City of Oak Park, Michigan



Year Ended June 30, 2014 Comprehensive Annual Financial Report

Prepared by Finance Department

City Manager Erik Tungate

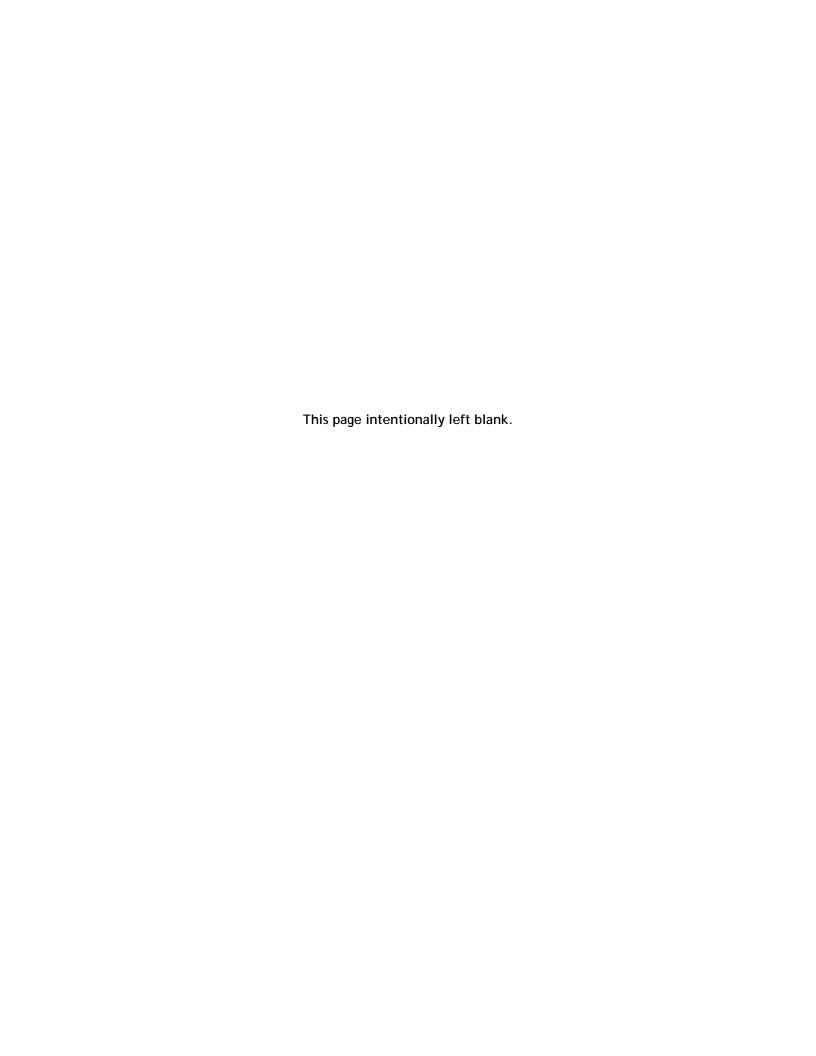


Table of Contents

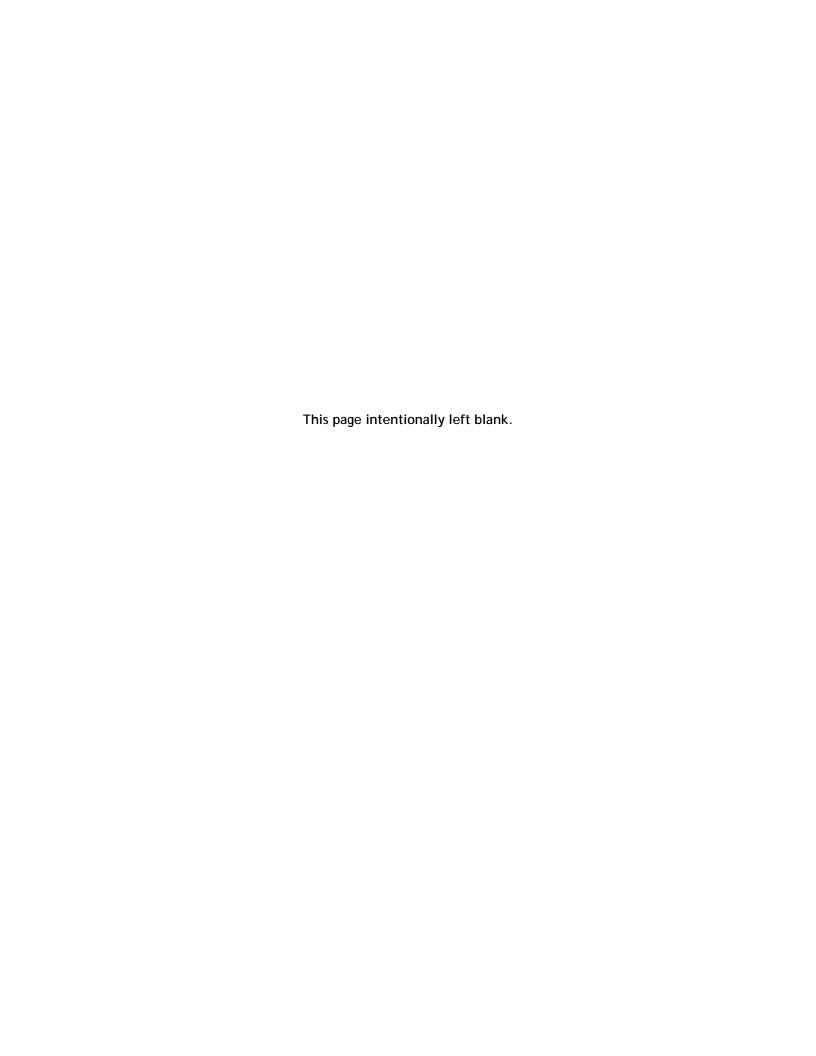
	<u>Page</u>
INTRODUCTORY SECTION	
Transmittal Letter	1
GFOA Certificate	5
Elected and Appointed Officials	6
Organizational Chart	7
FINANCIAL SECTION	
Independent Auditors' Report	11
Management's Discussion and Analysis	16
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	29
Statement of Activities	30
Fund Financial Statements:	
Balance Sheet - Governmental Funds	32
Reconciliation of Fund Balances of Governmental Funds	
to Net Position of Governmental Activities	33
Statement of Revenues, Expenditures, and Changes	
in Fund Balances - Governmental Funds	34
Reconciliation of Net Changes in Fund Balances of Governmental Funds	
to Change in Net Position of Governmental Activities	35
Statement of Revenues, Expenditures, and Changes in	24
Fund Balances - Budget and Actual - General Fund	36
Statement of Net Position - Proprietary Funds	37
Statement of Revenues, Expenses, and Changes in	20
Fund Net Position - Proprietary Funds	38
Statement of Cash Flows - Proprietary Funds	39
Statement of Fiduciary Net Position	40
Statement of Changes In Fiduciary Net Position	41
Combining Statement of Net Position - Discretely Presented Component Units	42
Combining Statement of Activities - Discretely Presented Component Units	43
Notes to Financial Statements	46
Required Supplemental Information	
Schedules of Funding Progress and Employer Contributions:	
Pension Trust Fund	76
Other Employee Benefits Trust Fund	77
Schedule of Investment Returns (GASB 67)	79
Schedule of Changes in City's Net Pension Liability and Related Ratios (GASB 67)	80
Schedule of City Contributions (GASB 67)	82

Table of Contents

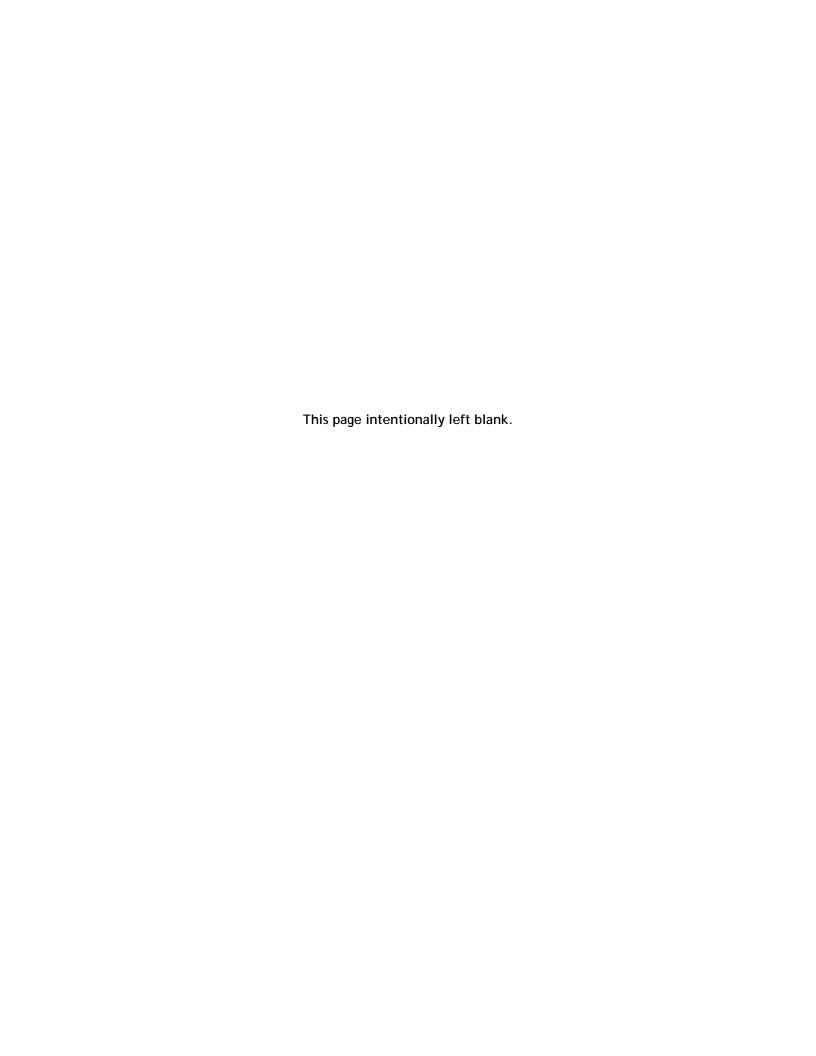
	<u>Page</u>
Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet - Nonmajor Governmental Funds	84
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances - Nonmajor Governmental Funds	85
Combining Balance Sheet - Special Revenue Funds	86
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances - Special Revenue Funds	90
Schedule of Revenues, Expenditures, and Changes in Fund	
Balances - Budget and Actual - Nonmajor Special Revenue Funds:	
Major Streets Fund	93
Local Streets Fund	94
Solid Waste Fund	95
Narcotics Forfeiture Fund	96
Criminal Justice Training Fund	97
Disaster Contingency Fund	98
Community Development Block Grant Fund	99
C.O.P.S. Program Fund	100
Caseflow Assistance Fund	101
Neighborhood Stabilization Program Fund	102
PUSH Grant Fund	103
45th District Court Fund	105
Combining Balance Sheet - Debt Service Funds	106
Combining Statement of Revenues, Expenditures and Changes	
in Fund Balances - Debt Service Funds	108
Combining Balance Sheet - Capital Projects Funds	110
Combining Statement of Revenues, Expenditures and Changes	
in Fund Balances - Capital Projects Funds	112
Combining Statement of Net Position - Internal Service Funds	114
Combining Statement of Revenues, Expenses and Changes	
in Fund Net Position - Internal Service Funds	115
Combining Statement of Cash Flows - Internal Service Funds	116
Combining Statement of Agency Fund Assets and Liabilities	117
Combining Statement of Changes in Agency Fund Assets and Liabilities	118

Table of Contents

	<u>Page</u>
STATISTICAL SECTION	
1 - Net Position by Component	122
2 - Changes in Net Position	124
3 - Fund Balances - Governmental Funds	128
4 - Changes in Fund Balances - Governmental Funds	130
5 - Taxable and Estimated Actual Value of Property	132
6 - Direct and Overlapping Property Tax Rates	134
7 - Principal Property Tax Payers	136
8 - Property Tax Levies and Collections	137
9 - Ratios of Outstanding Debt by Type	138
10 - Ratios of General Bonded Debt Outstanding	139
11 - Direct and Overlapping Governmental Activities Debt	140
12 - Legal Debt Margin Information	141
13 - Revenue Bond Coverage	142
14 - Demographic and Economic Statistics	143
15 - Principal Employers	145
16 - Full-time Equivalent City Government Employees by	
Department / Union Group	146
17 - Operating Indicators by Function/Department	150
18 - Capital Asset Statistics by Function/Department	152







THE MEN

City of Oak Park

Erik Tungate City Manager Mayor
Marian McClellan
Mayor Pro Tem
Paul Levine
Council Members
Michael M. Seligson
Carol Burns
Kiesha Speech
City Manager
Erik Tungate

December 23, 2014

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

The comprehensive annual financial report (CAFR) of the City of Oak Park (the "City") for the year ended June 30, 2014, is hereby submitted as mandated by the City Charter, Section 9.8, and state statute, Public Act 2 of 1968. The City Charter and state statute require that the City issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The financial statements and supplemental schedules contained herein have been audited by Rehmann Robson, Certified Public Accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City activities have been included.

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

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

The Reporting Entity and Services Provided

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

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

Local Economy and Governmental Structure

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

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

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

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

Major Initiatives

The following were among those many diverse activities and accomplishments to which both the elected officials and staff devoted their energies in fiscal year 2013-2014:

- 1) The City's number one priority was preserving fund balance while maintaining existing city services. The City's general fund had ended 2011-2012 with an operating deficit, and through a combination of efforts (expenditure reductions and revenues from a taxpayer-approved Headlee override and special assessment), we were able to increase fund balance the following year. In 2013-2014, we were successful in continuing the momentum and, again, increasing fund balance. We realized significant savings by implementing a fully self-insured health plan. In addition, we received property tax revenues from the voter-approved Act 345 levy for public safety employee retirement benefits, which funded a portion of public safety retirement costs. The overall result was an increase to the fund balance in the general fund, bringing total fund balance at June 30, 2014 to \$3,360,000.
- 2) Our community is enjoying the newly-built city hall and public safety building. Construction began on the project during fiscal 2012 and city hall was opened in August 2013. The entire project is projected to be completed under budget and for less than the gross amount of the bonds.

Financial Information

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

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

Long-term Financial Planning

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

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

As the City faces a slower economy additional funding sources will have 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 or raising fees. These challenges will be met following the financial policies above.

Federal Financial Assistance

As a recipient of federal financial assistance, the City is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control systems are evaluated periodically by management to achieve these objectives. The City is not required to have a single audit in fiscal year 2013-2014 to test these controls, per the Federal Office of Management and Budget (OMB) Circular A-133, because it received less than \$500,000 in federal assistance this fiscal year.

Budgeting Controls

In accordance with state law, the City's budget is prepared on the modified accrual basis for governmental type 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 fund types, 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, 2014.

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.

Awards and Acknowledgements

A Certificate of Achievement for Excellence in Financial Reporting was received for the City's CAFR from the Government Finance Officers Association (GFOA) for the fiscal year ended June 30, 2013. This award has been received for 20 consecutive years.

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

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

Sincerely,

[Signature omitted for security purposes]

Erik Tungate City Manager



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Oak Park Michigan

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

ELECTED AND APPOINTED OFFICIALS

City Council

Marian McClellan *Mayor*

Paul Levine Mayor Pro-Tem

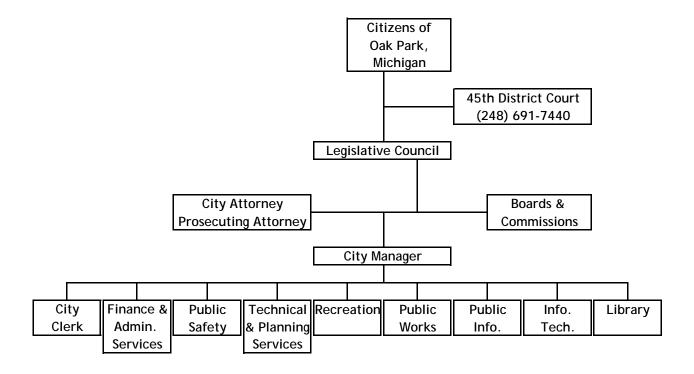
Carolyn Burns Michael Seligson Kiesha Speech Council Members

Appointed Officials and Senior Management

Erik Tungate, City Manager

Kevin Yee, Assistant City Manager / Public Works Director T. Edwin Norris, City Clerk Plante Moran, Director of Finance and Administrative Services Phillip Miller, Deputy Finance Director John Gillooly and Ebony Duff, City Attorney Brandon Bowman, Library Director Robert Barrett, Director of Technical and Planning Services Steve Cooper, Director of Public Safety Julie Hall, Director of Recreation Jeffrey Schefke, Director of Information Technology Kathleen Lindroth, Deputy Treasurer M. Dean Bush, City Assessor Scott Lemarbe, General Foreman Gary Shermetaro, General Foreman Mike Pinkerton, Deputy Director of Public Safety David DeCoster, Deputy Director of Technical and Planning Services Rocco Fortura, Deputy Director of DPW Steve Lukasik, Water Supervisor Diane Lemanski, Director of Human Resources & Operations Kimberly Marrone, Director of Community & Economic Development Jocelyn Davis, Director of Communications & Public Information

Table of Organization



This page intentionally left blank.

FINANCIAL SECTION

This page intentionally left blank.



Rehmann Robson

675 Robinson Rd. Jackson, MI 49203 Ph: 517.787.6503 Fx: 517.788.8111 rehmann.com

INDEPENDENT AUDITORS' REPORT

December 23, 2014

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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

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

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

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



Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oak Park, Michigan, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Implementation of GASB Statement No. 67

The City implemented the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*, in the current year. While there was no effect on the amounts reported in the financial statements themselves, there were substantial changes to the disclosures found in Note 13 to the financial statements, including the calculation of the City's net pension liability, which will be required to be recorded by the City in its next fiscal year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules for the pension and other postemployment benefit plans 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.

Rehmann Loham LLC

This page intentionally left blank.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

Our discussion and analysis of the City of Oak Park's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with the financial statements.

Financial Highlights

- The City's net position decreased as a result of this year's operations. Net position of our business-type activities increased by \$2,120,090, or 10.2 percent; net position of our governmental activities decreased by \$2,683,209, or 168.2 percent.
- During the year, the City had revenues and other financing sources in governmental funds that were \$0.96 million less than the \$31.22 million of expenditures and other financing uses.
- · In the City's business-type activities, revenues were \$11.57 million while expenses were \$9.50 million.
- · Total cost of all of the City's governmental programs was \$31.22 million.
- · The general fund reported an increase in fund balance of \$1.36 million.
- The resources available for appropriation were \$3.06 million more than budgeted in the general fund. Expenditures were \$2.31 million more than budgeted. The reason for these variances is primarily related to the City's new Public Act 345 millage and resulting contribution to the Public Safety pension system. The general fund increased fund balance by \$1.36 million instead of increasing \$0.7 million as projected in the final budget.

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

Reporting the City as a Whole

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

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

Management's Discussion and Analysis

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

- Governmental activities Most of the City's basic services are reported here, including public safety, public works, recreation, and general administration. Property taxes, franchise fees, and state grants finance most of these activities.
- · Business-type activities The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system is reported here.
- Discretely presented component units The City includes two separate legal entities in its report, the Economic Development Corporation and Brownfield Authority. Although legally separate, these discretely presented component units are important because the City is financially accountable for them.

Reporting the City's Most Significant Funds

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

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

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

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

Reporting the City as Trustee

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

Management's Discussion and Analysis

The City as a Whole

The City's total net position decreased from a year ago — from \$22.42 million to \$21.86 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		
	2014	2013	2014	2013	2014	2013	
Current and other assets	\$12,064,344	\$14,807,572	\$ 7,317,678	\$ 5,555,480	\$19,382,022	\$20,363,052	
Capital assets, net	46,694,293	44,834,162	26,666,110	26,930,345	73,360,403	71,764,507	
Total assets	58,758,637	59,641,734	33,983,788	32,485,825	92,742,425	92,127,559	
Long-term liabilities	34,757,087	36,079,059	10,076,910	10,916,762	44,833,997	46,995,821	
Net OPEB obligation	23,178,460	18,490,640	-	-	23,178,460	18,490,640	
Other liabilities	1,910,930	3,476,666	957,864	740,139	2,868,794	4,216,805	
Total liabilities	59,846,477	58,046,365	11,034,774	11,656,901	70,881,251	69,703,266	
Net position:							
Net investment in							
capital assets	14,247,686	13,132,212	16,773,566	16,175,706	31,021,252	29,307,918	
Restricted	4,887,899	6,911,104	-	-	4,887,899	6,911,104	
Unrestricted (deficit)	(20,223,425)	(18,447,947)	6,175,448	4,653,218	(14,047,977)	(13,794,729)	
Total net position	\$ (1,087,840)	\$ 1,595,369	\$22,949,014	\$20,828,924	\$21,861,174	\$22,424,293	
•							

Net position of the City's governmental activities decreased by 168.19 percent, from \$1.60 million compared to -\$1.1 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 -\$18.45 million at June 30, 2013 to -\$20.22 million at the end of this year. The majority of the reduction in net position of \$2.68 million is due to the increase in the net other postemployment benefits obligation.

Governmental activities net position decreases can be found on the reconciliation of statement of revenues, expenditures, and changes in fund balance of governmental funds to the statement of activities.

The net position of the business-type activities increased by 10.18 percent (\$22.95 million compared to \$20.83 million in 2013). This increase was due to revenues exceeding expenses. This trend is expected to change as the City begins replacing its infrastructure (water and sewer mains).

Management's Discussion and Analysis

	Change in Net Position							
	Government	al Activities	Business-typ	Business-type Activities		Total		
	2014	2013	2014	2013	2014	2013		
Program revenues:								
Charges for services	\$ 4,975,685	\$ 5,418,428	\$11,550,673	\$10,985,124	\$16,526,358	\$16,403,552		
Operating grants	2,241,178	2,273,132	-	-	2,241,178	2,273,132		
Capital grants	1,750	-	-	-	1,750	-		
General revenues:								
Property taxes	16,466,311	14,067,560	-	-	16,466,311	14,067,560		
State shared	3,134,336	3,040,964	-	-	3,134,336	3,040,964		
Other taxes	757,237	794,287	-	-	757,237	794,287		
Investment earnings	33,512	51,382	17,315	29,569	50,827	80,951		
Total revenues	27,610,009	25,645,753	11,567,988	11,014,693	39,177,997	36,660,446		
Expenses:								
General government	4,672,271	5,208,713	-	-	4,672,271	5,208,713		
Judicial	1,976,211	2,128,180	-	-	1,976,211	2,128,180		
Public safety	9,525,007	2,653,492	-	-	9,525,007	2,653,492		
Road maintenance	4,098,970	3,209,098	-	-	4,098,970	3,209,098		
Public works	1,744,556	2,402,385	-	-	1,744,556	2,402,385		
Health and sanitation	2,268,966	1,983,105	-	-	2,268,966	1,983,105		
Culture and recreation	827,531	1,470,915	-	-	827,531	1,470,915		
Library	696,640	762,658	-	-	696,640	762,658		
Community development	1,161,136	5,242,607	-	-	1,161,136	5,242,607		
Interest on long-term debt	1,170,026	1,501,533	-	-	1,170,026	1,501,533		
Unallocated retiree								
insurance costs	2,151,904	2,691,078	-	-	2,151,904	2,691,078		
Water and sewer			9,447,898	10,147,814	9,447,898	10,147,814		
Total expenses	30,293,218	29,253,764	9,447,898	10,147,814	39,741,116	39,401,578		
Change in net position								
before transfers	(2,683,209)	(3,608,011)	2,120,090	866,879	(563,119)	(2,741,132)		
Transfers		(50,000)		50,000				
Change in net position	(2,683,209)	(3,658,011)	2,120,090	916,879	(563,119)	(2,741,132)		
Net position (deficit):								
Beginning of year	1,595,369	5,253,380	20,828,924	19,912,045	22,424,293	25,165,425		
End of year	\$ (1,087,840)	\$ 1,595,369	\$22,949,014	\$20,828,924	\$21,861,174	\$22,424,293		

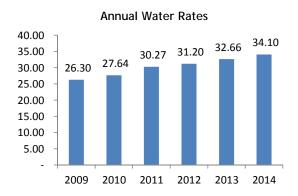
The City's total revenue for all programs and services increased by 6.87 percent (\$2.52 million), primarily due to the new Public Act 345 millage. The total cost of all programs and services increased by .86 percent (\$.34 million).

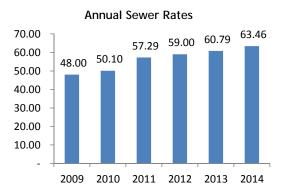
Governmental activities. Revenues for the City's governmental activities increased by 7.66 percent (\$1.96 million), while total expenses increased 3.55 percent (\$1.04 million).

Business-type activities. The City has one business-type activity: the water and sewer system. Revenues of the City's water and sewer fund increased by 5.02 percent (\$11.01 million in fiscal year 2013 compared to \$11.57 million in fiscal year 2014) and expenses decreased by 6.90 percent (\$10.15 million in fiscal year 2013 compared to \$9.50 million in fiscal year 2014). The City reported net income of \$2.12 million in the water and sewer fund. This was an increase from fiscal year 2013 net income of \$0.92 million. The factors driving these results include:

Management's Discussion and Analysis

- The City has posted an increase in this fund's net position in each of the last six fiscal years, which has led to the general overall health of this fund. In addition, billing corrections to Royal Oak Township commercial accounts resulted in additional, one-time revenues of \$.76 million in fiscal year 2013-2014. The infrastructure of the system continues to age. It is expected that necessary infrastructure improvements in the near future will be funded from the accumulated surplus. Continuing improvements to the water and sewer system should allow the City to continue to provide its users with quality services.
- Water rates increased from \$32.66 to \$34.10 per 1,000 cubic feet in fiscal year 2013-2014. Sewer rates increased from \$60.79 to \$63.46 per 1,000 cubic feet. A recent history of the City's water and sewer rates follows:





The City's Funds

As the City completed the year, its governmental funds reported a total fund balance of \$9.66 million, which is below last year's total of \$10.62 million. Included in this year's total change in fund balance is an increase of \$1.36 million in the City's general fund. In addition, these other changes in fund balances should be noted:

- The City's increase in property tax revenue was 19.09% in the general fund (\$10.55 million in fiscal year 2012-2013 and \$12.56 million in fiscal year 2013-2014) due primarily to the voter-approved PA 345 tax levy for funding of public safety retirement benefits. State shared revenue increased in the general fund by 3.00 percent (\$91,837). The State of Michigan collects sales tax and redistributes a portion of these collections to local jurisdictions. The City received more because of higher sales tax collections by the State.
- The City has unspent bond proceeds of \$713,900 in its municipal complex construction fund due to borrowing through the sale of bonds for the construction of a city hall and public safety building. This fund also contains amounts for the renovation of the library and recreation buildings. It is anticipated the construction will be completed in fiscal year 2014-2015.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget several times. These budget amendments 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, the budget was amended at the last City Council meeting of the fiscal year to prevent significant budget overruns.

Management's Discussion and Analysis

The actual expenditures were \$2,309,960 less than the final budget amounts in the General Fund although seven departments exceeded their budget. The variances were with city council (\$3,084), city manager (\$14,863), city attorney (\$62,969), prosecuting attorney (\$4,367), city clerk (\$59,064), library (\$61,581) and nondepartmental costs (\$2,527,442). The variance in the city attorney department was due to increase in use of outside legal services, the city clerk variance is due to unplanned contract redistricting expenditures and the technical and planning services department variance is due to an overall increase in inspection department costs. The non-departmental variance occurred primarily because public safety retirement benefits, supported by PA 345 tax levy for public safety retirement benefits, are reported as a General Fund non-departmental contribution to the Public Safety Pension Fund.

Resources available for appropriation were \$3,064,369 above the final budgeted amount; the PA 345 public safety retirement benefits tax levy revenues accounted for the majority of the increase, as well as greater fines and forfeitures and other revenues.

General Fund Revenue. The following paragraphs analyze the activities of the City's major funds. General fund revenues totaled \$19.64 million, an increase of 7.99% from the prior year. Revenues by source were as follows:

	General Fund Revenue							
	Fisca 2014	I Year 2013	Percent of Total	Increase (Decrease)	% Change from Prior Year			
	2014	2013	Total	(Decrease)	Year			
Property taxes	\$12,560,160	\$10,546,899	63.97%	\$ 2,013,261	19.09%			
Licenses and permits	363,301	376,502	1.85%	(13,201)	-3.51%			
Intergovernmental	3,152,777	3,060,940	16.06%	91,837	3.00%			
Charges for services	869,761	780,490	4.43%	89,271	11.44%			
Fines and forfeits	1,580,431	1,592,632	8.05%	(12,201)	-0.77%			
Interest income	7,479	9,459	0.04%	(1,980)	-20.93%			
Other	1,101,389	1,815,024	5.61%	(713,635)	-39.32%			
Total	\$19,635,298	\$18,181,946	100.00%	\$ 1,453,352	7.99%			

Ad valorem taxes provide the City's primary source of revenue. Current collections remain high at 91.97 percent. The City's total tax rate is 36.8734 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 because .5271 of the 7 mill voter-approved levy for PA 345 public safety retirement costs was not levied in 2013-2014. The tax rate was increased by 7.0336 mills in fiscal year 2013-2014 for the PA 345 public safety retirement levy (6.4729 mill) and debt retirement (.5607).

Taxable values in the City decreased an average of 8.57%, led by a decrease of 10.18% in residential real property values.

Licenses and permits decreased by 3.51%. The decrease was across the board in most areas revenue line items and was primarily due to slow economy in Michigan resulting in minimal new construction and permit related activities.

Intergovernmental revenues increased 3.00%. The City received slightly higher amounts from the State of Michigan due to increase state wide in sales tax collections and EVIP revenue sharing. Overall, revenue sharing has been significantly cut over the past several years by the State.

Charges for services increased 11.44% due primarily to increased housing inspections performed in fiscal year 2013-2014.

Management's Discussion and Analysis

Ordinance fines levied by the 45-B District Court account for a decrease of .77% in fines and forfeits. While there was a slight decline in revenues, the hiring of additional officers in fiscal year 2013-2014 slowed the decline of tickets issued that was experienced in fiscal year 2012-2013 when there were personnel reductions in the Department of Public Safety.

Interest income decreased 20.93%, which is attributable to a combination of lower short-term interest rates and slight decrease in overall cash of the City.

Miscellaneous income decreased 39.32% in fiscal year 2013-2014 primarily due to the removal of a city-wide special assessment to fund street lighting included in fiscal year 2012-2013.

General Fund Expenditures. General fund expenditures were \$16.4 million, an increase of 7.06% from the preceding year. Broken down by major function, expenditures were as follows:

	General Fund Expenditures							
	Fisca	l Year	Percent of	Increase	% Change from Prior			
	2014	2014 2013		(Decrease)	Year			
General government	\$ 3,284,804	\$ 3,708,268	20.09%	\$ (423,464)	-11.42%			
Public safety	5,547,086	6,807,655	33.92%	(1,260,569)	-18.52%			
Public works	695,453	264,207	4.25%	431,246	163.22%			
Recreation and culture	591,912	600,876	3.62%	(8,964)	-1.49%			
Library	727,789	702,671	4.45%	25,118	3.57%			
Community development	215,977	75	1.32%	215,902	287869.33%			
Nondepartmental	5,214,184	2,691,078	31.88%	2,523,106	93.76%			
Prior year tax refunds	76,537	500,904	0.47%	(424,367)	-84.72%			
Total	\$16,353,742	\$15,275,734	100.00%	\$ 1,078,008	7.06%			

General fund expenditures increased \$1.08 million.

General government expenditures decreased \$423,464 in fiscal year 2013-2014. The decrease is due primarily to the decrease in health care expenditures across all departments as a result of the City implementing a fully self-funded health care plan and the public works department assuming responsibility for building maintenance for facilities.

The public safety department decreased \$1,260,569 or 18.52% due primarily to the PA 345 tax levy-supported retirement contribution for public safety officers now being reported as a non-departmental contribution to the Public Safety Pension Fund.

The public works department increased \$431,246 or 163.22%. This increase was due to budgeted increase in DPW activity (salary and equipment rental) as DPW assumed responsibility for building maintenance across all City facilities.

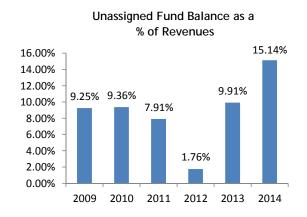
Recreation and culture decreased \$8,964 or 1.49% due primarily to staff reductions. Library expenditures increased \$25,118 due primarily to unanticipated retiree benefit costs. Community development increased \$215,902 due, in part, to hiring a new community development director.

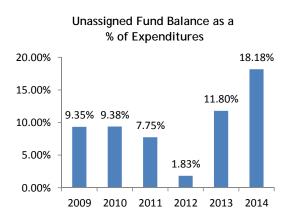
Other nondepartmental expenditures increased \$2,523,106 due to the PA 345 tax levy-supported retirement contribution for public safety officers now being reported as a non-departmental contribution to the Public Safety Pension Fund, offset by cost savings from the fully self-funded health care plan.

Management's Discussion and Analysis

Prior year tax refunds decreased \$424,367 because there were fewer tax appeals than in recent years and the City incurred fewer chargebacks from Oakland County.

General Fund. Fund balance at June 30, 2014 increased by 67.90 percent or \$1.36 million from June 30, 2013. The unassigned-available for appropriation portion of fund balance increased by \$1.17 million to a balance of \$2.97 million which provides the City with 66.4 days of expenditures, and is equivalent to 18.18 percent of annual expenditures. Our goal is to maintain this percentage at 8.33 to 16.67 percent (one to two months expenditures), a level considered adequate to meet any unforeseen events and avoid cash shortfalls during periods of low tax collections. An additional goal is to maintain fund balance at 10 to 15 percent of revenues. Unassigned fund balance can be graphically demonstrated as follows:





Municipal Complex Construction Fund. The municipal complex construction fund, a capital projects fund, had a fund balance at June 30, 2014 of \$0.71 million. This fund received \$13.33 million in fiscal year 2010-2011 from proceeds of the sale of bonds. These funds are to be used for the construction of a City Hall and Public Safety building. It is anticipated that the building project will be completed during fiscal year 2014-2015.

Capital Asset and Debt Administration

Capital Assets. At June 30, 2014, the City had \$73.36 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, and water and sewer lines.

	Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-type Activities		Total		
	2014	2013	2014	2013	2014	2013	
Land	\$ 1,642,187	\$ 1,642,187	\$ 11,502	\$ 11,502	\$ 1,653,689	\$ 1,653,689	
Rights-of-way	600,818	600,818	-	-	600,818	600,818	
Work in progress	13,950,611	10,371,827	1,494,522	1,288,157	15,445,133	11,659,984	
Infrastructure - roads	23,282,505	24,818,238	-	-	23,282,505	24,818,238	
Infrastructure - sidewalks	1,373,880	1,552,948	-	-	1,373,880	1,552,948	
Infrastructure - systems	-	-	25,117,344	25,625,052	25,117,344	25,625,052	
Buildings	2,846,758	2,945,149	4,767	5,634	2,851,525	2,950,783	
Public improvements	1,414,151	1,462,959	-	-	1,414,151	1,462,959	
Library collection	166,252	150,634	-	-	166,252	150,634	
Equipment - vehicles	1,289,523	1,179,093	-	-	1,289,523	1,179,093	
Equipment - miscellaneous	127,608	110,309	37,975		165,583	110,309	
Total capital assets, net	\$46,694,293	\$44,834,162	\$26,666,110	\$26,930,345	\$73,360,403	\$71,764,507	

Management's Discussion and Analysis

This year's major additions included:

Municipal complex construction-in-progress \$ 3,977,379 Equipment - Vehicles \$ 110,430

The City's fiscal year 2013-2014 capital budget called for it to spend \$1,898,430 for capital projects, principally for the completion of municipal complex and acquisition of replacement vehicles. More detailed information about the City's capital assets is presented in Note 9 to the financial statements.

Long-term Debt. Under current state statutes, the City's net debt may not exceed 10% of the total assessed value of real and personal property as certified by the City Assessor. The City's net debt of \$32,803,885 is 7.57% of assessed value, and provides a legal debt margin of \$10,502,929. Net bonded debt per capita equaled \$1,038.

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

The general obligation bonds are being retired with revenues from a millage levied on all personal and real property in the City. The City levied 5.9560 mills per \$1,000 of state taxable value in fiscal year 2013-2014 for the retirement of debt. At year-end, the City had \$42,912,544 in bonds outstanding versus \$45,134,639 last year, a decrease of 4.92 percent, as shown in below.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014 2013		2014	2013
General obligation bonds (backed by the City) Capital lease	\$30,660,000 2,360,000	\$31,950,000 2,430,000	\$ 9,892,544	\$10,754,639	\$40,552,544 2,360,000	\$42,704,639 2,430,000
Total	\$33,020,000	\$34,380,000	\$ 9,892,544	\$10,754,639	\$42,912,544	\$45,134,639

The City received approval from the voters in November of 2002 to borrow \$22.5 million for the repair of roads and municipal parking lots. The City sold \$11.5 million in general obligation bonds on May 1, 2003, and \$11 million in May 2006. During 2012-2013, the 2003 bonds were refinanced by the issuance of 2012 street improvements refunding bonds. The 2012 bonds will continue to be funded by the November 2002 voted millage.

At June 30, 2014, the 2012 street improvement refunding bonds, the 2006 street improvement bonds, and the 2010 municipal complex bonds were the only outstanding general obligation bonds. These bonds are paid by a tax levied on all taxpayers separate from the operating millage. A mill represents 1 dollar paid for every \$1,000 of taxable value of real and personal property. The City's debt service levy in fiscal year 2013-2014 was 5.9560 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 Drain District. This district was formed to collect and treat sewage and stormwater for 14 communities. In 1998 the Michigan Department of Environmental Quality ordered the district to upgrade its retention facility and decrease its excess flows into Lake St. Clair. The total estimated cost of these improvements is \$130 million, of which the City of Oak Park is responsible for 13.48%. This project began in fiscal year 2000-2001.

The District is borrowing funds through construction draw downs to complete this project. As of June 30, 2014 the City is obligated to pay \$9,892,544. 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 \$1,061,080. The City will increase sewer rates to pay this debt.

Management's Discussion and Analysis

The City's general obligation Moody's Investor Service underlying bond rating continues to be Aa2 with outstanding debt having the third highest rating due to bond insurance purchased at the time of issuance. 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 \$43.31 million state-imposed limit.

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

Economic Factors and Next Year's Budget and Rates

Oak Park (population 29,319) is primarily a residential community located in southeastern Oakland County, Michigan. The local tax base has experienced a decline of 8.57% for fiscal year 2013-2014 and is expected to continue to decline in the following year (2.98% expected for 2014-2015). This continued but slowing decline signals continued challenges in the near future. Service levels will be adjusted to match declining revenue.

In November 2012, the voters approved the creation of an Act 345 retirement system for public safety employees. The approval comes with the ability to use a property tax levy to fund a portion of public safety retirement costs (previously paid by the General Fund). The voters approved for up to 7 mills be assessed annually to be used for this purpose for a seven year period beginning in 2013-2014 fiscal year. In fiscal years 2013-2014 and budgeted 2014-2015, only 6.4729 of the allowable millage was levied.

Overall net general bonded debt is moderate, at \$1,038 per capita and 7.57% of assessed value.

The City's elected and appointed officials considered many factors when setting the fiscal year 2013-2014 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 12.1 percent versus 13.3 percent a year ago. This compares with the State's unemployment rate of 7.9 percent and the national rate of 6.3 percent.

These indicators were taken into account when adopting the general fund budget for fiscal year 2013-2014. The fiscal year 2014-2015 budget was adopted in May 2014. Amounts available for appropriation in the general fund budget are \$17.14 million, an increase of 1.20% percent over the final fiscal year 2013-2014 amount of \$16.93 million. Property tax revenue is budgeted to decrease slightly by .44%. Overall, revenues are expected to remain relatively flat. Budgeted expenditures are expected to increase, to \$16.91 million from \$15.58 million in fiscal year 2013-2014. The City has added no major new programs or initiatives to the fiscal year 2013-2014 budget.

The expense plan for the water and sewer fund for fiscal year 2014-2015 is \$12,655,358, an increase of \$.61 million from fiscal year 2013-2014. The plan includes an increase in water rates of 3.9% and an increase in sewer rates of 3.9%. This increase is necessary due to a 3.9% increase in the wholesale water and sewage rates from Oakland County.

This plan includes expenses for the Twelve Towns Drain System (known also as the George W. Kuhn Drain). Construction continues and ten bonds have been issued to pay for the cost. The City is responsible for 13.48% of the cost. Debt payments have been built into the budget and sewer rates increased to meet our obligations. The George W. Kuhn Drain debt payment will be \$1.15 million in fiscal year 2014-2015.

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.

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

Statement of Net Position

June 30, 2014

	Pr	Primary Government							
	Governmental	Business-type		Component					
	Activities	Activities	Total	Units					
Assets									
Cash and investments	\$ 9,708,840	\$ 3,920,155	\$ 13,628,995	\$ 179,490					
Receivables, net	1,954,462	3,397,161	5,351,623	3					
Prepaid items	401,042	362	401,404	-					
Capital assets not being depreciated	16,193,616	1,506,024	17,699,640	-					
Capital assets being depreciated, net	30,500,677	25,160,086	55,660,763						
Total assets	58,758,637	33,983,788	92,742,425	179,493					
Liabilities									
Accounts payable and accrued liabilities	1,910,930	957,864	2,868,794	_					
Long-term liabilities:	1,710,730	757,004	2,000,774	_					
Due within one year	1,436,087	883,699	2,319,786	_					
Due in more than one year	33,321,000	9,193,211	42,514,211	_					
Other liability due in more than one year - net	33,321,000	7,173,211	72,317,211						
other postemployment benefits obligation	23,178,460	-	23,178,460	_					
Total liabilities	59,846,477	11,034,774	70,881,251						
Net position									
Net investment in capital assets	14,247,686	16,773,566	31,021,252	-					
Restricted for:	, ,	, ,	, ,						
Capital projects	1,395,647	-	1,395,647	-					
Special purposes	3,492,252	-	3,492,252	-					
Unrestricted (deficit)	(20,223,425)	6,175,448	(14,047,977)	179,493					
Total net position (deficit)	\$ (1,087,840)	\$ 22,949,014	\$ 21,861,174	\$ 179,493					

Statement of Activities For the Year Ended June 30, 2014

		F	rog	ram Revenue	es		
Functions/Programs	Expenses	harges for Services	C	Operating Grants and ontributions		Capital rants and ntributions	Net (Expense) Revenue
Primary government							
Governmental activities:							
General government	\$ 4,672,271	\$ 2,930,627	\$	-	\$	-	\$ (1,741,644)
Judicial	1,976,211	148,221		100,614		-	(1,727,376)
Public safety	9,525,007	41,518		34,583		-	(9,448,906)
Road maintenance and repair	4,098,970	251,972		1,735,108		-	(2,111,890)
Public works	1,744,556	288,447		-		1,750	(1,454,359)
Health and sanitation	2,268,966	1,149,094		-		-	(1,119,872)
Culture and recreation	827,531	-		-		-	(827,531)
Library	696,640	144,126		51,062		-	(501,452)
Community development	1,161,136	21,680		319,811		-	(819,645)
Interest and fiscal charges	1,170,026	-		-		-	(1,170,026)
Unallocated retiree insurance costs	 2,151,904	 -				-	(2,151,904)
Total governmental activities	30,293,218	4,975,685		2,241,178		1,750	(23,074,605)
Business-type activities -							
Water and sewer	 9,447,898	 11,550,673		<u>-</u>			 2,102,775
Total primary government	\$ 39,741,116	\$ 16,526,358	\$	2,241,178	\$	1,750	\$ (20,971,830)
Component units							
Economic Development Corporation Brownfield Authority	- -	 -		- -		-	-
Total component units	\$ -	\$ -	\$	-	\$	-	\$ -

continued...

Statement of Activities

For the Year Ended June 30, 2014

	Pr	Primary Government						
	Governmental Activities	Business-type Activities	Total		ponent nits			
Change in net position								
Net (expense) revenue	\$ (23,074,605)	\$ 2,102,775	\$ (20,971,830)	\$	-			
General revenues: Property taxes levied for:								
General purposes	13,883,840	-	13,883,840		97,160			
Debt services	2,582,471	-	2,582,471		-			
State shared revenues	3,134,336	-	3,134,336		-			
Franchise fees	757,237	-	757,237		-			
Investment earnings	33,512	17,315	50,827		15			
Total general revenues	20,391,396	17,315	20,408,711		97,175			
Change in net position	(2,683,209)	2,120,090	(563,119)		97,175			
Net position, beginning of year	1,595,369	20,828,924	22,424,293		82,318			
Net position (deficit), end of year	\$ (1,087,840)	\$ 22,949,014	\$ 21,861,174	\$	179,493			

concluded.

Balance Sheet

Governmental Funds June 30, 2014

			-		-		Total
	0			Go		Go	vernmental
	General	Col	nstruction		Funas		Funds
ς.	2 953 283	ς	806 381	ς	5 494 518	ς.	9,254,182
Ţ	2,733,203	Ţ	000,301	Ţ	3,474,310	Ţ	7,254,102
	156,555		-		38,891		195,446
	6,433		-		35,890		42,323
	328,410		-		407,517		735,927
	131		14		289		434
	532,402		-		447,896		980,298
	264,000		-		-		264,000
	387,059		-		702		387,761
\$	4,628,273	\$	806,395	\$	6,425,703	\$	11,860,371
¢	380 707	¢	85 005	¢	443 750	¢	919,551
ڔ	•	٠	•	ڔ		ڔ	665,026
	373,273		0,300				264,000
					201,000		201,000
	963,070		92,495		793,012		1,848,577
	305,108		_		38.891		343,999
	-		_		7,869		7,869
	305,108		-		46,760		351,868
	387.059		_		702		387,761
	-		713,900				4,887,899
	-		-		1,419,099		1,419,099
	2,973,036		-		(7,869)		2,965,167
	3,360,095		713,900		5,585,931		9,659,926
\$	4,628,273	\$	806,395	\$	6,425,703	\$	11,860,371
	\$	156,555 6,433 328,410 131 532,402 264,000 387,059 \$ 4,628,273 \$ 389,797 573,273	\$ 2,953,283 \$ 156,555 6,433 328,410 131 532,402 264,000 387,059 \$ 4,628,273 \$ \$ \$ 389,797 \$ 573,273 - 963,070 \$ 305,108 - 305,108 \$ 387,059 - 2,973,036 3,360,095	\$ 2,953,283 \$ 806,381 156,555	General Complex Construction Go \$ 2,953,283 \$ 806,381 \$ 156,555 - - 6,433 - - 328,410 - - 131 14 - 532,402 - - 264,000 - - 387,059 - - \$ 389,797 \$ 85,995 \$ \$ 773,273 6,500 - 963,070 92,495 - 305,108 - - 387,059 - - 387,059 - - 713,900 - - 2,973,036 - - 3,360,095 713,900 -	General Complex Construction Governmental Funds \$ 2,953,283 \$ 806,381 \$ 5,494,518 156,555 - 38,891 6,433 - 35,890 328,410 - 407,517 131 14 289 532,402 - 447,896 264,000 - - 387,059 - 702 \$ 4,628,273 \$ 806,395 \$ 6,425,703 \$ 389,797 \$ 85,995 \$ 443,759 573,273 6,500 85,253 - - 264,000 963,070 92,495 793,012 305,108 - 38,891 - - 7,869 305,108 - 38,891 - - 713,900 4,173,999 - - 1,419,099 2,973,036 - 713,900 5,585,931	General Complex Construction Governmental Funds Governmental Funds \$ 2,953,283 \$ 806,381 \$ 5,494,518 \$ 156,555 - 38,891 35,890 328,410 - 407,517 407,517 131 14 289 532,402 - 447,896 264,000 - - 387,059 - 702 \$ 389,797 \$ 85,995 \$ 443,759 \$ \$ 73,273 6,500 85,253 264,000 963,070 92,495 793,012 305,108 - 38,891 - - - 7,869 305,108 - 38,891 - - 7,869 337,059 - 702 - 713,900 4,173,999 - 1,419,099 - 1,419,099 - 1,419,099 - 7,869

Reconciliation

Fund Balances of Governmental Funds to Net Position of Governmental Activities June 30, 2014

Fund balances - total governmental funds

9,659,926

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 16,193,616
Capital assets being depreciated, net 29,337,870

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.

Deferred grants and property taxes receivable 351,868

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

The assets and liabilities of certain internal service funds are included in governmental activities.

Net position of governmental activities accounted for in internal service funds 1,398,642

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 (95,548)
Bonds and capital leases payable (33,020,000)
Unamortized bond premium (140,507)
Net other postemployment benefit obligation (23,178,460)
Accrued compensated absences (1,595,247)

Net position (deficit) of governmental activities \$ (1,087,840)

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2014

		General	(Municipal Complex Instruction		Nonmajor vernmental Funds	Go	Total overnmental Funds
Revenues	,	12 5/0 4/0	<u>,</u>		,	2 0/2 222	÷	47 422 402
Property taxes	\$	12,560,160	\$	-	\$	3,862,322	\$	16,422,482
Special assessments		-		-		133,052		133,052
Licenses and permits		363,301		-		-		363,301
Intergovernmental:						240 944		240 944
Federal grants		- 2 452 777		-		319,811		319,811
State grants		3,152,777		-		1,863,989		5,016,766
Charges for services		869,761		-		1,318,995		2,188,756
Fines and forfeitures		1,580,431		-		223,263		1,803,694
Interest income		7,479		1,417		24,250		33,146
Other		1,101,389				183,417		1,284,806
Total revenues		19,635,298		1,417		7,929,099		27,565,814
Expenditures								
Current:								
General government		3,284,804		-				3,284,804
Judicial		<u>-</u>		-		1,946,216		1,946,216
Public safety		5,547,086		-		10,306		5,557,392
Road maintenance and repair		-		-		1,753,709		1,753,709
Public works		695,453		-		2,275,348		2,970,801
Culture and recreation		591,912		-		-		591,912
Library		727,789		-		-		727,789
Community development		215,977		-		384,936		600,913
Nondepartmental costs		5,214,184		-		-		5,214,184
Debt service:								
Principal		-		-		1,360,000		1,360,000
Interest and fiscal charges		-		-		1,211,564		1,211,564
Prior year tax refunds		76,537		-		33,203		109,740
Capital outlay and construction				2,616,110		576,971		3,193,081
Total expenditures		16,353,742		2,616,110		9,552,253		28,522,105
Revenues over (under) expenditures		3,281,556		(2,614,693)		(1,623,154)		(956,291)
Other financing sources (uses)								
Transfers in		_		500,000		2,195,253		2,695,253
Transfers out		(1,922,768)		-		(772,485)		(2,695,253)
Total other financing courses (uses)		(1.022.769)		E00,000		1 422 769		
Total other financing sources (uses)		(1,922,768)	-	500,000		1,422,768		<u> </u>
Net change in fund balances		1,358,788		(2,114,693)		(200,386)		(956,291)
Fund balances, beginning of year		2,001,307		2,828,593		5,786,317		10,616,217
Fund balances, end of year	\$	3,360,095	\$	713,900	\$	5,585,931	\$	9,659,926

Reconciliation

Net Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities For the Year Ended June 30, 2014

Net change in fund balances - total governmental funds

\$ (956,291)

43,829

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 outlay 4,121,695 Depreciation expense (2,245,276)

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 grants and property taxes receivable

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

Principal payments on long-term liabilities 1,360,000

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 42,830
Change in net other postemployment benefit obligation (4,687,821)
Change in the accrual for compensated absences (46,731)

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

Operating loss from governmental activities in internal service funds (315,810)
Interest income from internal service funds 366

Change in net position of governmental activities \$ (2,683,209)

Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - General Fund

For the Year Ended June 30, 2014

Davis	Original Budget	Final Budget	Actual	ctual Over nder) Final Budget
Revenues Property taxes Licenses and permits Intergovernmental - state grants Charges for services Fines and forfeitures Interest income Other	\$ 9,871,429 303,870 3,174,564 873,706 1,567,460 2,500 777,400	\$ 9,871,429 303,870 3,174,564 873,706 1,567,460 2,500 777,400	\$ 12,560,160 363,301 3,152,777 869,761 1,580,431 7,479 1,101,389	\$ 2,688,731 59,431 (21,787) (3,945) 12,971 4,979 323,989
Total revenues	 16,570,929	 16,570,929	 19,635,298	 3,064,369
Expenditures Current: General government:				
City council City manager Information technology City attorney Prosecuting attorney City clerk Finance and administrative services Public information Technical and planning services Less reimbursements from other funds Public safety Public works Culture and recreation Library Community development Nondepartmental costs Prior year tax refunds	60,236 371,290 194,743 243,460 59,560 463,316 841,141 221,513 1,044,108 (260,000) 5,635,282 731,646 657,493 666,208 252,044 2,686,742 175,000	60,236 371,290 194,743 243,460 59,560 463,316 841,141 221,513 1,044,108 (260,000) 5,635,282 731,646 657,493 666,208 252,044 2,686,742 175,000	63,320 386,153 177,609 306,429 63,927 522,380 824,581 217,070 983,335 (260,000) 5,547,086 695,453 591,912 727,789 215,977 5,214,184 76,537	3,084 14,863 (17,134) 62,969 4,367 59,064 (16,560) (4,443) (60,773) - (88,196) (36,193) (65,581) 61,581 (36,067) 2,527,442 (98,463)
Total expenditures	14,043,782	14,043,782	16,353,742	2,309,960
Revenues over (under) expenditures	2,527,147	2,527,147	3,281,556	754,409
Other financing sources (uses) Transfers out	 (1,797,609)	(1,797,609)	(1,922,768)	 (125,159)
Net change in fund balances	729,538	729,538	1,358,788	629,250
Fund balances, beginning of year	 2,001,307	 2,001,307	 2,001,307	<u>-</u>
Fund balances, end of year	\$ 2,730,845	\$ 2,730,845	\$ 3,360,095	\$ 629,250

Statement of Net Position Proprietary Funds

Proprietary Funds June 30, 2014

	Business-ty Activities	•		vernmental activities
	Water and Se	-		nternal
Assets	Enterprise F	und	Ser	vice Funds
Current assets:				
Cash and investments	\$ 3,920,	155	\$	454,658
Receivables:	\$ 3,720,	133	Ţ	131,030
Special assessments	51	307		_
Accounts	3,122,			-
Accrued interest		184		34
Due from other governments	223,			-
Prepaid items		362		13,281
Total current assets	7,317,			467,973
New account accorded				
Noncurrent assets:	4 507	02.4		
Capital assets not being depreciated	1,506,			4 4/2 907
Capital assets being depreciated, net	25,160,			1,162,807
Total noncurrent assets	26,666,	110		1,162,807
Total assets	33,983,	788		1,630,780
Liabilities				
Current liabilities:				
Accounts payable	861,	844		31,055
Accrued liabilities	96,	020		199,750
Current portion of long-term debt	883,	699		-
Total current liabilities	1,841,	563		230,805
Noncurrent liabilities, net of current portion:				
Accumulated compensated absences	184,	366		1,333
Bonds payable	9,008,			-
Total noncurrent liabilities	9,193,			1,333
Total liabilities	11,034,	774		232,138
Not position		_		
Net position	14 772	564		1 162 907
Net investment in capital assets	16,773,			1,162,807
Unrestricted	6,175,	44ŏ		235,835
Total net position	\$ 22,949,	014	\$	1,398,642

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2014

	Business-type Activities	Governmental Activities
	Water and Sewer Enterprise Fund	Internal Service Funds
Operating revenues		
Charges for services	\$ 11,549,909	\$ 829,184
Miscellaneous	764	194,031
Total operating revenues	11,550,673	1,023,215
Operating expenses		
Gasoline	-	207,770
Professional services	-	89,637
Supplies	-	174,375
Postage	-	57,179
Water	1,085,980	-
Sewage treatment	5,192,925	-
Transmission and distribution	923,691	-
Maintenance and operation	798,926	-
Customer accounting and collection	173,798	-
General and administration	351,878	-
Depreciation	635,396	126,716
Wages and benefits	-	71,624
Insurance		611,724
Total operating expenses	9,162,594	1,339,025
Operating income (loss)	2,388,079	(315,810)
Nonoperating revenues (expenses)		
Interest income	17,315	366
Interest expense	(285,304)	
Total nonoperating revenues (expenses)	(267,989)	366
Change in net position	2,120,090	(315,444)
Net position, beginning of year	20,828,924	1,714,086
Net position, end of year	\$ 22,949,014	\$ 1,398,642

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2014

		siness-type Activities	vernmental activities
		er and Sewer erprise Fund	nternal vice Funds
Cash flows from operating activities			
Receipts from customers	\$	10,864,123	\$ -
Receipts from interfund services		-	829,184
Miscellaneous receipts		-	194,031
Payments to suppliers		(7,013,684)	(1,066,168)
Payments to employees		(1,264,993)	(1,951)
		2 505 444	(44.004)
Net cash provided (used) by operating activities		2,585,446	 (44,904)
Cash flows from capital and related financing activities			
Purchases of capital assets		(371,161)	(110,429)
Principal paid on long-term debt		(862,095)	-
Interest paid on long-term debt		(285, 304)	-
Net cash used by capital and related financing activities		(1,518,560)	(110,429)
Cash flows from investing activities			
Interest and dividends		17,438	397
	1		
Net change in cash and investments		1,084,324	(154,936)
Cash and investments, beginning of year		2,835,831	 609,594
Cash and investments, end of year	\$	3,920,155	\$ 454,658
Reconciliation of operating income (loss) to net cash provided			
by operating activities:			
Operating income (loss)	\$	2,388,079	\$ (315,810)
Adjustments to reconcile operating income (loss) to net cash provided			
by operating activities:			
Depreciation expense		635,396	126,716
Change in assets and liabilities:			
Special assessments receivable		10,338	-
Accounts receivable		(694,147)	-
Due from other governments		(2,741)	-
Prepaid items		8,553	12,891
Accounts payable		224,202	7,078
Accrued liabilities		(6,477)	124,221
Accrued compensated absences		22,243	 <u>-</u>
Net cash provided by operating activities	\$	2,585,446	\$ (44,904)

Statement of Net Position

Fiduciary Funds June 30, 2014

	Emp	ion and Other loyee Benefit rust Funds	Agency Funds
Assets			
Cash and cash equivalents	\$	66,867	\$ 191,838
Due from other governments		312,512	1,913
Prepaid items		12,397	-
Accrued interest receivable		306,612	-
Investments, at fair value:			
Short-term investments		3,037,718	-
U.S. government obligations		2,946,698	-
Mortgage-backed securities		942,024	-
Corporate bonds		16,715,290	-
Corporate stocks		41,129,635	
Total assets		65,469,753	\$ 193,751
Liabilities			
Accounts payable		638,088	\$ -
Undistributed receipts			193,751
Total liabilities		638,088	\$ 193,751
Net position Restricted for pension and other postemployment benefits	\$	64,831,665	

Statement of Changes in Net Position

Fiduciary Funds

For the Year Ended June 30, 2014

	Pension and Other
	Employee Benefit
	Trust Funds
Additions	
Contributions:	
Employer	\$ 4,236,547
Plan members	386,491
Total contributions	4,623,038
Investment earnings	
Net appreciation in fair value of investments	7,406,546
Interest	823,532
Dividends	932,466
Total investment earnings	9,162,544
Less: investment management expense	(237,161)
Net investment earnings	8,925,383
Total additions	13,548,421
Deductions	
Benefits	8,154,965
Refunds and administration	44,491
Total deductions	8,199,456
Change in net position	5,348,965
Net position, beginning of year	59,482,700
Net position, end of year	\$ 64,831,665

Combining Statement of Net Position

Discretely Presented Component Units June 30, 2014

	Devel	onomic opment ooration	 ownfield uthority	Total Component Units		
Assets Cash and investments Accrued interest receivable	\$	11,801	\$ 167,689	\$	179,490	
Net position Unrestricted	\$	11,801	\$ 167,692	\$	179,493	

Combining Statement of Activities

Discretely Presented Component Units For the Year Ended June 30, 2014

	Devel	nomic opment oration	 ownfield uthority	Total Component Units		
General revenues Property taxes Investment earnings	\$	- -	\$ 97,160 15	\$	97,160 15	
Changes in net position		-	97,175		97,175	
Net position, beginning of year		11,801	 70,517		82,318	
Net position, end of year	\$	11,801	\$ 167,692	\$	179,493	

This page intentionally left blank.

NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

Blended Component Unit

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

Discretely Presented Component Units

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

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

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

Notes to Financial Statements

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or within one year for reimbursement-based grants. 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.

Notes to Financial Statements

The City reports the following major governmental funds:

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 *municipal complex construction capital projects fund* is used to account for the construction of a new city hall and public safety building funded by the 2010 Municipal Complex Bonds.

The City reports the following major enterprise fund:

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

In addition the City reports the following governmental fund types:

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

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

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

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has four 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 central services fund is used to account for printing, duplicating, and mail services performed for the City's departments; 3) 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 4) the court retiree's health care fund is used for the accumulation of assets to fund retiree's health care for District court employees.

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

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

Notes to Financial Statements

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer enterprise fund and of the government's internal service funds are charges to customers for sales and services. The enterprise fund also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise fund and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Assets, Liabilities, Deferred Inflows of Resources and Equity

Deposits and Investments

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

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.

Notes to Financial Statements

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 fair value at the date of donation.

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

The estimated useful lives are as follows:

	Years
Water and sewer system	20-100
Roads	25
Sidewalks	20
Vehicles	3-10
Machinery and equipment	3-30
Buildings and improvements	10-50
Library books	5

Long-term Obligations

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

Special Assessments

Special assessments, if any, are recorded as revenues when due, not when levied. Estimated annual installments not yet available are reflected as deferred inflows of resources. Special assessments are billed annually on June 1 and are due and payable August 1.

Notes to Financial Statements

Compensated Absences

The City accrues vacation pay, sick pay (at fifty percent of unused sick days), compensatory time off, and any salary-related payments for these compensated absences in accordance with GASB Statement No. 16, *Accounting for 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, and several nonmajor special revenue funds have been used to liquidate the liability for compensated absences.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position 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, deferred inflows of resources may be reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods.

Notes to Financial Statements

Fund Balances

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

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.

2. COMPLIANCE INFORMATION

Budgetary Data

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

The level of budgetary control (the level at which expenditures may not legally exceed appropriations) is at the department (activity) level for the general fund and the activity level for special revenue funds.

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

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.

3. EXCESS OF EXPENDITURES OVER BUDGET

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

Notes to Financial Statements

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

During the year ended June 30, 2014, the City incurred expenditures in certain budgetary funds, which were in excess of amounts appropriated, as follows:

	Final Budget	Actual		Ad	ctual Over Budget
General fund					
General government:					
City council	\$ 60,236	\$	63,320	\$	3,084
City manager	371,290		386,153		14,863
City attorney	243,460		306,429		62,969
Prosecuting attorney	59,560		63,927		4,367
City clerk	463,316		522,380		59,064
Library	666,208		727,789		61,581
Nondepartmental retiree insurance costs	2,686,742		5,214,184		2,527,442
Transfers out	1,797,609		1,922,768		125,159
Nonmajor governmental funds					
Narcotics forfeiture fund - public safety	500		7,192		6,692
Community development block grant fund -					
community development	101,628		112,642		11,014
Caseflow assistance fund- judicial	9,781		13,165		3,384
45th district court fund- judicial	1,838,346		1,916,101		77,755

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.

4. BUILDING PERMITS AND RELATED COSTS

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

	Prid	or Years	2014	Total
Revenue Expenditures	\$	326,423 (588,066)	\$ 123,355 (232,924)	\$ 449,778 (820,990)
ortfall at June 30	\$	(261,643)	\$ (109,569)	\$ (371,212)

Notes to Financial Statements

5. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of June 30, 2014:

	G	Primary overnment	С	omponent Units		Totals
Statement of net position Cash and investments	\$	13,628,995	\$	179,490	\$	13,808,485
Statement of fiduciary net position Pension and other employee benefit trust funds:						
Cash and cash equivalents		66,867		-		66,867
Investments Agency funds -		64,771,365		-		64,771,365
Cash and cash equivalents		191,838		-		191,838
Total	\$	78,659,065	\$	179,490	\$	78,838,555
Deposits and investments						
Bank deposits: Checking and savings accounts					Ś	8,283,504
Certificates of deposits					•	5,778,783
Pension and other employee benefit trust funds investments	5					64,771,365
Cash on hand						4,903
Total					\$	78,838,555

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 \$13,040,779 of the City's bank balance of \$14,325,494 (book balance of \$14,062,287) 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.

Notes to Financial Statements

Pension and Other Employee Benefits Trust Fund Investments

Following is a summary of the pension and other employee benefits trust fund investments at fair value, as determined by quoted market price, as of June 30, 2014:

Investment Type	Amount
Short-term investments U.S. government obligations Mortgage-backed Corporate bonds Common stock	\$ 3,037,718 2,946,698 942,024 16,715,290 41,129,635
Total investments	\$ 64,771,365

Custodial Credit Risk. For 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.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The trust funds' investment policy provides that investments in fixed income securities be limited to those rated BBB- or better at the time of purchase by a nationally recognized statistical rating organization, except for United States treasury securities which are explicitly guaranteed by the U.S. government and not considered to have credit risk. Short-term investments in money market funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form. As of June 30, 2014, the investments in debt securities were rated by Standard & Poor's as follows:

Rating	U.S	U.S. Agencies Asset Backed				Corporate Bonds
AAA AA+ AA	\$	- 2,946,698	\$	451,554 -	\$	206,249 108,026
A+ A		- -		179,488 310,982		1,350,140
A- BBB+ BBB		- -		- - -		3,399,188 2,939,574 5,283,126
BBB-	\$	2,946,698	\$	942,024	\$	3,428,987 16,715,290

Investments in short-term investments and common stocks are not rated.

Notes to Financial Statements

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk, and the City does not have a policy specifying limits on concentration of credit risk. At June 30, 2014, there were no individual investments with a fair value that represent 5% or more of the City's trust funds' investments; and other than U.S. agencies, the City did not have 5% or more invested with any one issuer.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The trust funds' investment policy does not discuss the maximum maturity for any single fixed income security or the weighted average portfolio maturity.

As of June 30, 2014, maturities of the trust funds' debt securities were as follows:

			Investment Maturities (fair value by years)								
		Total			[Due in 1-5	D	ue in 6-10			
	I	Fair Value	Due	< 1 year		years		years	Due >	10 years	
U.S. agencies	\$	2,946,698	\$	130,021	\$	2,816,677	\$	-	\$	-	
Mortgage/asset backed		942,024		-		582,016		-		360,008	
Corporate bonds		16,715,290		568,334		11,619,348		4,527,608			
Total	\$	20,604,012	\$	698,355	\$	15,018,041	\$	4,527,608	\$	360,008	

6. RECEIVABLES

Receivables are comprised of the following at year-end:

		vernmental Activities		siness-type Activities	e Compone Units	
Taxes Accounts	\$	195,446 735,927	\$	3,122,358	\$	-
Special assessments Accrued interest		42,323		51,307 184		3
Due from other governments	<u> </u>	980,298 1,954,462	<u> </u>	3,397,161	<u> </u>	3

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

Notes to Financial Statements

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables are comprised of the following at year-end:

		vernmental Activities	siness-type Activities
Accounts payable Accrued liabilities	\$	950,606 960,324	\$ 861,844 96,020
	\$ 1,910,930		\$ 957,864

8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

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

	ue from ner Funds	Du	e to Other Funds
General fund Nonmajor governmental funds	\$ 264,000 -	\$	- 264,000
	\$ 264,000	\$	264,000

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

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

		Transfers in										
Transfers Out	Gene	General Fund		Municipal Complex Construction Fund		Nonmajor Governmental Funds		Total				
General fund Nonmajor governmental funds	\$	-	\$	500,000	\$	1,922,768	\$	1,922,768 772,485				
	\$	-	\$	500,000	\$	2,195,253	\$	2,695,253				

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.

Notes to Financial Statements

9. CAPITAL ASSETS

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

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated	:				
Land	\$ 1,642,187	\$ -	\$ -	\$ -	\$ 1,642,187
Rights-of-way	600,818	-	-	-	600,818
Work in progress	10,371,827	3,977,379		(398,595)	13,950,611
	12,614,832	3,977,379		(398,595)	16,193,616
Capital assets being depreciated:					
Infrastructure - roads	102,195,468	-	-	398,595	102,594,063
Infrastructure - sidewalks	4,221,330	13,419	-	-	4,234,749
Buildings	5,724,005	-	-	-	5,724,005
Improvements	2,799,598	55,950	-	-	2,855,548
Library collection	422,727	40,033	-	-	462,760
Vehicles and equipment	4,087,658	110,430	(126,716)	-	4,071,372
Other equipment	1,276,610	34,912	-	-	1,311,522
	120,727,396	254,744	(126,716)	398,595	121,254,019
Less accumulated depreciation for:					
Infrastructure - roads	(77,377,230)	(1,934,328)	-	-	(79,311,558)
Infrastructure - sidewalks	(2,668,382)	(192,487)	-	-	(2,860,869)
Buildings	(2,778,856)	(98,391)	-	-	(2,877,247)
Improvements	(1,336,639)	(104,758)	-	-	(1,441,397)
Library collection	(272,093)	(24,415)	-	-	(296,508)
Vehicles and equipment	(2,908,565)	-	126,716	-	(2,781,849)
Other equipment	(1,166,301)	(17,613)			(1,183,914)
	(88,508,066)	(2,371,992)	126,716	-	(90,753,342)
Total capital assets					
being depreciated, net	32,219,330	(2,117,248)	<u> </u>	398,595	30,500,677
Governmental activities					
capital assets, net	\$ 44,834,162	\$ 1,860,131	\$ -	\$ -	\$ 46,694,293

At June 30, 2014, the City's governmental activities had outstanding commitments through construction contracts of approximately \$400,000 for the construction of the new city hall and public safety building.

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
Business-type activities			•		
Capital assets not being depreciated	:				
Land	\$ 11,502	\$ -	\$ -	\$ -	\$ 11,502
Work in progress	1,288,157	208,075	(1,710)	-	1,494,522
, -	1,299,659	208,075	(1,710)	-	1,506,024
Capital assets being depreciated:	07 500				07.500
Buildings	86,500	-	-	-	86,500
Garage	24,564	-	-	-	24,564
Vehicles and equipment	888,986	47,469	(11,700)	=	924,755
Water system	12,034,981	-	=	=	12,034,981
Water - hydrants	560,836	-	-	-	560,836
Water - tanks	166,833	-	-	-	166,833
Water - pump station	1,054,921	-	-	-	1,054,921
Water - master meter	27,514	-	-	-	27,514
Water - reservoir	852,719	-	-	-	852,719
Water - reservoir pump	413,457	-	-	-	413,457
Sewer system	18,909,309	117,327	-	-	19,026,636
	35,020,620	164,796	(11,700)	<u> </u>	35,173,716
Less accumulated depreciation for:					
Buildings	(80,866)	(867)	-	=	(81,733)
Garage	(24,564)	-	-	-	(24,564)
Vehicles and equipment	(888,986)	(9,494)	11,700	-	(886,780)
Water system	(4,076,214)	(133,220)	-	-	(4,209,434)
Water - hydrants	(417,241)	(6,179)	-	_	(423,420)
Water - tanks	(166,833)	(0 ,,	-	_	(166,833)
Water - pump station	(880,872)	(12,309)	-	_	(893,181)
Water - master meter	(20,980)	(344)	-	_	(21,324)
Water - reservoir	(517,766)	(10,347)	_	_	(528,113)
Water - reservoir pump	(275,149)	(9,961)	-	_	(285,110)
Sewer system	(2,040,463)	(452,675)	_	_	(2,493,138)
Jewer system	(9,389,934)	(635,396)	11,700		(10,013,630)
Total capital assets	(7,307,734)	(033,370)	11,700		(10,013,030)
being depreciated, net	25,630,686	(470,600)	<u>-</u>	-	25,160,086
Business-type activities					
capital assets, net	\$ 26,930,345	\$ (262,525)	\$ (1,710)	\$ -	\$ 26,666,110

Notes to Financial Statements

Depreciation expense was charged to governmental activities functions as follows:

General government	\$ 94,046
Road maintenance and repair	2,126,815
Library	24,415
Internal service funds	 126,716
	_
Total governmental activities	\$ 2,371,992

10. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2014:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation 2012 Refunding Street Improvement, installments of \$520,000 to \$660,000 through May 1, 2028, interest at 2.0 to 3.0%	\$ 9,150,000	\$ -	\$ (520,000)	\$ 8,630,000	\$ 555,000
2006 Street Improvement, installments of \$225,000 to \$800,000 through May 1, 2030, interest at 4.0 to 5.00%	9,775,000	-	(420,000)	9,355,000	425,000
2010 Municipal Complex, installments of \$50,000 to \$925,000 through May 1, 2036, interest at 2.5 to 7.0%	13,025,000		(350,000)	12,675,000	350,000
Total governmental activities bonds	31,950,000	-	(1,290,000)	30,660,000	1,330,000
Unamortized premium	150,543	-	(10,036)	140,507	-
Capital lease	2,430,000	-	(70,000)	2,360,000	70,000
Compensated absences	1,548,516	99,453	(51,389)	1,596,580	36,087
Total governmental activities	\$ 36,079,059	\$ 99,453	\$ (1,421,425)	\$ 34,757,087	\$ 1,436,087

Notes to Financial Statements

	Seginning Balance	А	dditions	Deductions		Ending ons Balance		ue Within One Year
Business-type activities								
Limited tax general obligation bonds George W. Kuhn Drain installments of \$65,707 to \$1,061,080 through April 1, 2029, interest at 1.625% to 5.25%	\$ 10,754,639	\$	-	\$	(862,095)	\$	9,892,544	\$ 883,699
Compensated absences	 162,123		37,251		(15,008)		184,366	
Total business-type activities	\$ 10,916,762	\$	37,251	\$	(877,103)	\$	10,076,910	\$ 883,699

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

	Governmental Activities			Business-typ	oe Activities		
Year Ended June 30,		Principal	Interest		Principal		Interest
2015	\$	1,400,000	\$ 1,146,704	Ş	883,699	\$	267,753
2016		1,435,000	1,109,156		900,323		243,777
2017		1,480,000	1,069,561		934,274		219,055
2018		1,520,000	1,027,610		957,866		193,602
2019		1,570,000	983,535		980,806		167,465
2020-2024		8,580,000	4,161,139		4,843,506		426,473
2025-2029		9,595,000	2,578,458		392,070		26,714
2030-2034		5,200,000	1,002,329		-		-
2035-2036		2,240,000	135,286				-
	\$	33,020,000	\$ 13,213,778	\$	9,892,544	\$	1,544,839

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

The City is a participating community in the George W. Kuhn drain project. The project is administered by the Oakland County Drain Commission and financed through the sale of drain bonds, a State of Michigan revolving loan fund, federal and state grants, and contributions from Oakland County. The City along with 13 other local communities are obligated for payment of principal and interest of the outstanding debt. It is currently anticipated that the City's total obligation at the end of construction will be approximately \$15.6 million with an interest rate ranging from 1.625% to 5.25%. As of June 30, 2014, the City's outstanding obligation is \$9.893 million and incurred interest expense of \$285,304 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 as an as needed basis and thus an accurate schedule of principal and interest payments cannot be determined at this time.

Notes to Financial Statements

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 2013 tax levy are as follows:

Real property	\$ 399,840,290
Personal property	34,403,540
Total	\$ 434.243.830

For the current fiscal year, the City levied 20.0000 mills for general governmental services, 1.4914 mills for library services, 6.4729 mills for public safety pension (Public Act 345), 2.9531 mills for solid waste, and 5.9560 mills for long-term debt retirement.

13. DEFINED BENEFIT PENSION PLANS

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

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

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

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

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

Notes to Financial Statements

Management of the ERS is vested in the City of Oak Park Employees' Retirement System Board of Trustees, which consists of five members, three are elected to three-year terms, one is appointed by the City Council and one is the City Manager of the City of Oak Park.

Management of the PS is vested in the City of Oak Park Public Safety Retirement System Board of Trustees, which consists of five members, three are elected to four-year terms, one is appointed by the City Council and one is the City Manager of the City of Oak Park.

Plans membership. Membership of the plans consisted of the following at June 30, 2013, the date of the latest actuarial valuation for each plan:

	General	Public Safety
Retirees and beneficiaries currently receiving benefits Inactive employees entitled to benefits Active employees:	147 17	98 9
Vested Non-vested	32 	33 11
Total	203	151

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

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

Employee contributions. Eligible ERS employees are required to contribute 3.0% of compensation to the plan. Eligible PS employees hired before July 1, 2006 are required to contribute 5.55% and employees hired after July 1, 2006 are required to contribute 7.50% of their annual compensation to the plan.

Employer contributions. The City is required to contribute at annual actuarially determined rate to provide assets sufficient to pay benefits to plan members. The rate paid in fiscal year 2014 by the City is 46.04% of annual covered payroll for ERS members and 45.15% 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.

Notes to Financial Statements

Employer Disclosures under GASB Statement 27

During the year ended June 30, 2014, total contributions to ERS of \$1,367,086 and to PS of \$2,869,461 were made in accordance with actuarially determined requirements computed through respective actuarial valuations. The annual required contributions for the current year were determined as part of June 30, 2012 actuarial valuation using the entry age method. Each set of actuarial assumptions included (a) 8.0% investment rate of return on the investment, which includes 4% attributable to inflation, compounded annually, (b) projected salary increases of 4% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0% to 4.0% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded, actuarial accrued liability is amortized as a level percentage of projected payroll over 30-years on a closed basis.

Three-Year Trend Information (ERS and PS combined)										
			Percentage of							
Years Ended	Ann	ual Pension	APC	Net Pension						
June 30,	Cost (APC)		Contributed	Obligation						
2012	\$	3,200,167	100%	\$ -						
2013		2,601,972	100%	-						
2014		4,236,547	100%	-						

The funded status of the plans as of June 30, 2013, the date of most recent actuarial valuations, was as follows:

		General	Public Safety
Actuarial accrued liability (AAL) Actuarial value of assets	\$	36,601,926 20,764,566	\$ 61,805,672 35,905,372
Unfunded actuarial accrued liability (UAAL)	\$	15,837,360	\$ 25,900,300
Funded ratio	_	56.7%	58.1%
Covered payroll	\$	1,998,057	\$ 3,727,181
UAAL as a percentage of covered payroll		792.6%	 694.9%

Notes to Financial Statements

Pension Plan Disclosures under GASB Statement 67

Net pension liability of the City. The components of the net pension liability of the City at June 30, 2014, are as follows:

	General	Public Safety	Total
Total pension liability Plan fiduciary net position City's net pension liability	\$ 46,850,604 (22,611,634) \$ 24,238,970	\$ 83,267,351 (41,585,659) \$ 41,681,692	\$ 130,117,955 (64,197,293) \$ 65,920,662
Plan fiduciary net position as a percentage of the total pension liability	48.26%	49.94%	49.34%

Actuarial assumptions. The total pension liability was determined by respective actuarial valuations as of June 30, 2013 (and rolled forward to June 30, 2014), using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 3.0 percent

Salary increases 3.0-6.2 percent, average, including inflation

Investment rate of return 8.0 percent, net of pension plan

investment expense, including inflation

Mortality rate RP-2000 Combined Mortality Table

The actuarial assumptions used in the June 30, 2013 valuations were based on the results of an actuarial experience study for the period 2007 through 2012.

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, 2014 (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 fixed income	40%	3.0%
Domestic equity	45%	8.0%
International equity	10%	8.0%
Cash	5%	1.0%
	100%	- -

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.

Rate of Return. For the year ended June 30, 2014, the annual money-weighted rate of return on pension plans investments, net of pension plan investment expense, was -17.14% for ERS and 30.43% for PS. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate. The discount rate used to measure the total pension liabilities was 5.40% for ERS and 5.43% for PS. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make projected future benefit payments to current plan members of ERS through 2034 and of PS through 2037. As a result, the long-term expected rate of return on pension plan investments of 6.54% for both plans was applied projected benefits through the year 2034 or 2037, and the municipal bond rate of 4.29% was applied to the respective benefit payments thereafter.

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 5.40 and 5.43 percent for ERS and PS, respectively, 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 (4.40 and 4.43 percent, respectively) or 1-percentagepoint higher (6.40 and 6.43 percent, respectively) than the current rate:

	1% Decrease	Current Discount	1% Increase		
City's net pension liability ERS PS	\$ 29,657,744 53,012,609	\$ 24,238,970 41,681,692	\$	19,704,406 32,362,991	
Totals	\$ 82,670,353	\$ 65,920,662	\$	52,067,397	

Notes to Financial Statements

14. 45th DISTRICT COURT PENSION PLANS

The 45th District Court's defined contribution plan, 457 plan and health savings plan are held in trust and covers 28 employees of the District Court. Members of the defined contribution plan are required to contribute 7.5% of compensation (full-time and part-time employees), the 457 plan is voluntary with employees making up to 3% contribution and the employer matching up to 3% (full-time employees only), and the health savings plan is for full-time employees hired after July 2009, where the employer contributes 3% of compensation. The third party administrator for this plan is MERS. The plans cost to the 45th District Court for the fiscal year ended June 30, 2014 was \$91,753. The defined contribution pension cost to the employees was \$22,392. Contributions to the plan are recognized when due and payable. Plan provisions and contribution rates are established and may be amended by resolution of the City Council. Unvested benefits forfeited by employees who leave employment early are redistributed to active participants.

15. DEFINED CONTRIBUTION PENSION PLAN

The City of Oak Park defined contribution pension plan provides retirement benefits to general employees hired after August 1, 2004 and employees belonging to the AFSCME union hired after July 1, 2006. At June 30, 2014 there were 19 plan members. The City contributes 7.5% of covered payroll and will match an employee's voluntary contribution up to 3% of covered payroll. Plan provisions and contribution requirements are established by City Council. Total contributions for the year ended June 30, 2014 were \$34,277 by employees and \$136,570 by the City.

16. POSTEMPLOYMENT HEALTH BENEFITS

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

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

Currently 150 general, 97 public safety and 20 district court retirees and surviving spouses are receiving benefits. The City pays 100% of the benefits for all public safety, court and general current retirees. Co-pays, at the percentage indicated below, are required for retirees who were hired after January 18, 1993 for public safety officers and July 1, 1992 for public safety command officers.

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

Notes to Financial Statements

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

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

The funding status of the plan as of June 30, 2012, the date of most recent actuarial valuation, was as follows:

	General Employees	Public Safety Employees
Actuarial accrued liability (AAL) Actuarial value of assets	\$ 46,955,328 167,730	\$ 48,963,635 210,277
Unfunded actuarial accrued liability (UAAL)	\$ 46,787,598	\$ 48,753,358
Funded ratio	0.4%	0.4%
Covered payroll	\$ 2,289,031	\$ 3,845,539
UAAL as a percentage of covered payroll	2044.0%	1267.8%

The City has created a retiree's health care internal service fund in anticipation of pre-funding retiree's health care for district court employees. The court levies a \$10 charge on all tickets to finance this fund. The funds are not established as a trust and therefore are reported as an internal service fund.

The funding status of the court plan as of June 30, 2012, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL) Actuarial value of assets	\$ 8,360,951 <u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$ 8,360,951
Funded ratio	 0.0%
Covered payroll	\$ 896,257
UAAL as a percentage of covered payroll	 932.9%

In the June 30, 2012, actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions include a 4.5% investment rate of return and an annual healthcare cost trend of 9.0% initially, reduced by decrements to an ultimate rate of 4.0% after ten years. Both rates include a 4.5% inflation assumption. The actuarial value of assets was determined using fair value. The unfunded actuarial accrued liability is being amortized as a level dollar amount for non-union members and a level percentage of payroll on a closed basis for all others. The remaining amortization period at June 30, 2012 was 28 years for general and public safety employees and 30 years for district court employees. The annual required contribution for fiscal 2014 is \$6,458,177 for the general and public safety plan and \$614,827 for the district court plan.

Notes to Financial Statements

The health savings plan for general employees hired after August 1, 2004 and employees belonging to the AFSCME union hired after July 1, 2006, had 25 plan members at June 30, 2014. The City contributes 3% of covered payroll. Plan provisions and contribution requirements are established by City Council. Total contributions for the year ended June 30, 2014 were \$24,425.

The contribution requirements for general and public safety plan members are established and may be amended by the Oak Park City Council. The City Council has determined to pay costs on a pay-as-you-go financing method with no contributions to prefund benefits. During the year ended June 30, 2014, expenditures for general and public safety retirees of \$2,042,924 were recognized for retiree health insurance premiums. Retiree dental insurance premium payments of \$99,808 were recognized for general and public safety employees.

The contribution requirements for district court plan members are established and may be amended by the Oak Park City Council. Retiree health and dental insurance premiums of \$164,450 were recognized for employees of the district court. This cost is funded by the court and a \$10 surcharge on certain tickets.

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board (GASB) Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

General and District

	J	crici ai aiia	District		
	Pι	ublic Safety		Court	
Annual required contribution	\$	6,458,177	\$	614,827	
Interest on net OPEB obligation		727,466		104,613	
Adjustment to annual required contribution		(811,168)		(98,913)	
Annual OPEB cost		6,374,475		620,527	
Contribution made		(2,142,732)		(164,450)	
Increase in net OPEB obligation		4,231,743		456,077	
Net OPEB obligation, beginning of year		16,165,909		2,324,731	
Net OPEB obligation, end of year	\$	20,397,652	\$	2,780,808	

The City's annual OPEB cost, the percentage of annual cost contributed to the plan, and the net OPEB obligation for the last three fiscal years for general and public safety employees is as follows:

Three-Year Trend Information									
Years Ended June 30,	Annual OF	Percentage of Annual PEB OPEB Cost Contributed		Net OPEB Obligation					
2012 2013 2014	\$ 6,301 6,267 6,374	,191 42.06%	\$	12,534,966 16,165,909 20,397,652					

Notes to Financial Statements

The City's annual OPEB cost, the percentage of annual cost contributed to the plan, and the net OPEB obligation for the last three fiscal years for district court employees is as follows:

Three-Year Trend Information									
		Percentage of							
			Annual						
Years Ended	Anı	nual OPEB	OPEB Cost	ſ	Net OPEB				
June 30,		Cost	Contributed	C	bligation				
2012	\$	683,091	28.43%	\$	1,903,662				
2013		687,366	38.74%		2,324,731				
2014		620,527	26.50%		2,780,808				

17. FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT FUNDS

	Plan Net Position										
	Employee Retirement Plan	Public Safety Pension	Total								
Assets											
Cash and cash equivalents	\$ -	\$ -	\$ 66,867	\$ 66,867							
Due from other governments	-	312,512	-	312,512							
Prepaid items	-	12,397	-	12,397							
Accrued interest receivable	109,066	197,543	3	306,612							
Investments, at fair value:											
Short-term investments	546,629	1,923,587	567,502	3,037,718							
U.S. government obligations	962,558	1,984,140	-	2,946,698							
Mortgage-backed securities	349,363	592,661	-	942,024							
Corporate bonds	6,011,780	10,703,510	-	16,715,290							
Corporate stocks	14,912,492	26,217,143		41,129,635							
Total assets	22,891,888	41,943,493	634,372	65,469,753							
Liabilities - accounts payable	280,254	357,834		638,088							
Net position Restricted for pension and other											
postemployment benefits	\$ 22,611,634	\$ 41,585,659	\$ 634,372	\$ 64,831,665							

Notes to Financial Statements

		Changes in Pla	n Net Position	
			Retiree Health Care - General and Public Safety	Total
Additions				
Contributions:				
Employer	\$ 1,367,08	6 \$ 2,869,461	\$ -	\$ 4,236,547
Plan members	61,13	0 325,361		386,491
Total contributions	1,428,21	6 3,194,822		4,623,038
Investment earnings: Net appreciation (depreciation)				
in fair value of investments	(3,548,90	4) 10,843,617	111,833	7,406,546
Interest	103,85	719,666	14	823,532
Dividends	384,16	548,306	-	932,466
Total investment earnings	(3,060,89)	2) 12,111,589	111,847	9,162,544
Less: investment expense	(101,63	6) (135,525)		(237,161)
Net investment earnings	(3,162,52	8) 11,976,064	111,847	8,925,383
Total additions	(1,734,31	2) 15,170,886	111,847	13,548,421
Deductions				
Benefits	3,237,48	1 4,917,484	-	8,154,965
Refunds and administration	3	8 44,453		44,491
Total deductions	3,237,51	9 4,961,937		8,199,456
Change in net position	(4,971,83	1) 10,208,949	111,847	5,348,965
Net position, beginning of year	27,583,46	5 31,376,710	522,525	59,482,700
Net position, end of year	\$ 22,611,63	4 \$ 41,585,659	\$ 634,372	\$ 64,831,665

18. 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, 2014, the last available audited financial statements, the Authority reported a decrease in net position in the amount of \$156,888 resulting in ending net position in the amount of \$6,795,845. During the year ended June 30, 2014, the City expended \$1,569,436 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.

Notes to Financial Statements

19. LEASES

The City of Oak Park has an agreement with HoneyBaked Hockey Club for the operation of the City ice rink. HoneyBaked 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 HoneyBaked fails to perform the terms and conditions of the contract. The City received \$30,000 from HoneyBaked for the fiscal year ended June 30, 2014.

20. FUND BALANCES

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

		General Fund		Municipal Complex Construction		Nonmajor Governmental Funds		Total
Nonspendable -								
Prepaids	\$	387,059	\$	-	\$	702	\$	387,761
Restricted for:								
Road surface repairs		-		-		2,642,244		2,642,244
Sidewalks		-		-		250,873		250,873
Refuse collection		-		-		809,605		809,605
City Hall construction		-		713,900		-		713,900
Debt service		-		-		216,122		216,122
Other		-		-		255,155		255,155
Total restricted		-		713,900		4,173,999		4,887,899
Assigned for:								
Municipal buildings		-		-		1,233,157		1,233,157
Other		-		_		185,942		185,942
Total assigned		-		-		1,419,099		1,419,099
Unassigned		2,973,036		-		(7,869)		2,965,167
Total fund balances	\$	3,360,095	\$	713,900	\$	5,585,931	\$	9,659,926

21. SUMMARY OF SIGNIFICANT CONTINGENCIES

Pursuant to the general property tax laws of the State of Michigan, the City receives revenues from property taxes levied against real and personal property located in the City. A number of entities owning property within the City have appealed their assessments to the Michigan Tax Tribunal (MTT). Although a reduction by the MTT of any such assessments would result in a liability for the City to refund certain taxes that have been collected, management believes a contingent liability for such refunds would not be significant to the financial statements.

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.

Notes to Financial Statements

22. NET INVESTMENT IN CAPITAL ASSETS

The composition of the net investment in capital assets as of June 30, 2014, was as follows:

	Governmental Activities			siness-type Activities
Capital assets:				
Capital assets not being depreciated	\$	16,193,616	\$	1,506,024
Capital assets being depreciated, net		30,500,677		25,160,086
		46,694,293		26,666,110
Related debt:				_
General obligation bonds		30,660,000		9,892,544
Unamortized bond premium		140,507		-
Capital lease		2,360,000		-
Less: unexpended bond proceeds		(713,900)		-
		32,446,607		9,892,544
		_		
Net investment in capital assets	\$	14,247,686	\$	16,773,566

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information (GASB Statement No. 27) Defined Benefit Pension Plan

Schedule of Funding Progress (amounts in thousands)

Actuarial Valuation Date	-	Actuarial Value of Assets (a)	A L	ctuarial ccrued iability AAL) - itry Age (b)	l	Jnfunded AAL (UAAL) (b-a)	Funde Ratio (a / b)	_	overed Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
6/30/2007 6/30/2008 6/30/2009 6/30/2010 6/30/2011 6/30/2012	\$	63,631 63,911 63,352 62,448 61,561 59,679	\$	85,262 87,748 91,731 93,774 93,719 95,743	\$	21,631 23,837 28,379 31,326 32,158 36,064	74.6% 72.8% 69.1% 66.6% 65.7% 62.3%	\$	9,887 9,880 9,335 8,665 8,051 6,135	219% 241% 304% 362% 399% 588%
6/30/2013: ERS PS		20,765 35,905		36,602 61,806		15,837 25,901	56.7% 58.1%		1,998 3,727	793% 695%

Schedule of Employer Contributions (amounts in thousands)

Year Ended June 30,	R	Annual equired tributions	Percentage Contributed
2008 2009 2010 2011 2012 2013	\$	2,917 3,355 3,107 3,259 3,200	100% 100% 100% 100% 100%
2013 2014: ERS		2,602 1,367	100%
PS		2,869	100%

Required Supplementary Information (GASB Statement No. 45)

General and Public Safety Employees Plan

Schedule of Funding Progress Other Postemployment Benefits Plan (amounts in thousands)

Actuarial Valuation Date	Va	tuarial lue of ssets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)		Unfunded AAL (UAAL) (b-a)		Funded Ratio (a / b)	Covered Payroll (c)		UAAL as a Percentage of Covered Payroll ((b-a) / c)
6/30/2006	\$	484	\$	76,803	\$	76,319	0.6%	\$	8,918	856%
6/30/2008 6/30/2010		414 353		73,436 86,017		73,022 85,664	0.6% 0.4%		9,880 8,665	739% 989%
6/30/2012		378		95,919		95,541	0.4%		6,135	1557%

Schedule of Employer Contributions Other Postemployment Benefits Plan

Year Ended June 30,	Annual Required Contributions	Percentage Contributed
2009	\$ 5,132,580	38%
2010	4,875,562	45%
2011	4,875,562	44%
2012	6,280,112	38%
2013	6,458,177	33%
2014	6,458,177	33%

Required Supplementary Information (GASB Statement No. 45)

District Court Employees Plan

Schedule of Funding Progress Other Postemployment Benefits Plan (amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
6/30/2006	\$ -	- /	\$ 5,365	0.0%	\$ 974	551%
6/30/2008	-	5,366	5,366	0.0%	1,089	493%
6/30/2010	-	8,221	8,221	0.0%	1,029	799%
6/30/2012	-	8,361	8,361	0.0%	896	933%

Schedule of Employer Contributions Other Postemployment Benefits Plan

Year Ended June 30,	Annual Required Contributions	Percentage Contributed
2009	\$ 1,012,461	16%
2010	475,066	39%
2011	475,066	42%
2012	679,622	29%
2013	614,827	27%
2014	614,827	27%

Required Supplementary Information (GASB Statement No. 67)

Schedule of Investment Returns Last Fiscal Year (ultimately 10 years of data will be presented)

Fiscal Year Fnded		Annual Money- Weighted Rate of Return, Net of Investment Expense
Employees' Reti 6/30/2014	-17.14%	
Public Safety Er 6/30/2014	mployees' Retirement System	30.43%

Required Supplementary Information (GASB Statement No. 67)

Employees' Retirement System
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Last Fiscal Year (ultimately 10 years of data will be presented)

	2014
Change in total pension liability	
Service cost	\$ 471,343
Interest Character of horsefit to make	2,471,316
Changes of benefit terms	-
Differences between expected and actual experience	_
Changes of assumptions	_
Benefit payments, including refunds	
of member contributions	(3,237,481)
Net change in total pension liability	(294,822)
Total pension liability, beginning	47,145,426
,	
Total pension liability, ending (a)	46,850,604
Change in plan fiduciary net position	
Contributions - employer	1,367,086
Contributions - member	61,130
Net investment income	(3,162,566)
Benefit payments, including refunds	
of member contributions	(3,237,481)
Administrative expense	-
Other - transfer to Public Safety Retirement System	(31,376,710)
Net change in plan fiduciary net position	(36,348,541)
Plan fiduciary net position, beginning	58,960,175
Plan fiduciary net position, ending (b)	22,611,634
City's net pension liability, ending (a)-(b)	\$24,238,970
Plan fiduciary net position as a percentage	
of the total pension liability	48.26%
Covered-employee payroll	\$ 1,998,057
City's net pension liability as a	
percentage of covered payroll	1213.13%

Required Supplementary Information (GASB Statement No. 67)

Public Safety Employees' Retirement System
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Last Fiscal Year (ultimately 10 years of data will be presented)

	2014
Change in total pension liability	
Service cost	\$ 1,351,362
Interest	4,381,526
Changes of benefit terms	-
Differences between expected	
and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds	
of member contributions	(4,961,899)
Net change in total pension liability	770,989
Total pension liability, beginning	82,496,362
Total pension liability, ending (a)	83,267,351
Change in plan fiduciary net position	
Contributions - employer	2,869,461
Contributions - member	325,361
Net investment income	11,976,064
Benefit payments, including refunds	
of member contributions	(4,961,937)
Administrative expense	-
Other - transfer in from Employees' Retirement System	31,376,710
Net change in plan fiduciary net position	41,585,659
Plan fiduciary net position, beginning	
Plan fiduciary net position, ending (b)	41,585,659
City's net pension liability, ending (a)-(b)	\$41,681,692
Plan fiduciary net position as a percentage	
of the total pension liability	49.94%
Covered-employee payroll	\$ 3,727,181
City's net pension liability as a	
percentage of covered payroll	1118.32%

Required Supplementary Information (GASB Statement No. 67)

Schedule of City Contributions Last Fiscal Year

						Contributions				
						as a				
	Fiscal	Actuarially		Contribution		Percentage of				
	Year	Determined	Actual	Deficiency	Covered	Covered				
	Ended	Contribution	Contribution	(Excess)	Payroll	Payroll				
E	mployees' Reti	rement System								
	6/30/2014	\$ 1,211,912	\$ 1,367,086	\$ (155,174)	\$ 1,998,057	68.4%				
P	Public Safety Employees' Retirement System									
	6/30/2014	\$ 2,105,664	\$ 2,869,461	\$ (763,797)	\$ 3,727,181	77.0%				

Notes to Schedule of Contributions

Valuation date June 30, 2013 (and rolled forward to June 30, 2014, the measurement date)

Notes Actuarially determined contribution rates are calculated as of June 30 that

is 12 months prior to the beginning of the fiscal year for which the

contributions are reported.

Other information The June 30, 2013 valuation determined contributions using an investment

return assumption of 8.0%.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal

Amortization method level percentage of payroll, closed

Remaining amortization period 30 years

Asset valuation method 5-year smoothed market

Inflation 3.0%

Salary increases 3.0-6.2% (6.0% for PS), average, including inflation

Investment rate of return 8.0%, net of pension plan investment

expense, including inflation

Mortality rates RP-2000 combined Mortality Table projected to 2020

with Scale BB

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2014

	Special		Debt		Capital		Total Nonmajor	
		Revenue		Service		Project		vernmental
Assets		Revenue		JCI VICC		Troject	GU	verninental
Cash and investments	\$	3,106,343	\$	319,924	\$	2,068,251	\$	5,494,518
Receivables:								
Taxes		12,474		26,417		-		38,891
Special assessments		-		-		35,890		35,890
Accounts		398,751		-		8,766		407,517
Accrued interest		137		30		122		289
Due from other governments		447,896		-		-		447,896
Prepaid items		689				13		702
Total assets	\$	3,966,290	\$	346,371		2,113,042	\$	6,425,703
Liabilities								
Accounts payable	\$	397,502	\$	_	\$	46,257	\$	443,759
Accrued liabilities	Ţ	84,095	Ţ	_	Ţ	1,158	Ţ	85,253
Due to other funds		160,168		103,832				264,000
				,				
Total liabilities		641,765		103,832		47,415		793,012
Deferred inflows of resources								
Unavailable revenue - property taxes		12,474		26,417		-		38,891
Unavailable revenue - grants		7,869						7,869
Total deferred inflows of resources		20,343		26,417		-		46,760
Fund balances		490				43		702
Nonspendable Restricted		689 3,276,130		- 216,122		13 681,747		702 4,173,999
Assigned		35,232		210,122		1,383,867		1,419,099
Unassigned deficit		(7,869)		_		1,303,007		(7,869)
onassigned deficit		(7,007)						(7,007)
Total fund balances		3,304,182		216,122		2,065,627		5,585,931
Total liabilities, deferred inflows of								
resources and fund balances	\$	3,966,290	\$	346,371	\$	2,113,042	\$	6,425,703

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2014

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental
Revenues				
Property taxes	\$ 1,279,851	\$ 2,582,471	\$ -	\$ 3,862,322
Special assessments	68,555	-	64,497	133,052
Intergovernmental:	240 044			240 044
Federal grants	319,811	-	-	319,811
State grants	1,863,989	21 490	-	1,863,989
Charges for services Fines and forfeitures	1,297,315	21,680	777 767	1,318,995 223,263
Interest income	4,937	2,578	223,263 16,735	24,250
	•	2,376	10,733	
Other revenue	183,417			183,417
Total revenues	5,017,875	2,606,729	304,495	7,929,099
Expenditures				
Current:				
Judicial	1,946,216	-	-	1,946,216
Public safety	10,306	-	-	10,306
Road maintenance and repair	1,753,709	-	-	1,753,709
Public works	2,244,377	-	30,971	2,275,348
Community development	384,936	-	-	384,936
Debt service:		4 3/0 000		4 3/0 000
Principal	-	1,360,000	-	1,360,000
Interest and fiscal charges	12 001	1,211,564	-	1,211,564
Prior year tax refunds	12,001	21,202	- 57/ 074	33,203
Capital outlay			576,971	576,971
Total expenditures	6,351,545	2,592,766	607,942	9,552,253
Revenues over (under) expenditures	(1,333,670)	13,963	(303,447)	(1,623,154)
Other financing sources (uses)				
Transfers in	2,029,895	155,358	10,000	2,195,253
Transfers out	(270,000)	(2,485)	(500,000)	(772,485)
Total other financing sources (uses)	1,759,895	152,873	(490,000)	1,422,768
Net change in fund balances	426,225	166,836	(793,447)	(200,386)
Fund balances, beginning of year	2,877,957	49,286	2,859,074	5,786,317
Fund balances, end of year	\$ 3,304,182	\$ 216,122	\$ 2,065,627	\$ 5,585,931

Combining Balance Sheet Nonmajor Governmental Funds Special Revenue Funds June 30, 2014

	Major Streets	Local Streets	So	lid Waste		arcotics rfeiture
Assets Cash and investments	\$ 1,042,600	\$ 947,422	\$	509,775	\$	77,513
Receivables: Taxes Accounts	-	-		12,474 390,882		-
Accounts Accrued interest	49	43		24		4
Due from other governments	194,054	75,661		-		-
Prepaid items	 58	 77		54		
Total assets	\$ 1,236,761	\$ 1,023,203	\$	913,209	\$	77,517
Liabilities						
Accounts payable	\$ 23,338	\$ 13,056	\$	85,089	\$	-
Accrued liabilities	5,172	6,893		5,987		-
Due to other funds	 	-		-		-
Total liabilities	 28,510	 19,949		91,076		
Deferred inflows of resources						
Unavailable revenue - property taxes	-	-		12,474		-
Unavailable revenue - grants	 	 				-
Total deferred inflows of resources	 			12,474		
Fund balances						
Nonspendable	58	77		54		-
Restricted	1,208,193	1,003,177		809,605		77,517
Assigned Unassigned deficit	-	-		-		-
onassigned deficit	 	 			-	
Total fund balances (deficits)	1,208,251	1,003,254		809,659		77,517
Total liabilities, deferred inflows of						
resources and fund balances	\$ 1,236,761	\$ 1,023,203	\$	913,209	\$	77,517

J	riminal ustice raining	saster tingency	Dev	mmunity elopment ck Grant	C.O.P.S. Program	aseflow ssistance
\$	9,557	\$ 3,592	\$	-	\$ -	\$ 168,073
	-	-		-	-	-
	-	-		70,083	62,654	8
\$	9,557	\$ 3,592	\$	70,083	\$ 62,654	\$ 168,081
\$	-	\$ -	\$	1,976 2,516 65,591	\$ - 19,370 43,284	\$ -
	<u> </u>	<u> </u>		70,083	 62,654	<u> </u>
	- -	- -		- -	- -	- -
	<u>-</u>	<u>-</u>		<u>-</u>	 -	-
	- 9,557 -	- - 3,592		- - -	- - -	- 168,081 -
		 		-	 	 -
	9,557	 3,592				168,081
\$	9,557	\$ 3,592	\$	70,083	\$ 62,654	\$ 168,081

continued...

Combining Balance Sheet Nonmajor Governmental Funds Special Revenue Funds June 30, 2014

	Neighborhood Stabilization Program		PUSH Grant		45th District Court		Total	
Assets Cash and investments Receivables:	\$	-	\$	-	\$	347,811	\$	3,106,343
Taxes Accounts		-		- 7,869		-		12,474 398,751
Accrued interest Due from other governments		- 45,444		-		9 -		137 447,896
Prepaid items	-	-		-		500		689
Total assets	\$	45,444	\$	7,869	\$	348,320	\$	3,966,290
Liabilities								
Accounts payable Accrued liabilities	\$	26 922	\$	350 722	\$	273,667 42,513	\$	397,502 84,095
Due to other funds		44,496		6,797		42,313		160,168
Total liabilities		45,444		7,869		316,180		641,765
Deferred inflows of resources								
Unavailable revenue - property taxes Unavailable revenue - grants		-		- 7,869		-		12,474 7,869
		-		7,869		-		20,343
Fund balances								
Nonspendable		-		-		500		689
Restricted Assigned		-		-		31,640		3,276,130 35,232
Unassigned deficit		-		(7,869)		-		(7,869)
Total fund balances (deficits)		-		(7,869)		32,140		3,304,182
Total liabilities, deferred inflows of resources and fund balances	\$	45,444	\$	7,869	\$	348,320	\$	3,966,290

concluded.

This page intentionally left blank.

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

Nonmajor Governmental Funds Special Revenue Funds For the Year Ended June 30, 2014

D	Major Streets	Local Streets	Solid Waste	Narcotics Forfeiture
Revenues	ċ	ċ	\$ 1,279,851	\$ -
Property taxes Special assessments	\$ - 68,555	\$ -	\$ 1,279,851	-
Intergovernmental:	00,333	_	_	_
Federal grants	-	-	-	_
State grants	1,275,546	459,562	-	_
Charges for services	-	-	1,149,094	-
Fines and forfeitures	-	-	-	-
Interest income	703	375	2,467	27
Other revenue	183,417			
Total revenues	1,528,221	459,937	2,431,412	27
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	7,192
Road maintenance and repair	1,250,020	503,689	-	-
Public works	-	-	2,244,377	-
Community development	-	-	-	-
Prior year tax refund			12,001	
Total expenditures	1,250,020	503,689	2,256,378	7,192
Revenues over (under) expenditures	278,201	(43,752)	175,034	(7,165)
Other financing sources (uses)				
Transfers in	-	270,000	-	_
Transfers out	(270,000)			
Total other financing sources (uses)	(270,000)	270,000		
Net change in fund balances	8,201	226,248	175,034	(7,165)
Fund balances, beginning of year	1,200,050	777,006	634,625	84,682
Fund balances (deficit), end of year	\$ 1,208,251	\$ 1,003,254	\$ 809,659	\$ 77,517

Jus	ninal itice ining	Disaster Contingency	Community Development Block Grant	C.O.P.S. Program	Caseflow Assistance
\$	-	\$ - -	\$ - -	\$ - -	\$ - -
	- 8,622	-	112,642 -	172,627 -	- 19,730
	3	- 1	- - -	- - -	- 36 -
	8,625	1	112,642	172,627	19,766
	- 3,114		-	-	13,165 -
	-	- - -	- - 112,642	- - 237,752	- - -
	3,114		112,642	237,752	13,165
	5,511	1		(65,125)	6,601
	- -	_	- -	65,125	<u>-</u>
	_			65,125	
	5,511	1	-	-	6,601
	4,046	3,591			161,480
\$	9,557	\$ 3,592	\$ -	\$ -	\$ 168,081

continued...

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

Nonmajor Governmental Funds Special Revenue Funds For the Year Ended June 30, 2014

	Neighborhood Stabilization	PUSH	45th District	
	Program	Grant	Court	Total
Revenues		Or arre	554.1	7000.
Property taxes	\$ -	\$ -	\$ -	\$ 1,279,851
Special assessments	-	-	-	68,555
Intergovernmental:				
Federal grants	34,542	-	-	319,811
State grants	-	9,081	91,448	1,863,989
Charges for services	-	-	148,221	1,297,315
Fines and forfeitures	-	-	-	-
Interest income	-	-	1,325	4,937
Other revenue				183,417
Total revenues	34,542	9,081	240,994	5,017,875
Expenditures				
Current:				
Judicial	-	16,950	1,916,101	1,946,216
Public safety	-	-	-	10,306
Road maintenance and repair	-	-	-	1,753,709
Public works	-	-	-	2,244,377
Community development	34,542	-	-	384,936
Prior year tax refund			-	12,001
Total expenditures	34,542	16,950	1,916,101	6,351,545
Revenues over (under) expenditures		(7,869)	(1,675,107)	(1,333,670)
Other financing sources (uses)				
Transfers in	-	-	1,694,770	2,029,895
Transfers out			<u> </u>	(270,000)
Total other financing sources (uses)			1,694,770	1,759,895
Net change in fund balances	-	(7,869)	19,663	426,225
Fund balances, beginning of year			12,477	2,877,957
Fund balances (deficit), end of year	\$ -	\$ (7,869)	\$ 32,140	\$ 3,304,182

concluded.

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Major Streets Fund For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	ctual Over nder) Final Budget
Revenues Special assessments Intergovernmental -	\$ 68,555	\$ 68,555	\$ 68,555	\$ -
State grants Interest income	1,258,695 500	1,258,695 500	1,275,546	16,851 203
Other	 	 	 183,417	 183,417
Total revenues	1,327,750	1,327,750	1,528,221	200,471
Expenditures Current -				
Road maintenance and repair	 1,386,809	 1,386,809	 1,250,020	 (136,789)
Revenues over expenditures	(59,059)	(59,059)	278,201	(337,260)
Other financing uses Transfers out	(270,000)	(270,000)	(270,000)	
Net change in fund balance	(329,059)	(329,059)	8,201	337,260
Fund balance, beginning of year	 1,200,050	 1,200,050	 1,200,050	
Fund balance, end of year	\$ 870,991	\$ 870,991	\$ 1,208,251	\$ 337,260

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Local Streets Fund For the Year Ended June 30, 2014

		Original Budget	Final Budget		Actual		Actual Over (Under) Final Budget	
Revenues								
Intergovernmental -	\$	451,522	\$	451,522	\$	459,562	\$	8,040
State grants Interest income	Ş	2,000	Ş	2,000	Ş	439,362 375	Ş	(1,625)
								(1,020)
Total revenues		453,522		453,522		459,937		6,415
Expenditures Current -								
Road maintenance and repair		704,820		704,820		503,689		(201,131)
Revenues over (under) expenditures		(251,298)		(251,298)		(43,752)		207,546
Other financing sources (uses)								
Transfers in		270,000		270,000		270,000		-
Net change in fund balance		18,702		18,702		226,248		207,546
Fund balance, beginning of year		777,006		777,006		777,006		-
Fund balance, end of year	\$	795,708	\$	795,708	\$	1,003,254	\$	207,546

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Solid Waste Fund For the Year Ended June 30, 2014

	Original Final Budget Budget				Actual		Actual Over (Under) Final Budget	
Revenues								
Property taxes	\$	1,282,366	\$	1,282,366	\$ 1,279,851	\$	(2,515)	
Charges for services		1,146,000		1,146,000	1,149,094		3,094	
Interest income		1,500		1,500	2,467		967	
Total revenues		2,429,866		2,429,866	2,431,412		1,546	
Expenditures Current -								
Public works		2,396,273		2,396,273	2,244,377		(151,896)	
Prior year tax refund		15,000		15,000	12,001		(2,999)	
Total expenditures		2,411,273		2,411,273	 2,256,378		(154,895)	
Net change in fund balance		18,593		18,593	175,034		156,441	
Fund balance, beginning of year		634,625		634,625	634,625			
Fund balance, end of year	\$	653,218	\$	653,218	\$ 809,659	\$	156,441	

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Narcotics Forfeiture Fund For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget	
Revenues					
Fines and forfeitures	\$ 8,400	\$ 8,400	\$ -	\$	(8,400)
Interest income	80	80	27		(53)
Total revenues	8,480	8,480	27		(8,453)
Expenditures Current -					
Public safety	 500	500	7,192		6,692
Net change in fund balance	7,980	7,980	(7,165)		(15,145)
Fund balance, beginning of year	 84,682	84,682	84,682		-
Fund balance, end of year	\$ 92,662	\$ 92,662	\$ 77,517		(15,145)

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Criminal Justice Training Fund For the Year Ended June 30, 2014

	Original Budget	Final Budget		Actual		Actual Over (Under) Final Budget	
Revenues							
Intergovernmental -							
State grants	\$ 11,000	\$	11,000	\$	8,622	\$	(2,378)
Interest income	10		10		3		(7)
	 _		_		_		_
Total revenues	11,010		11,010		8,625		(2,385)
Expenditures Current -							
Public safety	 11,000		11,000		3,114		(7,886)
Net change in fund balance	10		10		5,511		5,501
Fund balance, beginning of year	4,046		4,046		4,046		-
Fund balance, end of year	\$ 4,056	\$	4,056	\$	9,557	\$	5,501

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Disaster Contingency Fund For the Year Ended June 30, 2014

	Original Budget		Final Budget		Actual		Actual Over (Under) Final Budget	
Revenues Interest income	\$ 4	\$	4	\$	1	\$	(3)	
Fund balance, beginning of year	3,591		3,591		3,591		<u>-</u>	
Fund balance, end of year	\$ 3,595	\$	3,595	\$	3,592	\$	(3)	

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Community Development Block Grant Fund For the Year Ended June 30, 2014

	Original Budget		Final Budget		Actual		Actual Over (Under) Final Budget	
Revenues Federal grants	\$	124,556	\$	101,628	\$	112,642	\$	11,014
Expenditures Current -								
Community development		101,628		101,628		112,642		11,014
Net change in fund balance		22,928		-		-		-
Fund balance, beginning of year		-						<u>-</u>
Fund balance, end of year	\$	22,928	\$		\$		\$	

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - C.O.P.S Program Fund For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual		Actual Over (Under) Final Budget	
Revenues						
Federal grants	\$ 201,971	\$ 201,971	\$	172,627	\$	(29,344)
Expenditures Current -						
Community development	269,295	269,295		237,752		(31,543)
Revenues under expenditures	(67,324)	(67,324)		(65,125)		2,199
Other financing sources Transfers in	67,324	 67,324		65,125		(2,199)
Net change in fund balance	-	-		-		-
Fund balance, beginning of year	 	 				<u>-</u>
Fund balance, end of year	\$ -	\$ -	\$	<u>-</u>	\$	

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Caseflow Assistance Fund For the Year Ended June 30, 2014

	Original Budget		Final Budget		Actual		Actual Over (Under) Final Budget	
Revenues								
Intergovernmental -								
State grants	\$ 25,500	\$	25,500	\$	19,730	\$	(5,770)	
Interest income	 120		120		36		(84)	
Total revenues	25,620		25,620		19,766		(5,854)	
Expenditures Current -								
Judicial	 9,781		9,781		13,165		3,384	
Net change in fund balance	15,839		15,839		6,601		(9,238)	
Fund balance, beginning of year	161,480		161,480		161,480		<u>-</u>	
Fund balance, end of year	\$ 177,319	\$	177,319	\$	168,081	\$	(9,238)	

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Neighborhood Stabilization Program Fund For the Year Ended June 30, 2014

	Original Budget		Final Budget	Actual		Actual Over (Under) Final Budget	
Revenue Intergovernmental - Federal grants Charges for services	\$ 150,695 -	\$	150,695 -	\$	34,542 -	\$	(116,153)
Interest income	 -				-		-
Total revenues	150,695		150,695		34,542		(116,153)
Expenditures Current -							
Community development	 150,695		150,695		34,542		(116,153)
Net change in fund balance	-		-		-		-
Fund balance, beginning of year	 						
Fund balance, end of year	\$ -	\$	-	\$	-	\$	-

The notes to the financial statements are an integral part of this statement.

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - PUSH Grant Fund For the Year Ended June 30, 2014

	Original Budget		Final Budget		Actual		Actual Over (Under) Final Budget	
Revenues Intergovernmental - State grants Charges for services Interest income	\$	26,007	\$	26,007 - -	\$	9,081 - -	\$	(16,926) - -
Total revenues		26,007		26,007		9,081		(16,926)
Expenditures Current - Judicial		26,007		26,007		16,950		(9,057)
Revenues under expenditures		-		-		(7,869)		(7,869)
Other financing sources Transfers in		<u>-</u>		<u>-</u>				<u>-</u>
Net change in fund balance		-		-		(7,869)		(7,869)
Fund balance, beginning of year								
Fund balance (deficit), end of year	\$		\$	-	\$	(7,869)	\$	(7,869)

This page intentionally left blank.

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - 45th District Court Fund For the Year Ended June 30, 2014

	Original Budget		Final Budget	Actual		Actual Over (Under) Final Budget	
Revenues Intergovernmental -		J	3				3
State grants	\$	91,448	\$ 91,448	\$	91,448	\$	-
Charges for services		166,959	166,959		148,221		(18,738)
Interest income		50	 50		1,325		1,275
Total revenues		258,457	258,457		240,994		(17,463)
Expenditures Current -							
Judicial		1,838,346	1,838,346		1,916,101		77,755
Revenues under expenditures		(1,579,889)	(1,579,889)		(1,675,107)		(95,218)
Other financing sources							
Transfers in		1,567,412	1,567,412		1,694,770		127,358
Net change in fund balance		(12,477)	(12,477)		19,663		32,140
Fund balance, beginning of year		12,477	12,477		12,477		-
Fund balance, end of year	\$		\$ 	\$	32,140	\$	32,140

Combining Balance Sheet Nonmajor Governmental Funds Debt Service Funds June 30, 2014

	2003 Stre Improveme Bond		Re	2012 Street Refunding Bond		2006 Street Improvement Bond	
Assets							
Cash and investments	\$	-	\$	81,847	\$	101,867	
Receivables: Taxes		_		11,734		9,455	
Accrued interest				3		2	
Total assets	\$		\$	93,584	\$	111,324	
Liabilities							
Due to other funds	\$	-	\$	-	\$	-	
Deferred inflows of resources							
Unavailable revenue - property taxes		-		11,734		9,455	
Fund balances							
Restricted		-		81,850		101,869	
Total liabilities, deferred inflows of resources							
and fund balances	\$	-	\$	93,584	\$	111,324	

0 Municipal Complex Bond	2011 Library and Recreation Lease		Municipal Building Authority		Total
\$ 103,832	\$	22,200	\$	10,178	\$ 319,924
5,228 -		- 4		- 21	26,417 30
\$ 109,060	\$	22,204	\$	10,199	\$ 346,371
\$ 103,832	\$	-	\$	-	\$ 103,832
5,228		-		-	26,417
 -		22,204		10,199	 216,122
\$ 109,060	\$	22,204	\$	10,199	\$ 346,371

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds Debt Service Funds For the Year Ended June 30, 2014

	2003 Street Improvement Bond	2012 Street Refunding Bond	2006 Street Improvement Bond	
Revenues				
Property taxes	\$ 530	\$ 808,812	\$ 952,920	
Charges for services	-	-	-	
Interest income	21	727	797	
Total revenues	551	809,539	953,717	
Expenditures				
Debt service:				
Principal	-	520,000	420,000	
Interest and fiscal charges	-	204,570	438,295	
Prior year tax refund		5,638	7,859	
Total expenditures	-	730,208	866,154	
Revenues (under) over expenditures	551	79,331	87,563	
Other financing sources (uses)				
Transfers in	-	2,485	-	
Transfers out	(2,485)			
Total other financing sources (uses)	(2,485)	2,485		
Net change in fund balances	(1,934)	81,816	87,563	
Fund balances, beginning of year	1,934	34	14,306	
Fund balances, end of year	\$ -	\$ 81,850	\$ 101,869	

2010 Mun Compl Bond	ex	and F	1 Library Recreation Lease	В	unicipal uilding uthority	Total
	0,209 1,680 903	\$	- - 92	\$	- - 38	\$ 2,582,471 21,680 2,578
84	2,792		92		38	2,606,729
	0,000 5,830		70,000 82,869		<u>-</u>	1,360,000 1,211,564
	7,705		-		<u> </u>	 21,202
84	3,535		152,869			2,592,766
	(743)		(152,777)		38	 13,963
	- -		152,873 -		- -	155,358 (2,485)
			152,873		-	152,873
	(743)		96		38	166,836
	743		22,108		10,161	49,286
\$		\$	22,204	\$	10,199	\$ 216,122

Combining Balance Sheet Nonmajor Governmental Funds Capital Projects Funds June 30, 2014

Acceta	lmp	Public provement	City Owned Property		Sidewalk Program	
Assets Cash and investments	\$	54,204	\$ 96,498	\$	207,365	
Receivables: Special assessments		-	-		35,890	
Accounts		-	-		8,766	
Accrued interest Prepaid items		3	5 -		10 13	
Total assets	\$	54,207	\$ 96,503	\$	252,044	
Liabilities						
Accounts payable Accrued liabilities	\$	-	\$ -	\$	- 1,158	
Total liabilities		-	 -		1,158	
Fund balances						
Nonspendable Restricted		-	-		13 250,873	
Assigned		54,207	96,503		250,875	
Total fund balance		54,207	 96,503		250,886	
Total liabilities and fund balances	\$	54,207	\$ 96,503	\$	252,044	

Road Construction		Municipal Building onstruction	Total		
\$	477,085	\$ 1,233,099	\$	2,068,251	
	- - 46 -	- - 58 -		35,890 8,766 122 13	
\$	477,131	\$ 1,233,157	\$	2,113,042	
\$	46,257 -	\$ -	\$	46,257 1,158	
	46,257	-		47,415	
	- 430,874 -	- - 1,233,157		13 681,747 1,383,867	
	430,874	1,233,157		2,065,627	
\$	477,131	\$ 1,233,157	\$	2,113,042	

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds Capital Project Funds For the Year Ended June 30, 2014

	Public Improvement	City Owned Property	Sidewalk Program
Revenues			
Special assessments	\$ -	\$ -	\$ 64,497
Fines and forfeitures	-	-	-
Interest income	12	22	6,063
Total revenues	12	22	70,560
Expenditures			
Public works	-	-	30,971
Capital outlay		127	13,420
Total expenditures		127	44,391
Revenues over (under) expenditures	12	(105)	26,169
Other financing sources			
Transfers in	-	10,000	-
Transfers out			
Total other financing sources (uses)	-	10,000	
Net change in fund balances	12	9,895	26,169
Fund balances, beginning of year	54,195	86,608	224,717
Fund balances, end of year	\$ 54,207	\$ 96,503	\$ 250,886

Road Construction	Municipal Building Construction	Total
\$ -	\$ -	\$ 64,497
-	223,263	223,263
312	10,326	16,735
312	233,589	304,495
-	-	30,971
290,059	273,365	576,971
290,059	273,365	607,942
(289,747)	(39,776)	(303,447)
-	-	10,000
(500,000)		(500,000)
(500,000)		(490,000)
(789,747)	(39,776)	(793,447)
1,220,621	1,272,933	2,859,074
\$ 430,874	\$ 1,233,157	\$ 2,065,627

Combining Statement of Net Position Internal Service Funds

Internal Service Funds June 30, 2014

	Mai	Risk nagement	Central ervices	Motor Pool		Retirees Health Care Court		Total
Assets								
Current assets:								
Cash and investments	\$	415,625	\$ -	\$	39,033	\$	-	\$ 454,658
Accrued interest receivable		34	-		-		-	34
Prepaid items		12,940	 -		16		325	 13,281
Total current assets		428,599	-		39,049		325	467,973
Noncurrent assets -								
Capital assets, net			 -		1,162,807			 1,162,807
Total assets		428,599	-		1,201,856		325	1,630,780
Liabilities Current liabilities: Accounts payable Accrued liabilities		- 197,734	- -		31,055 2,016		- -	31,055 199,750
Total current liabilities		197,734	-		33,071		-	230,805
Noncurrent liabilities - Accrued compensated absences		<u>-</u>	 -		1,333		<u>-</u>	1,333
Total liabilities		197,734	 -		34,404		_	232,138
Net position Investment in capital assets Unrestricted		- 230,865	 - -		1,162,807 4,645		- 325	1,162,807 235,835
Total net position	\$	230,865	\$ -	\$	1,167,452	\$	325	\$ 1,398,642

Combining Statement of Revenues, Expenditures and Changes in Fund Net Position Internal Service Funds

For the Year Ended June 30, 2014

	Risk Management	Central Services	Motor Pool	Retirees Health Care Court	Total
Operating revenues Charges for services Miscellaneous	\$ 172,994 67,922	\$ 24,139	\$ 599,193 5,814	\$ 32,858 120,295	\$ 829,184 194,031
Total operating revenues	240,916	24,139	605,007	153,153	1,023,215
Operating expenses Gasoline Professional services Supplies Postage Depreciation Wages and benefits Insurance	- - - - - 447,126	5,775 - 57,179 - - -	207,770 83,862 174,375 - 126,716 71,624	- - - - - 164,598	207,770 89,637 174,375 57,179 126,716 71,624 611,724
Total operating expenses	447,126	62,954	664,347	164,598	1,339,025
Operating loss	(206,210)	(38,815)	(59,340)	(11,445)	(315,810)
Nonoperating revenues Interest income	144	35	187		366
Change in net position	(206,066)	(38,780)	(59,153)	(11,445)	(315,444)
Net position, beginning of year	436,931	38,780	1,226,605	11,770	1,714,086
Net position, end of year	\$ 230,865	\$ -	\$ 1,167,452	\$ 325	\$ 1,398,642

Combining Statement of Cash Flows Internal Service Funds

For the Year Ended June 30, 2014

	Ma	Risk nagement	Central ervices	Mo	otor Pool		Retirees ealth Care Court	Total
Cash flows from operating activities								
Receipts from interfund services	\$	172,994	\$ 24,139	\$	599,193	\$	32,858	\$ 829,184
Miscellaneous receipts		67,922	-		5,814		120,295	194,031
Payments to suppliers		(395,720)	(64,932)		(452,363)		(153,153)	(1,066,168)
Payments to employees		69,186	 		(71,137)		-	 (1,951)
Net cash provided (used) by								
operating activities		(85,618)	(40,793)		81,507		-	(44,904)
Cash flows from capital								
and related financing activities					(440, 400)			(4.40, 400)
Purchases of capital assets		-	-		(110,429)		-	(110,429)
Cash flows from investing activities								
Interest and dividends		164	39		194			 397
Net change in cash and investments		(85,454)	(40,754)		(28,728)		-	(154,936)
Cash and investments, beginning of year		501,079	40,754		67,761			 609,594
Cash and investments, end of year	\$	415,625	\$ _	\$	39,033	\$	-	\$ 454,658
Reconciliation of operating loss to net								
cash provided (used) by operating activities	s:							
Operating loss	\$	(206,210)	\$ (38,815)	\$	(59,340)	\$	(11,445)	\$ (315,810)
Adjustments to reconcile operating								
loss to net cash provided								
(used) by operating activities:								
Depreciation expense		-	-		126,716		-	126,716
Change in assets and liabilities:					- .0			40.004
Prepaid items		697	- (4.070)		749		11,445	12,891
Accounts payable Accrued liabilities		(3,839) 123,734	(1,978)		12,895 487		-	7,078 124,221
Accided liabilities		123,734	 		40/			 124,221
Net cash provided (used) by								
operating activities	\$	(85,618)	\$ (40,793)	\$	81,507	Ş	-	\$ (44,904)

Combining Statement of Assets and Liabilities

Agency Funds June 30, 2014

	Payroll Fund	Escrow Fund	Tax Fund	Total Agency Funds
Assets Cash and investments Due from other governments	\$ 35,979 -	\$ 155,859 1,913	\$ -	\$ 191,838 1,913
Total assets	\$ 35,979	\$ 157,772	\$ <u>-</u>	\$ 193,751
Liabilities Undistributed receipts	\$ 35,979	\$ 157,772	\$ 	\$ 193,751

Combining Statement of Changes in Assets and Liabilities Agency Funds For the Year Ended June 30, 2014

	Balance June 30,					Balance une 30,
	2013	Additions		Deductions	J	2014
Payroll Fund						
Assets Cash and investments	\$ 40,199	\$ 35,201,194	\$	(35,205,414)	\$	35,979
Liabilities Undistributed receipts	\$ 40,199	\$ 3,113,309	\$	(3,117,529)	\$	35,979
Ghalser Bacca receipts	 10,177	 3,113,307	Ť	(3,117,327)	-	33,777
Escrow Fund						
Assets Cash and investments Due from other governments	\$ 146,934 171	\$ 1,080,006 12,468	\$	(1,071,081) (10,726)	\$	155,859 1,913
Total assets	\$ 147,105	\$ 1,092,474	\$	(1,081,807)	\$	157,772
Liabilities Undistributed receipts	\$ 147,105	\$ 354,149	\$	(343,482)	\$	157,772
Tax Fund						
Assets						
Cash and investments	\$ 158	\$ -	\$	(158)	\$	
Liabilities Undistributed receipts	\$ 158	\$ -	\$	(158)	\$	-
Total All Agency Funds Assets						
Cash and investments	\$ 187,291	\$ 36,281,200	\$	(36,276,653)	\$	191,838
Due from other governments	 171	 12,468		(10,726)		1,913
Total assets	\$ 187,462	\$ 36,293,668	\$	(36,287,379)	\$	193,751
Liabilities						
Undistributed receipts	\$ 187,462	\$ 3,467,458	\$	(3,461,169)	\$	193,751

STATISTICAL SECTION

This page intentionally left blank.

Statistical Section Table of Contents

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

		Page
Financial Trends	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	122
Revenue Capacity	These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	132
Debt Capacity	These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	138
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	143
Operating Information	These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	148

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

Net Position by Component Last Ten Fiscal Years

Last Ten Fiscal Years (accrual basis of accounting)

	2005	2006	2007	2008
'				
Governmental activities				
Net investment in capital assets	\$ 6,932,515	\$ 5,900,897	\$ 6,375,013	\$ 11,739,781
Restricted	6,493,091	7,544,580	9,519,782	5,140,968
Unrestricted (deficit)	5,446,259	5,129,771	3,724,361	2,463,887
Total governmental activities	\$ 18,871,865	\$ 18,575,248	\$ 19,619,156	\$ 19,344,636
•				
Business-type activities				
Net investment in capital assets	\$ 7,042,392	\$ 9,338,966	\$ 11,041,086	\$ 12,723,979
Unrestricted	3,381,129	3,752,044	3,467,097	 2,883,239
Total business-type activities	\$ 10,423,521	\$ 13,091,010	\$ 14,508,183	\$ 15,607,218
•				
Primary government				
Net investment in capital assets	\$ 13,974,907	\$ 15,239,863	\$ 17,416,099	\$ 24,463,760
Restricted	6,493,091	7,544,580	9,519,782	5,140,968
Unrestricted (deficit)	8,827,388	8,881,815	7,191,458	 5,347,126
Total primary government	\$ 29,295,386	\$ 31,666,258	\$ 34,127,339	\$ 34,951,854

2009	2010	2011	2012	2013	2014
\$ 14,884,759	\$ 15,406,195	\$ 2,076,411	\$ 1,805,028	\$ 13,132,212	\$ 14,247,686
3,201,454 (1,865,169)	4,088,332 (4,176,964)	16,892,886 (7,479,222)	16,169,292 (12,720,940)	6,911,104 (18,447,947)	4,887,899 (20,223,425)
\$ 16,221,044	\$ 15,317,563	\$ 11,490,075	\$ 5,253,380	\$ 1,595,369	\$ (1,087,840)
\$ 14,053,708	\$ 16,780,263	\$ 17,689,440	\$ 15,566,968	\$ 16,175,706	\$ 16,773,566
2,734,483 \$ 16,788,191	\$ 17,283,336	1,623,541 \$ 19,312,981	4,345,077 \$ 19,912,045	4,653,218	6,175,448
3 10,788,191	\$ 17,203,330	3 19,312,961	3 19,912,043	\$ 20,828,924	\$ 22,949,014
\$ 28,938,467	\$ 32,186,458	\$ 19,765,851	\$ 17,371,996	\$ 29,307,918	\$ 31,021,252
3,201,454	4,088,332	16,892,886	16,169,292	6,911,104	4,887,899
869,314	(3,673,891)	(5,855,681)	(8,375,863)	(13,794,729)	(14,047,977)
\$ 33,009,235	\$ 32,600,899	\$ 30,803,056	\$ 25,165,425	\$ 22,424,293	\$ 21,861,174

Changes in Net Position Last Ten Fiscal Years

Last Ten Fiscal Years (accrual basis of accounting)

		2005		2006		2007		2008
Expenses		2003		2000		2007		2000
Governmental activities:								
General government	\$	4,693,567	\$	5,154,667	\$	5,067,647	\$	5,415,064
Judicial	*	2,049,750	7	2,270,554	7	2,268,921	*	2,457,418
Public safety		9,847,977		10,720,861		11,089,786		10,772,176
Road maintenance and repair		2,286,830		3,318,828		2,708,853		3,117,566
Public works		1,309,277		1,365,837		1,096,676		1,591,527
Health and sanitation		2,015,234		2,124,102		2,186,048		1,993,747
Culture and recreation		1,270,849		1,356,385		1,268,706		1,329,227
Library		837,813		885,081		836,669		858,674
Community development		288,244		260,461		299,539		334,654
Interest on long-term debt		752,489		707,092		1,148,474		1,116,640
Unallocated		-		-		-		-
Total governmental activities		25,352,030		28,163,868		27,971,319		28,986,693
5		,,		,				,,,,,,,
Business-type activities:								
Water and sewer		7,083,210		8,039,854		7,835,161		8,061,610
Total primary government expenses		32,435,240		36,203,722		35,806,480		37,048,303
Drogram rovenues								
Program revenues Governmental activities:								
Charges for services:								
General government		926,595		891,142		599,632		582,978
Judicial		587,217				,		
		1,442,360		656,836 1,832,233		656,578 1,856,111		704,560 1,395,297
Public safety						21,919		1,393,297
Road maintenance and repair Public works		(11,584) 289,466		(12,982)				144 245
Health and sanitation				131,299		214,874		144,345 565,490
		454,678		500,888		577,620		
Culture and recreation		473,684		431,907		469,373		464,371
Library		69,421		26,410		21,521		14,175
Community development		7,510		(5,165)		(2,335)		-
Unallocated		2 000 005		2 007 075		2 000 045		-
Operating grants and contributions		2,009,995		2,086,065		2,080,915		1,817,794
Capital grants and contributions		6,249,342		6,538,633		6,496,208		5,689,010
Total governmental activities		0,249,342		0,330,033		0,490,200		3,069,010
Business-type activities:								
Charges for services:								
Water and sewer		8,213,692		10,547,749		9,034,465		8,972,129
water and sewer		0,213,072		10,547,747		7,034,403		0,772,127
Total primary government								
program revenues		14,463,034		17,086,382		15,530,673		14,661,139
program revenues		1 1, 103,03 1		17,000,302		13,330,073		11,001,137
Net (expense)/revenue								
Government activities		(19,102,688)		(21,625,235)		(21,475,111)		(23,297,683)
Business-type activities		1,130,482		2,507,895		1,199,304		910,519
		.,,		_,,		.,,		
Total primary government net expense		(17,972,206)		(19,117,340)		(20,275,807)		(22,387,164)
, ,,,		· / //		. , ,		. , -,		, , ,

2009	2010	2011	2012	2013	2014
\$ 5,664,693 3,110,586 12,207,633 3,264,468	\$ 5,455,233 2,480,818 11,980,655 3,132,845	\$ 5,175,795 2,438,608 11,807,208 3,773,388	\$ 4,702,670 2,536,686 10,268,074 3,557,279	\$ 5,208,713 2,128,180 2,653,492 3,209,098	\$ 4,672,271 1,976,211 9,525,007 4,098,970
1,790,791 2,165,616 1,529,508 1,040,661	1,748,297 2,074,094 1,346,217 1,028,408	1,468,111 1,938,016 1,257,593 904,488	960,745 2,079,476 966,087 945,653	2,402,385 1,983,105 1,470,915 762,658	1,744,556 2,268,966 827,531 696,640
584,284 1,076,660 - 32,434,900	1,499,055 1,038,320 	1,889,763 1,211,375 - 31,864,345	981,099 1,563,087 2,804,481 31,365,337	5,242,607 1,501,533 2,691,078 29,253,764	1,161,136 1,170,026 2,151,904 30,293,218
8,019,513	8,796,597	8,721,512	9,517,443	10,147,814	9,447,898
40,454,413	40,580,539	40,585,857	40,882,780	39,401,578	39,741,116
471,650	470,968	491,946	1,328,037	3,623,194	2,930,627
650,713	609,349	620,549	185,301	-	148,221
1,445,393	1,422,872	1,436,686	46,635	50,257	41,518
405 200	72,648	200 (25	148,312	125,599	251,972
405,399	153,071	399,625	294,580	459,765	288,447
611,694	644,564	835,541	1,101,773	1,141,929	1,149,094
435,876 13,475	471,547 20,593	433,396 18,475	- 11,436	- 17,684	144,126
8,960	3,136	94,507	365	17,004	21,680
0,700	3,130	74,307	1,641,122	-	21,000
2,054,958	4,457,172	3,801,612	2,599,832	2,273,132	2,241,178
35,158	50,000	-	893	-	1,750
6,133,276	8,375,920	8,132,337	7,358,286	7,691,560	7,218,613
9,050,017	9,148,095	10,676,880	10,726,423	10,985,124	11,550,673
15,183,293	17,524,015	18,809,217	18,084,709	18,676,684	18,769,286
(26,301,624) 1,030,504	(23,408,022) 351,498	(23,732,008) 1,955,368	(24,007,051) 1,208,980	(21,562,204) 837,310	(23,074,605) 2,102,775
(25,271,120)	(23,056,524)	(21,776,640)	(22,798,071)	(20,724,894)	(20,971,830)

continued...

Changes in Net Position Last Ten Years

Last Ten Years
(accrual basis of accounting)

		2005		2006	2007		2008
General revenues							
Governmental activities:							
Property taxes	\$	19,774,491	\$	20,294,741	\$ 20,977,326	\$	21,890,823
State shared revenues		-		-	-		-
Franchise fees		453,310		460,244	518,234		560,384
Investment earnings		357,776		623,633	1,073,459		621,956
Miscellaneous		-		-	-		19,801
Transfers		(50,000)		(50,000)	(50,000)		(50,000)
Total governmental activities		20,535,577		21,328,618	22,519,019		23,042,964
Business-type activities:							
Investment earnings		49,837		109,594	167,869		118,715
Transfers		50,000		50,000	50,000		50,000
Total business-type activities		99,837		159,594	217,869		168,715
Total primary government		20,635,414		21,488,212	22,736,888		23,211,679
Change in net position							
Governmental activities		1,432,889		(296,617)	1,043,908		(254,719)
Business-type activities		1,230,319		2,667,489	 1,417,173		1,079,234
-	ć	2 ((2 200	<u>_</u>	2 270 070	 2 4/4 004	ć	024.545
Total primary government	\$	2,663,208	Ş	2,370,872	\$ 2,461,081	\$	824,515

2009	2010	2011		2012	2013			2014
\$ 22,730,399	\$ 18,138,062	\$	15,762,619	\$ 15,222,837	\$	14,067,560	\$	16,466,311
-	3,622,093		3,438,471	2,937,911		3,040,964		3,134,336
584,255	669,415		701,558	714,074		794,287		757,237
318,845	73,560		60,045	60,524		51,382		33,512
8,561	51,411		(8,173)	-		-		-
 (50,000)	 (50,000)		(50,000)	 (50,000)		(50,000)		-
23,592,060	22,504,541		19,904,520	18,885,346		17,904,193		20,391,396
100,469	93,647		24,277	156		29,569		17,315
 50,000	 50,000		50,000	 50,000		50,000		-
 150,469	 143,647		74,277	 50,156		79,569		17,315
22 742 520	22 (40 400		40 070 707	40 025 502		47 002 7/2		20 400 744
 23,742,529	 22,648,188		19,978,797	 18,935,502		17,983,762	_	20,408,711
(2,709,564)	(903,481)		(3,827,488)	(5,121,705)		(3,658,011)		(2,683,209)
1,180,973	495,145		2,029,645	1,259,136		916,879		2,120,090
\$ (1,528,591)	\$ (408,336)	\$	(1,797,843)	\$ (3,862,569)	\$	(2,741,132)	\$	(563,119)

concluded.

Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2005		2006		2007		2008
General fund							
Nonspendable	\$	231,003	\$	141,640	\$	302,693	\$ 114,609
Unassigned	_	2,122,398	_	1,869,129	_	1,735,777	 1,784,828
Total general fund		2,353,401		2,010,769		2,038,470	1,899,437
All other governmental funds							
Nonspendable		34,938		35,434		64,165	20,859
Restricted		8,612,892		16,365,862		10,265,178	5,757,552
Assigned		334,783		371,772		493,669	643,161
Unassigned deficit		<u> </u>		<u> </u>		<u> </u>	
Total all other governmental funds		8,982,613		16,773,068		10,823,012	6,421,572
Total all governmental funds	\$	11,336,014	\$	18,783,837	\$	12,861,482	\$ 8,321,009

2009	2010		2011		2012		2013		2014	
\$ 90,444 2,029,085	\$	191,983 1,970,324	\$	234,242 1,514,649	\$	245,037 312,162	\$	198,853 1,802,454	\$	387,059 2,973,036
2,119,529		2,162,307		1,748,891		557,199		2,001,307		3,360,095
23,368		33,737		25,396		22,815		16,255		702
3,453,091 784,216		4,569,839 835,683		17,436,759 1,082,319		16,146,559 1,413,109		6,956,543 1,642,112		4,887,899 1,419,099
 -		-		-		-		-		(7,869)
 4,260,675		5,439,259		18,544,474		17,582,483		8,614,910		6,299,831
\$ 6,380,204	\$	7,601,566	\$	20,293,365	\$	18,139,682	\$	10,616,217	\$	9,659,926

Changes in Fund Balances - Governmental Funds Last Ten Fiscal Years

(modified accrual basis of accounting)

	2005	2006	2007	2008
_				
Revenues	Ć 45 772 442	ć 45.042.220	ć 47 000 7 77	¢ 47.7/7./54
Property taxes	\$ 15,772,412	\$ 15,943,238	\$ 16,908,767	\$ 17,767,651
Special assessments	192,924	47,144	138,808	138,295
Licenses and permits	394,236	416,152	397,567	332,852
Intergovernmental	5,919,137	5,943,230	5,923,017	5,967,334
Charges for services	1,182,732	1,207,837	1,274,814	1,296,719
Fines and forfeitures	1,563,614	2,008,853	2,212,430	1,983,156
Interest income	364,088	637,781	1,038,284	691,790
Other	1,360,528	1,378,951	941,289	848,662
Total revenues	26,749,671	27,583,186	28,834,976	29,026,459
Expenditures				
Judicial	1,825,187	2,034,224	2,124,990	2,227,873
General government	3,909,447	4,380,187	4,346,347	4,493,384
Public safety	9,136,958	10,051,563	10,432,718	9,536,108
Road maintenance and repair	982,314	1,821,591	1,163,340	1,415,162
Public works	3,010,974	3,126,486	2,960,609	2,863,533
Recreation and culture	1,129,270	1,210,523	1,155,419	1,117,615
Library	754,336	792,078	775,018	727,765
Community development	211,270	187,818	247,852	200,159
Nondepartmental	2,151,016	2,020,698	1,649,454	2,970,326
Debt service:				
Principal	1,845,000	1,875,000	1,580,000	1,670,000
Interest	752,489	707,092	1,148,248	1,116,640
Bond issuance costs	-	-	-	-
Prior year tax refunds	-	-	-	-
Capital outlay	3,091,615	3,072,493	7,123,336	5,178,367
Total expenditures	28,799,876	31,279,753	34,707,331	33,516,932
Revenues over (under) expenditures	(2,050,205)	(3,696,567)	(5,872,355)	(4,490,473)
Other financing sources (uses)				
Issuance of long-term debt	-	10,890,965	-	_
Premium on issuance of long-term debt	-	-	_	_
Payment to refund bond escrow agent	-	-	-	_
Issuance of capital lease	-	-	-	-
Capital assets	-	303,425	-	-
Transfers in	2,036,085	2,267,989	2,401,870	2,430,771
Transfers out	(2,086,085)	(2,317,989)	(2,451,870)	(2,480,771)
Total other financing sources (uses)	(50,000)	11,144,390	(50,000)	(50,000)
Net changes in fund balances	\$ (2,100,205)	\$ 7,447,823	\$ (5,922,355)	\$ (4,540,473)
D. Liver Street and Control of the C				
Debt services as a percentage of noncapital expenditures	10.10%	9.15%	9.89%	9.83%

	2009		2010		2011		2012		2013		2014	
\$	18,750,272	\$	18,170,382	\$	15,793,548	\$	14,806,367	\$	14,486,295	\$	16,422,482	
•	470,023	•	191,247	·	468,193	·	213,990	·	392,523	·	133,052	
	269,104		286,918		324,819		410,216		376,502		363,301	
	5,964,854		7,974,547		7,061,634		5,498,001		5,274,629		5,336,577	
	1,309,149		1,395,148		1,571,672		2,084,989		1,922,419		2,188,756	
	1,929,781		1,862,371		1,864,326		1,939,928		1,786,713		1,803,694	
	342,713		77,613		122,813		59,080		50,674		33,146	
	822,522		863,996		917,993		909,167		1,815,024		1,284,806	
	29,858,418		30,822,222		28,124,998		25,921,738		26,104,779		27,565,814	
	2,135,060		2,135,210		2,060,494		2,068,527		1,670,645		1,946,216	
	4,342,750		4,261,390		3,862,062		4,020,488		3,708,268		3,284,804	
	10,087,745		9,699,945		9,444,711		8,463,849		6,829,039		5,557,392	
	1,480,601		1,357,550		1,510,941		1,175,485		1,282,793		1,753,709	
	2,698,244		2,517,367		2,056,929		2,153,619		2,253,710		2,970,801	
	1,157,626		1,045,643		918,526		866,830		600,876		591,912	
	820,483		850,138		668,867		3,293,302		702,671		727,789	
	281,927		1,218,937		1,611,291		815,551		549,543		600,913	
	2,745,727		2,735,006		2,735,439		2,804,481		2,691,078		5,214,184	
	1,695,000		1,700,000		1,295,000		1,420,000		1,230,000		1,360,000	
	1,076,660		1,038,320		1,207,578		1,440,644		1,493,206		1,211,564	
	-		-		-		-		64,220		-	
	-		-		-		11,131		648,227		109,740	
	3,227,400		991,354		1,338,008		883,378		9,812,695		3,193,081	
	31,749,223		29,550,860		28,709,846		29,417,285		33,536,971		28,522,105	
	(1,890,805)		1,271,362		(584,848)		(3,495,547)		(7,432,192)		(956,291)	
	-		-		13,326,647		-		9,150,000		-	
	-		-		-		-		160,579		-	
	-		-		-		-		(9,160,000)		-	
	-		-		-		2,500,000		-		-	
	2 402 242		2 477 424		-		2 040 200		- 44 704 044		2 (05 252	
	2,492,312		2,476,424		2,476,424		2,919,289		11,704,946		2,695,253	
	(2,542,312)		(2,526,424)		(2,526,424)		(2,969,289)	_	(11,939,946)		(2,695,253)	
	(50,000)		(50,000)		13,276,647		2,450,000		(84,421)		-	
\$	(1,940,805)	\$	1,221,362	\$	12,691,799	\$	(1,045,547)	\$	(7,516,613)	\$	(956,291)	
	9.72%		9.59%		9.14%		10.03%		11.61%		10.54%	
_				_		_		_		=		

Taxable and Estimated Actual Value of Property

Last Ten Fiscal Years (in thousands of dollars)

		Real Property			
Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Personal Property	Total Taxable Value
2014	\$ 280,856,040	\$ 101,354,490	\$ 17,629,760	\$ 34,403,540	\$ 434,243,830
2013	312,688,580	107,596,610	18,982,270	35,705,130	474,972,590
2012	358,677,900	115,935,490	23,383,320	33,460,080	531,456,790
2011	427,200,170	99,543,660	60,865,560	36,210,100	623,819,490
2010	496,759,030	110,469,460	69,924,120	37,535,040	714,687,650
2009	511,737,180	109,204,400	70,406,640	37,226,110	728,574,330
2008	506,292,480	108,633,050	63,444,620	43,942,580	722,312,730
2007	480,667,540	105,533,730	59,565,190	44,318,580	690,085,040
2006	454,457,020	106,703,397	57,524,360	46,571,380	665,256,157
2005	431,289,070	90,517,620	52,614,020	49,005,590	623,426,300

Source: City of Oak Park Assessing Department

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

Schedule 5 Unaudited

Total Direct Tax Rate	Estimated Actual Value	Taxable Value as a Percentage of Actual Value
36.8734	\$ 866,136,280	50.14%
29.8398	948,753,780	50.06%
27.2386	1,257,602,340	42.26%
24.5191	1,288,399,640	48.42%
24.6863	1,629,550,940	43.86%
24.6704	1,816,037,880	40.12%
23.7288	1,904,504,560	37.93%
23.8150	1,862,110,440	37.06%
23.7201	1,835,567,900	36.24%
24.1194	1,745,673,380	35.71%

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
2014: Homestead (1)	20.0000	1.4914	5.9560	2.9531	6.4729	36.8734
2014: Non-homestead						36.8734
2013: Homestead (1)	20.0000	1.4914	5.3953	2.9531	-	29.8398
2013: Non-homestead						29.8398
2012: Homestead (1)	18.8563	1.4914	4.4378	2.4531	-	27.2386
2012: Non-homestead						27.2386
2011: Homestead (1)	17.3563	0.9914	3.7183	2.4531	-	24.5191
2011: Non-homestead						24.5191
2010: Homestead (1)	17.3563	0.9914	3.8855	2.4531	-	24.6863
2010: Non-homestead						24.6863
2009: Homestead (1)	17.3563	0.9914	3.8696	2.4531	-	24.6704
2009: Non-homestead						24.6704
2008: Homestead (1)	16.3563	0.9914	3.9280	2.4531	-	23.7288
2008: Non-homestead						23.7288
2007: Homestead (1)	16.3613	0.9917	4.0081	2.4539	-	23.8150
2007: Non-homestead						23.8150
2006: Homestead (1)	16.3777	0.9927	3.8933	2.4564	-	23.7201
2006: Non-homestead						23.7201
2005: Homestead (1)	16.4981	1.0000	4.1468	2.4745	-	24.1194
2005: Non-homestead						24.1194

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

:	School Districts				Total Rates for Residents Residing In			
					Oak Park	Ferndale	Berkley	
			Community		School	School	School	
Oak Park	Ferndale	Berkley	College	County	District	District	District	
17.1251	13.5901	11.3042	1.5844	7.5590	63.1419	59.6069	57.3210	
35.3051	31.7701	29.4842	1.5844	7.5590	81.3219	77.7869	75.5010	
17.0682	13.5332	11.2270	1.5844	8.9051	57.3975	53.8625	51.5563	
35.2482	31.7132	29.4070	1.5844	8.9051	75.5775	72.0425	69.7363	
15.5252	13.5052	11.1788	1.5844	8.9051	53.2533	51.2333	48.9069	
33.7052	31.6852	29.3588	1.5844	8.9051	71.4333	69.4133	67.0869	
14.6800	13.4780	10.6668	1.5844	8.7051	49.4886	48.2866	45.4754	
31.8600	31.6580	28.8468	1.5844	8.7051	66.6686	66.4666	63.6554	
13.4494	13.4796	10.6685	1.5844	8.7051	48.4252	48.4554	45.6443	
31.6294	31.6596	28.8485	1.5844	8.7051	66.6052	66.6354	63.8243	
13.4492	13.4795	10.6684	1.5844	8.4905	48.1945	48.2248	45.4137	
31.6292	31.6595	28.8484	1.5844	8.4905	66.3745	66.4048	63.5937	
13.4388	13.4691	10.7892	1.5844	8.6051	47.3571	47.3874	44.7075	
31.6188	31.6491	28.9692	1.5844	8.6051	65.5371	65.5674	62.8875	
13.3585	13.4699	10.9416	1.5844	8.6051	47.3630	47.4744	44.9461	
31.5385	31.6499	29.1216	1.5844	8.6051	65.5430	65.6544	63.1261	
13.4688	13.4691	10.9509	1.5844	8.6101	47.3834	47.3837	44.8655	
31.6488	31.6491	29.1309	1.5844	8.6101	65.5634	65.5637	63.0455	
13.4729	13.4732	11.5744	1.5889	8.6227	47.8039	47.8042	45.9054	
31.6529	31.6532	29.7544	1.5889	8.6227	65.9839	65.9842	64.0854	

Principal Property Tax Payers Current Year and Nine Years Ago

		2005			2014	
	Taxable		Percentage	Taxable		Percentage
Taxpayer	Value	Rank	of Total	Value	Rank	of Total
Jewish Federation Apts.	\$10,664,460	1	1.71%	\$ 8,482,300	1	1.95%
Lincoln Towers Apts, LLP	6,645,450	3	1.07%	5,145,000	2	1.18%
Eaton Steel/Goodman/Oak Park Bldg. Co.	-	-	-	5,042,340	3	1.16%
DTE Energy Company	5,066,440	7	0.81%	4,608,010	4	1.06%
Village Green Management Co.	5,671,240	6	0.91%	4,491,020	5	1.03%
Detroit Square Properties, LLC	-	-	-	4,476,100	6	1.03%
Symtec Mfg. Technologies/Paramount Boring	-	-	-	3,716,830	7	0.86%
Oak Park Manor MI, LLC	-	-	-	3,487,200	8	0.80%
Apollo Heat Treating & Processing	-	-	-	3,435,510	9	0.79%
Consumers Energy Company	-	-	-	2,830,410	10	0.65%
MHT Housing III, Inc.	10,593,440	2	1.70%	-	-	-
GTN Industries, Inc.	6,309,330	4	1.01%	-	-	-
Crown Pointe Office	5,837,590	5	0.94%	-	-	-
Parkwoods Shopping Plaza, LLC	4,470,400	8	0.72%	-	-	-
Home Properties of New York	4,329,200	9	0.69%	-	-	-
Oakmont Properties	3,932,610	10	0.63%	-	-	
	\$63,520,160		10.19%	\$45,714,720		10.53%

Property Tax Levies and Collections Last Ten Fiscal Years

	Taxes Levied	Collected w Fiscal Year o		Subsequent	Total Collect	tions to Date
	for the Fiscal		% of	Years		% of
Year	Year	Amount	Levy	Collections	Amount	Levy
2014	\$ 16,260,957	\$ 14,955,242	91.97%	\$ 109,923	\$ 15,065,165	92.65%
2013	15,138,509	13,946,023	92.12%	101,563	14,047,586	92.79%
2012	14,899,108	13,746,273	92.26%	81,518	13,827,791	92.81%
2011	15,658,581	14,363,567	91.73%	95,810	14,459,377	92.34%
2010	18,708,879	16,964,827	90.68%	81,685	17,046,512	91.11%
2009	19,029,345	17,269,947	90.75%	113,244	17,383,191	91.35%
2008	18,170,268	16,349,901	89.98%	136,390	16,486,291	90.73%
2007	17,357,852	15,654,630	90.19%	129,735	15,784,365	90.94%
2006	16,627,835	15,269,916	91.83%	142,811	15,412,727	92.69%
2005	15,670,688	15,439,161	98.52%	141,982	15,581,143	99.43%

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

		Governmental Activities				
Fiscal Year	General		Water		% of	
Ending	Obligation	Capital	Revenue	Total Primary	Personal	Per
June 30,	Bonds	Lease	Bonds	Government	Income	Capita
2014	\$ 30,660,000	\$ 2,360,000	\$ 9,892,544	\$ 42,912,544	80.52%	\$ 1,463.64
2013	31,950,000	2,430,000	10,754,639	45,134,639	93.11%	1,539.43
2012	33,120,000	2,500,000	12,510,082	48,130,082	99.29%	1,641.60
2011	34,540,000	-	13,697,003	48,237,003	99.06%	1,645.25
2010	22,410,000	-	14,315,803	36,725,803	75.42%	1,252.63
2009	24,110,000	-	15,066,183	39,176,183	80.45%	1,209.18
2008	25,805,000	-	15,219,483	41,024,483	84.24%	1,266.23
2007	27,475,000	-	16,091,554	43,566,554	89.46%	1,344.69
2006	29,055,000	-	16,921,387	45,976,387	94.41%	1,419.07
2005	19,930,000	-	17,326,313	37,256,313	76.51%	1,149.92

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Obligation Bonds	Avail	s: Amounts able in Debt vice Funds	Total	% of Estimated Actual Taxable Value of Property	Per Capita
2014	\$30,660,000	\$	216,115	\$ 30,443,885	7.01%	\$ 1,038
2013	31,950,000		49,286	31,900,714	6.72%	1,090
2012	33,120,000		109,780	33,010,220	6.21%	1,126
2011	34,540,000		654,398	33,885,602	5.43%	1,156
2010	22,410,000		835,683	21,574,317	3.02%	736
2009	24,110,000		784,216	23,325,784	3.20%	796
2008	25,805,000		643,161	25,161,839	3.48%	777
2007	27,475,000		493,669	26,981,331	3.91%	833
2006	29,055,000		371,772	28,683,228	4.31%	885
2005	19,930,000		334,783	19,595,217	3.14%	605

Direct and Overlapping Governmental Activities Debt

As of June 30, 2014

	Net Debt Outstanding	Percentage Applicable to City *	Estimated Share of Overlapping Debt
Direct City of Oak Park	\$ 30,660,000	100.00%	\$ 30,660,000
Overlapping			
Berkley School District Ferndale School District	15,265,000	11.63% 11.95%	1,775,320
Oak Park School District	48,260,000 19,972,482	69.43%	5,767,070 13,866,894
Oakland County (at-large)	119,779,697	0.88%	1,054,061
Oakland Intermediate School District	55,625,000	0.88%	489,500
Oakland Community College	3,075,000	0.89%	27,368
			22,980,213
Total direct and overlapping debt			\$ 53,640,213

^{*} Amount supplied by Municipal Advisory Council of Michigan.

Note: Overlapping governments are those that coincide, at lease 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.

Schedule 12 Unaudited

Legal Debt Margin

Last Ten Fiscal Years			
Assessed value			\$ 433,068,140
Legal debt limit (10% of SEV)			\$ 43,306,814
Gross indebtedness	\$	33,020,000	
Amount available in debt service funds		(216,115)	
Net bonded debt			 32,803,885
Legal debt margin			\$ 10,502,929
Net bonded debt as a percentage of assessed value			7.57%

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
204.4	12 204 044	22 222 225	40 500 000	75.750/
2014	\$ 43,306,814	\$ 32,803,885	\$ 10,502,929	75.75%
2013	47,437,689	35,438,601	11,999,088	74.71%
2012	53,202,679	33,885,602	19,317,077	63.69%
2011	64,419,982	21,574,317	42,845,665	33.49%
2010	81,477,547	23,325,784	58,151,763	28.63%
2009	90,844,906	25,161,839	65,683,067	27.70%
2008	95,225,228	26,981,331	68,243,897	28.33%
2007	93,105,522	28,683,228	64,422,294	30.81%
2006	91,778,395	19,595,217	72,183,178	21.35%
2005	80,611,283	23,100,079	57,511,204	28.66%

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
2014	\$ 11,550,673	\$ 8,527,198	\$ 3,023,475	\$ 1,147,399	2.64
2013	10,985,124	9,204,993	1,780,131	1,550,517	1.15
2012	10,726,423	8,500,899	2,225,524	1,552,305	1.43
2011	10,676,880	8,091,387	2,585,493	1,523,214	1.70
2010	9,148,095	8,094,665	1,053,430	1,552,893	0.68
2009	9,050,017	7,304,931	1,745,086	1,493,798	1.17
2008	8,972,129	7,302,057	1,670,072	1,490,687	1.12
2007	9,034,465	7,072,472	1,961,993	1,467,851	1.34
2006	10,547,749	7,255,581	3,292,168	1,469,511	2.24
2005	8,213,692	6,215,874	1,997,818	1,497,068	1.33

Demographic and Economic Statistics Last Ten Fiscal Years

Year	Population	ersonal ncome	Р	er Capita ersonal ncome	Median Age	Unemployment Rate
2014	29,319	\$ 53,297	\$	22,486	38.2	12.10%
2013	29,319	48,476		23,242	38.6	13.60%
2012	29,319	48,697		21,677	34.6	11.20%
2011	29,319	48,697		21,677	34.6	15.20%
2010	29,319	48,697		21,677	34.6	19.10%
2009	32,399	48,697		21,677	34.6	22.50%
2008	32,399	48,697		21,677	34.6	10.80%
2007	32,399	48,697		21,677	34.6	9.69%
2006	32,399	48,697		21,677	34.6	8.70%
2005	32,399	48,697		21,677	34.6	8.20%

This page intentionally left blank.

Principal Employers
Current Year and Nine Years Ago

		2005			2014	
Employer	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Oak Park School District	485	1	1.50%	605	1	2.06%
Measure Comp	-		-	400	2	1.36%
Ferndale School District	-	-	-	358	3	1.22%
Berkely School District	-	-	-	201	4	0.69%
City of Oak Park	235	2	0.73%	172	5	0.59%
Eaton Steel	-	-	-	132	6	0.45%
Paramount Precision	-	-	-	118	7	0.40%
Hagopian World of Rugs, Inc.	-	-	-	114	8	0.39%
Ringside Creative	-	-	-	109	9	0.37%
Mopec	-	-	-	62	10	0.21%
Jewish Federation Apartments	130	3	0.40%	-	-	-
Thyssen Metal	105	4	0.32%	-	-	-
Lincoln Towers Apartments	99	5	0.31%	-	-	-
Detroit Edison	98	6	0.30%	-	-	-
Crown Pointe Office	98	7	0.00%	-	-	-
Huntington Gardens, Village Gr		8	0.30%	-	-	-
CBS, Inc.	95	9	0.29%		-	
	1,442		4.45%	2,271		7.75%

Full-time Equivalent Employees by Department / Union Group Last Ten Fiscal Years

Department/Union	2005	2006	2007	2008
Full-time				
Council	5.00	5.00	5.00	5.00
City Manager	4.00	4.00	4.00	4.00
Information Technology	1.00	1.00	1.00	1.00
City Attorney	-	-	-	-
Prosecuting Attorney	-	-	-	-
Elections	-	-	-	-
City Clerk	4.00	4.00	4.00	4.00
Finance & Administrative Services	17.00	17.00	16.00	17.00
Technical & Planning Services	16.00	17.00	17.00	16.00
Public Information	4.00	4.00	4.00	3.00
Public Safety	78.00	79.00	79.00	78.00
Public Works	28.00	27.00	27.00	27.00
Recreation	11.00	8.00	8.00	7.00
Library	8.00	8.00	6.00	6.00
Community Services	-	-	-	-
District Court 45-B / Probation	26.00	26.00	28.00	27.00
	202.00	200.00	199.00	195.00
Part-time				
Council	_	_	-	-
City Manager	_	_	-	-
Information Technology	_	_	-	-
City Attorney	_	_	_	_
Prosecuting Attorney	1.00	1.00	1.00	1.00
Elections	-	-	-	-
City Clerk	_	_	_	_
Finance & Administrative Services	_	_	_	_
Technical & Planning Services	1.00	0.50	0.50	0.50
Public Information	-	-	-	-
Public Safety	5.25	5.25	5.25	5.25
Public Works	2.42	2.42	3.17	3.17
Recreation	21.30	20.40	21.20	21.20
Library	3.65	3.65	3.65	3.65
Community Services	5.05	5.05	5.05	5.05
District Court 45-B / Probation	1.90	1.90	2.40	2.40
רוטשמוטוו / רוטשמוטוו	36.52	35.12	37.17	37.17
	30.32	33.12	37.17	37.17
Total	238.52	235.12	236.17	232.17

Note: The amounts presented under Part Time workers represent Full Time Equivalents and not actual positions. Full Time Equivalents 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

2009	2010	2011	2012	2013	2014
5.00	5.00	5.00	5.00	5.00	5.00
4.00	4.00	3.00	3.00	3.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
-	-	-	-	1.00	-
-	-	-	-	-	-
-	-	-	-	-	2.00
4.00	3.00	2.00	2.00	2.00	3.00
17.00	15.00	13.00	11.00	10.00	10.00
13.00 3.00	13.00 3.00	12.00 3.00	10.00 3.00	9.00	11.00 2.00
78.00	74.00	73.00	68.00	2.00 57.00	59.00
26.00	26.00	24.00	24.00	21.00	22.00
7.00	7.00	7.00	7.00	2.00	3.00
6.00	6.00	6.00	4.00	4.00	4.00
0.00	0.00	-	00	٠.00	00
25.00	27.00	27.00	23.00	22.00	23.00
189.00	184.00	176.00	161.00	139.00	147.00
-	-	-	-	-	-
-	-	0.12	0.12	-	0.63
-	-	-	-	-	-
-	-	-	-	-	-
1.00	1.00	1.00	1.00	-	-
-	-	-	-	-	-
-	0.50	0.50	0.50	-	-
-	-	-	-	-	-
0.50	0.50	0.50	0.50	0.50	2.97
-	-	-	-	-	-
5.25	5.25	5.25	5.25	5.25	5.25
3.17	3.17	3.17	3.17	1.67	2.37
21.10	21.10	20.35	20.35	20.35	20.87
4.50	4.50	3.75	3.75	2.50	5.24
2.40	0.70	0.70	1.70	2.70	4.45
37.92	36.72	35.34	36.34	32.97	41.78
31.72	30.72	33.34	30.34	32.71	71.70
226.92	220.72	211.34	197.34	171.97	188.78

continued...

Full-time Equivalent Employees by Department / Union Group Last Ten Fiscal Years

Department/Union	2005	2006	2007	2008
Full-time Personnel by Salary Classifi	cation			
Legislative	5	5	5	5
Exempt	11	11	11	11
Supervisory	13	15	15	15
Administrative	6	5	5	5
AFSCME	71	66	63	61
POAM	50	52	52	51
COAM	14	14	14	14
Dispatch	6	6	6	6
District Court 45-B	26	26	28	27
	202	200	199	195

Schedule 16 Unaudited

2009	2010	2011	2012	2013	2014
5	5	5	5	5	5
11	11	11	10	11	10
13	13	13	13	10	11
5	5	5	4	6	5
59	56	56	43	33	38
51	47	47	45	34	38
14	14	14	13	13	12
6	6	6	5	5	5
25	27	27	23	22	23
189	184	184	161	139	147

concluded.

Operating Indicators by Function/Department Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	
Ch. Marana					
City Manager					
Number of complaints	167	160	143	139	
Average days to complete	4.40	5.00	5.50	7.63	
Public Safety					
Hazardous violations	4,726	6,178	5,423	5,077	
Total violations	13,241	15,716	14,837	13,955	
EMS requests	2,521	2,491	2,441	2,210	
Traffic crashes	1,091	908	923	815	
Technical & Planning Services					
Number of building permits	811	716	624	545	
Value of building permits	\$ 9,930,436	\$ 9,075,580	\$ 8,515,609	\$ 5,868,495	
Library					
Residents with library cards	17,234	19,127	16,076	17,102	
Items available	102,893	105,302	104,954	114,338	
Health and Sanitation					
Tons of solid waste recycled	940.00	863.00	771.00	802.00	
Water System					
Water Rate Per Unit	\$ 1.95	\$ 2.53	\$ 2.46	\$ 2.63	

Schedule 17 Unaudited

	2009		2010		2011		2012		2013		2014
	•		442		000						2.42
	94		113		293		293		147		342
	1.50		2.00		5.60		5.60		6.68		6.86
	4,060		3,428		3,624		3,624		2,409		2,057
	11,171		10,122		9,473		9,473		9,473		6,941
	2,305		2,533		2,423		2,423		2,389		2,408
	730		659		655		655		593		648
	, 50		037		000		033		373		0.0
	582		526		526		526		649		468
\$ 6	5,143,751	\$ 4	4,560,779	Ś	4,560,779	Ś	4,560,779	\$13	,015,549	Ś	8,184,966
•	-, -, -	•	,	·	,	•	,	,	, ,	·	· , · , · · ·
	17,400		18,268		18,916		18,916		19,062		19,800
	105,750		105,720		94,939		94,939		103,021		104,924
	826.00		818.00		793.00		793.00		762.00		817.00
\$	2.76	\$	3.02	\$	3.12	\$	3.27	\$	3.27	\$	3.41

Capital Asset Statistics by Function/Department Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008
City Manager				
Vehicles assigned	2	3	2	2
Public Safety				
Vehicles assigned	35	35	40	39
Public Works				
Vehicles assigned	40	40	48	46
Number of buildings	5	5	4	4
Road Maintenance and Repair				
Miles of major streets	20.72	20.72	20.72	20.72
Miles of local streets	65.33	65.33	65.33	65.33
Water & Sewer System				
Miles of water mains	115	115	115	115
Miles of sewers	80.64	80.64	80.64	80.64
Recreation				
Swimming pool	1	1	1	1
City parks	10	10	10	10
Park acreage	109.8	109.8	109.8	109.8

Schedule 18 Unaudited

2009	2010	2011	2012	2013	2014
-	-	-	-	-	-
29	24	38	33	27	24
29	34	30	33	37	36
38	42	42	42	41	42
4	4	4	4	5	5
20.72	20.72	24	24	24	24
20.72 65.33	20.72 65.33	21 65.33	21 65.33	21 65.33	21 65.33
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

This page intentionally left blank.