

City of Oak Park,
Michigan



Year Ended
June 30, 2017

Comprehensive
Annual Financial
Report

Prepared by
Finance Department

City Manager
Erik Tungate

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CITY OF OAK PARK, MICHIGAN

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INTRODUCTORY SECTION

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CITY OF OAK PARK

OFFICE OF THE CITY MANAGER

Mayor
Marian McClellan
Mayor Pro Tem
Carolyn Burns
Council Members
Kiesha Speech
Solomon Radner
Ken Rich
City Manager
Erik Tungate

December 20, 2017

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, 2017, 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 Economic Development Corporation, Brownfield Redevelopment Authority and Corridor Improvement Authority have been included in this report.

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

Local Economy and Governmental Structure

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

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

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

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

Major Initiatives

The following were among those many diverse activities and accomplishments to which both the elected officials and staff devoted their energies in fiscal year 2016-2017:

- 1) The City's number one priority was preserving fund balance while maintaining or improving existing city services. The City's General Fund had an original budget that did not anticipate an increase in fund balance. Due to the significant efforts on behalf of the entire city, the amended operating budget was balanced and the overall result was an increase to the fund balance in the General Fund of more than \$174,000, bringing total fund balance at June 30, 2017 to approximately \$3,854,000 or 19.34% of expenditures and transfers. The ending fund balance continues to be in the targeted range for the fourth year in a row.
- 2) The second priority was to address the long-term legacy costs. The City was able to contribute \$72,359 and \$81,307 over the actuarially required public safety and employees pension contributions, respectively.
- 3) The third priority was economic development and improving the quality of life for residents and businesses. The focus on economic development projects is to rehab existing structures and promote new development. The quality of life issues include additional public safety officers for safety and code enforcement officers to ensure all structures and city lots are maintained are up to existing code.

Financial Information

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

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

Long-term Financial Planning

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

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

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

Federal Financial Assistance

As a recipient of federal financial assistance, the City is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control systems are evaluated periodically by management to achieve these objectives. The City was not required to have a single audit in fiscal year 2016-2017 to test these controls, per Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), because it did not received more than \$750,000 in federal awards this fiscal year.

Budgeting Controls

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

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level for the general and special revenue funds. However, for internal accounting purposes, budgetary control is maintained by object class (line account) for all funds. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Purchase orders that would create an over encumbrance are not written until additional appropriations are available. Encumbered accounts lapse at year-end. There were no encumbrances outstanding at June 30, 2017.

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

Acknowledgements

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

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

Sincerely,

[Signature omitted for security purposes]

Erik Tungate
City Manager

CITY OF OAK PARK, MICHIGAN

ELECTED AND APPOINTED OFFICIALS

City Council

Marian McClellan
Mayor

Carolyn Burns
Mayor Pro-Tem

Kiesha Speech
Solomon Radner
Ken Rich
Council Members

Appointed Officials and Senior Management

Erik Tungate, City Manager

Kevin Yee, Assistant City Manager / Public Works Director

T. Edwin Norris, City Clerk

Sandra Crawford, Director of Finance and Administrative Services

Jamen Winters, Deputy Finance Director

John Gillooly and Ebony Duff, City Attorney

Brandon Bowman, Library Director

Robert Barrett, Director of Technical and Planning Services

Steve Cooper, Director of Public Safety

Laurie Stasiak, Director of Recreation

Steve Lukasik, Deputy Treasurer

WCA Assessing, City Assessor

Scott Lemarbe, General Foreman

Ed Mlynczyk, General Foreman

Mike Pinkerton, Deputy Director of Public Safety

David DeCoster, Deputy Director of Technical and Planning Services

Rocco Fortura, Deputy Director of DPW

Kevin VanDewalle, Water Supervisor

Maralee Rosemond, Senior Services Coordinator

Vicky Brooks, Director of Human Resources & Operations

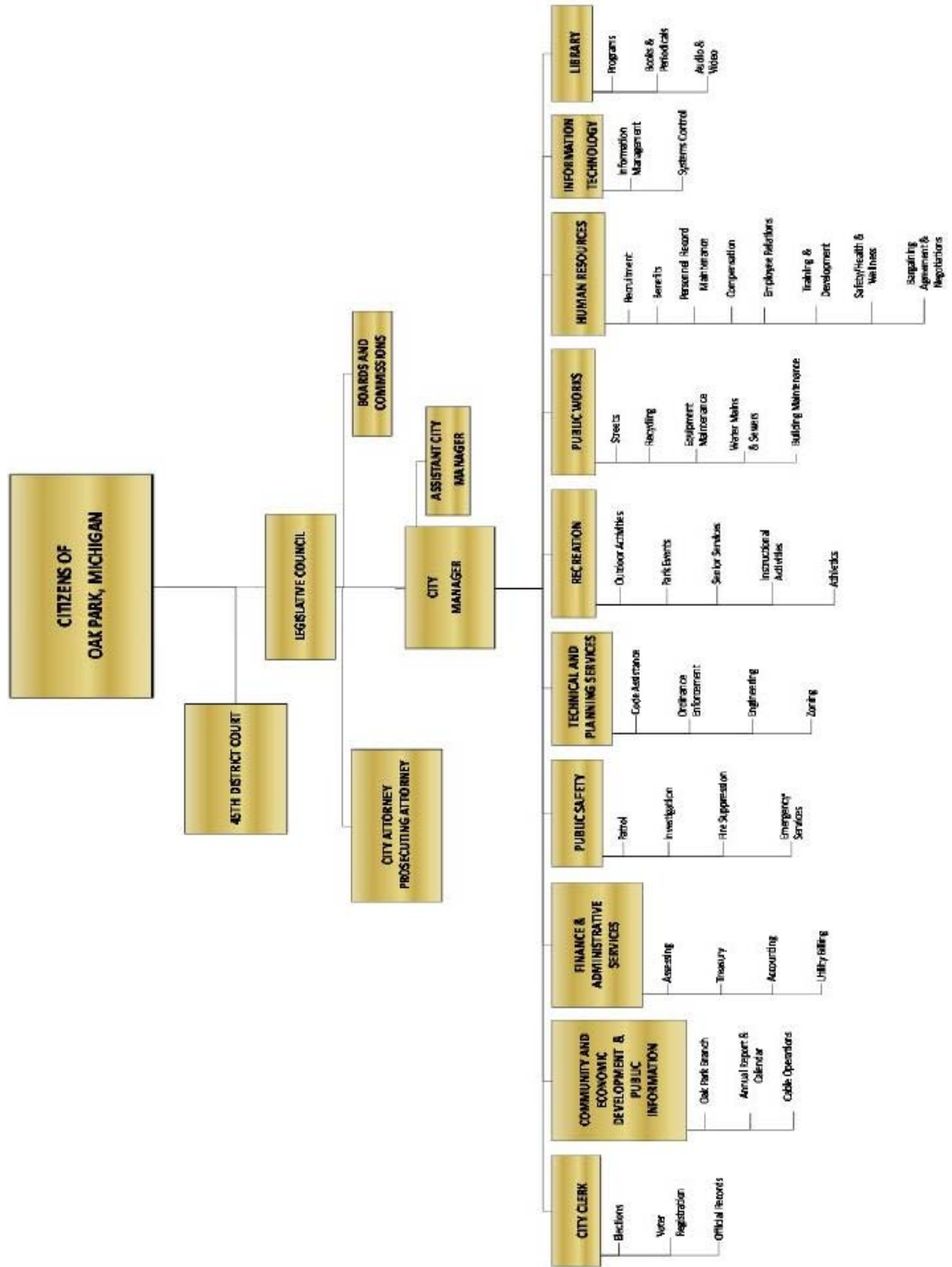
Kimberly Marrone, Director of Community & Economic Development

Denise Desantis, Director of Communications & Public Information

Crystal McLain, Director of Strategic Planning and Special Projects

CITY OF OAK PARK, MICHIGAN

Table of Organization



FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

December 20, 2017

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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2017, on our consideration of the City of Oak Park, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rehmann Lohorn LLC

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MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

As management of the City of Oak Park, Michigan (the "City"), we offer readers an overview of the City's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the financial statements.

Financial Highlights

- The City's net position increased as a result of this year's operations. Net position of our governmental activities increased by \$4.4 million, or 9.3 percent. Net position of our business-type activities increased by \$1.4 million, or 7.9 percent.
- The fund balance of the City's governmental funds reported a decrease of \$0.9 million, or 9.3 percent, over the prior year from \$10.1 million to \$9.2 million.
- In the City's business-type activities, revenues were \$11.4 million while expenses were \$10.0 million.
- The total cost of all of the City's governmental programs was \$33.1 million.
- The general fund reported an increase in fund balance of \$0.2 million, or 4.8 percent.
- The City's installment debt outstanding decreased \$2.4 million, or 6.4 percent, over the prior year from \$37.6 million to \$35.2 million.

Using this Annual Report

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

Reporting the City as a Whole

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

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

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.

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

- 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 fund) is the same as the business-type activities we report in the government-wide statements but in greater detail. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities, such as the City's motor pool operation.

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

Reporting the City as Trustee

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

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

The City as a Whole

The City's total net position improved over the prior year from negative \$29.6 million to negative \$23.8 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	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 13,057,006	\$ 13,618,226	\$ 6,750,669	\$ 6,809,279	\$ 19,807,675	\$ 20,427,505
Capital assets, net	44,771,972	43,714,841	27,986,286	27,781,968	72,758,258	71,496,809
Total assets	<u>57,828,978</u>	<u>57,333,067</u>	<u>34,736,955</u>	<u>34,591,247</u>	<u>92,565,933</u>	<u>91,924,314</u>
Deferred outflows of resources	4,253,027	9,795,410	202,909	710,703	4,455,936	10,506,113
Long-term debt	30,597,521	32,021,485	7,417,014	8,368,702	38,014,535	40,390,187
Pension and OPEB	69,981,091	75,443,920	6,964,780	8,069,051	76,945,871	83,512,971
Other liabilities	2,884,882	2,269,635	1,345,637	1,054,595	4,230,519	3,324,230
Total liabilities	<u>103,463,494</u>	<u>109,735,040</u>	<u>15,727,431</u>	<u>17,492,348</u>	<u>119,190,925</u>	<u>127,227,388</u>
Deferred inflows of resources	1,637,864	4,838,192	-	3,664	1,637,864	4,841,856
Net position						
Net investment in capital assets	16,080,881	13,597,182	20,845,966	19,700,636	36,926,847	33,297,818
Restricted	3,372,538	4,464,360	-	-	3,372,538	4,464,360
Unrestricted (deficit)	<u>(62,472,772)</u>	<u>(65,506,297)</u>	<u>(1,633,533)</u>	<u>(1,894,698)</u>	<u>(64,106,305)</u>	<u>(67,400,995)</u>
Total net position (deficit)	<u>\$ (43,019,353)</u>	<u>\$ (47,444,755)</u>	<u>\$ 19,212,433</u>	<u>\$ 17,805,938</u>	<u>\$ (23,806,920)</u>	<u>\$ (29,638,817)</u>

Net position of the City's governmental activities increased by \$4.4 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 -\$65.5 million at June 30, 2016 to -\$62.5 million at the end of this year. The increase in unrestricted net position of \$3.0 million is primarily due to favorable changes in the pension and OPEB liability and deferred inflows of resources related to pension amounts.

The net position of the business-type activities increased by 7.9 percent (\$19.2 million compared to \$17.8 million in 2016). The increase in net position of \$1.4 million is due primarily to the change in the net pension and OPEB liability.

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	\$ 5,840,771	\$ 6,597,305	\$11,353,474	\$10,984,177	\$ 17,194,245	\$ 17,581,482
Operating grants	2,452,723	2,690,345	-	-	2,452,723	2,690,345
Capital grants	422,628	100,150	-	-	422,628	100,150
General revenues:						
Property taxes	17,133,346	17,549,447	-	-	17,133,346	17,549,447
State shared	3,329,476	3,288,744	-	-	3,329,476	3,288,744
Other taxes	683,781	717,762	-	-	683,781	717,762
Investment earnings	102,322	248,056	25,044	61,434	127,366	309,490
Total revenues	29,965,047	31,191,809	11,378,518	11,045,611	41,343,565	42,237,420
Expenses						
General government	4,078,708	9,940,652	-	-	4,078,708	9,940,652
Judicial	2,000,064	2,280,899	-	-	2,000,064	2,280,899
Public safety	9,299,317	7,401,142	-	-	9,299,317	7,401,142
Road maintenance and repair	3,145,293	3,125,342	-	-	3,145,293	3,125,342
Public works	1,516,904	2,837,202	-	-	1,516,904	2,837,202
Health and sanitation	2,498,707	280,850	-	-	2,498,707	280,850
Culture and recreation	658,582	475,963	-	-	658,582	475,963
Library	821,249	661,836	-	-	821,249	661,836
Community development	444,575	601,863	-	-	444,575	601,863
Interest on long-term debt	1,076,246	1,076,838	-	-	1,076,246	1,076,838
Water and sewer	-	-	9,972,023	11,841,571	9,972,023	11,841,571
Total expenses	25,539,645	28,682,587	9,972,023	11,841,571	35,511,668	40,524,158
Change in net position before transfers	4,425,402	2,509,222	1,406,495	(795,960)	5,831,897	1,713,262
Transfers	-	(50,000)	-	50,000	-	-
Change in net position	4,425,402	2,459,222	1,406,495	(745,960)	5,831,897	1,713,262
Net position						
Beginning of year	(47,444,755)	(49,903,977)	17,805,938	18,551,898	(29,638,817)	(31,352,079)
End of year	\$ (43,019,353)	\$ (47,444,755)	\$ 19,212,433	\$ 17,805,938	\$ (23,806,920)	\$ (29,638,817)

The City's total revenue for all programs and services remained relatively consistent with the prior year with a 2.12 percent (\$0.89 million) decrease. The total cost of all programs and services decreased by 12.37 percent (\$5.0 million) primarily as a result of the following:

- General government decreased \$5.9 million and water and sewer decreased \$1.9 million. These decreases are largely due to decreases in pension expense allocated to these functions. Offsetting these decreases was an increase in public safety of \$1.9 million largely due to an increase in pension expense allocated to this function.
- Public works decreased \$1.3 million and health and sanitation increased \$2.2 million. These changes are largely due to a reallocation of expenditures from public works to health and sanitation. Additionally, there were increases in salaries, repairs and maintenance, and changes in the OPEB allocation.

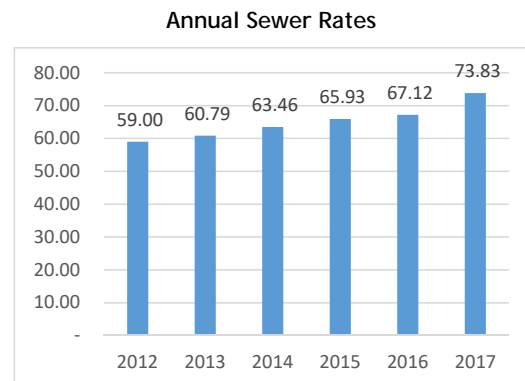
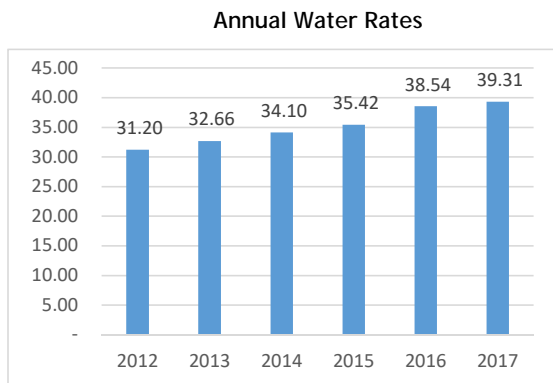
Governmental activities. Revenues for the City's governmental activities decreased by 3.93 percent (\$1.2 million), while total expenses decreased 10.96 percent (\$3.1 million).

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

Business-type activities. The City has one business-type activity: the water and sewer system. Revenues of the City's water and sewer activity increased by 3.01 percent (\$0.3 million in fiscal year 2017 compared to a decrease of \$11.0 million in fiscal year 2016). Expenses decreased by 15.79 percent (\$2.2 million in fiscal year 2016 compared to an increase of \$11.9 million in fiscal year 2016). The City reported net income of \$1.4 million in the water and sewer activity. This was an increase from fiscal year 2016 net loss of \$0.8 million. The factors driving these results include:

- The City has posted an increase in this activity's net position in eight of the last nine fiscal years (outside of the one-time restatement of net position due to the implementation of GASB 68), which has led to the general overall health of this activity. The current year increase in net position is primarily due to the year end adjustment for the pension liability and related deferred inflow, outflows and expenses. 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 \$38.54 in fiscal year 2015-2016 to \$39.31 per 1,000 cubic feet in fiscal year 2016-2017. Sewer rates increased from \$67.12 to \$73.83 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 \$9.2 million, which is below last year's total of \$10.1 million. Included in this year's total change in fund balance is an increase of \$0.17 million in the City's general fund. Refer below for further information regarding the significant changes in general fund revenues and expenditures.

General Fund Budgetary Highlights

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

The actual expenditures were \$519,096 more than the final budget amounts in the general fund with eight expenditure line items exceeding their budget. Refer to footnote 3 for a detailed listing of these overages.

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

General fund revenues. The following paragraphs analyze the activities of the City's major operating fund. General fund revenues totaled \$20.1 million, a decrease of 4.16% over the prior year. Revenues by source were as follows:

General Fund Revenues					
	Fiscal Year		Percent of Total	Increase (Decrease)	% Change from Prior Year
	2017	2016			
Property taxes	\$ 12,724,183	\$ 12,414,858	63.28%	\$ 309,325	2.49%
Licenses and permits	516,630	633,468	2.57%	(116,838)	-18.44%
Intergovernmental	3,383,187	3,323,614	16.83%	59,573	1.79%
Charges for services	546,315	908,169	2.72%	(361,854)	-39.84%
Fines and forfeits	1,742,209	1,968,219	8.67%	(226,010)	-11.48%
Interest income	63,807	134,408	0.32%	(70,601)	-52.53%
Other	1,129,931	1,596,601	5.62%	(466,670)	-29.23%
Total	\$ 20,106,262	\$ 20,979,337	100.00%	\$ (873,075)	-4.16%

Ad valorem taxes provide the City's primary source of revenue. Current collections remain high at 94.25 percent. The City's total tax rate is 36.9308 per \$1,000 of taxable value. This is below the state's legal limit as provided for by the Headlee Amendment and the Truth in Taxation Act and includes the 6.9636 mill voter-approved levy for PA 345 public safety retirement costs. The overall increase in revenue is due to the decrease in the reserve for chargebacks and property tax appeals. See rates, as follows:

Purpose of Millage	2017 Rate	2016 Rate
Operating	16.2712	16.3563
Library	1.4836	1.4914
Solid Waste/Refuse	2.9377	2.9531
Debt	1.8500	1.9140
Debt 11/02	1.8000	2.1200
Debt 8/10	2.0000	2.1275
Recreation	0.4974	0.5000
Public Safety	1.9896	2.0000
Headlee Override	1.1377	1.1437
Public Safety Act 345	6.9636	7.0000
	36.9308	37.6060

Licenses and permits decreased by 18.44%. The decrease was primarily due to several large redevelopment projects in the prior year and an overall increase in the prior year economy in Michigan resulting in new construction and permit related activities in fiscal 2016.

Intergovernmental revenues increased 1.79%. The City received slightly higher amounts from the State of Michigan due to increase statewide 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 decreased 39.84% due primarily to a reduction in general government rental income.

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

Fines and forfeits revenues decreased 11.48%. In the prior year, the court instituted a new collection program to obtain payment of old receivables that caused a significant increase in revenues in 2016. The current year revenues are consistent with amounts collected in 2015 (\$1,773,998).

Interest income decreased 52.53%. This decrease is attributable to significant unrealized investment losses in the current year compared to gains in the prior year.

Other income decreased 29.23% in fiscal year 2016-2017 primarily due to one-time property sale proceeds in the prior year of \$0.375 million.

General fund expenditures. General fund expenditures were \$18.1 million, a decrease of \$0.2 million or 1.12% over the prior year. Broken down by major function, expenditures were as follows:

	General Fund Expenditures				
	Fiscal Year		Percent of Total	Increase (Decrease)	% Change from Prior Year
	2017	2016			
General government	\$ 4,007,155	\$ 3,562,498	22.24%	\$ 444,657	12.48%
Public safety	9,359,363	8,761,179	51.95%	598,184	6.83%
Public works	770,441	537,427	4.28%	233,014	43.36%
Culture and recreation	656,008	544,721	3.64%	111,287	20.43%
Community development	154,129	133,452	0.86%	20,677	15.49%
Nondepartmental	3,069,226	4,681,648	17.04%	(1,612,422)	-34.44%
Total	<u>\$ 18,016,322</u>	<u>\$ 18,220,925</u>	<u>100.00%</u>	<u>\$ (204,603)</u>	<u>-1.12%</u>

General government expenditures increased \$444,657 in fiscal year 2016-2017. The increase is due primarily to the technical and planning services and human resources, offset by a decrease in the finance department.

The public safety department increased \$598,184 or 6.83% is due primarily to the increase salary and fringe benefits costs including an increase in the annual public safety pension contribution.

The public works department increased \$233,014 or 43.36%. This increase was primarily due to higher than anticipated repair costs to city facilities.

Recreation and culture increased \$111,287 or 20.43% due to salary and fringe benefits as a result of the City filling previously vacant positions.

Community development increased \$20,677 or 15.49% due to salary and fringe benefits as a result of the City filling previously vacant positions.

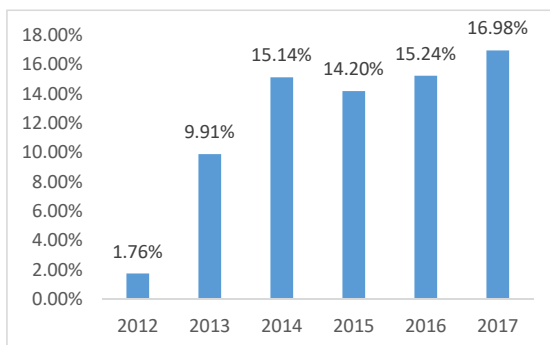
Other nondepartmental expenditures decreased \$1,612,422 or 34.44%. The variance is due primarily to a decrease in capital outlays. Additionally, in the prior year, additional voluntary contributions of \$400,000 were made to the OPEB trust fund from savings in all other general fund departments; no such additional contributions were made in the current year.

CITY OF OAK PARK, MICHIGAN

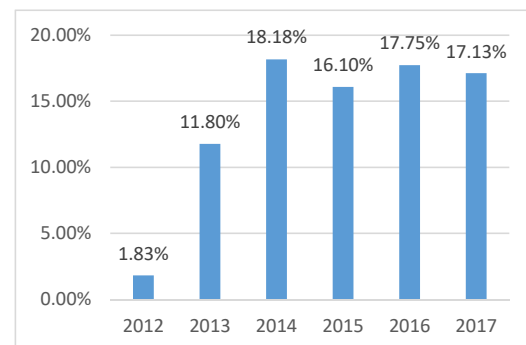
Management's Discussion and Analysis

General fund. Fund balance at June 30, 2017 increased by 4.75 percent or \$0.17 million over the prior year. The unassigned (and available for appropriation portion of) fund balance increased by \$0.2 million to a balance of \$3.4 million which provides the City with 69.2 days of expenditures, and is equivalent to 17.13 percent of annual expenditures and transfers. Our goal is to maintain this percentage at 8.3 to 18.0 percent (one to two months expenditures), a level considered adequate to meet any unforeseen events and avoid cash shortfalls during periods of low tax collections. An additional goal is to maintain fund balance at 10 to 15 percent of revenues. Unassigned fund balance can be graphically demonstrated as follows:

Unassigned Fund Balance as a
% of Revenues



Unassigned Fund Balance as a
% of Expenditures



Capital Asset and Debt Administration

Capital assets. At June 30, 2017, the City had \$72.8 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	
	2017	2016	2017	2016	2017	2016
Land	\$ 1,642,187	\$ 1,642,187	\$ 11,502	\$ 11,502	\$ 1,653,689	\$ 1,653,689
Rights-of-way	600,818	600,818	-	-	600,818	600,818
Work in progress	1,171,788	568,621	1,479,085	1,403,196	2,650,873	1,971,817
Infrastructure - roads	20,052,346	20,393,560	-	-	20,052,346	20,393,560
Infrastructure - sidewalks	2,225,201	1,810,012	-	-	2,225,201	1,810,012
Infrastructure - systems	-	-	26,328,072	26,163,547	26,328,072	26,163,547
Buildings	15,537,718	15,838,469	2,167	3,033	15,539,885	15,841,502
Improvements	2,011,604	1,283,559	-	-	2,011,604	1,283,559
Library collection	198,998	189,628	-	-	198,998	189,628
Equipment - vehicles	969,406	961,489	-	-	969,406	961,489
Equipment - miscellaneous	361,906	426,498	165,460	200,690	527,366	627,188
Total capital assets, net	\$ 44,771,972	\$ 43,714,841	\$27,986,286	\$27,781,968	\$ 72,758,258	\$ 71,496,809

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 \$27,442,706 is 5.29% of assessed value, and provides a legal debt margin of \$24,426,046. Net bonded debt per capita equaled \$892.

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

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

At year-end, the City had \$35,200,320 in installment debt outstanding versus \$37,596,332 last year, a decrease of 6.4 percent, as shown in the table below.

	Installment Debt					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds (backed by the City)	\$ 25,915,000	\$ 27,295,000	\$ 7,140,320	\$ 8,081,332	\$ 33,055,320	\$ 35,376,332
Capital lease	2,145,000	2,220,000	-	-	2,145,000	2,220,000
Total	\$ 28,060,000	\$ 29,515,000	\$ 7,140,320	\$ 8,081,332	\$ 35,200,320	\$ 37,596,332

At June 30, 2017, the 2012 street improvement refunding bonds, the 2015 street improvement refunding bonds, and the 2010 municipal complex bonds were the only outstanding governmental general obligation bonds. These bonds are paid by a tax levied on all taxpayers separate from the operating millage. A mill represents \$1 of tax for every \$1,000 of taxable value of real and personal property. The City's debt service levy in fiscal year 2016-2017 was 5.6500 mills. Requirements for general obligation bonds will decrease until all bonds are paid off in May 2036.

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

The District is borrowing funds through construction drawdowns to complete this project. As of June 30, 2017, the City is obligated to pay \$7,140,320. Due to the nature of draws, the exact obligation will be unknown until the project is complete or no other draws are made. Payments on these obligations continue until 2029, ranging from \$65,707 to \$1,054,343. The City will continue to monitor the sewer rates to ensure sufficient cashflow to repay this debt.

The City's general obligation Standard & Poor's Rating Service underlying bond rating was upgraded to be A+/Positive last year. The State limits the amount of general obligation debt that cities can issue to 10 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is below this \$51,868,752 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 an increase of .9% for fiscal year 2016-2017 and is expected to have a modest increase in the following year (4.3% expected for 2017-2018). This rebound in the economy is encouraging but will continue to present challenges in the near future. Service levels will continue to be adjusted to match annual revenues.

In November 2012, the voters approved the creation of an Act 345 retirement system for public safety employees. The approval comes with the ability to use a property tax levy to fund a portion of public safety retirement costs (previously paid by the general fund). The voters approved up to 7 mills to be assessed annually to be used for this purpose for a seven year period beginning in 2013-2014 fiscal year. In fiscal years 2015-2016 the full 7 mills was levied and 6.9636 mills were levied for fiscal year 2016-2017.

Overall net general bonded debt is moderate and continues to decline for the fourth year in a row, at \$892 per capita and 5.94% of actual taxable value of property.

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

The City's elected and appointed officials considered many factors when setting the fiscal year 2017-2018 budget including tax rates and fees to be charged for the business-type activities. One of those factors is the economy. Unemployment in the City now stands at 5.8 percent versus 14.2 percent a year ago. This compares with the State's unemployment rate of 4.3 percent and the national rate of 3.8 percent.

These indicators were taken into account when adopting the general fund budget for fiscal year 2017-2018. The fiscal year 2017-2018 budget was adopted in May 2017. Amounts available for appropriation in the general fund budget are \$20.35 million, an increase of 3.8% percent over the estimated fiscal year 2016-2017 amount of \$19.60 million. Property tax revenue is budgeted to increase slightly by 1.3%. Overall, revenues are expected to remain relatively flat. Budgeted expenditures are expected to increase, to \$20.57 million from \$19.59 million in fiscal year 2016-2017. The City has added no major new programs or initiatives to the fiscal year 2017-2018 budget.

The expense plan for the water and sewer fund for fiscal year 2017-2018 is \$12,617,748 an increase of \$.25 million from fiscal year 2016-2017. The plan includes an increase in water rates of 2.0% and an increase in sewer rates of 8.05%. This increase is necessary due to an increase in the wholesale water and sewage rates from Oakland County.

This plan includes expenses for the Twelve Towns Drainage District (known also as the George W. Kuhn Drain). Construction continues and ten bonds have been issued to pay for the costs. The City is responsible for 13.48% of the cost. Debt payments have been built into the budget and sewer rates increased to meet our obligations. The George W. Kuhn Drain debt payment will be \$1.0 million in fiscal year 2017-2018.

Contacting the City's Financial Management

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

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BASIC FINANCIAL STATEMENTS

CITY OF OAK PARK, MICHIGAN

Statement of Net Position

June 30, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 9,916,960	\$ 3,510,358	\$ 13,427,318	\$ 245,137
Receivables, net	2,602,381	3,240,302	5,842,683	-
Prepaid items	537,665	9	537,674	-
Capital assets not being depreciated	3,414,793	1,490,587	4,905,380	-
Capital assets being depreciated, net	41,357,179	26,495,699	67,852,878	-
Total assets	57,828,978	34,736,955	92,565,933	245,137
Deferred outflows of resources				
Deferred pension amounts	4,072,479	202,909	4,275,388	-
Deferred charge on refunding	180,548	-	180,548	-
Total deferred outflows of resources	4,253,027	202,909	4,455,936	-
Liabilities				
Accounts payable and accrued liabilities	2,884,882	1,345,637	4,230,519	226,486
Long-term debt:				
Due within one year	2,292,162	1,079,931	3,372,093	-
Due in more than one year	28,305,359	6,337,083	34,642,442	-
Net pension liability	45,646,973	6,964,780	52,611,753	-
Net other postemployment benefits	24,334,118	-	24,334,118	-
Total liabilities	103,463,494	15,727,431	119,190,925	226,486
Deferred inflows of resources				
Deferred pension amounts	1,637,864	-	1,637,864	-
Net position				
Net investment in capital assets	16,080,881	20,845,966	36,926,847	-
Restricted for:				
Debt service	400,299	-	400,299	-
Judicial	214,825	-	214,825	-
Public safety	77,351	-	77,351	-
Road maintenance and repair	1,406,017	-	1,406,017	-
Public works	1,150,919	-	1,150,919	-
Library	123,127	-	123,127	-
Unrestricted (deficit)	(62,472,772)	(1,633,533)	(64,106,305)	18,651
Total net position (deficit)	\$ (43,019,353)	\$ 19,212,433	\$ (23,806,920)	\$ 18,651

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

CITY OF OAK PARK, MICHIGAN

Statement of Activities

For the Year Ended June 30, 2017

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities:					
General government	\$ 4,078,708	\$ 3,436,647	\$ 31,205	\$ 422,628	\$ (188,228)
Judicial	2,000,064	178,908	152,554	-	(1,668,602)
Public safety	9,299,317	55,402	30,085	-	(9,213,830)
Road maintenance and repair	3,145,293	219,892	2,027,570	-	(897,831)
Public works	1,516,904	567,170	-	-	(949,734)
Health and sanitation	2,498,707	1,357,366	-	-	(1,141,341)
Culture and recreation	658,582	-	-	-	(658,582)
Library	821,249	25,386	84,726	-	(711,137)
Community development	444,575	-	126,583	-	(317,992)
Interest and fiscal charges	1,076,246	-	-	-	(1,076,246)
Total governmental activities	25,539,645	5,840,771	2,452,723	422,628	(16,823,523)
Business-type activities -					
Water and sewer	9,972,023	11,353,474	-	-	1,381,451
Total primary government	\$ 35,511,668	\$ 17,194,245	\$ 2,452,723	\$ 422,628	\$(15,442,072)
Component units					
Brownfield Authority	\$ 226,959	\$ -	\$ -	\$ -	\$ (226,959)

continued...

CITY OF OAK PARK, MICHIGAN

Statement of Activities

For the Year Ended June 30, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Change in net position				
Net (expense) revenue	\$ (16,823,523)	\$ 1,381,451	\$ (15,442,072)	\$ (226,959)
General revenues:				
Property taxes levied for:				
General purposes	14,635,369	-	14,635,369	233,561
Debt services	2,497,977	-	2,497,977	-
State shared revenues	3,329,476	-	3,329,476	-
Franchise fees	683,781	-	683,781	-
Investment earnings	102,322	25,044	127,366	65
Total general revenues	21,248,925	25,044	21,273,969	233,626
Change in net position	4,425,402	1,406,495	5,831,897	6,667
Net position (deficit), beginning of year	(47,444,755)	17,805,938	(29,638,817)	11,984
Net position (deficit), end of year	\$ (43,019,353)	\$ 19,212,433	\$ (23,806,920)	\$ 18,651

concluded.

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

CITY OF OAK PARK, MICHIGAN

Balance Sheet

Governmental Funds

June 30, 2017

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 3,670,638	\$ 5,998,897	\$ 9,669,535
Receivables:			
Taxes	4,829	-	4,829
Special assessments	9,655	853,945	863,600
Accounts	192,525	498,729	691,254
Due from other governments	568,538	474,160	1,042,698
Due from other funds	329,789	1,000	330,789
Prepaid items	440,141	461	440,602
Total assets	\$ 5,216,115	\$ 7,827,192	\$ 13,043,307
Liabilities			
Accounts payable	\$ 870,859	\$ 1,154,249	\$ 2,025,108
Accrued liabilities	467,638	148,997	616,635
Due to other funds	-	287,343	287,343
Total liabilities	1,338,497	1,590,589	2,929,086
Deferred inflows of resources			
Unavailable revenue	18,723	2,868	21,591
Unavailable revenue - property taxes	4,829	-	4,829
Unavailable revenue - special assessments	-	832,263	832,263
Unavailable revenue - grants	-	56,871	56,871
Total deferred inflows of resources	23,552	892,002	915,554
Fund balances			
Nonspendable	440,141	461	440,602
Restricted	-	3,632,049	3,632,049
Assigned	-	1,944,357	1,944,357
Unassigned (deficit)	3,413,925	(232,266)	3,181,659
Total fund balances	3,854,066	5,344,601	9,198,667
Total liabilities, deferred inflows of resources and fund balances	\$ 5,216,115	\$ 7,827,192	\$ 13,043,307

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

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CITY OF OAK PARK, MICHIGAN

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2017

Fund balances - total governmental funds \$ 9,198,667

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	3,414,793
Capital assets being depreciated, net	41,357,179
Less capital assets accounted for in internal service funds	(969,406)

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

Unavailable receivables	21,591
Unavailable property taxes receivable	4,829
Unavailable long-term special assessments receivable	832,263
Unavailable grants receivable	56,871

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

Net position of governmental activities accounted for in internal service funds	1,244,304
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Certain liabilities, such as bonds payable, are not due and payable
in the current period, and therefore are not reported in the funds.

Accrued interest on long-term debt	(216,995)
Bonds and capital leases payable	(28,060,000)
Unamortized bond premium	(854,155)
Accrued compensated absences	(1,683,366)
Net other postemployment benefit obligation	(24,334,118)
Unamortized deferred charge on refunding	180,548

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

Net pension liability	(45,646,973)
Deferred outflows related to the net pension liability	4,072,479
Deferred inflows related to the net pension liability	(1,637,864)

Net position (deficit) of governmental activities	<u>\$ (43,019,353)</u>
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The accompanying notes are an integral part of these basic financial statements.

CITY OF OAK PARK, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2017

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 12,724,183	\$ 4,514,956	\$ 17,239,139
Special assessments	-	531,443	531,443
Licenses and permits	516,630	-	516,630
Intergovernmental:			
Federal grants	14,455	534,756	549,211
State grants	3,368,732	2,224,871	5,593,603
Charges for services	546,315	1,547,997	2,094,312
Fines and forfeitures	1,742,209	244,153	1,986,362
Interest income	63,807	36,562	100,369
Other	1,129,931	278,441	1,408,372
Total revenues	20,106,262	9,913,179	30,019,441
Expenditures			
Current:			
General government	4,007,155	-	4,007,155
Judicial	-	2,099,767	2,099,767
Public safety	9,359,363	32,053	9,391,416
Road maintenance and repair	-	3,818,001	3,818,001
Public works	770,441	20,646	791,087
Health and sanitation	-	2,498,707	2,498,707
Culture and recreation	656,008	-	656,008
Library	-	827,630	827,630
Community development	154,129	366,468	520,597
Nondepartmental costs	3,069,226	-	3,069,226
Debt service:			
Principal	-	1,455,000	1,455,000
Interest and fiscal charges	-	1,022,022	1,022,022
Capital outlay and construction	-	810,006	810,006
Total expenditures	18,016,322	12,950,300	30,966,622
Revenues over (under) expenditures	2,089,940	(3,037,121)	(947,181)
Other financing sources (uses)			
Transfers in	-	2,125,068	2,125,068
Transfers out	(1,915,068)	(210,000)	(2,125,068)
Total other financing sources (uses)	(1,915,068)	1,915,068	-
Net change in fund balances	174,872	(1,122,053)	(947,181)
Fund balances, beginning of year	3,679,194	6,466,654	10,145,848
Fund balances, end of year	\$ 3,854,066	\$ 5,344,601	\$ 9,198,667

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

CITY OF OAK PARK, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended June 30, 2017

Net change in fund balances - total governmental funds \$ (947,181)

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

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

Capital assets purchased / constructed	3,725,388
Depreciation expense	(2,676,174)

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

Net change in deferred inflows for long-term special assessments receivable	(105,793)
Net change in deferred inflows for grants receivable	49,446

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	1,455,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in accrued interest payable on long-term debt	(41,328)
Amortization of deferred charge on refunding	(12,896)
Change in net pension liability and related deferred amounts	3,219,466
Change in net other postemployment benefit obligation	(85,796)
Change in the accrual for compensated absences	(96,494)

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

Operating loss from governmental activities in internal service funds	(60,189)
Interest income from internal service funds	1,953

Change in net position of governmental activities	<u>\$ 4,425,402</u>
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The accompanying notes are an integral part of these basic financial statements.

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CITY OF OAK PARK, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 12,003,800	\$ 12,521,041	\$ 12,724,183	\$ 203,142
Licenses and permits	464,225	486,061	516,630	30,569
Intergovernmental:				
Federal grants	-	13,386	14,455	1,069
State grants	3,212,629	3,243,834	3,368,732	124,898
Charges for services	602,350	520,652	546,315	25,663
Fines and forfeitures	1,930,000	1,687,710	1,742,209	54,499
Interest income	33,628	16,678	63,807	47,129
Other	1,114,030	1,110,335	1,129,931	19,596
Total revenues	19,360,662	19,599,697	20,106,262	506,565
Expenditures				
Current:				
General government:				
City council	46,140	48,730	47,987	(743)
City manager	326,267	361,588	350,672	(10,916)
Human resources	235,936	254,130	244,459	(9,671)
Information technology	349,655	301,987	288,778	(13,209)
City attorney	293,000	294,265	319,707	25,442
Prosecuting attorney	62,400	63,600	63,600	-
City clerk	392,349	327,826	333,021	5,195
Finance and administrative services	903,804	892,363	932,243	39,880
Public information	171,753	224,242	228,853	4,611
Technical and planning services	1,261,768	1,940,808	1,884,735	(56,073)
Less reimbursements from other funds for finance and administrative services	(687,300)	(686,900)	(686,900)	-
Public safety	8,920,649	9,182,804	9,359,363	176,559
Public works	867,514	629,623	770,441	140,818
Culture and recreation	571,226	635,483	656,008	20,525
Community development	175,460	172,600	154,129	(18,471)
Nondepartmental costs	3,327,231	2,854,077	3,069,226	215,149
Total expenditures	17,217,852	17,497,226	18,016,322	519,096
Revenues over expenditures	2,142,810	2,102,471	2,089,940	(12,531)
Other financing uses				
Transfers out	(2,142,810)	(2,091,810)	(1,915,068)	(176,742)
Net change in fund balances	-	10,661	174,872	164,211
Fund balances, beginning of year	3,679,194	3,679,194	3,679,194	-
Fund balances, end of year	\$ 3,679,194	\$ 3,689,855	\$ 3,854,066	\$ 164,211

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

CITY OF OAK PARK, MICHIGAN

Statement of Net Position

Proprietary Funds

June 30, 2017

	Business-type Activities	Governmental Activities
	Water and Sewer Enterprise Fund	Internal Service Funds
Assets		
Current assets:		
Cash and investments	\$ 3,510,358	\$ 247,425
Receivables:		
Accounts	3,095,027	-
Due from other governments	145,275	-
Prepaid items	9	97,063
Total current assets	<u>6,750,669</u>	<u>344,488</u>
Noncurrent assets:		
Capital assets not being depreciated	1,490,587	-
Capital assets being depreciated, net	<u>26,495,699</u>	<u>969,406</u>
Total noncurrent assets	<u>27,986,286</u>	<u>969,406</u>
Total assets	<u>34,736,955</u>	<u>1,313,894</u>
Deferred outflows of resources		
Deferred pension amounts	<u>202,909</u>	<u>-</u>
Liabilities		
Current liabilities:		
Accounts payable	1,251,970	25,161
Accrued liabilities	93,667	983
Due to other funds	-	43,446
Current portion of long-term debt	<u>1,079,931</u>	<u>-</u>
Total current liabilities	<u>2,425,568</u>	<u>69,590</u>
Noncurrent liabilities, net of current portion:		
Accrued compensated absences	160,694	-
Bonds payable	6,176,389	-
Net pension liability	<u>6,964,780</u>	<u>-</u>
Total noncurrent liabilities	<u>13,301,863</u>	<u>-</u>
Total liabilities	<u>15,727,431</u>	<u>69,590</u>
Net position		
Net investment in capital assets	20,845,966	969,406
Unrestricted (deficit)	<u>(1,633,533)</u>	<u>274,898</u>
Total net position	<u>\$ 19,212,433</u>	<u>\$ 1,244,304</u>

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

CITY OF OAK PARK, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2017

	Business-type Activities	Governmental Activities
	Water and Sewer Enterprise Fund	Internal Service Funds
Operating revenues		
Charges for services	\$ 11,220,177	\$ 1,300,754
Fines and forfeitures	-	189,996
Miscellaneous	133,297	87,392
Total operating revenues	11,353,474	1,578,142
Operating expenses		
Gasoline	-	131,692
Professional services	-	86,935
Supplies	-	165,296
Water	1,256,814	-
Sewage treatment	5,643,355	-
Transmission and distribution	827,999	-
Maintenance and operation	619,185	-
Customer accounting and collection	215,119	-
General and administration	440,544	-
Depreciation	779,572	129,388
Wages and benefits	-	68,930
Insurance	-	1,056,090
Total operating expenses	9,782,588	1,638,331
Operating income (loss)	1,570,886	(60,189)
Nonoperating revenues (expenses)		
Interest income	25,044	1,953
Debt service -		
Interest expense	(189,435)	-
Total nonoperating revenues (expenses)	(164,391)	1,953
Change in net position	1,406,495	(58,236)
Net position, beginning of year	17,805,938	1,302,540
Net position, end of year	\$ 19,212,433	\$ 1,244,304

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

CITY OF OAK PARK, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2017

	Business-type Activities	Governmental Activities
	Water and Sewer Enterprise Fund	Internal Service Funds
Cash flows from operating activities		
Receipts from customers	\$ 11,671,809	\$ -
Receipts from interfund services	-	1,300,754
Miscellaneous receipts	-	277,388
Payments to suppliers	(7,827,083)	(737,498)
Payments to employees	(1,495,705)	(754,700)
	<u>2,349,021</u>	<u>85,944</u>
Net cash provided by operating activities		
Cash flows from capital and related financing activities		
Purchases of capital assets	(983,890)	(137,305)
Principal paid on long-term debt	(941,012)	-
Interest paid on long-term debt	(189,435)	-
	<u>(2,114,337)</u>	<u>(137,305)</u>
Net cash used in capital and related financing activities		
Cash flows from investing activities		
Interest and dividends	<u>25,044</u>	<u>3,508</u>
Net change in cash and investments	259,728	(47,853)
Cash and investments, beginning of year	<u>3,250,630</u>	<u>295,278</u>
Cash and investments, end of year	<u>\$ 3,510,358</u>	<u>\$ 247,425</u>

continued...

CITY OF OAK PARK, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2017

	Business-type Activities	Governmental Activities
	Water and Sewer Enterprise Fund	Internal Service Funds
Reconciliation of operating loss to net cash provided by operating activities:		
Operating income (loss)	\$ 1,570,886	\$ (60,189)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	779,572	129,388
Change in assets and liabilities:		
Accounts receivable	383,259	-
Due from other governments	(64,924)	-
Prepaid items	3	(13,612)
Accounts payable	290,386	(10,382)
Accrued liabilities	656	(411)
Due to other funds	-	43,446
Accrued compensated absences	(10,676)	(2,296)
Net pension liability and other related amounts	(600,141)	-
Net cash provided by operating activities	<u>\$ 2,349,021</u>	<u>\$ 85,944</u>

concluded.

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

CITY OF OAK PARK, MICHIGAN

Statement of Fiduciary Net Position

June 30, 2017

	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 2,862,310	\$ 585,834
Due from other governments	68,852	-
Investments, at fair value:		
Equity mutual funds	36,043,002	-
Fixed income mutual funds	24,446,358	-
Money market accounts	138,575	-
	<hr/>	<hr/>
Total assets	63,559,097	\$ 585,834
	<hr/>	<hr/>
Liabilities		
Accounts payable	689,331	\$ -
Undistributed receipts	-	585,834
	<hr/>	<hr/>
Total liabilities	689,331	\$ 585,834
	<hr/>	<hr/>
Net position		
Restricted for pension and other postemployment benefits	\$ 62,869,766	
	<hr/>	

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

CITY OF OAK PARK, MICHIGAN

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2017

	Pension and Other Employee Benefit Trust Funds
Additions	
Contributions:	
Employer	\$ 6,831,275
Plan members	373,786
Total contributions	<u>7,205,061</u>
Investment income:	
Net change in fair value of investments	5,430,167
Interest	38,572
Dividends	1,149,842
Total investment income	<u>6,618,581</u>
Less: investment management expense	<u>(241,013)</u>
Net investment income	<u>6,377,568</u>
Total additions	<u>13,582,629</u>
Deductions	
Benefits	10,619,307
Refunds and administration	30,484
Total deductions	<u>10,649,791</u>
Change in net position	2,932,838
Net position, beginning of year	<u>59,936,928</u>
Net position, end of year	<u>\$ 62,869,766</u>

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

CITY OF OAK PARK, MICHIGAN

Combining Statement of Net Position

Discretely Presented Component Units

June 30, 2017

	Economic Development Corporation	Brownfield Authority	Total Component Units
Assets			
Cash and investments	\$ 12,049	\$ 233,088	\$ 245,137
Liabilities			
Accounts payable	-	226,486	226,486
Net position			
Unrestricted	<u>\$ 12,049</u>	<u>\$ 6,602</u>	<u>\$ 18,651</u>

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

CITY OF OAK PARK, MICHIGAN

Combining Statement of Activities

Discretely Presented Component Units
For the Year Ended June 30, 2017

	Economic Development Corporation	Brownfield Authority	Total Component Units
Expenses			
Community development	\$ -	\$ 226,959	\$ 226,959
General revenues			
Property taxes	-	233,561	233,561
Investment earnings	65	-	65
Total general revenues	65	233,561	233,626
Changes in net position	65	6,602	6,667
Net position, beginning of year	11,984	-	11,984
Net position, end of year	\$ 12,049	\$ 6,602	\$ 18,651

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

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NOTES TO FINANCIAL STATEMENTS

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

Blended Component Unit

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

Discretely Presented Component Units

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

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

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

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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

The City reports the following major governmental fund -

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

The City reports the following major enterprise fund -

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

In addition the City reports the following governmental fund types:

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

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

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

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

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

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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.

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

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

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

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

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

Deposits and Investments

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

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

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Interfund Receivables and Payables

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

Prepaid Items

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

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

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

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

The estimated useful lives are as follows:

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

Deferred Outflows of Resources

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

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.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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.

Compensated Absences

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

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 for deferred pension amounts.

Pensions

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

CITY OF OAK PARK, MICHIGAN

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 and deficits from other governmental funds.

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

Statements of Cash Flows

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

Use of Estimates

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

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

2. COMPLIANCE INFORMATION

Budgetary Data

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

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

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

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

Encumbrances

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

3. EXCESS OF EXPENDITURES OVER BUDGET AND FUND BALANCE DEFICITS

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

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

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

During the year ended June 30, 2017, the City incurred expenditures in certain budgetary funds, which were in excess of amounts appropriated, as follows:

	Final Budget	Actual	Actual Over Budget
General fund			
Current:			
General government:			
City attorney	\$ 294,265	\$ 319,707	\$ 25,442
City clerk	327,826	333,021	5,195
Finance and administrative services	892,363	932,243	39,880
Public information	224,242	228,853	4,611
Public safety	9,182,804	9,359,363	176,559
Public works	629,623	770,441	140,818
Culture and recreation	635,483	656,008	20,525
Nondepartmental costs	2,854,077	3,069,226	215,149
Nonmajor governmental funds			
Local Streets fund -			
Road maintenance and repair	1,386,766	1,564,933	178,167
Criminal Justice Training fund -			
Public safety	9,629	12,689	3,060
Community Development Block Grant fund -			
Community development	78,707	98,045	19,338
Caseflow Assistance fund -			
Judicial	-	5,976	5,976
Veterans Treatment Court Grant fund -			
Judicial	44,101	44,418	317
Library fund -			
Library	824,254	827,630	3,376
Mental Health Court Grant fund -			
Judicial	2,976	4,894	1,918

At year end, the City reported fund balance deficits in certain nonmajor special revenue funds, as noted below. The governmental fund deficits resulted from unavailable grant revenues or special assessments. The internal service fund deficit resulted from timing differences related to insurance payments.

Nonmajor governmental funds:	
Community Development Block Grant fund	\$ (1,801)
Neighborhood Stabilization Program fund	(31,138)
45th District Court fund	(51,753)
Mental Health Court Grant fund	(2,054)
Sidewalk Program fund	(145,515)
Internal service fund -	
Retirees Health Care Court fund	(43,110)

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

4. BUILDING PERMITS AND RELATED COSTS

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

	Prior Years	2017	Total
Revenue	\$ 999,470	\$ 169,886	\$ 1,169,356
Expenditures	(1,270,838)	(244,636)	(1,515,474)
Shortfall at June 30	<u>\$ (271,368)</u>	<u>\$ (74,750)</u>	<u>\$ (346,118)</u>

5. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of June 30, 2017:

	Primary Government	Component Units	Totals
Statement of net position			
Cash and investments	\$ 13,427,318	\$ 245,137	\$ 13,672,455
Statement of fiduciary net position			
Pension and other employee benefit trust funds:			
Cash and cash equivalents	2,862,310	-	2,862,310
Investments	60,627,935	-	60,627,935
Agency funds -			
Cash and cash equivalents	<u>585,834</u>	<u>-</u>	<u>585,834</u>
Total	<u>\$ 77,503,397</u>	<u>\$ 245,137</u>	<u>\$ 77,748,534</u>
Deposits and investments			
Bank deposits -			
Checking, savings accounts and certificates of deposit			\$ 3,308,121
Treasurer's investments			13,807,375
Pension and other employee benefit trust funds investments			60,627,935
Cash on hand			<u>5,103</u>
Total			<u>\$ 77,748,534</u>

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. State law does not require and the City does not have a policy for deposit custodial credit risk. As of year-end, \$2,860,743 of the City's bank balance of \$3,253,056 (book balance of \$3,308,121) was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

Investments

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

Following is a summary of the City's investments as of June 30, 2017:

U.S. agencies	\$ 159,510
Municipal bonds	7,631,769
Commercial paper	999,310
Oakland County Investment Pool	<u>5,016,786</u>
Total	<u>\$ 13,807,375</u>

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

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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

Rating		Amount
Moody's	S&P	
AAA	AA+	\$ 159,510
AA1	N/A	2,622,307
AA3	N/A	510,025
A2	AA	445,452
N/A	AA	348,413
N/A	AA-	3,415,141
Not rated	Not rated	6,306,527
		<u>\$ 13,807,375</u>

Concentration of Credit Risk. At June 30, 2017, the investment portfolio was concentrated as follows:

Investment Type	Issuer	% of Portfolio
Municipal bond	MI Finance Authority	5.18%
Municipal bond	Reeths-Puffer Schools	5.78%
Municipal bond	Williamston Community Schools	12.85%
Municipal bond	Ypsilanti School District	11.55%

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

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

	Fair Value	Investment Maturities (fair value by years)		
		Less Than 1	1-5	6-10
U.S. agencies	\$ 159,510	\$ -	\$ 159,510	\$ -
Municipal bonds	7,631,769	959,930	6,175,589	496,250
Commercial paper	999,310	999,310	-	-
	<u>\$ 8,790,589</u>	<u>\$ 1,959,240</u>	<u>\$ 6,335,099</u>	<u>\$ 496,250</u>

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

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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

The City had the following recurring fair value measurements as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
U.S. agencies	\$ 159,510	\$ -	\$ -	\$ 159,510
Municipal bonds	-	7,631,769	-	7,631,769
Commercial paper	-	999,310	-	999,310
	<u>\$ 159,510</u>	<u>\$ 8,631,079</u>	<u>\$ -</u>	<u>\$ 8,790,589</u>

Pension and Other Employee Benefits Trust Fund Investments

Following is a summary of the pension and other employee benefits trust funds investments at fair value as of June 30, 2017:

Investment Type	Amount
Equity mutual funds	\$ 36,043,002
Fixed income mutual funds	24,446,358
Money market accounts	<u>138,575</u>
Total investments	<u>\$ 60,627,935</u>

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

Mutual funds and money market accounts are not subject to credit rating or interest rate risk disclosures.

Fair Value Measurements. The pension and other employee benefits trust funds categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

The pension and other employee benefits trust funds had the following recurring fair value measurements as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
Equity mutual funds	\$ 35,296,352	\$ 746,650	\$ -	\$ 36,043,002
Fixed income mutual funds	24,446,358	-	-	24,446,358
Money market accounts	138,575	-	-	138,575
Total investments	<u>\$ 59,881,285</u>	<u>\$ 746,650</u>	<u>\$ -</u>	<u>\$ 60,627,935</u>

6. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts receivable	\$ 691,254	\$ 3,134,008
Allowance for uncollectible amounts	-	(38,981)
Special assessments receivable	863,600	-
Taxes receivable	4,829	-
Due from other governments	1,042,698	145,275
	<u>\$ 2,602,381</u>	<u>\$ 3,240,302</u>

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

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts payable	\$ 2,050,269	\$ 1,251,970
Accrued liabilities	617,618	93,667
Accrued Interest payable	216,995	-
	<u>\$ 2,884,882</u>	<u>\$ 1,345,637</u>

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

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

	Due from Other Funds	Due to Other Funds
General fund	\$ 329,789	\$ -
Nonmajor governmental funds	1,000	287,343
Internal service fund	-	43,446
	<u>\$ 330,789</u>	<u>\$ 330,789</u>

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

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

Transfers Out	Transfers in		
	Nonmajor Governmental Funds	Water and Sewer Enterprise Fund	Total
General fund	\$ 1,915,068	\$ -	\$ 1,915,068
Nonmajor governmental funds	210,000	-	210,000
	<u>\$ 2,125,068</u>	<u>\$ -</u>	<u>\$ 2,125,068</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

9. CAPITAL ASSETS

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

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 1,642,187	\$ -	\$ -	\$ -	\$ 1,642,187
Rights-of-way	600,818	-	-	-	600,818
Work in progress	568,621	603,167	-	-	1,171,788
	<u>2,811,626</u>	<u>603,167</u>	<u>-</u>	<u>-</u>	<u>3,414,793</u>
Capital assets being depreciated:					
Infrastructure - roads	103,448,790	1,407,695	-	-	104,856,485
Infrastructure - sidewalks	5,095,064	631,073	-	-	5,726,137
Buildings	19,524,621	110,054	-	-	19,634,675
Improvements	2,943,855	881,555	-	-	3,825,410
Library collection	543,531	46,981	(4,698)	-	585,814
Vehicles and equipment	4,158,506	137,305	-	-	4,295,811
Other equipment	1,801,736	44,863	-	-	1,846,599
	<u>137,516,103</u>	<u>3,259,526</u>	<u>(4,698)</u>	<u>-</u>	<u>140,770,931</u>
Less accumulated depreciation for:					
Infrastructure - roads	(83,055,230)	(1,748,909)	-	-	(84,804,139)
Infrastructure - sidewalks	(3,285,052)	(215,884)	-	-	(3,500,936)
Buildings	(3,686,152)	(410,805)	-	-	(4,096,957)
Improvements	(1,660,296)	(153,510)	-	-	(1,813,806)
Library collection	(353,903)	(37,611)	4,698	-	(386,816)
Vehicles and equipment	(3,197,017)	(129,388)	-	-	(3,326,405)
Other equipment	(1,375,238)	(109,455)	-	-	(1,484,693)
	<u>(96,612,888)</u>	<u>(2,805,562)</u>	<u>4,698</u>	<u>-</u>	<u>(99,413,752)</u>
Total capital assets being depreciated, net	<u>40,903,215</u>	<u>453,964</u>	<u>-</u>	<u>-</u>	<u>41,357,179</u>
Governmental activities					
capital assets, net	<u>\$ 43,714,841</u>	<u>\$ 1,057,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,771,972</u>

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 11,502	\$ -	\$ -	\$ -	\$ 11,502
Work in progress	1,403,196	75,889	-	-	1,479,085
	<u>1,414,698</u>	<u>75,889</u>	<u>-</u>	<u>-</u>	<u>1,490,587</u>
Capital assets being depreciated:					
Buildings	86,500	-	-	-	86,500
Garage	24,564	-	-	-	24,564
Vehicles and equipment	1,182,310	33,936	-	-	1,216,246
Water system	13,173,790	674,763	-	-	13,848,553
Water - hydrants	560,836	-	-	-	560,836
Water - tanks	166,833	-	-	-	166,833
Water - pump station	1,074,290	-	-	-	1,074,290
Water - master meter	27,514	-	-	-	27,514
Water - reservoir	852,719	-	-	-	852,719
Water - reservoir pump	677,557	-	-	-	677,557
Sewer system	19,990,884	199,302	-	-	20,190,186
	<u>37,817,797</u>	<u>908,001</u>	<u>-</u>	<u>-</u>	<u>38,725,798</u>
Less accumulated depreciation for:					
Buildings	(83,467)	(866)	-	-	(84,333)
Garage	(24,564)	-	-	-	(24,564)
Vehicles and equipment	(981,620)	(69,166)	-	-	(1,050,786)
Water system	(4,493,523)	(155,867)	-	-	(4,649,390)
Water - hydrants	(435,094)	(5,548)	-	-	(440,642)
Water - tanks	(166,833)	-	-	-	(166,833)
Water - pump station	(921,839)	(14,329)	-	-	(936,168)
Water - master meter	(22,012)	(343)	-	-	(22,355)
Water - reservoir	(546,669)	(9,277)	-	-	(555,946)
Water - reservoir pump	(322,167)	(18,428)	-	-	(340,595)
Sewer system	(3,452,739)	(505,748)	-	-	(3,958,487)
	<u>(11,450,527)</u>	<u>(779,572)</u>	<u>-</u>	<u>-</u>	<u>(12,230,099)</u>
Total capital assets being depreciated, net	<u>26,367,270</u>	<u>128,429</u>	<u>-</u>	<u>-</u>	<u>26,495,699</u>
Business-type activities					
capital assets, net	<u>\$ 27,781,968</u>	<u>\$ 204,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,986,286</u>

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Depreciation expense was charged to governmental activities functions as follows:

General government	\$ 673,770
Road maintenance and repair	1,964,793
Library	37,611
Internal service funds	<u>129,388</u>
Total governmental activities	<u>\$ 2,805,562</u>

10. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2017:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds					
2012 Refunding Street Improvement, installments of \$520,000 to \$660,000 through May 1, 2028, interest at 2.0 to 3.0%	\$ 7,520,000	\$ -	\$ (590,000)	\$ 6,930,000	\$ 590,000
2015 Refunding Bond, installments of \$415,000 to \$755,000 through May 1, 2030, interest at 4.0%	7,825,000	-	(415,000)	7,410,000	430,000
2010 Municipal Complex, installments of \$50,000 to \$925,000 through May 1, 2036, interest at 2.5 to 7.0%	<u>11,950,000</u>	<u>-</u>	<u>(375,000)</u>	<u>11,575,000</u>	<u>400,000</u>
Total governmental activities bonds	27,295,000	-	(1,380,000)	25,915,000	1,420,000
Unamortized premium					
2012 G.O.	120,435	-	(10,036)	110,399	10,036
2015 G.O.	796,882	-	(53,126)	743,756	53,126
Capital lease	2,220,000	-	(75,000)	2,145,000	75,000
Compensated absences	<u>1,589,168</u>	<u>827,805</u>	<u>(733,607)</u>	<u>1,683,366</u>	<u>734,000</u>
Total governmental activities	<u>\$ 32,021,485</u>	<u>\$ 827,805</u>	<u>\$ (2,251,769)</u>	<u>\$ 30,597,521</u>	<u>\$ 2,292,162</u>

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Business-type activities					
Limited tax general obligation bonds George W. Kuhn Drain installments of \$65,707 to \$1,054,343 through April 1, 2029, interest at 1.625% to 2.5%	\$ 8,081,332	\$ -	\$ (941,012)	\$ 7,140,320	\$ 963,931
Compensated absences	287,370	104,846	(115,522)	276,694	116,000
Total business-type activities	<u>\$ 8,368,702</u>	<u>\$ 104,846</u>	<u>\$ (1,056,534)</u>	<u>\$ 7,417,014</u>	<u>\$ 1,079,931</u>

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

Year Ended June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 1,495,000	\$ 955,622	\$ 963,931	\$ 172,276
2019	1,540,000	913,685	983,501	149,080
2020	1,580,000	870,365	1,006,431	125,394
2021	1,620,000	825,293	1,029,370	101,145
2022	1,675,000	775,642	1,054,343	76,339
2023-2027	9,210,000	3,044,008	1,959,012	102,715
2028-2032	6,810,000	1,470,730	143,732	5,116
2033-2037	4,130,000	419,522	-	-
	<u>\$ 28,060,000</u>	<u>\$ 9,274,867</u>	<u>\$ 7,140,320</u>	<u>\$ 732,065</u>

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

The City is a participating community in the George W. Kuhn drain project. The project is administered by the Oakland County Drain Commission and financed through the sale of drain bonds, a State of Michigan revolving loan fund, federal and state grants, and contributions from Oakland County. The City along with 13 other local communities are obligated for payment of principal and interest of the outstanding debt. It is currently anticipated that the City's total obligation at the end of construction will be approximately \$15.6 million with an interest rate ranging from 1.625% to 2.5%. As of June 30, 2017, the City's outstanding obligation is approximately \$7.14 million and incurred interest expense of \$41,721 for the year then ended. Due to the current construction of the project, the sale of drain bonds and draws from the revolving fund are being incurred on an as needed basis and thus an accurate schedule of principal and interest payments cannot be determined at this time.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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 2016 tax levy are as follows:

Real property	\$ 409,607,560
Personal property	<u>30,565,350</u>
Total	<u>\$ 440,172,910</u>

For the current fiscal year, the City levied 19.8959 mills for general governmental services, 1.4836 mills for library services, 6.9636 mills for public safety pension (Public Act 345), 2.9377 mills for solid waste, and 5.6500 mills for long-term debt retirement.

13. TAX ABATEMENTS

The City received reduced property tax revenues during fiscal year 2017 as a result of industrial facilities tax exemptions (IFT's) agreements.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the City. The abatements amounted to approximately \$88,900 in reduced City tax revenues for fiscal year 2017.

14. DEFINED BENEFIT PENSION PLANS

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

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

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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

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

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

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

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

Plans membership. Membership of the plans consisted of the following at June 30, 2016, the date of the latest actuarial valuation for each plan:

	General	Public Safety
Retirees and beneficiaries currently receiving benefits	152	99
Inactive employees entitled to benefits	18	8
Active employees	29	49
DROP participants	-	1
Total	<u>199</u>	<u>157</u>

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.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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 2017 by the City is 74.15% of annual covered payroll for ERS members and 55.52% of annual covered payroll for PS members.

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

Net pension liability. The City's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 (rolled forward to June 30, 2017).

Actuarial assumptions. The total pension liability was determined by respective actuarial valuations as of June 30, 2016 (and rolled forward to June 30, 2017), using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	varied
Investment rate of return	8.0 percent, net of pension plan investment expense, including inflation
Mortality rate	RP-2000 Combined Table

The actuarial assumptions used in the June 30, 2016 valuations were based on the results of an actuarial experience study for the period April 2013 through March 2014.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

The long-term expected rate of return on pension plan investments (for both ERS and PS) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 (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
ERS		
Equities	56%	
Fixed income	44%	
	<u>100%</u>	8.0%
PS		
Equities	60%	
Fixed income	40%	
	<u>100%</u>	8.0%

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

Discount rate. A single discount rate of 6.77% for ERS and 7.52% for PS was used to measure the respective total pension liabilities. The respective single discount rates were based on an expected rate of return on pension plan investments of 8.0% and a municipal bond rate of 3.58%. The projection of cash flows used to determine the respective single discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the ERS and PS's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2041 and 2059, respectively. As a result, the long-term expected rate of return on system investments was applied to projected benefit payments through the year 2041 or 2059, as applicable, and the municipal bond rate was applied to all benefit payments after that date.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<i>Employees' Retirement System</i>			
Balances at June 30, 2016	\$ 43,775,238	\$ 18,947,390	24,827,848
Changes for the year:			
Service cost	325,140	-	325,140
Interest	2,563,114	-	2,563,114
Differences between expected and actual experience	(56,941)	-	(56,941)
Changes in assumptions	(2,789,126)	-	(2,789,126)
Employer contributions	-	1,338,260	(1,338,260)
Employee contributions	-	48,211	(48,211)
Net investment income (loss)	-	2,053,473	(2,053,473)
Benefit payments, including refunds of employee contributions	(3,081,680)	(3,081,680)	-
Net changes	(3,039,493)	358,264	(3,397,757)
Balances at June 30, 2017	\$ 40,735,745	\$ 19,305,654	\$ 21,430,091
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<i>Public Safety Employees' Retirement System</i>			
Balances at June 30, 2016	\$ 72,439,724	\$ 38,002,923	\$ 34,436,801
Changes for the year:			
Service cost	1,116,227	-	1,116,227
Interest	4,968,550	-	4,968,550
Differences between expected and actual experience	(251,605)	-	(251,605)
Changes in assumptions	(2,189,134)	-	(2,189,134)
Employer contributions	-	2,387,270	(2,387,270)
Employee contributions	-	325,575	(325,575)
Net investment income (loss)	-	4,198,316	(4,198,316)
Benefit payments, including refunds of employee contributions	(4,431,882)	(4,431,882)	-
Administrative expense	-	(11,984)	11,984
Net changes	(787,844)	2,467,295	(3,255,139)
Balances at June 30, 2017	\$ 71,651,880	\$ 40,470,218	\$ 31,181,662

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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, 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 or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount	1% Increase
Interest rates			
ERS	5.77%	6.77%	7.77%
PS	6.52%	7.52%	8.52%
City's net pension liability			
ERS	\$ 25,412,051	\$ 21,430,091	\$ 18,027,462
PS	38,988,613	31,181,662	24,606,639
Totals	<u>\$ 64,400,664</u>	<u>\$ 52,611,753</u>	<u>\$ 42,634,101</u>

Pension expense and deferred outflows of resources related to pensions. For the year ended June 30, 2017, the City recognized a reduction in pension expense of \$508,324 and \$962,780, respectively, for the ERS and PS systems, respectively. At June 30, 2017, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Employees' Retirement System</i>		
Net difference between projected and actual earnings on pension plan investments	\$ 624,334	\$ -
<i>Public Safety Employees' Retirement System</i>		
Difference between expected and actual experience	704,467	168,840
Changes in assumptions	1,184,245	1,469,024
Net difference between projected and actual earnings on pension plan investments	<u>1,762,342</u>	<u>-</u>
	<u>3,651,054</u>	<u>1,637,864</u>
Total	<u>\$ 4,275,388</u>	<u>\$ 1,637,864</u>

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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

Year Ended June 30,	Outflows Amortization	Inflows Amortization
2018	\$ 3,053,714	\$ 802,875
2019	1,165,003	802,875
2020	503,408	32,114
2021	(446,737)	-
	<u>\$ 4,275,388</u>	<u>\$ 1,637,864</u>

15. 45th DISTRICT COURT PENSION PLANS

The 45th District Court's defined contribution plan, 457 plan and health savings plan are held in trust. 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, 2017 was \$58,375. The defined contribution pension cost to the employees was \$26,062. Contributions to the plan are recognized when due and payable. Plan provisions and contribution rates are established and may be amended by resolution of the City Council. Unvested benefits forfeited by employees who leave employment early are redistributed to active participants.

16. DEFINED CONTRIBUTION PENSION PLAN

The City of Oak Park defined contribution pension plan provides retirement benefits to general employees hired after August 1, 2004 and employees belonging to the AFSCME union hired after July 1, 2006. The City contributes 7.5% of covered payroll and will match an employee's voluntary contribution up to 3% of covered payroll. Plan provisions and contribution requirements are established by City Council. Total contributions for the year ended June 30, 2017 were \$61,317 by employees and \$229,910 by the City.

17. POSTEMPLOYMENT HEALTH BENEFITS

General Information about the Plan

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.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Currently 193 general, 148 public safety and 34 district court retirees and surviving spouses are receiving benefits. Additionally, there are 28 general, 39 public safety, and 8 district court active members. 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%

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.

Employer Disclosures under GASB Statement 45

The funding status of the plan as of June 30, 2016, the date of most recent actuarial valuation, was as follows:

	General Employees	Public Safety Employees
Actuarial accrued liability (AAL)	\$ 27,943,556	\$ 29,840,965
Actuarial value of assets	1,118,254	1,868,361
Unfunded actuarial accrued liability (UAAL)	<u>\$ 26,825,302</u>	<u>\$ 27,972,604</u>
Funded ratio	<u>4.0%</u>	<u>6.3%</u>
Covered payroll	<u>\$ 1,705,252</u>	<u>\$ 3,842,496</u>
UAAL as a percentage of covered payroll	<u>1573.1%</u>	<u>728.0%</u>

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.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

The funding status of the court plan as of June 30, 2016, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 4,737,968
Actuarial value of assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 4,737,968</u>
Funded ratio	<u>0.0%</u>
Covered payroll	<u>\$ 400,000</u>
UAAL as a percentage of covered payroll	<u>1184.5%</u>

In the June 30, 2016, 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 7.0% initially, reduced by decrements to an ultimate rate of 4.0% after six years. Both rates include a 4.0% 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, 2016 was 27 years. The annual required contribution for fiscal 2017 is \$3,522,639 for the general and public safety plan and \$304,296 for the district court plan.

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 48 plan members at June 30, 2017. 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, 2017 were \$61,193.

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, 2017, expenditures for general and public safety retirees of \$2,986,541 were recognized for retiree health insurance premiums. Retiree dental insurance premium payments of \$119,204 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 \$388,101 were recognized for employees of the district court. This expense was funded in part by court contributions of \$154,655 to this fund and the \$10 charge on tickets totaling \$189,996.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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 Public Safety	District Court
Annual required contribution	\$ 3,522,639	\$ 304,296
Interest on net OPEB obligation	965,861	125,313
Adjustment to annual required contribution	(1,184,754)	(153,713)
Annual OPEB cost	3,303,746	275,896
Contribution made	(3,105,745)	(388,101)
Increase in net OPEB obligation	198,001	(112,205)
Net OPEB obligation, beginning of year	21,463,582	2,784,740
Net OPEB obligation, end of year	<u>\$ 21,661,583</u>	<u>\$ 2,672,535</u>

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 OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 4,171,402	71.1%	\$ 21,602,596
2016	4,127,403	103.4%	21,463,582
2017	3,303,746	94.0%	21,661,583

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			
Years Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 362,685	68.8%	\$ 2,893,814
2016	356,842	130.6%	2,784,740
2017	275,896	140.7%	2,672,535

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Plan Disclosures under GASB Statement 74

Net OPEB Liability of the City. The components of the net OPEB liability of the City at June 30, 2017, were as follows:

	General	Public Safety	Total
Total OPEB liability	\$ 39,957,630	\$ 37,656,846	\$ 77,614,476
Plan fiduciary net position	1,158,422	1,935,472	3,093,894
Net OPEB liability	<u>\$ 38,799,208</u>	<u>\$ 35,721,374</u>	<u>\$ 74,520,582</u>
Plan fiduciary net position as a percentage of the total OPEB liability	2.90%	5.14%	3.99%

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.10%
Salary increases	2.50% in the long-term
Investment rate of return	4.50%, net of investment and administrative
Healthcare cost trend rates	4.50%, net of investment and administrative

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2009-2013.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the City, calculated using the discount rate of 4.5%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.5%) or 1% higher (5.5%) than the current rate:

	1% Decrease (3.5%)	Current Discount (4.5%)	1% Increase (5.5%)
General	\$ 45,452,208	\$ 38,799,208	\$ 33,523,208
Public Safety	42,850,374	35,721,374	30,167,374
Total	<u>\$ 88,302,582</u>	<u>\$ 74,520,582</u>	<u>\$ 63,690,582</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rate of 4.5%, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower (3.5%) or 1% higher (5.5%) than the current rate:

	1% Decrease (3.5%)	Current Trend Rate (4.5%)	1% Increase (5.5%)
General	\$ 33,230,208	\$ 38,799,208	\$ 45,784,208
Public Safety	29,488,373	35,721,374	43,833,373
Total	<u>\$ 62,718,581</u>	<u>\$ 74,520,582</u>	<u>\$ 89,617,581</u>

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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

	Plan Net Position			
	Employees' Retirement System	Public Safety Employees' Retirement System	Retiree Health Care - General and Public Safety	Total
Assets				
Cash and cash equivalents	\$ 109,713	\$ 400,728	\$ 2,351,869	\$ 2,862,310
Due from other governments	16,106	52,746	-	68,852
Investments, at fair value:				
Equity mutual funds	10,969,232	24,327,120	746,650	36,043,002
Fixed income mutual funds	8,455,237	15,991,121	-	24,446,358
Money market accounts	37,815	100,760	-	138,575
Total assets	19,588,103	40,872,475	3,098,519	63,559,097
Liabilities				
Accounts payable	282,449	402,257	4,625	689,331
Net position				
Restricted for pension and other postemployment benefits	\$ 19,305,654	\$ 40,470,218	\$ 3,093,894	\$ 62,869,766

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

	Changes in Plan Net Position			
	Employees' Retirement System	Public Safety Employees' Retirement System	Retiree Health Care - General and Public Safety	Total
Additions				
Contributions:				
Employer	\$ 1,338,260	\$ 2,387,270	\$ 3,105,745	\$ 6,831,275
Plan members	48,211	325,575	-	373,786
Total contributions	1,386,471	2,712,845	3,105,745	7,205,061
Investment income:				
Net change in fair value of investments	1,759,634	3,573,253	97,280	5,430,167
Interest	3,381	6,692	28,499	38,572
Dividends	386,648	763,194	-	1,149,842
Total investment income	2,149,663	4,343,139	125,779	6,618,581
Less: investment expense	(96,190)	(144,823)	-	(241,013)
Net investment income	2,053,473	4,198,316	125,779	6,377,568
Total additions	3,439,944	6,911,161	3,231,524	13,582,629
Deductions				
Benefits	3,081,680	4,431,882	3,105,745	10,619,307
Refunds and administration	-	11,984	18,500	30,484
Total deductions	3,081,680	4,443,866	3,124,245	10,649,791
Change in net position	358,264	2,467,295	107,279	2,932,838
Net position, beginning of year	18,947,390	38,002,923	2,986,615	59,936,928
Net position, end of year	\$ 19,305,654	\$ 40,470,218	\$ 3,093,894	\$ 62,869,766

19. JOINT VENTURES

The City is a member of the Southeastern Oakland County Resource Recovery Authority (the "Authority") which consists of 12 municipalities in Oakland County and provides refuse disposal services for the benefit of member municipalities. The City appoints one member of the joint venture's governing board and controls six of 69 votes. The governing board approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2017, the last available audited financial statements, the Authority reported an increase in net position in the amount of \$1,601,632, resulting in ending net position in the amount of \$5,067,287. During the year ended June 30, 2017, the City expended \$1,778,444 of payments made to the Authority. The City is unaware of any situation that would cause any additional financial benefit or burden related to the Authority. Complete financial statements for the Southeastern Oakland County Resource Recovery Authority can be obtained from its administrative offices at 3910 Webster Road, Royal Oak, Michigan, 48073.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

20. LEASES

The City of Oak Park has an agreement with 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, 2017.

The City of Oak Park has an agreement with Hatzalah of Michigan for use of building space. Hatzalah will pay rent of \$826 each month, which is to be paid in advance by the first of the month. The term of the lease commenced on May 1, 2017, and expires on May 1, 2018. The City received \$2,477 from Hatzalah for the fiscal year ended June 30, 2017.

21. FUND BALANCES

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

	General Fund	Nonmajor Governmental Funds	Total
Nonspendable -			
Prepays	\$ 440,141	\$ 461	\$ 440,602
Restricted for:			
Road surface repairs	-	1,406,017	1,406,017
Solid waste	-	1,150,919	1,150,919
Debt service	-	617,294	617,294
Library	-	123,127	123,127
Unspent bond proceeds	-	42,516	42,516
Other	-	292,176	292,176
Total restricted	-	3,632,049	3,632,049
Assigned for:			
Library	-	1,570	1,570
Municipal buildings	-	1,942,787	1,942,787
Total assigned	-	1,944,357	1,944,357
Unassigned (deficits)	3,413,925	(232,266)	3,181,659
Total fund balances	\$ 3,854,066	\$ 5,344,601	\$ 9,198,667

22. SUMMARY OF SIGNIFICANT CONTINGENCIES

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

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

23. NET INVESTMENT IN CAPITAL ASSETS

The composition of the net investment in capital assets as of June 30, 2017, was as follows:

	Governmental Activities	Business-type Activities
Capital assets:		
Capital assets not being depreciated	\$ 3,414,793	\$ 1,490,587
Capital assets being depreciated, net	41,357,179	26,495,699
	<u>44,771,972</u>	<u>27,986,286</u>
Related debt:		
General obligation bonds	25,915,000	7,140,320
Unamortized bond premium	854,155	-
Capital lease	2,145,000	-
Less unamortized deferred loss on refunding	(180,548)	-
Less unexpended bond proceeds	(42,516)	-
	<u>28,691,091</u>	<u>7,140,320</u>
Net investment in capital assets	<u>\$ 16,080,881</u>	<u>\$ 20,845,966</u>

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OAK PARK, MICHIGAN

Required Supplementary Information

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

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

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

CITY OF OAK PARK, MICHIGAN

Required Supplementary Information

General Employees' Retirement System

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

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

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

CITY OF OAK PARK, MICHIGAN

Required Supplementary Information

Public Safety Employees' Retirement System

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

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

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

CITY OF OAK PARK, MICHIGAN

Required Supplementary Information

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

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

Notes to Schedule of Contributions

Valuation date	June 30, 2015
Notes	Actuarially determined contribution rates are calculated as of June 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.
Other information	There were no benefit changes during the year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	27 years
Asset valuation method	Adjusted Market Value
Inflation	2.50%
Salary increases	Varied
Investment rate of return	8% net of pension plan investment expense, including inflation
Mortality rates	RP-2000 Combined Table

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

CITY OF OAK PARK, MICHIGAN

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	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)
General Employees						
6/30/2012	\$ 167,730	\$ 46,955,328	\$ 46,787,598	0.4%	\$ 2,289,031	2044.0%
6/30/2014	239,217	32,687,907	32,448,690	0.7%	1,849,100	1754.8%
6/30/2016	1,118,254	27,943,556	26,825,302	4.0%	1,705,252	1573.1%
Public Safety Employees						
6/30/2012	\$ 210,277	\$ 48,963,635	\$ 48,753,358	0.4%	\$ 3,845,539	1267.8%
6/30/2014	395,156	36,269,968	35,874,812	1.1%	3,779,151	949.3%
6/30/2016	1,868,361	29,840,965	27,972,604	6.3%	3,842,496	728.0%

Schedule of Employer Contributions Other Postemployment Benefits Plan

Year Ended June 30,	Annual Required Contributions	Percentage Contributed
2010	\$ 4,875,562	44.70%
2011	4,875,562	44.10%
2012	6,280,112	37.80%
2013	6,458,177	33.00%
2014	6,458,177	33.70%
2015	4,192,425	71.50%
2016	4,192,425	101.80%
2017	3,522,639	88.17%

CITY OF OAK PARK, MICHIGAN

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)
6/30/2012	\$ -	\$ 8,360,951	\$ 8,360,951	0.0%	\$ 896,257	932.9%
6/30/2014	-	5,797,901	5,797,901	0.0%	445,571	1301.2%
6/30/2016	-	4,737,968	4,737,968	0.0%	400,000	1184.5%

Schedule of Employer Contributions Other Postemployment Benefits Plan

Year Ended June 30,	Annual Required Contributions	Percentage Contributed
2010	\$ 475,066	39.2%
2011	475,066	42.1%
2012	679,622	28.5%
2013	614,827	27.0%
2014	614,827	27.0%
2015	365,552	68.0%
2016	365,552	127.5%
2017	304,296	127.5%

City of Oak Park

Required Supplementary Information (GASB Statement No. 74)

General and Public Safety Employees Plan Schedule of Investment Returns

Fiscal Year Ended	Annual Money- Weighted Rate of Return, Net of Investment Expense
General Retiree Healthcare Plan: 6/30/2017	3.59%
Public Safety Retiree Healthcare Plan: 6/30/2017	3.59%

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

City of Oak Park

Required Supplementary Information (GASB Statement No. 74)

General Retiree Healthcare Plan

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

	Year Ended June 30, 2017
Change in total OPEB liability	
Service cost	\$ 372,392
Interest	1,435,899
Changes of assumptions	7,013,108
Benefit payments, including refunds of member contributions	(1,545,294)
Net change in total OPEB liability	7,276,105
Total OPEB liability, beginning	32,681,525
Total OPEB liability, ending (a)	39,957,630
Change in plan fiduciary net position	
Contributions - employer	1,545,294
Net investment income	40,168
Benefit payments, including refunds of member contributions	(1,545,294)
Net change in plan fiduciary net position	40,168
Plan fiduciary net position, beginning	1,118,254
Plan fiduciary net position, ending (b)	1,158,422
City's net OPEB liability, ending (a)-(b)	\$ 38,799,208
Plan fiduciary net position as a percentage of the total OPEB liability	2.90%
Covered payroll	\$ 2,105,252
City's net OPEB liability as a percentage of covered payroll	1842.97%

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

City of Oak Park

Required Supplementary Information (GASB Statement No. 74)

Public Safety Retiree Healthcare Plan

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

	Year Ended June 30,
	2017
Change in total OPEB liability	
Service cost	\$ 525,509
Interest	1,307,879
Changes of assumptions	7,536,448
Benefit payments, including refunds of member contributions	(1,553,955)
Net change in total OPEB liability	7,815,881
Total OPEB liability, beginning	29,840,965
Total OPEB liability, ending (a)	37,656,846
Change in plan fiduciary net position	
Contributions - employer	1,553,955
Net investment income	67,112
Benefit payments, including refunds of member contributions	(1,553,955)
Net change in plan fiduciary net position	67,112
Plan fiduciary net position, beginning	1,868,361
Plan fiduciary net position, ending (b)	1,935,473
City's net OPEB liability, ending (a)-(b)	\$ 35,721,373
Plan fiduciary net position as a percentage of the total OPEB liability	5.14%
Covered payroll	\$ 3,842,496
City's net OPEB liability as a percentage of covered payroll	929.64%

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

CITY OF TECUMSEH, MICHIGAN

Required Supplementary Information (GASB Statement No. 74)

General and Public Safety Employees Plan Schedule of City Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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General Retiree Healthcare Plan:

6/30/2017	\$ 1,620,940	\$ 1,544,008	\$ 76,932	\$ 2,105,252	73.3%
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Public Safety Retiree Healthcare Plan:

6/30/2017	\$ 1,901,699	\$ 1,561,737	\$ 339,962	\$ 3,842,496	40.6%
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Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, ten years of data will be presented.

Notes to Schedule of Contributions

Valuation date	June 30, 2015
Notes	Actuarially determined contribution rates are calculated as of June 30 that is 12 months prior to the beginning of the fiscal year for which
Other information	There were no benefit changes during the year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market
Healthcare inflation rate	6.0%
Inflation rate	4.0%
Salary increases	2.5%
Investment rate of return	4.5% net of pension plan investment expense, including inflation
Mortality rates	RP 2014 Healthy Annuitant Mortality Table

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

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

CITY OF OAK PARK, MICHIGAN

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2017

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental
Assets				
Cash and investments	\$ 3,257,324	\$ 659,294	\$ 2,082,279	\$ 5,998,897
Receivables:				
Special assessments	481,398	-	372,547	853,945
Accounts	479,467	-	19,262	498,729
Due from other governments	474,160	-	-	474,160
Due from other funds	-	-	1,000	1,000
Prepaid items	461	-	-	461
Total assets	\$ 4,692,810	\$ 659,294	\$ 2,475,088	\$ 7,827,192
Liabilities				
Accounts payable	\$ 1,042,074	\$ -	\$ 112,175	\$ 1,154,249
Accrued liabilities	97,082	42,000	9,915	148,997
Due to other funds	119,799	-	167,544	287,343
Total liabilities	1,258,955	42,000	289,634	1,590,589
Deferred inflows of resources				
Unavailable revenue	2,868	-	-	2,868
Unavailable revenue - special assessments	481,398	-	350,865	832,263
Unavailable revenue - grants	56,871	-	-	56,871
Total deferred inflows of resources	541,137	-	350,865	892,002
Fund balances				
Nonspendable	461	-	-	461
Restricted	2,972,239	617,294	42,516	3,632,049
Assigned	6,769	-	1,937,588	1,944,357
Unassigned (deficit)	(86,751)	-	(145,515)	(232,266)
Total fund balances	2,892,718	617,294	1,834,589	5,344,601
Total liabilities, deferred inflows of resources and fund balances	\$ 4,692,810	\$ 659,294	\$ 2,475,088	\$ 7,827,192

CITY OF OAK PARK, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2017

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental
Revenues				
Property taxes	\$ 2,016,979	\$ 2,497,977	\$ -	\$ 4,514,956
Special assessments	127,660	-	403,783	531,443
Intergovernmental:				
Federal grants	534,756	-	-	534,756
State grants	2,224,871	-	-	2,224,871
Charges for services	1,547,997	-	-	1,547,997
Fines and forfeitures	84,537	-	159,616	244,153
Interest income	18,811	6,758	10,993	36,562
Other revenue	93,765	-	184,676	278,441
Total revenues	6,649,376	2,504,735	759,068	9,913,179
Expenditures				
Current:				
Judicial	2,099,767	-	-	2,099,767
Public safety	32,053	-	-	32,053
Road maintenance and repair	3,818,001	-	-	3,818,001
Public works	-	-	20,646	20,646
Health and sanitation	2,498,707	-	-	2,498,707
Library	827,630	-	-	827,630
Community development	146,463	-	220,005	366,468
Debt service:				
Principal	-	1,455,000	-	1,455,000
Interest and fiscal charges	-	1,022,022	-	1,022,022
Capital outlay	-	-	810,006	810,006
Total expenditures	9,422,621	2,477,022	1,050,657	12,950,300
Revenues over (under) expenditures	(2,773,245)	27,713	(291,589)	(3,037,121)
Other financing sources (uses)				
Transfers in	1,972,370	152,698	-	2,125,068
Transfers out	(210,000)	-	-	(210,000)
Total other financing sources (uses)	1,762,370	152,698	-	1,915,068
Net change in fund balances	(1,010,875)	180,411	(291,589)	(1,122,053)
Fund balances, beginning of year	3,903,593	436,883	2,126,178	6,466,654
Fund balances, end of year	\$ 2,892,718	\$ 617,294	\$ 1,834,589	\$ 5,344,601

CITY OF OAK PARK, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds

Special Revenue Funds

June 30, 2017

	Major Streets	Local Streets	Solid Waste Fund	Narcotics Forfeiture
Assets				
Cash and investments	\$ 807,545	\$ 925,188	\$ 814,830	\$ 76,556
Receivables:				
Special assessments	481,398	-	-	-
Accounts	-	29,422	448,718	-
Due from other governments	282,170	110,042	-	-
Prepaid items	-	-	-	-
Total assets	\$ 1,571,113	\$ 1,064,652	\$ 1,263,548	\$ 76,556
Liabilities				
Accounts payable	\$ 25,993	\$ 678,214	\$ 84,162	\$ 7,885
Accrued liabilities	15,839	3,730	25,599	-
Due to other funds	1,000	-	-	-
Total liabilities	42,832	681,944	109,761	7,885
Deferred inflows of resources				
Unavailable revenue	-	-	2,868	-
Unavailable revenue - special assessments	481,398	-	-	-
Unavailable revenue - grants	-	23,574	-	-
Total deferred inflows of resources	481,398	23,574	2,868	-
Fund balances				
Nonspendable	-	-	-	-
Restricted	1,046,883	359,134	1,150,919	68,671
Assigned	-	-	-	-
Unassigned (deficits)	-	-	-	-
Total fund balances (deficits)	1,046,883	359,134	1,150,919	68,671
Total liabilities, deferred inflows of resources and fund balances	\$ 1,571,113	\$ 1,064,652	\$ 1,263,548	\$ 76,556



Criminal Justice Training	Community Development Block Grant	Caseflow Assistance	Neighborhood Stabilization Program	Veterans Treatment Court Grant	45th District Court
\$ 12,780	\$ -	\$ 214,779	\$ -	\$ 17,035	\$ 219,567
-	-	-	-	-	-
-	-	-	-	-	-
-	40,241	-	31,496	10,211	-
-	-	-	-	-	5
<u>\$ 12,780</u>	<u>\$ 40,241</u>	<u>\$ 214,779</u>	<u>\$ 31,496</u>	<u>\$ 27,246</u>	<u>\$ 219,572</u>
\$ 4,100	\$ 7,909	\$ -	\$ -	\$ 1,574	\$ 211,833
-	2,285	-	-	190	29,878
-	30,047	-	31,138	25,436	29,614
<u>4,100</u>	<u>40,241</u>	<u>-</u>	<u>31,138</u>	<u>27,200</u>	<u>271,325</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	1,801	-	31,496	-	-
<u>-</u>	<u>1,801</u>	<u>-</u>	<u>31,496</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	5
8,680	-	214,779	-	46	-
-	-	-	-	-	-
-	(1,801)	-	(31,138)	-	(51,758)
<u>8,680</u>	<u>(1,801)</u>	<u>214,779</u>	<u>(31,138)</u>	<u>46</u>	<u>(51,753)</u>
<u>\$ 12,780</u>	<u>\$ 40,241</u>	<u>\$ 214,779</u>	<u>\$ 31,496</u>	<u>\$ 27,246</u>	<u>\$ 219,572</u>

continued...

CITY OF OAK PARK, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds

Special Revenue Funds

June 30, 2017

	Library	Corridor Improvement	Mental Health Court Grant	Total
Assets				
Cash and investments	\$ 161,047	\$ 7,997	\$ -	\$ 3,257,324
Receivables:				
Special assessments	-	-	-	481,398
Accounts	-	-	1,327	479,467
Due from other governments	-	-	-	474,160
Prepaid items	456	-	-	461
Total assets	<u>\$ 161,503</u>	<u>\$ 7,997</u>	<u>\$ 1,327</u>	<u>\$ 4,692,810</u>
Liabilities				
Accounts payable	\$ 17,106	\$ 2,798	\$ 500	\$ 1,042,074
Accrued liabilities	19,244	-	317	97,082
Due to other funds	-	-	2,564	119,799
Total liabilities	<u>36,350</u>	<u>2,798</u>	<u>3,381</u>	<u>1,258,955</u>
Deferred inflows of resources				
Unavailable revenue	-	-	-	2,868
Unavailable revenue - special assessments	-	-	-	481,398
Unavailable revenue - grants	-	-	-	56,871
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>541,137</u>
Fund balances				
Nonspendable	456	-	-	461
Restricted	123,127	-	-	2,972,239
Assigned	1,570	5,199	-	6,769
Unassigned (deficit)	-	-	(2,054)	(86,751)
Total fund balances (deficits)	<u>125,153</u>	<u>5,199</u>	<u>(2,054)</u>	<u>2,892,718</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 161,503</u>	<u>\$ 7,997</u>	<u>\$ 1,327</u>	<u>\$ 4,692,810</u>

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CITY OF OAK PARK, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Special Revenue Funds

For the Year Ended June 30, 2017

	Major Streets	Local Streets	Solid Waste Fund	Narcotics Forfeiture
Revenues				
Property taxes	\$ -	\$ -	\$ 1,336,059	\$ -
Special assessments	68,555	59,105	-	-
Intergovernmental:				
Federal grants	406,923	1,250	-	-
State grants	1,458,702	568,868	-	-
Charges for services	-	-	1,357,366	-
Fines and forfeitures	-	-	-	10,394
Interest income	4,519	5,882	5,256	424
Other revenue	92,232	-	-	-
Total revenues	2,030,931	635,105	2,698,681	10,818
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	19,364
Road maintenance and repair	2,249,321	1,564,933	-	-
Health and sanitation	-	-	2,498,707	-
Library	-	-	-	-
Community development	-	-	-	-
Total expenditures	2,249,321	1,564,933	2,498,707	19,364
Revenues over (under) expenditures	(218,390)	(929,828)	199,974	(8,546)
Other financing sources (uses)				
Transfers in	-	160,000	-	-
Transfers out	(160,000)	-	-	-
Total other financing sources (uses)	(160,000)	160,000	-	-
Net change in fund balances	(378,390)	(769,828)	199,974	(8,546)
Fund balances (deficits), beginning of year	1,425,273	1,128,962	950,945	77,217
Fund balances (deficits), end of year	\$ 1,046,883	\$ 359,134	\$ 1,150,919	\$ 68,671



Criminal Justice Training	Community Development Block Grant	Caseflow Assistance	Neighborhood Stabilization Program	Veterans Treatment Court Grant	45th District Court
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	107,235	-	19,348	-	-
8,949	-	13,085	-	58,266	91,448
-	-	-	-	-	178,908
-	-	-	-	-	-
65	-	1,017	-	-	-
-	-	-	-	-	-
9,014	107,235	14,102	19,348	58,266	270,356
-	-	5,976	-	44,418	2,044,479
12,689	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	98,045	-	48,418	-	-
12,689	98,045	5,976	48,418	44,418	2,044,479
(3,675)	9,190	8,126	(29,070)	13,848	(1,774,123)
-	-	-	-	-	1,722,370
-	-	-	-	-	-
-	-	-	-	-	1,722,370
(3,675)	9,190	8,126	(29,070)	13,848	(51,753)
12,355	(10,991)	206,653	(2,068)	(13,802)	-
\$ 8,680	\$ (1,801)	\$ 214,779	\$ (31,138)	\$ 46	\$ (51,753)

continued...

CITY OF OAK PARK, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Special Revenue Funds

For the Year Ended June 30, 2017

	Library	Corridor Improvement	Mental Health Court Grant	Total
Revenues				
Property taxes	\$ 672,601	\$ 8,319	\$ -	\$ 2,016,979
Special assessments	-	-	-	127,660
Intergovernmental:				
Federal grants	-	-	-	534,756
State grants	22,713	-	2,840	2,224,871
Charges for services	11,723	-	-	1,547,997
Fines and forfeitures	74,143	-	-	84,537
Interest income	1,621	27	-	18,811
Other revenue	933	600	-	93,765
Total revenues	783,734	8,946	2,840	6,649,376
Expenditures				
Current:				
Judicial	-	-	4,894	2,099,767
Public safety	-	-	-	32,053
Road maintenance and repair	-	3,747	-	3,818,001
Health and sanitation	-	-	-	2,498,707
Library	827,630	-	-	827,630
Community development	-	-	-	146,463
Total expenditures	827,630	3,747	4,894	9,422,621
Revenues over (under) expenditures	(43,896)	5,199	(2,054)	(2,773,245)
Other financing sources (uses)				
Transfers in	90,000	-	-	1,972,370
Transfers out	(50,000)	-	-	(210,000)
Total other financing sources (uses)	40,000	-	-	1,762,370
Net change in fund balances	(3,896)	5,199	(2,054)	(1,010,875)
Fund balances (deficits), beginning of year	129,049	-	-	3,903,593
Fund balances (deficits), end of year	\$ 125,153	\$ 5,199	\$ (2,054)	\$ 2,892,718

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CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Major Streets Fund

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 68,555	\$ 67,657	\$ 68,555	\$ 898
Intergovernmental -				
Federal grants	-	576,653	406,923	(169,730)
State grants	1,564,625	1,564,625	1,458,702	(105,923)
Interest income	3,165	1,128	4,519	3,391
Other revenue	65,000	80,000	92,232	12,232
Total revenues	1,701,345	2,290,063	2,030,931	(260,030)
Expenditures				
Current -				
Road maintenance and repair	2,098,345	2,404,060	2,249,321	(154,739)
Revenues under expenditures	(397,000)	(113,997)	(218,390)	104,393
Other financing uses				
Transfers out	(160,000)	(160,000)	(160,000)	-
Net change in fund balance	(557,000)	(273,997)	(378,390)	(104,393)
Fund balance, beginning of year	1,425,273	1,425,273	1,425,273	-
Fund balance, end of year	\$ 868,273	\$ 1,151,276	\$ 1,046,883	\$ (104,393)

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Local Streets Fund

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Special assessments	\$ -	\$ 70,216	\$ 59,105	\$ (11,111)
Intergovernmental -				
Federal grants	-	-	1,250	1,250
State grants	609,664	463,200	568,868	105,668
Interest income (expense)	2,513	(324)	5,882	6,206
Total revenues	612,177	533,092	635,105	102,013
Expenditures				
Current -				
Road maintenance and repair	1,372,177	1,386,766	1,564,933	178,167
Revenues under expenditures	(760,000)	(853,674)	(929,828)	(76,154)
Other financing sources				
Transfers in	160,000	160,000	160,000	-
Net change in fund balance	(600,000)	(693,674)	(769,828)	(76,154)
Fund balance, beginning of year	1,128,962	1,128,962	1,128,962	-
Fund balance, end of year	\$ 528,962	\$ 435,288	\$ 359,134	\$ (76,154)

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Solid Waste Fund

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 1,284,763	\$ 1,337,964	\$ 1,336,059	\$ (1,905)
Charges for services	1,325,000	1,332,710	1,357,366	24,656
Interest income	3,172	1,559	5,256	3,697
Total revenues	2,612,935	2,672,233	2,698,681	26,448
Expenditures				
Current:				
Health and sanitation	2,307,935	2,596,323	2,498,707	(97,616)
Revenue over expenditures	305,000	75,910	199,974	124,064
Other financing uses				
Transfers out	(50,000)	(50,000)	-	(50,000)
Net change in fund balance	255,000	25,910	199,974	174,064
Fund balance, beginning of year	950,945	950,945	950,945	-
Fund balance, end of year	\$ 1,205,945	\$ 976,855	\$ 1,150,919	\$ 174,064

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Narcotics Forfeiture Fund

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Fines and forfeitures	\$ 1,000	\$ 10,146	\$ 10,394	\$ 248
Interest income	100	100	424	324
Total revenues	1,100	10,246	10,818	572
Expenditures				
Current -				
Public safety	10,000	38,622	19,364	(19,258)
Net change in fund balance	(8,900)	(28,376)	(8,546)	19,830
Fund balance, beginning of year	77,217	77,217	77,217	-
Fund balance, end of year	\$ 68,317	\$ 48,841	\$ 68,671	\$ 19,830

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Criminal Justice Training Fund

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	\$ 8,500	\$ 9,611	\$ 8,949	\$ (662)
Interest income	25	18	65	47
Total revenues	8,525	9,629	9,014	(615)
Expenditures				
Current -				
Public safety	8,525	9,629	12,689	3,060
Net change in fund balance	-	-	(3,675)	(3,675)
Fund balance, beginning of year	12,355	12,355	12,355	-
Fund balance, end of year	<u>\$ 12,355</u>	<u>\$ 12,355</u>	<u>\$ 8,680</u>	<u>\$ (3,675)</u>

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Community Development Block Grant Fund

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal grants	\$ 120,000	\$ 78,707	\$ 107,235	\$ 28,528
Expenditures				
Current -				
Community development	120,000	78,707	98,045	19,338
Net change in fund balance	-	-	9,190	9,190
Fund balance (deficit), beginning of year	-	-	(10,991)	(10,991)
Fund balance (deficit), end of year	\$ -	\$ -	\$ (1,801)	\$ (1,801)

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Caseflow Assistance Fund

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	\$ 20,000	\$ -	\$ 13,085	\$ 13,085
Interest income	2,000	2,000	1,017	(983)
Total revenues	22,000	2,000	14,102	12,102
Expenditures				
Current -				
Judicial	85,000	-	5,976	5,976
Net change in fund balance	(63,000)	2,000	8,126	6,126
Fund balance, beginning of year	206,653	206,653	206,653	-
Fund balance, end of year	<u>\$ 143,653</u>	<u>\$ 208,653</u>	<u>\$ 214,779</u>	<u>\$ 6,126</u>

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Neighborhood Stabilization Program Fund
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental - Federal grants	\$ 160,000	\$ 61,145	\$ 19,348	\$ (41,797)
Expenditures				
Current - Community development	160,000	59,077	48,418	(10,659)
Net change in fund balance	-	2,068	(29,070)	(31,138)
Fund balance (deficit), beginning of year	-	(2,068)	(2,068)	-
Fund balance (deficit), end of year	\$ -	\$ -	\$ (31,138)	\$ (31,138)

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Veterans Treatment Court Grant

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	\$ 30,342	\$ 44,101	\$ 58,266	\$ 14,165
Expenditures				
Current -				
Judicial	30,342	44,101	44,418	317
Net change in fund balance	-	-	13,848	13,848
Fund balance (deficit), beginning of year	-	-	(13,802)	(13,802)
Fund balance, end of year	\$ -	\$ -	\$ 46	\$ 46

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - 45th District Court Fund

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	\$ 91,448	\$ 91,448	\$ 91,448	\$ -
Charges for services	175,000	175,000	178,908	3,908
Total revenues	266,448	266,448	270,356	3,908
Expenditures				
Current -				
Judicial	2,145,448	2,355,705	2,044,479	(311,226)
Revenues under expenditures	(1,879,000)	(2,089,257)	(1,774,123)	315,134
Other financing sources				
Transfers in	1,879,000	1,879,000	1,722,370	(156,630)
Net change in fund balance	-	(210,257)	(51,753)	158,504
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ (210,257)	\$ (51,753)	\$ 158,504

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Library Fund

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 648,549	\$ 680,775	\$ 672,601	\$ (8,174)
Intergovernmental -				
State grants	13,900	17,961	22,713	4,752
Charges for services	12,000	11,618	11,723	105
Fines and forfeitures	66,000	74,498	74,143	(355)
Interest income	1,500	540	1,621	1,081
Other revenue (expense)	18,250	(3)	933	936
Total revenues	760,199	785,389	783,734	(1,655)
Expenditures				
Current -				
Library	820,199	824,254	827,630	3,376
Revenues under expenditures	(60,000)	(38,865)	(43,896)	(5,031)
Other financing sources (uses)				
Transfers in	110,000	110,000	90,000	(20,000)
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other sources (uses)	60,000	60,000	40,000	(20,000)
Net change in fund balance	-	21,135	(3,896)	(25,031)
Fund balance, beginning of year	129,049	129,049	129,049	-
Fund balance, end of year	\$ 129,049	\$ 150,184	\$ 125,153	\$ (25,031)

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Corridor Improvement Fund

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 3,471	\$ 8,107	\$ 8,319	\$ 212
Interest income (expense)	-	(25)	27	52
Other	-	450	600	150
Total revenues	3,471	8,532	8,946	414
Expenditures				
Current -				
Road maintenance and repair	3,000	8,532	3,747	(4,785)
Net change in fund balance	471	-	5,199	5,199
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ 471	\$ -	\$ 5,199	\$ 5,199

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Mental Health Court Grant Fund

For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	\$ -	\$ 2,976	\$ 2,840	\$ (136)
Expenditures				
Current -				
Judicial	-	2,976	4,894	1,918
Net change in fund balance	-	-	(2,054)	(2,054)
Fund balance, beginning of year	-	-	-	-
Fund balance (deficit), end of year	\$ -	\$ -	\$ (2,054)	\$ (2,054)

CITY OF OAK PARK, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds

Debt Service Funds

June 30, 2017

	2015 Refunding Bond	2012 Street Refunding Bond	2010 Municipal Complex Bond	2011 Library and Recreation Lease	Total
Assets					
Cash and investments	\$ 151,532	\$ 353,863	\$ 153,899	\$ -	\$ 659,294
Liabilities					
Accrued liabilities	\$ 15,000	\$ 13,000	\$ 14,000	\$ -	\$ 42,000
Fund balances					
Restricted	136,532	340,863	139,899	-	617,294
Total liabilities and fund balances	<u>\$ 151,532</u>	<u>\$ 353,863</u>	<u>\$ 153,899</u>	<u>\$ -</u>	<u>\$ 659,294</u>

CITY OF OAK PARK, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Debt Service Funds

For the Year Ended June 30, 2017

	2015 Refunding Bond	2012 Street Refunding Bond	2010 Municipal Complex Bond	2011 Library and Recreation Lease	Total
Revenues					
Property taxes	\$ 793,459	\$ 832,730	\$ 871,788	\$ -	\$ 2,497,977
Interest income	1,862	3,060	1,784	52	6,758
Total revenues	795,321	835,790	873,572	52	2,504,735
Expenditures					
Debt service:					
Principal	415,000	590,000	375,000	75,000	1,455,000
Interest and fiscal charges	313,563	173,364	457,345	77,750	1,022,022
Total expenditures	728,563	763,364	832,345	152,750	2,477,022
Revenues (under) over expenditures	66,758	72,426	41,227	(152,698)	27,713
Other financing sources					
Transfers in	-	-	-	152,698	152,698
Net change in fund balances	66,758	72,426	41,227	-	180,411
Fund balances, beginning of year	69,774	268,437	98,672	-	436,883
Fund balances, end of year	\$ 136,532	\$ 340,863	\$ 139,899	\$ -	\$ 617,294

CITY OF OAK PARK, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds

Capital Projects Funds

June 30, 2017

	Public Improvement	City-Owned Property	Sidewalk Program
Assets			
Cash and investments	\$ 191,763	\$ 65,864	\$ -
Receivables:			
Special assessments	-	-	372,547
Accounts	-	-	19,262
Due from other funds	-	-	-
Total assets	<u>\$ 191,763</u>	<u>\$ 65,864</u>	<u>\$ 391,809</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ 10,000
Accrued liabilities	-	-	9,915
Due to other funds	-	-	166,544
Total liabilities	<u>-</u>	<u>-</u>	<u>186,459</u>
Deferred inflows of resources			
Unavailable revenue - special assessments	-	-	350,865
Fund balances			
Restricted	-	-	-
Assigned	191,763	65,864	-
Unassigned (deficit)	-	-	(145,515)
Total fund balance (deficit)	<u>191,763</u>	<u>65,864</u>	<u>(145,515)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 191,763</u>	<u>\$ 65,864</u>	<u>\$ 391,809</u>



Road Construction	Municipal Building Construction	Municipal Complex Construction	Total
\$ -	\$ 1,773,903	\$ 50,749	\$ 2,082,279
-	-	-	372,547
-	-	-	19,262
1,000	-	-	1,000
<u>\$ 1,000</u>	<u>\$ 1,773,903</u>	<u>\$ 50,749</u>	<u>\$ 2,475,088</u>
\$ -	\$ 93,942	\$ 8,233	\$ 112,175
-	-	-	9,915
1,000	-	-	167,544
<u>1,000</u>	<u>93,942</u>	<u>8,233</u>	<u>289,634</u>
-	-	-	350,865
-	-	42,516	42,516
-	1,679,961	-	1,937,588
-	-	-	(145,515)
<u>-</u>	<u>1,679,961</u>	<u>42,516</u>	<u>1,834,589</u>
<u>\$ 1,000</u>	<u>\$ 1,773,903</u>	<u>\$ 50,749</u>	<u>\$ 2,475,088</u>

CITY OF OAK PARK, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Capital Project Funds

For the Year Ended June 30, 2017

	Public Improvement	City-Owned Property	Sidewalk Program
Revenues			
Special assessments	\$ -	\$ -	\$ 403,783
Fines and forfeitures	-	-	-
Interest income (loss)	1,064	441	(553)
Other revenue	-	184,676	-
Total revenues	1,064	185,117	403,230
Expenditures			
Public works	-	-	20,646
Community development	152	219,853	-
Capital outlay	-	-	631,073
Total expenditures	152	219,853	651,719
Net change in fund balances	912	(34,736)	(248,489)
Fund balances, beginning of year	190,851	100,600	102,974
Fund balances (deficit), end of year	\$ 191,763	\$ 65,864	\$ (145,515)



Road Construction	Municipal Building Construction	Municipal Complex Construction	Total
\$ -	\$ -	\$ -	\$ 403,783
-	159,616	-	159,616
-	9,549	492	10,993
-	-	-	184,676
-	169,165	492	759,068
-	-	-	20,646
-	-	-	220,005
-	99,743	79,190	810,006
-	99,743	79,190	1,050,657
-	69,422	(78,698)	(291,589)
-	1,610,539	121,214	2,126,178
\$ -	\$ 1,679,961	\$ 42,516	\$ 1,834,589

CITY OF OAK PARK, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

June 30, 2017

	Risk Management	Motor Pool	Retirees Health Care Court	Total
Assets				
Current assets:				
Cash and investments	\$ 215,725	\$ 31,700	\$ -	\$ 247,425
Prepaid items	96,714	13	336	97,063
Total current assets	312,439	31,713	336	344,488
Noncurrent assets -				
Capital assets, net	-	969,406	-	969,406
Total assets	312,439	1,001,119	336	1,313,894
Liabilities				
Current liabilities:				
Accounts payable	-	25,161	-	25,161
Accrued liabilities	-	983	-	983
Due to other funds	-	-	43,446	43,446
Total current liabilities	-	26,144	43,446	69,590
Net position				
Investment in capital assets	-	969,406	-	969,406
Unrestricted (deficit)	312,439	5,569	(43,110)	274,898
Total net position	\$ 312,439	\$ 974,975	\$ (43,110)	\$ 1,244,304

CITY OF OAK PARK, MICHIGAN

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

Internal Service Funds

For the Year Ended June 30, 2017

	Risk Management	Motor Pool	Retirees Health Care Court	Total
Operating revenues				
Charges for services	\$ 566,915	\$ 579,184	\$ 154,655	\$ 1,300,754
Fines and forfeitures	-	-	189,996	189,996
Miscellaneous	86,528	864	-	87,392
Total operating revenues	653,443	580,048	344,651	1,578,142
Operating expenses				
Gasoline	-	131,692	-	131,692
Professional services	27	86,908	-	86,935
Supplies	-	165,296	-	165,296
Depreciation	-	129,388	-	129,388
Wages and benefits	-	68,930	-	68,930
Insurance	667,989	-	388,101	1,056,090
Total operating expenses	668,016	582,214	388,101	1,638,331
Operating loss	(14,573)	(2,166)	(43,450)	(60,189)
Nonoperating revenues				
Interest income	1,561	392	-	1,953
Change in net position	(13,012)	(1,774)	(43,450)	(58,236)
Net position, beginning of year	325,451	976,749	340	1,302,540
Net position, end of year	\$ 312,439	\$ 974,975	\$ (43,110)	\$ 1,244,304

CITY OF OAK PARK, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2017

	Risk Management	Motor Pool	Retirees Health Care Court	Total
Cash flows from operating activities				
Receipts from interfund services	\$ 566,915	\$ 579,184	\$ 154,655	\$ 1,300,754
Miscellaneous receipts	86,528	864	189,996	277,388
Payments to suppliers	(343,207)	(394,291)	-	(737,498)
Payments to employees	(338,412)	(71,637)	(344,651)	(754,700)
Net cash provided by (used in) operating activities	(28,176)	114,120	-	85,944
Cash flows from capital and related financing activities				
Purchases of capital assets	-	(137,305)	-	(137,305)
Cash flows from investing activities				
Interest and dividends	1,561	1,947	-	3,508
Net change in cash and investments	(26,615)	(21,238)	-	(47,853)
Cash and investments, beginning of year	242,340	52,938	-	295,278
Cash and investments, end of year	\$ 215,725	\$ 31,700	\$ -	\$ 247,425
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating loss	\$ (14,573)	\$ (2,166)	\$ (43,450)	\$ (60,189)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation expense	-	129,388	-	129,388
Change in assets and liabilities:				
Prepaid items	(13,603)	(13)	4	(13,612)
Accounts payable	-	(10,382)	-	(10,382)
Accrued liabilities	-	(411)	-	(411)
Due to other funds	-	-	43,446	43,446
Accrued compensated absences	-	(2,296)	-	(2,296)
Net cash provided by (used in) operating activities	\$ (28,176)	\$ 114,120	\$ -	\$ 85,944

CITY OF OAK PARK, MICHIGAN

Combining Statement of Assets and Liabilities

Agency Funds

June 30, 2017

	Payroll Fund	Escrow Fund	Tax Fund	Agency Fund	Total Agency Funds
Assets					
Cash and cash equivalents	\$ 44,697	\$ 517,025	\$ 22,061	\$ 2,051	\$ 585,834
Liabilities					
Undistributed receipts	\$ 44,697	\$ 517,025	\$ 22,061	\$ 2,051	\$ 585,834

CITY OF OAK PARK, MICHIGAN

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<i>Payroll Fund</i>				
Assets				
Cash and cash equivalents	\$ 52,023	\$ 2,083,580	\$ (2,090,906)	\$ 44,697
Liabilities				
Undistributed receipts	\$ 52,023	\$ 503,727	\$ (511,053)	\$ 44,697
<i>Escrow Fund</i>				
Assets				
Cash and cash equivalents	\$ 394,403	\$ 274,724	\$ (152,102)	\$ 517,025
Due from other governments	2,417	2,417	(4,834)	-
Total assets	\$ 396,820	\$ 277,141	\$ (156,936)	\$ 517,025
Liabilities				
Undistributed receipts	\$ 396,820	\$ 274,724	\$ (154,519)	\$ 517,025
<i>Tax Fund</i>				
Assets				
Cash and cash equivalents	\$ -	\$ 18,281,045	\$ (18,258,984)	\$ 22,061
Liabilities				
Undistributed receipts	\$ -	\$ 6,966,895	\$ (6,944,834)	\$ 22,061
<i>Agency Fund</i>				
Assets				
Cash and cash equivalents	\$ -	\$ 149,434	\$ (147,383)	\$ 2,051
Liabilities				
Undistributed receipts	\$ -	\$ 5,315	\$ (3,264)	\$ 2,051

continued...

CITY OF OAK PARK, MICHIGAN

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<i>Total All Agency Funds</i>				
Assets				
Cash and cash equivalents	\$ 446,426	\$ 20,788,783	\$ (20,649,375)	\$ 585,834
Due from other governments	2,417	2,417	(4,834)	-
	<u>\$ 448,843</u>	<u>\$ 20,791,200</u>	<u>\$ (20,654,209)</u>	<u>\$ 585,834</u>
Total assets				
	<u>\$ 448,843</u>	<u>\$ 20,791,200</u>	<u>\$ (20,654,209)</u>	<u>\$ 585,834</u>
Liabilities				
Undistributed receipts	<u>\$ 448,843</u>	<u>\$ 7,750,661</u>	<u>\$ (7,613,670)</u>	<u>\$ 585,834</u>

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STATISTICAL SECTION

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CITY OF OAK PARK, MICHIGAN

Statistical Section Table of Contents

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

		<u>Page</u>
Financial Trends	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	134
Revenue Capacity	These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	144
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.	150
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.	155
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.	157

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

CITY OF OAK PARK, MICHIGAN

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2008	2009	2010	2011	2012
Governmental activities					
Net investment in capital assets	\$ 11,739,781	\$ 14,884,759	\$ 15,406,195	\$ 2,076,411	\$ 1,805,028
Restricted	5,140,968	3,201,454	4,088,332	16,892,886	16,169,292
Unrestricted (deficit)	2,463,887	(1,865,169)	(4,176,964)	(7,479,222)	(12,720,940)
Total governmental activities	<u>\$ 19,344,636</u>	<u>\$ 16,221,044</u>	<u>\$ 15,317,563</u>	<u>\$ 11,490,075</u>	<u>\$ 5,253,380</u>
Business-type activities					
Net investment in capital assets	\$ 12,723,979	\$ 14,053,708	\$ 16,780,263	\$ 17,689,440	\$ 15,566,968
Unrestricted	2,883,239	2,734,483	503,073	1,623,541	4,345,077
Total business-type activities	<u>\$ 15,607,218</u>	<u>\$ 16,788,191</u>	<u>\$ 17,283,336</u>	<u>\$ 19,312,981</u>	<u>\$ 19,912,045</u>
Primary government					
Net investment in capital assets	\$ 24,463,760	\$ 28,938,467	\$ 32,186,458	\$ 19,765,851	\$ 17,371,996
Restricted	5,140,968	3,201,454	4,088,332	16,892,886	16,169,292
Unrestricted (deficit)	5,347,126	869,314	(3,673,891)	(5,855,681)	(8,375,863)
Total primary government	<u>\$ 34,951,854</u>	<u>\$ 33,009,235</u>	<u>\$ 32,600,899</u>	<u>\$ 30,803,056</u>	<u>\$ 25,165,425</u>

Schedule 1
Unaudited

2013	2014	2015	2016	2017
\$ 13,132,212	\$ 14,247,686	\$ 14,000,594	\$ 15,052,182	\$ 16,080,881
6,911,104	4,887,899	4,317,193	4,464,360	3,372,538
(18,447,947)	(20,223,425)	(68,221,764)	(66,961,297)	(62,472,772)
<u>\$ 1,595,369</u>	<u>\$ (1,087,840)</u>	<u>\$ (49,903,977)</u>	<u>\$ (47,444,755)</u>	<u>\$ (43,019,353)</u>
\$ 16,175,706	\$ 16,773,566	\$ 17,818,784	\$ 19,700,636	\$ 20,845,966
4,653,218	6,175,448	733,114	(1,894,698)	(1,633,533)
<u>\$ 20,828,924</u>	<u>\$ 22,949,014</u>	<u>\$ 18,551,898</u>	<u>\$ 17,805,938</u>	<u>\$ 19,212,433</u>
\$ 29,307,918	\$ 31,021,252	\$ 31,819,378	\$ 34,752,818	\$ 36,926,847
6,911,104	4,887,899	4,317,193	4,464,360	3,372,538
(13,794,729)	(14,047,977)	(67,488,650)	(68,855,995)	(64,106,305)
<u>\$ 22,424,293</u>	<u>\$ 21,861,174</u>	<u>\$ (31,352,079)</u>	<u>\$ (29,638,817)</u>	<u>\$ (23,806,920)</u>

CITY OF OAK PARK, MICHIGAN

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2008	2009	2010	2011	2012
Expenses					
Governmental activities:					
General government	\$ 5,415,064	\$ 5,664,693	\$ 5,455,233	\$ 5,175,795	\$ 7,507,151
Judicial	2,457,418	3,110,586	2,480,818	2,438,608	2,536,686
Public safety	10,772,176	12,207,633	11,980,655	11,807,208	10,268,074
Road maintenance and repair	3,117,566	3,264,468	3,132,845	3,773,388	3,557,279
Public works	1,591,527	1,790,791	1,748,297	1,468,111	960,745
Health and sanitation	1,993,747	2,165,616	2,074,094	1,938,016	2,079,476
Culture and recreation	1,329,227	1,529,508	1,346,217	1,257,593	966,087
Library	858,674	1,040,661	1,028,408	904,488	945,653
Community development	334,654	584,284	1,499,055	1,889,763	981,099
Interest on long-term debt	1,116,640	1,076,660	1,038,320	1,211,375	1,563,087
Total governmental activities	28,986,693	32,434,900	31,783,942	31,864,345	31,365,337
Business-type activities:					
Water and sewer	8,061,610	8,019,513	8,796,597	8,721,512	9,517,443
Total primary government expenses	37,048,303	40,454,413	40,580,539	40,585,857	40,882,780
Program revenues					
Governmental activities:					
Charges for services:					
General government	582,978	471,650	470,968	491,946	2,969,159
Judicial	704,560	650,713	609,349	620,549	185,301
Public safety	1,395,297	1,445,393	1,422,872	1,436,686	46,635
Road maintenance and repair	-	-	72,648	-	148,312
Public works	144,345	405,399	153,071	399,625	294,580
Health and sanitation	565,490	611,694	644,564	835,541	1,101,773
Culture and recreation	464,371	435,876	471,547	433,396	-
Library	14,175	13,475	20,593	18,475	11,436
Community development	-	8,960	3,136	94,507	365
Operating grants and contributions	1,817,794	2,054,958	4,457,172	3,801,612	2,599,832
Capital grants and contributions	-	35,158	50,000	-	893
Total governmental activities	5,689,010	6,133,276	8,375,920	8,132,337	7,358,286
Business-type activities:					
Charges for services:					
Water and sewer	8,972,129	9,050,017	9,148,095	10,676,880	10,726,423
Capital grants and contributions	-	-	-	-	-
Total business-type activities	8,972,129	9,050,017	9,148,095	10,676,880	10,726,423
Total primary government program revenues	14,661,139	15,183,293	17,524,015	18,809,217	18,084,709
Net (expense)/revenue					
Government activities	(23,297,683)	(26,301,624)	(23,408,022)	(23,732,008)	(24,007,051)
Business-type activities	910,519	1,030,504	351,498	1,955,368	1,208,980
Total primary government net expense	(22,387,164)	(25,271,120)	(23,056,524)	(21,776,640)	(22,798,071)

Schedule 2
Unaudited

2013	2014	2015	2016	2017
\$ 7,899,791	\$ 6,824,175	\$ 3,064,969	9,940,652	\$ 4,078,708
2,128,180	1,976,211	1,944,235	2,280,899	2,000,064
2,653,492	9,525,007	3,497,663	7,401,142	9,299,317
3,209,098	4,098,970	4,702,539	3,125,342	3,145,293
2,402,385	1,744,556	1,141,585	2,837,202	1,516,904
1,983,105	2,268,966	3,023,012	280,850	2,498,707
1,470,915	827,531	572,947	475,963	658,582
762,658	696,640	702,648	661,836	821,249
5,242,607	1,161,136	384,815	601,863	444,575
1,501,533	1,170,026	1,192,125	1,076,838	1,076,246
29,253,764	30,293,218	20,226,538	28,682,587	25,539,645
10,147,814	9,447,898	8,242,405	11,841,571	9,972,023
39,401,578	39,741,116	28,468,943	40,524,158	35,511,668
3,623,194	2,930,627	4,171,972	4,357,345	3,436,647
-	148,221	184,028	210,220	178,908
50,257	41,518	40,237	58,596	55,402
125,599	251,972	131,194	154,627	219,892
459,765	288,447	733,485	480,086	567,170
1,141,929	1,149,094	1,245,819	1,311,457	1,357,366
-	-	-	-	-
17,684	144,126	22,380	24,974	25,386
-	21,680	-	-	-
2,273,132	2,241,178	2,406,046	2,690,345	2,452,723
-	1,750	561,703	100,150	422,628
7,691,560	7,218,613	9,496,864	9,387,800	8,716,122
10,985,124	11,550,673	11,706,574	10,984,177	11,353,474
-	-	-	-	-
10,985,124	11,550,673	11,706,574	10,984,177	11,353,474
18,676,684	18,769,286	21,203,438	20,371,977	20,069,596
(21,562,204)	(23,074,605)	(10,729,674)	(19,294,787)	(16,823,523)
837,310	2,102,775	3,464,169	(857,394)	1,381,451
(20,724,894)	(20,971,830)	(7,265,505)	(20,152,181)	(15,442,072)

continued...

CITY OF OAK PARK, MICHIGAN

Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2008	2009	2010	2011	2012
General revenues					
Governmental activities:					
Property taxes	\$ 21,890,823	\$ 22,730,399	\$ 18,138,062	\$ 15,762,619	\$ 15,222,837
State shared revenues	-	-	3,622,093	3,438,471	2,937,911
Franchise fees	560,384	584,255	669,415	701,558	714,074
Investment earnings	621,956	318,845	73,560	60,045	60,524
Miscellaneous	19,801	8,561	51,411	(8,173)	-
Transfers	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Total governmental activities	<u>23,042,964</u>	<u>23,592,060</u>	<u>22,504,541</u>	<u>19,904,520</u>	<u>18,885,346</u>
Business-type activities:					
Investment earnings	118,715	100,469	93,647	24,277	156
Transfers	50,000	50,000	50,000	50,000	50,000
Total business-type activities	<u>168,715</u>	<u>150,469</u>	<u>143,647</u>	<u>74,277</u>	<u>50,156</u>
Total primary government	<u>23,211,679</u>	<u>23,742,529</u>	<u>22,648,188</u>	<u>19,978,797</u>	<u>18,935,502</u>
Change in net position					
Governmental activities	(254,719)	(2,709,564)	(903,481)	(3,827,488)	(5,121,705)
Business-type activities	1,079,234	1,180,973	495,145	2,029,645	1,259,136
Total primary government	<u>\$ 824,515</u>	<u>\$ (1,528,591)</u>	<u>\$ (408,336)</u>	<u>\$ (1,797,843)</u>	<u>\$ (3,862,569)</u>

Schedule 2
Unaudited

2013	2014	2015	2016	2017
\$ 14,067,560	\$ 16,466,311	\$ 16,326,336	17,549,447	\$ 17,133,346
3,040,964	3,134,336	3,197,425	3,288,744	3,329,476
794,287	757,237	712,120	717,762	683,781
51,382	33,512	48,071	248,056	102,322
-	-	-	-	-
(50,000)	-	-	(50,000)	-
<u>17,904,193</u>	<u>20,391,396</u>	<u>20,283,952</u>	<u>21,754,009</u>	<u>21,248,925</u>
29,569	17,315	16,381	61,434	25,044
50,000	-	-	50,000	-
<u>79,569</u>	<u>17,315</u>	<u>16,381</u>	<u>111,434</u>	<u>25,044</u>
<u>17,983,762</u>	<u>20,408,711</u>	<u>20,300,333</u>	<u>21,865,443</u>	<u>21,273,969</u>
(3,658,011)	(2,683,209)	9,554,278	2,459,222	4,425,402
916,879	2,120,090	3,480,550	(745,960)	1,406,495
<u>\$ (2,741,132)</u>	<u>\$ (563,119)</u>	<u>\$ 13,034,828</u>	<u>\$ 1,713,262</u>	<u>\$ 5,831,897</u>

concluded.

CITY OF OAK PARK, MICHIGAN

Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2008	2009	2010	2011	2012
General fund					
Nonspendable	\$ 114,609	\$ 90,444	\$ 191,983	\$ 234,242	\$ 245,037
Unassigned	1,784,828	2,029,085	1,970,324	1,514,649	312,162
Total general fund	1,899,437	2,119,529	2,162,307	1,748,891	557,199
All other governmental funds					
Nonspendable	20,859	23,368	33,737	25,396	22,815
Restricted	5,757,552	3,453,091	4,569,839	17,436,759	16,146,559
Assigned	643,161	784,216	835,683	1,082,319	1,413,109
Unassigned (deficit)	-	-	-	-	-
Total all other governmental funds	6,421,572	4,260,675	5,439,259	18,544,474	17,582,483
Total all governmental funds	\$ 8,321,009	\$ 6,380,204	\$ 7,601,566	\$ 20,293,365	\$ 18,139,682

Schedule 3
Unaudited

2013	2014	2015	2016	2017
\$ 198,853	\$ 387,059	\$ 597,521	\$ 482,475	\$ 440,141
1,802,454	2,973,036	2,833,231	3,196,719	3,413,925
2,001,307	3,360,095	3,430,752	3,679,194	3,854,066
16,255	702	246	1,842	461
6,956,543	4,887,899	4,317,193	4,585,574	3,632,049
1,642,112	1,419,099	2,002,675	1,907,456	1,944,357
-	(7,869)	(23,840)	(28,218)	(232,266)
8,614,910	6,299,831	6,296,274	6,466,654	5,344,601
\$ 10,616,217	\$ 9,659,926	\$ 9,727,026	\$ 10,145,848	\$ 9,198,667

CITY OF OAK PARK, MICHIGAN

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2008	2009	2010	2011	2012
Revenues					
Property taxes	\$ 17,767,651	\$ 18,750,272	\$ 18,170,382	\$ 15,793,548	\$ 14,806,367
Special assessments	138,295	470,023	191,247	468,193	213,990
Licenses and permits	332,852	269,104	286,918	324,819	410,216
Intergovernmental	5,967,334	5,964,854	7,974,547	7,061,634	5,498,001
Charges for services	1,296,719	1,309,149	1,395,148	1,571,672	2,084,989
Fines and forfeitures	1,983,156	1,929,781	1,862,371	1,864,326	1,939,928
Interest income	691,790	342,713	77,613	122,813	59,080
Other	848,662	822,522	863,996	917,993	909,167
Total revenues	29,026,459	29,858,418	30,822,222	28,124,998	25,921,738
Expenditures					
Judicial	2,227,873	2,135,060	2,135,210	2,060,494	2,068,527
General government	4,493,384	4,342,750	4,261,390	3,862,062	4,020,488
Public safety	9,536,108	10,087,745	9,699,945	9,444,711	8,463,849
Road maintenance and repair	1,415,162	1,480,601	1,357,550	1,510,941	1,175,485
Public works	2,863,533	2,698,244	2,517,367	2,056,929	2,153,619
Health and sanitation	-	-	-	-	-
Recreation and culture	1,117,615	1,157,626	1,045,643	918,526	866,830
Library	727,765	820,483	850,138	668,867	3,293,302
Community development	200,159	281,927	1,218,937	1,611,291	815,551
Nondepartmental	2,970,326	2,745,727	2,735,006	2,735,439	2,804,481
Debt service:					
Principal	1,670,000	1,695,000	1,700,000	1,295,000	1,420,000
Interest	1,116,640	1,076,660	1,038,320	1,207,578	1,440,644
Bond issuance costs	-	-	-	-	-
Prior year tax refunds	-	-	-	-	11,131
Capital outlay	5,178,367	3,227,400	991,354	1,338,008	883,378
Total expenditures	33,516,932	31,749,223	29,550,860	28,709,846	29,417,285
Revenues over (under) expenditures	(4,490,473)	(1,890,805)	1,271,362	(584,848)	(3,495,547)
Other financing sources (uses)					
Issuance of long-term debt	-	-	-	13,326,647	-
Premium on issuance of long-term debt	-	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-	-
Issuance of capital lease	-	-	-	-	2,500,000
Transfers in	2,430,771	2,492,312	2,476,424	2,476,424	2,919,289
Transfers out	(2,480,771)	(2,542,312)	(2,526,424)	(2,526,424)	(2,969,289)
Total other financing sources (uses)	(50,000)	(50,000)	(50,000)	13,276,647	2,450,000
Net changes in fund balances	\$ (4,540,473)	\$ (1,940,805)	\$ 1,221,362	\$ 12,691,799	\$ (1,045,547)
Debt services as a percentage of noncapital expenditures	9.83%	9.72%	9.59%	9.14%	10.03%

Schedule 4
Unaudited

2013	2014	2015	2016	2017
\$ 14,486,295	\$ 16,422,482	\$ 16,292,076	\$ 16,997,519	\$ 17,239,139
392,523	133,052	525,492	334,150	531,443
376,502	363,301	546,585	633,468	516,630
5,274,629	5,336,577	6,121,119	6,008,506	6,142,814
1,922,419	2,188,756	2,857,318	2,499,661	2,094,312
1,786,713	1,803,694	2,056,122	2,200,334	1,986,362
50,674	33,146	47,385	244,144	100,369
1,815,024	1,284,806	1,299,773	1,682,787	1,408,372
<u>26,104,779</u>	<u>27,565,814</u>	<u>29,745,870</u>	<u>30,600,569</u>	<u>30,019,441</u>
1,670,645	1,946,216	1,950,499	2,384,920	2,099,767
3,708,268	3,284,804	3,613,552	3,562,498	4,007,155
6,829,039	5,557,392	8,447,856	8,771,838	9,391,416
1,282,793	1,753,709	1,756,810	2,161,235	3,818,001
2,253,710	2,970,801	3,616,070	3,092,354	791,087
-	-	-	-	2,498,707
600,876	591,912	570,403	544,721	656,008
702,671	727,789	738,863	766,733	827,630
549,543	600,913	593,951	677,202	520,597
2,691,078	5,214,184	3,944,438	4,681,648	3,069,226
1,230,000	1,360,000	1,400,000	1,641,000	1,455,000
1,493,206	1,211,564	1,175,121	1,425,436	1,022,022
64,220	-	-	-	-
648,227	109,740	382,611	-	-
9,812,695	3,193,081	1,161,178	755,044	810,006
<u>33,536,971</u>	<u>28,522,105</u>	<u>29,351,352</u>	<u>30,464,629</u>	<u>30,966,622</u>
<u>(7,432,192)</u>	<u>(956,291)</u>	<u>394,518</u>	<u>135,940</u>	<u>(947,181)</u>
9,150,000	-	-	7,825,000	-
160,579	-	-	796,882	-
(9,160,000)	-	-	(8,289,000)	-
-	-	-	-	-
11,704,946	2,695,253	2,153,584	11,107,393	2,125,068
<u>(11,939,946)</u>	<u>(2,695,253)</u>	<u>(2,153,584)</u>	<u>(11,157,393)</u>	<u>(2,125,068)</u>
<u>(84,421)</u>	<u>-</u>	<u>-</u>	<u>282,882</u>	<u>-</u>
<u>\$ (7,516,613)</u>	<u>\$ (956,291)</u>	<u>\$ 394,518</u>	<u>\$ 418,822</u>	<u>\$ (947,181)</u>
<u>11.61%</u>	<u>10.54%</u>	<u>9.15%</u>	<u>10.58%</u>	<u>9.09%</u>

CITY OF OAK PARK, MICHIGAN

Taxable and Estimated Actual Value of Property Last Ten Fiscal Years

Year Ended June 30,	Real Property			Personal Property	Total Taxable Value
	Residential Property	Commercial Property	Industrial Property		
2017	\$ 293,941,530	\$ 95,836,930	\$ 19,829,100	\$ 30,565,350	440,172,910
2016	289,174,450	97,946,090	17,119,170	32,054,990	436,294,700
2015	283,412,310	99,570,910	17,124,830	32,106,170	432,214,220
2014	280,856,040	101,354,490	17,629,760	34,403,540	434,243,830
2013	312,688,580	107,596,610	18,982,270	35,705,130	474,972,590
2012	358,677,900	115,935,490	23,383,320	33,460,080	531,456,790
2011	427,200,170	99,543,660	60,865,560	36,210,100	623,819,490
2010	496,759,030	110,469,460	69,924,120	37,535,040	714,687,650
2009	511,737,180	109,204,400	70,406,640	37,226,110	728,574,330
2008	506,292,480	108,633,050	63,444,620	43,942,580	722,312,730

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
36.9308	\$ 1,037,375,040	42.43%
37.6060	945,379,900	46.15%
37.1191	871,556,740	49.59%
36.8734	866,136,280	50.14%
29.8398	948,753,780	50.06%
27.2386	1,257,602,340	42.26%
24.5191	1,288,399,640	48.42%
24.6863	1,629,550,940	43.86%
24.6704	1,816,037,880	40.12%
23.7288	1,904,504,560	37.93%

CITY OF OAK PARK, MICHIGAN

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

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

Fiscal Year	Operating Millage	Library	Debt Service	Solid Waste	PA 345	Total Direct
2017: Homestead (1)	19.8959	1.4836	5.6500	2.9377	6.9636	36.9308
2017: Non-homestead						36.9308
2016: Homestead (1)	20.0000	1.4914	6.1615	2.9531	7.0000	37.6060
2016: Non-homestead						37.6060
2015: Homestead (1)	20.0000	1.4914	6.2017	2.9531	6.4729	37.1191
2015: Non-homestead						37.1191
2014: Homestead (1)	20.0000	1.4914	5.9560	2.9531	6.4729	36.8734
2014: Non-homestead						36.8734
2013: Homestead (1)	20.0000	1.4914	5.3953	2.9531	-	29.8398
2013: Non-homestead						29.8398
2012: Homestead (1)	18.8563	1.4914	4.4378	2.4531	-	27.2386
2012: Non-homestead						27.2386
2011: Homestead (1)	17.3563	0.9914	3.7183	2.4531	-	24.5191
2011: Non-homestead						24.5191
2010: Homestead (1)	17.3563	0.9914	3.8855	2.4531	-	24.6863
2010: Non-homestead						24.6863
2009: Homestead (1)	17.3563	0.9914	3.8696	2.4531	-	24.6704
2009: Non-homestead						24.6704
2008: Homestead (1)	16.3563	0.9914	3.9280	2.4531	-	23.7288
2008: Non-homestead						23.7288

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

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

Principal Property Tax Payers
 Current Year and Nine Years Ago

Taxpayer	2008			2017		
	Taxable Value	Rank	Percentage of Total	Taxable Value	Rank	Percentage of Total
Scannell Properties (Fed Ex)	\$ -	-	-	\$ 8,499,100	1	1.93%
DTE Energy Company	3,977,580	8	0.55%	7,077,880	2	1.61%
Lincoln Towers Apts, LLP	6,533,300	3	0.90%	5,290,180	3	1.20%
Village Green Management Co.	6,163,750	5	0.85%	4,573,100	4	1.04%
Loop On Greenfield, LLC	-	-	-	3,815,620	5	0.87%
Consumers Energy Company	-	-	-	3,747,620	6	0.85%
Oak Park Manor MI, LLC	4,662,590	7	0.65%	3,585,470	7	0.81%
Jewish Federation Apartments	7,908,110	2	1.09%	3,003,340	8	0.68%
Teitel JSL LTD Dividend Housing Dev.	-	-	-	2,817,700	9	0.64%
Apollo Heat Treating & Processing	-	-	-	2,511,360	10	0.57%
Detroit Square Properties, LLC	10,183,200	1	1.41%	-	-	-
Parkwoods Shopping Plaza, LLC	6,326,500	4	0.88%	-	-	-
Greenfield Lincoln Investments #2, LLC	5,761,500	6	0.80%	-	-	-
Oakmont Properties	3,934,010	9	0.54%	-	-	-
Lincoln Center	3,341,260	10	0.46%	-	-	-
	<u>\$62,645,880</u>		<u>8.14%</u>	<u>\$45,825,020</u>		<u>10.21%</u>

Property Tax Levies and Collections
 Last Ten Fiscal Years

Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Years Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2017	\$ 16,255,214	\$ 15,211,479	93.58%	\$ 109,269	15,320,748	94.25%
2016	16,301,611	15,088,697	92.56%	63,360	15,152,057	92.95%
2015	16,104,874	15,031,406	93.33%	94,188	15,125,594	93.92%
2014	16,260,957	14,955,242	91.97%	109,923	15,065,165	92.65%
2013	15,138,509	13,946,023	92.12%	101,563	14,047,586	92.79%
2012	14,899,108	13,746,273	92.26%	81,518	13,827,791	92.81%
2011	15,658,581	14,363,567	91.73%	95,810	14,459,377	92.34%
2010	18,708,879	16,964,827	90.68%	81,685	17,046,512	91.11%
2009	19,029,345	17,269,947	90.75%	113,244	17,383,191	91.35%
2008	18,170,268	16,349,901	89.98%	136,390	16,486,291	90.73%

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ending June 30,	Governmental Activities			Business-type Activities	Total Primary Government	% of Personal Income	Per Capita
	General Obligation Bonds	Unamortized Premium	Capital Lease	Water Revenue Bonds			
2017	\$ 25,915,000	\$ 854,155	\$ 2,145,000	\$ 7,140,320	\$ 36,054,475	75.96%	\$ 1,229.73
2016	27,295,000	917,317	2,220,000	8,081,332	38,513,649	79.74%	1,286.26
2015	29,330,000	-	2,290,000	9,008,845	40,628,845	84.08%	1,390.20
2014	30,660,000	140,507	2,360,000	9,892,544	43,053,051	80.52%	1,463.64
2013	31,950,000	150,543	2,430,000	10,754,639	45,285,182	93.11%	1,544.57
2012	33,120,000	-	2,500,000	12,510,082	48,130,082	99.29%	1,641.60
2011	34,540,000	-	-	13,697,003	48,237,003	99.06%	1,645.25
2010	22,410,000	-	-	14,315,803	36,725,803	75.42%	1,252.63
2009	24,110,000	-	-	15,066,183	39,176,183	80.45%	1,209.18
2008	25,805,000	-	-	15,219,483	41,024,483	84.24%	1,266.23

Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Obligation Bonds	Unamortized Premium	Less: Amounts Available in Debt Service Funds	Total	% of Estimated Actual Taxable Value of Property	Per Capita
2017	\$25,915,000	\$ 854,155	\$ 617,294	\$26,151,861	5.94%	\$ 892
2016	27,295,000	917,317	436,883	27,775,434	6.18%	920
2015	29,330,000	130,471	327,532	29,132,939	6.71%	989
2014	30,660,000	140,507	216,115	30,584,392	7.01%	1,039
2013	31,950,000	150,543	49,286	32,051,257	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

CITY OF OAK PARK, MICHIGAN

Schedule 11
Unaudited**Direct and Overlapping Governmental Activities Debt**
As of June 30, 2017

	Net Debt Outstanding	Percentage Applicable to City *	Estimated Share of Overlapping Debt
Direct			
City of Oak Park	\$ 28,914,155	100.00%	<u>\$ 28,914,155</u>
Overlapping			
Berkley School District	60,685,000	10.48%	6,359,788
Ferndale School District	42,281,851	11.47%	4,849,728
Oak Park School District	10,599,071	74.99%	7,948,243
Oakland County (at-large)	372,198,081	0.84%	3,126,464
Oakland Intermediate School District	45,495,000	0.84%	382,158
Oakland Community College	820,000	0.84%	6,888
			<u>22,673,270</u>
Total direct and overlapping debt			<u><u>\$ 51,587,425</u></u>

* Amount supplied by Municipal Advisory Council of Michigan.

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

CITY OF OAK PARK, MICHIGAN

Schedule 12
Unaudited**Legal Debt Margin**

Last Ten Fiscal Years

Assessed value		\$ 518,687,520
Legal debt limit (10% of SEV)		\$ 51,868,752
Gross indebtedness	\$ 28,060,000	
Amount available in debt service funds	(617,294)	
Net bonded debt		27,442,706
Legal debt margin		\$ 24,426,046
Net bonded debt as a percentage of assessed value		5.29%

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
2017	\$ 51,868,752	\$ 27,442,706	\$ 24,426,046	52.91%
2016	47,268,995	29,078,117	18,190,878	61.52%
2015	43,577,837	31,292,468	12,285,369	71.81%
2014	43,306,814	32,803,885	10,502,929	75.75%
2013	47,437,689	35,438,601	11,999,088	74.71%
2012	53,202,679	33,885,602	19,317,077	63.69%
2011	64,419,982	21,574,317	42,845,665	33.49%
2010	81,477,547	23,325,784	58,151,763	28.63%
2009	90,844,906	25,161,839	65,683,067	27.70%
2008	95,225,228	26,981,331	68,243,897	28.33%

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
2017	\$ 11,504,380	\$ 9,002,977	\$ 2,501,403	\$ 963,931	2.60
2016	11,076,829	9,513,741	1,563,088	941,012	1.66
2015	11,756,573	9,221,737	2,534,836	1,144,100	2.22
2014	11,550,673	8,527,198	3,023,475	1,147,399	2.64
2013	10,985,124	9,204,993	1,780,131	1,550,517	1.15
2012	10,726,423	8,500,899	2,225,524	1,552,305	1.43
2011	10,676,880	8,091,387	2,585,493	1,523,214	1.70
2010	9,148,095	8,094,665	1,053,430	1,552,893	0.68
2009	9,050,017	7,304,931	1,745,086	1,493,798	1.17
2008	8,972,129	7,302,057	1,670,072	1,490,687	1.12

Note: This schedule represents the enterprise fund revenue available to cover additional potential debt, after first covering enterprise fund expenses and existing debt (Kuhn Drain bonds). As of June 30, 2017, the City had no revenue bonds outstanding.

Demographic and Economic Statistics

Last Ten Fiscal Years

Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment Rate
2017	29,319	\$ 47,463	\$ 22,059	37.8	5.80%
2016	29,319	47,292	22,143	36.8	7.90%
2015	29,319	48,476	21,677	37.1	8.10%
2014	29,319	53,297	22,486	38.2	11.30%
2013	29,319	48,476	23,242	38.6	13.50%
2012	29,319	48,697	21,677	34.6	14.40%
2011	29,319	48,697	21,677	34.6	16.20%
2010	29,319	48,697	21,677	34.6	18.70%
2009	32,399	48,697	21,677	34.6	20.60%
2008	32,399	48,697	21,677	34.6	10.80%

Source: Michigan Bureau of Labor Market Information and Strategic Initiatives

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Principal Employers

Current Year and Nine Years Ago

Employer	2008			2017		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Barton Malow Company	-	-	-	795	1	5.82%
EJS USA, Inc.	-	-	-	500	2	3.66%
Easter Seals - Michigan	-	-	-	400	3	2.93%
Oak Park School District	485	1	2.81%	392	4	2.87%
Home Depot Measurement Services	-	-	-	300	5	2.20%
Fed Ex	-	-	-	245	6	1.79%
City of Oak Park	231	2	1.34%	213	7	1.56%
Berkely School District	-	-	-	201	8	1.47%
Hewson Van Hellemont PC	-	-	-	130	9	0.95%
Ringside Creative LLC	-	-	-	111	10	0.81%
Jewish Federation Apartments	130	3	0.75%	-	-	-
Detroit Square Properties	105	4	0.61%	-	-	-
Lincoln Towers Apartments	99	5	0.57%	-	-	-
Detroit Edison	98	6	0.57%	-	-	-
Parkwoods Shopping Plaza	98	7	0.57%	-	-	-
Huntington Gardens, Village Green Mgmt.	97	8	0.56%	-	-	-
Symtec Manufacturing	96	9	0.56%	-	-	-
CBS, Inc.	95	10	0.55%	-	-	-
	<u>1,534</u>		<u>8.89%</u>	<u>3,287</u>		<u>24.06%</u>

CITY OF OAK PARK, MICHIGAN

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

Department/Union	2008	2009	2010	2011
Full-time				
Council	5.00	5.00	5.00	5.00
City Manager	4.00	4.00	4.00	3.00
Information Technology	1.00	1.00	1.00	1.00
City Attorney	-	-	-	-
Community & Economic Development	-	-	-	-
City Clerk	4.00	4.00	3.00	2.00
Finance & Administrative Services	17.00	17.00	15.00	13.00
Technical & Planning Services	16.00	13.00	13.00	12.00
Public Information	3.00	3.00	3.00	3.00
Public Safety	78.00	78.00	74.00	73.00
Public Works	27.00	26.00	26.00	24.00
Recreation	7.00	7.00	7.00	7.00
Library	6.00	6.00	6.00	6.00
District Court 45-B / Probation	27.00	25.00	27.00	27.00
	<u>195.00</u>	<u>189.00</u>	<u>184.00</u>	<u>176.00</u>
Part-time				
City Manager	-	-	-	0.12
City Attorney	-	-	-	-
Prosecuting Attorney	1.00	1.00	1.00	1.00
Community & Economic Development	-	-	-	-
City Clerk	-	-	0.50	0.50
Technical & Planning Services	0.50	0.50	0.50	0.50
Public Information	-	-	-	-
Public Safety	5.25	5.25	5.25	5.25
Public Works	3.17	3.17	3.17	3.17
Recreation	21.20	21.10	21.10	20.35
Library	3.65	4.50	4.50	3.75
District Court 45-B / Probation	2.40	2.40	0.70	0.70
	<u>37.17</u>	<u>37.92</u>	<u>36.72</u>	<u>35.34</u>
Total	<u>232.17</u>	<u>226.92</u>	<u>220.72</u>	<u>211.34</u>

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

Schedule 16
Unaudited

2012	2013	2014	2015	2016	2017
5.00	5.00	5.00	5.00	5.00	5.00
3.00	3.00	4.00	4.00	4.00	3.00
1.00	1.00	1.00	2.00	-	2.00
-	1.00	-	-	-	-
-	-	-	1.00	1.00	1.00
2.00	2.00	3.00	3.00	3.00	3.00
11.00	10.00	10.00	11.00	10.00	11.00
10.00	9.00	11.00	12.50	14.00	16.50
3.00	2.00	2.00	1.00	2.00	2.00
68.00	57.00	59.00	59.00	59.00	61.00
24.00	21.00	22.00	22.00	23.00	24.00
7.00	2.00	3.00	3.00	3.00	3.00
4.00	4.00	4.00	4.00	5.00	4.00
23.00	22.00	23.00	23.00	23.00	23.00
161.00	139.00	147.00	150.50	152.00	158.50
0.12	-	0.63	-	0.73	0.73
-	-	-	0.56	-	-
1.00	-	-	-	-	-
-	-	-	-	0.50	0.50
0.50	-	-	-	-	-
0.50	0.50	2.97	2.38	-	-
-	-	-	-	0.70	-
5.25	5.25	5.25	5.25	5.25	5.25
3.17	1.67	2.37	2.27	2.27	4.79
20.35	20.35	20.87	20.35	20.35	20.35
3.75	2.50	5.24	6.56	2.90	5.12
1.70	2.70	4.45	4.00	4.00	3.50
36.34	32.97	41.78	41.37	36.70	40.24
197.34	171.97	188.78	191.87	188.70	198.74

continued...

CITY OF OAK PARK, MICHIGAN

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

Department/Union	2008	2009	2010	2011
Full-time Personnel by Salary Classification				
Legislative	5	5	5	5
Exempt	11	11	11	11
Supervisory	15	13	13	13
Administrative	5	5	5	5
TPOAM	61	59	56	56
POAM	51	51	47	47
COAM	14	14	14	14
Dispatch	6	6	6	6
District Court 45-B	27	25	27	27
	<u>195</u>	<u>189</u>	<u>184</u>	<u>184</u>

Schedule 16
Unaudited

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2012	2013	2014	2015	2016	2017
5	5	5	5	5	5
10	11	10	10	11	12
13	10	11	11	11	11
4	6	5	5	5	6
43	33	38	41.50	43	43.50
45	34	38	37	37	38
13	13	12	12	12	14
5	5	5	5	5	6
23	22	23	24	23	23
161	139	147	150.50	152.00	158.50

concluded.

CITY OF OAK PARK, MICHIGAN

Operating Indicators by Function / Department Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012
Public Safety					
Hazardous violations	5,077	4,060	3,428	3,624	3,624
Total violations	13,955	11,171	10,122	9,473	9,473
EMS requests	2,210	2,305	2,533	2,423	2,423
Traffic crashes	815	730	659	655	655
Technical & Planning Services					
Number of building permits	545	582	526	526	526
Value of building permits	\$ 5,868,495	\$ 6,143,751	\$ 4,560,779	\$ 4,560,779	\$ 4,560,779
Library					
Residents with library cards	17,102	17,400	18,268	18,916	18,916
Items available	114,338	105,750	105,720	94,939	94,939
Health and Sanitation					
Tons of solid waste recycled	802.00	826.00	818.00	793.00	793.00
Water System					
Water Rate Per Unit	\$ 2.63	\$ 2.76	\$ 3.02	\$ 3.12	\$ 3.27

Schedule 17
Unaudited

2013	2014	2015	2016	2017
2,409	2,057	2,376	2,093	2,736
9,473	6,941	7,449	5,784	7,152
2,389	2,408	2,561	2,445	2,547
593	648	688	746	727
649	468	755	692	713
\$ 13,015,549	\$ 8,184,966	\$ 14,450,358	\$ 25,085,257	\$ 9,270,250
19,062	19,800	20,122	19,464	19,483
103,021	104,924	104,648	98,742	106,092
762.00	817.00	786.00	895.00	885.00
\$ 3.27	\$ 3.41	\$ 3.54	\$ 3.85	\$ 3.93

CITY OF OAK PARK, MICHIGAN

Capital Asset Statistics by Function / Department Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012
City Manager					
Vehicles assigned	2	-	-	-	-
Public Safety					
Vehicles assigned	39	29	34	38	33
Public Works					
Vehicles assigned	46	38	42	42	42
Number of buildings	4	4	4	4	4
Road Maintenance and Repair					
Miles of major streets	20.72	20.72	20.72	21	21
Miles of local streets	65.33	65.33	65.33	65.33	65.33
Water & Sewer System					
Miles of water mains	115	115	115	115	115
Miles of sewers	80.64	80.64	80.64	80.64	80.64
Recreation					
Swimming pool	1	1	1	1	1
City parks	10	10	10	10	10
Park acreage	109.8	109.8	109.8	109.8	109.8

Schedule 18
Unaudited

2013	2014	2015	2016	2017
-	-	-	-	-
37	36	27	26	36
41	42	45	49	50
5	5	5	5	5
21	21	18.35	18.35	18.35
65.33	65.33	65.94	65.94	65.94
115	115	115	115	115
80.64	80.64	80.64	80.64	80.64
1	1	1	1	1
10	10	10	10	10
109.8	109.8	109.8	109.8	109.8

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

December 20, 2017

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *City of Oak Park, Michigan* (the "City"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 20, 2017.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2017-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2017-002 to be a significant deficiency.

Compliance and Other Matters

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

City of Oak Park's Response Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

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

CITY OF OAK PARK, MICHIGAN

Schedule of Findings and Responses

For the Year Ended June 30, 2017

2017-001 - Material Audit Adjustments

Finding Type. Material Weakness in Internal Control over Financial Reporting

Criteria. Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles (GAAP).

Condition. During the audit, we identified and proposed several material adjustments (which were approved and posted by management) to adjust the City's general ledger to the appropriate balances. These entries included adjustments to cash, accounts receivable (including write-offs of uncollectible receivables), deferred inflows, capital assets in the internal service funds, accrued interest payable, retainage payable, compensated absences and bonds payable in the water and sewer enterprise fund and internal service funds, and Act 51 equipment rental expenditures. Additionally, the governmental activities capital assets schedule initially excluded approximately \$626,000 of current year additions. Furthermore, we assisted in the preparation of all GASB Statement No. 34 entries.

Cause. This condition stems from changes in the Finance Department staffing, due to the previous Finance Director leaving the City in February 2017.

Effect. As a result of this condition, the City's accounting records were initially misstated by amounts material to the financial statements.

Recommendation. We recommend that the City reconcile all general ledgers to subsidiary detail at least on an annual basis.

View of Responsible Officials. The City has stability in personnel in the Finance Department and will ensure reconciliation of the general ledger to subsidiary detail is done at minimum on an annual basis.

CITY OF OAK PARK, MICHIGAN

Schedule of Findings and Responses

For the Year Ended June 30, 2017

2017-002 - Preparation of Financial Statements in Accordance with GAAP

Finding Type. Significant Deficiency in Internal Control over Financial Reporting

Criteria. The City is required to prepare financial statements in accordance with generally accepted accounting principles (GAAP). This is a responsibility of the City's management. The preparation of financial statements in accordance with GAAP requires internal controls over both (1) recording, processing, and summarizing accounting data (i.e., maintaining internal books and records), and (2) reporting financial statements, including the related footnotes (i.e., external financial reporting).

Condition. The City relied heavily upon the knowledge and expertise of its former Finance Director.

Cause. The City experienced staffing changes in the Finance Department, including the former Finance Director leaving during the year. The City did not hire additional personnel upon his leaving but promoted from within, restoring a previous finance director to that position.

Effect. As a result of this condition, the City's internal controls over the preparation of financial statements in accordance with GAAP is not as strong as in the prior year, and instead relies, in part, on its external auditors for assistance in this area.

View of Responsible Officials. The abrupt departure of the previous finance director, did not permit for a smooth transition. Additional personnel was not immediately acquired and therefore the previous finance director assumed the duties of the new role while maintaining the duties of the deputy finance director position; in addition to interviewing and training new personnel. This continued until more departmental promotions were authorized later on. Going forward the City's internal controls over the preparation of the financial statements will improve.

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