

continued...

# CITY OF OAK PARK, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund  
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Culture and recreation:				
Administration	\$ 355,564	\$ 353,449	\$ 349,851	\$ (3,598)
Athletics	41,624	32,624	24,977	(7,647)
Outdoor activities	95,919	95,919	76,086	(19,833)
Instructional activities	20,400	29,400	28,246	(1,154)
Special recreation activities	41,978	43,978	40,420	(3,558)
Swimming pool	119,821	124,321	111,035	(13,286)
Senior services	44,654	44,654	36,270	(8,384)
Total culture and recreation	<u>719,960</u>	<u>724,345</u>	<u>666,885</u>	<u>(57,460)</u>
Community development	<u>215,065</u>	<u>210,536</u>	<u>156,576</u>	<u>(53,960)</u>
Nondepartmental costs	<u>3,067,423</u>	<u>3,079,193</u>	<u>3,396,046</u>	<u>316,853</u>
Total expenditures	<u>18,403,493</u>	<u>18,519,382</u>	<u>18,631,776</u>	<u>112,394</u>
Revenues over expenditures	<u>1,232,805</u>	<u>1,869,958</u>	<u>2,011,260</u>	<u>141,302</u>
Other financing sources (uses)				
Transfers in	716,332	716,332	-	(716,332)
Transfers out	<u>(2,161,887)</u>	<u>(2,278,779)</u>	<u>(1,970,512)</u>	<u>(308,267)</u>
Total other financing uses	<u>(1,445,555)</u>	<u>(1,562,447)</u>	<u>(1,970,512)</u>	<u>(408,065)</u>
Net change in fund balance	(212,750)	307,511	40,748	(266,763)
Fund balance, beginning of year	<u>3,854,066</u>	<u>3,854,066</u>	<u>3,854,066</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,641,316</u>	<u>\$ 4,161,577</u>	<u>\$ 3,894,814</u>	<u>\$ (266,763)</u>

concluded.

The accompanying notes are an integral part of these basic financial statements.

# CITY OF OAK PARK, MICHIGAN

## Statement of Net Position

Proprietary Funds

June 30, 2018

	Business-type Activities	Governmental Activities
	Water and Sewer Enterprise Fund	Internal Service Funds
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 2,832,807	\$ 356,262
Receivables:		
Special assessments	1,800	-
Accounts	3,519,379	-
Due from other governments	127,595	-
Prepaid items	7	337
Total current assets	<u>6,481,588</u>	<u>356,599</u>
Noncurrent assets:		
Capital assets not being depreciated	1,599,884	-
Capital assets being depreciated, net	26,671,434	990,886
Total noncurrent assets	<u>28,271,318</u>	<u>990,886</u>
Total assets	<u>34,752,906</u>	<u>1,347,485</u>
Deferred outflows of resources		
Deferred pension amounts	127,358	-
Deferred OPEB amounts	56,275	-
Total deferred outflows of resources	<u>183,633</u>	<u>-</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	864,454	40,308
Accrued liabilities	40,166	1,732
Accrued interest payable	37,287	-
Current portion of long-term debt	1,579,501	-
Total current liabilities	<u>2,521,408</u>	<u>42,040</u>
Noncurrent liabilities:		
Accrued compensated absences, net of current portion	147,552	-
Claims and judgments, net of current portion	2,350,000	-
Bonds payable, net of current portion	5,192,888	-
Net pension liability	6,549,835	-
Net OPEB liability	5,350,057	-
Total noncurrent liabilities	<u>19,590,332</u>	<u>-</u>
Total liabilities	<u>22,111,740</u>	<u>42,040</u>
<b>Net position</b>		
Net investment in capital assets	22,094,929	990,886
Unrestricted (deficit)	(9,270,130)	314,559
Total net position	<u>\$ 12,824,799</u>	<u>\$ 1,305,445</u>

The accompanying notes are an integral part of these basic financial statements.

# CITY OF OAK PARK, MICHIGAN

## Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2018

	Business-type Activities	Governmental Activities
	Water and Sewer Enterprise Fund	Internal Service Funds
Operating revenues		
Charges for services	\$ 12,356,387	\$ 1,543,299
Fines and forfeitures	-	215,660
Other	6,731	57,744
Total operating revenues	12,363,118	1,816,703
Operating expenses		
Water	1,221,889	-
Sewage treatment	5,767,969	-
Transmission and distribution	1,149,802	-
Maintenance and operation	1,260,632	-
Customer accounting and collection	308,688	-
General and administration	497,531	-
Depreciation	810,785	139,577
Wages and benefits	-	87,659
Insurance	-	1,114,626
Gasoline	-	161,484
Professional services	-	81,029
Supplies	-	171,896
Total operating expenses	11,017,296	1,756,271
Operating income	1,345,822	60,432
Nonoperating revenues (expenses)		
State revenue - SAW grant	90,817	-
Interest income	23,870	709
Debt service - interest expense	(165,129)	-
Total nonoperating revenues (expenses)	(50,442)	709
Income before special item	1,295,380	61,141
Special item - settlement of lawsuit (note 25)	(2,850,000)	-
Change in net position	(1,554,620)	61,141
Net position, beginning of year, as restated	14,379,419	1,244,304
Net position, end of year	\$ 12,824,799	\$ 1,305,445

The accompanying notes are an integral part of these basic financial statements.

# CITY OF OAK PARK, MICHIGAN

## Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2018

	Business-type Activities	Governmental Activities
	Water and Sewer Enterprise Fund	Internal Service Funds
Cash flows from operating activities		
Receipts from customers	\$ 11,954,646	\$ -
Receipts from interfund services	-	1,543,299
Other receipts	-	273,404
Payments to suppliers	(8,245,143)	(650,438)
Payments to employees	(2,314,151)	(897,080)
Net cash provided by operating activities	<u>1,395,352</u>	<u>269,185</u>
Cash flows from noncapital financing activities		
State grants	<u>90,817</u>	<u>-</u>
Cash flows from capital and related financing activities		
Purchases of capital assets	(1,095,817)	(161,057)
Principal paid on long-term debt	(963,931)	-
Interest paid on long-term debt	(127,842)	-
Net cash used in capital and related financing activities	<u>(2,187,590)</u>	<u>(161,057)</u>
Cash flows from investing activities		
Interest and dividends	<u>23,870</u>	<u>709</u>
Net change in cash and investments	(677,551)	108,837
Cash and investments, beginning of year	<u>3,510,358</u>	<u>247,425</u>
Cash and investments, end of year	<u>\$ 2,832,807</u>	<u>\$ 356,262</u>

continued...



# CITY OF OAK PARK, MICHIGAN

## Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2018

	Business-type Activities	Governmental Activities
	Water and Sewer Enterprise Fund	Internal Service Funds
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,345,822	\$ 60,432
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	810,785	139,577
Change in assets and liabilities:		
Special assessments receivable	(1,800)	-
Accounts receivable	(424,352)	-
Due from other governments	17,680	-
Prepaid items	2	96,726
Deferred outflows of resources - pension amounts	75,551	-
Deferred outflows of resources - OPEB amounts	(56,275)	-
Accounts payable	(387,516)	15,147
Accrued liabilities	(53,501)	749
Due to other funds	-	(43,446)
Accrued compensated absences	(33,142)	-
Net pension liability	(414,945)	-
Net OPEB liability	517,043	-
Net cash provided by operating activities	<u>\$ 1,395,352</u>	<u>\$ 269,185</u>

concluded.

### Non-cash transactions

The water and sewer enterprise fund reported a special item related to the settlement of a lawsuit, which resulted in an increase in long-term debt of \$2,850,000.

The accompanying notes are an integral part of these basic financial statements.

# CITY OF OAK PARK, MICHIGAN

## Statement of Fiduciary Net Position

June 30, 2018

	Pension and Other Employee Benefit Trust Funds	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 3,334,068	\$ 792,209
Due from other governments	89,653	-
Investments, at fair value:		
Equity mutual funds	44,337,727	-
Fixed income mutual funds	16,274,276	-
Money market accounts	2,203,343	-
<b>Total assets</b>	<u>66,239,067</u>	<u>\$ 792,209</u>
<b>Liabilities</b>		
Accounts payable	668,526	\$ -
Undistributed receipts	-	792,209
<b>Total liabilities</b>	<u>668,526</u>	<u>\$ 792,209</u>
<b>Net position</b>		
Restricted for pension and other postemployment benefits	<u>\$ 65,570,541</u>	

The accompanying notes are an integral part of these basic financial statements.

# CITY OF OAK PARK, MICHIGAN

## Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2018

	Pension and Other Employee Benefit Trust Funds
Additions	
Contributions:	
Employer	\$ 7,378,931
Plan members	459,692
Total contributions	<u>7,838,623</u>
Investment income:	
Net change in fair value of investments	3,364,452
Interest	27,968
Dividends	1,497,023
Total investment income	<u>4,889,443</u>
Less: investment management expense	<u>(229,594)</u>
Net investment income	<u>4,659,849</u>
Total additions	12,498,472
Deductions	
Benefits	<u>9,797,698</u>
Change in net position	2,700,774
Net position, beginning of year	<u>62,869,767</u>
Net position, end of year	<u>\$ 65,570,541</u>

The accompanying notes are an integral part of these basic financial statements.

## CITY OF OAK PARK, MICHIGAN

### Combining Statement of Net Position

Discretely Presented Component Units

June 30, 2018

	Economic Development Corporation	Brownfield Authority	Corridor Improvement Authority	Total Component Units
<b>Assets</b>				
Cash and investments	\$ 12,091	\$ 483,912	\$ 15,605	\$ 511,608
<b>Liabilities</b>				
Accounts payable	-	477,326	5,585	482,911
<b>Net position</b>				
Unrestricted	<u>\$ 12,091</u>	<u>\$ 6,586</u>	<u>\$ 10,020</u>	<u>\$ 28,697</u>

The accompanying notes are an integral part of these basic financial statements.

## CITY OF OAK PARK, MICHIGAN

### Combining Statement of Activities

Discretely Presented Component Units

For the Year Ended June 30, 2018

	Economic Development Corporation	Brownfield Authority	Corridor Improvement Authority	Total Component Units
Expenses				
Community development	\$ -	\$ 492,326	\$ 10,866	\$ 503,192
General revenues				
Property taxes	-	492,310	15,672	507,982
Investment earnings	42	-	15	57
Total general revenues	42	492,310	15,687	508,039
Changes in net position	42	(16)	4,821	4,847
Net position, beginning of year	12,049	6,602	5,199	23,850
Net position, end of year	\$ 12,091	\$ 6,586	\$ 10,020	\$ 28,697

The accompanying notes are an integral part of these basic financial statements.

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## NOTES TO FINANCIAL STATEMENTS

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Oak Park, Michigan (the "City") was incorporated October 30, 1945. The City operates under a Mayor/Council-Manager form of government and provides the following services as authorized by the charter: public safety (police and fire), building ordinance enforcement, highways and streets, sanitation, parks and recreation, public improvement, planning and zoning, library service, water, sewer and refuse removal.

The accounting policies of the City of Oak Park conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

#### Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City and its component units. The component units discussed below are included in the City's reporting entity because they are entities for which the City is considered to be financially accountable.

#### *Blended Component Unit*

The City of Oak Park Municipal Building Authority is a municipal, non-profit, non-stock corporation organized under the laws of the State of Michigan, and is presented as a blended component unit. The Municipal Building Authority is governed by a board that is appointed by the City Council. The City also has accountability for fiscal matters of the Authority. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its sole purpose is for acquiring and owning facilities for the use of the City of Oak Park.

#### *Discretely Presented Component Units*

The component unit columns in the government-wide financial statements include the financial data of the City's other component units. They are reported in separate columns to emphasize that they are legally separate from the City. The following component units are included in the reporting entity because the primary government is financially accountable and is able to impose its will on the organizations.

**Economic Development Corporation (EDC).** The EDC is a municipal, non-profit, non-stock corporation organized under the laws of the State of Michigan for the purpose of promoting development in the City. The Economic Development Corporation is governed by a Board that is appointed by the City Council. The City has the ability to significantly influence the daily operations of the Corporation.

**Brownfield Redevelopment Authority.** The Brownfield Redevelopment Authority was established to promote the redevelopment of, and private investment in, environmentally distressed properties within the City. The Brownfield Redevelopment Authority is governed by a Board that is appointed by the City Council. The City also has accountability for fiscal matters of the Authority.

**Corridor Improvement Authority.** The Corridor Improvement Authority was established to maintain and upgrade the economic viability in the business districts of the City. The designated corridors, include portions of Nine Mile Road, Eleven Mile Road and all of Coolidge. The Corridor Improvement Authority is governed by a Board that is appointed by the City Council. The City also has accountability for fiscal matters of the Authority.



# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### Government-wide and Fund Financial Statements

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

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

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

### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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, claims and judgments, are recorded only when payment is due.

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

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

The City reports the following major governmental fund -

The *general fund* is the government's primary operating fund. It accounts for all the financial resources of the general government, except those accounted for and reported in another fund.

The City reports the following major enterprise fund -

The *water and sewer fund* accounts for the operation of the City's water and sewer systems. The fund is financed and operated in a manner similar to a private enterprise. The intent is that costs (expenses, including depreciation) of providing water and sewer services to the general public are recovered through user charges.

In addition the City reports the following governmental fund types:

*Special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

*Debt service funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

*Capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

*Internal service funds* are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has three internal service funds: 1) the risk management fund is used to accumulate resources from other funds that utilize labor to pay workers compensation premiums to the Michigan Municipal League's workers compensation pool, to pay self-insured health care benefits, and for the City's property and liability insurance; 2) the motor pool fund is used for the purchase and maintenance of the City's fleet through rental charges for equipment to other funds; and 3) the court retiree's health care fund is used for the accumulation of assets to fund retiree's health care for District court employees.

*Pension and other employee benefits trust funds* are used to account for assets held by the City in a trustee capacity for individuals, private organizations, other governments, and/or other funds. The City has two pension trust funds (general and public safety) and a retirees' health care fund, which account for assets, liabilities, revenues and expenses in essentially the same manner as proprietary funds.

*Agency funds* are used to account for assets held by the City as an agent for individuals, private organizations, and/or other governments. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has a payroll agency fund used to account for payment of employee payrolls. It also uses an escrow agency fund used to hold assets belonging to other persons or entities such as bond deposits.

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

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 concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for 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 enterprise fund and of the government's internal service funds are charges to customers for sales and services. The enterprise fund also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise fund and 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.

Restricted net position includes assets that are subject to restrictions beyond the government's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

### Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

#### *Deposits and Investments*

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

The City participates in the Oakland County Investment Pool (the "Pool") which is managed by the County Treasurer. In accordance with GASB 79, the Authority's shares are recorded at amortized cost, which approximates fair value. The Pool is not subject to regulatory oversight, is not registered with the SEC (Securities Exchange Commission) and does not issue separate financial statements. The value of the City's position in the Pool is the same as the value of the Pool shares, and includes accrued interest.

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### *Interfund Receivables and Payables*

In addition to transactions related to pooled cash, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are included in the "due from other funds" or "due to other funds" accounts on the balance sheet.

### *Prepaid Items*

Prepaid items represent payments made to vendors for goods and services applicable to future fiscal years. Prepaids of governmental funds are recorded as expenditures when consumed rather than when purchased. Prepaid items are offset by nonspendable fund balance in governmental funds.

### *Capital Assets*

Capital assets 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 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 acquisition cost at the date of donation.

Depreciation of all exhaustible capital assets used by proprietary fund types is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund type statements of net position. Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

	Years
Governmental activities:	
Infrastructure - roads	20-45
Infrastructure - sidewalks	20
Buildings	10-50
Improvements	10-50
Library collection	10
Vehicles and equipment	3-25
Other equipment	5-25
Business-type activities:	
Buildings	30
Garage	50
Vehicles and equipment	3-10
Water systems	5-100
Water - hydrants	20-80
Water - tanks	10-30
Water - pump station	10
Water - master meter	80
Water - reservoir	10-80
Water - reservoir pump	10-30
Sewer system	5-80

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### *Deferred Outflows of Resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also reports deferred outflows of resources related to the net pension liability and the net other postemployment benefit liability.

### *Long-term Obligations*

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in a debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the statement of net position. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

### *Special Assessments*

Special assessments, if any, are recorded as revenues when due, not when levied. Estimated annual installments not yet available are reflected as deferred inflows of resources in the governmental fund financial statements and as revenues in the government-wide financial statements. Special assessments are billed annually on June 1 and are due and payable August 1.

### *Compensated Absences*

The City accrues vacation pay, sick pay (at fifty percent of unused sick days), compensatory time off, and any salary-related payments for these compensated absences. The current obligations of all funds and the long-term obligations of proprietary funds are recorded in the respective funds. City employees are granted vacation time based on length of service. Most employees have the option of receiving compensatory time off in lieu of pay for overtime worked up to 40 hours. Sick pay is earned at the rate of one day per month, and unused sick days may be accumulated up to 150 days. Employees will be paid for 50 percent of total accumulation upon retirement.

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

Unused sick and vacation 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. The compensated absence liability is liquidated from the general and water and sewer funds. Unused sick and vacation is accrued when incurred in proprietary funds and reported as a liability. For governmental funds, the current portion of the liability for compensated absences reflects only the unpaid balance of reimbursable unused leave for employees that terminated by the fiscal year end. In accordance with GAAP, for the governmental funds, in the fund financial statements, the noncurrent portion of the compensated absences are considered long-term and, therefore, are not a fund liability and represents a reconciling item between the fund level and government-wide presentations. In addition to the proprietary funds, the general fund, and several nonmajor special revenue funds have been used to liquidate the liability for compensated absences.

### *Deferred Inflows of Resources*

In addition to liabilities, the statement of financial position and governmental balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds also report unavailable revenues, which arise only under a modified accrual basis of accounting that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflows of resources related to pension and other postemployment benefit liabilities.

### *Pensions and Other Postemployment Benefits*

For purposes of measuring the net pension liability and net other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment benefit expense, information about the fiduciary net position of the plans and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### *Fund Balances*

Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. *Committed fund balance* is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council. A formal resolution of the City Council is required to establish, modify, or rescind a fund balance commitment. The City reports *assigned fund balance* for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The authority to assign fund balance has been granted to the City Manager by the City Council. *Unassigned fund balance* is the residual classification for the general fund and deficits from other governmental funds.

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance.

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### *Statements of Cash Flows*

The City presents statements of cash flows for all proprietary fund types. These statements, which have been prepared utilizing the direct method, analyze the net increase or decrease in cash and cash equivalents by source. For purposes of the statements of cash flows, the City considers all highly liquid investments purchased with an original maturity of three months or less and the deposits in the investment funds to be cash equivalents.

### *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

## 2. COMPLIANCE INFORMATION

### **Budgetary Data**

Budgets are adopted on the modified accrual basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. Annual budgets lapse at year-end.

The level of budgetary control (the level at which expenditures may not legally exceed appropriations) is at the department (activity) level for general government within the general fund, the functional level for all others expenditures in the general fund, and the activity level for special revenue funds.

The governing body must approve budget amendments at the activity level and supplemental appropriations, which affect total fund expenditures. Department directors or the city manager can transfer appropriations between line items within a department or activity without governing body approval. Supplemental appropriations were necessary during the year.

The City's appropriation resolution is generally passed during the month of May preceding the fiscal year in which the planned expenditures relate. Subsequent amendments are made to avoid unfavorable variances from the original budget. Related resolutions are made to state the purpose and amount of the changes. The city manager has the responsibility to enforce the budget. Unused appropriations do not carry forward to the next fiscal year.

### **Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other firm commitments are used for the expenditure of monies, is utilized as an extension of formal budgetary control in the governmental funds. Encumbered amounts lapse at year-end, however, material encumbrances generally are reappropriated as part of the following year's budget. These material encumbrances outstanding at year-end, if any, are reported as assignments of fund balance since they do not constitute expenditures or liabilities.

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 3. EXCESS OF EXPENDITURES OVER BUDGET AND FUND BALANCE DEFICITS

P.A. 621 of 1978 of the State of Michigan, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated in budget resolutions of the governing body. Budgets are required by State law for general and special revenue funds.

In the body of the financial statements, the City's actual and budgeted expenditures for the budgetary funds have been shown on an activity level for the general fund and on a functional basis for all other funds, with the approved budgets of the City of those budgetary funds being adopted at the activity or department level.

During the year ended June 30, 2018, the City incurred expenditures in certain budgetary funds, which were in excess of amounts appropriated, as follows:

	Final Budget	Actual	Actual Over Budget
<b>General fund</b>			
General government -			
City attorney	\$ 290,600	\$ 303,182	\$ 12,582
Public safety -			
General	9,799,941	10,016,462	216,521
Public works:			
Shepherd park	58,603	72,406	13,803
Other parks	54,904	73,569	18,665
Nondepartmental costs	3,079,193	3,396,046	316,853
<b>Nonmajor governmental funds</b>			
Neighborhood Stabilization Program Fund -			
Community development	4,500	4,858	358
Veterans Treatment Court Grant fund -			
Judicial	32,250	33,867	1,617
Mental Health Court Grant fund -			
Judicial	60,000	61,966	1,966
45th District Court fund -			
Judicial	2,012,675	2,030,095	17,420

At year end, the City reported unrestricted fund balance deficits in certain nonmajor special revenue funds, as noted below. The governmental fund deficits resulted from unavailable grant revenues.

<b>Nonmajor governmental funds:</b>	
Community Development Block Grant fund	\$ (5,696)
Veterans Treatment Court Grant fund	(15,389)
Mental Health Court Grant fund	(31,606)



# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 4. BUILDING PERMITS AND RELATED COSTS

The City has the following revenues and costs related to building permits:

Shortfall at July 1, 2017	\$ (346,118)
Current year building permit revenue	287,371
Related costs	<u>(290,276)</u>
Cumulative shortfall at June 30, 2018	<u>\$ (349,023)</u>

### 5. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of June 30, 2018:

	Primary Government	Component Units	Totals
Statement of net position			
Cash and investments	\$ 13,389,384	\$ 511,608	\$ 13,900,992
Statement of fiduciary net position			
Pension and other employee benefit trust funds:			
Cash and cash equivalents	3,334,068	-	3,334,068
Investments	62,815,346	-	62,815,346
Agency funds -			
Cash and cash equivalents	<u>792,209</u>	<u>-</u>	<u>792,209</u>
Total	<u>\$ 80,331,007</u>	<u>\$ 511,608</u>	<u>\$ 80,842,615</u>
Deposits and investments			
Bank deposits -			
Checking, savings accounts and certificates of deposit			\$ 5,589,834
Treasurer's investments			12,432,252
Pension and other employee benefit trust funds investments			62,815,346
Cash on hand			<u>5,183</u>
Total			<u>\$ 80,842,615</u>

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

#### Deposits

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. State law does not require and the City does not have a policy for deposit custodial credit risk. As of year-end, \$4,897,605 of the City's bank balance of \$5,524,699 (book balance of \$5,589,834) was exposed to custodial credit risk because it was uninsured and uncollateralized.

The City's depository policy does not specifically address this risk, although the City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

#### Investments

*Custodial Credit Risk - Investments.* Investments are exposed to custodial credit risk if the securities are uninsured, unregistered or held by a counterparty or its agent but not in the government's name. All investments are held in the name of the City by a counterparty, and thus are not exposed to custodial credit risk. The City's investments are limited to bonds, commercial paper and mutual funds.

Following is a summary of the City's investments as of June 30, 2018:

U.S. agencies	\$ 2,087,236
Municipal bonds	5,999,304
Commercial paper	1,003,223
Mutual funds	264,915
Oakland County Investment Pool	<u>3,077,574</u>
Total	<u>\$ 12,432,252</u>

*Credit Risk.* State law limits investments to specific governmental securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

The City's investments were rated by Standard & Poor's ("S&P") and Moody's as follows:

Rating		Amount
Moody's	S&P	
AAA	AA+	\$ 2,087,236
AA1	N/A	2,578,053
A2	AA	434,575
MIG1	SP-1+	125,624
N/A	AA	345,872
N/A	AA-	2,515,180
Not rated	Not rated	4,345,712
		<u>\$ 12,432,252</u>

*Concentration of Credit Risk.* At June 30, 2018, the investment portfolio was concentrated as follows:

Investment Type	Issuer	% of Portfolio
U.S. agencies	Federal Farm Credit Bank	5.79%
Municipal bonds	Reeths-Puffer Schools	6.30%
Municipal bonds	Williamston Community Schools	14.01%
Municipal bonds	Ypsilanti School District	11.43%
Commercial paper	Catholic Health Initiatives	8.07%
Oakland County Investment Pool	Oakland County	24.75%

The City's investment policy does not address concentration of credit risk.

*Interest Rate Risk.* Interest rate risk is the risk that the market rate of securities in the portfolio will fall due to changes in market interest rates. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The maturity dates for the investments are as follows:

	Fair Value	Investment Maturities (fair value by years)		
		Less Than 1	1-5	6-10
U.S. agencies	\$ 2,087,236	\$ -	\$ 963,635	\$ 1,123,601
Municipal bonds	5,999,304	-	5,515,415	483,889
Commercial paper	1,003,223	1,003,223	-	-
	<u>\$ 9,089,763</u>	<u>\$ 1,003,223</u>	<u>\$ 6,479,050</u>	<u>\$ 1,607,490</u>

The City's investment policy does not address interest rate risk. The City's investments in U.S. agencies are non-callable. Amounts in the Oakland County Investment Pool are accessible to the City on demand; accordingly, the investment is not deemed to have a maturity date.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

*Fair Value Measurements.* The City categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs - other than quoted prices - included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. These levels are determined by the City's investment managers. These are determined at the fund level based on a review of the investment's class, structure, and what kind of securities are held in funds. The investment managers will request the information from the fund managers, if necessary.

The City had the following recurring fair value measurements as of June 30, 2018:

	Level 1	Level 2	Level 3	Total
U.S. agencies	\$ -	\$ 2,087,236	\$ -	\$ 2,087,236
Municipal bonds	-	5,999,304	-	5,999,304
Commercial paper	-	1,003,223	-	1,003,223
Mutual funds	264,915	-	-	264,915
	<u>\$ 264,915</u>	<u>\$ 9,089,763</u>	<u>\$ -</u>	<u>\$ 9,354,678</u>

#### Pension and Other Employee Benefits Trust Fund Investments

Following is a summary of the pension and other employee benefits trust funds investments at fair value as of June 30, 2018:

Investment Type	Amount
Equity mutual funds	\$ 44,337,727
Fixed income mutual funds	16,274,276
Money market accounts	<u>2,203,343</u>
Total investments	<u>\$ 62,815,346</u>

*Custodial Credit Risk - Investments.* Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the trust funds will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Although its investment policy does not specifically address custodial credit risk (and its investments are uninsured and unregistered), the trust funds' investments are not exposed to custodial credit risk since the securities are held by the counterparty or its agent in the trust funds' name.

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

*Concentration of Credit Risk.* The pension and other employee benefits trust funds investment policy does not address concentration of credit risk. At June 30, 2018, there were no concentrations in securities of any one issuer greater than 5% of investment fair market value.

*Interest Rate Risk.* Interest rate risk is the risk that the market rate of securities in the portfolio will fall due to changes in market interest rates. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies.

The pension and other employee benefits trust funds investment policy does not address credit or interest rate risk.

*Rate of return.* For the year ended June 30, 2018, the annual money-weighted rate of return on pension and other postemployment benefits investments, net of investment expense, was as follows:

• Employees' Retirement System	7.85%
• Public Safety Employees' Retirement System	7.81%
• General Retiree Healthcare Plan:	2.99%
• Public Safety Retiree Healthcare Plan:	2.99%

The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

*Fair Value Measurements.* The pension and other employee benefits trust funds categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs - other than quoted prices - included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. These levels are determined by the City's investment managers. These are determined at the fund level based on a review of the investment's class, structure, and what kind of securities are held in funds. The investment managers will request the information from the fund managers, if necessary.

The pension and other employee benefits trust funds had the following recurring fair value measurements as of June 30, 2018:

	Level 1	Level 2	Level 3	Total
Equity mutual funds	\$ 44,337,727	\$ -	\$ -	\$ 44,337,727
Fixed income mutual funds	16,274,276	-	-	16,274,276
Money market accounts	1,349,645	853,698	-	2,203,343
Total investments	<u>\$ 61,961,648</u>	<u>\$ 853,698</u>	<u>\$ -</u>	<u>\$ 62,815,346</u>

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

#### 6. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts receivable	\$ 727,993	\$ 3,519,379
Special assessments receivable	424,786	1,800
Taxes receivable	15,879	-
Due from other governments	1,106,470	127,595
	<u>\$ 2,275,128</u>	<u>\$ 3,648,774</u>

Special assessments are the only receivables not expected to be collected within one year.

#### 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts payable	\$ 1,156,193	\$ 864,454
Accrued liabilities	654,719	40,166
Accrued interest payable	208,516	37,287
	<u>\$ 2,019,428</u>	<u>\$ 941,907</u>

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

Interfund balances are comprised of the following at year-end:

	Due from Other Funds	Due to Other Funds
General fund	\$ 51,864	\$ -
Nonmajor governmental funds	-	51,864
	<u>\$ 51,864</u>	<u>\$ 51,864</u>

The outstanding balances between funds result mainly from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. All interfund balances are expected to be collected within one year.

For the current fiscal year, interfund transfers consisted of the following:

	Transfers in
Transfers Out	Nonmajor Governmental Funds
General fund	\$ 1,970,512
Nonmajor governmental funds	598,479
	<u>\$ 2,568,991</u>

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.

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 9. CAPITAL ASSETS

Capital asset activity for the year of the City's governmental activities was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 1,642,187	\$ -	\$ -	\$ -	\$ 1,642,187
Rights-of-way	600,818	-	-	-	600,818
Work in progress	1,171,788	-	(352,597)	(819,191)	-
	<u>3,414,793</u>	<u>-</u>	<u>(352,597)</u>	<u>(819,191)</u>	<u>2,243,005</u>
Capital assets being depreciated:					
Infrastructure - roads	104,856,485	292,427	-	630,289	105,779,201
Infrastructure - sidewalks	5,726,137	-	-	-	5,726,137
Buildings	19,634,675	-	-	-	19,634,675
Improvements	3,825,410	-	-	188,902	4,014,312
Library collection	585,814	41,245	(4,125)	-	622,934
Vehicles and equipment	4,295,811	161,057	-	-	4,456,868
Other equipment	1,846,599	29,512	-	-	1,876,111
	<u>140,770,931</u>	<u>524,241</u>	<u>(4,125)</u>	<u>819,191</u>	<u>142,110,238</u>
Less accumulated depreciation for:					
Infrastructure - roads	(84,804,139)	(1,702,409)	-	-	(86,506,548)
Infrastructure - sidewalks	(3,500,936)	(196,361)	-	-	(3,697,297)
Buildings	(4,096,957)	(410,805)	-	-	(4,507,762)
Improvements	(1,813,806)	(172,400)	-	-	(1,986,206)
Library collection	(386,816)	(37,038)	4,125	-	(419,729)
Vehicles and equipment	(3,326,405)	(139,577)	-	-	(3,465,982)
Other equipment	(1,484,693)	(112,609)	-	-	(1,597,302)
	<u>(99,413,752)</u>	<u>(2,771,199)</u>	<u>4,125</u>	<u>-</u>	<u>(102,180,826)</u>
Total capital assets being depreciated, net	<u>41,357,179</u>	<u>(2,246,958)</u>	<u>-</u>	<u>819,191</u>	<u>39,929,412</u>
Governmental activities					
capital assets, net	<u>\$ 44,771,972</u>	<u>\$ (2,246,958)</u>	<u>\$ (352,597)</u>	<u>\$ -</u>	<u>\$ 42,172,417</u>



# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

Capital asset activity for the year of the City's business-type activities was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-type activities</b>					
Capital assets not being depreciated:					
Land	\$ 11,502	\$ -	\$ -	\$ -	\$ 11,502
Work in progress	1,479,085	109,297	-	-	1,588,382
	<u>1,490,587</u>	<u>109,297</u>	<u>-</u>	<u>-</u>	<u>1,599,884</u>
Capital assets being depreciated:					
Buildings	86,500	-	-	-	86,500
Garage	24,564	-	-	-	24,564
Vehicles and equipment	1,216,246	-	-	-	1,216,246
Water system	13,848,553	369,617	-	-	14,218,170
Water - hydrants	560,836	45,000	-	-	605,836
Water - tanks	166,833	252,500	-	-	419,333
Water - pump station	1,074,290	-	-	-	1,074,290
Water - master meter	27,514	-	-	-	27,514
Water - reservoir	852,719	-	-	-	852,719
Water - reservoir pump	677,557	-	-	-	677,557
Sewer system	20,190,186	319,403	-	-	20,509,589
	<u>38,725,798</u>	<u>986,520</u>	<u>-</u>	<u>-</u>	<u>39,712,318</u>
Less accumulated depreciation for:					
Buildings	(84,333)	(867)	-	-	(85,200)
Garage	(24,564)	-	-	-	(24,564)
Vehicles and equipment	(1,050,786)	(69,164)	-	-	(1,119,950)
Water system	(4,649,390)	(160,489)	-	-	(4,809,879)
Water - hydrants	(440,642)	(6,531)	-	-	(447,173)
Water - tanks	(166,833)	(25,250)	-	-	(192,083)
Water - pump station	(936,168)	(14,329)	-	-	(950,497)
Water - master meter	(22,355)	(344)	-	-	(22,699)
Water - reservoir	(555,946)	(1,962)	-	-	(557,908)
Water - reservoir pump	(340,595)	(18,285)	-	-	(358,880)
Sewer system	(3,958,487)	(513,564)	-	-	(4,472,051)
	<u>(12,230,099)</u>	<u>(810,785)</u>	<u>-</u>	<u>-</u>	<u>(13,040,884)</u>
Total capital assets being depreciated, net	<u>26,495,699</u>	<u>175,735</u>	<u>-</u>	<u>-</u>	<u>26,671,434</u>
<b>Business-type activities</b>					
capital assets, net	<u>\$ 27,986,286</u>	<u>\$ 285,032</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,271,318</u>

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

Depreciation expense was charged to governmental activities functions as follows:

General government	\$ 695,814
Road maintenance and repair	1,898,770
Library	37,038
Internal service funds	<u>139,577</u>
Total governmental activities	<u>\$ 2,771,199</u>

## 10. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2018:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds					
2012 Refunding Street Improvement, installments of \$520,000 to \$660,000 through May 1, 2028, interest at 2.0 to 3.0%	\$ 6,930,000	\$ -	\$ (590,000)	\$ 6,340,000	\$ 615,000
2015 Refunding Bond, installments of \$415,000 to \$755,000 through May 1, 2030, interest at 4.0%	7,410,000	-	(430,000)	6,980,000	445,000
2010 Municipal Complex, installments of \$50,000 to \$925,000 through May 1, 2036, interest at 2.5 to 7.0%	<u>11,575,000</u>	<u>-</u>	<u>(400,000)</u>	<u>11,175,000</u>	<u>400,000</u>
Total governmental activities bonds	25,915,000	-	(1,420,000)	24,495,000	1,460,000
Unamortized premium					
2012 G.O.	110,399	-	(10,036)	100,363	10,036
2015 G.O.	743,756	-	(53,126)	690,630	53,126
Capital lease	2,145,000	-	(75,000)	2,070,000	80,000
Compensated absences	<u>1,683,366</u>	<u>1,029,496</u>	<u>(779,342)</u>	<u>1,933,520</u>	<u>780,000</u>
Total governmental activities	<u>\$ 30,597,521</u>	<u>\$ 1,029,496</u>	<u>\$ (2,337,504)</u>	<u>\$ 29,289,513</u>	<u>\$ 2,383,162</u>

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Business-type activities					
Water revenue bonds					
George W. Kuhn Drain					
installments of \$65,707 to					
\$1,054,343 through April 1,					
2029, interest at 1.625% to					
2.5%	\$ 7,140,320	\$ -	\$ (963,931)	\$ 6,176,389	\$ 983,501
Claims and judgments	-	2,850,000	-	2,850,000	500,000
Compensated absences	276,694	62,788	(95,930)	243,552	96,000
Total business-type activities	<u>\$ 7,417,014</u>	<u>\$ 2,912,788</u>	<u>\$ (1,059,861)</u>	<u>\$ 9,269,941</u>	<u>\$ 1,579,501</u>

Annual debt service requirements to maturity for long-term debt are as follows:

Year Ended June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 1,540,000	\$ 913,685	\$ 983,501	\$ 149,080
2020	1,580,000	870,365	1,006,432	125,394
2021	1,620,000	825,293	1,029,370	101,145
2022	1,675,000	775,642	1,054,343	76,339
2023	1,725,000	724,216	853,582	50,927
2024-2028	9,520,000	2,737,277	1,183,454	55,262
2029-2033	5,705,000	1,213,582	65,707	1,643
2034-2036	3,200,000	259,185	-	-
	<u>\$ 26,565,000</u>	<u>\$ 8,319,245</u>	<u>\$ 6,176,389</u>	<u>\$ 559,790</u>

All general obligation bonded debt is supported by the City's full faith and credit. Interest is payable on all obligations semi-annually. Principal is paid on an annual basis.

The City is a participating community in the George W. Kuhn drain project. The project is administered by the Oakland County Drain Commission and financed through the sale of drain bonds, a State of Michigan revolving loan fund, federal and state grants, and contributions from Oakland County. The City along with 13 other local communities are obligated for payment of principal and interest of the outstanding debt. It is currently anticipated that the City's total obligation at the end of construction will be approximately \$15.6 million with an interest rate ranging from 1.625% to 2.5%. As of June 30, 2018, the City's outstanding obligation is approximately \$6.18 million and incurred interest expense of \$165,129 for the year then ended. Due to the current construction of the project, the sale of drain bonds and draws from the revolving fund are being incurred on an as needed basis and thus an accurate schedule of principal and interest payments cannot be determined at this time.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

Several years ago, a class action lawsuit was filed against the City related to its water and sewer rates. In October 2018, a settlement was reached whereby the City will pay \$2,850,000 to resolve the claims of the class. Within one week of the settlement date, a payment of \$500,000 was made. Subsequently, a payment of \$587,500 is to be made each year for the next four years. Annual payment requirements are as follows:

Year Ended June 30,	Amount
2019	\$ 500,000
2020	587,500
2021	587,500
2022	587,500
2023	<u>587,500</u>
	<u>\$ 2,850,000</u>

#### 11. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases insurance coverage through public entity risk pools or commercial carriers. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

#### 12. PROPERTY TAXES

Property taxes are levied based on taxable values of property located in the City. Taxable values are established annually. The taxable property values for the 2017 tax levy are as follows:

Real property	\$ 425,385,100
Personal property	<u>33,550,020</u>
Total	<u>\$ 458,935,120</u>

For the current fiscal year, the City levied 19.7007 mills for general governmental services, 1.4690 mills for library services, 6.8953 mills for public safety pension (Public Act 345), 2.9088 mills for solid waste, and 5.1950 mills for long-term debt retirement.

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 13. TAX ABATEMENTS

The City received reduced property tax revenues during fiscal year 2018 as a result of industrial facilities tax exemptions (IFT's) agreements.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the City. The abatements amounted to approximately \$92,500 in reduced City tax revenues for fiscal year 2018.

### 14. DEFINED BENEFIT PENSION PLANS

*Plans Administration.* The City of Oak Park has two defined benefit pension plans, the Employees' Retirement System ("ERS", which covers general employees) and the Public Safety Employees' Retirement System ("PS", which covers police and fire employees). Originally, the City had a single pension plan that covered both employee groups, but effective with the June 30, 2013 actuarial valuation the original plan was split into these two plans.

The original plan was established by Chapter 15 of the City Charter as a single-employer defined benefit pension plan covering all employees of the City hired before August 1, 2004. General employees hired after August 1, 2004 and employees belonging to the AFSCME union hired after July 1, 2006 are part of the defined contribution pension plan described below. The separate plans were established by the City Council under the authority of Chapter 15 of the City Charter.

The City is the administrator of both the original defined benefit plan and now the two separate plans. Administrative costs of the plans are financed through investment earnings. The plans are included as pension trust funds in the City's financial statements; stand-alone financial reports of the plans have not been issued.

The financial statements of the plans are prepared using the accrual basis of accounting. Member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Plan investments are stated at fair value which is determined as follows: (a) short-term investments are reported at cost, which approximates fair value; (b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; (c) investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the System's governing body, with the assistance of a valuation service; and (d) cash deposits are reported at carrying amounts which reasonably approximates fair value.

Management of the ERS is vested in the City of Oak Park Employees' Retirement System Board of Trustees, which consists of five members, one is the City Manager of the City of Oak Park, one is a citizen member of the City of Oak Park, two members are elected by the active participants of the Plan, and one is appointed by City Council.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

Management of the PS is vested in the City of Oak Park Public Safety Retirement System Board of Trustees, which consists of five members, one is the City Manager of the City of Oak Park, one is an active member from the Command Officers Union group, one is an active member of the Public Safety Officers Union group, and two are appointed by the City Council.

*Plans Membership.* Membership of the plans consisted of the following at June 30, 2017, the date of the latest actuarial valuation for each plan:

	General	Public Safety
Retirees and beneficiaries currently receiving benefits	150	98
Inactive employees entitled to benefits	17	5
Active employees	27	52
Total	194	155

*Benefits Provided.* Employees retiring with ten or more years of service are entitled to annual pension benefits. ERS employees may retire at age 55, with retirement mandatory at age 70 without the employer's consent to continue. ERS non-union employees may retire after 25 years of service, regardless of age. PS employees may retire at age 50, with retirement mandatory at age 60 without the employer's consent to continue. PS employees may retire after 25 years of service, regardless of age.

Vested employees receive a retirement benefit based on a formula established by a negotiated union contract or City Ordinance. The benefit of ERS employees is generally based on a multiplier of 2.5 times the five-year final average compensation. The benefit of PS employees is generally based on a multiplier 2.8 times the three-year final average compensation. Employees can also receive a benefit based on a disability that occurred on the job (duty disability), a disability that occurred outside employment (non-duty disability), or death (paid to surviving spouse or dependent). Benefits can be amended by City Ordinance (voted on by a majority of City Council) or a negotiated contract with union groups.

*Employee Contributions.* Eligible ERS employees are required to contribute 3.25% of compensation to the plan. Eligible PS employees are required to contribute 8.50% of their annual compensation to the plan.

*Employer Contributions.* The City is required to contribute at annual actuarially determined rate to provide assets sufficient to pay benefits to plan members. The rate paid in fiscal year 2018 by the City is 84.69% of annual covered payroll for ERS members and 57.50% of annual covered payroll for PS members.

Employer and employee contributions are established, and may be amended, by City Charter and Council approved union contracts.

*Net Pension Liability.* The City's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 (rolled forward to June 30, 2018).

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

*Actuarial Assumptions.* The total pension liability was determined by respective actuarial valuations as of June 30, 2017 (and rolled forward to June 30, 2018), using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Varies
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation
Mortality rate	RP-2000 Combined Mortality Table

Changes in assumptions -

Employee's Retirement System:

The assumption that mortality and disability decrements do not occur during the first five years of employment was removed; liability load for "roll-in amounts" decreased from 9.00% to 4.00%; adjusted dates of hire were added to the data to reflect the adjusted service accurately; discount rate was decreased from 8.00% to 7.00%.

Public Safety Employee's Retirement System:

The assumption that mortality and disability decrements do not occur during the first five years of employment was removed; liability load for "roll-in amounts" decreased from 12.50% to 7.00%; liability load for subsidized service purchases was removed and replaced with actual adjusted service dates; discount rate was changed from 7.52% to 7.00%

The actuarial assumptions used in the June 30, 2017 valuations were based on the results of an actuarial experience study for the period April 2013 through March 2014.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

The long-term expected rate of return on pension plan investments (for both ERS and PS) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 (see the discussion below of the investment allocation policy) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equities:		
Large cap	26%	7.38%
Mid cap	11%	8.25%
Small cap	7%	8.35%
International equities:		
Developed	15%	8.38%
Small cap	3%	8.55%
Emerging markets	3%	10.15%
Fixed income:		
Core	23%	4.10%
Leveraged loans	3%	5.53%
Real estate	4%	9.49%
Cash	2%	3.87%
Infrastructure	3%	6.75%
	<u>100%</u>	

*Investment Allocation Policy.* The plans' policy in regard to the allocation of invested assets is established and may be amended by the respective Board of Trustees. The policy pursues an investment strategy that protects the financial health of the plans and reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Plan assets will be invested in the broad investment categories and asset classes to achieve the allocation targets below. Recognizing that asset returns may vary, causing fluctuations in the relative dollar value levels of assets within classes, the plans may not maintain strict adherence to the targets in the short-term, but may allow the values to fluctuate within these ranges. Over the long-term, the plans will strive to adhere to the given targets as financially practicable and move toward target allocations in a prudent manner consistent with its fiduciary duty.

*Discount Rate.* A single discount rate of 7.0% for ERS and PS was used to measure the respective total pension liabilities. The discount rate is equal to the long-term expected rate of return. The projection of cash flows used to determine the respective single discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the ERS and PS's fiduciary net position was projected, using the long-term expected rate of return, to be sufficient to make all projected future benefit payments of current plan members.



## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

*Changes in the Net Pension Liability.* The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<i>Employees' Retirement System</i>			
Balances at June 30, 2017	\$ 40,735,745	\$ 19,305,654	21,430,091
Changes for the year:			
Service cost	246,853	-	246,853
Interest	2,679,864	-	2,679,864
Differences between expected and actual experience	(486,200)	-	(486,200)
Changes in assumptions	(807,180)	-	(807,180)
Employer contributions	-	1,445,558	(1,445,558)
Employee contributions	-	51,977	(51,977)
Net investment income	-	1,461,332	(1,461,332)
Benefit payments, including refunds of employee contributions	(2,893,955)	(2,893,955)	-
Other changes	48,778	-	48,778
Net changes	(1,211,840)	64,912	(1,276,752)
Balances at June 30, 2018	\$ 39,523,905	\$ 19,370,566	\$ 20,153,339

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<i>Public Safety Employees' Retirement System</i>			
Balances at June 30, 2017	\$ 71,651,880	\$ 40,470,218	\$ 31,181,662
Changes for the year:			
Service cost	837,339	-	837,339
Interest	5,173,752	-	5,173,752
Differences between expected and actual experience	446,463	-	446,463
Changes in assumptions	3,895,295	-	3,895,295
Employer contributions	-	2,551,000	(2,551,000)
Employee contributions	-	407,715	(407,715)
Net investment income	-	3,096,956	(3,096,956)
Benefit payments, including refunds of employee contributions	(4,121,370)	(4,121,370)	-
Other changes	(1,628,637)	-	(1,628,637)
Net changes	4,602,842	1,934,301	2,668,541
Balances at June 30, 2018	\$ 76,254,722	\$ 42,404,519	\$ 33,850,203

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
General	\$ 23,884,597	\$ 20,153,339	\$ 16,953,334
Public Safety	42,421,871	33,850,203	26,651,836
Total	\$ 66,306,468	\$ 54,003,542	\$ 43,605,170

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

*Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions.* For the year ended June 30, 2018, the City recognized pension expense of \$401,268 and \$4,065,393, for the ERS and PS systems, respectively. At June 30, 2018, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
<i>Employees' Retirement System</i>			
Net difference between projected and actual earnings on pension plan investments	\$ 391,872	\$ -	\$ 391,872
<i>Public Safety Employees' Retirement System</i>			
Difference between expected and actual experience	424,687	100,491	324,196
Changes in assumptions	2,670,359	874,338	1,796,021
Net difference between projected and actual earnings on pension plan investments	1,047,121	-	1,047,121
	<u>4,142,167</u>	<u>974,829</u>	<u>3,167,338</u>
Total	<u>\$ 4,534,039</u>	<u>\$ 974,829</u>	<u>\$ 3,559,210</u>

Amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense through annual amortization as follows:

Year Ended June 30,	Employees' Retirement System	Public Safety Employees' Retirement System
2019	\$ 330,403	\$ 1,575,768
2020	180,293	1,575,079
2021	(124,275)	(2,340)
2022	5,451	18,831
	<u>\$ 391,872</u>	<u>\$ 3,167,338</u>

The net pension liability is generally liquidated by the general fund.

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 15. 45th DISTRICT COURT PENSION PLANS

The 45th District Court's defined contribution plan, 457 plan and health savings plan are held in trust. The District Court contributes 7.5% of compensation for full-time and part-time employees, the 457 plan is voluntary with employees making up to 3% contribution and the employer matching up to 3% (full-time employees only), and the health savings plan is for full-time employees hired after July 2009, where the employer contributes 3% of compensation and employees are allowed to contribute payments (post-tax) to this plan with no matching. The third party administrator for this plan is MERS. The plans cost to the 45th District Court for the fiscal year ended June 30, 2018 was \$97,483. The defined contribution pension cost to the employees was \$0. Contributions to the plan are recognized when due and payable. Plan provisions and contribution rates are established and may be amended by resolution of the City Council. Unvested benefits forfeited by employees who leave employment early are redistributed to active participants.

### 16. DEFINED CONTRIBUTION PENSION PLAN

The City of Oak Park defined contribution pension plan provides retirement benefits to general employees hired after August 1, 2004 and employees belonging to the TPOAM union hired after July 1, 2006. The City contributes 7.5% of covered payroll and will match an employee's voluntary contribution up to 3% of covered payroll. Plan provisions and contribution requirements are established by City Council. Total contributions for the year ended June 30, 2018 were \$78,237 by employees and \$264,577 by the City. The City contributes 3% of covered payroll to a health savings plan for general employees hired after August 1, 2004 and employees belonging to the TPOAM union hired after July 1, 2006. There are 48 plan members at June 30, 2018. The City contributes 1% of covered payroll to a health savings plan for POAM, POLC and Dispatchers hired after March 1, 2013. There are 15 plan members at June 30, 2018.

### 17. POSTEMPLOYMENT HEALTH BENEFITS

*Plan Administration.* The City provides a single-employer defined benefit postemployment group hospitalization plan for its general employees and group hospitalization, dental and optical plans for its public safety employees hired before August 1, 2004. Group hospitalization, dental and optical plans are provided for district court employees. The City contributes 3% of covered payroll to a health savings plan for general employees hired after August 1, 2004 and employees belonging to the TPOAM union hired after July 1, 2006. These plans were established through the employees' union contracts; employees not covered by union contracts receive the same benefits that general employees receive.

The general employees' postemployment benefits and the public safety employees' coverage pass to the surviving spouse upon death of the retiree.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

The City pays 100% of the benefits for all public safety, court and general current retirees. Co-pays, at the percentage indicated below, are required for retirees who were hired after January 18, 1993 for public safety officers and July 1, 1992 for public safety command officers.

Years of Service	Employer Pays	Retiree Pays
0-9	0%	100%
10-14	55%	45%
15-19	75%	25%
20-24	85%	15%
25 and up	100%	0%

Expenditures for the premiums are paid and recognized as they become due. There is the added stipulation in the union contracts that once retirees and dependents reach age 65, they shall be converted to Medicare coverage.

The City has created a retiree's health care fund, an other employee benefit trust, in anticipation of pre-funding retiree's health care for general and public safety employees. The funds set aside are held in a fund authorized by Public Act 149 of the State of Michigan.

*Plans Membership.* Membership of the plans consisted of the following at June 30, 2018:

	General	Public Safety	Court
Inactive plan members receiving or entitled to future benefits	151	94	22
Covered Spouse/Dependents	78	87	14
Active plan members	22	38	8
Total	251	219	44

*Benefits Provided.* The City provides medical, pharmacy, dental, and vision for eligible retirees hired prior to July 1, 2010 and their dependents. Pre-Medicare benefits are provided through self-insured plans administered by Blue Cross Blue Shield of Michigan. Medicare Supplemental benefits are provided through fully-insured arrangements administered by Blue Cross Blue Shield of Michigan Medicare Advantage plan. The City Council has the authority to establish or amend benefit terms, to determine the types of benefits provided through the OPEB Plan, and to determine the classes of plan members covered.

*Contributions.* The City has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment; in other words, the plan may be financed on a pay-as-you-go basis. Administrative costs of the plan are paid for by the City's general fund. Plan participants are required to make co-payments, as noted above. For the year ended June 30, 2018, the City made an additional contribution over the pay-as-you-go amount of \$600,000.

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

*Actuarial Assumptions.* The total other postemployment liability was determined by respective actuarial valuations as of June 30, 2017 (and rolled forward to June 30, 2018), using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.0 percent
Salary increases	2.5 percent
Investment rate of return	4.5 percent, net of other postemployment benefit plan investment expense, including inflation
Healthcare cost trend rate	8.0 percent, graded down to 5.0%
Mortality rate	RPH-2014 adjusted to 2006 Total Data Set with MP-2017 (set-forward 10 years for disability).
Changes in assumptions	First valuation performed by Watkins Ross; discount rate lowered from 3.1% to 3.0%; trend rates changed from 6.0% graded down to 4.0% to 8.0% graded down to 5.0% for pre-65 claims, 5.0% for age 65 and after; mortality rates changed from RP-2014 Group Annuity Mortality Table 50/50 blend male/female to RPH-2014 adjusted to 2006 Total Data Set with MP-2017 (set-forward 10 years for disability).

The actuarial assumptions used in the June 30, 2017 valuations were based on the results of an actuarial experience study for the period April 2013 through March 2014.

The long-term expected rate of return on other postemployment benefit plan investments (for General, Public Safety, and Court) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the other postemployment benefit plan's target asset allocation as of June 30, 2018 (see the discussion below of the investment allocation policy) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fidelity 500 Index Premium	25%	10.00%
Pooled cash	75%	0.00%
	<u>100%</u>	

*Investment Allocation Policy.* The plans' policy in regard to the allocation of invested assets is established and may be amended by the respective Board of Trustees. The policy pursues an investment strategy that protects the financial health of the plans and reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Plan assets will be invested in the broad investment categories and asset classes to achieve the allocation targets above. Recognizing that asset returns may vary, causing fluctuations in the relative dollar value levels of assets within classes, the plans may not maintain strict adherence to the targets in the short-term, but may allow the values to fluctuate within these ranges. Over the long-term, the plans will strive to adhere to the given targets as financially practicable and move toward target allocations in a prudent manner consistent with its fiduciary duty.

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

*Discount Rate.* A single discount rate of 3.0% for General, Public Safety, and Court was used to measure the respective total other postemployment benefit liabilities. The assets are not projected to be sufficient to make projected future benefit payments of current plan members beyond the first year. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the “depletion date”), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. The discount rate is used to determine the total OPEB liability. The discount rate used as of June 30, 2017 was 3.1%

*Changes in the Net Other Postemployment Benefit Liability.* The components of the change in the net other postemployment benefit liability are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<i>General Retiree Healthcare Plan</i>			
Balances at June 30, 2017, as restated	\$ 35,219,662	\$ 1,158,422	\$ 34,061,240
Changes for the year:			
Service cost	304,260	-	304,260
Interest	1,076,780	-	1,076,780
Differences between expected and actual experience	1,107,922	-	1,107,922
Changes in assumptions	3,071,218	-	3,071,218
Employer contributions	-	1,878,228	(1,878,228)
Net investment income	-	38,027	(38,027)
Benefit payments, including refunds of employee contributions	(1,578,228)	(1,578,228)	-
Net changes	3,981,952	338,027	3,643,925
Balances at June 30, 2018	\$ 39,201,614	\$ 1,496,449	\$ 37,705,165

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<i>Public Safety Retiree Healthcare Plan</i>			
Balances at June 30, 2017	\$ 37,656,846	\$ 1,935,473	\$ 35,721,373
Changes for the year:			
Service cost	525,509	-	525,509
Interest	1,164,989	-	1,164,989
Differences between expected and actual experience	(575,996)	-	(575,996)
Changes in assumptions	7,594,136	-	7,594,136
Employer contributions	-	1,504,145	(1,504,145)
Net investment income	-	63,534	(63,534)
Benefit payments, including refunds of employee contributions	(1,204,145)	(1,204,145)	-
Net changes	7,504,493	363,534	7,140,959
Balances at June 30, 2018	\$ 45,161,339	\$ 2,299,007	\$ 42,862,332
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<i>Court Retiree Healthcare Plan</i>			
Balances at June 30, 2017, as restated	\$ 4,737,968	\$ -	\$ 4,737,968
Changes for the year:			
Service cost	68,132	-	68,132
Interest	143,650	-	143,650
Differences between expected and actual experience	1,076,251	-	1,076,251
Changes in assumptions	291,606	-	291,606
Employer contributions	-	344,463	(344,463)
Benefit payments, including refunds of employee contributions	(344,463)	(344,463)	-
Net changes	1,235,176	-	1,235,176
Balances at June 30, 2018	\$ 5,973,144	\$ -	\$ 5,973,144



## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.* The following presents the net OPEB liability of the City, calculated using the discount rate of 3.0%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.0%) or 1% higher (4.0%) than the current rate:

	1% Decrease (2.0%)	Current Discount (3.0%)	1% Increase (4.0%)
General	\$ 44,881,119	\$ 37,705,165	\$ 32,162,246
Public Safety	51,841,068	42,862,332	35,953,434
Court	6,832,453	5,973,144	5,280,224
Total	<u>\$ 103,554,640</u>	<u>\$ 86,540,641</u>	<u>\$ 73,395,904</u>

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rate of 8.0% graded down to 5.0% over six year, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower (7.0% graded down to 4.0% over six years) or 1% higher (9.0% graded down to 6.0% over six years) than the current rate:

	1% Decrease (7.0% graded down to 4.0%)	Current Healthcare Cost Trend Rate (8.0% graded down to 5.0%)	1% Increase (9.0% graded down to 6.0%)
General	\$ 32,256,234	\$ 37,705,165	\$ 44,654,644
Public Safety	35,524,595	42,862,332	52,498,435
Court	5,281,166	5,973,144	6,827,136
Total	<u>\$ 73,061,995</u>	<u>\$ 86,540,641</u>	<u>\$ 103,980,215</u>

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

*Other postemployment benefit expense and deferred outflows/inflows of resources related to other postemployment benefits.* For the year ended June 30, 2018, the City recognized other postemployment benefit expense of \$5,125,548, \$4,514,806, and \$1,455,288, for the General, Public Safety, and Court retiree healthcare plans, respectively. At June 30, 2018, the City reported deferred outflows and inflows of resources related to other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
<i>General Retiree Healthcare Plan</i>			
Difference between expected and actual experience	\$ 100,720	\$ -	\$ 100,720
Changes in assumptions	279,202	-	279,202
Net difference between projected and actual earnings on other postemployment benefit plan investments	16,682	-	16,682
	<u>396,604</u>	<u>-</u>	<u>396,604</u>
<i>Public Safety Retiree Healthcare Plan</i>			
Difference between expected and actual experience	-	336,994	(336,994)
Changes in assumptions	4,443,042	-	4,443,042
Net difference between projected and actual earnings on other postemployment benefit plan investments	24,250	-	24,250
	<u>4,467,292</u>	<u>336,994</u>	<u>4,130,298</u>
<i>Court Retiree Healthcare Plan</i>			
Difference between expected and actual experience	\$ 97,841	\$ -	\$ 97,841
Changes in assumptions	26,510	-	26,510
Net difference between projected and actual earnings on other postemployment benefit plan investments	-	-	-
	<u>124,351</u>	<u>-</u>	<u>124,351</u>
<b>Total</b>	<b><u>\$ 4,988,247</u></b>	<b><u>\$ 336,994</u></b>	<b><u>\$ 4,651,253</u></b>

The net other postemployment benefit liability is generally liquidated by the general fund.

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

Amounts reported as deferred outflows and inflows of resources related to other postemployment benefits will be recognized in other postemployment benefits expense through annual amortization as follows:

Year Ended June 30,	General Employees' Retirement System	Public Safety Employees' Retirement System	Court Employees' Retirement System	Total
2019	\$ 384,092	\$ 4,112,110	\$ 124,351	\$ 4,620,553
2020	4,170	6,062	-	10,232
2021	4,170	6,062	-	10,232
2022	4,172	6,064	-	10,236
	<u>\$ 396,604</u>	<u>\$ 4,130,298</u>	<u>\$ 124,351</u>	<u>\$ 4,651,253</u>

## 18. FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT FUNDS

	Plan Net Position			
	Employees' Retirement System	Public Safety Employees' Retirement System	Retiree Health Care - General and Public Safety	Total
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 392,310	\$ 2,941,758	\$ 3,334,068
Due from other governments	24,053	65,600	-	89,653
Investments, at fair value:				
Equity mutual funds	14,048,012	30,289,715	-	44,337,727
Fixed income mutual funds	5,080,448	11,193,828	-	16,274,276
Money market accounts	492,804	856,841	853,698	2,203,343
<b>Total assets</b>	<b>19,645,317</b>	<b>42,798,294</b>	<b>3,795,456</b>	<b>66,239,067</b>
<b>Liabilities</b>				
Accounts payable	274,751	393,775	-	668,526
<b>Net position</b>				
Restricted for pension and other postemployment benefits	<u>\$ 19,370,566</u>	<u>\$ 42,404,519</u>	<u>\$ 3,795,456</u>	<u>\$ 65,570,541</u>

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

	Changes in Plan Net Position			
	Employees' Retirement System	Public Safety Employees' Retirement System	Retiree Health Care - General and Public Safety	Total
<b>Additions</b>				
Contributions:				
Employer	\$ 1,445,558	\$ 2,551,000	\$ 3,382,373	\$ 7,378,931
Plan members	51,977	407,715	-	459,692
Total contributions	<u>1,497,535</u>	<u>2,958,715</u>	<u>3,382,373</u>	<u>7,838,623</u>
Investment income:				
Net change in fair value of investments	1,059,205	2,216,091	89,156	3,364,452
Interest	1,001	1,955	25,012	27,968
Dividends	480,668	1,016,355	-	1,497,023
Total investment income	<u>1,540,874</u>	<u>3,234,401</u>	<u>114,168</u>	<u>4,889,443</u>
Less: investment expense	<u>(79,542)</u>	<u>(137,445)</u>	<u>(12,607)</u>	<u>(229,594)</u>
Net investment income	<u>1,461,332</u>	<u>3,096,956</u>	<u>101,561</u>	<u>4,659,849</u>
<b>Total additions</b>	<b>2,958,867</b>	<b>6,055,671</b>	<b>3,483,934</b>	<b>12,498,472</b>
<b>Deductions</b>				
Benefits	<u>2,893,955</u>	<u>4,121,370</u>	<u>2,782,373</u>	<u>9,797,698</u>
<b>Change in net position</b>	<b>64,912</b>	<b>1,934,301</b>	<b>701,561</b>	<b>2,700,774</b>
Net position, beginning of year	<u>19,305,654</u>	<u>40,470,218</u>	<u>3,093,895</u>	<u>62,869,767</u>
Net position, end of year	<u>\$ 19,370,566</u>	<u>\$ 42,404,519</u>	<u>\$ 3,795,456</u>	<u>\$ 65,570,541</u>

## 19. JOINT VENTURES

The City is a member of the Southeastern Oakland County Resource Recovery Authority (the "Authority") which consists of 12 municipalities in Oakland County and provides refuse disposal services for the benefit of member municipalities. The City appoints one member of the joint venture's governing board and controls six of 69 votes. The governing board approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2018, the last available audited financial statements, the Authority reported a decrease in net position in the amount of \$709,616, resulting in ending net position in the amount of \$4,149,868. During the year ended June 30, 2018, the City expended \$1,829,071 of payments made to the Authority. The City is unaware of any situation that would cause any additional financial benefit or burden related to the Authority. Complete financial statements for the Southeastern Oakland County Resource Recovery Authority can be obtained from its administrative offices at 3910 Webster Road, Royal Oak, Michigan, 48073.

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 20. LEASES

The City of Oak Park has an agreement with Rolston Hockey, LLC for the operation of the City ice rink. Rolston will pay rent of \$2,500 each month, which is to be paid in advance by the tenth of the month. The City may terminate the contract only if Rolston fails to perform the terms and conditions of the contract. The City received \$30,000 from Rolston for the fiscal year ended June 30, 2018.

The City of Oak Park has an agreement with Hatzalah of Michigan for use of building space. Hatzalah will pay rent of \$826 each month, which is to be paid in advance by the first of the month. The term of the lease commenced on May 1, 2017 and expired on May 1, 2018, but was renewed on May 1, 2018, and expires on April 30, 2019. The City received \$9,084 from Hatzalah for the fiscal year ended June 30, 2018.

### 21. FUND BALANCES

A detailed listing of nonspendable, restricted, assigned and unassigned fund balances of governmental funds is as follows:

	General Fund	Nonmajor Governmental Funds	Total
Nonspendable -			
Prepays	\$ 422,560	\$ 61	\$ 422,621
Restricted for:			
Road surface repairs	-	2,071,466	2,071,466
Solid waste	-	1,217,168	1,217,168
Debt service	-	704,827	704,827
Library	-	123,127	123,127
Public safety	-	73,631	73,631
Courts	-	188,053	188,053
Unspent bond proceeds	-	42,674	42,674
Total restricted	-	4,640,051	4,640,051
Assigned for:			
Library	-	7,715	7,715
Municipal buildings	-	2,075,494	2,075,494
Total assigned	-	2,083,209	2,083,209
Unassigned (deficits)	3,472,254	(52,691)	3,419,563
Total fund balances	\$ 3,894,814	\$ 6,670,630	\$ 10,565,444

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 22. SUMMARY OF SIGNIFICANT CONTINGENCIES

There are several pending lawsuits in which the City is involved. The City Attorney estimates that potential claims against the City being defended by attorneys appointed by liability insurance carriers would not materially affect the operations or financial condition of the City. The City Attorney estimates, that while possible, it is not probable that the City will receive unfavorable rulings in any other lawsuits.

### 23. NET INVESTMENT IN CAPITAL ASSETS

The composition of the net investment in capital assets as of June 30, 2018, was as follows:

	Governmental Activities	Business-type Activities
Capital assets:		
Capital assets not being depreciated	\$ 2,243,005	\$ 1,599,884
Capital assets being depreciated, net	39,929,412	26,671,434
	<u>42,172,417</u>	<u>28,271,318</u>
Related debt:		
General obligation bonds	24,495,000	6,176,389
Unamortized bond premium	790,993	-
Capital lease	2,070,000	-
Less unamortized deferred loss on refunding	(167,652)	-
Less unexpended bond proceeds	(42,674)	-
	<u>27,145,667</u>	<u>6,176,389</u>
Net investment in capital assets	<u>\$ 15,026,750</u>	<u>\$ 22,094,929</u>

### 24. RESTATEMENT

The City adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the current year. As a result of this change, beginning net position of governmental activities and the water and sewer enterprise fund/business-type activities were decreased by \$45,353,449 and \$4,833,014, respectively.

### 25. SPECIAL ITEM

A class action lawsuit was filed in a prior year against the City related to its water and sewer rates. In October 2018, a settlement was reached whereby the City will pay \$2,850,000 to resolve the claims of the class. The first payment was made in October 2018.

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## REQUIRED SUPPLEMENTARY INFORMATION

## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

#### Employee's Retirement System and Public Safety Employee's Retirement System Schedule of Investment Returns

Fiscal Year Ended	Annual Money- Weighted Rate of Return, Net of Investment Expense
Employees' Retirement System	
6/30/2014	13.89%
6/30/2015	0.91%
6/30/2016	-1.72%
6/30/2017	11.59%
6/30/2018	7.85%
Public Safety Employees' Retirement System	
6/30/2014	17.37%
6/30/2015	-0.02%
6/30/2016	-1.35%
6/30/2017	11.69%
6/30/2018	7.81%

Note: GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.



# CITY OF OAK PARK, MICHIGAN

## Required Supplementary Information

### General Employees' Retirement System

#### Schedule of Changes in the City's Net Pension Liability and Related Ratios

	Year Ended June 30,				
	2014	2015	2016	2017	2018
Change in total pension liability					
Service cost	\$ 471,343	\$ 485,484	\$ 303,303	\$ 325,140	\$ 246,853
Interest	2,471,316	2,159,545	2,726,891	2,563,114	2,679,864
Differences between expected and actual experience	-	810,181	(136,533)	(56,941)	(486,200)
Changes of assumptions	-	(8,131,545)	4,952,784	(2,789,126)	(807,180)
Benefit payments, including refunds of member contributions	(3,237,481)	(3,165,651)	(3,079,825)	(3,081,680)	(2,893,955)
Other changes	-	-	-	-	48,778
Net change in total pension liability	(294,822)	(7,841,986)	4,766,620	(3,039,493)	(1,211,840)
Total pension liability, beginning	47,145,426	46,850,604	39,008,618	43,775,238	40,735,745
Total pension liability, ending (a)	46,850,604	39,008,618	43,775,238	40,735,745	39,523,905
Change in plan fiduciary net position					
Contributions - employer	1,367,086	1,272,539	1,336,565	1,338,260	1,445,558
Contributions - member	61,130	54,389	52,239	48,211	51,977
Net investment income (loss)	(3,162,566)	196,674	(326,643)	2,053,473	1,461,332
Benefit payments, including refunds of member contributions	(3,237,481)	(3,165,651)	(3,079,825)	(3,081,680)	(2,893,955)
Administrative expense	-	-	(4,531)	-	-
Other - transfer to Public Safety Employees' Retirement System	(31,376,710)	-	-	-	-
Net change in plan fiduciary net position	(36,348,541)	(1,642,049)	(2,022,195)	358,264	64,912
Plan fiduciary net position, beginning	58,960,175	22,611,634	20,969,585	18,947,390	19,305,654
Plan fiduciary net position, ending (b)	22,611,634	20,969,585	18,947,390	19,305,654	19,370,566
City's net pension liability, ending (a)-(b)	\$24,238,970	\$18,039,033	\$24,827,848	\$21,430,091	\$20,153,339
Plan fiduciary net position as a percentage of the total pension liability	48.3%	53.8%	43.3%	47.4%	49.0%
Covered payroll	\$ 1,998,057	\$ 1,885,123	\$ 1,786,708	\$ 1,695,162	\$ 1,706,969
City's net pension liability as a percentage of covered payroll	1213.1%	956.9%	1389.6%	1264.2%	1180.7%

Note: GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

# CITY OF OAK PARK, MICHIGAN

## Required Supplementary Information

### Public Safety Employees' Retirement System

#### Schedule of Changes in the City's Net Pension Liability and Related Ratios

	Year Ended June 30,				
	2014	2015	2016	2017	2018
Change in total pension liability					
Service cost	\$ 1,351,362	\$ 1,391,903	\$ 941,346	\$ 1,116,227	\$ 837,339
Interest	4,381,564	4,346,878	4,427,324	4,968,550	5,173,752
Differences between expected and actual experience	-	136,404	2,342,761	(251,605)	446,463
Changes of assumptions	-	(19,693,917)	3,938,301	(2,189,134)	3,895,295
Benefit payments, including refunds of member contributions	(4,961,937)	(4,280,101)	(4,378,526)	(4,431,882)	(4,121,370)
Other changes	-	-	-	-	(1,628,637)
Net change in total pension liability	770,989	(18,098,833)	7,271,206	(787,844)	4,602,842
Total pension liability, beginning	82,496,362	83,267,351	65,168,518	72,439,724	71,651,880
Total pension liability, ending (a)	83,267,351	65,168,518	72,439,724	71,651,880	76,254,722
Change in plan fiduciary net position					
Contributions - employer	2,869,461	2,438,761	2,521,391	2,387,270	2,551,000
Contributions - member	325,361	317,315	330,804	325,575	407,715
Net investment income (loss)	11,976,064	(7,748)	(513,784)	4,198,316	3,096,956
Benefit payments, including refunds of member contributions	(4,961,937)	(4,280,101)	(4,378,526)	(4,431,882)	(4,121,370)
Administrative expense	-	-	(10,848)	(11,984)	-
Other - transfer from Employees' Retirement System	31,376,710	-	-	-	-
Net change in plan fiduciary net position	41,585,659	(1,531,773)	(2,050,963)	2,467,295	1,934,301
Plan fiduciary net position, beginning	-	41,585,659	40,053,886	38,002,923	40,470,218
Plan fiduciary net position, ending (b)	41,585,659	40,053,886	38,002,923	40,470,218	42,404,519
City's net pension liability, ending (a)-(b)	\$41,681,692	\$25,114,632	\$34,436,801	\$31,181,662	\$33,850,203
Plan fiduciary net position as a percentage of the total pension liability	49.9%	61.5%	52.5%	56.5%	55.6%
Covered payroll	\$ 3,727,181	\$ 3,954,232	\$ 4,041,630	\$ 4,169,534	\$ 4,436,592
City's net pension liability as a percentage of covered payroll	1118.3%	635.1%	852.1%	747.8%	763.0%

Note: GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

#### Employee's Retirement System and Public Safety Employee's Retirement System Schedule of City Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Employees' Retirement System					
6/30/2014	\$ 1,211,912	\$ 1,367,086	\$ (155,174)	\$ 1,998,057	68.4%
6/30/2015	1,272,539	1,272,539	-	1,885,123	67.5%
6/30/2016	1,318,377	1,336,565	(18,188)	1,786,708	74.8%
6/30/2017	1,256,953	1,338,260	(81,307)	1,695,162	78.9%
6/30/2018	1,384,659	1,445,558	(60,899)	1,706,969	84.7%
Public Safety Employees' Retirement System					
6/30/2014	\$ 2,105,664	\$ 2,869,461	\$ (763,797)	\$ 3,727,181	77.0%
6/30/2015	2,159,875	2,438,761	(278,886)	3,954,232	61.7%
6/30/2016	2,326,055	2,521,391	(195,336)	4,041,630	62.4%
6/30/2017	2,314,911	2,387,270	(72,359)	4,169,534	57.3%
6/30/2018	2,550,106	2,551,000	(894)	4,436,592	57.5%

#### Notes to Schedule of Contributions

Valuation date	June 30, 2017
Notes	Actuarially determined contribution rates are calculated as of June 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.
Other information	There were no benefit changes during the year.

#### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	2.5% scale on amortization is applied to recognize increasing amortization payments
Remaining amortization period	26 years

## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

#### Employee's Retirement System and Public Safety Employee's Retirement System Schedule of City Contributions

Asset valuation method	The actuarial value of assets is equal to the prior year's actuarial value brought forward to the valuation date with contributions, benefit payments, and expected investment income. The excess/(deficit) of actual return on market assets over expected return on actuarial assets is the asset gain(loss) for the year. The rolled forward actuarial assets are then adjusted by adding/(subtracting) 20% of the asset gains/(losses) for each of the five preceding years. A final adjustment is made, if necessary, so the actuarial value of assets is no more than 120% nor less than 80% of the market value.
Inflation	2.50%
Salary increases	Varies
Investment rate of return	7% net of pension plan investment expense, including inflation
Mortality rates	RP-2000 Combined Mortality Table, projected to 2020 using Mortality Improvement Scale BB.
Changes in assumptions - Employee's Retirement System:	The assumption that mortality and disability decrements do not occur during the first five years of employment was removed; liability load for "roll-in amounts" decreased from 9.00% to 4.00%; adjusted dates of hire were added to the data to reflect the adjusted service accurately; discount rate was decreased from 8.00% to 7.00%.
Public Safety Employee's Retirement System:	The assumption that mortality and disability decrements do not occur during the first five years of employment was removed; liability load for "roll-in amounts" decreased from 12.50% to 7.00%; liability load for subsidized service purchases was removed and replaced with actual adjusted service dates; discount rate was changed from 7.52% to 7.00%

Note: GASB 67 was implemented in fiscal year 2014. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

#### General, Public Safety, and Court Retiree Healthcare Plan Schedule of Investment Returns

Fiscal Year Ended	Annual Money- Weighted Rate of Return, Net of Investment Expense
General Retiree Healthcare Plan:	
6/30/2017	3.59%
6/30/2018	2.99%
Public Safety Retiree Healthcare Plan:	
6/30/2017	3.59%
6/30/2018	2.99%
Court Retiree Healthcare Plan:	
6/30/2018	N/A (1)

(1) The Court Retiree Healthcare Plan is not pre-funded and has no assets.

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

# CITY OF OAK PARK, MICHIGAN

## Required Supplementary Information

### General Retiree Healthcare Plan

### Schedule of Changes in the City's Net OPEB Liability and Related Ratios

	Year Ended June 30,	
	2017	2018
Change in total OPEB liability		
Service cost	\$ 372,392	\$ 304,260
Interest	1,435,899	1,076,780
Differences between expected and actual experience	-	1,107,922
Changes of assumptions	7,013,108	3,071,218
Benefit payments, including refunds of member contributions	(1,545,294)	(1,578,228)
Net change in total OPEB liability	7,276,105	3,981,952
Total OPEB liability, beginning	32,681,525	39,957,630
Less amounts for Court Retiree Healthcare Plan (1)	-	(4,737,968)
Total OPEB liability, ending (a)	39,957,630	39,201,614
Change in plan fiduciary net position		
Contributions - employer	1,545,294	1,878,228
Net investment income	40,168	38,027
Benefit payments, including refunds of member contributions	(1,545,294)	(1,578,228)
Net change in plan fiduciary net position	40,168	338,027
Plan fiduciary net position, beginning	1,118,254	1,158,422
Plan fiduciary net position, ending (b)	1,158,422	1,496,449
City's net OPEB liability, ending (a)-(b)	\$38,799,208	\$37,705,165
Plan fiduciary net position as a percentage of the total OPEB liability	2.90%	3.82%
Covered payroll	\$ 2,105,252	\$ 1,706,969
City's net OPEB liability as a percentage of covered payroll	1842.97%	2208.90%

(1) The Court Retiree Healthcare Plan total OPEB liability was presented with the General Retiree Healthcare Plan for the year ended 6/30/2017, but is presented separately for the year ended 6/30/2018 (prospectively).

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

#### Public Safety Retiree Healthcare Plan

#### Schedule of Changes in the City's Net OPEB Liability and Related Ratios

	Year Ended June 30,	
	2017	2018
Change in total OPEB liability		
Service cost	\$ 525,509	\$ 525,509
Interest	1,307,879	1,164,989
Differences between expected and actual experience	-	(575,996)
Changes of assumptions	7,536,448	7,594,136
Benefit payments, including refunds of member contributions	(1,553,955)	(1,204,145)
Net change in total OPEB liability	7,815,881	7,504,493
Total OPEB liability, beginning	29,840,965	37,656,846
Total OPEB liability, ending (a)	37,656,846	45,161,339
Change in plan fiduciary net position		
Contributions - employer	1,553,955	1,504,145
Net investment income	67,112	63,534
Benefit payments, including refunds of member contributions	(1,553,955)	(1,204,145)
Net change in plan fiduciary net position	67,112	363,534
Plan fiduciary net position, beginning	1,868,361	1,935,473
Plan fiduciary net position, ending (b)	1,935,473	2,299,007
City's net OPEB liability, ending (a)-(b)	\$35,721,373	\$42,862,332
Plan fiduciary net position as a percentage of the total OPEB liability	5.14%	5.09%
Covered payroll	\$ 3,842,496	\$ 3,464,030
City's net OPEB liability as a percentage of covered payroll	929.64%	1237.35%

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

#### Court Retiree Healthcare Plan

#### Schedule of Changes in the City's Net OPEB Liability and Related Ratios

	Year Ended June 30, 2018
Change in total OPEB liability	
Service cost	\$ 68,132
Interest	143,650
Differences between expected and actual experience	1,076,251
Changes of assumptions	291,606
Benefit payments, including refunds of member contributions	(344,463)
Net change in total OPEB liability	1,235,176
 Total OPEB liability, beginning	 4,737,968
 Total OPEB liability, ending (a)	 5,973,144
 Covered payroll	 \$ 422,984
 City's net OPEB liability as a percentage of covered payroll	 1412.14%

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.



## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

#### General, Public Safety, and Court Retiree Healthcare Plan Schedule of City Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
General Retiree Healthcare Plan:					
6/30/2017	\$ 1,620,940	\$ 1,544,008	\$ 76,932	\$ 2,105,252	73.3%
6/30/2018	4,307,310	1,878,228	2,429,082	1,706,969	110.0%
Public Safety Retiree Healthcare Plan:					
6/30/2017	\$ 1,901,699	\$ 1,561,737	\$ 339,962	\$ 3,842,496	40.6%
6/30/2018	3,988,426	1,504,145	2,484,281	3,464,030	43.4%
Court Retiree Healthcare Plan:					
6/30/2018	\$ 625,762	\$ 344,463	\$ 281,299	\$ 422,984	81.4%

Note: GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

#### Notes to Schedule of Contributions

Valuation date	June 30, 2017 (rolled forward to June 30, 2018)
Notes	Actuarially determined contribution rates are calculated as of June 30 that is 12 months prior to the beginning of the fiscal year for which
Other information	There were no benefit changes during the year.

#### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of compensation, closed
Remaining amortization period	26 years
Asset valuation method	Market value
Healthcare inflation rate	8.0%, graded down to 5.0% over 6 years
Inflation rate	2.0%
Salary increases	2.5% with an age related merit increase scale applied
Investment rate of return	4.5%, including inflation
Mortality rates	RPH-2014 adjusted to 2006 Total Data Set with MP-2017 (set-forward 10 years for disability)

## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

#### General, Public Safety, and Court Retiree Healthcare Plan Schedule of City Contributions

##### Changes in assumptions

First valuation performed by Watkins Ross; discount rate lowered from 3.1% to 3.0%; trend rates changed from 6.0% graded down to 4.0% to 8.0% graded down to 5.0% for pre-65 claims, 5.0% for age 65 and after; mortality rates changed from RP-2014 Group Annuity Mortality Table 50/50 blend male/female to RPH-2014 adjusted to 2006 Total Data Set with MP-2017 (set-forward 10 years for disability).

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

# CITY OF OAK PARK, MICHIGAN

## Combining Balance Sheet Nonmajor Governmental Funds June 30, 2018

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental
<b>Assets</b>				
Cash and investments	\$ 3,336,992	\$ 743,827	\$ 2,361,149	\$ 6,441,968
Receivables:				
Special assessments	395,831	-	28,955	424,786
Accounts	505,932	-	19,822	525,754
Due from other governments	515,046	-	-	515,046
Prepaid items	61	-	-	61
<b>Total assets</b>	<u>\$ 4,753,862</u>	<u>\$ 743,827</u>	<u>\$ 2,409,926</u>	<u>\$ 7,907,615</u>
<b>Liabilities</b>				
Accounts payable	\$ 481,252	\$ -	\$ 31,988	\$ 513,240
Accrued liabilities	93,610	39,000	14,868	147,478
Due to other funds	51,864	-	-	51,864
<b>Total liabilities</b>	<u>626,726</u>	<u>39,000</u>	<u>46,856</u>	<u>712,582</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue - special assessments	395,831	-	25,797	421,628
Unavailable revenue - grants	102,775	-	-	102,775
<b>Total deferred inflows of resources</b>	<u>498,606</u>	<u>-</u>	<u>25,797</u>	<u>524,403</u>
<b>Fund balances</b>				
Nonspendable	61	-	-	61
Restricted	3,673,445	704,827	261,779	4,640,051
Assigned	7,715	-	2,075,494	2,083,209
Unassigned (deficit)	(52,691)	-	-	(52,691)
<b>Total fund balances</b>	<u>3,628,530</u>	<u>704,827</u>	<u>2,337,273</u>	<u>6,670,630</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 4,753,862</u>	<u>\$ 743,827</u>	<u>\$ 2,409,926</u>	<u>\$ 7,907,615</u>

# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2018

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental
<b>Revenues</b>				
Property taxes	\$ 1,971,937	\$ 2,382,897	\$ -	\$ 4,354,834
Special assessments	119,723	-	407,005	526,728
Intergovernmental:				
Federal grants	220,773	-	-	220,773
State grants	2,822,425	26,174	-	2,848,599
Charges for services	1,621,085	-	-	1,621,085
Fines and forfeitures	142,814	-	123,707	266,521
Interest income	16,463	3,501	7,087	27,051
Other revenue	78,113	-	455,830	533,943
<b>Total revenues</b>	<b>6,993,333</b>	<b>2,412,572</b>	<b>993,629</b>	<b>10,399,534</b>
<b>Expenditures</b>				
Current:				
Judicial	2,169,253	-	-	2,169,253
Public safety	37,406	-	-	37,406
Road maintenance and repair	2,184,807	-	-	2,184,807
Public works	-	-	42,516	42,516
Health and sanitation	2,726,238	-	-	2,726,238
Library	805,382	-	-	805,382
Community development	149,092	-	314,241	463,333
Debt service:				
Principal	-	1,495,000	-	1,495,000
Interest and fiscal charges	-	980,695	-	980,695
Capital outlay	-	-	134,188	134,188
<b>Total expenditures</b>	<b>8,072,178</b>	<b>2,475,695</b>	<b>490,945</b>	<b>11,038,818</b>
<b>Revenues over (under) expenditures</b>	<b>(1,078,845)</b>	<b>(63,123)</b>	<b>502,684</b>	<b>(639,284)</b>
<b>Other financing sources (uses)</b>				
Transfers in	2,199,856	150,656	218,479	2,568,991
Transfers out	(380,000)	-	(218,479)	(598,479)
<b>Total other financing sources</b>	<b>1,819,856</b>	<b>150,656</b>	<b>-</b>	<b>1,970,512</b>
<b>Net change in fund balances</b>	<b>741,011</b>	<b>87,533</b>	<b>502,684</b>	<b>1,331,228</b>
<b>Fund balances, beginning of year</b>	<b>2,887,519</b>	<b>617,294</b>	<b>1,834,589</b>	<b>5,339,402</b>
<b>Fund balances, end of year</b>	<b>\$ 3,628,530</b>	<b>\$ 704,827</b>	<b>\$ 2,337,273</b>	<b>\$ 6,670,630</b>

# CITY OF OAK PARK, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

Special Revenue Funds

June 30, 2018

	Major Streets	Local Streets	Solid Waste Fund	Narcotics Forfeiture
<b>Assets</b>				
Cash and investments	\$ 1,325,372	\$ 458,557	\$ 916,737	\$ 61,434
Receivables:				
Special assessments	395,831	-	-	-
Accounts	13,672	14,834	477,421	-
Due from other governments	324,267	116,587	-	-
Prepaid items	1	-	28	-
<b>Total assets</b>	<b>\$ 2,059,143</b>	<b>\$ 589,978</b>	<b>\$ 1,394,186</b>	<b>\$ 61,434</b>
<b>Liabilities</b>				
Accounts payable	\$ 111,552	\$ 4,328	\$ 153,472	\$ 459
Accrued liabilities	11,807	4,052	23,518	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>123,359</b>	<b>8,380</b>	<b>176,990</b>	<b>459</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - special assessments	395,831	-	-	-
Unavailable revenue - grants	38,945	11,139	-	-
<b>Total deferred inflows of resources</b>	<b>434,776</b>	<b>11,139</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
Nonspendable	1	-	28	-
Restricted	1,501,007	570,459	1,217,168	60,975
Assigned	-	-	-	-
Unassigned (deficits)	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>1,501,008</b>	<b>570,459</b>	<b>1,217,196</b>	<b>60,975</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 2,059,143</b>	<b>\$ 589,978</b>	<b>\$ 1,394,186</b>	<b>\$ 61,434</b>



Criminal Justice Training	Community Development Block Grant	Caseflow Assistance	Neighborhood Stabilization Program	Veterans Treatment Court Grant	45th District Court
\$ 13,056	\$ -	\$ 188,939	\$ -	\$ -	\$ 210,840
-	-	-	-	-	-
-	-	-	-	-	5
-	27,197	-	-	15,389	-
-	-	-	-	-	-
<u>\$ 13,056</u>	<u>\$ 27,197</u>	<u>\$ 188,939</u>	<u>\$ -</u>	<u>\$ 15,389</u>	<u>\$ 210,845</u>
\$ 400	\$ 3,773	\$ 886	\$ -	\$ 6,821	\$ 180,687
-	2,504	-	-	339	30,158
-	20,920	-	-	8,229	-
<u>400</u>	<u>27,197</u>	<u>886</u>	<u>-</u>	<u>15,389</u>	<u>210,845</u>
-	-	-	-	-	-
-	5,696	-	-	15,389	-
<u>-</u>	<u>5,696</u>	<u>-</u>	<u>-</u>	<u>15,389</u>	<u>-</u>
-	-	-	-	-	-
12,656	-	188,053	-	-	-
-	-	-	-	-	-
-	(5,696)	-	-	(15,389)	-
<u>12,656</u>	<u>(5,696)</u>	<u>188,053</u>	<u>-</u>	<u>(15,389)</u>	<u>-</u>
<u>\$ 13,056</u>	<u>\$ 27,197</u>	<u>\$ 188,939</u>	<u>\$ -</u>	<u>\$ 15,389</u>	<u>\$ 210,845</u>

continued...

# CITY OF OAK PARK, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

Special Revenue Funds

June 30, 2018

	Library	Mental Health Court Grant	Total
<b>Assets</b>			
Cash and investments	\$ 162,057	\$ -	\$ 3,336,992
Receivables:			
Special assessments	-	-	395,831
Accounts	-	-	505,932
Due from other governments	-	31,606	515,046
Prepaid items	32	-	61
<b>Total assets</b>	<b>\$ 162,089</b>	<b>\$ 31,606</b>	<b>\$ 4,753,862</b>
<b>Liabilities</b>			
Accounts payable	\$ 10,247	\$ 8,627	\$ 481,252
Accrued liabilities	20,968	264	93,610
Due to other funds	-	22,715	51,864
<b>Total liabilities</b>	<b>31,215</b>	<b>31,606</b>	<b>626,726</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - special assessments	-	-	395,831
Unavailable revenue - grants	-	31,606	102,775
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>31,606</b>	<b>498,606</b>
<b>Fund balances</b>			
Nonspendable	32		61
Restricted	123,127	-	3,673,445
Assigned	7,715	-	7,715
Unassigned (deficits)	-	(31,606)	(52,691)
<b>Total fund balances (deficits)</b>	<b>130,874</b>	<b>(31,606)</b>	<b>3,628,530</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 162,089</b>	<b>\$ 31,606</b>	<b>\$ 4,753,862</b>

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# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Special Revenue Funds

For the Year Ended June 30, 2018

	Major Streets	Local Streets	Solid Waste Fund	Narcotics Forfeiture
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ 1,311,904	\$ -
Special assessments	85,566	34,157	-	-
Intergovernmental:				
Federal grants	42,438	-	-	-
State grants	1,875,789	731,401	13,944	-
Charges for services	-	-	1,462,305	-
Fines and forfeitures	-	-	-	24,520
Interest income	5,441	3,202	4,362	225
Other revenue	71,730	533	-	-
<b>Total revenues</b>	<b>2,080,964</b>	<b>769,293</b>	<b>2,792,515</b>	<b>24,745</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	32,441
Road maintenance and repair	1,296,839	887,968	-	-
Health and sanitation	-	-	2,726,238	-
Library	-	-	-	-
Community development	-	-	-	-
<b>Total expenditures</b>	<b>1,296,839</b>	<b>887,968</b>	<b>2,726,238</b>	<b>32,441</b>
<b>Revenues over (under) expenditures</b>	<b>784,125</b>	<b>(118,675)</b>	<b>66,277</b>	<b>(7,696)</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	330,000	-	-
Transfers out	(330,000)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(330,000)</b>	<b>330,000</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>454,125</b>	<b>211,325</b>	<b>66,277</b>	<b>(7,696)</b>
<b>Fund balances (deficits), beginning of year</b>	<b>1,046,883</b>	<b>359,134</b>	<b>1,150,919</b>	<b>68,671</b>
<b>Fund balances (deficits), end of year</b>	<b>\$ 1,501,008</b>	<b>\$ 570,459</b>	<b>\$ 1,217,196</b>	<b>\$ 60,975</b>



Criminal Justice Training	Community Development Block Grant	Caseflow Assistance	Neighborhood Stabilization Program	Veterans Treatment Court Grant	45th District Court
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	140,339	-	35,996	-	-
8,941	-	15,912	-	18,432	91,448
-	-	-	-	-	143,576
-	-	-	-	-	47,461
-	-	687	-	-	-
-	-	-	-	-	-
8,941	140,339	16,599	35,996	18,432	282,485
-	-	43,325	-	33,867	2,030,095
4,965	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	144,234	-	4,858	-	-
4,965	144,234	43,325	4,858	33,867	2,030,095
3,976	(3,895)	(26,726)	31,138	(15,435)	(1,747,610)
-	-	-	-	-	1,799,363
-	-	-	-	-	-
-	-	-	-	-	1,799,363
3,976	(3,895)	(26,726)	31,138	(15,435)	51,753
8,680	(1,801)	214,779	(31,138)	46	(51,753)
\$ 12,656	\$ (5,696)	\$ 188,053	\$ -	\$ (15,389)	\$ -

continued...

# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Special Revenue Funds

For the Year Ended June 30, 2018

	Library	Mental Health Court Grant	Total
Revenues			
Property taxes	\$ 660,033	\$ -	\$ 1,971,937
Special assessments	-	-	119,723
Intergovernmental:			
Federal grants	2,000	-	220,773
State grants	34,637	31,921	2,822,425
Charges for services	15,204	-	1,621,085
Fines and forfeitures	70,833	-	142,814
Interest income	2,546	-	16,463
Other revenue	5,850	-	78,113
Total revenues	791,103	31,921	6,993,333
Expenditures			
Current:			
Judicial	-	61,966	2,169,253
Public safety	-	-	37,406
Road maintenance and repair	-	-	2,184,807
Health and sanitation	-	-	2,726,238
Library	805,382	-	805,382
Community development	-	-	149,092
Total expenditures	805,382	61,966	8,072,178
Revenues over (under) expenditures	(14,279)	(30,045)	(1,078,845)
Other financing sources (uses)			
Transfers in	70,000	493	2,199,856
Transfers out	(50,000)	-	(380,000)
Total other financing sources (uses)	20,000	493	1,819,856
Net change in fund balances	5,721	(29,552)	741,011
Fund balances (deficits), beginning of year	125,153	(2,054)	2,887,519
Fund balances (deficits), end of year	\$ 130,874	\$ (31,606)	\$ 3,628,530

concluded.

## CITY OF OAK PARK, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Major Streets Fund

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 68,555	\$ 84,660	\$ 85,566	\$ 906
Intergovernmental -				
Federal grants	-	272,902	42,438	(230,464)
State grants	1,485,957	1,729,740	1,875,789	146,049
Interest income	2,408	2,150	5,441	3,291
Other revenue	55,000	75,711	71,730	(3,981)
Total revenues	1,611,920	2,165,163	2,080,964	(84,199)
Expenditures				
Current -				
Road maintenance and repair	2,243,393	2,052,215	1,296,839	(755,376)
Revenues over (under) expenditures	(631,473)	112,948	784,125	(671,177)
Other financing uses				
Transfers out	(320,000)	(440,000)	(330,000)	(110,000)
Net change in fund balance	(951,473)	(327,052)	454,125	781,177
Fund balance, beginning of year	1,046,883	1,046,883	1,046,883	-
Fund balance, end of year	\$ 95,410	\$ 719,831	\$ 1,501,008	\$ 781,177

## CITY OF OAK PARK, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Local Streets Fund

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Special assessments	\$ -	\$ 21,813	\$ 34,157	\$ 12,344
Intergovernmental -				
State grants	636,838	576,580	731,401	154,821
Interest income	2,473	1,000	3,202	2,202
Other revenue	-	268	533	265
Total revenues	639,311	599,661	769,293	169,632
Expenditures				
Current -				
Road maintenance and repair	1,358,167	1,397,063	887,968	(509,095)
Revenues under expenditures	(718,856)	(797,402)	(118,675)	678,727
Other financing sources				
Transfers in	320,000	440,000	330,000	(110,000)
Net change in fund balance	(398,856)	(357,402)	211,325	568,727
Fund balance, beginning of year	435,288	359,134	359,134	-
Fund balance (deficit), end of year	\$ 36,432	\$ 1,732	\$ 570,459	\$ 568,727

## CITY OF OAK PARK, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Solid Waste Fund

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 1,291,461	\$ 1,307,882	\$ 1,311,904	\$ 4,022
Intergovernmental-				
State grants	9,000	13,192	13,944	752
Charges for services	1,450,000	1,423,137	1,462,305	39,168
Interest income	3,036	1,860	4,362	2,502
Total revenues	2,753,497	2,746,071	2,792,515	46,444
Expenditures				
Current -				
Health and sanitation	2,958,783	2,844,723	2,726,238	(118,485)
Net change in fund balance	(205,286)	(98,652)	66,277	164,929
Fund balance, beginning of year	1,150,919	1,150,919	1,150,919	-
Fund balance, end of year	\$ 945,633	\$ 1,052,267	\$ 1,217,196	\$ 164,929

## CITY OF OAK PARK, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Narcotics Forfeiture Fund

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Fines and forfeitures	\$ 10,000	\$ 24,000	\$ 24,520	\$ 520
Interest income	100	113	225	112
Total revenues	10,100	24,113	24,745	632
Expenditures				
Current -				
Public safety	30,400	46,395	32,441	(13,954)
Net change in fund balance	(20,300)	(22,282)	(7,696)	14,586
Fund balance, beginning of year	68,671	68,671	68,671	-
Fund balance, end of year	<u>\$ 48,371</u>	<u>\$ 46,389</u>	<u>\$ 60,975</u>	<u>\$ 14,586</u>



## CITY OF OAK PARK, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Criminal Justice Training Fund

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	\$ 8,500	\$ 8,500	\$ 8,941	\$ 441
Interest income	25	20	-	(20)
Total revenues	8,525	8,520	8,941	421
Expenditures				
Current -				
Public safety	8,525	8,502	4,965	(3,537)
Net change in fund balance	-	18	3,976	3,958
Fund balance, beginning of year	8,680	8,680	8,680	-
Fund balance, end of year	<u>\$ 8,680</u>	<u>\$ 8,698</u>	<u>\$ 12,656</u>	<u>\$ 3,958</u>

## CITY OF OAK PARK, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Community Development Block Grant Fund

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal grants	\$ 127,915	\$ 158,113	\$ 140,339	\$ (17,774)
Expenditures				
Current -				
Community development	99,580	156,312	144,234	(12,078)
Net change in fund balance	28,335	1,801	(3,895)	(5,696)
Fund balance (deficit), beginning of year	-	-	(1,801)	(1,801)
Fund balance (deficit), end of year	\$ 28,335	\$ 1,801	\$ (5,696)	\$ (7,497)

## CITY OF OAK PARK, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Caseflow Assistance Fund

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	\$ 20,000	\$ 15,000	\$ 15,912	\$ 912
Interest income	2,000	622	687	65
Total revenues	22,000	15,622	16,599	977
Expenditures				
Current -				
Judicial	85,000	44,474	43,325	(1,149)
Net change in fund balance	(63,000)	(28,852)	(26,726)	2,126
Fund balance, beginning of year	214,779	214,779	214,779	-
Fund balance, end of year	\$ 151,779	\$ 185,927	\$ 188,053	\$ 2,126

## CITY OF OAK PARK, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Neighborhood Stabilization Program Fund  
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
Federal grants	\$ -	\$ 35,996	\$ 35,996	\$ -
Expenditures				
Current -				
Community development	-	4,500	4,858	358
Net change in fund balance	-	31,496	31,138	(358)
Fund balance (deficit), beginning of year	-	(31,138)	(31,138)	-
Fund balance, end of year	\$ -	\$ 358	\$ -	\$ (358)

## CITY OF OAK PARK, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Veterans Treatment Court Grant

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	\$ 30,342	\$ 32,250	\$ 18,432	\$ (13,818)
Expenditures				
Current -				
Judicial	30,342	32,250	33,867	1,617
Net change in fund balance	-	-	(15,435)	(15,435)
Fund balance, beginning of year	-	-	46	46
Fund balance (deficit), end of year	\$ -	\$ -	\$ (15,389)	\$ (15,389)

## CITY OF OAK PARK, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - 45th District Court Fund

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	\$ 91,448	\$ 91,448	\$ 91,448	\$ -
Charges for services	175,000	140,000	143,576	3,576
Fines and forfeitures	-	1	47,461	47,460
Total revenues	266,448	231,449	282,485	51,036
Expenditures				
Current -				
Judicial	2,059,354	2,012,675	2,030,095	17,420
Revenues under expenditures	(1,792,906)	(1,781,226)	(1,747,610)	33,616
Other financing sources				
Transfers in	1,792,906	1,832,979	1,799,363	(33,616)
Net change in fund balance	-	51,753	51,753	-
Fund balance (deficit), beginning of year	(51,753)	(51,753)	(51,753)	-
Fund balance (deficit), end of year	\$ (51,753)	\$ -	\$ -	\$ -

## CITY OF OAK PARK, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Library Fund

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 652,080	\$ 657,685	\$ 660,033	\$ 2,348
Intergovernmental:				
Federal grants	-	2,000	2,000	-
State grants	18,400	23,585	34,637	11,052
Charges for services	15,000	14,001	15,204	1,203
Fines and forfeitures	67,700	69,376	70,833	1,457
Interest income	1,575	682	2,546	1,864
Other revenue	-	1,109	5,850	4,741
<b>Total revenues</b>	<b>754,755</b>	<b>768,438</b>	<b>791,103</b>	<b>22,665</b>
<b>Expenditures</b>				
Current -				
Library	832,755	839,379	805,382	(33,997)
<b>Revenues under expenditures</b>	<b>(78,000)</b>	<b>(70,941)</b>	<b>(14,279)</b>	<b>56,662</b>
<b>Other financing sources (uses)</b>				
Transfers in	109,174	121,174	70,000	(51,174)
Transfers out	(50,000)	(50,000)	(50,000)	-
<b>Total other financing sources</b>	<b>59,174</b>	<b>71,174</b>	<b>20,000</b>	<b>(51,174)</b>
<b>Net change in fund balance</b>	<b>(18,826)</b>	<b>233</b>	<b>5,721</b>	<b>5,488</b>
<b>Fund balance, beginning of year</b>	<b>125,153</b>	<b>125,153</b>	<b>125,153</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 106,327</b>	<b>\$ 125,386</b>	<b>\$ 130,874</b>	<b>\$ 5,488</b>

## CITY OF OAK PARK, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Mental Health Court Grant Fund

For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	\$ 100,000	\$ 60,000	\$ 31,921	\$ (28,079)
Expenditures				
Current -				
Judicial	100,000	60,000	61,966	1,966
Revenues under expenditures	-	-	(30,045)	(30,045)
Other financing sources				
Transfers in	-	2,054	493	(1,561)
Net change in fund balance	-	2,054	(29,552)	(31,606)
Fund balance (deficit), beginning of year	(2,054)	(2,054)	(2,054)	-
Fund balance (deficit), end of year	\$ (2,054)	\$ -	\$ (31,606)	\$ (31,606)



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# CITY OF OAK PARK, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

Debt Service Funds

June 30, 2018

	2015 Refunding Bond	2012 Street Refunding Bond	2010 Municipal Complex Bond	2011 Library and Recreation Lease	Total
<b>Assets</b>					
Cash and investments	\$ 169,545	\$ 397,000	\$ 177,282	\$ -	\$ 743,827
<b>Liabilities</b>					
Accrued liabilities	\$ 13,000	\$ 12,000	\$ 14,000	\$ -	\$ 39,000
<b>Fund balances</b>					
Restricted	156,545	385,000	163,282	-	704,827
<b>Total liabilities and fund balances</b>	<u>\$ 169,545</u>	<u>\$ 397,000</u>	<u>\$ 177,282</u>	<u>\$ -</u>	<u>\$ 743,827</u>

# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Debt Service Funds

For the Year Ended June 30, 2018

	2015 Refunding Bond	2012 Street Refunding Bond	2010 Municipal Complex Bond	2011 Library and Recreation Lease	Total
Revenues					
Property taxes	\$ 737,169	\$ 785,242	\$ 860,486	\$ -	\$ 2,382,897
Intergovernmental -					
State grants	8,922	8,716	8,536	-	26,174
Interest income	829	1,653	958	61	3,501
Total revenues	746,920	795,611	869,980	61	2,412,572
Expenditures					
Debt service:					
Principal	430,000	590,000	400,000	75,000	1,495,000
Interest and fiscal charges	296,907	161,474	446,597	75,717	980,695
Total expenditures	726,907	751,474	846,597	150,717	2,475,695
Revenues (under) over expenditures	20,013	44,137	23,383	(150,656)	(63,123)
Other financing sources					
Transfers in	-	-	-	150,656	150,656
Net change in fund balances	20,013	44,137	23,383	-	87,533
Fund balances, beginning of year	136,532	340,863	139,899	-	617,294
Fund balances, end of year	\$ 156,545	\$ 385,000	\$ 163,282	\$ -	\$ 704,827

# CITY OF OAK PARK, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

Capital Projects Funds

June 30, 2018

	Public Improvement	City-Owned Property	Sidewalk Program
<b>Assets</b>			
Cash and investments	\$ 515,326	\$ 118,710	\$ 215,993
Receivables:			
Special assessments	-	-	28,955
Accounts	-	-	19,822
<b>Total assets</b>	<u>\$ 515,326</u>	<u>\$ 118,710</u>	<u>\$ 264,770</u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 15,000	\$ 5,000
Accrued liabilities	-	-	14,868
<b>Total liabilities</b>	<u>-</u>	<u>15,000</u>	<u>19,868</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue - special assessments	-	-	25,797
<b>Fund balances</b>			
Restricted	-	-	219,105
Assigned	515,326	103,710	-
<b>Total fund balance</b>	<u>515,326</u>	<u>103,710</u>	<u>219,105</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 515,326</u>	<u>\$ 118,710</u>	<u>\$ 264,770</u>



Municipal Building Construction	Municipal Complex Construction	Total
\$ 1,468,446	\$ 42,674	\$ 2,361,149
-	-	28,955
-	-	19,822
<u>\$ 1,468,446</u>	<u>\$ 42,674</u>	<u>\$ 2,409,926</u>
\$ 11,988	\$ -	\$ 31,988
-	-	14,868
<u>11,988</u>	<u>-</u>	<u>46,856</u>
-	-	25,797
-	42,674	261,779
<u>1,456,458</u>	<u>-</u>	<u>2,075,494</u>
<u>1,456,458</u>	<u>42,674</u>	<u>2,337,273</u>
<u>\$ 1,468,446</u>	<u>\$ 42,674</u>	<u>\$ 2,409,926</u>

## CITY OF OAK PARK, MICHIGAN

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Capital Project Funds

For the Year Ended June 30, 2018

	Public Improvement	City-Owned Property	Sidewalk Program
Revenues			
Special assessments	\$ -	\$ -	\$ 407,005
Fines and forfeitures	-	-	-
Interest income	1,090	251	131
Other revenue	104,000	351,830	-
Total revenues	105,090	352,081	407,136
Expenditures			
Public works	-	-	42,516
Community development	6	314,235	-
Capital outlay	-	-	-
Total expenditures	6	314,235	42,516
Revenues over (under) expenditures	105,084	37,846	364,620
Other financing sources (uses)			
Transfers in	218,479	-	-
Transfers out	-	-	-
Total other financing sources (uses)	218,479	-	-
Net change in fund balances	323,563	37,846	364,620
Fund balances (deficits), beginning of year	191,763	65,864	(145,515)
Fund balances, end of year	\$ 515,326	\$ 103,710	\$ 219,105



Municipal Building Construction	Municipal Complex Construction	Total
\$ -	\$ -	\$ 407,005
123,707	-	123,707
5,457	158	7,087
-	-	455,830
<u>129,164</u>	<u>158</u>	<u>993,629</u>
-	-	42,516
-	-	314,241
<u>134,188</u>	<u>-</u>	<u>134,188</u>
<u>134,188</u>	<u>-</u>	<u>490,945</u>
<u>(5,024)</u>	<u>158</u>	<u>502,684</u>
-	-	218,479
<u>(218,479)</u>	<u>-</u>	<u>(218,479)</u>
<u>(218,479)</u>	<u>-</u>	<u>-</u>
(223,503)	158	502,684
<u>1,679,961</u>	<u>42,516</u>	<u>1,834,589</u>
<u>\$ 1,456,458</u>	<u>\$ 42,674</u>	<u>\$ 2,337,273</u>

# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Net Position

Internal Service Funds

June 30, 2018

	Risk Management	Motor Pool	Retirees Health Care Court	Total
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 312,439	\$ 43,823	\$ -	\$ 356,262
Prepaid items	-	1	336	337
Total current assets	312,439	43,824	336	356,599
Noncurrent assets -				
Capital assets, net	-	990,886	-	990,886
Total assets	312,439	1,034,710	336	1,347,485
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	-	40,308	-	40,308
Accrued liabilities	-	1,732	-	1,732
Total current liabilities	-	42,040	-	42,040
<b>Net position</b>				
Investment in capital assets	-	990,886	-	990,886
Unrestricted	312,439	1,784	336	314,559
Total net position	\$ 312,439	\$ 992,670	\$ 336	\$ 1,305,445



## CITY OF OAK PARK, MICHIGAN

### Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Year Ended June 30, 2018

	Risk Management	Motor Pool	Retirees Health Care Court	Total
Operating revenues				
Charges for services	\$ 712,973	\$ 658,301	\$ 172,025	\$ 1,543,299
Fines and forfeitures	-	-	215,660	215,660
Other	56,909	835	-	57,744
Total operating revenues	769,882	659,136	387,685	1,816,703
Operating expenses				
Depreciation	-	139,577	-	139,577
Wages and benefits	-	87,659	-	87,659
Insurance	770,387	-	344,239	1,114,626
Gasoline	-	161,484	-	161,484
Professional services	1	81,028	-	81,029
Supplies	-	171,896	-	171,896
Total operating expenses	770,388	641,644	344,239	1,756,271
Operating income (loss)	(506)	17,492	43,446	60,432
Nonoperating revenues				
Interest income	506	203	-	709
Change in net position	-	17,695	43,446	61,141
Net position (deficit), beginning of year	312,439	974,975	(43,110)	1,244,304
Net position, end of year	\$ 312,439	\$ 992,670	\$ 336	\$ 1,305,445

# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2018

	Risk Management	Motor Pool	Retirees Health Care Court	Total
Cash flows from operating activities				
Receipts from interfund services	\$ 712,973	\$ 658,301	\$ 172,025	\$ 1,543,299
Miscellaneous receipts	56,909	835	215,660	273,404
Payments to suppliers	(251,189)	(399,249)	-	(650,438)
Payments to employees	(422,485)	(86,910)	(387,685)	(897,080)
Net cash provided by operating activities	96,208	172,977	-	269,185
Cash flows from capital and related financing activities				
Purchases of capital assets	-	(161,057)	-	(161,057)
Cash flows from investing activities				
Interest and dividends	506	203	-	709
Net change in cash and investments	96,714	12,123	-	108,837
Cash and investments, beginning of year	215,725	31,700	-	247,425
Cash and investments, end of year	<u>\$ 312,439</u>	<u>\$ 43,823</u>	<u>\$ -</u>	<u>\$ 356,262</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (506)	\$ 17,492	\$ 43,446	\$ 60,432
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	-	139,577	-	139,577
Change in assets and liabilities:				
Prepaid items	96,714	12	-	96,726
Accounts payable	-	15,147	-	15,147
Accrued liabilities	-	749	-	749
Due to other funds	-	-	(43,446)	(43,446)
Net cash provided by operating activities	<u>\$ 96,208</u>	<u>\$ 172,977</u>	<u>\$ -</u>	<u>\$ 269,185</u>

# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Fiduciary Assets and Liabilities

Agency Funds

June 30, 2018

	Payroll Fund	Escrow Fund	Tax Fund	Agency Fund	Total Agency Funds
<b>Assets</b>					
Cash and cash equivalents	<u>\$ 29,916</u>	<u>\$ 700,770</u>	<u>\$ 61,245</u>	<u>\$ 278</u>	<u>\$ 792,209</u>
<b>Liabilities</b>					
Undistributed receipts	<u>\$ 29,916</u>	<u>\$ 700,770</u>	<u>\$ 61,245</u>	<u>\$ 278</u>	<u>\$ 792,209</u>

# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
<i>Payroll Fund</i>				
Assets				
Cash and cash equivalents	\$ 44,697	\$ 2,083,580	\$ (2,098,361)	\$ 29,916
Liabilities				
Undistributed receipts	\$ 44,697	\$ 503,727	\$ (518,508)	\$ 29,916
<i>Escrow Fund</i>				
Assets				
Cash and cash equivalents	\$ 517,025	\$ 274,724	\$ (90,979)	\$ 700,770
Due from other governments	-	2,417	(2,417)	-
Total assets	\$ 517,025	\$ 277,141	\$ (93,396)	\$ 700,770
Liabilities				
Undistributed receipts	\$ 517,025	\$ 274,724	\$ (90,979)	\$ 700,770
<i>Tax Fund</i>				
Assets				
Cash and cash equivalents	\$ 22,061	\$ 18,281,045	\$ (18,241,861)	\$ 61,245
Liabilities				
Undistributed receipts	\$ 22,061	\$ 6,966,895	\$ (6,927,711)	\$ 61,245
<i>Agency Fund</i>				
Assets				
Cash and cash equivalents	\$ 2,051	\$ 149,434	\$ (151,207)	\$ 278
Liabilities				
Undistributed receipts	\$ 2,051	\$ 5,315	\$ (7,088)	\$ 278

continued...

# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
<i>Total All Agency Funds</i>				
<b>Assets</b>				
Cash and cash equivalents	\$ 585,834	\$ 20,788,783	\$ (20,582,408)	\$ 792,209
Due from other governments	-	2,417	(2,417)	-
<b>Total assets</b>	<u>\$ 585,834</u>	<u>\$ 20,791,200</u>	<u>\$ (20,584,825)</u>	<u>\$ 792,209</u>
<b>Liabilities</b>				
Undistributed receipts	<u>\$ 585,834</u>	<u>\$ 7,750,661</u>	<u>\$ (7,544,286)</u>	<u>\$ 792,209</u>

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## STATISTICAL SECTION

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# CITY OF OAK PARK, MICHIGAN

## Statistical Section Table of Contents

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

		<u>Page</u>
Financial Trends	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	138
Revenue Capacity	These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	148
Debt Capacity	These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	154
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	159
Operating Information	These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	161

Sources: Unless otherwise noted, the information in these schedules are derived from the annual financial reports for the applicable year.

# CITY OF OAK PARK, MICHIGAN

## Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2009	2010	2011	2012	2013
<b>Governmental activities</b>					
Net investment in capital assets	\$ 14,884,759	\$ 15,406,195	\$ 2,076,411	\$ 1,805,028	\$ 13,132,212
Restricted	3,201,454	4,088,332	16,892,886	16,169,292	6,911,104
Unrestricted (deficit)	(1,865,169)	(4,176,964)	(7,479,222)	(12,720,940)	(18,447,947)
<b>Total governmental activities</b>	<u>\$ 16,221,044</u>	<u>\$ 15,317,563</u>	<u>\$ 11,490,075</u>	<u>\$ 5,253,380</u>	<u>\$ 1,595,369</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 14,053,708	\$ 16,780,263	\$ 17,689,440	\$ 15,566,968	\$ 16,175,706
Unrestricted	2,734,483	503,073	1,623,541	4,345,077	4,653,218
<b>Total business-type activities</b>	<u>\$ 16,788,191</u>	<u>\$ 17,283,336</u>	<u>\$ 19,312,981</u>	<u>\$ 19,912,045</u>	<u>\$ 20,828,924</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 28,938,467	\$ 32,186,458	\$ 19,765,851	\$ 17,371,996	\$ 29,307,918
Restricted	3,201,454	4,088,332	16,892,886	16,169,292	6,911,104
Unrestricted (deficit)	869,314	(3,673,891)	(5,855,681)	(8,375,863)	(13,794,729)
<b>Total primary government</b>	<u>\$ 33,009,235</u>	<u>\$ 32,600,899</u>	<u>\$ 30,803,056</u>	<u>\$ 25,165,425</u>	<u>\$ 22,424,293</u>

Schedule 1  
Unaudited

2014	2015	2016	2017	2018
\$ 14,247,686	\$ 14,000,594	\$ 15,052,182	\$ 16,080,881	\$ 15,026,750
4,887,899	4,317,193	4,464,360	3,372,538	4,388,861
(20,223,425)	(68,221,764)	(66,961,297)	(62,472,772)	(115,747,281)
<u>\$ (1,087,840)</u>	<u>\$ (49,903,977)</u>	<u>\$ (47,444,755)</u>	<u>\$ (43,019,353)</u>	<u>\$ (96,331,670)</u>
\$ 16,773,566	\$ 17,818,784	\$ 19,700,636	\$ 20,845,966	\$ 22,094,929
6,175,448	733,114	(1,894,698)	(1,633,533)	(9,270,130)
<u>\$ 22,949,014</u>	<u>\$ 18,551,898</u>	<u>\$ 17,805,938</u>	<u>\$ 19,212,433</u>	<u>\$ 12,824,799</u>
\$ 31,021,252	\$ 31,819,378	\$ 34,752,818	\$ 36,926,847	\$ 37,121,679
4,887,899	4,317,193	4,464,360	3,372,538	4,388,861
(14,047,977)	(67,488,650)	(68,855,995)	(64,106,305)	(125,017,411)
<u>\$ 21,861,174</u>	<u>\$ (31,352,079)</u>	<u>\$ (29,638,817)</u>	<u>\$ (23,806,920)</u>	<u>\$ (83,506,871)</u>

# CITY OF OAK PARK, MICHIGAN

## Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2009	2010	2011	2012	2013
<b>Expenses</b>					
Governmental activities:					
General government	\$ 5,664,693	\$ 5,455,233	\$ 5,175,795	\$ 7,507,151	\$ 7,899,791
Judicial	3,110,586	2,480,818	2,438,608	2,536,686	2,128,180
Public safety	12,207,633	11,980,655	11,807,208	10,268,074	2,653,492
Road maintenance and repair	3,264,468	3,132,845	3,773,388	3,557,279	3,209,098
Public works	1,790,791	1,748,297	1,468,111	960,745	2,402,385
Health and sanitation	2,165,616	2,074,094	1,938,016	2,079,476	1,983,105
Culture and recreation	1,529,508	1,346,217	1,257,593	966,087	1,470,915
Library	1,040,661	1,028,408	904,488	945,653	762,658
Community development	584,284	1,499,055	1,889,763	981,099	5,242,607
Interest on long-term debt	1,076,660	1,038,320	1,211,375	1,563,087	1,501,533
Total governmental activities	32,434,900	31,783,942	31,864,345	31,365,337	29,253,764
Business-type activities:					
Water and sewer	8,019,513	8,796,597	8,721,512	9,517,443	10,147,814
Total primary government expenses	40,454,413	40,580,539	40,585,857	40,882,780	39,401,578
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
General government	471,650	470,968	491,946	2,969,159	3,623,194
Judicial	650,713	609,349	620,549	185,301	-
Public safety	1,445,393	1,422,872	1,436,686	46,635	50,257
Road maintenance and repair	-	72,648	-	148,312	125,599
Public works	405,399	153,071	399,625	294,580	459,765
Health and sanitation	611,694	644,564	835,541	1,101,773	1,141,929
Culture and recreation	435,876	471,547	433,396	-	-
Library	13,475	20,593	18,475	11,436	17,684
Community development	8,960	3,136	94,507	365	-
Operating grants and contributions	2,054,958	4,457,172	3,801,612	2,599,832	2,273,132
Capital grants and contributions	35,158	50,000	-	893	-
Total governmental activities	6,133,276	8,375,920	8,132,337	7,358,286	7,691,560
Business-type activities:					
Charges for services:					
Water and sewer	9,050,017	9,148,095	10,676,880	10,726,423	10,985,124
Operating grants and contributions	-	-	-	-	-
Total business-type activities	9,050,017	9,148,095	10,676,880	10,726,423	10,985,124
Total primary government program revenues	15,183,293	17,524,015	18,809,217	18,084,709	18,676,684
<b>Net (expense)/revenue</b>					
Government activities	(26,301,624)	(23,408,022)	(23,732,008)	(24,007,051)	(21,562,204)
Business-type activities	1,030,504	351,498	1,955,368	1,208,980	837,310
Total primary government net expense	(25,271,120)	(23,056,524)	(21,776,640)	(22,798,071)	(20,724,894)

Schedule 2  
Unaudited

2014	2015	2016	2017	2018
\$ 6,824,175	\$ 3,064,969	\$ 9,940,652	\$ 4,078,708	\$ 8,428,726
1,976,211	1,944,235	2,280,899	2,000,064	3,312,598
9,525,007	3,497,663	7,401,142	9,299,317	16,032,718
4,098,970	4,702,539	3,125,342	3,145,293	2,599,451
1,744,556	1,141,585	2,837,202	1,516,904	2,047,753
2,268,966	3,023,012	280,850	2,498,707	2,726,238
827,531	572,947	475,963	658,582	903,615
696,640	702,648	661,836	821,249	962,330
1,161,136	384,815	601,863	444,575	709,763
1,170,026	1,192,125	1,076,838	1,076,246	921,950
30,293,218	20,226,538	28,682,587	25,539,645	38,645,142
9,447,898	8,242,405	11,841,571	9,972,023	11,182,425
39,741,116	28,468,943	40,524,158	35,511,668	49,827,567
2,930,627	4,171,972	4,357,345	3,436,647	4,414,603
148,221	184,028	210,220	178,908	191,037
41,518	40,237	58,596	55,402	66,021
251,972	131,194	154,627	219,892	191,986
288,447	733,485	480,086	567,170	532,062
1,149,094	1,245,819	1,311,457	1,357,366	1,462,305
-	-	-	-	-
144,126	22,380	24,974	25,386	32,511
21,680	-	-	-	-
2,241,178	2,406,046	2,690,345	2,452,723	3,096,285
1,750	561,703	100,150	422,628	44,438
7,218,613	9,496,864	9,387,800	8,716,122	10,031,248
11,550,673	11,706,574	10,984,177	11,353,474	12,356,387
-	-	-	-	90,817
11,550,673	11,706,574	10,984,177	11,353,474	12,447,204
18,769,286	21,203,438	20,371,977	20,069,596	22,478,452
(23,074,605)	(10,729,674)	(19,294,787)	(16,823,523)	(28,613,894)
2,102,775	3,464,169	(857,394)	1,381,451	1,264,779
(20,971,830)	(7,265,505)	(20,152,181)	(15,442,072)	(27,349,115)

continued...

# CITY OF OAK PARK, MICHIGAN

## Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2009	2010	2011	2012	2013
General revenues					
Governmental activities:					
Property taxes	\$ 22,730,399	\$ 18,138,062	\$ 15,762,619	\$ 15,222,837	\$ 14,067,560
State shared revenues	-	3,622,093	3,438,471	2,937,911	3,040,964
Franchise fees	584,255	669,415	701,558	714,074	794,287
Investment earnings	318,845	73,560	60,045	60,524	51,382
Miscellaneous	8,561	51,411	(8,173)	-	-
Transfers	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Total governmental activities	<u>23,592,060</u>	<u>22,504,541</u>	<u>19,904,520</u>	<u>18,885,346</u>	<u>17,904,193</u>
Business-type activities:					
Investment earnings	100,469	93,647	24,277	156	29,569
Other	-	-	-	-	-
Transfers	50,000	50,000	50,000	50,000	50,000
Special item	-	-	-	-	-
Total business-type activities	<u>150,469</u>	<u>143,647</u>	<u>74,277</u>	<u>50,156</u>	<u>79,569</u>
Total primary government	<u>23,742,529</u>	<u>22,648,188</u>	<u>19,978,797</u>	<u>18,935,502</u>	<u>17,983,762</u>
Change in net position					
Governmental activities	(2,709,564)	(903,481)	(3,827,488)	(5,121,705)	(3,658,011)
Business-type activities	<u>1,180,973</u>	<u>495,145</u>	<u>2,029,645</u>	<u>1,259,136</u>	<u>916,879</u>
Total primary government	<u>\$ (1,528,591)</u>	<u>\$ (408,336)</u>	<u>\$ (1,797,843)</u>	<u>\$ (3,862,569)</u>	<u>\$ (2,741,132)</u>

Schedule 2  
Unaudited

2014	2015	2016	2017	2018
\$ 16,466,311	\$ 16,326,336	\$ 17,549,447	\$ 17,133,346	\$ 16,340,124
3,134,336	3,197,425	3,288,744	3,329,476	3,556,332
757,237	712,120	717,762	683,781	642,949
33,512	48,071	248,056	102,322	120,820
-	-	-	-	-
-	-	(50,000)	-	-
<u>20,391,396</u>	<u>20,283,952</u>	<u>21,754,009</u>	<u>21,248,925</u>	<u>20,660,225</u>
17,315	16,381	61,434	25,044	23,870
-	-	-	-	6,731
-	-	50,000	-	-
-	-	-	-	(2,850,000)
<u>17,315</u>	<u>16,381</u>	<u>111,434</u>	<u>25,044</u>	<u>(2,819,399)</u>
<u>20,408,711</u>	<u>20,300,333</u>	<u>21,865,443</u>	<u>21,273,969</u>	<u>17,840,826</u>
(2,683,209)	9,554,278	2,459,222	4,425,402	(7,953,669)
<u>2,120,090</u>	<u>3,480,550</u>	<u>(745,960)</u>	<u>1,406,495</u>	<u>(1,554,620)</u>
<u>\$ (563,119)</u>	<u>\$ 13,034,828</u>	<u>\$ 1,713,262</u>	<u>\$ 5,831,897</u>	<u>\$ (9,508,289)</u>

concluded.

# CITY OF OAK PARK, MICHIGAN

## Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2009	2010	2011	2012	2013
General fund					
Nonspendable	\$ 90,444	\$ 191,983	\$ 234,242	\$ 245,037	\$ 198,853
Unassigned	2,029,085	1,970,324	1,514,649	312,162	1,802,454
Total general fund	2,119,529	2,162,307	1,748,891	557,199	2,001,307
All other governmental funds					
Nonspendable	23,368	33,737	25,396	22,815	16,255
Restricted	3,453,091	4,569,839	17,436,759	16,146,559	6,956,543
Assigned	784,216	835,683	1,082,319	1,413,109	1,642,112
Unassigned (deficit)	-	-	-	-	-
Total all other governmental funds	4,260,675	5,439,259	18,544,474	17,582,483	8,614,910
Total all governmental funds	\$ 6,380,204	\$ 7,601,566	\$ 20,293,365	\$ 18,139,682	\$ 10,616,217



Schedule 3  
Unaudited

2014	2015	2016	2017	2018
\$ 387,059	\$ 597,521	\$ 482,475	\$ 440,141	\$ 422,560
2,973,036	2,833,231	3,196,719	3,413,925	3,472,254
3,360,095	3,430,752	3,679,194	3,854,066	3,894,814
702	246	1,842	461	61
4,887,899	4,317,193	4,585,574	3,632,049	4,640,051
1,419,099	2,002,675	1,907,456	1,944,357	2,083,209
(7,869)	(23,840)	(28,218)	(232,266)	(52,691)
6,299,831	6,296,274	6,466,654	5,344,601	6,670,630
\$ 9,659,926	\$ 9,727,026	\$ 10,145,848	\$ 9,198,667	\$ 10,565,444

# CITY OF OAK PARK, MICHIGAN

## Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2009	2010	2011	2012	2013
<b>Revenues</b>					
Property taxes	\$ 18,750,272	\$ 18,170,382	\$ 15,793,548	\$ 14,806,367	\$ 14,486,295
Special assessments	470,023	191,247	468,193	213,990	392,523
Licenses and permits	269,104	286,918	324,819	410,216	376,502
Intergovernmental	5,964,854	7,974,547	7,061,634	5,498,001	5,274,629
Charges for services	1,309,149	1,395,148	1,571,672	2,084,989	1,922,419
Fines and forfeitures	1,929,781	1,862,371	1,864,326	1,939,928	1,786,713
Interest income	342,713	77,613	122,813	59,080	50,674
Other	822,522	863,996	917,993	909,167	1,815,024
<b>Total revenues</b>	<b>29,858,418</b>	<b>30,822,222</b>	<b>28,124,998</b>	<b>25,921,738</b>	<b>26,104,779</b>
<b>Expenditures</b>					
Judicial	2,135,060	2,135,210	2,060,494	2,068,527	1,670,645
General government	4,342,750	4,261,390	3,862,062	4,020,488	3,708,268
Public safety	10,087,745	9,699,945	9,444,711	8,463,849	6,829,039
Road maintenance and repair	1,480,601	1,357,550	1,510,941	1,175,485	1,282,793
Public works	2,698,244	2,517,367	2,056,929	2,153,619	2,253,710
Health and sanitation	-	-	-	-	-
Recreation and culture	1,157,626	1,045,643	918,526	866,830	600,876
Library	820,483	850,138	668,867	3,293,302	702,671
Community development	281,927	1,218,937	1,611,291	815,551	549,543
Nondepartmental	2,745,727	2,735,006	2,735,439	2,804,481	2,691,078
Debt service:					
Principal	1,695,000	1,700,000	1,295,000	1,420,000	1,230,000
Interest	1,076,660	1,038,320	1,207,578	1,440,644	1,493,206
Bond issuance costs	-	-	-	-	64,220
Prior year tax refunds	-	-	-	11,131	648,227
Capital outlay	3,227,400	991,354	1,338,008	883,378	9,812,695
<b>Total expenditures</b>	<b>31,749,223</b>	<b>29,550,860</b>	<b>28,709,846</b>	<b>29,417,285</b>	<b>33,536,971</b>
<b>Revenues over (under) expenditures</b>	<b>(1,890,805)</b>	<b>1,271,362</b>	<b>(584,848)</b>	<b>(3,495,547)</b>	<b>(7,432,192)</b>
<b>Other financing sources (uses)</b>					
Issuance of long-term debt	-	-	13,326,647	-	9,150,000
Premium on issuance of long-term debt	-	-	-	-	160,579
Payment to refund bond escrow agent	-	-	-	-	(9,160,000)
Issuance of capital lease	-	-	-	2,500,000	-
Transfers in	2,492,312	2,476,424	2,476,424	2,919,289	11,704,946
Transfers out	(2,542,312)	(2,526,424)	(2,526,424)	(2,969,289)	(11,939,946)
<b>Total other financing sources (uses)</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>13,276,647</b>	<b>2,450,000</b>	<b>(84,421)</b>
<b>Net changes in fund balances</b>	<b>\$ (1,940,805)</b>	<b>\$ 1,221,362</b>	<b>\$ 12,691,799</b>	<b>\$ (1,045,547)</b>	<b>\$ (7,516,613)</b>
<b>Debt services as a percentage of noncapital expenditures</b>	<b>9.72%</b>	<b>9.59%</b>	<b>9.14%</b>	<b>10.03%</b>	<b>11.61%</b>

Schedule 4  
Unaudited

2014	2015	2016	2017	2018
\$ 16,422,482	\$ 16,292,076	\$ 16,997,519	\$ 17,239,139	\$ 16,750,759
133,052	525,492	334,150	531,443	526,728
363,301	546,585	633,468	516,630	688,406
5,336,577	6,121,119	6,008,506	6,142,814	6,586,789
2,188,756	2,857,318	2,499,661	2,094,312	2,229,414
1,803,694	2,056,122	2,200,334	1,986,362	2,334,141
33,146	47,385	244,144	100,369	120,111
1,284,806	1,299,773	1,682,787	1,408,372	1,806,222
27,565,814	29,745,870	30,600,569	30,019,441	31,042,570
1,946,216	1,950,499	2,384,920	2,099,767	2,169,253
3,284,804	3,613,552	3,562,498	4,007,155	3,498,671
5,557,392	8,447,856	8,771,838	9,391,416	10,236,280
1,753,709	1,756,810	2,161,235	3,818,001	2,184,807
2,970,801	3,616,070	3,092,354	791,087	757,240
-	-	-	2,498,707	2,726,238
591,912	570,403	544,721	656,008	666,885
727,789	738,863	766,733	827,630	805,382
600,913	593,951	677,202	520,597	619,909
5,214,184	3,944,438	4,681,648	3,069,226	3,396,046
1,360,000	1,400,000	1,641,000	1,455,000	1,495,000
1,211,564	1,175,121	1,425,436	1,022,022	980,695
-	-	-	-	-
109,740	382,611	-	-	-
3,193,081	1,161,178	755,044	810,006	134,188
28,522,105	29,351,352	30,464,629	30,966,622	29,670,594
(956,291)	394,518	135,940	(947,181)	1,371,976
-	-	7,825,000	-	-
-	-	796,882	-	-
-	-	(8,289,000)	-	-
-	-	-	-	-
2,695,253	2,153,584	11,107,393	2,125,068	2,568,991
(2,695,253)	(2,153,584)	(11,157,393)	(2,125,068)	(2,568,991)
-	-	282,882	-	-
\$ (956,291)	\$ 394,518	\$ 418,822	\$ (947,181)	\$ 1,371,976
10.54%	9.15%	10.58%	9.09%	8.45%

## CITY OF OAK PARK, MICHIGAN

### Taxable and Estimated Actual Value of Property Last Ten Fiscal Years

Year Ended June 30,	Real Property			Personal Property	Total Taxable Value
	Residential Property	Commercial Property	Industrial Property		
2018	\$ 303,162,780	\$ 97,241,660	\$ 24,980,660	\$ 33,550,020	\$ 458,935,120
2017	293,941,530	95,836,930	19,829,100	30,565,350	440,172,910
2016	289,174,450	97,946,090	17,119,170	32,054,990	436,294,700
2015	283,412,310	99,570,910	17,124,830	32,106,170	432,214,220
2014	280,856,040	101,354,490	17,629,760	34,403,540	434,243,830
2013	312,688,580	107,596,610	18,982,270	35,705,130	474,972,590
2012	358,677,900	115,935,490	23,383,320	33,460,080	531,456,790
2011	427,200,170	99,543,660	60,865,560	36,210,100	623,819,490
2010	496,759,030	110,469,460	69,924,120	37,535,040	714,687,650
2009	511,737,180	109,204,400	70,406,640	37,226,110	728,574,330

Source: City of Oak Park Assessing Department

Note: Tax rates are per \$1,000 of taxable value.

Schedule 5  
Unaudited



Total Direct Tax Rate	Estimated Actual Value	Taxable Value as a Percentage of Actual Value
36.1688	\$ 1,170,692,040	39.20%
36.9308	1,037,375,040	42.43%
37.6060	945,379,900	46.15%
37.1191	871,556,740	49.59%
36.8734	866,136,280	50.14%
29.8398	948,753,780	50.06%
27.2386	1,257,602,340	42.26%
24.5191	1,288,399,640	48.42%
24.6863	1,629,550,940	43.86%
24.6704	1,816,037,880	40.12%

## CITY OF OAK PARK, MICHIGAN

### Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of taxable value)

Fiscal Year	Operating Millage	Library	Debt Service	Solid Waste	PA 345	Total Direct
2018: Homestead (1)	19.7007	1.4690	5.1950	2.9088	6.8953	36.1688
2018: Non-homestead						36.1688
2017: Homestead (1)	19.8959	1.4836	5.6500	2.9377	6.9636	36.9308
2017: Non-homestead						36.9308
2016: Homestead (1)	20.0000	1.4914	6.1615	2.9531	7.0000	37.6060
2016: Non-homestead						37.6060
2015: Homestead (1)	20.0000	1.4914	6.2017	2.9531	6.4729	37.1191
2015: Non-homestead						37.1191
2014: Homestead (1)	20.0000	1.4914	5.9560	2.9531	6.4729	36.8734
2014: Non-homestead						36.8734
2013: Homestead (1)	20.0000	1.4914	5.3953	2.9531	-	29.8398
2013: Non-homestead						29.8398
2012: Homestead (1)	18.8563	1.4914	4.4378	2.4531	-	27.2386
2012: Non-homestead						27.2386
2011: Homestead (1)	17.3563	0.9914	3.7183	2.4531	-	24.5191
2011: Non-homestead						24.5191
2010: Homestead (1)	17.3563	0.9914	3.8855	2.4531	-	24.6863
2010: Non-homestead						24.6863
2009: Homestead (1)	17.3563	0.9914	3.8696	2.4531	-	24.6704
2009: Non-homestead						24.6704

Source: City of Oak Park Treasury Department

(1) The State of Michigan passed a Property Tax Reform measure in 1994 which reduced property taxes for property owners who reside at the property (homestead). This reform created a two tiered tax system which accounts for the presentation above.

School Districts					Total Rates for Residents Residing In		
Oak Park	Ferndale	Berkley	Community College	County	Oak Park School District	Ferndale School District	Berkley School District
8.9991	8.2313	7.6843	1.5431	13.3213	60.0323	59.2645	58.7175
26.9991	26.2313	25.3465	1.5431	13.3213	78.0323	77.2645	76.3797
9.4592	8.3000	7.7148	1.5707	9.1248	57.0855	55.9263	55.3411
27.4592	26.3000	25.7148	1.5707	9.1248	75.0855	73.9263	73.3411
15.5000	13.0000	13.7269	1.5819	9.2081	63.8960	61.3960	62.1229
33.5000	31.0000	31.7269	1.5819	9.2081	81.8960	79.3960	80.1229
17.8912	15.3662	13.0788	1.5844	7.5590	64.1537	61.6287	59.3413
36.0712	33.5462	31.2588	1.5844	7.5590	82.3337	79.8087	77.5213
17.1251	13.5901	11.3042	1.5844	7.5590	63.1419	59.6069	57.3210
35.3051	31.7701	29.4842	1.5844	7.5590	81.3219	77.7869	75.5010
17.0682	13.5332	11.2270	1.5844	8.9051	57.3975	53.8625	51.5563
35.2482	31.7132	29.4070	1.5844	8.9051	75.5775	72.0425	69.7363
15.5252	13.5052	11.1788	1.5844	8.9051	53.2533	51.2333	48.9069
33.7052	31.6852	29.3588	1.5844	8.9051	71.4333	69.4133	67.0869
14.6800	13.4780	10.6668	1.5844	8.7051	49.4886	48.2866	45.4754
31.8600	31.6580	28.8468	1.5844	8.7051	66.6686	66.4666	63.6554
13.4494	13.4796	10.6685	1.5844	8.7051	48.4252	48.4554	45.6443
31.6294	31.6596	28.8485	1.5844	8.7051	66.6052	66.6354	63.8243
13.4492	13.4795	10.6684	1.5844	8.4905	48.1945	48.2248	45.4137
31.6292	31.6595	28.8484	1.5844	8.4905	66.3745	66.4048	63.5937

**Principal Property Tax Payers**  
 Current Year and Nine Years Ago

Taxpayer	2009			2018		
	Taxable Value	Rank	Percentage of Total	Taxable Value	Rank	Percentage of Total
Spirit Realty, L.P.	\$ -	-	-	\$ 8,872,300	1	1.93%
FEDEX	-	-	-	7,407,150	2	1.61%
DTE Electric Company	3,669,440	9	0.50%	6,678,690	3	1.46%
Lincoln Towers Apartments, LLP	6,506,500	3	0.89%	5,401,270	4	1.18%
Consumers Energy Company	-	-	-	4,964,090	5	1.08%
Oak Park Crown Pointe, LLC	-	-	-	4,925,900	6	1.07%
Village Green Companies	6,434,950	4	0.88%	4,669,130	7	1.02%
Barton Malow Contracting	-	-	-	4,505,880	8	0.98%
Oak Park Manor MI, LLC	4,867,690	7	0.67%	3,660,730	9	0.80%
Teitel JSL LTD Dividend Housing Dev.	-	-	-	2,817,700	10	0.61%
Detroit Square Properties, LLC	9,684,600	1	1.33%	-	-	-
Jewish Federation Apartments	8,088,780	2	1.11%	-	-	-
Parkwoods Shopping Plaza, LLC	5,966,600	5	0.82%	-	-	-
Greenfield Lincoln Inv. #2, LLC	5,738,800	6	0.79%	-	-	-
Oakmont Properties	3,881,730	8	0.53%	-	-	-
Lincoln Center	3,408,040	10	0.47%	-	-	-
	<u>\$58,247,130</u>		<u>7.99%</u>	<u>\$53,902,840</u>		<u>11.75%</u>

Source: City of Oak Park Assessing Department



**Property Tax Levies and Collections**  
 Last Ten Fiscal Years

Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Years Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2018	\$ 16,611,438	\$ 15,521,142	93.44%	\$ 64,571	\$ 15,585,713	93.83%
2017	16,255,214	15,211,479	93.58%	109,269	15,320,748	94.25%
2016	16,301,611	15,088,697	92.56%	63,360	15,152,057	92.95%
2015	16,104,874	15,031,406	93.33%	94,188	15,125,594	93.92%
2014	16,260,957	14,955,242	91.97%	109,923	15,065,165	92.65%
2013	15,138,509	13,946,023	92.12%	101,563	14,047,586	92.79%
2012	14,899,108	13,746,273	92.26%	81,518	13,827,791	92.81%
2011	15,658,581	14,363,567	91.73%	95,810	14,459,377	92.34%
2010	18,708,879	16,964,827	90.68%	81,685	17,046,512	91.11%
2009	19,029,345	17,269,947	90.75%	113,244	17,383,191	91.35%

Source: City of Oak Park Treasury Department

**Ratios of Outstanding Debt by Type**  
Last Ten Fiscal Years

Fiscal Year Ending June 30,	Governmental Activities			Business-type Activities	Total Primary Government	% of Personal Income	Per Capita
	General Obligation Bonds	Unamortized Premium	Capital Lease	Water Revenue Bonds			
2018	\$ 24,495,000	\$ 790,993	\$ 2,070,000	\$ 6,176,389	\$ 33,532,382	67.32%	\$ 1,143.71
2017	25,915,000	854,155	2,145,000	7,140,320	36,054,475	75.96%	1,229.73
2016	27,295,000	917,317	2,220,000	8,081,332	38,513,649	79.74%	1,286.26
2015	29,330,000	-	2,290,000	9,008,845	40,628,845	84.08%	1,390.20
2014	30,660,000	140,507	2,360,000	9,892,544	43,053,051	80.52%	1,463.64
2013	31,950,000	150,543	2,430,000	10,754,639	45,285,182	93.11%	1,544.57
2012	33,120,000	-	2,500,000	12,510,082	48,130,082	99.29%	1,641.60
2011	34,540,000	-	-	13,697,003	48,237,003	99.06%	1,645.25
2010	22,410,000	-	-	14,315,803	36,725,803	75.42%	1,252.63
2009	24,110,000	-	-	15,066,183	39,176,183	80.45%	1,209.18

Source: City of Oak Park Finance Department

**Ratios of General Bonded Debt Outstanding**  
 Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Obligation Bonds	Unamortized Premium	Less: Amounts Available in Debt Service Funds	Total	% of Estimated Actual Taxable Value of Property	Per Capita
2018	\$24,495,000	\$ 790,993	\$ 496,311	\$24,789,682	5.40%	\$ 846
2017	25,915,000	854,155	400,299	26,368,856	5.94%	892
2016	27,295,000	917,317	436,883	27,775,434	6.18%	920
2015	29,330,000	130,471	337,729	29,122,742	6.71%	989
2014	30,660,000	140,507	-	30,800,507	7.01%	1,039
2013	31,950,000	150,543	-	32,100,543	6.72%	1,090
2012	33,120,000	-	-	33,120,000	6.21%	1,126
2011	34,540,000	-	-	34,540,000	5.43%	1,156
2010	22,410,000	-	-	22,410,000	3.02%	736
2009	24,110,000	-	-	24,110,000	3.20%	796

Source: City of Oak Park Finance Department

# CITY OF OAK PARK, MICHIGAN

Schedule 11  
Unaudited

## Direct and Overlapping Governmental Activities Debt As of June 30, 2018

	Net Debt Outstanding	Percentage Applicable to City *	Estimated Share of Overlapping Debt
<b>Direct</b>			
City of Oak Park	\$ 27,355,993	100.00%	<u>\$ 27,355,993</u>
<b>Overlapping</b>			
Berkley School District	57,390,000	10.65%	6,112,035
Ferndale School District	42,909,941	11.29%	4,844,532
Oak Park School District	7,990,000	75.91%	6,065,209
Oakland County (at-large)	340,795,795	0.85%	2,896,764
Oakland Intermediate School District	44,695,000	0.85%	379,908
			<u>20,298,448</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 47,654,441</u></u>

Source: Municipal Advisory Council of Michigan

\* Amount supplied by Municipal Advisory Council of Michigan.

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 Oak Park. This process recognized 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.

## CITY OF OAK PARK, MICHIGAN

Schedule 12  
Unaudited**Legal Debt Margin**

Last Ten Fiscal Years

Assessed value		\$ 585,346,020
Legal debt limit (10% of SEV)		\$ 58,534,602
Gross indebtedness	\$ 27,355,993	
Amount available in debt service funds	(496,311)	
Net bonded debt		26,859,682
Legal debt margin		\$ 31,674,920
Net bonded debt as a percentage of assessed value		4.59%

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2018	\$ 58,534,602	\$ 26,859,682	\$ 31,674,920	45.89%
2017	51,868,752	27,442,706	24,426,046	52.91%
2016	47,268,995	29,078,117	18,190,878	61.52%
2015	43,577,837	31,292,468	12,285,369	71.81%
2014	43,306,814	32,803,885	10,502,929	75.75%
2013	47,437,689	35,438,601	11,999,088	74.71%
2012	53,202,679	33,885,602	19,317,077	63.69%
2011	64,419,982	21,574,317	42,845,665	33.49%
2010	81,477,547	23,325,784	58,151,763	28.63%
2009	90,844,906	25,161,839	65,683,067	27.70%

Source: City of Oak Park Finance Department

## CITY OF OAK PARK, MICHIGAN

Schedule 13  
Unaudited**Revenue Bond Coverage**  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Gross Revenue	Expenses Net of Depreciation and Interest	Net Revenue Available for Debt Service	Total Debt Service Requirement	Coverage
2018	\$ 12,477,805	\$ 10,206,511	\$ 2,271,294	\$ 983,501	2.31
2017	11,504,380	9,002,977	2,501,403	963,931	2.60
2016	11,076,829	9,513,741	1,563,088	941,012	1.66
2015	11,756,573	9,221,737	2,534,836	1,144,100	2.22
2014	11,550,673	8,527,198	3,023,475	1,147,399	2.64
2013	10,985,124	9,204,993	1,780,131	1,550,517	1.15
2012	10,726,423	8,500,899	2,225,524	1,552,305	1.43
2011	10,676,880	8,091,387	2,585,493	1,523,214	1.70
2010	9,148,095	8,094,665	1,053,430	1,552,893	0.68
2009	9,050,017	7,304,931	1,745,086	1,493,798	1.17

Source: City of Oak Park Finance Department

Note: This schedule represents the enterprise fund revenue available to cover additional potential debt, after first covering enterprise fund expenses and existing debt (Kuhn Drain bonds). As of June 30, 2018, the City had no revenue bonds outstanding.

**Demographic and Economic Statistics**

Last Ten Fiscal Years

Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment Rate
2018	29,319	\$ 49,811	\$ 23,092	34.6	5.70%
2017	29,319	47,463	22,059	37.8	5.80%
2016	29,319	47,292	22,143	36.8	7.90%
2015	29,319	48,476	21,677	37.1	8.10%
2014	29,319	53,297	22,486	38.2	11.30%
2013	29,319	48,476	23,242	38.6	13.50%
2012	29,319	48,697	21,677	34.6	14.40%
2011	29,319	48,697	21,677	34.6	16.20%
2010	29,319	48,697	21,677	34.6	18.70%
2009	32,399	48,697	21,677	34.6	20.60%

Source: Michigan Bureau of Labor Market Information and Strategic Initiatives

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**Principal Employers**

Current Year and Nine Years Ago

Employer	2009			2018		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Barton Malow Company	-	-	-	795	1	5.15%
EJS USA, Inc.	-	-	-	500	2	3.24%
Easter Seals - Michigan	-	-	-	400	3	2.59%
Oak Park School District	485	1	2.81%	392	4	2.54%
Home Depot Measurement Services	-	-	-	300	5	1.94%
Fed Ex	-	-	-	251	6	1.63%
City of Oak Park	227	2	1.32%	209	7	1.35%
Berkely School District	-	-	-	198	8	1.28%
Hewson Van Hellemont PC	-	-	-	130	9	0.84%
Ringside Creative LLC	-	-	-	111	10	0.72%
Jewish Federation Apartments	130	3	0.75%	-	-	-
Detroit Square Properties	105	4	0.61%	-	-	-
Lincoln Towers Apartments	99	5	0.57%	-	-	-
Detroit Edison	98	6	0.57%	-	-	-
Parkwoods Shopping Plaza	98	7	0.57%	-	-	-
Huntington Gardens, Village Green Mgmt.	97	8	0.56%	-	-	-
Symtec Manufacturing	96	9	0.56%	-	-	-
CBS, Inc.	95	10	0.55%	-	-	-
	<u>1,530</u>		<u>8.87%</u>	<u>3,286</u>		<u>21.28%</u>

Source: City of Oak Park Community &amp; Economic Development

## CITY OF OAK PARK, MICHIGAN

### Full-time Equivalent Employees by Department / Union Group

Last Ten Fiscal Years

Department/Union	2009	2010	2011	2012
<b>Full-time</b>				
Council	5.00	5.00	5.00	5.00
City Manager	4.00	4.00	3.00	3.00
Information Technology	1.00	1.00	1.00	1.00
City Attorney	-	-	-	-
Community & Economic Development	-	-	-	-
City Clerk	4.00	3.00	2.00	2.00
Finance & Administrative Services	17.00	15.00	13.00	11.00
Technical & Planning Services	13.00	13.00	12.00	10.00
Public Information	3.00	3.00	3.00	3.00
Public Safety	78.00	74.00	73.00	68.00
Public Works	26.00	26.00	24.00	24.00
Recreation	7.00	7.00	7.00	7.00
Library	6.00	6.00	6.00	4.00
District Court 45-B / Probation	25.00	27.00	27.00	23.00
	<u>189.00</u>	<u>184.00</u>	<u>176.00</u>	<u>161.00</u>
<b>Part-time</b>				
City Manager	-	-	0.12	0.12
City Attorney	-	-	-	-
Prosecuting Attorney	1.00	1.00	1.00	1.00
Community & Economic Development	-	-	-	-
City Clerk	-	0.50	0.50	0.50
Technical & Planning Services	0.50	0.50	0.50	0.50
Public Information	-	-	-	-
Public Safety	5.25	5.25	5.25	5.25
Public Works	3.17	3.17	3.17	3.17
Recreation	21.10	21.10	20.35	20.35
Library	4.50	4.50	3.75	3.75
District Court 45-B / Probation	2.40	0.70	0.70	1.70
	<u>37.92</u>	<u>36.72</u>	<u>35.34</u>	<u>36.34</u>
<b>Total</b>	<u>226.92</u>	<u>220.72</u>	<u>211.34</u>	<u>197.34</u>

Note: The amounts presented under part-time workers represent full-time equivalents (FTE) and not actual positions. FTEs equalizes part-time hours to that of a full-time worker in a like position. For example a part-time worker who works 30 hours in a office that normally works 40 hours would be recorded at .75 FTE (30 hours / 40 hours = .75 FTE).

Schedule 16  
Unaudited

2013	2014	2015	2016	2017	2018
5.00	5.00	5.00	5.00	5.00	5.00
3.00	4.00	4.00	4.00	3.00	3.00
1.00	1.00	2.00	-	2.00	2.00
1.00	-	-	-	-	-
-	-	1.00	1.00	1.00	1.00
2.00	3.00	3.00	3.00	3.00	3.00
10.00	10.00	11.00	10.00	11.00	11.00
9.00	11.00	12.50	14.00	16.50	16.50
2.00	2.00	1.00	2.00	2.00	2.00
57.00	59.00	59.00	59.00	61.00	62.00
21.00	22.00	22.00	23.00	24.00	24.00
2.00	3.00	3.00	3.00	3.00	3.00
4.00	4.00	4.00	5.00	4.00	4.00
22.00	23.00	23.00	23.00	23.00	23.00
139.00	147.00	150.50	152.00	158.50	163.50
-	0.63	-	0.73	0.73	-
-	-	0.56	-	-	-
-	-	-	-	-	-
-	-	-	0.50	0.50	0.45
-	-	-	-	-	-
0.50	2.97	2.38	-	-	-
-	-	-	0.70	-	-
5.25	5.25	5.25	5.25	5.25	5.25
1.67	2.37	2.27	2.27	4.79	3.97
20.35	20.87	20.35	20.35	20.35	20.35
2.50	5.24	6.56	2.90	5.12	5.03
2.70	4.45	4.00	4.00	3.50	1.20
32.97	41.78	41.37	36.70	40.24	36.25
171.97	188.78	191.87	188.70	198.74	199.75

continued...

## CITY OF OAK PARK, MICHIGAN

### Full-time Equivalent Employees by Department / Union Group

Last Ten Fiscal Years

Department/Union	2009	2010	2011	2012
Full-time Personnel by Salary Classification				
Legislative	5	5	5	5
Exempt	11	11	11	10
Supervisory	13	13	13	13
Administrative	5	5	5	4
TPOAM	59	56	56	43
POAM	51	47	47	45
COAM	14	14	14	13
Dispatch	6	6	6	5
District Court 45-B	25	27	27	23
	<u>189</u>	<u>184</u>	<u>184</u>	<u>161</u>

Source: City of Oak Park Finance Department

Schedule 16  
Unaudited

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2013	2014	2015	2016	2017	2018
5	5	5	5	5	5
11	10	10	11	12	12
10	11	11	11	11	11
6	5	5	5	6	7
33	38	41.50	43	43.50	43.50
34	38	37	37	38	39
13	12	12	12	14	14
5	5	5	5	6	6
22	23	24	23	23	23
139	147	150.50	152.00	158.50	160.50

concluded.

## CITY OF OAK PARK, MICHIGAN

### Operating Indicators by Function / Department Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013
<b>Public Safety</b>					
Hazardous violations	4,060	3,428	3,624	3,624	2,409
Total violations	11,171	10,122	9,473	9,473	9,473
EMS requests	2,305	2,533	2,423	2,423	2,389
Traffic crashes	730	659	655	655	593
<b>Technical &amp; Planning Services</b>					
Number of building permits	582	526	526	526	649
Value of building permits	\$ 6,143,751	\$ 4,560,779	\$ 4,560,779	\$ 4,560,779	\$13,015,549
<b>Library</b>					
Residents with library cards	17,400	18,268	18,916	18,916	19,062
Items available	105,750	105,720	94,939	94,939	103,021
<b>Health and Sanitation</b>					
Tons of solid waste recycled	826.00	818.00	793.00	793.00	762.00
<b>Water System</b>					
Water Rate Per Unit	\$ 2.76	\$ 3.02	\$ 3.12	\$ 3.27	\$ 3.27

Source: City of Oak Park Public Safety Department

Source: City of Oak Park Technical & Planning Department

Source: City of Oak Park Library

Source: SOCRRA

Source: City of Oak Park Water & Sewer Department

Schedule 17  
Unaudited

2014	2015	2016	2017	2018
2,057	2,376	2,093	2,736	3,670
6,941	7,449	5,784	7,152	9,813
2,408	2,561	2,445	2,547	2,535
648	688	746	727	719
468	755	692	713	792
\$ 8,184,966	\$ 14,450,358	\$ 25,085,257	\$ 9,270,250	\$ 12,426,781
19,800	20,122	19,464	19,483	13,174
104,924	104,648	98,742	106,092	87,571
817.00	786.00	895.00	885.00	951.00
\$ 3.41	\$ 3.54	\$ 3.85	\$ 3.93	\$ 4.17

## CITY OF OAK PARK, MICHIGAN

### Capital Asset Statistics by Function / Department Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013
<b>Public Safety</b>					
Vehicles assigned	29	34	38	33	37
<b>Public Works</b>					
Vehicles assigned	38	42	42	42	41
Number of buildings	4	4	4	4	5
<b>Road Maintenance and Repair</b>					
Miles of major streets	20.72	20.72	21	21	21
Miles of local streets	65.33	65.33	65.33	65.33	65.33
<b>Water &amp; Sewer System</b>					
Miles of water mains	115	115	115	115	115
Miles of sewers	80.64	80.64	80.64	80.64	80.64
<b>Recreation</b>					
Swimming pool	1	1	1	1	1
City parks	10	10	10	10	10
Park acreage	109.8	109.8	109.8	109.8	109.8

Source: City of Oak Park Finance Department



Schedule 18  
Unaudited

2014	2015	2016	2017	2018
36	27	26	36	39
42	45	49	50	53
5	5	5	5	5
21	18.35	18.35	18.35	18.35
65.33	65.94	65.94	65.94	65.94
115	115	115	115	115
80.64	80.64	80.64	80.64	80.64
1	1	1	1	1
10	10	10	10	10
109.8	109.8	109.8	109.8	109.8

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INDEPENDENT AUDITORS' 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*

December 17, 2018

The Honorable Mayor and  
Members of the City Council  
City of Oak Park, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *City of Oak Park, Michigan* (the "City"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 17, 2018.

#### Internal Control Over Financial Reporting

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

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

A handwritten signature in black ink that reads "Rehmann Loborn LLC". The signature is written in a cursive, flowing style.