

City of Oak Park,  
Michigan



Year Ended  
June 30, 2021

Annual  
Comprehensive  
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**  
Julie Edgar  
**Council Members**  
Carolyn Burns  
Solomon Radner  
Shaun Whitehead  
**City Manager**  
Erik Tungate

December 20, 2021

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

The annual comprehensive financial report (ACFR) of the City of Oak Park (the "City") for the year ended June 30, 2021, 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 LLC, 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.

Generally accepted accounting principles ("GAAP") 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 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 29,560 as reported by the U.S. Bureau of Census for 2020.

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 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 2020-2021:

- 1) The City's number one priority was preserving fund balance while maintaining existing essential city services during the worldwide COVID-19 pandemic. The City received approximately \$2.261 million in federal grants to help offset additional costs incurred along with the substantial revenue loss as a result of the pandemic. The City's general fund had an original budget that was balanced and included temporary staffing reductions, spending freezes and other expenditure reductions to address the uncertainty of when the economic conditions would improve and when the revenues would rebound. The general fund overall ended the year very well with an increase to fund balance of \$959,791 (including \$658,746 of budget rollovers to FY 2022) bringing total fund balance to \$5,305,331 or 22.8% of FY 2021 expenditures and transfers. The City was proactive in putting some of the federal grant revenue aside toward the significant purchase of a new fire truck in the coming years along with addressing the pension and OPEB contributions which were impacted by the pandemic by lower contributions (see #2 below). The ending fund balance continues to be in the targeted range for the sixth year in a row.
- 2) The second priority was to continue to address long-term legacy costs. The City aggressively changed the amortization periods for both pension systems during fiscal year 18/19 from 24 years to 18 to accelerate the amount of contributions based on projected operations. Due to the significant loss in operating revenue citywide due to the COVID-19 pandemic, the City was forced to switch both systems back to the 24 year amortization in fiscal year 19/20. Based on the final favorable results of operations primarily due to the significant federal grants received, the City was able to contribute \$397,844 and \$345,433 over the actuarially required public safety and employees pension contributions, respectively (close to the amount that would have been required using the 24 year amortization). Additionally, the City contributed \$476,994 (\$225,000 for general, \$225,000 for public safety, and \$26,994 for court) in excess of the pay-as-you-go contribution toward the OPEB liability.

- 3) The third priority is to improve the quality of life for residents and business owners. The City continues to work toward this goal through economic development efforts and strategic investment in public safety, code enforcement, infrastructure, and public spaces. Economic development efforts are focused on attracting and retaining a mixture of robust businesses into the City. Strategic investments work as a tool to support those efforts and to ensure the City is meeting the quality-of-life expectations of current and future residents.

## **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 GAAP. 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 (the "State"), which formerly housed the Eight Mile Armory, has stood vacant for many years. The State has sold this parcel for commercial development in the past years 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.

Prior to the COVID-19 pandemic, the City continued 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. The significant short-term revenue losses and unbudgeted expenditures resulting from the pandemic has also brought on additional challenges with long-term planning.

## **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 historically has not been required to have a single audit performed to test these controls, but due to the receipt of more than \$2 million in federal dollars related to the COVID-19 pandemic, one will be performed for fiscal year June 30, 2021 and is expected to be performed in each of the next two fiscal years. The single audits will be performed as required, 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 the City received more than \$750,000 in federal awards.

## **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, 2021.

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 ACFR 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 LLC, 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***

Carolyn Burns

***Mayor Pro-Tem***

Solomon Radner

Julie Edgar

Shaun Whitehead

***Council Members***

### **Appointed Officials and Senior Management**

Erik Tungate, City Manager

Kevin Yee, Assistant City Manager / Public Works Director / City Engineer

T. Edwin Norris, City Clerk

Saundra Crawford, Director of Finance and Administrative Services / Treasurer

Jamen Winters, Deputy Finance Director

John Gillooly and Ebony Duff, City Attorney

Kimberly Schaaf, 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

Ray Krajewski, 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

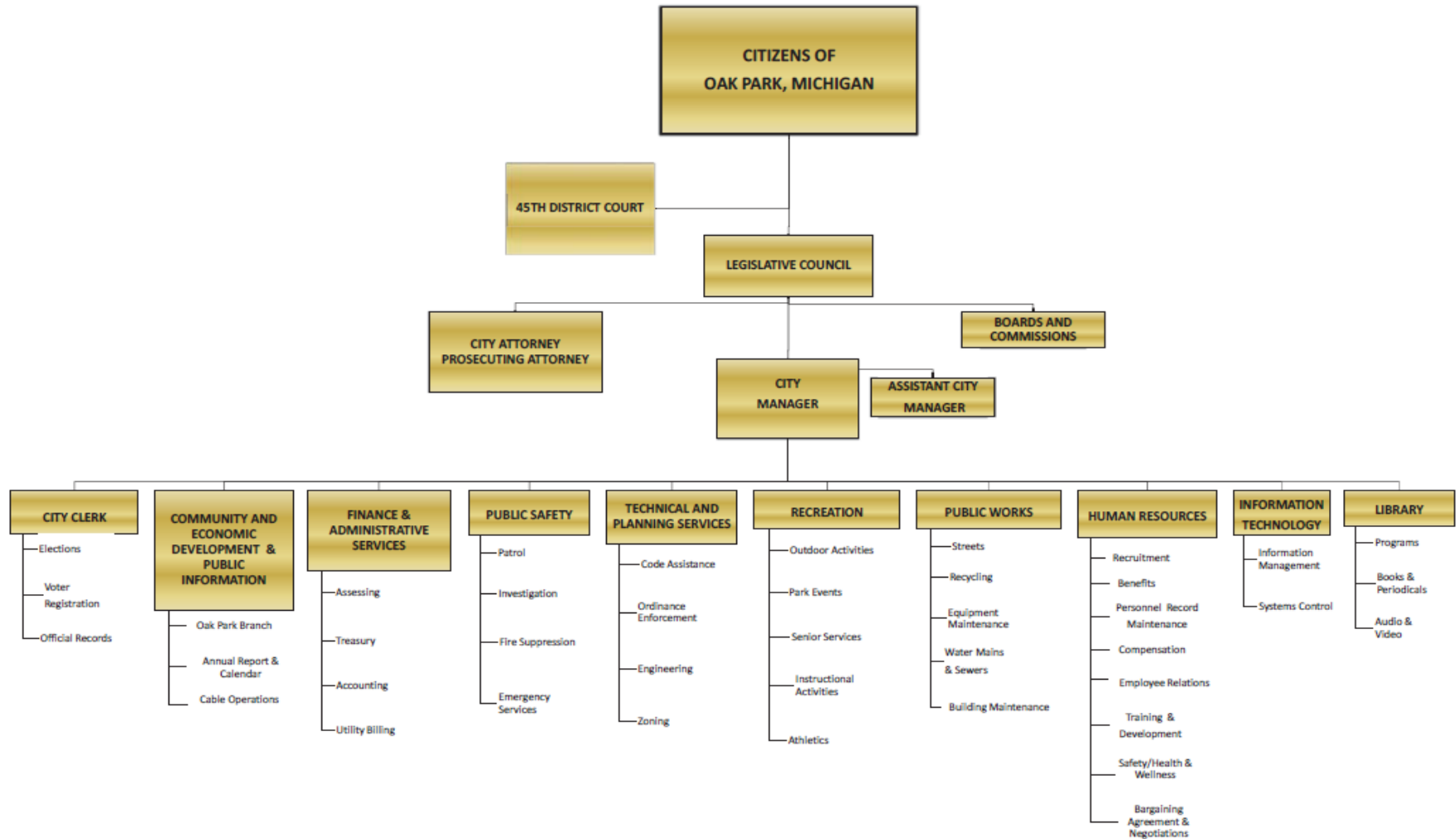
Megan Burke, Director of Human Resources & Operations

Kimberly Marrone, Director of Economic Development & Communications / Communications & Public Information

Crystal VanVleck, 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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

December 20, 2021

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

Rehmann is an independent member of Nexia International.



## ***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, 2021, 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.

## ***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 20, 2021, 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.

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

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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, 2021. Please read it in conjunction with the financial statements.

#### Financial Highlights

- The City's net position increased in the current year. Net position deficit of the governmental activities decreased by \$14.9 million, or 16.3 percent. Net position of the business-type activities increased by \$4.8 million, or 26.1 percent.
- The total cost of all of the City's governmental programs was \$20.2 million.
- In the City's business-type activities, revenues were \$15.8 million while expenses were \$10.0 million.
- The fund balance of the City's governmental funds reported an increase of approximately \$2.5 million, or 22.5 percent from \$11.2 million to \$13.8 million.
- The general fund reported an increase in fund balance of \$960,000, or 22.1 percent.
- The City's installment debt outstanding decreased \$2.9 million, or 10.8 percent, from \$26.9 million to \$24.0 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 the changes to net position. You can think of the City's net position (the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources) 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. However, readers should also consider other nonfinancial factors 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.

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, charges for services, 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 and stormwater utility system are reported here.

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

- Discretely presented component units — The City includes three separate legal entities in its report, the Economic Development Corporation, Brownfield Redevelopment 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, 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 funds (a type of proprietary fund) are 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 (fiduciary component units) along with its custodial 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 plans and retirees' health care – general and public safety employees' fund. It is also responsible for other assets in a custodial 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 increased over the prior year from negative \$72.6 million to negative \$52.9 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	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 18,764,946	\$ 14,023,347	\$ 9,815,966	\$ 7,655,876	\$ 28,580,912	\$ 21,679,223
Capital assets, net	40,926,164	42,141,621	30,469,925	30,047,436	71,396,089	72,189,057
<b>Total assets</b>	<b>59,691,110</b>	<b>56,164,968</b>	<b>40,285,891</b>	<b>37,703,312</b>	<b>99,977,001</b>	<b>93,868,280</b>
<b>Deferred outflows of resources</b>	<b>2,142,330</b>	<b>6,393,312</b>	<b>-</b>	<b>207,459</b>	<b>2,142,330</b>	<b>6,600,771</b>
Long-term debt	24,728,558	26,587,456	4,891,333	6,264,813	29,619,891	32,852,269
Pension and other postemployment benefits	96,750,209	116,743,908	9,496,782	11,846,392	106,246,991	128,590,300
Other liabilities	3,541,356	2,091,396	1,664,574	1,218,882	5,205,930	3,310,278
<b>Total liabilities</b>	<b>125,020,123</b>	<b>145,422,760</b>	<b>16,052,689</b>	<b>19,330,087</b>	<b>141,072,812</b>	<b>164,752,847</b>
<b>Deferred inflows of resources</b>	<b>13,154,979</b>	<b>8,343,257</b>	<b>805,922</b>	<b>-</b>	<b>13,960,901</b>	<b>8,343,257</b>
<b>Net position</b>						
Net investment in capital assets	18,738,789	18,246,707	27,312,837	25,860,979	46,051,626	44,107,686
Restricted	6,893,549	5,711,679	-	-	6,893,549	5,711,679
Unrestricted (deficit)	(101,974,000)	(115,166,123)	(3,885,557)	(7,280,295)	(105,859,557)	(122,446,418)
<b>Total net position</b>	<b>\$ (76,341,662)</b>	<b>\$ (91,207,737)</b>	<b>\$ 23,427,280</b>	<b>\$ 18,580,684</b>	<b>\$ (52,914,382)</b>	<b>\$ (72,627,053)</b>

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 unrestricted 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 fiscal year 2018.

Net position of the City's governmental activities increased by \$14.9 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 \$115.2 million at June 30, 2020 to negative \$102.0 million at the end of this year. The increase in unrestricted net position (decrease in the deficit) from the prior to the current year is largely due to changes in the net pension and other postemployment benefit liabilities and related deferred amounts.

The net position of the business-type activities increased by \$4.8 million. This is due to a reduction of \$2.3 million in the net pension and other postemployment benefit liabilities, a \$1.4 million reduction in long-term debt, and a \$1.1 million increase in charges for service revenue, which was due to an increase in water/sewer usage.

# CITY OF OAK PARK, MICHIGAN

## Management's Discussion and Analysis

		Change in Net Position					
		Governmental Activities		Business-type Activities		Total	
		2021	2020	2021	2020	2021	2020
<b>Revenues</b>							
Program revenues:							
Charges for services	\$ 5,475,955	\$ 5,769,064	\$ 15,436,719	\$ 14,365,681	\$ 20,912,674	\$ 20,134,745	
Operating grants and contributions	6,018,475	3,620,442	-	-	6,018,475	3,620,442	
Capital grants and contributions	-	13,394	-	-	-	13,394	
General revenues:							
Property taxes	18,724,147	17,806,967	-	-	18,724,147	17,806,967	
State shared	3,974,975	3,460,549	-	-	3,974,975	3,460,549	
Franchise fees	613,987	616,572	-	-	613,987	616,572	
Unrestricted investment earnings	217,103	401,740	307,219	68,629	524,322	470,369	
Other	-	-	76,801	26,207	76,801	26,207	
<b>Total revenues</b>	<b>35,024,642</b>	<b>31,688,728</b>	<b>15,820,739</b>	<b>14,460,517</b>	<b>50,845,381</b>	<b>46,149,245</b>	
<b>Expenses</b>							
General government	3,035,000	3,711,686	-	-	3,035,000	3,711,686	
Judicial	2,103,336	596,073	-	-	2,103,336	596,073	
Public safety	6,407,054	11,825,375	-	-	6,407,054	11,825,375	
Road maintenance and repair	2,367,452	3,947,631	-	-	2,367,452	3,947,631	
Public works	1,159,977	(3,355,639)	-	-	1,159,977	(3,355,639)	
Health and sanitation	3,320,003	2,800,210	-	-	3,320,003	2,800,210	
Culture and recreation	521,273	(209,601)	-	-	521,273	(209,601)	
Library	528,441	(31,194)	-	-	528,441	(31,194)	
Community development	83,322	(678,663)	-	-	83,322	(678,663)	
Interest and fiscal charges	632,709	742,654	-	-	632,709	742,654	
Water and sewer	-	-	4,983,228	10,263,283	4,983,228	10,263,283	
Stormwater utility	-	-	5,024,635	-	5,024,635	-	
<b>Total expenses</b>	<b>20,158,567</b>	<b>19,348,532</b>	<b>10,007,863</b>	<b>10,263,283</b>	<b>30,166,430</b>	<b>29,611,815</b>	
Change in net position before special item	14,866,075	12,340,196	5,812,876	4,197,234	20,678,951	16,537,430	
Special item	-	-	(966,280)	-	(966,280)	-	
Change in net position	14,866,075	12,340,196	4,846,596	4,197,234	19,712,671	16,537,430	
<b>Net position</b>							
Beginning of year	(91,207,737)	(103,547,933)	18,580,684	14,383,450	(72,627,053)	(89,164,483)	
<b>End of year</b>	<b>\$ (76,341,662)</b>	<b>\$ (91,207,737)</b>	<b>\$ 23,427,280</b>	<b>\$ 18,580,684</b>	<b>\$ (52,914,382)</b>	<b>\$ (72,627,053)</b>	

As a result of a class action lawsuit settlement during fiscal 2021, the City was required to break out the revenue and related stormwater costs from the water and sewer fund into a new stormwater utility fund.

The City's total revenue for all programs and services increased 10.2 percent (\$4.7 million) from the prior year. This is largely due to the following:

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

- An increase in charges for services revenue of approximately \$778,000 due to the increase in water, sewer, and stormwater usage.
- A \$2.4 million increase in operating grants and contributions, largely due to the Coronavirus Relief / CARES Act funding.
- An increase of approximately \$917,000 in property tax revenues, largely due to an increase in real property taxes.

The total cost of all programs and services increased by 1.9 percent (\$555,000). This is largely due to the following:

- OPEB expense increased from \$(17.6) million to \$(8.3) million and pension expense decreased from \$5.5 million to \$(4.0) million, causing significant fluctuations in nearly all expense categories.
- District Court resumed operations after the lifting of the statewide COVID-19 restrictions and shutdown.

**Governmental activities.** Revenues for the City's governmental activities increased by 10.5 percent (\$3.3 million), while total expenses increased 4.2 percent (\$810,000), as previously discussed. The factors driving these changes in revenues include:

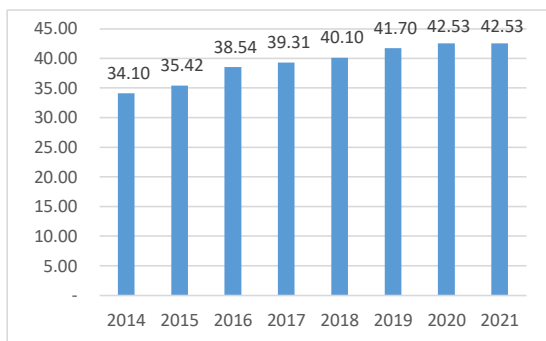
- Increase in operating grants and contributions from the federal government for Coronavirus Relief / CARES Act funding, totaling approximately \$2.3 million.
- State shared revenue increased approximately \$500,000 as sales tax collections increased after the lifting of the statewide COVID-19 related shutdown.

**Business-type activities.** The City has two business-type activities: the water and sewer system and the stormwater utility fund.

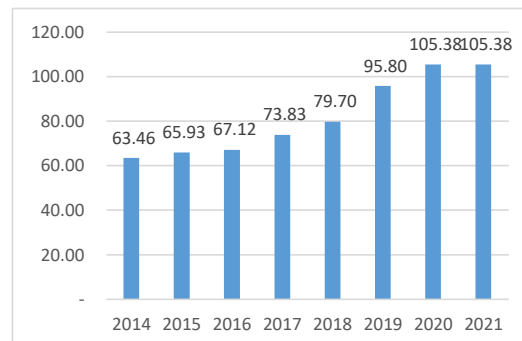
The City reported net income of \$4.4 million in the water and sewer activity. This was an increase of approximately \$158,000, from fiscal year 2020 net income of \$4.2 million. The factors driving these results include:

- Increase in the net income over prior year is primarily related to the increase in usage by the city's water and sewer and stormwater customers from prior year resulting in an increase of \$1.0 million in charges for services. The increase can also be attributed to more residential customers at home during the COVID-19 shutdown.
- A special item was reported for approximately \$(966,000) related to a lawsuit. More detailed information about this matter is presented in Note 25 to the financial statements.

**Annual Water Rates**



**Annual Sewer Rates**



## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

The City reported net income of \$1.5 million in the stormwater utility fund. This was an increase of \$1.5 million, from fiscal year 2020, as this fund was split out in the current fiscal year. The factors driving these results include:

- As a result of a class action lawsuit settlement, the City was required to break out the revenue and related stormwater costs from the water and sewer fund into a new stormwater utility fund. This is the first year of the stormwater utility fund and any net results of operations previously would have been part of the water and sewer fund.

#### The City's Funds

As the City completed the year, its governmental funds reported a total fund balance of \$13.8 million, which is more than last year's total of \$11.2 million. Included in this year's total change in fund balance is an increase of approximately \$960,000 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, 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.

Final budgeted revenues were \$2,299,613 greater than original budgeted revenues. Significant budget amendments included increases in federal and state grant revenues of \$2.3 million to recognize unanticipated COVID-19 related grants. Amendments to increase state revenue were also made and offset by revenue losses in other areas.

Final budgeted expenditures were \$1,988,738 greater than original budgeted expenditures. The receipt of unanticipated federal COVID-19 related grants allowed the City to reverse many of the planned expenditure reductions resulting in the increased costs comparable to the grant revenue.

Total actual revenues were greater than the final amended budgeted amount by \$261,330. The primary reasons for the increases over the final amended budget were increases in property tax revenue and state shared revenues greater than anticipated.

The actual expenditures were \$528,634 less than the final budget amounts in the general fund. This is primarily due to \$658,746 of budgeted projects that began in fiscal year 2021 but were not completed by year end and will be rolled over into fiscal year 2022 (see assigned fund balance).

**General fund revenues.** The following paragraphs analyze the activities of the City's major operating fund. General fund revenues totaled \$24.3 million, an increase of 16.0 percent over the prior year. Revenues by source were as follows:

	General Fund Revenues				
	Fiscal Year		Percent of Total	Increase (Decrease)	% Change from Prior Year
	2021	2020			
Property taxes	\$ 14,203,350	\$ 13,490,150	58.56%	\$ 713,200	5.29%
Licenses and permits	659,275	650,884	2.72%	8,391	1.29%
Intergovernmental	6,242,458	3,479,649	25.74%	2,762,809	79.40%
Charges for services	462,113	426,064	1.91%	36,049	8.46%
Fines and forfeits	1,272,095	1,545,465	5.25%	(273,370)	-17.69%
Franchise fees	613,987	616,572	2.53%	(2,585)	-0.42%
Interest income	127,457	223,886	0.53%	(96,429)	-43.07%
Other	671,778	483,914	2.77%	187,864	38.82%
<b>Total</b>	<b>\$ 24,252,513</b>	<b>\$ 20,916,584</b>	<b>100.00%</b>	<b>\$ 3,335,929</b>	<b>15.95%</b>

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

Ad valorem taxes provide the City's primary source of revenue. The City's total tax rate is 34.5903 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 7.0000 mill voter-approved levy for PA 345 public safety retirement costs. The overall increase in revenue is due an increase in overall taxable value coupled with a decrease in the reserve for uncollectible chargebacks (foreclosures were put on hold due to COVID-19). See rates, as follows:

Purpose of Millage	2021 Rate	2020 Rate
Operating	15.4990	15.7032
Library	1.4128	1.4315
Solid waste/refuse	2.7979	2.8349
2012 debt	1.3901	1.4828
2015 debt	1.3862	1.4418
2010 debt	1.6370	1.6387
Recreation	0.4736	0.4799
Public safety	1.9101	1.9353
Headlee override	1.0836	1.0979
Public Safety Act 345	7.0000	7.0000
	<u>34.5903</u>	<u>35.0460</u>

Property tax revenue increase was due to citywide new development (new taxable value) along with the inflationary increase of 1.4 percent.

License and permits revenue increase was primarily due to an increase in activity as statewide COVID-19 pandemic restrictions were lifted.

Intergovernmental revenues increase was primarily due to the federal grant received (Coronavirus Relief / CARES Act) and increase in State shared revenue.

Charges for services increase is due primarily to recreational programming activity increased after prior year shutdown.

Fines and forfeits revenues decrease was primarily due to decrease in ticket collection revenue by the District Court.

Franchise fees revenues decrease was primarily due to lower amounts received than anticipated.

Interest income decrease is attributable to lower gains on investments realized due to lower interest rates.

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

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

**General fund expenditures.** General fund expenditures were \$21.4 million, an increase of \$2.1 million or 10.8 percent, over the prior year. Broken down by function, expenditures were as follows:

	General Fund Expenditures				
	Fiscal Year		Percent of	Increase	% Change from
	2021	2020		(Decrease)	Prior Year
General government	\$ 3,940,503	\$ 3,603,050	18.38%	\$ 337,453	9.37%
Public safety	11,901,021	11,106,115	55.51%	794,906	7.16%
Public works	1,809,837	1,028,015	8.44%	781,822	76.05%
Culture and recreation	593,034	544,031	2.77%	49,003	9.01%
Community development	213,230	163,667	0.99%	49,563	30.28%
Nondepartmental costs	2,982,305	2,907,183	13.91%	75,122	2.58%
<b>Total</b>	<b>\$ 21,439,930</b>	<b>\$ 19,352,061</b>	<b>100.00%</b>	<b>\$ 2,087,869</b>	<b>10.79%</b>

General government expenditures increase is due to city facilities charged new stormwater runoff fee and inflationary increases in employees fringe benefits.

The public safety department increase is due primarily to the backfill of positions and increased pension costs.

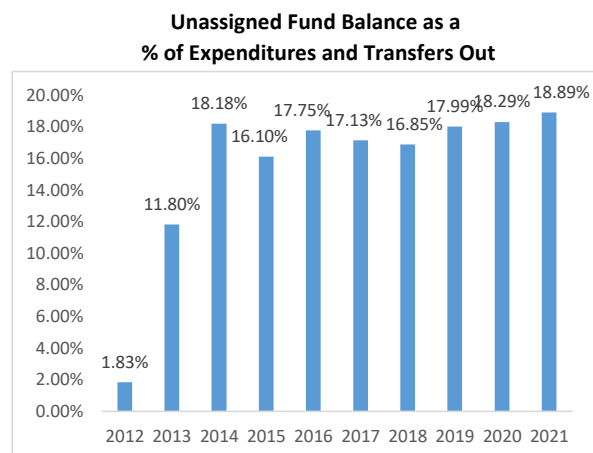
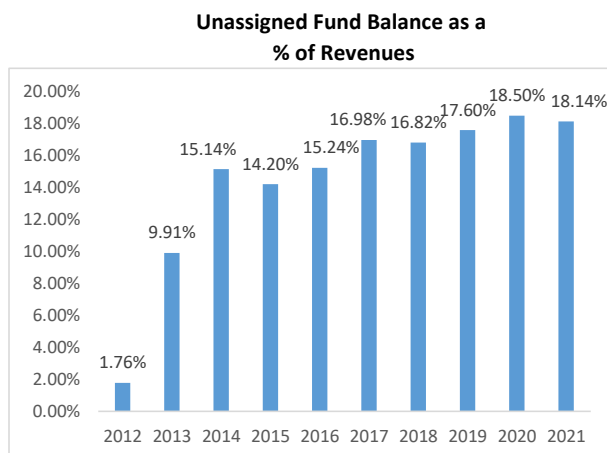
The public works department increase was primarily due to higher than anticipated facilities maintenance costs.

Culture and recreation increase is due primarily to higher than anticipated swimming pool project repairs.

Community development increase was primarily due to an increase in projects and zoning ordinances.

Nondepartmental costs increase was primarily due to additional voluntary contribution to the OPEB plan from \$400,000 above the pay-as-you-go amount in fiscal year 2020 to \$450,000 above the pay-as-you-go amount in fiscal year 2021.

**General fund.** Fund balance at June 30, 2021 increased by 22.1 percent or approximately \$960,000 from the prior year. The unassigned (and available for appropriation portion of) fund balance increased by approximately \$531,000 to a balance of \$4.4 million which provides the City with approximately 69 days of annualized expenditures, and is equivalent to 18.9 percent of annual expenditures and transfers. Our goal is to maintain this percentage at 8.3 to 18.0 percent (approximates one to two months expenditures), a level considered adequate to meet any unforeseen events and avoid cash shortfalls during periods of low tax collections. Additionally, the City attempts to maintain a target fund balance of 10 to 15 percent of revenues. Unassigned fund balance can be graphically illustrated as follows:



## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

#### Capital Asset and Debt Administration

**Capital assets.** At June 30, 2021, the City had \$71.4 million invested in a broad range of capital assets, including land, rights-of-way, work in progress, infrastructure, buildings, improvements, library collection, vehicles, and equipment.

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,653,109	\$ 1,653,109	\$ 11,502	\$ 11,502	\$ 1,664,611	\$ 1,664,611
Rights-of-way	600,818	600,818	-	-	600,818	600,818
Work in progress	627,018	3,556,719	3,414,901	3,660,544	4,041,919	7,217,263
Infrastructure - roads	16,500,940	16,373,700	-	-	16,500,940	16,373,700
Infrastructure - sidewalks	1,867,702	2,049,040	-	-	1,867,702	2,049,040
Infrastructure - systems	-	-	26,788,190	26,152,595	26,788,190	26,152,595
Buildings	15,534,249	14,498,973	-	-	15,534,249	14,498,973
Improvements	2,097,409	1,691,605	-	-	2,097,409	1,691,605
Library collection	198,318	201,391	-	-	198,318	201,391
Vehicles and equipment	1,153,641	1,306,639	255,332	222,795	1,408,973	1,529,434
Other equipment	692,960	209,627	-	-	692,960	209,627
<b>Total capital assets, net</b>	<b>\$ 40,926,164</b>	<b>\$ 42,141,621</b>	<b>\$ 30,469,925</b>	<b>\$ 30,047,436</b>	<b>\$ 71,396,089</b>	<b>\$ 72,189,057</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 bonded debt may not exceed 10 percent of the total assessed value of real and personal property as certified by the City Assessor. The City's net bonded debt of \$20,703,333 is 2.3 percent of assessed value, and provides a legal debt margin of \$68,978,242. Net general bonded debt per capita equaled \$672.

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

At year-end, the City had \$24.0 million in installment debt outstanding versus \$26.9 million last year, a decrease of 10.8 percent, as shown in the table below.

	Installment Debt					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds (backed by the City)	\$ 19,190,000	\$ 20,780,000	\$ 3,157,088	\$ 4,186,457	\$ 22,347,088	\$ 24,966,457
Note payable	1,635,000	1,910,000	-	-	1,635,000	1,910,000
<b>Total</b>	<b>\$ 20,825,000</b>	<b>\$ 22,690,000</b>	<b>\$ 3,157,088</b>	<b>\$ 4,186,457</b>	<b>\$ 23,982,088</b>	<b>\$ 26,876,457</b>

At June 30, 2021, the 2012 street improvement refunding bonds, the 2015 street improvement refunding bonds, and the 2020 refunding 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 2019-2020 was 4.4133 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 (the "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 is responsible for 13.48%. This project began in fiscal year 2000-2001.

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

The District is borrowing funds through construction drawdowns to complete this project. As of June 30, 2021, the City is obligated to pay \$3,157,088. 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 Moody's Rating Service underlying bond rating was A3. 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 \$89,681,575 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 29,560) is primarily a residential community located in southeastern Oakland County, Michigan. The local tax base has experienced an increase of 4.1% for fiscal year 2020-2021 and is expected to have a modest increase in the following year (2.8% expected for 2021-2022). 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.

Overall net general bonded debt is moderate and continues to decline for the seventh year in a row, at \$672 per capita and 3.74% of actual taxable value of property.

The City's elected and appointed officials considered many factors when setting the fiscal year 2020-2021 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 6.0 percent versus 23.10 percent a year ago. This compares with the State's unemployment rate of 5.0 percent and the national rate of 5.9 percent.

The City is expecting to receive \$3.1 million in COVID-19 related federal grants funds (ARPA grant). The three year budget passed by the mayor and city council in May 2021 utilizes all of these funds over the three years to balance the annual budget by offsetting lost revenues along with using the proceeds to fund several capital projects.

These indicators were taken into account when adopting the general fund budget for fiscal year 2021-2022. The fiscal year 2021-2022 budget was adopted in May 2021. Amounts available for appropriation in the general fund budget are \$23.625 million, an increase of 7.5 percent over the estimated fiscal year 2020-2021 amount of \$21.968 million. Property tax revenue is budgeted to increase slightly by 3.0 percent. Overall, revenues are expected to remain relatively flat (excluding the one-time ARPA grant). Budgeted expenditures are expected to increase, to \$23.625 million from \$21.968 million in fiscal year 2020-2021. The City has added no new major programs or initiatives to the fiscal year 2021-2022 budget.

The expense plan for the water and sewer fund for fiscal year 2021-2022 is \$17,291,183 an increase of \$.176 million from fiscal year 2020-2021. The plan includes no increase in water and sewer rates, even though there is an increase in the wholesale water and sewage rates from Oakland County.

This plan includes expenses for the District (known also as the George W. Kuhn Drain). Construction continues, and 10 bonds have been issued to pay for the costs. The City is responsible for 13.48 percent of the cost. Debt payments have been built into the budget and stormwater rates are adjusted as needed to meet our obligations. The George W. Kuhn Drain debt payment (principal and interest) will be \$1.13 million in fiscal year 2021-2022.

#### 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, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and investments	\$ 16,042,795	\$ 4,968,578	\$ 21,011,373	\$ 436,206
Receivables	2,438,326	4,847,388	7,285,714	-
Prepaid items	283,825	-	283,825	-
Capital assets not being depreciated	2,880,945	3,426,403	6,307,348	-
Capital assets being depreciated, net	38,045,219	27,043,522	65,088,741	-
<b>Total assets</b>	<b>59,691,110</b>	<b>40,285,891</b>	<b>99,977,001</b>	<b>436,206</b>
<b>Deferred outflows of resources</b>				
Deferred pension amounts	1,407,360	-	1,407,360	-
Deferred other postemployment benefit amounts	479,641	-	479,641	-
Deferred charge on refunding	255,329	-	255,329	-
<b>Total deferred outflows of resources</b>	<b>2,142,330</b>	<b>-</b>	<b>2,142,330</b>	<b>-</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	3,541,356	1,664,574	5,205,930	120,047
Long-term debt:				
Due within one year	2,659,993	1,825,419	4,485,412	-
Due in more than one year	22,068,565	3,065,914	25,134,479	-
Other liabilities due in more than one year:				
Net pension liability	38,383,897	5,760,798	44,144,695	-
Net other postemployment benefit liability	58,366,312	3,735,984	62,102,296	-
<b>Total liabilities</b>	<b>125,020,123</b>	<b>16,052,689</b>	<b>141,072,812</b>	<b>120,047</b>
<b>Deferred inflows of resources</b>				
Deferred pension amounts	10,929,575	802,053	11,731,628	-
Deferred other postemployment benefit amounts	2,225,404	3,869	2,229,273	-
<b>Total deferred inflows of resources</b>	<b>13,154,979</b>	<b>805,922</b>	<b>13,960,901</b>	<b>-</b>
<b>Net position</b>				
Net investment in capital assets	18,738,789	27,312,837	46,051,626	-
Restricted for:				
Capital projects	258,776	-	258,776	-
Debt service	723,174	-	723,174	-
Judicial	266,691	-	266,691	-
Public safety	63,379	-	63,379	-
Road maintenance and repair	3,917,296	-	3,917,296	-
Health and sanitation	1,550,241	-	1,550,241	-
Library	113,992	-	113,992	-
Unrestricted (deficit)	(101,974,000)	(3,885,557)	(105,859,557)	316,159
<b>Total net position</b>	<b>\$ (76,341,662)</b>	<b>\$ 23,427,280</b>	<b>\$ (52,914,382)</b>	<b>\$ 316,159</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, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue
<b>Primary government</b>				
Governmental activities:				
General government	\$ 3,035,000	\$ 3,211,673	\$ 17,043	\$ 193,716
Judicial	2,103,336	136,823	536,320	(1,430,193)
Public safety	6,407,054	50,506	2,281,987	(4,074,561)
Road maintenance and repair	2,367,452	299,133	2,978,160	909,841
Public works	1,159,977	122,613	-	(1,037,364)
Health and sanitation	3,320,003	1,651,148	-	(1,668,855)
Culture and recreation	521,273	-	-	(521,273)
Library	528,441	4,059	98,099	(426,283)
Community development	83,322	-	106,866	23,544
Interest and fiscal charges	632,709	-	-	(632,709)
Total governmental activities	20,158,567	5,475,955	6,018,475	(8,664,137)
Business-type activities:				
Water and sewer	4,983,228	9,214,018	-	4,230,790
Stormwater utility	5,024,635	6,222,701	-	1,198,066
Total business-type activities	10,007,863	15,436,719	-	5,428,856
<b>Total primary government</b>	<b>\$ 30,166,430</b>	<b>\$ 20,912,674</b>	<b>\$ 6,018,475</b>	<b>\$ (3,235,281)</b>
<b>Component units</b>				
Economic Development Corporation	\$ -	\$ -	\$ 43,567	\$ 43,567
Brownfield Redevelopment Authority	67,914	-	21,089	(46,825)
Corridor Improvement Authority	136,821	17,058	4,000	(115,763)
<b>Total component units</b>	<b>\$ 204,735</b>	<b>\$ 17,058</b>	<b>\$ 68,656</b>	<b>\$ (119,021)</b>

continued...

# CITY OF OAK PARK, MICHIGAN

## Statement of Activities

For the Year Ended June 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Change in net position</b>				
Net (expense) revenue	\$ (8,664,137)	\$ 5,428,856	\$ (3,235,281)	\$ (119,021)
General revenues:				
Property taxes levied for:				
General purposes	16,365,487	-	16,365,487	145,314
Debt service	2,358,660	-	2,358,660	-
State shared revenues	3,974,975	-	3,974,975	-
Franchise fees	613,987	-	613,987	-
Investment earnings (loss)	217,103	307,219	524,322	(36,786)
Other	-	76,801	76,801	-
Total general revenues	23,530,212	384,020	23,914,232	108,528
Special item - settlement of lawsuit (note 25)	-	(966,280)	(966,280)	-
<b>Change in net position</b>	14,866,075	4,846,596	19,712,671	(10,493)
Net position, beginning of year	(91,207,737)	18,580,684	(72,627,053)	326,652
<b>Net position, end of year</b>	<u>\$ (76,341,662)</u>	<u>\$ 23,427,280</u>	<u>\$ (52,914,382)</u>	<u>\$ 316,159</u>

concluded.

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

# CITY OF OAK PARK, MICHIGAN

## Balance Sheet

Governmental Funds

June 30, 2021

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 6,719,016	\$ 8,013,715	\$ 14,732,731
Receivables:			
Taxes	78,453	76,225	154,678
Special assessments	-	195,384	195,384
Accounts	258,447	561,947	820,394
Due from other governments	706,557	561,313	1,267,870
Due from other funds	34,973	-	34,973
Prepaid items	247,297	200	247,497
<b>Total assets</b>	<u>\$ 8,044,743</u>	<u>\$ 9,408,784</u>	<u>\$ 17,453,527</u>
<b>Liabilities</b>			
Accounts payable	\$ 1,888,278	\$ 530,662	\$ 2,418,940
Accrued liabilities	750,619	180,108	930,727
Due to other funds	-	34,973	34,973
<b>Total liabilities</b>	<u>2,638,897</u>	<u>745,743</u>	<u>3,384,640</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue - charges for services	100,515	-	100,515
Unavailable revenue - special assessments	-	195,384	195,384
Unavailable revenue - grants	-	22,649	22,649
<b>Total deferred inflows of resources</b>	<u>100,515</u>	<u>218,033</u>	<u>318,548</u>
<b>Fund balances</b>			
Nonspendable	247,297	200	247,497
Restricted	-	6,819,070	6,819,070
Assigned	658,746	1,648,387	2,307,133
Unassigned (deficit)	4,399,288	(22,649)	4,376,639
<b>Total fund balances</b>	<u>5,305,331</u>	<u>8,445,008</u>	<u>13,750,339</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 8,044,743</u>	<u>\$ 9,408,784</u>	<u>\$ 17,453,527</u>

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, 2021

**Fund balances - total governmental funds** \$ 13,750,339

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	2,880,945
Capital assets being depreciated, net	38,045,219
Less net capital assets accounted for in internal service funds	(1,153,641)

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 charges for services receivable	100,515
Unavailable long-term special assessments receivable	195,384
Unavailable grants receivable	22,649

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	2,429,249
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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	(120,905)
Bonds and note payable	(20,825,000)
Unamortized bonds and note payable premiums	(1,617,704)
Accrued compensated absences	(2,285,854)
Deferred charge on refunding	255,329

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	(38,383,897)
Deferred outflows related to the net pension liability	1,407,360
Deferred inflows related to the net pension liability	(10,929,575)
Net other postemployment benefit liability	(58,366,312)
Deferred outflows related to the net other postemployment benefit liability	479,641
Deferred inflows related to the net other postemployment benefit liability	(2,225,404)

**Net position of governmental activities** \$ (76,341,662)

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, 2021

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property taxes	\$ 14,203,350	\$ 4,590,263	\$ 18,793,613
Special assessments	-	212,808	212,808
Licenses and permits	659,275	-	659,275
Intergovernmental:			
Federal grants	2,261,528	134,918	2,396,446
State grants	3,980,930	3,555,247	7,536,177
Charges for services	462,113	1,781,621	2,243,734
Fines and forfeitures	1,272,095	90,861	1,362,956
Franchise fees	613,987	-	613,987
Interest income	127,457	85,936	213,393
Other	671,778	370,671	1,042,449
<b>Total revenues</b>	<b>24,252,513</b>	<b>10,822,325</b>	<b>35,074,838</b>
<b>Expenditures</b>			
Current:			
General government	3,940,503	-	3,940,503
Judicial	-	2,310,041	2,310,041
Public safety	11,901,021	13,369	11,914,390
Road maintenance and repair	-	2,080,887	2,080,887
Public works	1,809,837	121,685	1,931,522
Health and sanitation	-	3,320,003	3,320,003
Culture and recreation	593,034	-	593,034
Library	-	633,870	633,870
Community development	213,230	217,714	430,944
Nondepartmental costs	2,982,305	-	2,982,305
Debt service:			
Principal	-	1,655,000	1,655,000
Interest and fiscal charges	-	721,056	721,056
<b>Total expenditures</b>	<b>21,439,930</b>	<b>11,118,183</b>	<b>32,558,113</b>
Revenues over (under) expenditures	2,812,583	(295,858)	2,516,725
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	-	1,700,000	1,700,000
Premium on issuance of long-term debt	-	233,246	233,246
Payments to refund note payable escrow agent	-	(1,921,625)	(1,921,625)
Transfers in	-	2,572,225	2,572,225
Transfers out	(1,852,792)	(719,433)	(2,572,225)
<b>Total other financing sources (uses)</b>	<b>(1,852,792)</b>	<b>1,864,413</b>	<b>11,621</b>
<b>Net change in fund balances</b>	<b>959,791</b>	<b>1,568,555</b>	<b>2,528,346</b>
Fund balances, beginning of year	4,345,540	6,876,453	11,221,993
<b>Fund balances, end of year</b>	<b>\$ 5,305,331</b>	<b>\$ 8,445,008</b>	<b>\$ 13,750,339</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, 2021

**Net change in fund balances - total governmental funds** \$ 2,528,346

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	1,499,479
Less capital assets purchased / constructed accounted for in internal service funds	(70,206)
Depreciation expense	(2,711,599)
Less depreciation expense accounted for in internal service funds	223,204
Loss on disposal of capital assets	(3,337)

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	(69,466)
Net change in deferred inflows for grants receivable	15,560

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

Issuance of long-term debt	(1,700,000)
Premium on issuance of long-term debt	(233,246)
Payments to refund bond escrow agent	1,921,625
Principal payments on long-term debt	1,655,000

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	109,622
Amortization of deferred charge on refunding	(21,275)
Change in net pension liability and related deferred amounts	3,095,002
Change in net other postemployment benefit liability and related deferred amounts	7,845,643
Change in the accrual for compensated absences	97,151

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 income from governmental activities in internal service funds	680,862
Interest income from internal service funds	3,710

**Change in net position of governmental activities** \$ 14,866,075

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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 14,037,854	\$ 14,122,854	\$ 14,203,350	\$ 80,496
Licenses and permits	529,125	677,000	659,275	(17,725)
Intergovernmental:				
Federal grants	-	2,261,528	2,261,528	-
State grants	3,625,800	3,919,485	3,980,930	61,445
Charges for services	579,460	417,306	462,113	44,807
Fines and forfeitures	1,700,000	1,300,000	1,272,095	(27,905)
Franchise fees	660,654	660,654	613,987	(46,667)
Interest income	239,327	235,312	127,457	(107,855)
Other	319,350	397,044	671,778	274,734
<b>Total revenues</b>	<b>21,691,570</b>	<b>23,991,183</b>	<b>24,252,513</b>	<b>261,330</b>
<b>Expenditures</b>				
General government:				
City council	60,479	60,479	45,712	(14,767)
City manager	383,122	393,122	392,494	(628)
Human resources	365,237	416,604	394,746	(21,858)
Information technology	338,277	338,277	377,665	39,388
City attorney	269,600	259,600	234,687	(24,913)
Prosecuting attorney	71,660	71,660	71,660	-
City clerk	381,707	431,707	420,568	(11,139)
Finance and administrative services	1,181,782	1,210,026	1,223,586	13,560
Public information	263,202	360,702	295,580	(65,122)
Technical and planning services	1,268,617	1,300,940	1,251,621	(49,319)
Less reimbursements from other funds for finance and administrative services	(753,900)	(753,900)	(767,816)	(13,916)
<b>Total general government</b>	<b>3,829,783</b>	<b>4,089,217</b>	<b>3,940,503</b>	<b>(148,714)</b>
Public safety:				
General	10,730,050	11,665,958	11,663,040	(2,918)
K9 unit	196,273	238,275	237,981	(294)
<b>Total public safety</b>	<b>10,926,323</b>	<b>11,904,233</b>	<b>11,901,021</b>	<b>(3,212)</b>
Public works:				
Building and maintenance	725,103	867,103	709,245	(157,858)
Administration	19,460	19,460	16,250	(3,210)
Shepherd Park	317,443	317,443	315,806	(1,637)
Other parks	508,152	773,752	768,536	(5,216)
<b>Total public works</b>	<b>1,570,158</b>	<b>1,977,758</b>	<b>1,809,837</b>	<b>(167,921)</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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (concluded)</b>				
Culture and recreation:				
Administration	\$ 382,869	\$ 347,869	\$ 333,282	\$ (14,587)
Athletics	33,793	26,793	11,161	(15,632)
Outdoor activities	61,877	31,877	12,244	(19,633)
Instructional activities	23,400	8,400	(130)	(8,530)
Special recreation activities	28,800	28,800	28,226	(574)
Swimming pool	188,045	185,370	181,842	(3,528)
Senior services	53,763	26,438	26,409	(29)
Total culture and recreation	<u>772,547</u>	<u>655,547</u>	<u>593,034</u>	<u>(62,513)</u>
Community development	<u>172,590</u>	<u>214,329</u>	<u>213,230</u>	<u>(1,099)</u>
Nondepartmental costs	<u>2,708,425</u>	<u>3,127,480</u>	<u>2,982,305</u>	<u>(145,175)</u>
<b>Total expenditures</b>	<u>19,979,826</u>	<u>21,968,564</u>	<u>21,439,930</u>	<u>(528,634)</u>
Revenues over expenditures	<u>1,711,744</u>	<u>2,022,619</u>	<u>2,812,583</u>	<u>789,964</u>
<b>Other financing sources (uses)</b>				
Transfers in	30,000	-	-	-
Transfers out	<u>(1,741,744)</u>	<u>(1,721,744)</u>	<u>(1,852,792)</u>	<u>131,048</u>
<b>Total other financing sources (uses)</b>	<u>(1,711,744)</u>	<u>(1,721,744)</u>	<u>(1,852,792)</u>	<u>(131,048)</u>
<b>Net change in fund balance</b>	-	300,875	959,791	658,916
Fund balance, beginning of year	<u>3,809,696</u>	<u>3,809,696</u>	<u>4,345,540</u>	<u>535,844</u>
<b>Fund balance, end of year</b>	<u>\$ 3,809,696</u>	<u>\$ 4,110,571</u>	<u>\$ 5,305,331</u>	<u>\$ 1,194,760</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, 2021

	Business-type Activities			Governmental Activities
	Enterprise Funds			
	Water and Sewer	Stormwater Utility	Total	Internal Service Funds
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 4,968,578	\$ -	\$ 4,968,578	\$ 1,310,064
Receivables:				
Special assessments	1,200	-	1,200	-
Accounts	3,132,484	1,644,050	4,776,534	-
Due from other governments	3,766	65,888	69,654	-
Due from other funds	1,070,157	-	1,070,157	-
Prepaid items	-	-	-	36,328
Total current assets	9,176,185	1,709,938	10,886,123	1,346,392
Noncurrent assets:				
Capital assets not being depreciated	1,956,622	1,469,781	3,426,403	-
Capital assets being depreciated, net	15,074,217	11,969,305	27,043,522	1,153,641
Total noncurrent assets	17,030,839	13,439,086	30,469,925	1,153,641
<b>Total assets</b>	26,207,024	15,149,024	41,356,048	2,500,033
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	958,385	620,679	1,579,064	70,784
Accrued liabilities	66,408	-	66,408	-
Accrued interest payable	-	19,102	19,102	-
Due to other funds	-	1,070,157	1,070,157	-
Current portion of:				
Accrued compensated absences	102,263	-	102,263	-
Claims and judgments	668,814	-	668,814	-
Bonds payable	-	1,054,342	1,054,342	-
Total current liabilities	1,795,870	2,764,280	4,560,150	70,784
Noncurrent liabilities:				
Accrued compensated absences, net of current portion	131,726	-	131,726	-
Claims and judgments, net of current portion	831,442	-	831,442	-
Bonds payable, net of current portion	-	2,102,746	2,102,746	-
Net pension liability	2,073,887	3,686,911	5,760,798	-
Net other postemployment benefit liability	1,344,954	2,391,030	3,735,984	-
Total noncurrent liabilities	4,382,009	8,180,687	12,562,696	-
<b>Total liabilities</b>	6,177,879	10,944,967	17,122,846	70,784
<b>Deferred inflows of resources</b>				
Deferred pension amounts	288,739	513,314	802,053	-
Deferred OPEB amounts	1,393	2,476	3,869	-
<b>Total deferred inflows of resources</b>	290,132	515,790	805,922	-
<b>Net position</b>				
Net investment in capital assets	17,030,839	10,281,998	27,312,837	1,153,641
Unrestricted (deficit)	2,708,174	(6,593,731)	(3,885,557)	1,275,608
<b>Total net position</b>	\$ 19,739,013	\$ 3,688,267	\$ 23,427,280	\$ 2,429,249

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, 2021

	Business-type Activities			Governmental Activities
	Enterprise Funds			
	Water and Sewer	Stormwater Utility	Total	Internal Service Funds
Operating revenues				
Charges for services	\$ 9,214,018	\$ 6,222,701	\$ 15,436,719	\$ 1,948,161
Fines and forfeitures	-	-	-	126,889
Other	76,801	-	76,801	51,130
Total operating revenues	9,290,819	6,222,701	15,513,520	2,126,180
Operating expenses				
Water	1,402,710	-	1,402,710	-
Sewage treatment	2,186,003	-	2,186,003	-
Transmission and distribution	796,392	-	796,392	-
Maintenance and operation	44,404	3,976,350	4,020,754	-
Customer accounting and collection	58,370	196,461	254,831	-
General and administration	82,552	329,727	412,279	26
Depreciation	412,797	427,083	839,880	223,204
Wages and benefits	-	-	-	372,092
Insurance	-	-	-	427,180
Gasoline	-	-	-	138,830
Professional services	-	-	-	101,906
Supplies	-	-	-	182,080
Total operating expenses	4,983,228	4,929,621	9,912,849	1,445,318
Operating income	4,307,591	1,293,080	5,600,671	680,862
Nonoperating revenues (expenses)				
Interest income	47,807	259,412	307,219	3,710
Interest expense	-	(95,014)	(95,014)	-
Total nonoperating revenues	47,807	164,398	212,205	3,710
Income before special item	4,355,398	1,457,478	5,812,876	684,572
Special item - settlement of lawsuit (note 25)	(966,280)	-	(966,280)	-
Change in net position	3,389,118	1,457,478	4,846,596	684,572
Net position, beginning of year, as restated	16,349,895	2,230,789	18,580,684	1,744,677
Net position, end of year	\$ 19,739,013	\$ 3,688,267	\$ 23,427,280	\$ 2,429,249

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, 2021

	Business-type Activities			Governmental
	Enterprise Funds			Activities
	Water and Sewer	Stormwater Utility	Total	Internal Service Funds
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 10,096,932	\$ 4,512,763	\$ 14,609,695	\$ -
Receipts from interfund services	-	-	-	1,948,161
Other receipts	76,801	-	76,801	178,019
Payments to suppliers	(3,851,154)	(3,545,022)	(7,396,176)	(819,465)
Payments to employees	(1,450,944)	(121,866)	(1,572,810)	(363,003)
<b>Net cash provided by operating activities</b>	<b>4,871,635</b>	<b>845,875</b>	<b>5,717,510</b>	<b>943,712</b>
<b>Cash flows from noncapital financing activities</b>				
Principal paid on long-term debt	(1,228,524)	-	(1,228,524)	-
Interest paid on long-term debt	(25,297)	-	(25,297)	-
<b>Net cash used in noncapital financing activities</b>	<b>(1,253,821)</b>	<b>-</b>	<b>(1,253,821)</b>	<b>-</b>
<b>Cash flows from capital and related financing activities</b>				
Purchases of capital assets	(1,262,369)	-	(1,262,369)	(70,206)
Principal paid on long-term debt	-	(1,029,369)	(1,029,369)	-
Interest paid on long-term debt	-	(75,918)	(75,918)	-
<b>Net cash used in capital and related financing activities</b>	<b>(1,262,369)</b>	<b>(1,105,287)</b>	<b>(2,367,656)</b>	<b>(70,206)</b>
<b>Cash flows from investing activities</b>				
Interest and dividends	47,807	259,412	307,219	3,710
<b>Net change in cash and investments</b>	<b>2,403,252</b>	<b>-</b>	<b>2,403,252</b>	<b>877,216</b>
Cash and investments, beginning of year	2,565,326	-	2,565,326	432,848
<b>Cash and investments, end of year</b>	<b>\$ 4,968,578</b>	<b>\$ -</b>	<b>\$ 4,968,578</b>	<b>\$ 1,310,064</b>

continued...

# CITY OF OAK PARK, MICHIGAN

## Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2021

	Business-type Activities			Governmental
	Enterprise Funds			Activities
	Water and Sewer	Stormwater Utility	Total	Internal Service Funds
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income	\$ 4,307,591	\$ 1,293,080	\$ 5,600,671	\$ 680,862
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	412,797	427,083	839,880	223,204
Change in assets and liabilities:				
Special assessments receivable	200	-	200	-
Accounts receivable	1,891,608	(1,644,050)	247,558	-
Due from other governments	61,263	(65,888)	(4,625)	-
Due from other funds	(1,070,157)	-	(1,070,157)	-
Prepaid items	29	-	29	(4,562)
Deferred outflows of resources - pension amounts	71,934	127,884	199,818	-
Deferred outflows of resources - other postemployment benefit amounts	2,751	4,890	7,641	-
Accounts payable	(175,958)	620,679	444,721	46,888
Accrued liabilities	7,172	-	7,172	(2,680)
Due to other funds	-	1,070,157	1,070,157	-
Accrued compensated absences	(81,867)	-	(81,867)	-
Net pension liability	(693,740)	(1,233,314)	(1,927,054)	-
Net other postemployment benefit liability	(152,120)	(270,436)	(422,556)	-
Deferred inflows of resources - pension amounts	288,739	513,314	802,053	-
Deferred inflows of resources - other postemployment benefit amounts	1,393	2,476	3,869	-
<b>Net cash provided by operating activities</b>	<b>\$ 4,871,635</b>	<b>\$ 845,875</b>	<b>\$ 5,717,510</b>	<b>\$ 943,712</b>

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 \$966,280.

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

## CITY OF OAK PARK, MICHIGAN

### Statement of Fiduciary Net Position

June 30, 2021

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 5,158,641	\$ -
Investments, at fair value:		
Equity mutual funds	55,501,405	-
Fixed income mutual funds	20,228,178	-
Money market accounts	4,489,286	-
Due from other governments	187,913	-
Prepaid items	11,997	-
<b>Total assets</b>	<b>85,577,420</b>	<b>-</b>
<b>Liabilities</b>		
Accounts payable	704,871	-
<b>Net position</b>		
Restricted for:		
Pension	78,287,541	-
Other postemployment benefits	6,585,008	-
<b>Total net position</b>	<b>\$ 84,872,549</b>	<b>\$ -</b>

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, 2021

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
<b>Additions</b>		
Contributions:		
Employer	\$ 8,188,336	\$ -
Plan members	534,491	-
Total contributions	<u>8,722,827</u>	<u>-</u>
Investment income:		
Net change in fair value of investments	16,298,162	-
Interest	47,222	-
Dividends	1,347,120	-
Total investment income	<u>17,692,504</u>	<u>-</u>
Less: investment expense	<u>(285,886)</u>	<u>-</u>
Net investment income	<u>17,406,618</u>	<u>-</u>
Taxes collected for other governments	<u>-</u>	<u>16,596,944</u>
<b>Total additions</b>	<u>26,129,445</u>	<u>16,596,944</u>
<b>Deductions</b>		
Benefits	10,159,582	-
Refunds	25,224	-
Administration	13,851	-
Payments of taxes to other governments	<u>-</u>	<u>16,596,944</u>
<b>Total deductions</b>	<u>10,198,657</u>	<u>16,596,944</u>
<b>Change in net position</b>	15,930,788	-
Net position, beginning of year	<u>68,941,761</u>	<u>-</u>
<b>Net position, end of year</b>	<u>\$ 84,872,549</u>	<u>\$ -</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, 2021

	Economic Development Corporation	Brownfield Redevelopment Authority	Corridor Improvement Authority	Total Component Units
<b>Assets</b>				
Cash and investments	\$ 18,923	\$ 281,234	\$ 136,049	\$ 436,206
<b>Liabilities</b>				
Accounts payable	-	42,375	77,672	120,047
<b>Net position</b>				
Unrestricted	\$ 18,923	\$ 238,859	\$ 58,377	\$ 316,159

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, 2021

	Economic Development Corporation	Brownfield Redevelopment Authority	Corridor Improvement Authority	Total Component Units
<b>Expenses</b>				
Community development	\$ -	\$ 67,914	\$ 136,821	\$ 204,735
<b>Program revenues</b>				
Charges for services	-	-	17,058	17,058
Operating grants and contributions	43,567	21,089	4,000	68,656
<b>Total program revenues</b>	43,567	21,089	21,058	85,714
<b>Net revenues (expenses)</b>	43,567	(46,825)	(115,763)	(119,021)
<b>General revenues</b>				
Property taxes	-	47,375	97,939	145,314
Investment earnings (loss)	(37,268)	-	482	(36,786)
<b>Total general revenues</b>	(37,268)	47,375	98,421	108,528
<b>Changes in net position</b>	6,299	550	(17,342)	(10,493)
Net position, beginning of year	12,624	238,309	75,719	326,652
<b>Net position, end of year</b>	<u>\$ 18,923</u>	<u>\$ 238,859</u>	<u>\$ 58,377</u>	<u>\$ 316,159</u>

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, stormwater, and refuse removal.

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

#### **Reporting Entity**

As required by GAAP, 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's Municipal Building Authority (the "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 Authority is governed by a board that is appointed by 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.

#### *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 (the "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 EDC is governed by a Board that is appointed by City Council. The City has the ability to significantly influence the daily operations of the EDC. The EDC does not issue a separate financial report.

**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 City Council. The City also has accountability for fiscal matters of the Brownfield Redevelopment Authority. The Brownfield Redevelopment Authority does not issue a separate financial report.

**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 City Council. The City also has accountability for fiscal matters of the Corridor Improvement Authority. The Corridor Improvement Authority does not issue a separate financial report.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

#### *Fiduciary Component Unit*

**Employees' Retirement System.** The Employees' Retirement System (the System) is a single-employer defined benefit contributory retirement plan which provides pension, death and disability benefits covering certain full-time employees of the City. The System is administered through a qualified trust. The System is included as a fiduciary component unit of the City because (1) the System is a legally separate entity; (2) the City appoints a voting majority of the Pension Board; and (3) the City makes contributions to the System on behalf of its participants. Employee contribution requirements were established and may be amended subject to collective bargaining agreements and approval by the City.

**Public Safety Employees' Retirement System.** The Public Safety Employees' Retirement System (the PS System) is a single-employer defined benefit contributory retirement plan which provides pension, death and disability benefits covering certain full-time employees of the City. The PS System is administered through a qualified trust. The PS System is included as a fiduciary component unit of the City because (1) the PS System is a legally separate entity; (2) the City appoints a voting majority of the Pension Board; and (3) the City makes contributions to the PS System on behalf of its participants. Employee contribution requirements were established and may be amended subject to collective bargaining agreements and approval by the City.

**Retiree Health Care - General and Public Safety.** The Retiree Health Care Plan (the Plan) is a single-employer defined benefit postemployment plan, for which provides group hospitalization for general and district court employees and dental and optical coverage for district court employees. The Plan is administered through a qualified trust. The Plan is included as a fiduciary component unit of the City because (1) the Plan is a legally separate entity; (2) the City appoints a voting majority of the OPEB Board; and (3) the City makes contributions to the Plan on behalf of its participants. Employee contribution requirements were established and may be amended subject to collective bargaining agreements and approval by the City.

#### **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.

### Notes to 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. Fiduciary funds 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.

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 funds:

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.

The *stormwater utility fund* accounts for the operation of the City's stormwater 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 stormwater 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.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

*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 District 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.

*Custodial funds* are used to account for assets held by the City as an agent for other governments. These funds are custodial in nature. The City has a tax custodial fund used to hold assets belonging to other governments.

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 and stormwater utility enterprise funds and of the government's internal service funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds 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.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

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

##### ***Cash and Investments***

The City's cash and investments 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 Oakland County Treasurer. In accordance with GASB 79, the Pool 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.

##### ***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.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

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
Garages	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
Stormwater system	5-80

#### ***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.

### Notes to Financial Statements

#### ***Long-term Obligations***

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts, if any, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

#### ***Special Assessments***

Special assessments, if any, are recorded as revenues in the fund financial statements 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 50 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.

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, the major streets special revenue fund, and several nonmajor special revenue funds have been used to liquidate the liability for compensated absences.

### Notes to Financial Statements

#### ***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, City Council. A formal resolution of 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 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.

#### ***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 investments 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.

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### *Use of Estimates*

The preparation of financial statements in conformity with GAAP 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 GAAP. Annual appropriated budgets are adopted for the general, special revenue, debt service, and capital project funds. Annual budgets lapse at year-end.

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.

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, 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.

At year end, the City reported expenditures in excess of budgetary amounts, as noted below.

**General fund:**

Information technology	\$	39,388
Finance and administrative services		13,560
Transfers out		131,048

**Nonmajor governmental funds:**

Criminal Justice Training Fund	\$	2,321
45th District Court Fund		7,997

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.

**Nonmajor governmental funds:**

Community Development Block Grant Fund	\$	(11,502)
Veterans Treatment Court Grant Fund		(777)
Mental Health Court Grant Fund		(10,370)

#### 4. BUILDING PERMITS AND RELATED COSTS

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

Shortfall at July 1, 2020	\$	(354,617)
Current year building permit revenue		325,112
Related costs		<u>(349,083)</u>
Cumulative shortfall at June 30, 2021	\$	<u><u>(378,588)</u></u>

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 5. DEPOSITS AND INVESTMENTS

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

	Primary Government	Component Units	Totals
<b>Statement of net position</b>			
Cash and investments	\$ 21,011,373	\$ 436,206	\$ 21,447,579
<b>Statement of fiduciary net position</b>			
Pension and other employee benefit trust funds:			
Cash and cash equivalents	5,158,641	-	5,158,641
Investments	80,218,869	-	80,218,869
<b>Total</b>	<u>\$ 106,388,883</u>	<u>\$ 436,206</u>	<u>\$ 106,825,089</u>
<b>Deposits and investments</b>			
Bank deposits -			
Checking, savings accounts, and certificates of deposit (due within one year)			\$ 2,813,477
Treasurer's investments			23,787,560
Pension and other employee benefit trust funds investments			80,218,869
Cash on hand			<u>5,183</u>
<b>Total</b>			<u>\$ 106,825,089</u>

#### 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, \$2,138,927 of the City's bank balance of \$2,888,927 (book balance of \$2,813,477) 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.

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 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 money market accounts.

Following is a summary of the City's investments as of June 30, 2021:

Municipal bonds	\$ 346,644
Money market accounts	573,783
Oakland County Investment Pool	<u>22,867,133</u>
<b>Total</b>	<u><u>\$ 23,787,560</u></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 money market accounts, and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies.

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

Rating		Amount
Moody's	S&P	
AA1	N/A	\$ 52,356
A2	AA	294,288
Not rated	Not rated	<u>23,440,916</u>
		<u><u>\$ 23,787,560</u></u>

*Concentration of Credit Risk.* At June 30, 2021, the concentrations in securities of any one issuer greater than 5 percent of investment fair market value were as follows:

Investment Type	Issuer	% of Portfolio
Oakland County Investment Pool	Oakland County	96.13%

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

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

**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:

		Investment Maturities (fair value by years)
	Fair Value	1-5
Municipal bonds	\$ 346,644	\$ 346,644

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.

**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 manager, and 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, 2021:

	Level 1	Level 2	Level 3	Total
Municipal bonds	\$ -	\$ 346,644	\$ -	\$ 346,644
Money market accounts	-	573,783	-	573,783
	<u>\$ -</u>	<u>\$ 920,427</u>	<u>\$ -</u>	<u>\$ 920,427</u>
<b>Investments measured at NAV</b>				
Oakland County Investment Pool				<u>22,867,133</u>
<b>Total investments</b>				<u>\$ 23,787,560</u>

Level 2 inputs use one of the following valuation techniques depending on the investment: a) traditional net asset valuation (dividing the asset value by the number of units owned), b) matrix pricing technique (relying on the securities' relationship to other benchmark quoted securities instead of exclusively on quoted prices for specific securities), or c) quoted market prices for similar assets in active markets or quoted prices for identical or similar assets in markets that are not active.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

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

Following is a summary of the pension and other employee benefits trust funds investments at fair value as of June 30, 2021:

Investment Type	Amount
Equity mutual funds	\$ 55,501,405
Fixed income mutual funds	20,228,178
Money market accounts	<u>4,489,286</u>
<b>Total investments</b>	<b><u>\$ 80,218,869</u></b>

*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.

*Concentration of Credit Risk.* The pension and other employee benefits trust funds investment policy does not address concentration of credit risk. At June 30, 2021, there were no concentrations in securities of any one issuer greater than 5 percent 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. The State of Michigan 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, 2021, the annual money-weighted rate of return on pension and other postemployment benefits investments, net of investment expense, was as follows:

• Employees' Retirement System	27.72%
• Public Safety Employees' Retirement System	27.15%
• General Retiree Healthcare Plan	7.44%
• Public Safety Retiree Healthcare Plan	7.53%
• Court Retiree Healthcare Plan	1.03%

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

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

*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, and 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, 2021:

	Level 1	Level 2	Level 3	Total
Equity mutual funds	\$ 55,501,405	\$ -	\$ -	\$ 55,501,405
Fixed income mutual funds	20,228,178	-	-	20,228,178
Money market accounts	4,489,286	-	-	4,489,286
<b>Total investments</b>	<b>\$ 80,218,869</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,218,869</b>

The fair value of the City's Level 1 investments is based on quotes from publicly traded securities markets, where available.

### 6. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Taxes receivable	\$ 154,678	\$ -
Special assessments receivable	195,384	1,200
Accounts receivable	820,394	4,776,534
Due from other governments	1,267,870	69,654
	<b>\$ 2,438,326</b>	<b>\$ 4,847,388</b>
Not expected to be collected within one year	<b>\$ 195,936</b>	<b>\$ 66,888</b>

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts payable	\$ 2,489,724	\$ 1,579,064
Accrued liabilities	930,727	66,408
Accrued interest payable	120,905	19,102
	<u>\$ 3,541,356</u>	<u>\$ 1,664,574</u>

### 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	\$ 34,973	\$ -
Nonmajor governmental funds	-	34,973
Water and sewer	1,070,157	-
Stormwater utility	-	1,070,157
	<u>\$ 1,105,130</u>	<u>\$ 1,105,130</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.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

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

Transfers Out	Transfers in
	Nonmajor Governmental Funds
General fund	\$ 1,852,792
Nonmajor governmental funds	<u>719,433</u>
	<u>\$ 2,572,225</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.

For the year ended June 30, 2021, the general fund transferred \$1,660,034 to the 45th District Court nonmajor special revenue fund, \$72,758 to the 2011 Library and Recreation Lease nonmajor debt service fund, and \$120,000 to the Public Improvement nonmajor capital projects fund. The Major Streets nonmajor special revenue fund transferred \$150,000 to the Local Streets nonmajor special revenue fund. The 45th District Court nonmajor special revenue fund transferred \$42,129 to the Indigent Defense Grant nonmajor special revenue fund. The Library nonmajor special revenue fund transferred \$50,000 to the 2011 Library and Recreation Lease nonmajor debt service fund. The City-Owned Property nonmajor capital projects fund transferred \$44,000 to the Public Improvement nonmajor capital projects fund. The 2020 Refunding Bond nonmajor debt service fund transferred \$433,304 to the 2010 Municipal Complex Bond nonmajor debt service fund.

# 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
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 1,653,109	\$ -	\$ -	\$ -	\$ 1,653,109
Rights-of-way	600,818	-	-	-	600,818
Work in progress	3,556,719	23,002	-	(2,952,703)	627,018
	<u>5,810,646</u>	<u>23,002</u>	<u>-</u>	<u>(2,952,703)</u>	<u>2,880,945</u>
Capital assets being depreciated:					
Infrastructure - roads	105,983,872	165,782	-	1,500,906	107,650,560
Infrastructure - sidewalks	6,149,884	-	-	-	6,149,884
Buildings	19,828,678	14,604	-	1,451,797	21,295,079
Improvements	4,014,312	584,890	-	-	4,599,202
Library collection	703,160	41,038	(4,104)	-	740,094
Vehicles and equipment	4,694,351	70,206	(152,035)	-	4,612,522
Other equipment	1,984,981	599,957	(7,786)	-	2,577,152
	<u>143,359,238</u>	<u>1,476,477</u>	<u>(163,925)</u>	<u>2,952,703</u>	<u>147,624,493</u>
Less accumulated depreciation for:					
Infrastructure - roads	(89,610,172)	(1,539,448)	-	-	(91,149,620)
Infrastructure - sidewalks	(4,100,844)	(181,338)	-	-	(4,282,182)
Buildings	(5,329,705)	(431,125)	-	-	(5,760,830)
Improvements	(2,322,707)	(179,086)	-	-	(2,501,793)
Library collection	(501,769)	(44,111)	4,104	-	(541,776)
Vehicles and equipment	(3,387,712)	(223,204)	152,035	-	(3,458,881)
Other equipment	(1,775,354)	(113,287)	4,449	-	(1,884,192)
	<u>(107,028,263)</u>	<u>(2,711,599)</u>	<u>160,588</u>	<u>-</u>	<u>(109,579,274)</u>
Total capital assets being depreciated, net	<u>36,330,975</u>	<u>(1,235,122)</u>	<u>(3,337)</u>	<u>2,952,703</u>	<u>38,045,219</u>
<b>Governmental activities capital assets, net</b>					
	<u>\$ 42,141,621</u>	<u>\$ (1,212,120)</u>	<u>\$ (3,337)</u>	<u>\$ -</u>	<u>\$ 40,926,164</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	3,660,544	229,218	-	(474,861)	3,414,901
	<u>3,672,046</u>	<u>229,218</u>	<u>-</u>	<u>(474,861)</u>	<u>3,426,403</u>
Capital assets being depreciated:					
Buildings	86,500	-	-	-	86,500
Garage	24,564	-	-	-	24,564
Vehicles and equipment	1,471,477	91,398	-	-	1,562,875
Water system	14,469,695	374,308	-	202,989	15,046,992
Water - hydrants	605,836	-	-	-	605,836
Water - tanks	442,873	-	-	-	442,873
Water - pump station	1,097,215	52,874	-	-	1,150,089
Water - master meter	27,514	-	-	-	27,514
Water - reservoir	852,719	-	-	-	852,719
Water - reservoir pump	677,557	-	-	-	677,557
Sewer system	21,300,452	514,571	-	271,872	22,086,895
	<u>41,056,402</u>	<u>1,033,151</u>	<u>-</u>	<u>474,861</u>	<u>42,564,414</u>
Less accumulated depreciation for:					
Buildings	(86,500)	-	-	-	(86,500)
Garage	(24,564)	-	-	-	(24,564)
Vehicles and equipment	(1,248,682)	(58,861)	-	-	(1,307,543)
Water system	(5,135,166)	(170,115)	-	-	(5,305,281)
Water - hydrants	(460,175)	(6,423)	-	-	(466,598)
Water - tanks	(244,937)	(27,604)	-	-	(272,541)
Water - pump station	(980,781)	(20,934)	-	-	(1,001,715)
Water - master meter	(23,387)	(344)	-	-	(23,731)
Water - reservoir	(566,708)	(4,400)	-	-	(571,108)
Water - reservoir pump	(393,426)	(16,695)	-	-	(410,121)
Sewer system	(5,516,686)	(534,504)	-	-	(6,051,190)
	<u>(14,681,012)</u>	<u>(839,880)</u>	<u>-</u>	<u>-</u>	<u>(15,520,892)</u>
Total capital assets being depreciated, net	<u>26,375,390</u>	<u>193,271</u>	<u>-</u>	<u>474,861</u>	<u>27,043,522</u>
<b>Business-type activities capital assets, net</b>					
	<u>\$ 30,047,436</u>	<u>\$ 422,489</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,469,925</u>

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

Depreciation expense was charged to governmental activities functions as follows:

General government	\$	95,234
Public safety		571,464
Road maintenance and repair		673,280
Public works		612,813
Culture and recreation		278,210
Library		71,448
Community development		185,946
Internal service funds		<u>223,204</u>
Total governmental activities	\$	<u><u>2,711,599</u></u>

Depreciation expense was charged to business-type activities functions as follows:

Water and sewer	\$	412,797
Stormwater utility		<u>427,083</u>
	\$	<u><u>839,880</u></u>

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 10. LONG-TERM DEBT

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
<b>General obligation bonds</b>					
\$13,425,000, 2010 Municipal Complex, partially refunded on June 3, 2020	\$ 450,000	\$ -	\$ (450,000)	\$ -	\$ -
\$9,150,000, 2012 Refunding Street Improvement, installments of \$520,000 to \$660,000 through May 1, 2028, interest at 2.0 to 3.0%	5,115,000	-	(605,000)	4,510,000	630,000
\$7,825,000, 2015 Refunding Bond, installments of \$415,000 to \$755,000 through May 1, 2030, interest at 4.0%	6,070,000	-	(485,000)	5,585,000	510,000
\$9,145,000, 2020 Refunding Bond, installments of \$50,000 to \$740,000 through May 1, 2036, interest at 3.0%	9,145,000	-	(50,000)	9,095,000	490,000
<b>Total governmental activities bonds</b>	<b>20,780,000</b>	<b>-</b>	<b>(1,590,000)</b>	<b>19,190,000</b>	<b>1,630,000</b>

continued...

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Unamortized premium:					
2012 G.O. bonds	\$ 80,291	\$ -	\$ (10,036)	\$ 70,255	\$ 10,036
2015 G.O. bonds	584,378	-	(53,126)	531,252	53,126
2020 G.O. bonds	849,782	-	(53,111)	796,671	53,111
Direct borrowings:					
\$2,500,000 note payable, refunded on May 27, 2020	1,910,000	-	(1,910,000)	-	-
\$1,700,000 note payable refunding, installments of \$65,000 to \$135,000 through November 1, 2036, interest ranging from 2.0% - 5.0%	-	1,700,000	(65,000)	1,635,000	70,000
Unamortized premium - Note payable refunding	-	233,246	(13,720)	219,526	13,720
Compensated absences	2,383,005	732,594	(829,745)	2,285,854	830,000
<b>Total governmental activities</b>	<u>\$ 26,587,456</u>	<u>\$ 2,665,840</u>	<u>\$ (4,524,738)</u>	<u>\$ 24,728,558</u>	<u>\$ 2,659,993</u>
	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Business-type activities</b>					
<b>Water revenue bonds</b>					
George W. Kuhn Drain installments of \$65,707 to \$1,054,343 through April 1, 2029, interest at 1.625 to 2.5%	\$ 4,186,457	\$ -	\$ (1,029,369)	\$ 3,157,088	\$ 1,054,342
Claims and judgments	1,762,500	966,280	(1,228,524)	1,500,256	668,814
Compensated absences	315,856	20,396	(102,263)	233,989	102,263
<b>Total business-type activities</b>	<u>\$ 6,264,813</u>	<u>\$ 986,676</u>	<u>\$ (2,360,156)</u>	<u>\$ 4,891,333</u>	<u>\$ 1,825,419</u>

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

Annual debt service requirements to maturity for bonds are as follows:

Year Ended June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 1,630,000	\$ 609,213	\$ 1,054,342	\$ 76,339
2023	1,670,000	561,513	853,582	50,927
2024	1,710,000	510,875	857,092	30,190
2025	1,755,000	458,875	84,871	9,114
2026	1,805,000	403,700	86,808	7,214
2027-2031	7,135,000	1,148,300	220,393	10,386
2032-2036	3,485,000	320,100	-	-
	<u>\$ 19,190,000</u>	<u>\$ 4,012,576</u>	<u>\$ 3,157,088</u>	<u>\$ 184,170</u>

Annual debt service requirements to maturity for the direct borrowing note payable is as follows:

Year Ended June 30,	Governmental Activities	
	Principal	Interest
2022	\$ 70,000	\$ 59,900
2023	70,000	56,400
2024	75,000	52,775
2025	80,000	48,900
2026	85,000	44,775
2027-2031	505,000	153,125
2032-2036	615,000	45,750
2037	135,000	1,350
	<u>\$ 1,635,000</u>	<u>\$ 462,975</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.

#### Refunded Debt

During fiscal year 2021, Oakland County issued \$1,700,000 of refunding bonds to advance refund \$1,910,000 of the Series 2011 Building Authority bonds. These bonds are recorded as a note payable by the City and offset by a capital asset for the library/recreation center. As a result, the refunded note payable is considered to be defeased and the liability has been removed from the governmental activities. The refunding resulted in a net savings of \$171,785 and an economic gain of \$153,137.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

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 percent to 2.5 percent. As of June 30, 2021, the City's outstanding obligation is approximately \$3.2 million and incurred interest expense of \$101,145 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.

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 lawsuit. 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 three years.

A separate class action lawsuit was filed against the City related to the City's water and sewer rates. In May 2021, a settlement was reached, whereby the City was to pay \$966,280 in order to resolve the claims of the lawsuit. Within one week of the settlement date, a payment of \$641,024 was made. Subsequently, a payment of \$81,314 is to be made each year for the next four years.

Annual payment requirements are as follows:

Year Ended June 30,	Amount
2022	\$ 668,814
2023	668,814
2024	81,314
2025	<u>81,314</u>
	<u>\$ 1,500,256</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 2020 tax levy are as follows:

Real property	\$ 487,012,980
Personal property	<u>44,084,510</u>
<b>Total</b>	<u><u>\$ 531,097,490</u></u>

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

For the current fiscal year, the City levied 18.9663 mills for general governmental services, 1.4128 mills for library services, 7.0000 mills for public safety pension (Public Act 345), 2.7979 mills for solid waste, and 4.4133 mills for long-term debt retirement.

#### 13. TAX ABATEMENTS

The City received reduced property tax revenues during fiscal year 2021 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 percent of the millage rate applicable to other real and personal property in the City. The abatements amounted to approximately \$67,900 in reduced City tax revenues for fiscal year 2021.

#### 14. DEFINED BENEFIT PENSION PLANS

*Plans Administration.* The City 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 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 Employees' Retirement System Board of Trustees, which consists of five members, one is the City Manager of the City, one is a citizen member of the City, 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 Public Safety Retirement System Board of Trustees, which consists of five members, one is the City Manager of the City, 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 City Council.

*Plans Membership.* Membership of the plans consisted of the following at June 30, 2020, the date of the latest actuarial valuation for each plan:

	General	Public Safety
Retirees and beneficiaries currently receiving benefits	146	98
Inactive employees entitled to benefits	21	11
Active employees	19	53
<b>Total</b>	<b>186</b>	<b>162</b>

*Benefits Provided.* Employees retiring with 10 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 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 3.50 percent of compensation to the plan. Eligible PS employees are required to contribute 9.50 percent 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 2021 by the City is 136.39 percent of annual covered payroll for ERS members and 77.19 percent 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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 (rolled forward to June 30, 2021).

## 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, 2020 (and rolled forward to June 30, 2021), 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	Pub-2010 Public Retirement Plans Mortality Tables for Employees; annuitant and non-annuitant, sexdistinct with modified MP-2020 improvement factors.
Changes in assumptions	The mortality tables were updated with MP-2020 improvement scale; Discount rate increased from 6.5% to 7.0%.

The actuarial assumptions used in the June 30, 2020 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 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, 2021 (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	25%	7.38%
Mid cap	11%	8.25%
Small cap	7%	8.35%
International equities:		
Developed large cap growth	7%	8.37%
Developed large cap value	7%	8.67%
Small cap core	3%	8.55%
Emerging markets	3%	10.15%
Fixed income:		
Core	26%	4.10%
High Yield	3%	6.97%
Real estate	4%	9.49%
Cash	1%	3.87%
Infrastructure	3%	9.00%
	<u>100%</u>	

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

*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 percent 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.

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

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b><i>Employees' Retirement System</i></b>			
Balances at June 30, 2020	\$ 42,028,316	\$ 18,373,388	\$ 23,654,928
Changes for the year:			
Service cost	259,662	-	259,662
Interest	2,644,822	-	2,644,822
Differences between expected and actual experience	66,234	-	66,234
Changes in assumptions	(1,985,019)	-	(1,985,019)
Employer contributions	-	1,931,198	(1,931,198)
Employee contributions	-	48,232	(48,232)
Net investment income	-	4,935,665	(4,935,665)
Benefit payments, including refunds of employee contributions	(3,196,819)	(3,196,819)	-
Net changes	(2,211,120)	3,718,276	(5,929,396)
<b>Balances at June 30, 2021</b>	<b>\$ 39,817,196</b>	<b>\$ 22,091,664</b>	<b>\$ 17,725,532</b>

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Public Safety Employees' Retirement System</b>			
Balances at June 30, 2020	\$ 85,532,373	\$ 44,876,711	\$ 40,655,662
Changes for the year:			
Service cost	1,097,113	-	1,097,113
Interest	5,481,747	-	5,481,747
Differences between expected and actual experience	(168,657)	-	(168,657)
Changes in assumptions	(4,737,725)	-	(4,737,725)
Employer contributions	-	3,408,962	(3,408,962)
Employee contributions	-	486,259	(486,259)
Net investment income	-	12,013,756	(12,013,756)
Benefit payments, including refunds of employee contributions	(4,589,811)	(4,589,811)	-
Net changes	(2,917,333)	11,319,166	(14,236,499)
<b>Balances at June 30, 2021</b>	<b>\$ 82,615,040</b>	<b>\$ 56,195,877</b>	<b>\$ 26,419,163</b>

*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 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
General	\$ 25,870,325	\$ 17,725,532	\$ 11,748,434
Public safety	47,114,974	26,419,163	11,977,895
Total	\$ 72,985,299	\$ 44,144,695	\$ 23,726,329

## 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, 2021, the City recognized pension expense of \$(915,518) and \$2,235,493, for the ERS and PS systems, respectively. At June 30, 2021, 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
<b>Employees' Retirement System</b>			
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 2,467,855	\$ (2,467,855)
<b>Public Safety Employees' Retirement System</b>			
Difference between expected and actual experience	128,253	110,699	17,554
Changes in assumptions	1,279,107	3,109,641	(1,830,534)
Net difference between projected and actual earnings on pension plan investments	-	6,043,433	(6,043,433)
	<u>1,407,360</u>	<u>9,263,773</u>	<u>(7,856,413)</u>
<b>Total</b>	<u>\$ 1,407,360</u>	<u>\$ 11,731,628</u>	<u>\$ (10,324,268)</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,	General	Public Safety
2022	\$ (568,554)	\$ (1,680,446)
2023	(574,007)	(2,954,894)
2024	(569,102)	(1,397,204)
2025	<u>(756,192)</u>	<u>(1,823,869)</u>
	<u>\$ (2,467,855)</u>	<u>\$ (7,856,413)</u>

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

There were no amounts due to the pension plans at June 30, 2021.

## 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 percent of compensation for full-time and part-time employees, the 457 plan is voluntary with employees making up to 3.0 percent contribution and the employer matching up to 3.0 percent (full-time employees only), and the health savings plan is for full-time employees hired after July 2009, where the employer contributes 3.0 percent 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 the Michigan Employees Retirement System ("MERS"). The plans cost to the 45th District Court for the fiscal year ended June 30, 2021 was \$89,819. There was no defined contribution pension cost to the employees. Contributions to the plan are recognized when due and payable. Plan provisions and contribution rates are established and may be amended by resolution of City Council. Unvested benefits forfeited by employees who leave employment early are redistributed to active participants.

#### 16. DEFINED CONTRIBUTION PENSION PLAN

The City 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 percent of covered payroll and will match an employee's voluntary contribution up to 3.0 percent of covered payroll. Plan provisions and contribution requirements are established by City Council. Total contributions for the year ended June 30, 2021 were \$93,348 by employees and \$308,181 by the City. The City contributes 3.0 percent 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 59 plan members at June 30, 2021. The City contributes 1.0 percent of covered payroll to a health savings plan for POAM, POLC, and Dispatchers hired after March 1, 2013. There are 21 plan members at June 30, 2021.

#### 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 3.0 percent 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 and Public Safety plans are included as OPEB trust funds in the City's financial statements and the Court plan is included as the retiree health care court internal service fund of the City's financial statements; stand-alone financial reports of the plans have not been issued.

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 percent 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.

*Plans Membership.* Membership of the plans consisted of the following at June 30, 2020, the date of the latest actuarial valuation for each plan:

	General	Public Safety	Court
Inactive plan members receiving or entitled to future benefits	14	1	-
Covered spouse/dependents	130	93	19
Active plan members	18	33	9
<b>Total</b>	<b>162</b>	<b>127</b>	<b>28</b>

*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. 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, 2021, the City made an additional contribution over the pay-as-you-go amount of approximately \$476,994.

*Net Other Postemployment Benefit Liability.* The City's net other postemployment benefit liability was measured as of June 30, 2021, and the total other postemployment benefit liability used to calculate the net other postemployment benefit liability was determined by an actuarial valuation as of June 30, 2020 (rolled forward to June 30, 2021).

## 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, 2020 (and rolled forward to June 30, 2021), 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	Pre-Medicare 7.5% graded down to 4.5% by 0.25% per year; Post-Medicare, 5.75% graded down to 4.5% by 0.25% per year
Mortality rate	2010 Public General Employees and Healthy Retirees, Headcount weighted
Changes in assumptions	General and Court: Trend rates updated to those prescribed by PA 202 for year 2021; Discount rate updated from 3.27% to 3.72%. Public Safety: Trend rates updated to those prescribed by PA 202 for year 2021; Discount rate changed from 3.97% to 3.59%.

The actuarial assumptions used in the June 30, 2020 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, 2021 (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 3.72 percent for General and Court and 3.59 percent for Public Safety 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, 2021 was 3.72 percent for General and Court and 3.59 percent for Public Safety.

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

	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
<b>General Retiree Healthcare Plan</b>			
Balances at June 30, 2020	\$ 31,721,019	\$ 2,413,213	\$ 29,307,806
Changes for the year:			
Service cost	282,644	-	282,644
Interest	1,028,049	-	1,028,049
Differences between expected and actual experience	(26,336)	-	(26,336)
Changes in assumptions	(2,719,705)	-	(2,719,705)
Employer contributions	-	1,354,684	(1,354,684)
Net investment income	-	193,852	(193,852)
Benefit payments, including refunds of employee contributions	(1,129,684)	(1,129,684)	-
Administrative expense	-	(5,873)	5,873
Net changes	(2,565,032)	412,979	(2,978,011)
<b>Balances at June 30, 2021</b>	<b>\$ 29,155,987</b>	<b>\$ 2,826,192</b>	<b>\$ 26,329,795</b>

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Public Safety Retiree Healthcare Plan</b>			
Balances at June 30, 2020	\$ 33,698,970	\$ 3,278,449	\$ 30,420,521
Changes for the year:			
Service cost	616,516	-	616,516
Interest	1,337,145	-	1,337,145
Differences between expected and actual experience	176,086	-	176,086
Changes in assumptions	724,292	-	724,292
Employer contributions	-	1,493,492	(1,493,492)
Net investment income	-	263,345	(263,345)
Benefit payments, including refunds of employee contributions	(1,268,492)	(1,268,492)	-
Administrative expense	-	(7,978)	7,978
Net changes	1,585,547	480,367	1,105,180
<b>Balances at June 30, 2021</b>	<b>\$ 35,284,517</b>	<b>\$ 3,758,816</b>	<b>\$ 31,525,701</b>
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Court Retiree Healthcare Plan</b>			
Balances at June 30, 2020	\$ 4,588,809	\$ 37,426	\$ 4,551,383
Changes for the year:			
Service cost	118,029	-	118,029
Interest	150,768	-	150,768
Differences between expected and actual experience	(2,023)	-	(2,023)
Changes in assumptions	(351,432)	-	(351,432)
Employer contributions	-	219,402	(219,402)
Net investment income	-	549	(549)
Benefit payments, including refunds of employee contributions	(192,408)	(192,408)	-
Administrative expense	-	(26)	26
Net changes	(277,066)	27,517	(304,583)
<b>Balances at June 30, 2021</b>	<b>\$ 4,311,743</b>	<b>\$ 64,943</b>	<b>\$ 4,246,800</b>

## 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 3.72 percent for General and Court and 3.59 percent for Public Safety, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.72/2.59 percent) or 1 percentage point higher (4.72/4.59 percent) than the current rate:

	<b>1% Decrease (2.72%/2.59%)</b>	<b>Current Discount (3.72%/3.59%)</b>	<b>1% Increase (4.72%/4.59%)</b>
General	\$ 30,687,425	\$ 26,329,795	\$ 22,837,298
Public Safety	37,064,494	31,525,701	27,105,840
Court	4,809,543	4,246,800	3,787,249
Total	<u>\$ 72,561,462</u>	<u>\$ 62,102,296</u>	<u>\$ 53,730,387</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 7.5 percent graded down by 0.25 percent per year to 4.5 percent for pre-65 costs and 5.75 percent for Medicare costs, 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 percentage point lower (6.5 percent graded down to 3.5 percent /4.75 percent) or 1 percentage point higher (8.5 percent graded down to 5.5 percent /6.75 percent) than the current rate:

	<b>1% Decrease (6.5% graded down to 3.5% / 4.75%)</b>	<b>Current Healthcare Cost Trend Rate (7.5% graded down to 4.5% / 5.75%)</b>	<b>1% Increase (8.5% graded down to 5.5% / 6.75%)</b>
General	\$ 22,509,076	\$ 26,329,795	\$ 31,091,189
Public Safety	26,452,869	31,525,701	37,975,679
Court	3,719,527	4,246,800	4,898,989
Total	<u>\$ 52,681,472</u>	<u>\$ 62,102,296</u>	<u>\$ 73,965,857</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, 2021, the City recognized other postemployment benefit expense of \$(1,542,208), \$(3,659,600), and \$12,697, for the General, Public Safety, and Court retiree healthcare plans, respectively. At June 30, 2021, 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
<b>General Retiree Healthcare Plan</b>			
Net difference between projected and actual earnings on other postemployment benefit plan investments	\$ -	\$ 27,268	\$ (27,268)
<b>Public Safety Retiree Healthcare Plan</b>			
Difference between expected and actual experience	93,803	1,615,173	(1,521,370)
Changes in assumptions	385,838	446,268	(60,430)
Net difference between projected and actual earnings on other postemployment benefit plan investments	-	43,094	(43,094)
	<u>479,641</u>	<u>2,104,535</u>	<u>(1,624,894)</u>
<b>Court Retiree Healthcare Plan</b>			
Difference between expected and actual experience	-	568	(568)
Changes in assumptions	-	98,603	(98,603)
Net difference between projected and actual earnings on other postemployment benefit plan investments	-	(1,701)	1,701
	<u>-</u>	<u>97,470</u>	<u>(97,470)</u>
<b>Total</b>	<u>\$ 479,641</u>	<u>\$ 2,229,273</u>	<u>\$ (1,749,632)</u>

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
2022	\$ 795	\$ (1,642,032)	\$ (98,723)	\$ (1,739,960)
2023	(3,377)	51,511	448	48,582
2024	(8,620)	(12,185)	456	(20,349)
2025	(16,066)	(22,188)	349	(37,905)
	<u>\$ (27,268)</u>	<u>\$ (1,624,894)</u>	<u>\$ (97,470)</u>	<u>\$ (1,749,632)</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	\$ -	\$ -	\$ 5,158,641	\$ 5,158,641
Investments, at fair value:				
Equity mutual funds	15,747,578	39,753,827	-	55,501,405
Fixed income mutual funds	5,597,491	14,630,687	-	20,228,178
Money market accounts	991,972	2,070,947	1,426,367	4,489,286
Due from other governments	39,582	148,331	-	187,913
Prepaid items	-	11,997	-	11,997
<b>Total assets</b>	<u>22,376,623</u>	<u>56,615,789</u>	<u>6,585,008</u>	<u>85,577,420</u>
<b>Liabilities</b>				
Accounts payable	<u>284,959</u>	<u>419,912</u>	<u>-</u>	<u>704,871</u>
<b>Net position</b>				
Restricted for:				
Pension	22,091,664	56,195,877	-	78,287,541
Other postemployment benefits	<u>-</u>	<u>-</u>	<u>6,585,008</u>	<u>6,585,008</u>
<b>Total net position</b>	<u>\$ 22,091,664</u>	<u>\$ 56,195,877</u>	<u>\$ 6,585,008</u>	<u>\$ 84,872,549</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	\$ 1,931,198	\$ 3,408,962	\$ 2,848,176	\$ 8,188,336
Plan members	48,232	486,259	-	534,491
Total contributions	1,979,430	3,895,221	2,848,176	8,722,827
Investment income:				
Net change in fair value of investments	4,639,230	11,248,957	409,975	16,298,162
Interest	-	-	47,222	47,222
Dividends	388,386	958,734	-	1,347,120
Total investment income	5,027,616	12,207,691	457,197	17,692,504
Less: investment expense	(91,951)	(193,935)	-	(285,886)
Net investment income	4,935,665	12,013,756	457,197	17,406,618
<b>Total additions</b>	6,915,095	15,908,977	3,305,373	26,129,445
<b>Deductions</b>				
Benefits	3,196,819	4,564,587	2,398,176	10,159,582
Refunds	-	25,224	-	25,224
Administration	-	-	13,851	13,851
<b>Total deductions</b>	3,196,819	4,589,811	2,412,027	10,198,657
<b>Change in net position</b>	3,718,276	11,319,166	893,346	15,930,788
Net position, beginning of year	18,373,388	44,876,711	5,691,662	68,941,761
<b>Net position, end of year</b>	\$ 22,091,664	\$ 56,195,877	\$ 6,585,008	\$ 84,872,549

### 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, 2021, the last available audited financial statements, the Authority reported an increase in net position in the amount of \$1,040,576, resulting in ending net position in the amount of \$4,772,711. During the year ended June 30, 2021, the City expended \$2,002,596 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 has an agreement with Rolston Hockey, LLC (Rolston) 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, 2021.

The City has an agreement with Hatzalah of Michigan (Hatzalah) for the 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, 2020 and expired on April 30, 2021, but was renewed on May 1, 2021, and expires on April 30, 2022. The City received \$12,387 from Hatzalah for the fiscal year ended June 30, 2021.

#### 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	\$ 247,297	\$ 200	\$ 247,497
Restricted for:			
Road surface repairs	-	3,721,912	3,721,912
Sidewalks	-	258,776	258,776
Solid waste	-	1,550,241	1,550,241
Debt service	-	844,079	844,079
Library	-	113,992	113,992
Public safety	-	63,379	63,379
Courts	-	266,691	266,691
Total restricted	-	6,819,070	6,819,070
Assigned for:			
Subsequent years' budget	658,746	-	658,746
Library	-	475,071	475,071
Municipal buildings	-	1,173,316	1,173,316
Total assigned	658,746	1,648,387	2,307,133
Unassigned (deficits)	4,399,288	(22,649)	4,376,639
<b>Total fund balances</b>	<b>\$ 5,305,331</b>	<b>\$ 8,445,008</b>	<b>\$ 13,750,339</b>

#### 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.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

#### 23. NET INVESTMENT IN CAPITAL ASSETS

The composition of the net investment in capital assets as of June 30, 2021, was as follows:

	Governmental Activities	Business-type Activities
Capital assets:		
Capital assets not being depreciated	\$ 2,880,945	\$ 3,426,403
Capital assets being depreciated, net	38,045,219	27,043,522
	<u>40,926,164</u>	<u>30,469,925</u>
Related debt:		
General obligation bonds	19,190,000	3,157,088
Note payable	1,635,000	
Unamortized bond premium	1,617,704	-
Less unamortized deferred loss on refunding	(255,329)	-
	<u>22,187,375</u>	<u>3,157,088</u>
<b>Net investment in capital assets</b>	<u><u>\$ 18,738,789</u></u>	<u><u>\$ 27,312,837</u></u>

#### 24. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the City for providing emergency services to its citizens, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. The City directly received over \$2.3 million during 2021 from various funding sources to be used to respond to the impacts of the COVID-19 pandemic through the CARES Act and other funding sources. This funding was used to provide relief in multiple areas such as vaccination programs, personal protection equipment (PPE) programs, small business grants, housing assistance, and food and transportation assistance among others.

#### 25. SPECIAL ITEM

A class action lawsuit was filed in a prior year against the City related to its water and sewer rates. In May 2021, a settlement was reached whereby the City will pay \$966,280 to resolve the claims of the class. The first payment was made in May 2021. More detailed information about this matter is presented in Note 10 to the financial statements.

#### 26. RESTATEMENT

Due to a lawsuit filed against the City, the City was required to segregate the stormwater activity from the water and sewer activity. As such, a new fund, the stormwater utility enterprise fund, was created and a prior period adjustment was made to increase the beginning net position of the stormwater utility enterprise fund and decrease the beginning net position of the water and sewer enterprise fund in the amount of \$2,230,789. There was no effect on total business-type activities.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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## 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
<b>Employees' Retirement System</b>	
6/30/2021	27.72%
6/30/2020	1.97%
6/30/2019	7.23%
6/30/2018	7.85%
6/30/2017	11.59%
6/30/2016	-1.72%
6/30/2015	0.91%
6/30/2014	13.89%
<b>Public Safety Employees' Retirement System</b>	
6/30/2021	27.15%
6/30/2020	2.18%
6/30/2019	7.41%
6/30/2018	7.81%
6/30/2017	11.69%
6/30/2016	-1.35%
6/30/2015	-0.02%
6/30/2014	17.37%

See notes to required supplementary information.

# 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,			
	2021	2020	2019	2018
<b>Change in total pension liability</b>				
Service cost	\$ 259,662	\$ 223,187	\$ 233,255	\$ 246,853
Interest	2,644,822	2,753,237	2,672,022	2,679,864
Differences between expected and actual experience	66,234	(652,298)	616,284	(486,200)
Changes of assumptions	(1,985,019)	2,189,212	827,930	(807,180)
Benefit payments, including refunds of member contributions	(3,196,819)	(3,187,595)	(3,170,823)	(2,893,955)
Other changes	-	-	-	48,778
<b>Net change in total pension liability</b>	<u>(2,211,120)</u>	<u>1,325,743</u>	<u>1,178,668</u>	<u>(1,211,840)</u>
<b>Total pension liability, beginning</b>	<u>42,028,316</u>	<u>40,702,573</u>	<u>39,523,905</u>	<u>40,735,745</u>
<b>Total pension liability, ending (a)</b>	<u>39,817,196</u>	<u>42,028,316</u>	<u>40,702,573</u>	<u>39,523,905</u>
<b>Change in plan fiduciary net position</b>				
Contributions - employer	1,931,198	1,700,000	1,850,000	1,445,558
Contributions - member	48,232	47,913	52,428	51,977
Net investment income (loss)	4,935,665	374,841	1,336,058	1,461,332
Benefit payments, including refunds of member contributions	(3,196,819)	(3,187,595)	(3,170,823)	(2,893,955)
Administrative expense	-	-	-	-
Other - transfer to Public Safety Employees' Retirement System	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>3,718,276</u>	<u>(1,064,841)</u>	<u>67,663</u>	<u>64,912</u>
<b>Plan fiduciary net position, beginning</b>	<u>18,373,388</u>	<u>19,438,229</u>	<u>19,370,566</u>	<u>19,305,654</u>
<b>Plan fiduciary net position, ending (b)</b>	<u>22,091,664</u>	<u>18,373,388</u>	<u>19,438,229</u>	<u>19,370,566</u>
<b>City's net pension liability, ending (a)-(b)</b>	<u><u>\$ 17,725,532</u></u>	<u><u>\$ 23,654,928</u></u>	<u><u>\$ 21,264,344</u></u>	<u><u>\$ 20,153,339</u></u>
Plan fiduciary net position as a percentage of the total pension liability	55.5%	43.7%	47.8%	49.0%
Covered payroll	\$ 1,415,952	\$ 1,385,953	\$ 1,572,221	\$ 1,706,969
City's net pension liability as a percentage of covered payroll	1251.8%	1706.8%	1352.5%	1180.7%

See notes to required supplementary information.

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Year Ended June 30,			
2017	2016	2015	2014
\$ 325,140	\$ 303,303	\$ 485,484	\$ 471,343
2,563,114	2,726,891	2,159,545	2,471,316
(56,941)	(136,533)	810,181	-
(2,789,126)	4,952,784	(8,131,545)	-
(3,081,680)	(3,079,825)	(3,165,651)	(3,237,481)
-	-	-	-
(3,039,493)	4,766,620	(7,841,986)	(294,822)
43,775,238	39,008,618	46,850,604	47,145,426
40,735,745	43,775,238	39,008,618	46,850,604
1,338,260	1,336,565	1,272,539	1,367,086
48,211	52,239	54,389	61,130
2,053,473	(326,643)	196,674	(3,162,566)
(3,081,680)	(3,079,825)	(3,165,651)	(3,237,481)
-	(4,531)	-	-
-	-	-	(31,376,710)
358,264	(2,022,195)	(1,642,049)	(36,348,541)
18,947,390	20,969,585	22,611,634	58,960,175
19,305,654	18,947,390	20,969,585	22,611,634
<u>\$ 21,430,091</u>	<u>\$ 24,827,848</u>	<u>\$ 18,039,033</u>	<u>\$ 24,238,970</u>
47.4%	43.3%	53.8%	48.3%
\$ 1,695,162	\$ 1,786,708	\$ 1,885,123	\$ 1,998,057
1264.2%	1389.6%	956.9%	1213.1%

## 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,			
	2021	2020	2019	2018
<b>Change in total pension liability</b>				
Service cost	\$ 1,097,113	\$ 940,528	\$ 998,688	\$ 837,339
Interest	5,481,747	5,372,543	5,251,142	5,173,752
Differences between expected and actual experience	(168,657)	516,897	(1,200,198)	446,463
Changes of assumptions	(4,737,725)	5,155,187	1,242,814	3,895,295
Benefit payments, including refunds of member contributions	(4,589,811)	(4,525,738)	(4,474,212)	(4,121,370)
Other changes	-	-	-	(1,628,637)
<b>Net change in total pension liability</b>	<u>(2,917,333)</u>	<u>7,459,417</u>	<u>1,818,234</u>	<u>4,602,842</u>
<b>Total pension liability, beginning</b>	<u>85,532,373</u>	<u>78,072,956</u>	<u>76,254,722</u>	<u>71,651,880</u>
<b>Total pension liability, ending (a)</b>	<u>82,615,040</u>	<u>85,532,373</u>	<u>78,072,956</u>	<u>76,254,722</u>
<b>Change in plan fiduciary net position</b>				
Contributions - employer	3,408,962	3,100,000	3,381,218	2,551,000
Contributions - member	486,259	501,987	453,727	407,715
Net investment income (loss)	12,013,756	972,322	3,062,888	3,096,956
Benefit payments, including refunds of member contributions	(4,589,811)	(4,525,738)	(4,474,212)	(4,121,370)
Administrative expense	-	-	-	-
Other - transfer from Employees' Retirement System	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>11,319,166</u>	<u>48,571</u>	<u>2,423,621</u>	<u>1,934,301</u>
<b>Plan fiduciary net position, beginning</b>	<u>44,876,711</u>	<u>44,828,140</u>	<u>42,404,519</u>	<u>40,470,218</u>
<b>Plan fiduciary net position, ending (b)</b>	<u>56,195,877</u>	<u>44,876,711</u>	<u>44,828,140</u>	<u>42,404,519</u>
<b>City's net pension liability, ending (a)-(b)</b>	<u>\$ 26,419,163</u>	<u>\$ 40,655,662</u>	<u>\$ 33,244,816</u>	<u>\$ 33,850,203</u>
 Plan fiduciary net position as a percentage of the total pension liability	 68.0%	 52.5%	 57.4%	 55.6%
 Covered payroll	 \$ 4,416,345	 \$ 4,626,234	 \$ 4,726,656	 \$ 4,436,592
 City's net pension liability as a percentage of covered payroll	 598.2%	 878.8%	 703.3%	 763.0%

See notes to required supplementary information.

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Year Ended June 30,			
2017	2016	2015	2014
\$ 1,116,227	\$ 941,346	\$ 1,391,903	\$ 1,351,362
4,968,550	4,427,324	4,346,878	4,381,564
(251,605)	2,342,761	136,404	-
(2,189,134)	3,938,301	(19,693,917)	-
(4,431,882)	(4,378,526)	(4,280,101)	(4,961,937)
-	-	-	-
(787,844)	7,271,206	(18,098,833)	770,989
72,439,724	65,168,518	83,267,351	82,496,362
71,651,880	72,439,724	65,168,518	83,267,351
2,387,270	2,521,391	2,438,761	2,869,461
325,575	330,804	317,315	325,361
4,198,316	(513,784)	(7,748)	11,976,064
(4,431,882)	(4,378,526)	(4,280,101)	(4,961,937)
(11,984)	(10,848)	-	-
-	-	-	31,376,710
2,467,295	(2,050,963)	(1,531,773)	41,585,659
38,002,923	40,053,886	41,585,659	-
40,470,218	38,002,923	40,053,886	41,585,659
<u>\$ 31,181,662</u>	<u>\$ 34,436,801</u>	<u>\$ 25,114,632</u>	<u>\$ 41,681,692</u>

56.5%      52.5%      61.5%      49.9%

\$ 4,169,534    \$ 4,041,630    \$ 3,954,232    \$ 3,727,181

747.8%      852.1%      635.1%      1118.3%

## 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					
6/30/2021	\$ 1,585,765	\$ 1,931,198	\$ (345,433)	\$ 1,415,952	136.4%
6/30/2020	1,584,904	1,700,000	(115,096)	1,385,953	122.7%
6/30/2019	1,678,746	1,850,000	(171,254)	1,572,221	117.7%
6/30/2018	1,384,659	1,445,558	(60,899)	1,706,969	84.7%
6/30/2017	1,256,953	1,338,260	(81,307)	1,695,162	78.9%
6/30/2016	1,318,377	1,336,565	(18,188)	1,786,708	74.8%
6/30/2015	1,272,539	1,272,539	-	1,885,123	67.5%
6/30/2014	1,211,912	1,367,086	(155,174)	1,998,057	68.4%
Public Safety Employees' Retirement System					
6/30/2021	\$ 3,011,118	\$ 3,408,962	\$ (397,844)	\$ 4,416,345	77.2%
6/30/2020	2,997,391	3,100,000	(102,609)	4,626,234	67.0%
6/30/2019	3,099,614	3,381,218	(281,604)	4,726,656	71.5%
6/30/2018	2,550,106	2,551,000	(894)	4,436,592	57.5%
6/30/2017	2,314,911	2,387,270	(72,359)	4,169,534	57.3%
6/30/2016	2,326,055	2,521,391	(195,336)	4,041,630	62.4%
6/30/2015	2,159,875	2,438,761	(278,886)	3,954,232	61.7%
6/30/2014	2,105,664	2,869,461	(763,797)	3,727,181	77.0%

See notes to required supplementary information.

## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

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

Fiscal Year Ended	Annual Money- Weighted Rate of Return, Net of Investment Expense
<b>General Retiree Healthcare Plan</b>	
6/30/2021	7.44%
6/30/2020	2.76%
6/30/2019	3.04%
6/30/2018	2.99%
6/30/2017	3.59%
<b>Public Safety Retiree Healthcare Plan</b>	
6/30/2021	7.53%
6/30/2020	2.80%
6/30/2019	3.58%
6/30/2018	2.99%
6/30/2017	3.59%
<b>Court Retiree Healthcare Plan</b>	
6/30/2021	1.03%
6/30/2020	2.28%
6/30/2019	0.67%
6/30/2018	N/A (1)

See notes to required supplementary information.

# CITY OF OAK PARK, MICHIGAN

## Required Supplementary Information

General Retiree Healthcare Plan

Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios

	Year Ended June 30,				
	2021	2020	2019	2018	2017
<b>Change in total other postemployment benefit liability</b>					
Service cost	\$ 282,644	\$ 214,178	\$ 224,750	\$ 304,260	\$ 372,392
Interest	1,028,049	1,293,005	1,358,699	1,076,780	1,435,899
Differences between expected and actual experience	(26,336)	(11,842,304)	2,039	1,107,922	-
Changes of assumptions	(2,719,705)	(295,522)	4,079,733	3,071,218	7,013,108
Benefit payments, including refunds of member contributions	(1,129,684)	(1,068,657)	(1,446,516)	(1,578,228)	(1,545,294)
<b>Net change in total other postemployment benefit liability</b>	<b>(2,565,032)</b>	<b>(11,699,300)</b>	<b>4,218,705</b>	<b>3,981,952</b>	<b>7,276,105</b>
<b>Total other postemployment benefit liability, beginning</b>	<b>31,721,019</b>	<b>43,420,319</b>	<b>39,201,614</b>	<b>39,957,630</b>	<b>32,681,525</b>
<b>Less amounts for Court Retiree Healthcare Plan (1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,737,968)</b>	<b>-</b>
<b>Total other postemployment benefit liability, ending (a)</b>	<b>29,155,987</b>	<b>31,721,019</b>	<b>43,420,319</b>	<b>39,201,614</b>	<b>39,957,630</b>
<b>Change in plan fiduciary net position</b>					
Contributions - employer	1,354,684	1,268,657	2,046,516	1,878,228	1,545,294
Net investment income	193,852	64,034	54,619	38,027	40,168
Benefit payments, including refunds of member contributions	(1,129,684)	(1,068,657)	(1,446,516)	(1,578,228)	(1,545,294)
Administrative expense	(5,873)	(1,889)	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>412,979</b>	<b>262,145</b>	<b>654,619</b>	<b>338,027</b>	<b>40,168</b>
<b>Plan fiduciary net position, beginning</b>	<b>2,413,213</b>	<b>2,151,068</b>	<b>1,496,449</b>	<b>1,158,422</b>	<b>1,118,254</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>2,826,192</b>	<b>2,413,213</b>	<b>2,151,068</b>	<b>1,496,449</b>	<b>1,158,422</b>
<b>City's net other postemployment benefit liability, ending (a)-(b)</b>	<b>\$ 26,329,795</b>	<b>\$ 29,307,806</b>	<b>\$ 41,269,251</b>	<b>\$ 37,705,165</b>	<b>\$ 38,799,208</b>
Plan fiduciary net position as a percentage of the total other postemployment benefit liability	9.69%	7.61%	4.95%	3.82%	2.90%
Covered payroll	\$ 1,459,487	\$ 1,368,940	\$ 1,475,359	\$ 1,706,969	\$ 2,105,252
City's net other postemployment benefit liability as a percentage of covered payroll	1804.04%	2140.91%	2797.23%	2208.90%	1842.97%

See notes to required supplementary information.

# CITY OF OAK PARK, MICHIGAN

## Required Supplementary Information

### Public Safety Retiree Healthcare Plan

#### Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios

	Year Ended June 30,				
	2021	2020	2019	2018	2017
<b>Change in total other postemployment benefit liability</b>					
Service cost	\$ 616,516	\$ 1,040,742	\$ 1,042,819	\$ 525,509	\$ 525,509
Interest	1,337,145	1,403,288	1,368,038	1,164,989	1,307,879
Differences between expected and actual experience	176,086	(10,844,739)	17,585	(575,996)	-
Changes of assumptions	724,292	(2,996,366)	-	7,594,136	7,536,448
Benefit payments, including refunds of member contributions	(1,268,492)	(1,278,956)	(1,214,780)	(1,204,145)	(1,553,955)
<b>Net change in total other postemployment benefit liability</b>	<u>1,585,547</u>	<u>(12,676,031)</u>	<u>1,213,662</u>	<u>7,504,493</u>	<u>7,815,881</u>
<b>Total other postemployment benefit liability, beginning</b>	<u>33,698,970</u>	<u>46,375,001</u>	<u>45,161,339</u>	<u>37,656,846</u>	<u>29,840,965</u>
<b>Total other postemployment benefit liability, ending (a)</b>	<u>35,284,517</u>	<u>33,698,970</u>	<u>46,375,001</u>	<u>45,161,339</u>	<u>37,656,846</u>
<b>Change in plan fiduciary net position</b>					
Contributions - employer	1,493,492	1,478,956	1,814,780	1,504,145	1,553,955
Net investment income	263,345	89,068	93,001	63,534	67,112
Benefit payments, including refunds of member contributions	(1,268,492)	(1,278,956)	(1,214,780)	(1,204,145)	(1,553,955)
Administrative expense	(7,978)	(2,627)	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>480,367</u>	<u>286,441</u>	<u>693,001</u>	<u>363,534</u>	<u>67,112</u>
<b>Plan fiduciary net position, beginning</b>	<u>3,278,449</u>	<u>2,992,008</u>	<u>2,299,007</u>	<u>1,935,473</u>	<u>1,868,361</u>
<b>Plan fiduciary net position, ending (b)</b>	<u>3,758,816</u>	<u>3,278,449</u>	<u>2,992,008</u>	<u>2,299,007</u>	<u>1,935,473</u>
<b>City's net other postemployment benefit liability, ending (a)-(b)</b>	<u>\$ 31,525,701</u>	<u>\$ 30,420,521</u>	<u>\$ 43,382,993</u>	<u>\$ 42,862,332</u>	<u>\$ 35,721,373</u>
Plan fiduciary net position as a percentage of the total other postemployment benefit liability	10.65%	9.73%	6.45%	5.09%	5.14%
Covered payroll	\$ 4,873,478	\$ 4,869,302	\$ 4,744,250	\$ 3,464,030	\$ 3,842,496
City's net other postemployment benefit liability as a percentage of covered payroll	646.88%	624.74%	914.43%	1237.35%	929.64%

See notes to required supplementary information.

# CITY OF OAK PARK, MICHIGAN

## Required Supplementary Information

### Court Retiree Healthcare Plan

#### Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios

	Year Ended June 30,			
	2021	2020	2019	2018
<b>Change in total other postemployment benefit liability</b>				
Service cost	\$ 118,029	\$ 82,899	\$ 77,646	\$ 68,132
Interest	150,768	193,584	207,992	143,650
Differences between expected and actual experience	(2,023)	(1,910,688)	(64,182)	1,076,251
Changes of assumptions	(351,432)	(43,668)	528,673	291,606
Benefit payments, including refunds of member contributions	(192,408)	(206,433)	(250,158)	(344,463)
<b>Net change in total other postemployment benefit liability</b>	<u>(277,066)</u>	<u>(1,884,306)</u>	<u>499,971</u>	<u>1,235,176</u>
<b>Total other postemployment benefit liability, beginning</b>	<u>4,588,809</u>	<u>6,473,115</u>	<u>5,973,144</u>	<u>4,737,968</u>
<b>Total other postemployment benefit liability, ending (a)</b>	<u>4,311,743</u>	<u>4,588,809</u>	<u>6,473,115</u>	<u>5,973,144</u>
<b>Change in plan fiduciary net position</b>				
Contributions - employer	219,402	230,946	262,134	344,463
Contributions - member				
Net investment income	549	561	40	-
Benefit payments, including refunds of member contributions	(192,408)	(206,433)	(250,158)	(344,463)
Administrative expense	(26)			
Other	-	336	-	-
<b>Net change in plan fiduciary net position</b>	<u>27,517</u>	<u>25,410</u>	<u>12,016</u>	<u>-</u>
<b>Plan fiduciary net position, beginning</b>	<u>37,426</u>	<u>12,016</u>	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position, ending (b)</b>	<u>64,943</u>	<u>37,426</u>	<u>12,016</u>	<u>-</u>
<b>City's net other postemployment benefit liability, ending (a)-(b)</b>	<u>\$ 4,246,800</u>	<u>\$ 4,551,383</u>	<u>\$ 6,461,099</u>	<u>\$ 5,973,144</u>
Plan fiduciary net position as a percentage of the total other postemployment benefit liability	1.51%	0.82%	0.19%	0.00%
Covered payroll	\$ 411,524	\$ 473,348	\$ 435,990	\$ 422,984
City's net other postemployment benefit liability as a percentage of covered payroll	1031.97%	961.53%	1481.94%	1412.14%

See notes to required supplementary information.

## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

General, Public Safety, and Court Retiree Healthcare Plans  
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:					
6/30/2021	\$ 4,514,656	\$ 1,354,684	\$ 3,159,972	\$ 1,459,487	92.8%
6/30/2020	5,520,972	1,268,657	4,252,315	1,368,940	92.7%
6/30/2019	5,280,276	2,046,516	3,233,760	1,475,359	138.7%
6/30/2018	4,307,310	1,878,228	2,429,082	1,706,969	110.0%
6/30/2017	1,620,940	1,545,294	75,646	2,105,252	73.4%
Public Safety Retiree Healthcare Plan:					
6/30/2021	\$ 4,726,748	\$ 1,493,492	\$ 3,233,256	\$ 4,873,478	30.6%
6/30/2020	6,157,774	1,478,956	4,678,818	4,869,302	30.4%
6/30/2019	5,586,225	1,814,780	3,771,445	4,744,250	38.3%
6/30/2018	3,988,426	1,504,145	2,484,281	3,464,030	43.4%
6/30/2017	1,901,699	1,553,955	347,744	3,842,496	40.4%
Court Retiree Healthcare Plan:					
6/30/2021	\$ 1,123,379	\$ 219,402	\$ 903,977	\$ 411,524	53.3%
6/30/2020	1,278,089	230,946	1,047,143	473,348	48.8%
6/30/2019	949,686	262,134	687,552	435,990	60.1%
6/30/2018	625,762	344,463	281,299	422,984	81.4%

See notes to required supplementary information.

## CITY OF OAK PARK, MICHIGAN

### Notes to Required Supplementary Information

#### Pension Information

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

#### Notes to the Schedule of Changes in the City's Net Pension Liability and Related Ratios: General Employees' Retirement System

The June 30, 2021 changes in assumptions are due to the following:

- The mortality tables were updated with MP-2020 improvement scale.
- The discount rate increased from 6.5% to 7.0%.

The June 30, 2020 changes in assumptions are due to the following:

- The mortality tables were changed to the Society of Actuaries tables for public employees.
- The discount rate decreased from 7.0% to 6.5%.

The June 30, 2019 changes in assumptions are due to the following:

- The mortality tables changed to the new government tables provided by the State.

The June 30, 2018 changes in assumptions are due to the following:

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

The June 30, 2017 changes in assumptions are due to the following:

- For the calculation of year end liabilities, the tax-exempt municipal bond rate increased from 3.18% to 3.58%.
- The discount rate increased from 6.07% to 6.77%.
- The long-term inflation assumption has decreased from 3.0% to 2.5% as of July 1, 2016. This change applies to both the salary increase assumption and the amortization of the unfunded actuarial accrued liability.

The June 30, 2016 changes in assumptions are due to the following:

- For the calculation of year end liabilities, the tax-exempt municipal bond rate decreased from 3.80% to 3.18%.
- The discount rate decreased from 7.38% to 6.07%.

The June 30, 2015 changes in assumptions are due to the following:

- For the calculation of year end liabilities, the tax-exempt municipal bond rate decreased from 4.29% to 3.80%.
- The long-term rate of return on assets increased from 6.54% to 8.00%.
- The discount rate increased from 5.40% to 7.38%.

### Notes to Required Supplementary Information

#### Notes to the Schedule of Changes in the City's Net Pension Liability and Related Ratios: Public Safety Employees' Retirement System

The June 30, 2021 changes in assumptions are due to the following:

- The mortality tables were updated with MP-2020 improvement scale.
- The discount rate increased from 6.5% to 7.0%.

The June 30, 2020 changes in assumptions are due to the following:

- The mortality tables were changed to the Society of Actuaries tables for public employees.
- The discount rate decreased from 7.0% to 6.5%.

The June 30, 2019 changes in assumptions are due to the following:

- The mortality tables changed to the new government tables provided by the State.

The June 30, 2018 changes in assumptions are due to the following:

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

The June 30, 2017 changes in assumptions are due to the following:

- For the calculation of year end liabilities, the tax-exempt municipal bond rate increased from 3.18% to 3.58%.
- The discount rate increased from 7.27% to 7.52%.
- The long-term inflation assumption has decreased from 3.0% to 2.5% as of July 1, 2016. This change applies to both the salary increase assumption and the amortization of the unfunded actuarial accrued liability.

The June 30, 2016 changes in assumptions are due to the following:

- For the calculation of year end liabilities, the tax-exempt municipal bond rate decreased from 3.80% to 3.18%.
- The discount rate decreased from 7.83% to 7.27%.

The June 30, 2015 changes in assumptions are due to the following:

- The actuarial equivalence basis for converting between option forms of benefit payment was updated.

## CITY OF OAK PARK, MICHIGAN

### Notes to Required Supplementary Information

#### Notes to Schedule of Contributions

Valuation date	July 1, 2020
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.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal level percent of pay
Amortization method	General: 2.5 percent scale on amortization is applied to recognize increasing amortization payments; Public Safety: spread gain/loss with 2.5 percent scale
Remaining amortization period	23 years
Asset valuation method	General: 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. Public Safety: Equal to market value of assets.
Inflation	2.50 percent
Salary increases	Varies
Investment rate of return	7.0 percent net of pension plan investment expense, including inflation
Mortality rates	Pub-2010 Public Retirement Plans Mortality Tables for with MP-2020; annuitant and non-annuitant, sex-distinct

## CITY OF OAK PARK, MICHIGAN

### Notes to Required Supplementary Information

#### OPEB Information

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

#### Notes to Schedule of Investment Returns

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

#### Notes to Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios: General Retiree Healthcare Plan

(1) The Court Retiree Healthcare Plan total other postemployment benefit 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).

The June 30, 2021 changes in assumptions are due to the following:

- Trend rates updated to those prescribed by PA 202 for year 2021.
- Discount rate updated from 3.27% to 3.72%.

The June 30, 2020 changes in assumptions are due to the following:

- Mortality updated from RP-2014 adjusted to 2006 Total Data Set, Headcount-weighted, with MP-2017 (set-forward 10 years for disability).
- Trend Rates updated from Pre-65; 8.0% graded down to 5% over six years, 5.0% per annum for Medicare costs.
- Discount rate updated from 3.0%.

The June 30, 2019 changes in assumptions are due to the following:

- Discount rate lowered from 3.51% to 3.0%.

The June 30, 2018 changes in assumptions are due to the following:

- First valuation performed by Watkins Ross.
- The discount rate was lowered from 3.1% to 3.0%.
- The 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.
- The 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 June 30, 2017 changes in assumptions are due to the following:

- Discount rate lowered from 4.5% to 3.1%.

## CITY OF OAK PARK, MICHIGAN

### Notes to Required Supplementary Information

#### Notes to Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios: Public Safety Retiree Healthcare Plan

The June 30, 2021 changes in assumptions are due to the following:

- Trend rates updated to those prescribed by PA 202 for year 2021.
- Discount rate changed from 3.97% to 3.59%.

The June 30, 2020 changes in assumptions are due to the following:

- Mortality updated from RP-2014 adjusted to 2006 Total Data Set, Headcount-weighted, with MP-2017 (set-forward 10 years for disability).
- Trend Rates updated from Pre-65; 8.0% graded down to 5% over six years, 5.0% per annum for Medicare costs.
- Timing of claims payments changed from middle of year to beginning of year.
- Discount rate updated from 3.0%.

The June 30, 2018 changes in assumptions are due to the following:

- First valuation performed by Watkins Ross.
- The discount rate was lowered from 3.1% to 3.0%.
- The 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.
- The 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 June 30, 2017 changes in assumptions are due to the following:

- Discount rate lowered from 4.5% to 3.1%.

#### Notes to Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios: Court Retiree Healthcare Plan

The June 30, 2021 changes in assumptions are due to the following:

- Trend rates updated to those prescribed by PA 202 for year 2021.
- Discount rate updated from 3.27% to 3.72%.

The June 30, 2020 changes in assumptions are due to the following:

- Mortality updated from RP-2014 adjusted to 2006 Total Data Set, Headcount-weighted, with MP-2017 (set-forward 10 years for disability).
- Trend Rates updated from Pre-65; 8.0% graded down to 5% over six years, 5.0% per annum for Medicare costs.
- Discount rate updated from 3.0%.

The June 30, 2019 changes in assumptions are due to the following:

- Discount rate lowered from 3.51% to 3.0%.

The June 30, 2018 changes in assumptions are due to the following:

- First valuation performed by Watkins Ross.
- The discount rate was lowered from 3.1% to 3.0%.
- The 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.
- The 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).

## CITY OF OAK PARK, MICHIGAN

### Notes to Required Supplementary Information

#### Notes to Schedule of Contributions

Valuation date	June 30, 2020
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.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level percentage of compensation
Remaining amortization period	23 years
Asset valuation method	Market value
Healthcare inflation rate	Pre-Medicare 7.5% graded down to 4.5% by 0.25% per year; Post Medicare, 5.75% graded down to 4.5% by 0.25% per year
Inflation rate	2.0 percent
Salary increases	2.5 percent
Investment rate of return	4.5 percent, including inflation
Mortality rates	2010 Public General Employees / Public Safety Employees and Healthy Retirees, Headcount weighted, MP-2020 Rationale – Most current mortality rates available for municipalities

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

# CITY OF OAK PARK, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2021

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental
<b>Assets</b>				
Cash and investments	\$ 5,708,188	\$ 883,079	\$ 1,422,448	\$ 8,013,715
Receivables:				
Taxes	27,074	-	49,151	76,225
Special assessments	195,384	-	-	195,384
Accounts	561,947	-	-	561,947
Due from other governments	561,313	-	-	561,313
Prepaid items	200	-	-	200
<b>Total assets</b>	<u>\$ 7,054,106</u>	<u>\$ 883,079</u>	<u>\$ 1,471,599</u>	<u>\$ 9,408,784</u>
<b>Liabilities</b>				
Accounts payable	\$ 506,832	\$ -	\$ 23,830	\$ 530,662
Accrued liabilities	125,431	39,000	15,677	180,108
Due to other funds	34,973	-	-	34,973
<b>Total liabilities</b>	<u>667,236</u>	<u>39,000</u>	<u>39,507</u>	<u>745,743</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue - special assessments	195,384	-	-	195,384
Unavailable revenue - grants	22,649	-	-	22,649
<b>Total deferred inflows of resources</b>	<u>218,033</u>	<u>-</u>	<u>-</u>	<u>218,033</u>
<b>Fund balances</b>				
Nonspendable	200	-	-	200
Restricted	5,716,215	844,079	258,776	6,819,070
Assigned	475,071	-	1,173,316	1,648,387
Unassigned (deficit)	(22,649)	-	-	(22,649)
<b>Total fund balances</b>	<u>6,168,837</u>	<u>844,079</u>	<u>1,432,092</u>	<u>8,445,008</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 7,054,106</u>	<u>\$ 883,079</u>	<u>\$ 1,471,599</u>	<u>\$ 9,408,784</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, 2021

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental
<b>Revenues</b>				
Property taxes	\$ 2,231,603	\$ 2,358,660	\$ -	\$ 4,590,263
Special assessments	128,563	-	84,245	212,808
Intergovernmental:				
Federal grants	134,918	-	-	134,918
State grants	3,544,620	10,627	-	3,555,247
Charges for services	1,781,621	-	-	1,781,621
Fines and forfeitures	52,493	-	38,368	90,861
Interest income	51,870	21,425	12,641	85,936
Other revenue	191,613	-	179,058	370,671
<b>Total revenues</b>	<b>8,117,301</b>	<b>2,390,712</b>	<b>314,312</b>	<b>10,822,325</b>
<b>Expenditures</b>				
Current:				
Judicial	2,310,041	-	-	2,310,041
Public safety	13,369	-	-	13,369
Road maintenance and repair	2,080,887	-	-	2,080,887
Public works	-	-	121,685	121,685
Health and sanitation	3,320,003	-	-	3,320,003
Library	633,870	-	-	633,870
Community development	106,865	-	110,849	217,714
Debt service:				
Principal	-	1,655,000	-	1,655,000
Interest and fiscal charges	-	721,056	-	721,056
<b>Total expenditures</b>	<b>8,465,035</b>	<b>2,376,056</b>	<b>277,092</b>	<b>11,118,183</b>
Revenues over (under) expenditures	(347,734)	14,656	37,220	(295,858)
<b>Other financing sources (uses)</b>				
Issuance of long-term debt	-	1,700,000	-	1,700,000
Premium on issuance of long-term debt	-	233,246	-	233,246
Payments to refund note payable escrow agent	-	(1,921,625)	-	(1,921,625)
Transfers in	1,852,163	556,062	164,000	2,572,225
Transfers out	(242,129)	(433,304)	(44,000)	(719,433)
<b>Total other financing sources (uses)</b>	<b>1,610,034</b>	<b>134,379</b>	<b>120,000</b>	<b>1,864,413</b>
<b>Net change in fund balances</b>	<b>1,262,300</b>	<b>149,035</b>	<b>157,220</b>	<b>1,568,555</b>
Fund balances, beginning of year	4,906,537	695,044	1,274,872	6,876,453
<b>Fund balances, end of year</b>	<b>\$ 6,168,837</b>	<b>\$ 844,079</b>	<b>\$ 1,432,092</b>	<b>\$ 8,445,008</b>

# CITY OF OAK PARK, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

Special Revenue Funds

June 30, 2021

	Major Streets	Local Streets	Solid Waste	Narcotics Forfeiture
<b>Assets</b>				
Cash and investments	\$ 1,475,351	\$ 1,857,106	\$ 1,192,039	\$ 53,513
Receivables:				
Taxes	-	27,074	-	-
Special assessments	195,384	-	-	-
Accounts	2,060	-	559,669	-
Due from other governments	351,708	136,766	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>\$ 2,024,503</b>	<b>\$ 2,020,946</b>	<b>\$ 1,751,708</b>	<b>\$ 53,513</b>
<b>Liabilities</b>				
Accounts payable	\$ 74,240	\$ 28,165	\$ 176,189	\$ -
Accrued liabilities	12,293	13,455	25,278	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>86,533</b>	<b>41,620</b>	<b>201,467</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - special assessments	195,384	-	-	-
Unavailable revenue - grants	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>195,384</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
Nonspendable	-	-	-	-
Restricted	1,742,586	1,979,326	1,550,241	53,513
Assigned	-	-	-	-
Unassigned (deficits)	-	-	-	-
<b>Total fund balances</b>	<b>1,742,586</b>	<b>1,979,326</b>	<b>1,550,241</b>	<b>53,513</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,024,503</b>	<b>\$ 2,020,946</b>	<b>\$ 1,751,708</b>	<b>\$ 53,513</b>



Criminal Justice Training	Community Development Block Grant	Indigent Defense Grant	Caseflow Assistance	Veterans Treatment Court Grant	45th District Court
\$ 9,866	\$ -	\$ 266,765	\$ 23,236	\$ -	\$ 210,799
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	218
-	23,174	-	-	13,001	-
-	-	-	-	-	-
<u>\$ 9,866</u>	<u>\$ 23,174</u>	<u>\$ 266,765</u>	<u>\$ 23,236</u>	<u>\$ 13,001</u>	<u>\$ 211,017</u>
\$ -	\$ 1,840	\$ 23,310	\$ -	\$ 5,963	\$ 162,724
-	2,475	-	-	540	48,293
-	18,859	-	-	6,498	-
-	23,174	23,310	-	13,001	211,017
-	-	-	-	-	-
-	11,502	-	-	777	-
-	11,502	-	-	777	-
-	-	-	-	-	-
9,866	-	243,455	23,236	-	-
-	-	-	-	-	-
-	(11,502)	-	-	(777)	-
9,866	(11,502)	243,455	23,236	(777)	-
<u>\$ 9,866</u>	<u>\$ 23,174</u>	<u>\$ 266,765</u>	<u>\$ 23,236</u>	<u>\$ 13,001</u>	<u>\$ 211,017</u>

continued...

# CITY OF OAK PARK, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

Special Revenue Funds

June 30, 2021

	Library	Mental Health Court Grant	Total
<b>Assets</b>			
Cash and investments	\$ 619,513	\$ -	\$ 5,708,188
Receivables:			
Taxes	-	-	27,074
Special assessments	-	-	195,384
Accounts	-	-	561,947
Due from other governments	-	36,664	561,313
Prepaid items	200	-	200
<b>Total assets</b>	<u>\$ 619,713</u>	<u>\$ 36,664</u>	<u>\$ 7,054,106</u>
<b>Liabilities</b>			
Accounts payable	\$ 8,122	\$ 26,279	\$ 506,832
Accrued liabilities	22,328	769	125,431
Due to other funds	-	9,616	34,973
<b>Total liabilities</b>	<u>30,450</u>	<u>36,664</u>	<u>667,236</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue - special assessments	-	-	195,384
Unavailable revenue - grants	-	10,370	22,649
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>10,370</u>	<u>218,033</u>
<b>Fund balances</b>			
Nonspendable	200	-	200
Restricted	113,992	-	5,716,215
Assigned	475,071	-	475,071
Unassigned (deficits)	-	(10,370)	(22,649)
<b>Total fund balances</b>	<u>589,263</u>	<u>(10,370)</u>	<u>6,168,837</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 619,713</u>	<u>\$ 36,664</u>	<u>\$ 7,054,106</u>

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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, 2021

	Major Streets	Local Streets	Solid Waste	Narcotics Forfeiture
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ 1,484,248	\$ -
Special assessments	67,317	61,246	-	-
Intergovernmental:				
Federal grants	-	-	-	1,854
State grants	2,142,901	835,259	6,602	-
Charges for services	-	-	1,651,148	-
Fines and forfeitures	-	-	-	-
Interest income	9,393	17,263	16,962	487
Other revenue	181,095	-	-	-
<b>Total revenues</b>	<u>2,400,706</u>	<u>913,768</u>	<u>3,158,960</u>	<u>2,341</u>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	23
Road maintenance and repair	1,201,156	879,731	-	-
Health and sanitation	-	-	3,320,003	-
Library	-	-	-	-
Community development	-	-	-	-
<b>Total expenditures</b>	<u>1,201,156</u>	<u>879,731</u>	<u>3,320,003</u>	<u>23</u>
Revenues over (under) expenditures	<u>1,199,550</u>	<u>34,037</u>	<u>(161,043)</u>	<u>2,318</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	150,000	-	-
Transfers out	(150,000)	-	-	-
<b>Total other financing sources (uses)</b>	<u>(150,000)</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>1,049,550</u>	<u>184,037</u>	<u>(161,043)</u>	<u>2,318</u>
Fund balances (deficits), beginning of year	<u>693,036</u>	<u>1,795,289</u>	<u>1,711,284</u>	<u>51,195</u>
<b>Fund balances (deficits), end of year</b>	<u>\$ 1,742,586</u>	<u>\$ 1,979,326</u>	<u>\$ 1,550,241</u>	<u>\$ 53,513</u>



Criminal Justice Training	Community Development Block Grant	Indigent Defense Grant	Caseflow Assistance	Veterans Treatment Court Grant	45th District Court
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	95,616	-	-	-	10,516
2,687	-	322,176	6,443	47,414	91,448
-	-	-	-	-	129,102
-	-	-	-	-	-
160	-	-	162	-	-
-	-	7,721	-	-	-
2,847	95,616	329,897	6,605	47,414	231,066
-	-	345,458	2,532	47,472	1,848,971
13,346	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	106,865	-	-	-	-
13,346	106,865	345,458	2,532	47,472	1,848,971
(10,499)	(11,249)	(15,561)	4,073	(58)	(1,617,905)
-	-	42,129	-	-	1,660,034
-	-	-	-	-	(42,129)
-	-	42,129	-	-	1,617,905
(10,499)	(11,249)	26,568	4,073	(58)	-
20,365	(253)	216,887	19,163	(719)	-
\$ 9,866	\$ (11,502)	\$ 243,455	\$ 23,236	\$ (777)	\$ -

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, 2021

	Library	Mental Health Court Grant	Total
<b>Revenues</b>			
Property taxes	\$ 747,355	\$ -	\$ 2,231,603
Special assessments	-	-	128,563
Intergovernmental:			
Federal grants	26,932	-	134,918
State grants	21,899	67,791	3,544,620
Charges for services	1,371	-	1,781,621
Fines and forfeitures	52,493	-	52,493
Interest income	7,443	-	51,870
Other revenue	2,797	-	191,613
<b>Total revenues</b>	<u>860,290</u>	<u>67,791</u>	<u>8,117,301</u>
<b>Expenditures</b>			
Current:			
Judicial	-	65,608	2,310,041
Public safety	-	-	13,369
Road maintenance and repair	-	-	2,080,887
Health and sanitation	-	-	3,320,003
Library	633,870	-	633,870
Community development	-	-	106,865
<b>Total expenditures</b>	<u>633,870</u>	<u>65,608</u>	<u>8,465,035</u>
Revenues over (under) expenditures	<u>226,420</u>	<u>2,183</u>	<u>(347,734)</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	1,852,163
Transfers out	(50,000)	-	(242,129)
<b>Total other financing sources (uses)</b>	<u>(50,000)</u>	<u>-</u>	<u>1,610,034</u>
<b>Net change in fund balances</b>	176,420	2,183	1,262,300
Fund balances (deficits), beginning of year	<u>412,843</u>	<u>(12,553)</u>	<u>4,906,537</u>
<b>Fund balances (deficits), end of year</b>	<u>\$ 589,263</u>	<u>\$ (10,370)</u>	<u>\$ 6,168,837</u>

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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Special assessments	\$ 65,856	\$ 67,317	\$ 67,317	\$ -
Intergovernmental -				
State grants	2,043,000	2,150,428	2,142,901	(7,527)
Interest income	9,933	6,957	9,393	2,436
Other revenue	70,000	68,539	181,095	112,556
<b>Total revenues</b>	<b>2,188,789</b>	<b>2,293,241</b>	<b>2,400,706</b>	<b>107,465</b>
<b>Expenditures</b>				
Current -				
Road maintenance and repair	1,381,789	1,798,560	1,201,156	(597,404)
Revenues over expenditures	807,000	494,681	1,199,550	(704,869)
<b>Other financing uses</b>				
Transfers out	(150,000)	(150,000)	(150,000)	-
<b>Net change in fund balance</b>	<b>657,000</b>	<b>344,681</b>	<b>1,049,550</b>	<b>704,869</b>
Fund balance, beginning of year	164,345	164,345	693,036	528,691
<b>Fund balance, end of year</b>	<b>\$ 821,345</b>	<b>\$ 509,026</b>	<b>\$ 1,742,586</b>	<b>\$ 1,233,560</b>

## 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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Special assessments	\$ 35,000	\$ 35,000	\$ 61,246	\$ 26,246
Intergovernmental -				
State grants	796,000	838,191	835,259	(2,932)
Interest income	4,792	7,259	17,263	10,004
<b>Total revenues</b>	835,792	880,450	913,768	33,318
<b>Expenditures</b>				
Current -				
Road maintenance and repair	1,019,792	1,193,591	879,731	(313,860)
Revenues over (under) expenditures	(184,000)	(313,141)	34,037	347,178
<b>Other financing sources</b>				
Transfers in	150,000	150,000	150,000	-
<b>Net change in fund balance</b>	(34,000)	(163,141)	184,037	347,178
Fund balance, beginning of year	1,414,981	1,414,981	1,795,289	380,308
<b>Fund balance, end of year</b>	<u>\$ 1,380,981</u>	<u>\$ 1,251,840</u>	<u>\$ 1,979,326</u>	<u>\$ 727,486</u>

## 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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 1,453,353	\$ 1,453,353	\$ 1,484,248	\$ 30,895
Intergovernmental-				
State grants	6,600	6,600	6,602	2
Charges for services	1,568,000	1,568,000	1,651,148	83,148
Interest income	12,092	15,092	16,962	1,870
<b>Total revenues</b>	3,040,045	3,043,045	3,158,960	115,915
<b>Expenditures</b>				
Current -				
Health and sanitation	3,640,045	3,631,045	3,320,003	(311,042)
<b>Net change in fund balance</b>	(600,000)	(588,000)	(161,043)	426,957
Fund balance, beginning of year	1,471,427	1,471,427	1,711,284	239,857
<b>Fund balance, end of year</b>	<u>\$ 871,427</u>	<u>\$ 883,427</u>	<u>\$ 1,550,241</u>	<u>\$ 666,814</u>

## 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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental -				
Federal grants	\$ -	\$ -	\$ 1,854	\$ 1,854
Fines and forfeitures	5,000	5,000	-	(5,000)
Interest income	600	600	487	(113)
<b>Total revenues</b>	5,600	5,600	2,341	(3,259)
<b>Expenditures</b>				
Current -				
Public safety	11,200	11,200	23	(11,177)
<b>Net change in fund balance</b>	(5,600)	(5,600)	2,318	7,918
Fund balance, beginning of year	40,236	40,236	51,195	10,959
<b>Fund balance, end of year</b>	<u>\$ 34,636</u>	<u>\$ 34,636</u>	<u>\$ 53,513</u>	<u>\$ 18,877</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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental -				
State grants	\$ 8,500	\$ 11,000	\$ 2,687	\$ (8,313)
Interest income	25	25	160	135
<b>Total revenues</b>	8,525	11,025	2,847	(8,178)
<b>Expenditures</b>				
Current -				
Public safety	8,525	11,025	13,346	2,321
<b>Net change in fund balance</b>	-	-	(10,499)	(10,499)
Fund balance, beginning of year	17,788	17,788	20,365	2,577
<b>Fund balance, end of year</b>	<u>\$ 17,788</u>	<u>\$ 17,788</u>	<u>\$ 9,866</u>	<u>\$ (7,922)</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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Federal grants	\$ 128,952	\$ 140,292	\$ 95,616	\$ (44,676)
<b>Expenditures</b>				
Current -				
Community development	128,952	140,292	106,865	(33,427)
<b>Net change in fund balance</b>	-	-	(11,249)	(11,249)
Fund balance (deficit), beginning of year	-	-	(253)	(253)
<b>Fund balance (deficit), end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,502)</u>	<u>\$ (11,502)</u>

## CITY OF OAK PARK, MICHIGAN

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

Budget and Actual - Indigent Defense Grant Fund  
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
State grants	\$ 454,539	\$ 454,539	\$ 322,176	\$ (132,363)
Other revenue	-	-	7,721	7,721
<b>Total revenues</b>	454,539	454,539	329,897	(124,642)
<b>Expenditures</b>				
Current -				
Judicial	496,709	496,709	345,458	(151,251)
Revenues under expenditures	(42,170)	(42,170)	(15,561)	26,609
<b>Other financing sources</b>				
Transfers in	42,170	42,170	42,129	(41)
<b>Net change in fund balance</b>	-	-	26,568	26,568
Fund balance, beginning of year	47,140	47,140	216,887	169,747
<b>Fund balance, end of year</b>	<u>\$ 47,140</u>	<u>\$ 47,140</u>	<u>\$ 243,455</u>	<u>\$ 196,315</u>

## CITY OF OAK PARK, MICHIGAN

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

Budget and Actual - Casflow Assistance Fund  
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental -				
State grants	\$ 20,000	\$ 20,000	\$ 6,443	\$ (13,557)
Interest income	100	100	162	62
<b>Total revenues</b>	20,100	20,100	6,605	(13,495)
<b>Expenditures</b>				
Current -				
Judicial	20,100	20,100	2,532	(17,568)
<b>Net change in fund balance</b>	-	-	4,073	4,073
Fund balance, beginning of year	14,595	14,595	19,163	4,568
<b>Fund balance, end of year</b>	<u>\$ 14,595</u>	<u>\$ 14,595</u>	<u>\$ 23,236</u>	<u>\$ 8,641</u>

## CITY OF OAK PARK, MICHIGAN

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

Budget and Actual - Veterans Treatment Court Grant Fund

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental -				
State grants	\$ 52,400	\$ 52,400	\$ 47,414	\$ (4,986)
<b>Expenditures</b>				
Current -				
Judicial	52,400	52,400	47,472	(4,928)
<b>Net change in fund balance</b>	-	-	(58)	(58)
Fund balance (deficit), beginning of year	-	-	(719)	(719)
<b>Fund balance (deficit), end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (777)</u>	<u>\$ (777)</u>

## 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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental:				
Federal grants	\$ -	\$ -	\$ 10,516	\$ 10,516
State grants	91,448	91,448	91,448	-
Charges for services	150,000	150,000	129,102	(20,898)
<b>Total revenues</b>	241,448	241,448	231,066	(10,382)
<b>Expenditures</b>				
Current -				
Judicial	1,840,974	1,840,974	1,848,971	7,997
Revenues under expenditures	(1,599,526)	(1,599,526)	(1,617,905)	(18,379)
<b>Other financing sources (uses)</b>				
Transfers in	1,641,696	1,641,696	1,660,034	18,338
Transfers out	(42,170)	(42,170)	(42,129)	(41)
<b>Total other financing sources (uses)</b>	1,599,526	1,599,526	1,617,905	18,297
<b>Net change in fund balance</b>	-	-	-	-
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	\$ -	\$ -	\$ -	\$ -

## 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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 734,096	\$ 734,096	\$ 747,355	\$ 13,259
Intergovernmental:				
Federal grants	-	-	26,932	26,932
State grants	22,500	22,500	21,899	(601)
Charges for services	10,500	10,500	1,371	(9,129)
Fines and forfeitures	68,700	68,700	52,493	(16,207)
Interest income	6,290	6,290	7,443	1,153
Other revenue	-	-	2,797	2,797
<b>Total revenues</b>	<b>842,086</b>	<b>842,086</b>	<b>860,290</b>	<b>18,204</b>
<b>Expenditures</b>				
Current -				
Library	792,086	783,086	633,870	(149,216)
Revenues over expenditures	50,000	59,000	226,420	167,420
<b>Other financing uses</b>				
Transfers out	(50,000)	(50,000)	(50,000)	-
<b>Net change in fund balance</b>	<b>-</b>	<b>9,000</b>	<b>176,420</b>	<b>167,420</b>
Fund balance, beginning of year	179,982	179,982	412,843	232,861
<b>Fund balance, end of year</b>	<b>\$ 179,982</b>	<b>\$ 188,982</b>	<b>\$ 589,263</b>	<b>\$ 400,281</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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental - State grants	\$ 120,000	\$ 120,000	\$ 67,791	\$ (52,209)
<b>Expenditures</b>				
Current - Judicial	120,000	120,000	65,608	(54,392)
<b>Net change in fund balance</b>	-	-	2,183	2,183
Fund balance (deficit), beginning of year	-	-	(12,553)	(12,553)
<b>Fund balance (deficit), end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,370)</u>	<u>\$ (10,370)</u>

# CITY OF OAK PARK, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

Debt Service Funds

June 30, 2021

	2015 Refunding Bond	2012 Street Refunding Bond	2010 Municipal Complex Bond	2011 Library and Recreation Lease	2020 Refunding Bond	Total
<b>Assets</b>						
Cash and investments	\$ 241,077	\$ 492,870	\$ -	\$ -	\$ 149,132	\$ 883,079
<b>Liabilities</b>						
Accrued liabilities	\$ 13,000	\$ 12,000	\$ -	\$ -	\$ 14,000	\$ 39,000
<b>Fund balances</b>						
Restricted	228,077	480,870	-	-	135,132	844,079
<b>Total liabilities and fund balances</b>	<u>\$ 241,077</u>	<u>\$ 492,870</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,132</u>	<u>\$ 883,079</u>

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# 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, 2021

	2015 Refunding Bond	2012 Street Refunding Bond	2010 Municipal Complex Bond	2011 Library and Recreation Lease	2020 Refunding Bond	Total
<b>Revenues</b>						
Property taxes	\$ 738,202	\$ 757,800	\$ 3,989	\$ -	\$ 858,669	\$ 2,358,660
Intergovernmental -						
State grants	3,358	3,453	3,816	-	-	10,627
Interest income	6,011	7,990	390	1,129	5,905	21,425
<b>Total revenues</b>	<b>747,571</b>	<b>769,243</b>	<b>8,195</b>	<b>1,129</b>	<b>864,574</b>	<b>2,390,712</b>
<b>Expenditures</b>						
Debt service:						
Principal	485,000	605,000	450,000	65,000	50,000	1,655,000
Interest and fiscal charges	243,570	125,727	30,566	70,508	250,685	721,056
<b>Total expenditures</b>	<b>728,570</b>	<b>730,727</b>	<b>480,566</b>	<b>135,508</b>	<b>300,685</b>	<b>2,376,056</b>
Revenues over (under) expenditures	19,001	38,516	(472,371)	(134,379)	563,889	14,656
<b>Other financing sources (uses)</b>						
Issuance of long-term debt	-	-	-	1,700,000	-	1,700,000
Premium on issuance of long-term debt	-	-	-	233,246	-	233,246
Payments to refund bond escrow agent	-	-	-	(1,921,625)	-	(1,921,625)
Transfers in	-	-	433,304	122,758	-	556,062
Transfers out	-	-	-	-	(433,304)	(433,304)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>433,304</b>	<b>134,379</b>	<b>(433,304)</b>	<b>134,379</b>
<b>Net change in fund balances</b>	<b>19,001</b>	<b>38,516</b>	<b>(39,067)</b>	<b>-</b>	<b>130,585</b>	<b>149,035</b>
Fund balances, beginning of year	209,076	442,354	39,067	-	4,547	695,044
<b>Fund balances, end of year</b>	<b>\$ 228,077</b>	<b>\$ 480,870</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 135,132</b>	<b>\$ 844,079</b>

## CITY OF OAK PARK, MICHIGAN

### Combining Balance Sheet

Nonmajor Governmental Funds

Capital Projects Funds

June 30, 2021

	Public Improvement	City-Owned Property	Sidewalk Program
<b>Assets</b>			
Cash and investments	\$ 485,027	\$ 351,581	\$ 225,302
Receivables -			
Taxes	-	-	49,151
<b>Total assets</b>	<u>\$ 485,027</u>	<u>\$ 351,581</u>	<u>\$ 274,453</u>
<b>Liabilities</b>			
Accounts payable	\$ 5,893	\$ 15,000	\$ -
Accrued liabilities	-	-	15,677
<b>Total liabilities</b>	<u>5,893</u>	<u>15,000</u>	<u>15,677</u>
<b>Fund balances</b>			
Restricted	-	-	258,776
Assigned	479,134	336,581	-
<b>Total fund balance</b>	<u>479,134</u>	<u>336,581</u>	<u>258,776</u>
<b>Total liabilities and fund balances</b>	<u>\$ 485,027</u>	<u>\$ 351,581</u>	<u>\$ 274,453</u>

--

Municipal Building Construction	Municipal Complex Construction	Total
\$ 360,538	\$ -	\$ 1,422,448
-	-	49,151
<u>\$ 360,538</u>	<u>\$ -</u>	<u>\$ 1,471,599</u>
\$ 2,937	\$ -	\$ 23,830
-	-	15,677
<u>2,937</u>	<u>-</u>	<u>39,507</u>
-	-	258,776
<u>357,601</u>	<u>-</u>	<u>1,173,316</u>
<u>357,601</u>	<u>-</u>	<u>1,432,092</u>
<u>\$ 360,538</u>	<u>\$ -</u>	<u>\$ 1,471,599</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, 2021

	Public Improvement	City-Owned Property	Sidewalk Program
<b>Revenues</b>			
Special assessments	\$ -	\$ -	\$ 84,245
Fines and forfeitures	-	-	-
Interest income	3,046	3,288	2,157
Other revenue	101,481	77,577	-
<b>Total revenues</b>	<u>104,527</u>	<u>80,865</u>	<u>86,402</u>
<b>Expenditures</b>			
Public works	-	-	47,309
Community development	106,949	3,900	-
<b>Total expenditures</b>	<u>106,949</u>	<u>3,900</u>	<u>47,309</u>
Revenues over (under) expenditures	<u>(2,422)</u>	<u>76,965</u>	<u>39,093</u>
<b>Other financing sources (uses)</b>			
Transfers in	164,000	-	-
Transfers out	-	(44,000)	-
<b>Total other financing sources (uses)</b>	<u>164,000</u>	<u>(44,000)</u>	<u>-</u>
<b>Net change in fund balances</b>	161,578	32,965	39,093
Fund balances, beginning of year	<u>317,556</u>	<u>303,616</u>	<u>219,683</u>
<b>Fund balances, end of year</b>	<u>\$ 479,134</u>	<u>\$ 336,581</u>	<u>\$ 258,776</u>



Municipal Building Construction	Municipal Complex Construction	Total
\$ -	\$ -	\$ 84,245
38,368	-	38,368
4,150	-	12,641
-	-	179,058
42,518	-	314,312
74,376	-	121,685
-	-	110,849
74,376	44,558	277,092
(31,858)	(44,558)	37,220
-	-	164,000
-	-	(44,000)
-	-	120,000
(31,858)	(44,558)	157,220
389,459	44,558	1,274,872
\$ 357,601	\$ -	\$ 1,432,092

## CITY OF OAK PARK, MICHIGAN

### Combining Statement of Net Position

Internal Service Funds

June 30, 2021

	Risk Management	Motor Pool	Retirees Health Care Court	Total
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 276,408	\$ 968,913	\$ 64,743	\$ 1,310,064
Prepaid items	36,128	-	200	36,328
Total current assets	312,536	968,913	64,943	1,346,392
Noncurrent assets -				
Capital assets being depreciated, net	-	1,153,641	-	1,153,641
<b>Total assets</b>	<u>312,536</u>	<u>2,122,554</u>	<u>64,943</u>	<u>2,500,033</u>
<b>Liabilities</b>				
Current liabilities -				
Accounts payable	97	70,687	-	70,784
<b>Net position</b>				
Investment in capital assets	-	1,153,641	-	1,153,641
Unrestricted	312,439	898,226	64,943	1,275,608
<b>Total net position</b>	<u>\$ 312,439</u>	<u>\$ 2,051,867</u>	<u>\$ 64,943</u>	<u>\$ 2,429,249</u>

## 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, 2021

	Risk Management	Motor Pool	Retirees Health Care Court	Total
<b>Operating revenues</b>				
Charges for services	\$ 475,131	\$ 1,380,517	\$ 92,513	\$ 1,948,161
Fines and forfeitures	-	-	126,889	126,889
Other	51,130	-	-	51,130
<b>Total operating revenues</b>	<u>526,261</u>	<u>1,380,517</u>	<u>219,402</u>	<u>2,126,180</u>
<b>Operating expenses</b>				
General and administration	-	-	26	26
Depreciation	-	223,204	-	223,204
Wages and benefits	101,040	78,644	192,408	372,092
Insurance	427,180	-	-	427,180
Gasoline	-	138,830	-	138,830
Professional services	91	101,815	-	101,906
Supplies	-	182,080	-	182,080
<b>Total operating expenses</b>	<u>528,311</u>	<u>724,573</u>	<u>192,434</u>	<u>1,445,318</u>
Operating income (loss)	(2,050)	655,944	26,968	680,862
<b>Nonoperating revenues</b>				
Interest income	2,050	1,111	549	3,710
<b>Change in net position</b>	-	657,055	27,517	684,572
Net position, beginning of year	312,439	1,394,812	37,426	1,744,677
<b>Net position, end of year</b>	<u>\$ 312,439</u>	<u>\$ 2,051,867</u>	<u>\$ 64,943</u>	<u>\$ 2,429,249</u>

# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2021

	Risk Management	Motor Pool	Retirees Health Care Court	Total
<b>Cash flows from operating activities</b>				
Receipts from interfund services	\$ 475,131	\$ 1,380,517	\$ 92,513	\$ 1,948,161
Miscellaneous receipts	51,130	-	126,889	178,019
Payments to suppliers	(443,531)	(375,934)	-	(819,465)
Payments to employees	(101,040)	(81,324)	(180,639)	(363,003)
<b>Net cash (used in) provided by operating activities</b>	(18,310)	923,259	38,763	943,712
<b>Cash flows from capital and related financing activities</b>				
Purchases of capital assets	-	(70,206)	-	(70,206)
<b>Cash flows from investing activities</b>				
Interest and dividends	2,050	1,111	549	3,710
<b>Net change in cash and investments</b>	(16,260)	854,164	39,312	877,216
Cash and investments, beginning of year	292,668	114,749	25,431	432,848
<b>Cash and investments, end of year</b>	<u>\$ 276,408</u>	<u>\$ 968,913</u>	<u>\$ 64,743</u>	<u>\$ 1,310,064</u>
<b>Reconciliation of operating income (loss) to net cash (used in) provided by operating activities:</b>				
Operating income (loss)	\$ (2,050)	\$ 655,944	\$ 26,968	\$ 680,862
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:				
Depreciation expense	-	223,204	-	223,204
Change in assets and liabilities:				
Prepaid items	(16,357)	-	11,795	(4,562)
Accounts payable	97	46,791	-	46,888
Accrued liabilities	-	(2,680)	-	(2,680)
<b>Net cash (used in) provided by operating activities</b>	<u>\$ (18,310)</u>	<u>\$ 923,259</u>	<u>\$ 38,763</u>	<u>\$ 943,712</u>

## **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 (the "City") annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<b><u>Page</u></b>
<b>Financial Trends</b>	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 144
<b>Revenue Capacity</b>	These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. 154
<b>Debt Capacity</b>	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. 160
<b>Demographic and Economic Information</b>	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 165
<b>Operating Information</b>	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. 172

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)

	2012	2013	2014	2015
<b>Governmental activities</b>				
Net investment in capital assets	\$ 1,805,028	\$ 13,132,212	\$ 14,247,686	\$ 14,000,594
Restricted	16,169,292	6,911,104	4,887,899	4,317,193
Unrestricted (deficit)	(12,720,940)	(18,447,947)	(20,223,425)	(68,221,764)
<b>Total governmental activities</b>	<u>\$ 5,253,380</u>	<u>\$ 1,595,369</u>	<u>\$ (1,087,840)</u>	<u>\$ (49,903,977)</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 15,566,968	\$ 16,175,706	\$ 16,773,566	\$ 17,818,784
Unrestricted	4,345,077	4,653,218	6,175,448	733,114
<b>Total business-type activities</b>	<u>\$ 19,912,045</u>	<u>\$ 20,828,924</u>	<u>\$ 22,949,014</u>	<u>\$ 18,551,898</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 17,371,996	\$ 29,307,918	\$ 31,021,252	\$ 31,819,378
Restricted	16,169,292	6,911,104	4,887,899	4,317,193
Unrestricted (deficit)	(8,375,863)	(13,794,729)	(14,047,977)	(67,488,650)
<b>Total primary government</b>	<u>\$ 25,165,425</u>	<u>\$ 22,424,293</u>	<u>\$ 21,861,174</u>	<u>\$ (31,352,079)</u>

Source: City's annual financial statements

Note: GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015. This resulted in presentation of the City's net pension liability on the statement of net position. Prior years were not restated.

Note: GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2018. This resulted in presentation of the City's net pension liability on the statement of net position. Prior years were not restated.

2016	2017	2018	2019	2020	2021
\$ 15,052,182	\$ 16,080,881	\$ 15,026,750	\$ 16,135,780	\$ 18,246,707	\$ 18,738,789
4,464,360	3,372,538	4,388,861	5,915,132	5,711,679	6,893,549
(66,961,297)	(62,472,772)	(115,747,281)	(125,598,845)	(115,166,123)	(101,974,000)
<u>\$ (47,444,755)</u>	<u>\$ (43,019,353)</u>	<u>\$ (96,331,670)</u>	<u>\$ (103,547,933)</u>	<u>\$ (91,207,737)</u>	<u>\$ (76,341,662)</u>
\$ 19,700,636	\$ 20,845,966	\$ 22,094,929	\$ 23,682,823	\$ 25,860,979	\$ 27,312,837
(1,894,698)	(1,633,533)	(9,270,130)	(9,299,373)	(7,280,295)	(3,885,557)
<u>\$ 17,805,938</u>	<u>\$ 19,212,433</u>	<u>\$ 12,824,799</u>	<u>\$ 14,383,450</u>	<u>\$ 18,580,684</u>	<u>\$ 23,427,280</u>
\$ 34,752,818	\$ 36,926,847	\$ 37,121,679	\$ 39,818,603	\$ 44,107,686	\$ 46,051,626
4,464,360	3,372,538	4,388,861	5,915,132	5,711,679	6,893,549
(68,855,995)	(64,106,305)	(125,017,411)	(134,898,218)	(122,446,418)	(105,859,557)
<u>\$ (29,638,817)</u>	<u>\$ (23,806,920)</u>	<u>\$ (83,506,871)</u>	<u>\$ (89,164,483)</u>	<u>\$ (72,627,053)</u>	<u>\$ (52,914,382)</u>

# CITY OF OAK PARK, MICHIGAN

## Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2012	2013	2014	2015
<b>Expenses</b>				
Governmental activities:				
General government	\$ 7,507,151	\$ 7,899,791	\$ 6,824,175	\$ 3,064,969
Judicial	2,536,686	2,128,180	1,976,211	1,944,235
Public safety	10,268,074	2,653,492	9,525,007	3,497,663
Road maintenance and repair	3,557,279	3,209,098	4,098,970	4,702,539
Public works	960,745	2,402,385	1,744,556	1,141,585
Health and sanitation	2,079,476	1,983,105	2,268,966	3,023,012
Culture and recreation	966,087	1,470,915	827,531	572,947
Library	945,653	762,658	696,640	702,648
Community development	981,099	5,242,607	1,161,136	384,815
Interest on long-term debt	1,563,087	1,501,533	1,170,026	1,192,125
Total governmental activities	31,365,337	29,253,764	30,293,218	20,226,538
Business-type activities:				
Water and sewer	9,517,443	10,147,814	9,447,898	8,242,405
Stormwater utility	-	-	-	-
Total business-type activities	9,517,443	10,147,814	9,447,898	8,242,405
Total primary government expenses	40,882,780	39,401,578	39,741,116	28,468,943
<b>Program revenues</b>				
Governmental activities:				
Charges for services:				
General government	2,969,159	3,623,194	2,930,627	4,171,972
Judicial	185,301	-	148,221	184,028
Public safety	46,635	50,257	41,518	40,237
Road maintenance and repair	148,312	125,599	251,972	131,194
Public works	294,580	459,765	288,447	733,485
Health and sanitation	1,101,773	1,141,929	1,149,094	1,245,819
Culture and recreation	-	-	-	-
Library	11,436	17,684	144,126	22,380
Community development	365	-	21,680	-
Operating grants and contributions	2,599,832	2,273,132	2,241,178	2,406,046
Capital grants and contributions	893	-	1,750	561,703
Total governmental activities	7,358,286	7,691,560	7,218,613	9,496,864
Business-type activities:				
Charges for services:				
Water and sewer	10,726,423	10,985,124	11,550,673	11,706,574
Stormwater utility	-	-	-	-
Operating grants and contributions	-	-	-	-
Total business-type activities	10,726,423	10,985,124	11,550,673	11,706,574
Total primary government program revenues	18,084,709	18,676,684	18,769,286	21,203,438
<b>Net (expense)/revenue</b>				
Government activities	(24,007,051)	(21,562,204)	(23,074,605)	(10,729,674)
Business-type activities	1,208,980	837,310	2,102,775	3,464,169
Total primary government net expense	(22,798,071)	(20,724,894)	(20,971,830)	(7,265,505)

2016	2017	2018	2019	2020	2021
\$ 9,940,652	\$ 4,078,708	\$ 8,428,726	\$ 9,878,893	\$ 3,711,686	\$ 3,035,000
2,280,899	2,000,064	3,312,598	3,067,582	596,073	2,103,336
7,401,142	9,299,317	16,032,718	16,498,401	11,825,375	6,407,054
3,125,342	3,145,293	2,599,451	973,456	3,947,631	2,367,452
2,837,202	1,516,904	2,047,753	3,792,312	(3,355,639)	1,159,977
280,850	2,498,707	2,726,238	2,772,595	2,800,210	3,320,003
475,963	658,582	903,615	844,486	(209,601)	521,273
661,836	821,249	962,330	946,003	(31,194)	528,441
601,863	444,575	709,763	624,666	(678,663)	83,322
1,076,838	1,076,246	921,950	878,483	742,654	632,709
28,682,587	25,539,645	38,645,142	40,276,877	19,348,532	20,158,567
11,841,571	9,972,023	11,182,425	12,282,252	10,263,283	4,983,228
-	-	-	-	-	5,024,635
11,841,571	9,972,023	11,182,425	12,282,252	10,263,283	10,007,863
40,524,158	35,511,668	49,827,567	52,559,129	29,611,815	30,166,430
4,357,345	3,436,647	4,414,603	4,284,570	3,391,331	3,211,673
210,220	178,908	191,037	432,860	155,315	136,823
58,596	55,402	66,021	31,195	40,477	50,506
154,627	219,892	191,986	199,119	355,285	299,133
480,086	567,170	532,062	443,549	215,798	122,613
1,311,457	1,357,366	1,462,305	1,604,897	1,590,085	1,651,148
-	-	-	-	-	-
24,974	25,386	32,511	28,274	20,773	4,059
-	-	-	-	-	-
2,690,345	2,452,723	3,096,285	3,624,651	3,620,442	6,018,475
100,150	422,628	44,438	58,760	13,394	-
9,387,800	8,716,122	10,031,248	10,707,875	9,402,900	11,494,430
10,984,177	11,353,474	12,356,387	13,338,756	14,365,681	9,214,018
-	-	-	-	-	6,222,701
-	-	90,817	408,736	-	-
10,984,177	11,353,474	12,447,204	13,747,492	14,365,681	15,436,719
20,371,977	20,069,596	22,478,452	24,455,367	23,768,581	26,931,149
(19,294,787)	(16,823,523)	(28,613,894)	(29,569,002)	(9,945,632)	(8,664,137)
(857,394)	1,381,451	1,264,779	1,465,240	4,102,398	5,428,856
(20,152,181)	(15,442,072)	(27,349,115)	(28,103,762)	(5,843,234)	(3,235,281)

continued...

## CITY OF OAK PARK, MICHIGAN

### Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2012	2013	2014	2015
<b>General revenues</b>				
Governmental activities:				
Property taxes	\$ 15,222,837	\$ 14,067,560	\$ 16,466,311	\$ 16,326,336
State shared revenues	2,937,911	3,040,964	3,134,336	3,197,425
Franchise fees	714,074	794,287	757,237	712,120
Investment earnings	60,524	51,382	33,512	48,071
Miscellaneous	-	-	-	-
Transfers	(50,000)	(50,000)	-	-
Total governmental activities	<u>18,885,346</u>	<u>17,904,193</u>	<u>20,391,396</u>	<u>20,283,952</u>
Business-type activities:				
Investment earnings	156	29,569	17,315	16,381
Other	-	-	-	-
Transfers	50,000	50,000	-	-
Special item	-	-	-	-
Total business-type activities	<u>50,156</u>	<u>79,569</u>	<u>17,315</u>	<u>16,381</u>
Total primary government	<u>18,935,502</u>	<u>17,983,762</u>	<u>20,408,711</u>	<u>20,300,333</u>
<b>Change in net position</b>				
Governmental activities	(5,121,705)	(3,658,011)	(2,683,209)	9,554,278
Business-type activities	<u>1,259,136</u>	<u>916,879</u>	<u>2,120,090</u>	<u>3,480,550</u>
Total primary government	<u>\$ (3,862,569)</u>	<u>\$ (2,741,132)</u>	<u>\$ (563,119)</u>	<u>\$ 13,034,828</u>

Source: City's annual financial statements

Note: As a result of a class action lawsuit settlement during fiscal 2021, the City was required to break out the revenue and related stormwater costs from the water and sewer fund into a new stormwater utility fund.

2016	2017	2018	2019	2020	2021
\$ 17,549,447	\$ 17,133,346	\$ 16,340,124	\$ 17,639,267	\$ 17,806,967	\$ 18,724,147
3,288,744	3,329,476	3,556,332	3,611,586	3,460,549	3,974,975
717,762	683,781	642,949	631,787	616,572	613,987
248,056	102,322	120,820	470,099	401,740	217,103
-	-	-	-	-	-
(50,000)	-	-	-	-	-
<u>21,754,009</u>	<u>21,248,925</u>	<u>20,660,225</u>	<u>22,352,739</u>	<u>22,285,828</u>	<u>23,530,212</u>
61,434	25,044	23,870	83,894	68,629	307,219
-	-	6,731	9,517	26,207	76,801
50,000	-	-	-	-	-
-	-	(2,850,000)	-	-	(966,280)
<u>111,434</u>	<u>25,044</u>	<u>(2,819,399)</u>	<u>93,411</u>		<u>(582,260)</u>
<u>21,865,443</u>	<u>21,273,969</u>	<u>17,840,826</u>	<u>22,446,150</u>	<u>22,285,828</u>	<u>22,947,952</u>
2,459,222	4,425,402	(7,953,669)	(7,216,263)	12,340,196	14,866,075
<u>(745,960)</u>	<u>1,406,495</u>	<u>(1,554,620)</u>	<u>1,558,651</u>	<u>4,102,398</u>	<u>4,846,596</u>
<u>\$ 1,713,262</u>	<u>\$ 5,831,897</u>	<u>\$ (9,508,289)</u>	<u>\$ (5,657,612)</u>	<u>\$ 16,442,594</u>	<u>\$ 19,712,671</u>

concluded.

## CITY OF OAK PARK, MICHIGAN

### Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2012	2013	2014	2015
<b>General fund</b>				
Nonspendable	\$ 245,037	\$ 198,853	\$ 387,059	\$ 597,521
Assigned	-	-	-	-
Unassigned	312,162	1,802,454	2,973,036	2,833,231
<b>Total general fund</b>	<u>557,199</u>	<u>2,001,307</u>	<u>3,360,095</u>	<u>3,430,752</u>
<b>All other governmental funds</b>				
Nonspendable	22,815	16,255	702	246
Restricted	16,146,559	6,956,543	4,887,899	4,317,193
Assigned	1,413,109	1,642,112	1,419,099	2,002,675
Unassigned (deficit)	-	-	(7,869)	(23,840)
<b>Total all other governmental funds</b>	<u>17,582,483</u>	<u>8,614,910</u>	<u>6,299,831</u>	<u>6,296,274</u>
<b>Total all governmental funds</b>	<u>\$ 18,139,682</u>	<u>\$ 10,616,217</u>	<u>\$ 9,659,926</u>	<u>\$ 9,727,026</u>

Source: City's annual financial statements

2016	2017	2018	2019	2020	2021
\$ 482,475	\$ 440,141	\$ 422,560	\$ 521,922	\$ 476,775	\$ 247,297
-	-	-	-	-	658,746
3,196,719	3,413,925	3,472,254	3,847,361	3,868,765	4,399,288
3,679,194	3,854,066	3,894,814	4,369,283	4,345,540	5,305,331
1,842	461	61	37	82	200
4,585,574	3,632,049	4,640,051	6,158,607	5,580,415	6,819,070
1,907,456	1,944,357	2,083,209	1,050,237	1,309,481	1,648,387
(28,218)	(232,266)	(52,691)	(56,161)	(13,525)	(22,649)
6,466,654	5,344,601	6,670,630	7,152,720	6,876,453	8,445,008
\$ 10,145,848	\$ 9,198,667	\$ 10,565,444	\$ 11,522,003	\$ 11,221,993	\$ 13,750,339

# CITY OF OAK PARK, MICHIGAN

## Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2012	2013	2014	2015
<b>Revenues</b>				
Property taxes	\$ 14,806,367	\$ 14,486,295	\$ 16,422,482	\$ 16,292,076
Special assessments	213,990	392,523	133,052	525,492
Licenses and permits	410,216	376,502	363,301	546,585
Intergovernmental	5,498,001	5,274,629	5,336,577	6,121,119
Charges for services	2,084,989	1,922,419	2,188,756	2,857,318
Fines and forfeitures	1,939,928	1,786,713	1,803,694	2,056,122
Franchise fees	-	-	-	-
Interest income	59,080	50,674	33,146	47,385
Other	909,167	1,815,024	1,284,806	1,299,773
<b>Total revenues</b>	<b>25,921,738</b>	<b>26,104,779</b>	<b>27,565,814</b>	<b>29,745,870</b>
<b>Expenditures</b>				
General government	4,020,488	3,708,268	3,284,804	3,613,552
Judicial	2,068,527	1,670,645	1,946,216	1,950,499
Public safety	8,463,849	6,829,039	5,557,392	8,447,856
Road maintenance and repair	1,175,485	1,282,793	1,753,709	1,756,810
Public works	2,153,619	2,253,710	2,970,801	3,616,070
Health and sanitation	-	-	-	-
Recreation and culture	866,830	600,876	591,912	570,403
Library	3,293,302	702,671	727,789	738,863
Community development	815,551	549,543	600,913	593,951
Nondepartmental	2,804,481	2,691,078	5,214,184	3,944,438
Debt service:				
Principal	1,420,000	1,230,000	1,360,000	1,400,000
Interest	1,440,644	1,493,206	1,211,564	1,175,121
Bond issuance costs	-	64,220	-	-
Prior year tax refunds	11,131	648,227	109,740	382,611
Capital outlay	883,378	9,812,695	3,193,081	1,161,178
<b>Total expenditures</b>	<b>29,417,285</b>	<b>33,536,971</b>	<b>28,522,105</b>	<b>29,351,352</b>
<b>Revenues over (under) expenditures</b>	<b>(3,495,547)</b>	<b>(7,432,192)</b>	<b>(956,291)</b>	<b>394,518</b>
<b>Other financing sources (uses)</b>				
Issuance of long-term debt	-	9,150,000	-	-
Premium on issuance of long-term debt	-	160,579	-	-
Payment to refund bond/note payable escrow agent	-	(9,160,000)	-	-
Issuance of note payable	2,500,000	-	-	-
Transfers in	2,919,289	11,704,946	2,695,253	2,153,584
Transfers out	(2,969,289)	(11,939,946)	(2,695,253)	(2,153,584)
<b>Total other financing sources (uses)</b>	<b>2,450,000</b>	<b>(84,421)</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>\$ (1,045,547)</b>	<b>\$ (7,516,613)</b>	<b>\$ (956,291)</b>	<b>\$ 394,518</b>
Debt services as a percentage of noncapital expenditures	10.03%	11.61%	10.54%	9.15%

Source: City's annual financial statements

Schedule 4  
Unaudited

2016	2017	2018	2019	2020	2021
\$ 16,997,519	\$ 17,239,139	\$ 16,750,759	\$ 17,655,106	\$ 17,947,906	\$ 18,793,613
334,150	531,443	526,728	476,592	244,759	212,808
633,468	516,630	688,406	704,039	650,884	659,275
6,008,506	6,142,814	6,586,789	7,233,687	7,073,498	9,932,623
2,499,661	2,094,312	2,229,414	2,359,400	2,169,865	2,243,734
2,200,334	1,986,362	2,334,141	2,560,104	1,666,985	1,362,956
-	-	-	-	616,572	613,987
244,144	100,369	120,111	464,757	397,289	213,393
1,682,787	1,408,372	1,806,222	1,624,121	1,085,279	1,042,449
30,600,569	30,019,441	31,042,570	33,077,806	31,853,037	35,074,838
3,562,498	4,007,155	3,498,671	3,406,565	3,603,050	3,940,503
2,384,920	2,099,767	2,169,253	2,601,590	2,361,940	2,310,041
8,771,838	9,391,416	10,236,280	10,799,893	11,148,719	11,914,390
2,161,235	3,818,001	2,184,807	1,896,223	4,016,353	2,080,887
3,092,354	791,087	757,240	800,981	1,067,710	1,931,522
-	2,498,707	2,726,238	2,772,595	2,800,210	3,320,003
544,721	656,008	666,885	578,873	544,031	593,034
766,733	827,630	805,382	762,488	562,446	633,870
677,202	520,597	619,909	455,738	453,959	430,944
4,681,648	3,069,226	3,396,046	3,905,535	2,907,183	2,982,305
1,641,000	1,455,000	1,495,000	1,540,000	1,580,000	1,655,000
1,425,436	1,022,022	980,695	937,498	1,079,109	721,056
-	-	-	-	-	-
-	-	-	-	-	-
755,044	810,006	134,188	1,663,268	-	44,558
30,464,629	30,966,622	29,670,594	32,121,247	32,124,710	32,558,113
135,940	(947,181)	1,371,976	956,559	(271,673)	2,516,725
7,825,000	-	-	-	9,145,000	1,700,000
796,882	-	-	-	849,782	233,246
(8,289,000)	-	-	-	(10,023,119)	(1,921,625)
-	-	-	-	-	-
11,107,393	2,125,068	2,568,991	2,459,079	12,674,286	2,572,225
(11,157,393)	(2,125,068)	(2,568,991)	(2,459,079)	(12,674,286)	(2,572,225)
282,882	-	-	-	(28,337)	11,621
\$ 418,822	\$ (947,181)	\$ 1,371,976	\$ 956,559	\$ (300,010)	\$ 2,528,346
10.58%	9.09%	8.45%	7.71%	8.28%	7.63%

## CITY OF OAK PARK, MICHIGAN

### Taxable and Estimated Actual Value of Property

Last Ten Fiscal Years

Year Ended June 30,	Real Property			Personal Property
	Residential Property	Commercial Property	Industrial Property	
2021	\$ 353,651,840	\$ 105,765,410	\$ 27,595,730	\$ 44,084,510
2020	335,469,770	103,340,280	26,655,550	44,564,310
2019	317,258,070	101,727,150	25,813,190	43,550,990
2018	303,162,780	97,241,660	24,980,660	33,550,020
2017	293,941,530	95,836,930	19,829,100	30,565,350
2016	289,174,450	97,946,090	17,119,170	32,054,990
2015	283,412,310	99,570,910	17,124,830	32,106,170
2014	280,856,040	101,354,490	17,629,760	34,403,540
2013	312,688,580	107,596,610	18,982,270	35,705,130
2012	358,677,900	115,935,490	23,383,320	33,460,080

Source: City of Oak Park Assessing Department

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

Schedule 5  
Unaudited

Total Taxable Value		Total Direct Tax Rate	Estimated Actual Value	Taxable Value as a Percentage of Actual Value
\$	531,097,490	34.5903	\$ 1,600,770,340	33.18%
	510,029,910	35.0460	1,430,380,940	35.66%
	488,349,400	35.5834	1,267,580,720	38.53%
	458,935,120	36.1688	1,170,692,040	39.20%
	440,172,910	36.9308	1,037,375,040	42.43%
	436,294,700	37.6060	945,379,900	46.15%
	432,214,220	37.1191	871,556,740	49.59%
	434,243,830	36.8734	866,136,280	50.14%
	474,972,590	29.8398	948,753,780	50.06%
	531,456,790	27.2386	1,257,602,340	42.26%

## 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
2021: Homestead (1)	18.9663	1.4128	4.4133	2.7979	7.0000	34.5903
2021: Non-homestead						34.5903
2020: Homestead (1)	19.2163	1.4315	4.5633	2.8349	7.0000	35.0460
2020: Non-homestead						35.0460
2019: Homestead (1)	19.4049	1.4457	4.8700	2.8628	7.0000	35.5834
2019: Non-homestead						35.5834
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

Source: City of Oak Park Treasury Department

(1) The State 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
8.9758	8.1670	6.1038	1.5184	15.0813	60.1658	59.3570	57.2938
26.9758	26.1670	24.1038	1.5184	15.0813	78.1658	77.3570	75.2938
8.9773	8.1984	6.6517	1.5303	15.0214	60.5750	59.7961	58.2494
26.9773	26.1984	24.0366	1.5303	15.0214	78.5750	77.7961	75.6343
8.9773	8.1984	6.7000	1.5303	13.2978	59.3888	58.6099	57.1115
26.9773	26.1984	24.0849	1.5303	13.2978	77.3888	76.6099	74.4964
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

**Principal Property Tax Payers**

Current Year and Nine Years Ago

Taxpayer	2012			2021		
	Taxable Value	Rank	Percentage of Total	Taxable Value	Rank	Percentage of Total
The Loops Apartments Community, LLC	\$ -	-	-	\$ 10,510,278	1	2.06%
Spirit Realty, L.P.	-	-	-	9,023,500	2	1.77%
Consumers Energy Company	-	-	-	8,465,056	3	1.66%
Lincoln Towers Apartments, LLP	5,230,140	3	0.42%	5,714,883	4	1.12%
FEDEX	-	-	-	5,429,330	5	1.06%
Village Green Companies	4,746,060	4	0.38%	4,940,228	6	0.97%
Oak Park Crown Pointe, LLC	-	-	0.00%	4,563,000	7	0.89%
DTE Electric Company	4,037,790	6	0.32%	4,323,150	8	0.85%
Oak Park Manor MI, LLC	3,755,870	7	0.30%	3,873,162	9	0.76%
Barton Malow Contracting	-	-	-	2,859,210	10	0.56%
Jewish Federation Apartments	8,482,300	1	0.67%	-	-	-
Detroit Square Properties, LLC	7,061,400	2	0.56%	-	-	-
Greenfield Lincoln Investments #2 LLC	4,347,400	5	0.35%	-	-	-
Lincoln Center	3,049,100	8	0.24%	-	-	-
Symtec Mfg. Technologies/Paramont Boring	2,873,010	9	0.23%	-	-	-
ParkwoodsShopping Plaza, LLC	2,783,600	10	0.22%	-	-	-
	<u>\$ 46,366,670</u>		<u>3.69%</u>	<u>\$ 59,701,797</u>		<u>11.71%</u>

Source: City of Oak Park Assessing Department

## CITY OF OAK PARK, MICHIGAN

Schedule 8  
Unaudited**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
2021	\$ 18,008,440	\$ 17,121,977	95.08%	\$ 51,182	\$ 17,173,159	95.36%
2020	17,531,174	16,640,938	94.92%	18,056	16,658,994	95.02%
2019	17,388,966	16,290,986	93.69%	119,126	16,410,112	94.37%
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%

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	Note Payable	Unamortized Premium	Water Revenue Bonds			
2021	\$ 19,190,000	\$ 1,398,178	\$ 1,635,000	\$ 219,526	\$ 3,157,088	\$ 25,599,792	42.46%	\$ 866.03
2020	20,780,000	1,514,451	1,910,000	-	4,186,457	28,390,908	47.09%	968.35
2019	23,035,000	727,831	1,990,000	-	5,192,888	30,945,719	60.09%	1,055.48
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

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
2021	\$ 19,190,000	\$ 1,398,178	\$ 723,174	\$ 19,865,004	3.74%	\$ 672
2020	20,780,000	1,514,451	594,510	21,699,941	4.25%	740
2019	23,035,000	727,831	637,166	23,125,665	4.74%	789
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	5.99%	892
2016	27,295,000	917,317	436,883	27,775,434	6.37%	920
2015	29,330,000	130,471	337,729	29,122,742	6.74%	989
2014	30,660,000	140,507	-	30,800,507	7.09%	1,039
2013	31,950,000	150,543	-	32,100,543	6.76%	1,090
2012	33,120,000	-	-	33,120,000	6.23%	1,126

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, 2021

	Net Debt Outstanding	Percentage Applicable to City *	Estimated Share of Overlapping Debt
<b>Direct</b>			
City of Oak Park	\$ 22,442,704	100.00%	<u>\$ 22,442,704</u>
<b>Overlapping</b>			
Berkley School District	49,030,000	10.37%	5,084,411
Ferndale School District	80,183,472	11.21%	8,988,567
Oak Park School District	17,745,000	77.30%	13,716,885
Oakland County (at-large)	253,404,549	0.84%	2,128,598
Oakland Intermediate School District	42,045,000	0.85%	357,383
			<u>30,275,844</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 52,718,548</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		\$ 896,815,749
Legal debt limit (10% of SEV)		\$ 89,681,575
Gross indebtedness	\$ 22,442,704	
Amount available in debt service funds	(723,174)	
Net bonded debt		21,719,530
Legal debt margin		\$ 67,962,045
Net bonded debt as a percentage of assessed value		2.42%

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
2021	\$ 89,681,575	\$ 21,719,530	\$ 67,962,045	24.22%
2020	71,519,047	22,760,159	48,758,888	31.82%
2019	63,379,036	25,115,665	38,263,371	39.63%
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%

Source: City of Oak Park Finance Department

**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
2021	\$ 6,482,113	\$ 4,502,538	\$ 1,979,575	\$ 1,054,342	1.88
2020	14,460,517	9,317,671	5,142,846	1,029,369	5.00
2019	13,840,903	11,325,244	2,515,659	1,006,431	2.50
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

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).

Note: As a result of a class action lawsuit settlement during fiscal 2021, the City was required to break out the revenue and related stormwater costs from the water and sewer fund into a new stormwater utility fund. The Kuhn Drain bonds are included in the stormwater utility fund.

**Demographic and Economic Statistics**

Last Ten Fiscal Years

Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment Rate
2021	29,560	*	*	37.8	6.00%
2020	29,319	52,584	26,585	39.3	23.10%
2019	29,319	51,498	24,156	37.6	6.20%
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%

\*Some Data not updated from 2020 as of date of this Publication.

Source: Michigan Bureau of Labor Market Information and Strategic Initiatives

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**Principal Employers**

Current Year and Nine Years Ago

Employer	2012			2021		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Kroger	-	-	-	432	1	3.35%
Oak Park School District	366	2	1.25%	386	2	3.00%
Fed Ex	-	-	-	286	3	2.22%
City of Oak Park	197	3	0.67%	188	4	1.46%
Berkely School District	558	1	1.90%	169	5	1.31%
Brilar, LLC	-	-	-	150	6	1.16%
Eaton Steel	-	-	-	144	7	1.12%
Hewson Van Hellemont PC	-	-	-	130	8	1.01%
PCI Industries	-	-	-	130	9	1.01%
The Wellness Plan	-	-	-	125	10	0.97%
Aarmco	130	4	0.44%	-	-	-
Hagopian World of Rugs	110	5	0.38%	-	-	-
K-Mart Corporation	98	6	0.33%	-	-	-
Ferndale School District	97	7	0.33%	-	-	-
Bullseye Telecom	96	8	0.33%	-	-	-
Visiting Nurse Association	96	9	0.33%	-	-	-
Barton Malow Rigging Company, Inc	35	10	0.12%	-	-	-
	<u>1,783</u>		<u>6.08%</u>	<u>2,140</u>		<u>16.61%</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	2012	2013	2014	2015
<b>Full-time</b>				
Council	5.00	5.00	5.00	5.00
City Manager	3.00	3.00	4.00	4.00
Human Resources	-	-	-	-
Information Technology	1.00	1.00	1.00	2.00
City Attorney	-	1.00	-	-
Community & Economic Development	-	-	-	1.00
City Clerk	2.00	2.00	3.00	3.00
Finance & Administrative Services	11.00	10.00	10.00	11.00
Technical & Planning Services	10.00	9.00	11.00	12.50
Public Information	3.00	2.00	2.00	1.00
Public Safety	68.00	57.00	59.00	59.00
Public Works	24.00	21.00	22.00	22.00
Recreation	7.00	2.00	3.00	3.00
Library	4.00	4.00	4.00	4.00
District Court 45-B / Probation	23.00	22.00	23.00	23.00
	<u>161.00</u>	<u>139.00</u>	<u>147.00</u>	<u>150.50</u>
<b>Part-time</b>				
City Manager	0.12	-	0.63	-
City Attorney	-	-	-	0.56
Prosecuting Attorney	1.00	-	-	-
Community & Economic Development	-	-	-	-
City Clerk	0.50	-	-	-
Finance & Administrative Services	-	-	-	-
Technical & Planning Services	0.50	0.50	2.97	2.38
Public Information	-	-	-	-
Public Safety	5.25	5.25	5.25	5.25
Public Works	3.17	1.67	2.37	2.27
Recreation	20.35	20.35	20.87	20.35
Library	3.75	2.50	5.24	6.56
District Court 45-B / Probation	1.70	2.70	4.45	4.00
	<u>36.34</u>	<u>32.97</u>	<u>41.78</u>	<u>41.37</u>
<b>Total</b>	<u>197.34</u>	<u>171.97</u>	<u>188.78</u>	<u>191.87</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

2016	2017	2018	2019	2020	2021
5.00	5.00	5.00	5.00	5.00	5.00
4.00	3.00	3.00	3.00	3.00	3.00
-	2.00	2.00	2.00	2.00	2.00
-	2.00	2.00	-	-	-
-	-	-	-	-	-
1.00	1.00	1.00	1.00	2.00	1.00
3.00	3.00	3.00	3.00	3.00	3.00
10.00	11.00	11.00	10.00	9.00	8.00
14.00	16.50	16.50	11.00	12.00	12.00
2.00	2.00	2.00	2.00	1.00	2.00
59.00	61.00	62.00	57.00	61.00	62.00
23.00	24.00	24.00	23.00	24.00	19.00
3.00	3.00	3.00	4.00	2.00	4.00
5.00	4.00	4.00	2.00	2.00	2.00
23.00	23.00	23.00	23.00	15.00	20.00
152.00	160.50	165.50	146.00	141.00	143.00
0.73	0.73	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
0.50	0.50	0.45	0.41	0.54	0.40
-	-	-	0.75	0.29	0.29
-	-	-	-	0.58	0.58
-	-	-	-	-	-
0.70	-	-	-	-	-
5.25	5.25	5.25	5.25	-	5.25
2.27	4.79	3.97	3.97	1.53	0.68
20.35	20.35	20.35	20.35	1.24	0.47
2.90	5.12	5.03	5.08	1.22	0.47
4.00	3.50	1.20	1.67	0.89	0.04
36.70	40.24	36.25	37.48	6.29	8.18
188.70	200.74	201.75	183.48	147.29	151.18

continued...

## CITY OF OAK PARK, MICHIGAN

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

Last Ten Fiscal Years

Department/Union	2012	2013	2014	2015
<b>Full-time Personnel by Salary Classification</b>				
Legislative	5	5	5	5
Exempt	10	11	10	10
Supervisory	13	10	11	11
Administrative	4	6	5	5
TPOAM	43	33	38	41.5
POAM	45	34	38	37
COAM	13	13	12	12
Dispatch	5	5	5	5
District Court 45-B	23	22	23	24
	<u>161</u>	<u>139</u>	<u>147</u>	<u>150.5</u>

Source: City of Oak Park Finance Department

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2016	2017	2018	2019	2020	2021
5	5	5	5	5	5
11	12	12	8	8	7
11	11	11	13	13	12
5	6	7	6	9	9
43	43.5	43.5	35	34	33
37	38	39	37	38	38
12	14	14	13	13	13
5	6	6	6	6	6
23	23	23	23	15	20
152	158.5	160.5	146	141	143

concluded.

## CITY OF OAK PARK, MICHIGAN

### Operating Indicators by Function / Department

Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015
<b>Public Safety</b>				
Hazardous violations	3,624	2,409	2,057	2,376
Total violations	9,473	9,473	6,941	7,449
EMS requests	2,423	2,389	2,408	2,561
Traffic crashes	655	593	648	688
<b>Technical &amp; Planning Services</b>				
Number of building permits	526	649	468	755
Value of building permits	\$ 4,560,779	\$ 13,015,549	\$ 8,184,966	\$ 14,450,358
<b>Library</b>				
Residents with library cards	18,916	19,062	19,800	20,122
Items available	94,939	103,021	104,924	104,648
<b>Health and Sanitation</b>				
Tons of solid waste recycled	793	762	817	786
<b>Water System</b>				
Water Rate Per Unit	\$ 3.27	\$ 3.27	\$ 3.41	\$ 3.54

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

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2016	2017	2018	2019	2020	2021
2,093	2,736	3,670	2,485	1,650	1,748
5,784	7,152	9,813	6,354	5,376	4,509
2,445	2,547	2,535	2,515	2,801	2,842
746	727	719	713	453	485
692	713	792	768	643	771
\$ 25,085,257	\$ 9,270,250	\$ 12,426,781	\$ 13,064,114	\$ 22,842,717	\$ 15,442,106
19,464	19,483	13,174	9,716	8,146	7,059
98,742	106,092	87,571	83,362	88,189	83,498
895	885	951	1,468	1,458	1,290
\$ 3.85	\$ 3.93	\$ 4.17	\$ 4.25	\$ 4.51	\$ 4.51

## CITY OF OAK PARK, MICHIGAN

### Capital Asset Statistics by Function / Department

Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015
<b>Public Safety</b>				
Vehicles assigned	33	37	36	27
<b>Public Works</b>				
Vehicles assigned	42	41	42	45
Number of buildings	4	5	5	5
<b>Road Maintenance and Repair</b>				
Miles of major streets	21	21	21	18.35
Miles of local streets	65.33	65.33	65.33	65.94
<b>Water &amp; Sewer System</b>				
Miles of water mains	115	115	115	115
Miles of sewers	80.64	80.64	80.64	80.64
<b>Recreation</b>				
Swimming pool	1	1	1	1
City parks	10	10	10	10
Park acreage	109.8	109.8	109.8	109.8

Source: City of Oak Park Finance Department

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2016	2017	2018	2019	2020	2021
26	36	39	43	41	47
49	50	53	54	58	59
5	5	5	5	5	5
18.35	18.35	18.35	18.35	18.35	18.35
65.94	65.94	65.94	65.94	65.94	65.94
115	115	115	115	115	115
80.64	80.64	80.64	80.64	80.64	80.64
1	1	1	1	1	1
10	10	10	10	10	10
109.8	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 20, 2021

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, 2021, 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 20, 2021.

### **Internal Control Over Financial Reporting**

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

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

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

Rehmann is an independent member of Nexia International.



## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 "Lehmann Lohman LLC". The script is cursive and fluid, with the letters "L" and "L" at the beginning and end being particularly prominent.