

City of Oak Park,  
Michigan



Year Ended  
June 30, 2016

Comprehensive  
Annual Financial  
Report

Prepared by  
*Finance Department*

City Manager  
*Erik Tungate*

This page intentionally left blank.

# CITY OF OAK PARK, MICHIGAN

## Table of Contents

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Transmittal Letter	1
Elected and Appointed Officials	5
Organizational Chart	6
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	9
Management's Discussion and Analysis	12
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	25
Statement of Activities	26
Fund Financial Statements:	
Balance Sheet - Governmental Funds	28
Reconciliation of Fund Balances of Governmental Funds to Net Position of Governmental Activities	29
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	30
Reconciliation of Net Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	31
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	33
Statement of Net Position - Proprietary Funds	34
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	35
Statement of Cash Flows - Proprietary Funds	36
Statement of Fiduciary Net Position	38
Statement of Changes In Fiduciary Net Position	39
Combining Statement of Net Position - Discretely Presented Component Units	40
Combining Statement of Activities - Discretely Presented Component Units	41
Notes to Financial Statements	44

# CITY OF OAK PARK, MICHIGAN

## Table of Contents

	<u>Page</u>
<b>Required Supplemental Information</b>	
Other Postemployment Benefit Plans -	
Schedule of Funding Progress and Employer Contributions	78
Pension Plans:	
Schedule of Investment Returns	80
Schedule of Changes in City's Net Pension Liability and Related Ratios:	
General Employees' Retirement System	81
Public Safety Retirement System	82
Schedule of City Contributions	83
 <b>Combining and Individual Fund Financial Statements and Schedules</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	86
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances - Nonmajor Governmental Funds	87
Combining Balance Sheet - Special Revenue Funds	88
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances - Special Revenue Funds	92
Schedule of Revenues, Expenditures and Changes in Fund	
Balances - Budget and Actual - Nonmajor Special Revenue Funds:	
Major Streets Fund	95
Local Streets Fund	96
Solid Waste Fund	97
Narcotics Forfeiture Fund	98
Criminal Justice Training Fund	99
Disaster Contingency Fund	100
Community Development Block Grant Fund	101
C.O.P.S. Program Fund	102
Caseflow Assistance Fund	103
Neighborhood Stabilization Program Fund	104
Veterans Treatment Court Grant	105
45th District Court Fund	106
Library Fund	107
Combining Balance Sheet - Debt Service Funds	108
Combining Statement of Revenues, Expenditures and Changes	
in Fund Balances - Debt Service Funds	110
Combining Balance Sheet - Capital Projects Funds	112
Combining Statement of Revenues, Expenditures and Changes	
in Fund Balances - Capital Projects Funds	114
Combining Statement of Net Position - Internal Service Funds	116
Combining Statement of Revenues, Expenses and Changes	
in Fund Net Position - Internal Service Funds	117
Combining Statement of Cash Flows - Internal Service Funds	118
Combining Statement of Fiduciary Assets and Liabilities	119
Combining Statement of Changes in Fiduciary Assets and Liabilities	120

# CITY OF OAK PARK, MICHIGAN

## Table of Contents

	<u>Page</u>
<b>STATISTICAL SECTION</b>	
1 - Net Position by Component	126
2 - Changes in Net Position	128
3 - Fund Balances - Governmental Funds	132
4 - Changes in Fund Balances - Governmental Funds	134
5 - Taxable and Estimated Actual Value of Property	136
6 - Direct and Overlapping Property Tax Rates	138
7 - Principal Property Tax Payers	140
8 - Property Tax Levies and Collections	141
9 - Ratios of Outstanding Debt by Type	142
10 - Ratios of General Bonded Debt Outstanding	143
11 - Direct and Overlapping Governmental Activities Debt	144
12 - Legal Debt Margin	145
13 - Revenue Bond Coverage	146
14 - Demographic and Economic Statistics	147
15 - Principal Employers	149
16 - Full-time Equivalent City Government Employees by Department / Union Group	150
17 - Operating Indicators by Function / Department	154
18 - Capital Asset Statistics by Function / Department	156



This page intentionally left blank.

## INTRODUCTORY SECTION

This page intentionally left blank.





# 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 17, 2016

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, 2016, is hereby submitted as mandated by the City Charter, Section 9.8, and state statute, Public Act 2 of 1968. The City Charter and state statute require that the City issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The financial statements and supplemental schedules contained herein have been audited by Rehmann Robson, Certified Public Accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City activities have been included.

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

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

### The Reporting Entity and Services Provided

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

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

### **Local Economy and Governmental Structure**

The City of Oak Park is located near the southeast corner of Oakland County in 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 2015-2016:

- 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 anticipated an operating deficit of more than \$800,000 which would have resulted in a decrease 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 \$248,000, bringing total fund balance at June 30, 2016 to approximately \$3,679,000 or 17.75% of expenditures and transfers. The ending fund balance continues to be in the targeted range for the third year in a row.
- 2) The second priority was to address the long-term legacy costs. The City was able to contribute \$79,310 and \$18,188 over the actuarially required public safety and employees pension contributions, respectively. The City, for the second year in a row, made a contribution over the pay-as-you-go amount toward the OPEB liability, this year totaling \$1,300,000.
- 3) The third priority was economic development and improving the quality of life for residents and businesses. The focus on economic development projects is to 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 2015-2016 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, 2016.

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 Finance Director Carl Johnson and 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

Carl Johnson, Director of Finance and Administrative Services

Saundra Crawford, 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

Jamen Winters, Deputy Treasurer

WCA Assessing, City Assessor

Scott Lemarbe, General Foreman

Ed Mlynezyk, General Foreman

Mike Pinkerton, Deputy Director of Public Safety

David DeCoster, Deputy Director of Technical and Planning Services

Rocco Fortura, Deputy Director of DPW

Steve Lukasik, Water Supervisor

Maralee Rosemond, Senior Services Coordinator

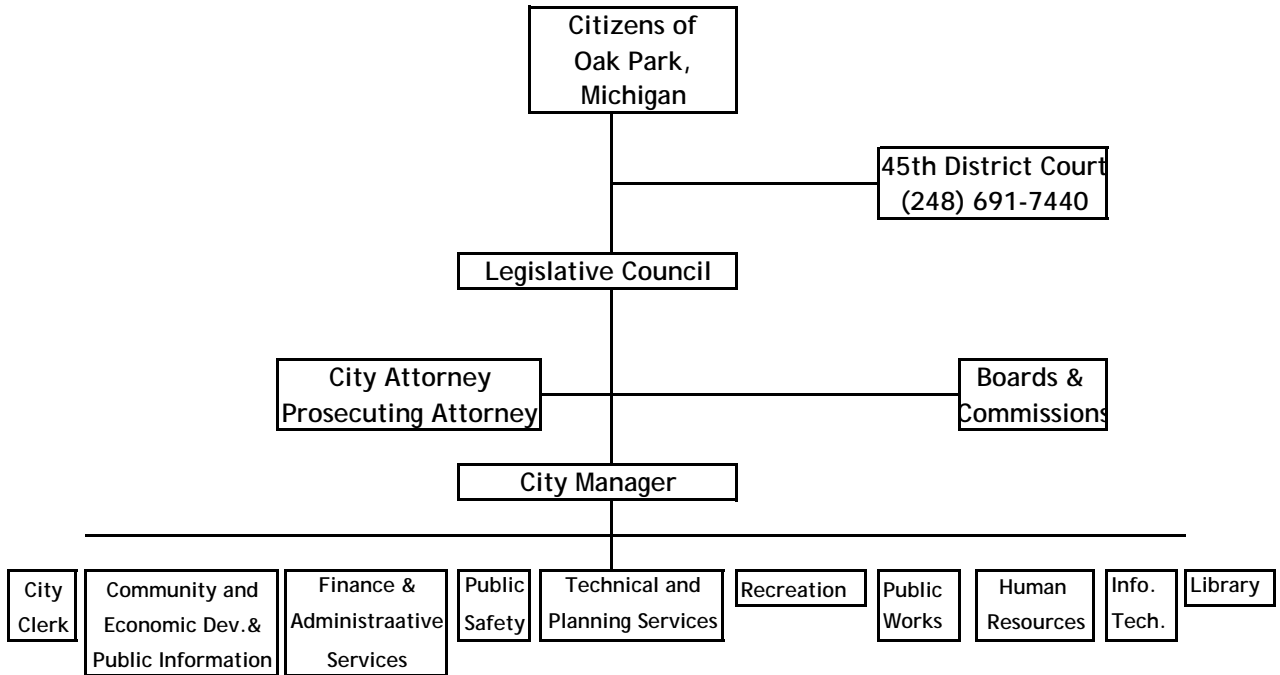
Vicky Brooks, Director of Human Resources & Operations

Kimberly Marrone, Director of Community & Economic Development

Denise Desantis, Director of Communications & Public Information

# CITY OF OAK PARK, MICHIGAN

## Table of Organization



## FINANCIAL SECTION

This page intentionally left blank.



## INDEPENDENT AUDITORS' REPORT

December 17, 2016

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, 2016, 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, 2016, 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.

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

## 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, 2016. 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 \$2.5 million, or 4.9 percent. Net position of our business-type activities decreased by \$0.8 million, or 4.0 percent.
- During the year, the City had revenues and other financing sources in governmental funds that were \$0.4 million more than the \$41.6 million of expenditures and other financing uses, excluding payments to the refunding bond escrow agent.
- In the City's business-type activities, revenues were \$11.0 million while expenses were \$11.8 million.
- Total cost of all of the City's governmental programs was \$41.6 million, excluding payments to the refunding bond escrow agent.
- The general fund reported an increase in fund balance of \$0.2 million.
- The general fund revenues were \$0.5 million more and expenditures were \$.01 million less than budgeted. The revenue variance is primarily due to a reduction in property tax reserves for tax appeal refunds and real chargebacks. The expenditure variance represents savings in most departments offset by an additional transfer of the overall expenditure savings to the Retiree's Health Care - General and Public Safety Employee's Fund of \$.4 million. The General Fund increased fund balance by \$0.2 million instead of no change as projected in the final amended budget.

### Using this Annual Report

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

### Reporting the City as a Whole

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

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

# CITY OF OAK PARK, MICHIGAN

## Management's Discussion and Analysis

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

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

### Reporting the City's Most Significant Funds

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

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

*Proprietary funds.* When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise fund (a type of proprietary 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 increased over the prior year — from negative \$31.4 million to negative \$29.6 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	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 13,618,226	\$ 13,566,084	\$ 6,809,279	\$ 7,965,263	\$ 20,427,505	\$ 21,531,347
Capital assets, net	43,714,841	44,889,089	27,781,968	26,827,629	71,496,809	71,716,718
<b>Total assets</b>	<b>57,333,067</b>	<b>58,455,173</b>	<b>34,591,247</b>	<b>34,792,892</b>	<b>91,924,314</b>	<b>93,248,065</b>
Deferred outflows of resources	9,795,410	2,576,561	710,703	284,090	10,506,113	2,860,651
Long-term liabilities	32,021,485	33,299,260	8,368,702	9,267,102	40,390,187	42,566,362
Pension and OPEB	75,443,920	61,288,554	8,069,051	5,862,686	83,512,971	67,151,240
Other liabilities	2,269,635	3,209,285	1,054,595	973,344	3,324,230	4,182,629
<b>Total liabilities</b>	<b>109,735,040</b>	<b>97,797,099</b>	<b>17,492,348</b>	<b>16,103,132</b>	<b>127,227,388</b>	<b>113,900,231</b>
Deferred inflows of resources	4,838,192	13,138,612	3,664	421,952	4,841,856	13,560,564
Net position						
Net investment in capital assets	13,597,182	14,000,594	19,700,636	17,818,784	33,297,818	31,819,378
Restricted	4,464,360	4,317,193	-	-	4,464,360	4,317,193
Unrestricted (deficit)	(65,506,297)	(68,221,764)	(1,894,698)	733,114	(67,400,995)	(67,488,650)
<b>Total net position (deficit)</b>	<b>\$(47,444,755)</b>	<b>\$(49,903,977)</b>	<b>\$17,805,938</b>	<b>\$18,551,898</b>	<b>\$(29,638,817)</b>	<b>\$(31,352,079)</b>

Net position of the City's governmental activities increased by \$2.5 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 -\$68.2 million at June 30, 2015 to -\$66.3 million at the end of this year. The increase in net position of \$2.5 million is primarily due to the net increase in fund based fund balance of \$0.4 million and favorable change in the pension net deferred inflows and outflows.

The net position of the business-type activities decreased by 4.02 percent (\$17.8 million compared to \$18.6 million in 2015). The reduction in net position of \$0.7 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	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 6,597,305	\$ 6,529,115	\$10,984,177	\$11,706,574	\$ 17,581,482	\$ 18,235,689
Operating grants	2,690,345	2,406,046	-	-	2,690,345	2,406,046
Capital grants	100,150	561,703	-	-	100,150	561,703
General revenues:						
Property taxes	17,549,447	16,326,336	-	-	17,549,447	16,326,336
State shared	3,288,744	3,197,425	-	-	3,288,744	3,197,425
Other taxes	717,762	712,120	-	-	717,762	712,120
Investment earnings	248,056	48,071	61,434	16,381	309,490	64,452
Gain on sale of capital asset	-	-	-	-	-	-
<b>Total revenues</b>	<b>31,191,809</b>	<b>29,780,816</b>	<b>11,045,611</b>	<b>11,722,955</b>	<b>42,237,420</b>	<b>41,503,771</b>
<b>Expenses</b>						
General government	9,940,652	3,064,969	-	-	9,940,652	3,064,969
Judicial	2,280,899	1,944,235	-	-	2,280,899	1,944,235
Public safety	7,401,142	3,497,663	-	-	7,401,142	3,497,663
Road maintenance and repair	3,125,342	4,702,539	-	-	3,125,342	4,702,539
Public works	2,837,202	1,141,585	-	-	2,837,202	1,141,585
Health and sanitation	280,850	3,023,012	-	-	280,850	3,023,012
Culture and recreation	475,963	572,947	-	-	475,963	572,947
Library	661,836	702,648	-	-	661,836	702,648
Community development	601,863	384,815	-	-	601,863	384,815
Interest on long-term debt	1,076,838	1,192,125	-	-	1,076,838	1,192,125
Water and sewer	-	-	11,841,571	8,242,405	11,841,571	8,242,405
<b>Total expenses</b>	<b>28,682,587</b>	<b>20,226,548</b>	<b>11,841,571</b>	<b>8,242,405</b>	<b>40,524,158</b>	<b>28,468,943</b>
Change in net position before transfers	2,509,222	9,554,278	(795,960)	3,480,550	1,713,262	13,034,828
Transfers	(50,000)	-	50,000	-	-	-
<b>Change in net position</b>	<b>2,459,222</b>	<b>9,554,278</b>	<b>(745,960)</b>	<b>3,480,550</b>	<b>1,713,262</b>	<b>13,034,828</b>
<b>Net position</b>						
Beginning of year	(49,903,977)	(1,087,841)	18,551,898	22,949,014	(31,352,079)	21,861,173
Restatement for implementation of GASB 68	-	(58,370,414)	-	(7,877,666)	-	(66,248,080)
<b>End of year</b>	<b>\$(47,444,755)</b>	<b>\$(49,903,977)</b>	<b>\$17,805,938</b>	<b>\$18,551,898</b>	<b>\$(29,638,817)</b>	<b>\$(31,352,079)</b>

The City's total revenue for all programs and services increased by 1.77 percent (\$733,649). The net increase is primarily made up of a decrease of \$.72 million and water and sewer charges for services revenue, and increase in property taxes of \$.97 from an increase in Act 345 mills levied and an increase \$.38 million in sale of capital assets from the sale of tax reverted properties to a developer. The total cost of all programs and services increased by 43.44 percent (\$12.3 million) primarily as a result of the change in the pension and OPEB liability (significant favorable net adjustment in 2015).

## CITY OF OAK PARK, MICHIGAN

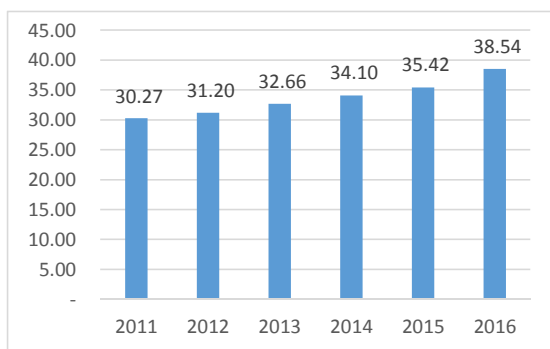
### Management's Discussion and Analysis

**Governmental activities.** Revenues for the City's governmental activities increased by 4.7 percent (\$1.4 million), while total expenses increased 41.8 percent (\$8.5 million).

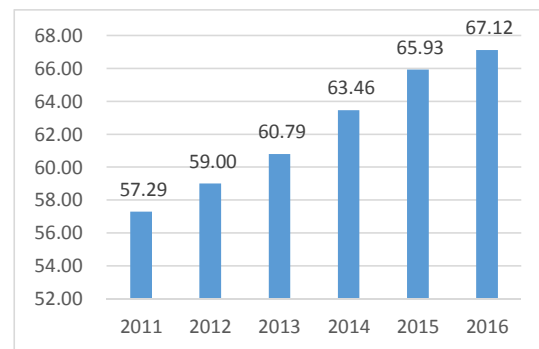
**Business-type activities.** The City has one business-type activity: the water and sewer system. Revenues of the City's water and sewer fund decreased by 5.78 percent (\$11 million in fiscal year 2016 compared to \$11.7 million in fiscal year 2015) and expenses increased by 43.67 percent (\$8.2 million in fiscal year 2015 compared to \$11.9 million in fiscal year 2016). The City reported net income of -\$0.8 million in the water and sewer fund. This was a decrease from fiscal year 2015 net income of -\$3.4 million. The factors driving these results include:

- The City has posted an increase in this fund's net position in seven of the last eight fiscal years (outside of the one-time restatement of net position due to the implementation of GASB 68 in the current year), which has led to the general overall health of this fund. The current year decrease in net position is primarily due to the year end adjustment for the pension liability which was \$3.3 million more than last year. 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 \$35.42 to \$38.54 per 1,000 cubic feet in fiscal year 2015-2016. Sewer rates increased from \$65.93 to \$67.12 per 1,000 cubic feet. A recent history of the City's water and sewer rates follows:

Annual Water Rates



Annual Sewer Rates



### The City's Funds

As the City completed the year, its governmental funds reported a total fund balance of \$10.1 million, which is above last year's total of \$9.7 million. Included in this year's total change in fund balance is an increase of \$0.25 million in the City's general fund. Included in the general fund change in fund balance was the following:

- The City's increase in property tax revenue was 5.4% in the general fund (\$12.6 million in fiscal year 2015-2016 and \$11.8 million in fiscal year 2014-2015) due primarily the decrease in the estimated liability related to property tax appeal cases and the estimated amount of County charge-backs of delinquent real property taxes. Fines and forfeitures revenue is up 11% from last fiscal year due to new collection program implemented during the current year.
- The City has unspent bond proceeds of \$121,214 in its municipal complex construction fund due to borrowing through the sale of bonds for the construction of a city hall and public safety building. This fund also contains amounts for the renovation of the library and recreation buildings. It is anticipated the construction will be completed in fiscal year 2016-2017.



# CITY OF OAK PARK, MICHIGAN

## Management's Discussion and Analysis

### General Fund Budgetary Highlights

Over the course of the year, the City Council made quarterly budget amendments and other amendments as necessary during the year. 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 \$82,654 less than the final budget amounts in the general fund although two departments exceeded their budget. The variances were within the finance and administrative services (\$10,399) and nondepartmental costs (\$487,780). The variance in finance and administrative services is due high self-insurance healthcare costs incurred in the final quarter of the year; and the variance in nondepartmental costs is due primarily to the additional voluntary contribution of \$400,000 to the OPEB Fund from savings in all other General Fund department.

**General fund revenues.** The following paragraphs analyze the activities of the City's major operating fund. General fund revenues totaled \$21.0 million, an increase of 5.34% over the prior year. Revenues by source were as follows:

General Fund Revenues					
	Fiscal Year		Percent of Total	Increase (Decrease)	% Change from Prior Year
	2016	2015			
Property taxes	\$ 12,414,858	\$ 11,773,604	59.18%	\$ 641,254	5.45%
Licenses and permits	633,468	546,585	3.02%	86,883	15.90%
Intergovernmental	3,323,614	3,209,385	15.84%	114,229	3.56%
Charges for services	908,169	1,366,272	4.33%	(458,103)	-33.53%
Fines and forfeits	1,968,219	1,773,998	9.38%	194,221	10.95%
Interest income	134,408	7,920	0.64%	126,488	1597.07%
Other	1,596,601	1,237,134	7.61%	359,467	29.06%
<b>Total</b>	<b>\$ 20,979,337</b>	<b>\$ 19,914,898</b>	<b>100.00%</b>	<b>\$ 1,064,439</b>	<b>5.34%</b>

Ad valorem taxes provide the City's primary source of revenue. Current collections remain high at 99.28 percent. The City's total tax rate is 37.6060 per \$1,000 of taxable value. This is below the state's legal limit as provided for by the Headlee Amendment and the Truth in Taxation Act and includes the 7 mill voter-approved levy for PA 345 public safety retirement costs. The tax rate was increased by .4869 mills in fiscal year 2014-2015 which includes an increase in the PA 345 levy of .5000 and a reduction for debt retirement of .0131 mills. Overall increase in revenue due to the decrease in the reserve for chargebacks and property tax appeals.

Taxable values in the City increased by .9%, led by a increase of 2.03% in residential property values and decrease in most other property values. In addition to the increase in taxable values, the City in the current year also reduced the reserves for potential refunds related to property tax appeals and chargebacks from Oakland County.

Licenses and permits increased by 15.90%. The increase was primarily due to several large redevelopment projects and an overall increase in the economy in Michigan resulting in new construction and permit related activities.

Intergovernmental revenues increased 3.54%. The City received slightly higher amounts from the State of Michigan due to increase state wide in sales tax collections and EVIP revenue sharing along with two new state grants. Overall, revenue sharing has been significantly cut over the past several years by the State.

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

Charges for services decreased 33.53% due primarily to a reduction in recreation and other program revenue along with a one time fee of .433 million in prior year.

Ordinance fines levied by the 45-B District Court account for the increase of 10.95% in fines and forfeits. The court instituted a new collection program to obtain payment of old receivables that spanned more than a few years.

Interest income increased 1597.07% is attributable to the new investment policy implemented during the current year to maximize return on citywide cash reserves.

Other income increased 29.06% in fiscal year 2015-2016 primarily due to one time insurance proceeds received in prior years along with one-time property sale proceeds in the current year of .375 million.

**General fund expenditures.** General fund expenditures were \$18.2 million, an increase of \$0.6 million or 3.52% 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
	2016	2015			
General government	\$ 3,562,498	\$ 3,613,552	19.55%	\$ (51,054)	-1.41%
Public safety	8,761,179	8,431,388	48.08%	329,791	3.91%
Public works	537,427	574,852	2.95%	(37,425)	-6.51%
Culture and recreation	544,721	570,403	2.99%	(25,682)	-4.50%
Community development	133,452	163,772	0.73%	(30,320)	-18.51%
Nondepartmental	4,681,648	3,944,438	25.69%	737,210	18.69%
Prior year tax refunds	-	302,229	0.00%	(302,229)	-100.00%
Capital outlay	-	-	0.00%	-	100.00%
<b>Total</b>	<b>\$ 18,220,925</b>	<b>\$ 17,600,634</b>	<b>100.00%</b>	<b>\$ 620,291</b>	<b>3.52%</b>

General government expenditures decreased \$51,054 in fiscal year 2015-2016. The decrease is due primarily to the Finance and Administrative Services department also had a significant decrease in contractual service expenditures for their finance director position.

The public safety department increased \$329,791 or 3.91% 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 decreased \$37,425 or 6.51%. This decrease was primarily due to lower than anticipated repair costs to city facilities.

Recreation and culture decreased \$25,682 or 4.50% due to salary and fringe benefit savings from position vacancies.

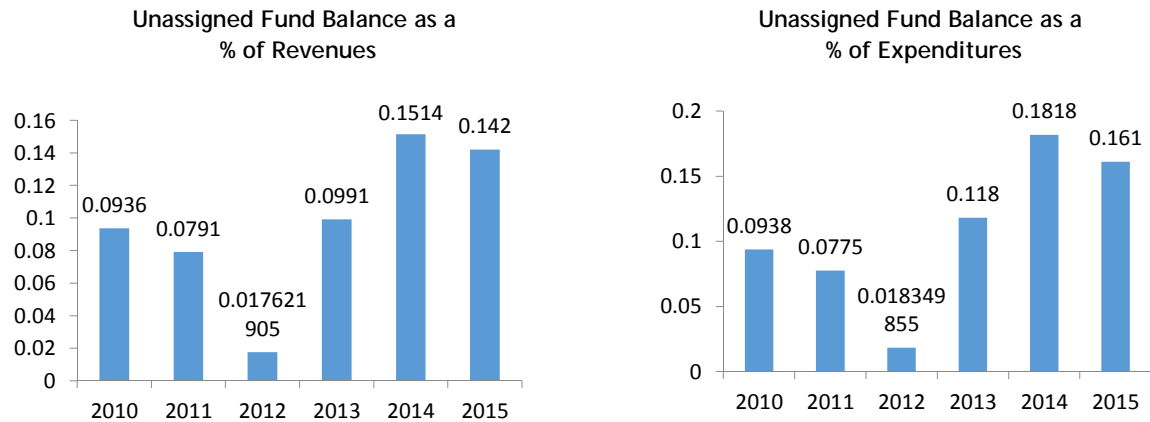
Other nondepartmental expenditures increased \$737,210 or 18.69%. The variance is due primarily to the additional voluntary contribution of \$400,000 to the OPEB Fund from savings in all other General Fund department.

Prior year tax refunds expenditures decreased by \$302,229 because of a significant reduction in potential refunds during the current year coupled with this amount being properly shown as a contra revenue in the current year.

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

**General fund.** Fund balance at June 30, 2016 increased by 7.24 percent or \$0.25 million over the prior year. The unassigned (and available for appropriation portion of) fund balance increased by \$0.2 million to a balance of \$3.2 million which provides the City with 64.0 days of expenditures, and is equivalent to 17.75 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:



### Capital Asset and Debt Administration

**Capital assets.** At June 30, 2016, the City had \$71.5 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	
	2016	2015	2016	2015	2016	2015
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	568,621	58,724	1,403,196	1,295,413	1,971,817	1,354,137
Infrastructure - roads	20,393,560	21,770,822	-	-	20,393,560	21,770,822
Infrastructure - sidewalks	1,810,012	1,670,658	-	-	1,810,012	1,670,658
Infrastructure - systems	-	-	26,163,547	25,396,454	26,163,547	25,396,454
Buildings	15,838,469	16,185,254	3,033	3,900	15,841,502	16,189,154
Improvements	1,283,559	1,392,956	-	-	1,283,559	1,392,956
Library collection	189,628	180,385	-	-	189,628	180,385
Equipment - vehicles	961,489	999,643	-	-	961,489	999,643
Equipment - miscellaneous	426,498	387,642	200,690	120,360	627,188	508,002
<b>Total capital assets, net</b>	<b>\$ 43,714,841</b>	<b>\$ 44,889,089</b>	<b>\$ 27,781,968</b>	<b>\$ 26,827,629</b>	<b>\$ 71,496,809</b>	<b>\$ 71,716,718</b>

## CITY OF OAK PARK, MICHIGAN

### Management's Discussion and Analysis

The City's fiscal year 2015-2016 capital budget called for it to spend \$2,649,995 for capital projects, principally for the completion of municipal complex, acquisition of replacement vehicles and sidewalk and road replacements. 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 \$47,268,995 is 6.15% of assessed value, and provides a legal debt margin of \$18,190,878. Net bonded debt per capita equaled \$920.

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

At year-end, the City had \$37,596,332 in bonds outstanding versus \$40,628,845 last year, a decrease of 7.5 percent, as shown in below.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bonds (backed by the City)	\$ 27,295,000	\$ 29,330,000	\$ 8,081,332	\$ 9,008,845	\$ 35,376,332	\$ 38,338,845
Capital lease	2,220,000	2,290,000	-	-	2,220,000	2,290,000
<b>Total</b>	<b>\$ 29,515,000</b>	<b>\$ 31,620,000</b>	<b>\$ 8,081,332</b>	<b>\$ 9,008,845</b>	<b>\$ 37,596,332</b>	<b>\$ 40,628,845</b>

At June 30, 2016, 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 dollar paid for every \$1,000 of taxable value of real and personal property. The City's debt service levy in fiscal year 2015-2016 was 6.1615 mills. Requirements for general obligation bonds will decrease until all bonds are paid off in May 2036.

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

The District is borrowing funds through construction draw downs to complete this project. As of June 30, 2016 the City is obligated to pay \$8,081,332. 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 \$47.27 million state-imposed limit.

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

# CITY OF OAK PARK, MICHIGAN

## Management's Discussion and Analysis

### 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 2015-2016 and is expected to have a modest increase in the following year (1.2% expected for 2016-2017). This continued but slow 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 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 the entire 7 mills was 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 \$920 per capita and 6.18% of assessed value.

The City's elected and appointed officials considered many factors when setting the fiscal year 2015-2016 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 7.8 percent versus 11.2 percent a year ago. This compares with the State's unemployment rate of 4.9 percent and the national rate of 4.9 percent.

These indicators were taken into account when adopting the general fund budget for fiscal year 2016-2017. The fiscal year 2016-2017 budget was adopted in May 2016. Amounts available for appropriation in the general fund budget are \$20.05 million, a decrease of 3.30% percent over the estimated fiscal year 2015-2016 amount of \$20.73 million. Property tax revenue is budgeted to decrease slightly by 2.8%. Overall, revenues are expected to remain relatively flat. Budgeted expenditures are expected to decrease, to \$20.05 million from \$20.73 million in fiscal year 2015-2016. The City has added no major new programs or initiatives to the fiscal year 2016-2017 budget.

The expense plan for the water and sewer fund for fiscal year 2016-2017 is \$12,875,146, an increase of \$.94 million from fiscal year 2015-2016. The plan includes an increase in water rates of 2.0% and an increase in sewer rates of 10.0%. 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 Drain System (known also as the George W. Kuhn Drain). Construction continues and ten bonds have been issued to pay for the cost. The City is responsible for 13.48% of the cost. Debt payments have been built into the budget and sewer rates increased to meet our obligations. The George W. Kuhn Drain debt payment will be \$.9 million in fiscal year 2016-2017.

### Contacting the City's Financial Management

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

This page intentionally left blank.

## BASIC FINANCIAL STATEMENTS

This page intentionally left blank.



# CITY OF OAK PARK, MICHIGAN

## Statement of Net Position

June 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and investments	\$ 10,170,770	\$ 3,250,630	\$ 13,421,400	\$ 128,890
Receivables, net	2,879,688	3,558,637	6,438,325	-
Prepaid items	567,768	12	567,780	-
Capital assets not being depreciated	2,811,626	1,414,698	4,226,324	-
Capital assets being depreciated, net	40,903,215	26,367,270	67,270,485	-
<b>Total assets</b>	<b>57,333,067</b>	<b>34,591,247</b>	<b>91,924,314</b>	<b>128,890</b>
<b>Deferred outflows of resources</b>				
Deferred pension amounts	9,601,966	710,703	10,312,669	-
Deferred charge on refunding	193,444	-	193,444	-
<b>Total deferred outflows of resources</b>	<b>9,795,410</b>	<b>710,703</b>	<b>10,506,113</b>	<b>-</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	2,269,635	1,054,595	3,324,230	116,906
Long-term liabilities:				
Due within one year	2,190,000	1,051,012	3,241,012	-
Due in more than one year	29,831,485	7,317,690	37,149,175	-
Other noncurrent liabilities:				
Net pension liability	51,195,598	8,069,051	59,264,649	-
Net other postemployment benefits	24,248,322	-	24,248,322	-
<b>Total liabilities</b>	<b>109,735,040</b>	<b>17,492,348</b>	<b>127,227,388</b>	<b>116,906</b>
<b>Deferred inflows of resources</b>				
Deferred pension amounts	4,838,192	3,664	4,841,856	-
<b>Net position</b>				
Net investment in capital assets	13,597,182	19,700,636	33,297,818	-
Restricted for:				
Capital projects	102,974	-	102,974	-
Debt service	436,883	-	436,883	-
Judicial	206,653	-	206,653	-
Public safety	89,572	-	89,572	-
Road maintenance and repair	2,554,206	-	2,554,206	-
Public works	950,945	-	950,945	-
Library	123,127	-	123,127	-
Unrestricted (deficit)	(65,506,297)	(1,894,698)	(67,400,995)	11,984
<b>Total net position (deficit)</b>	<b>\$ (47,444,755)</b>	<b>\$ 17,805,938</b>	<b>\$ (29,638,817)</b>	<b>\$ 11,984</b>

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

# CITY OF OAK PARK, MICHIGAN

## Statement of Activities

For the Year Ended June 30, 2016

		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	\$ 9,940,652	\$ 4,357,345	\$ -	\$ 100,150	\$ (5,483,157)
Judicial	2,280,899	210,220	136,520	-	(1,934,159)
Public safety	7,401,142	58,596	52,346	-	(7,290,200)
Road maintenance and repair	3,125,342	154,627	2,027,361	-	(943,354)
Public works	2,837,202	480,086	13,053	-	(2,344,063)
Health and sanitation	280,850	1,311,457	-	-	1,030,607
Culture and recreation	475,963	-	-	-	(475,963)
Library	661,836	24,974	89,822	-	(547,040)
Community development	601,863	-	371,243	-	(230,620)
Interest and fiscal charges	1,076,838	-	-	-	(1,076,838)
Total governmental activities	28,682,587	6,597,305	2,690,345	100,150	(19,294,787)
Business-type activities -					
Water and sewer	11,841,571	10,984,177	-	-	(857,394)
Total primary government	\$ 40,524,158	\$ 17,581,482	\$ 2,690,345	\$ 100,150	\$ (20,152,181)
Component units					
Brownfield Authority	454,526	-	-	-	(454,526)
Total component units	\$ 454,526	\$ -	\$ -	\$ -	\$ (454,526)

continued...

# CITY OF OAK PARK, MICHIGAN

## Statement of Activities

For the Year Ended June 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Change in net position</b>				
Net (expense) revenue	\$ (19,294,787)	\$ (857,394)	\$ (20,152,181)	\$ (454,526)
General revenues:				
Property taxes levied for:				
General purposes	14,884,111	-	14,884,111	136,906
Debt services	2,665,336	-	2,665,336	-
State shared revenues	3,288,744	-	3,288,744	-
Franchise fees	717,762	-	717,762	-
Investment earnings	248,056	61,434	309,490	183
Other	-	-	-	31,063
Transfers	(50,000)	50,000	-	-
Total general revenues and transfers	21,754,009	111,434	21,865,443	168,152
<b>Change in net position</b>	2,459,222	(745,960)	1,713,262	(286,374)
Net position (deficit), beginning of year	(49,903,977)	18,551,898	(31,352,079)	298,358
<b>Net position (deficit), end of year</b>	<u><u>\$ (47,444,755)</u></u>	<u><u>\$ 17,805,938</u></u>	<u><u>\$ (29,638,817)</u></u>	<u><u>\$ 11,984</u></u>

concluded.

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

# CITY OF OAK PARK, MICHIGAN

## Balance Sheet

Governmental Funds

June 30, 2016

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 3,578,370	\$ 6,297,122	\$ 9,875,492
Receivables:			
Special assessments	11,025	620,701	631,726
Accounts	394,011	585,681	979,692
Due from other governments	654,110	614,160	1,268,270
Due from other funds	175,438	-	175,438
Prepaid items	482,475	1,842	484,317
<b>Total assets</b>	<b>\$ 5,295,429</b>	<b>\$ 8,119,506</b>	<b>\$ 13,414,935</b>
<b>Liabilities</b>			
Accounts payable	\$ 964,217	\$ 594,535	\$ 1,558,752
Accrued liabilities	421,457	139,984	561,441
Due to other funds	-	175,438	175,438
<b>Total liabilities</b>	<b>1,385,674</b>	<b>909,957</b>	<b>2,295,631</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - property taxes	230,561	6,854	237,415
Unavailable revenue - special assessments	-	686,589	686,589
Unavailable revenue - grants	-	49,452	49,452
<b>Total deferred inflows of resources</b>	<b>230,561</b>	<b>742,895</b>	<b>973,456</b>
<b>Fund balances</b>			
Nonspendable	482,475	1,842	484,317
Restricted	-	4,585,574	4,585,574
Assigned	-	1,907,456	1,907,456
Unassigned (deficit)	3,196,719	(28,218)	3,168,501
<b>Total fund balances</b>	<b>3,679,194</b>	<b>6,466,654</b>	<b>10,145,848</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,295,429</b>	<b>\$ 8,119,506</b>	<b>\$ 13,414,935</b>

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

## CITY OF OAK PARK, MICHIGAN

### Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
June 30, 2016

Fund balances - total governmental funds \$ 10,145,848

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

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

Capital assets not being depreciated	2,811,626
Capital assets being depreciated, net	40,903,215
Less capital assets accounted for in internal service funds	(963,044)

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 property taxes receivable	237,415
Unavailable long-term special assessments receivable	686,589
Unavailable grants receivable	49,452

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	1,302,540
---	-----------

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	(112,505)
Bonds and capital leases payable	(29,515,000)
Unamortized bond premium	(917,317)
Accrued compensated absences	(1,586,872)
Net other postemployment benefit obligation	(24,248,322)
Unamortized deferred charge on refunding	193,444

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	(51,195,598)
Deferred outflows related to the net pension liability	9,601,966
Deferred inflows related to the net pension liability	(4,838,192)

Net position (deficit) of governmental activities	<u><u>\$ (47,444,755)</u></u>
---	-------------------------------

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, 2016

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property taxes	\$ 12,414,858	\$ 4,582,661	\$ 16,997,519
Special assessments	-	334,150	334,150
Licenses and permits	633,468	-	633,468
Intergovernmental:			
Federal grants	12,189	448,213	460,402
State grants	3,311,425	2,236,679	5,548,104
Charges for services	908,169	1,591,492	2,499,661
Fines and forfeitures	1,968,219	232,115	2,200,334
Interest income	134,408	109,736	244,144
Other	1,596,601	86,186	1,682,787
<b>Total revenues</b>	<b>20,979,337</b>	<b>9,621,232</b>	<b>30,600,569</b>
<b>Expenditures</b>			
Current:			
General government	3,562,498	-	3,562,498
Judicial	-	2,384,920	2,384,920
Public safety	8,761,179	10,659	8,771,838
Road maintenance and repair	-	2,161,235	2,161,235
Public works	537,427	2,554,927	3,092,354
Culture and recreation	544,721	-	544,721
Library	-	766,733	766,733
Community development	133,452	543,750	677,202
Nondepartmental costs	4,681,648	-	4,681,648
Debt service:			
Principal	-	1,641,000	1,641,000
Interest and fiscal charges	-	1,425,436	1,425,436
Capital outlay and construction	-	755,044	755,044
<b>Total expenditures</b>	<b>18,220,925</b>	<b>12,243,704</b>	<b>30,464,629</b>
<b>Revenues over (under) expenditures</b>	<b>2,758,412</b>	<b>(2,622,472)</b>	<b>135,940</b>
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	-	7,825,000	7,825,000
Premium on issuance of long-term debt	-	796,882	796,882
Payment to refunding bond escrow agent	-	(8,289,000)	(8,289,000)
Transfers in	-	11,107,393	11,107,393
Transfers out	(2,509,970)	(8,647,423)	(11,157,393)
<b>Total other financing sources (uses)</b>	<b>(2,509,970)</b>	<b>2,792,852</b>	<b>282,882</b>
<b>Net change in fund balances</b>	<b>248,442</b>	<b>170,380</b>	<b>418,822</b>
<b>Fund balances, beginning of year</b>	<b>3,430,752</b>	<b>6,296,274</b>	<b>9,727,026</b>
<b>Fund balances, end of year</b>	<b>\$ 3,679,194</b>	<b>\$ 6,466,654</b>	<b>\$ 10,145,848</b>

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

## CITY OF OAK PARK, MICHIGAN

### Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended June 30, 2016

Net change in fund balances - total governmental funds	\$ 418,822
--	------------

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

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

Capital assets purchased / constructed	1,475,030
Depreciation expense	(2,568,549)

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	551,926
Net change in deferred inflows for grants receivable	35,400

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.

Issuance of long-term debt	(7,825,000)
Premium on issuance of long-term debt	(796,882)
Payment to refunded bond escrow agent	8,289,000
Principal payments on long-term liabilities	1,641,000

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

Change in accrued interest payable on long-term debt	20,119
Change in amortization of deferred charge on refunding	193,444
Change in net pension liability and related deferred amounts	922,372
Change in net other postemployment benefit obligation	248,087
Change in the accrual for compensated absences	(40,137)

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	(109,322)
Interest income from internal service funds	3,912

Change in net position of governmental activities	<u>\$ 2,459,222</u>
---	---------------------

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

This page intentionally left blank.



# 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, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 12,365,337	\$ 12,045,337	\$ 12,414,858	\$ 369,521
Licenses and permits	563,250	613,250	633,468	20,218
Intergovernmental - federal grants	-	-	12,189	12,189
Intergovernmental - state grants	3,316,394	3,416,394	3,311,425	(104,969)
Charges for services	1,022,053	929,003	908,169	(20,834)
Fines and forfeitures	1,788,404	1,900,000	1,968,219	68,219
Interest income	2,249	101,615	134,408	32,793
Other	1,115,873	1,461,564	1,596,601	135,037
<b>Total revenues</b>	<b>20,173,560</b>	<b>20,467,163</b>	<b>20,979,337</b>	<b>512,174</b>
<b>Expenditures</b>				
Current:				
General government:				
City council	91,519	79,981	50,307	(29,674)
City manager	421,273	511,997	510,057	(1,940)
Information technology	346,509	338,301	328,382	(9,919)
City attorney	233,000	310,170	304,177	(5,993)
Prosecuting attorney	62,400	62,400	57,650	(4,750)
City clerk	391,440	379,870	329,104	(50,766)
Finance and administrative services	948,910	893,973	904,372	10,399
Public information	151,041	164,187	158,944	(5,243)
Technical and planning services	1,351,933	1,274,499	1,199,505	(74,994)
Less reimbursements from other funds	(280,000)	(280,000)	(280,000)	-
Public safety	8,313,052	8,827,759	8,761,179	(66,580)
Public works	744,545	723,208	537,427	(185,781)
Culture and recreation	645,688	671,948	544,721	(127,227)
Community development	190,803	151,418	133,452	(17,966)
Nondepartmental costs	5,212,255	4,193,868	4,681,648	487,780
Prior year tax refunds	100,000	-	-	-
<b>Total expenditures</b>	<b>18,924,368</b>	<b>18,303,579</b>	<b>18,220,925</b>	<b>(82,654)</b>
<b>Revenues over expenditures</b>	<b>1,249,192</b>	<b>2,163,584</b>	<b>2,758,412</b>	<b>594,828</b>
<b>Other financing sources (uses)</b>				
Transfers out	(2,051,988)	(2,163,584)	(2,509,970)	(346,386)
<b>Net change in fund balances</b>	<b>(802,796)</b>	<b>-</b>	<b>248,442</b>	<b>248,442</b>
<b>Fund balances, beginning of year</b>	<b>3,430,752</b>	<b>3,430,752</b>	<b>3,430,752</b>	<b>-</b>
<b>Fund balances, end of year</b>	<b>\$ 2,627,956</b>	<b>\$ 3,430,752</b>	<b>\$ 3,679,194</b>	<b>\$ 248,442</b>

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, 2016

	Business-type Activities	Governmental Activities
	Water and Sewer Enterprise Fund	Internal Service Funds
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 3,250,630	\$ 295,278
Receivables:		
Accounts	3,478,286	-
Due from other governments	80,351	-
Prepaid items	12	83,451
Total current assets	<u>6,809,279</u>	<u>378,729</u>
Noncurrent assets:		
Capital assets not being depreciated	1,414,698	-
Capital assets being depreciated, net	<u>26,367,270</u>	<u>963,044</u>
Total noncurrent assets	<u>27,781,968</u>	<u>963,044</u>
<b>Total assets</b>	<u>34,591,247</u>	<u>1,341,773</u>
<b>Deferred outflows of resources</b>		
Deferred pension amounts	<u>710,703</u>	<u>-</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	961,584	35,543
Accrued liabilities	93,011	1,394
Current portion of long-term debt	<u>1,051,012</u>	<u>-</u>
Total current liabilities	<u>2,105,607</u>	<u>36,937</u>
Noncurrent liabilities, net of current portion:		
Accrued compensated absences	177,370	2,296
Bonds payable	7,140,320	-
Net pension liability	<u>8,069,051</u>	<u>-</u>
Total noncurrent liabilities	<u>15,386,741</u>	<u>2,296</u>
<b>Total liabilities</b>	<u>17,492,348</u>	<u>39,233</u>
<b>Deferred inflows of resources</b>		
Deferred pension amounts	<u>3,664</u>	<u>-</u>
<b>Net position</b>		
Net investment in capital assets	19,700,636	963,044
Unrestricted (deficit)	<u>(1,894,698)</u>	<u>339,496</u>
<b>Total net position</b>	<u>\$ 17,805,938</u>	<u>\$ 1,302,540</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, 2016

	Business-type Activities	Governmental Activities
	Water and Sewer Enterprise Fund	Internal Service Funds
<b>Operating revenues</b>		
Charges for services	\$ 10,973,596	\$ 799,126
Miscellaneous	10,581	367,838
<b>Total operating revenues</b>	<b>10,984,177</b>	<b>1,166,964</b>
<b>Operating expenses</b>		
Gasoline	-	118,496
Professional services	-	84,905
Supplies	-	168,811
Water	1,217,368	-
Sewage treatment	5,492,546	-
Transmission and distribution	1,636,776	-
Maintenance and operation	1,507,930	-
Customer accounting and collection	426,872	-
General and administration	593,750	-
Depreciation	751,132	167,863
Wages and benefits	-	66,246
Insurance	-	669,965
<b>Total operating expenses</b>	<b>11,626,374</b>	<b>1,276,286</b>
<b>Operating loss</b>	<b>(642,197)</b>	<b>(109,322)</b>
<b>Nonoperating revenues (expenses)</b>		
Interest income	61,434	3,912
Interest expense	(215,197)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(153,763)</b>	<b>3,912</b>
<b>Loss before transfers</b>	<b>(795,960)</b>	<b>(105,410)</b>
<b>Transfers in</b>	<b>50,000</b>	<b>-</b>
<b>Change in net position</b>	<b>(745,960)</b>	<b>(105,410)</b>
<b>Net position, beginning of year</b>	<b>18,551,898</b>	<b>1,407,950</b>
<b>Net position, end of year</b>	<b>\$ 17,805,938</b>	<b>\$ 1,302,540</b>

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, 2016

	Business-type Activities	Governmental Activities
	Water and Sewer Enterprise Fund	Internal Service Funds
<b>Cash flows from operating activities</b>		
Receipts from customers	\$ 11,206,109	\$ -
Receipts from interfund services	-	799,126
Miscellaneous receipts	-	367,838
Payments to suppliers	(6,196,441)	(710,819)
Payments to employees	(3,206,979)	(430,918)
	<u>1,802,689</u>	<u>25,227</u>
<b>Net cash provided by operating activities</b>		
<b>Cash flows from noncapital financing activities</b>		
Transfers from other funds	50,000	-
	<u>50,000</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>		
Purchases of capital assets	(1,705,471)	(87,134)
Issuance of long-term debt	1,003,909	-
Principal paid on long-term debt	(1,931,422)	-
Interest paid on long-term debt	(215,197)	-
	<u>(2,848,181)</u>	<u>(87,134)</u>
<b>Net cash used by capital and related financing activities</b>		
<b>Cash flows from investing activities</b>		
Interest and dividends	61,434	3,912
	<u>61,434</u>	<u>3,912</u>
<b>Net change in cash and investments</b>	(934,058)	(57,995)
Cash and investments, beginning of year	4,184,688	353,273
	<u>4,184,688</u>	<u>353,273</u>
<b>Cash and investments, end of year</b>	<u>\$ 3,250,630</u>	<u>\$ 295,278</u>

continued...

# CITY OF OAK PARK, MICHIGAN

## Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2016

	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 loss	\$ (642,197)	\$ (109,322)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense	751,132	167,863
Change in assets and liabilities:		
Accounts receivable	87,707	-
Due from other governments	134,225	-
Prepaid items	(6)	(45,789)
Accounts payable	128,336	13,169
Accrued liabilities	(47,085)	(936)
Accrued compensated absences	29,113	242
Net pension liability and other related amounts	1,361,464	-
Net cash provided by operating activities	<u>\$ 1,802,689</u>	<u>\$ 25,227</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, 2016

	Pension and Other Employee Benefit Trust Funds	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 4,830,292	\$ 446,426
Due from other governments	68,980	2,417
Investments, at fair value:		
Equity mutual funds	31,114,753	-
Fixed income mutual funds	24,446,358	
Money market accounts	138,575	-
<b>Total assets</b>	<u>60,598,958</u>	<u>\$ 448,843</u>
<b>Liabilities</b>		
Accounts payable	662,030	\$ -
Undistributed receipts	-	448,843
<b>Total liabilities</b>	<u>662,030</u>	<u>\$ 448,843</u>
<b>Net position</b>		
Restricted for pension and other postemployment benefits	<u>\$ 59,936,928</u>	

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

# CITY OF OAK PARK, MICHIGAN

## Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2016

	Pension and Other Employee Benefit Trust Funds
<b>Additions</b>	
Contributions:	
Employer	\$ 8,124,374
Plan members	383,043
Total contributions	<u>8,507,417</u>
Investment income (loss):	
Net change in fair value of investments	(1,873,004)
Interest	36,129
Dividends	1,267,362
Total investment income (loss)	<u>(569,513)</u>
Less: investment management expense	<u>(230,201)</u>
Net investment income (loss)	<u>(799,714)</u>
<b>Total additions</b>	<u>7,707,703</u>
<b>Deductions</b>	
Benefits	10,424,769
Refunds and administration	33,879
<b>Total deductions</b>	<u>10,458,648</u>
<b>Change in net position</b>	(2,750,945)
Net position, beginning of year	<u>62,687,873</u>
<b>Net position, end of year</b>	<u>\$ 59,936,928</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, 2016

	Economic Development Corporation	Brownfield Authority	Total Component Units
<b>Assets</b>			
Cash and investments	\$ 11,984	\$ 116,906	\$ 128,890
<b>Liabilities</b>			
Accounts payable	-	116,906	116,906
<b>Net position</b>			
Unrestricted	<u>\$ 11,984</u>	<u>\$ -</u>	<u>\$ 11,984</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, 2016

	Economic Development Corporation	Brownfield Authority	Total Component Units
<b>Expenses</b>			
Community development	\$ -	\$ 454,526	\$ 454,526
<b>General revenues</b>			
Property taxes	-	136,906	136,906
Investment earnings	183	-	183
Other	-	31,063	31,063
<b>Total general revenues</b>	<u>183</u>	<u>167,969</u>	<u>168,152</u>
<b>Changes in net position</b>	183	(286,557)	(286,374)
<b>Net position, beginning of year</b>	<u>11,801</u>	<u>286,557</u>	<u>298,358</u>
<b>Net position, end of year</b>	<u>\$ 11,984</u>	<u>\$ -</u>	<u>\$ 11,984</u>

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

This page intentionally left blank.

## 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.

The estimated useful lives are as follows:

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

### *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.



# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### *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.

### *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.

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### *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.

### *Fund Balances*

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

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

### *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 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, 2016, the City incurred expenditures in certain budgetary funds, which were in excess of amounts appropriated, as follows:

	Final Budget	Actual	Actual Over Budget
<b>General fund</b>			
General government -			
Finance and administrative services	\$ 893,973	\$ 904,372	\$ 10,399
Nondepartmental costs	4,193,868	4,681,648	487,780
<b>Nonmajor governmental funds</b>			
C.O.P.S program fund - community development	248,644	397,711	149,067
45th District Court fund - judicial	2,162,492	2,348,839	186,347

At year end, the City reported fund balance deficits in certain nonmajor special revenue funds (\$10,991 in the Community Development Block Grant fund, \$2,068 in the Neighborhood Stabilization Program fund, and \$13,802 in the Veterans Treatment Court Grant fund); each of these deficits resulted from unavailable grant revenues. An unassigned fund balance deficit of \$1,357 was also reported in the 45th District Court fund inasmuch as the total fund balance is zero but it had prepaids of \$1,357, which means nonspendable fund balance is recognized in that amount and offset by an unassigned deficit.

#### 4. BUILDING PERMITS AND RELATED COSTS

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

	Prior Years	2016	Total
Revenue	\$ 654,810	\$ 344,660	\$ 999,470
Expenditures	(1,032,494)	(238,344)	(1,270,838)
<b>Shortfall at June 30</b>	<b>\$ (377,684)</b>	<b>\$ 106,316</b>	<b>\$ (271,368)</b>

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 5. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of June 30, 2016:

	Primary Government	Component Units	Totals
<b>Statement of net position</b>			
Cash and investments	\$ 13,421,400	\$ 128,890	\$ 13,550,290
<b>Statement of fiduciary net position</b>			
Pension and other employee benefit trust funds:			
Cash and cash equivalents	4,830,292	-	4,830,292
Investments	55,699,686	-	55,699,686
Agency funds -			
Cash and cash equivalents	446,426	-	446,426
<b>Total</b>	<b>\$ 74,397,804</b>	<b>\$ 128,890</b>	<b>\$ 74,526,694</b>
<b>Deposits and investments</b>			
Bank deposits -			
Checking, savings accounts and CD's			\$ 5,059,273
Investments:			
Securities			6,700,959
Commercial paper			994,610
Investment in Oakland County Investment Pool			6,067,263
Pension and other employee benefit trust funds investments			55,699,686
Cash on hand			4,903
<b>Total</b>			<b>\$ 74,526,694</b>

#### Deposits

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. State law does not require and the City does not have a policy for deposit custodial credit risk. As of year-end, \$4,716,223 of the City's bank balance of \$5,199,015 (book balance of \$5,059,273) was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

#### Investments

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

Following is a summary of the City's investments as of June 30, 2016:

U.S. agencies	\$ 1,701,099
Municipal bonds	4,999,860
Commercial paper	994,610
Oakland County Investment Pool	<u>6,067,263</u>
<b>Total</b>	<b><u>\$ 13,762,832</u></b>

*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.

The City's investments were rated by Standard & Poor's and Moody's as follows:

Rating	Amount
AAA	\$ 1,001,070
AA1	2,697,408
AA3	530,395
AA-	2,219,781
Not rated	<u>7,314,178</u>
	<b><u>\$ 13,762,832</u></b>

*Concentration of Credit Risk.* The City's investment policy does not address this risk. At June 30, 2016, there were no concentrations in securities of any one issuer greater than 5% of investment fair market value.

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

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

	Fair Value	Investment Maturities (fair value by years)		
		Less Than 1	1-5	6-10
U.S. agencies	\$ 1,701,099	\$ -	\$ 1,001,070	\$ 700,029
Municipal bonds	4,999,860	-	4,946,931	52,929
Commercial paper	994,610	994,610	-	-
	<u>\$ 7,695,569</u>	<u>\$ 994,610</u>	<u>\$ 5,948,001</u>	<u>\$ 752,958</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.

*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, 2016:

	Level 1	Level 2	Level 3	Total
U.S. agencies	\$ 1,701,099	\$ -	\$ -	\$ 1,701,099
Municipal bonds	-	4,999,860	-	4,999,860
Commercial paper	-	994,610	-	994,610
	<u>\$ 1,701,099</u>	<u>\$ 5,994,470</u>	<u>\$ -</u>	<u>\$ 7,695,569</u>

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

#### 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, 2016:

Investment Type	Amount
Equity mutual funds	\$ 31,114,753
Fixed income mutual funds	24,446,358
Money market accounts	<u>138,575</u>
<b>Total investments</b>	<b><u>\$ 55,699,686</u></b>

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

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.

The pension and other employee benefits trust funds had the following recurring fair value measurements as of June 30, 2016:

	Level 1	Level 2	Level 3	Total
Equity mutual funds	\$ 30,481,214	\$ 633,539	\$ -	\$ 31,114,753
Fixed income mutual funds	24,446,358	-	-	24,446,358
Money market accounts	<u>138,575</u>	<u>-</u>	<u>-</u>	<u>138,575</u>
<b>Total investments</b>	<b><u>\$ 55,066,147</u></b>	<b><u>\$ 633,539</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 55,699,686</u></b>



# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

### 6. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts receivable	\$ 979,692	\$ 3,478,286
Special assessments receivable	631,726	-
Due from other governments	1,268,270	80,351
	<u>\$ 2,879,688</u>	<u>\$ 3,558,637</u>

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

### 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts payable	\$ 1,594,295	\$ 961,584
Accrued liabilities	562,835	93,011
Accrued Interest payable	112,505	-
	<u>\$ 2,269,635</u>	<u>\$ 1,054,595</u>

### 8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

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

	Due from Other Funds	Due to Other Funds
General fund	\$ 175,438	\$ -
Nonmajor governmental funds	-	175,438
	<u>\$ 175,438</u>	<u>\$ 175,438</u>

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

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

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

Transfers Out	Transfers in		
	Nonmajor Governmental Funds	Water and Sewer Enterprise Fund	Total
General fund	\$ 2,459,970	\$ 50,000	\$ 2,509,970
Nonmajor governmental funds	8,647,423	-	8,647,423
	<u>\$ 11,107,393</u>	<u>\$ 50,000</u>	<u>\$ 11,157,393</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
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 1,642,187	\$ -	\$ -	\$ -	\$ 1,642,187
Rights-of-way	600,818	-	-	-	600,818
Work in progress	58,724	509,897	-	-	568,621
	<u>2,301,729</u>	<u>509,897</u>	<u>-</u>	<u>-</u>	<u>2,811,626</u>
Capital assets being depreciated:					
Infrastructure - roads	103,084,635	364,155	-	-	103,448,790
Infrastructure - sidewalks	4,740,292	354,772	-	-	5,095,064
Buildings	19,466,277	58,344	-	-	19,524,621
Improvements	2,943,855	-	-	-	2,943,855
Library collection	505,591	42,156	(4,216)	-	543,531
Vehicles and equipment	4,071,372	87,134	-	-	4,158,506
Other equipment	1,656,030	145,706	-	-	1,801,736
	<u>136,468,052</u>	<u>1,052,267</u>	<u>(4,216)</u>	<u>-</u>	<u>137,516,103</u>
Less accumulated depreciation for:					
Infrastructure - roads	(81,313,813)	(1,741,417)	-	-	(83,055,230)
Infrastructure - sidewalks	(3,069,634)	(215,418)	-	-	(3,285,052)
Buildings	(3,281,022)	(405,130)	-	-	(3,686,152)
Improvements	(1,550,900)	(109,396)	-	-	(1,660,296)
Library collection	(325,206)	(32,913)	4,216	-	(353,903)
Vehicles and equipment	(3,071,729)	(125,288)	-	-	(3,197,017)
Other equipment	(1,268,388)	(106,850)	-	-	(1,375,238)
	<u>(93,880,692)</u>	<u>(2,736,412)</u>	<u>4,216</u>	<u>-</u>	<u>(96,612,888)</u>
Total capital assets being depreciated, net	<u>42,587,360</u>	<u>(1,684,145)</u>	<u>-</u>	<u>-</u>	<u>40,903,215</u>
<b>Governmental activities</b>					
capital assets, net	<u>\$ 44,889,089</u>	<u>\$ (1,174,248)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,714,841</u>

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

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

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-type activities</b>					
Capital assets not being depreciated:					
Land	\$ 11,502	\$ -	\$ -	\$ -	\$ 11,502
Work in progress	1,295,413	107,783	-	-	1,403,196
	<u>1,306,915</u>	<u>107,783</u>	<u>-</u>	<u>-</u>	<u>1,414,698</u>
Capital assets being depreciated:					
Buildings	86,500	-	-	-	86,500
Garage	24,564	-	-	-	24,564
Vehicles and equipment	1,039,603	142,707	-	-	1,182,310
Water system	12,309,723	864,067	-	-	13,173,790
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	19,399,970	590,914	-	-	19,990,884
	<u>36,220,109</u>	<u>1,597,688</u>	<u>-</u>	<u>-</u>	<u>37,817,797</u>
Less accumulated depreciation for:					
Buildings	(82,600)	(867)	-	-	(83,467)
Garage	(24,564)	-	-	-	(24,564)
Vehicles and equipment	(919,243)	(62,377)	-	-	(981,620)
Water system	(4,346,089)	(147,434)	-	-	(4,493,523)
Water - hydrants	(429,548)	(5,546)	-	-	(435,094)
Water - tanks	(166,833)	-	-	-	(166,833)
Water - pump station	(907,510)	(14,329)	-	-	(921,839)
Water - master meter	(21,668)	(344)	-	-	(22,012)
Water - reservoir	(537,391)	(9,278)	-	-	(546,669)
Water - reservoir pump	(303,673)	(18,494)	-	-	(322,167)
Sewer system	(2,960,276)	(492,463)	-	-	(3,452,739)
	<u>(10,699,395)</u>	<u>(751,132)</u>	<u>-</u>	<u>-</u>	<u>(11,450,527)</u>
Total capital assets being depreciated, net	<u>25,520,714</u>	<u>846,556</u>	<u>-</u>	<u>-</u>	<u>26,367,270</u>
<b>Business-type activities capital assets, net</b>					
	<u>\$ 26,827,629</u>	<u>\$ 954,339</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,781,968</u>

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

Depreciation expense was charged to governmental activities functions as follows:

General government	\$ 578,801
Road maintenance and repair	1,956,835
Library	32,913
Internal service funds	<u>167,863</u>
Total governmental activities	<u>\$ 2,736,412</u>

## 10. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2016:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
<b>General obligation bonds</b>					
2012 Refunding Street Improvement, installments of \$520,000 to \$660,000 through May 1, 2028, interest at 2.0 to 3.0%	\$ 8,075,000	\$ -	\$ (555,000)	\$ 7,520,000	\$ 590,000
2006 Street Improvement, installments of \$225,000 to \$800,000 through May 1, 2030, interest at 4.0 to 5.00%	8,930,000	-	(8,930,000)	-	-
2015 Refunding Bond, installments of \$415,000 to \$755,000 through May 1, 2030, interest at 4.0%	-	7,825,000	-	7,825,000	415,000
2010 Municipal Complex, installments of \$50,000 to \$925,000 through May 1, 2036, interest at 2.5 to 7.0%	<u>12,325,000</u>	<u>-</u>	<u>(375,000)</u>	<u>11,950,000</u>	<u>375,000</u>
Total governmental activities bonds	29,330,000	7,825,000	(9,860,000)	27,295,000	1,380,000

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Unamortized premium					
2012 G.O.	\$ 130,471	\$ -	\$ (10,036)	\$ 120,435	\$ -
2015 G.O.	-	796,882		796,882	-
Capital lease	2,290,000	-	(70,000)	2,220,000	75,000
Compensated absences	1,548,789	777,630	(737,251)	1,589,168	735,000
<b>Total governmental activities</b>	<b>\$ 33,299,260</b>	<b>\$ 9,399,512</b>	<b>\$ (10,677,287)</b>	<b>\$ 32,021,485</b>	<b>\$ 2,190,000</b>
<b>Business-type activities</b>					
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%	\$ 9,008,845	\$ 1,003,909	\$ (1,931,422)	\$ 8,081,332	\$ 941,012
Compensated absences	258,257	140,885	(111,772)	287,370	110,000
<b>Total business-type activities</b>	<b>\$ 9,267,102</b>	<b>\$ 1,144,794</b>	<b>\$ (2,043,194)</b>	<b>\$ 8,368,702</b>	<b>\$ 1,051,012</b>

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
2017	\$ 1,455,000	\$ 858,779	\$ 941,012	\$ 198,268
2018	1,495,000	995,693	963,930	172,276
2019	1,540,000	913,685	983,502	149,080
2020	1,580,000	870,365	1,006,431	125,394
2021	1,620,000	825,293	1,029,370	101,145
2022-2026	8,920,000	3,332,334	2,945,697	173,784
2027-2031	7,900,000	1,763,732	211,390	10,386
2032-2036	4,850,000	610,348	-	-
2037	155,000	3,487	-	-
	<b>\$ 29,515,000</b>	<b>\$ 10,173,716</b>	<b>\$ 8,081,332</b>	<b>\$ 930,333</b>

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.

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

During the year, the City advance refunded \$8,289,000 of 2006 Street Improvement bonds. As a result, the bonds are considered defeased and the liability has been removed from the statement of net position. The refunding resulted in a cash flow savings of \$1,396,897 and net present value savings of \$1,164,788.

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, 2016, the City's outstanding obligation is \$8.08 million and incurred interest expense of \$215,197 for the year then ended. Due to the current construction of the project, the sale of drain bonds and draws from the revolving fund are being incurred on as an as needed basis and thus an accurate schedule of principal and interest payments cannot be determined at this time.

During the year, Oakland County advance refunded \$7,825,000 of the George W. Kuhn Drain Series 2007 bonds. As a result, the bonds are considered defeased and the proportionate share of the liability has been removed from the City's statement of net position. The refunding resulted in a cash flow savings of \$122,506 and net presents value savings of \$116,662 for the City.

## 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 2015 tax levy are as follows:

Real property	\$ 404,239,710
Personal property	<u>32,054,990</u>
Total	<u>\$ 436,294,700</u>

For the current fiscal year, the City levied 20.0000 mills for general governmental services, 1.4914 mills for library services, 7.0000 mills for public safety pension (Public Act 345), 2.9531 mills for solid waste, and 6.1615 mills for long-term debt retirement.

## 13. DEFINED BENEFIT PENSION PLANS

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

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

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

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

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

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

Management of the ERS is vested in the City of Oak Park Employees' Retirement System Board of Trustees, which consists of 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, 2015, the date of the latest actuarial valuation for each plan:

	General	Public Safety
Retirees and beneficiaries currently receiving benefits	150	99
Inactive employees entitled to benefits	17	9
Active employees	33	47
Total	200	155



# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

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

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

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

*Employer contributions.* The City is required to contribute at annual actuarially determined rate to provide assets sufficient to pay benefits to plan members. The rate paid in fiscal year 2016 by the City is 67.35% of annual covered payroll for ERS members and 54.56% 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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 (rolled forward to June 30, 2016).

*Actuarial assumptions.* The total pension liability was determined by respective actuarial valuations as of June 30, 2015 (and rolled forward to June 30, 2016), using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	varied
Investment rate of return	6.07-7.27 percent, net of pension plan investment expense, including inflation
Mortality rate	RP-2000 Combined Table

The actuarial assumptions used in the June 30, 2015 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, 2016 (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
<b>ERS</b>		
Equities	56%	
Fixed income	44%	
	<u>100%</u>	8.0%
<b>PS</b>		
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 6.07% for ERS and 7.27% 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 3.18%. 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 2039 and 2056, respectively. As a result, the long-term expected rate of return on system investments was applied to projected benefit payments through the year 2048 or 2062, 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)
<b><i>Employees' Retirement System</i></b>			
Balances at June 30, 2015	\$ 39,008,618	\$ 20,969,585	\$ 18,039,033
Changes for the year:			
Service cost	303,303	-	303,303
Interest	2,726,891	-	2,726,891
Differences between expected and actual experience	(136,533)	-	(136,533)
Changes in assumptions	4,952,784	-	4,952,784
Employer contributions	-	1,336,565	(1,336,565)
Employee contributions	-	52,239	(52,239)
Net investment income (loss)	-	(326,643)	326,643
Benefit payments, including refunds of employee contributions	(3,079,825)	(3,079,825)	-
Administrative expense	-	(4,531)	4,531
Net changes	4,766,620	(2,022,195)	6,788,815
Balances at June 30, 2016	\$ 43,775,238	\$ 18,947,390	\$ 24,827,848
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b><i>Public Safety Employees' Retirement System</i></b>			
Balances at June 30, 2015	\$ 65,168,518	\$ 40,053,886	\$ 25,114,632
Changes for the year:			
Service cost	941,346	-	941,346
Interest	4,427,324	-	4,427,324
Differences between expected and actual experience	2,342,761	-	2,342,761
Changes in assumptions	3,938,301	-	3,938,301
Employer contributions	-	2,521,391	(2,521,391)
Employee contributions	-	330,804	(330,804)
Net investment income (loss)	-	(513,784)	513,784
Benefit payments, including refunds of employee contributions	(4,378,526)	(4,378,526)	-
Administrative expense	-	(10,848)	10,848
Net changes	7,271,206	(2,050,963)	9,322,169
Balances at June 30, 2016	\$ 72,439,724	\$ 38,002,923	\$ 34,436,801

## 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 of 6.07 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount	1% Increase
Interest rates			
ERS	5.07%	6.07%	7.07%
PS	6.27%	7.27%	8.27%
City's net pension liability			
ERS	\$ 29,391,519	\$ 24,827,848	\$ 20,956,111
PS	42,508,673	34,436,801	27,655,808
Totals	<u>\$ 71,900,192</u>	<u>\$ 59,264,649</u>	<u>\$ 48,611,919</u>

*Pension expense and deferred outflows of resources related to pensions.* For the year ended June 30, 2016, the City recognized pension expense of \$5,531,329 and a reduction in pension expense (due to the change in assumptions) of \$1,226,586, respectively, for the ERS and PS systems. At June 30, 2016, 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>		
Difference between expected and actual experience	\$ -	\$ 11,273
Changes in assumptions	408,945	-
Net difference between projected and actual earnings on pension plan investments	1,777,835	-
	<u>2,186,780</u>	<u>11,273</u>
<i>Public Safety Employees' Retirement System</i>		
Difference between expected and actual experience	1,557,072	-
Changes in assumptions	2,561,273	4,830,583
Net difference between projected and actual earnings on pension plan investments	4,007,544	-
	<u>8,125,889</u>	<u>4,830,583</u>
Total	<u>\$ 10,312,669</u>	<u>\$ 4,841,856</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
2017	\$ 4,250,321	\$ 4,841,856
2018	3,500,455	-
2019	1,611,744	-
2020	950,149	-
	<u>\$ 10,312,669</u>	<u>\$ 4,841,856</u>

#### 14. 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, 2016 was \$80,607. The defined contribution pension cost to the employees was \$21,484. Contributions to the plan are recognized when due and payable. Plan provisions and contribution rates are established and may be amended by resolution of the City Council. Unvested benefits forfeited by employees who leave employment early are redistributed to active participants.

#### 15. DEFINED CONTRIBUTION PENSION PLAN

The City of Oak Park defined contribution pension plan provides retirement benefits to general employees hired after August 1, 2004 and employees belonging to the AFSCME union hired after July 1, 2006. 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, 2016 were \$58,774 by employees and \$208,520 by the City.

#### 16. POSTEMPLOYMENT HEALTH BENEFITS

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

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

## CITY OF OAK PARK, MICHIGAN

### Notes to Financial Statements

Currently 213 general, 142 public safety and 20 district court retirees and surviving spouses are receiving benefits. The City pays 100% of the benefits for all public safety, court and general current retirees. Co-pays, at the percentage indicated below, are required for retirees who were hired after January 18, 1993 for public safety officers and July 1, 1992 for public safety command officers.

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

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

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

The funding status of the plan as of June 30, 2014, the date of most recent actuarial valuation, was as follows:

	General Employees	Public Safety Employees
Actuarial accrued liability (AAL)	\$ 32,687,907	\$ 36,269,968
Actuarial value of assets	239,217	395,156
	<u>\$ 32,448,690</u>	<u>\$ 35,874,812</u>
Unfunded actuarial accrued liability (UAAL)		
Funded ratio	<u>0.7%</u>	<u>1.1%</u>
Covered payroll	<u>\$ 1,849,100</u>	<u>\$ 3,779,151</u>
UAAL as a percentage of covered payroll	<u>1754.8%</u>	<u>949.3%</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, 2014, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 5,797,901
Actuarial value of assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 5,797,901</u>
Funded ratio	<u>0.0%</u>
Covered payroll	<u>\$ 445,571</u>
UAAL as a percentage of covered payroll	<u>1301.2%</u>

In the June 30, 2014, 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, 2014 was 29 years for general and public safety employees and 30 years for district court employees. The annual required contribution for fiscal 2016 is \$4,192,425 for the general and public safety plan and \$365,552 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 35 plan members at June 30, 2016. 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, 2016 were \$53,195.

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, 2016, expenditures for general and public safety retirees of \$2,859,216 were recognized for retiree health insurance premiums. Retiree dental insurance premium payments of \$107,202 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 \$465,916 were recognized for employees of the district court. The court contributed \$257,300 to this fund. Funding in the amount of \$208,823 was provided by the \$10 charge on tickets.

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

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

	General and Public Safety	District Court
Annual required contribution	\$ 4,192,425	\$ 365,552
Interest on net OPEB obligation	972,115	130,222
Adjustment to annual required contribution	(1,037,137)	(138,932)
Annual OPEB cost	4,127,403	356,842
Contribution made	(4,266,418)	(465,916)
Increase in net OPEB obligation	(139,015)	(109,074)
Net OPEB obligation, beginning of year	21,602,597	2,893,814
Net OPEB obligation, end of year	<u>\$ 21,463,582</u>	<u>\$ 2,784,740</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
2014	\$ 6,374,475	33.6%	\$ 20,397,652
2015	4,171,402	71.1%	21,602,596
2016	4,127,403	103.4%	21,463,582

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
2014	\$ 620,527	26.5%	\$ 2,780,808
2015	362,685	68.8%	2,893,814
2016	356,842	130.6%	2,784,740



# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

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

	Plan Net Position			
	Employees' Retirement System	Public Safety Employees' Retirement System	Retiree Health Care - General and Public Safety	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 438,137	\$ 2,039,079	\$ 2,353,076	\$ 4,830,292
Due from other governments	16,106	52,874	-	68,980
Investments, at fair value:				
Equity mutual funds	10,269,935	633,539	20,211,279	31,114,753
Fixed income mutual funds	8,455,237	-	15,991,121	24,446,358
Money market accounts	37,815	-	100,760	138,575
<b>Total assets</b>	<b>19,217,230</b>	<b>2,725,492</b>	<b>38,656,236</b>	<b>60,598,958</b>
<b>Liabilities - accounts payable</b>	<b>269,840</b>	<b>392,190</b>	<b>-</b>	<b>662,030</b>
<b>Net position</b>				
Restricted for pension and other postemployment benefits	\$ 18,947,390	\$ 38,002,923	\$ 2,986,615	\$ 59,936,928

# CITY OF OAK PARK, MICHIGAN

## Notes to Financial Statements

	Changes in Plan Net Position			
	Employees' Retirement System	Public Safety Employees' Retirement System	Retiree Health Care - General and Public Safety	Total
<b>Additions</b>				
Contributions:				
Employer	\$ 1,336,565	\$ 2,521,391	\$ 4,266,418	\$ 8,124,374
Plan members	52,239	330,804	-	383,043
Total contributions	1,388,804	2,852,195	4,266,418	8,507,417
Investment income (loss):				
Net change in fair value of investments	(689,093)	(1,214,930)	31,019	(1,873,004)
Interest	9,202	17,233	9,694	36,129
Dividends	440,079	827,283	-	1,267,362
Total investment income (loss)	(239,812)	(370,414)	40,713	(569,513)
Less: investment expense	(86,831)	(143,370)	-	(230,201)
Net investment income (loss)	(326,643)	(513,784)	40,713	(799,714)
<b>Total additions</b>	<b>1,062,161</b>	<b>2,338,411</b>	<b>4,307,131</b>	<b>7,707,703</b>
<b>Deductions</b>				
Benefits	3,079,825	4,378,526	2,966,418	10,424,769
Refunds and administration	4,531	10,848	18,500	33,879
<b>Total deductions</b>	<b>3,084,356</b>	<b>4,389,374</b>	<b>2,984,918</b>	<b>10,458,648</b>
<b>Change in net position</b>	<b>(2,022,195)</b>	<b>(2,050,963)</b>	<b>1,322,213</b>	<b>(2,750,945)</b>
Net position, beginning of year	20,969,585	40,053,886	1,664,402	62,687,873
<b>Net position, end of year</b>	<b>\$ 18,947,390</b>	<b>\$ 38,002,923</b>	<b>\$ 2,986,615</b>	<b>\$ 59,936,928</b>

## 18. JOINT VENTURES

The City is a member of the Southeastern Oakland County Resource Recovery Authority (the "Authority") which consists of 12 municipalities in Oakland County and provides refuse disposal services for the benefit of member municipalities. The City appoints one member of the joint venture's governing board and controls six of 69 votes. The governing board approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2016, the last available audited financial statements, the Authority reported a decrease in net position in the amount of \$89,880 resulting in ending net position in the amount of \$3,465,655. During the year ended June 30, 2016, the City expended \$1,692,009 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

### 19. LEASES

The City of Oak Park has an agreement with HoneyBaked Hockey Club for the operation of the City ice rink. HoneyBaked will pay rent of \$2,500 each month, which is to be paid in advance by the tenth of the month. The City may terminate the contract only if HoneyBaked fails to perform the terms and conditions of the contract. The City received \$30,000 from HoneyBaked for the fiscal year ended June 30, 2016.

### 20. 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	\$ 482,475	\$ 1,842	\$ 484,317
Restricted for:			
Road surface repairs	-	2,554,206	2,554,206
Sidewalks	-	102,974	102,974
Solid waste	-	950,945	950,945
Debt service	-	436,883	436,883
Library	-	123,127	123,127
Unspent bond proceeds	-	121,214	121,214
Other	-	296,225	296,225
Total restricted	-	4,585,574	4,585,574
Assigned for:			
Library	-	5,466	5,466
Municipal buildings	-	1,901,990	1,901,990
Total assigned	-	1,907,456	1,907,456
Unassigned (deficits)	3,196,719	(28,218)	3,168,501
Total fund balances	\$ 3,679,194	\$ 6,466,654	\$ 10,145,848

### 21. 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

#### 22. NET INVESTMENT IN CAPITAL ASSETS

The composition of the net investment in capital assets as of June 30, 2016, was as follows:

	Governmental Activities	Business-type Activities
Capital assets:		
Capital assets not being depreciated	\$ 2,811,626	\$ 1,414,698
Capital assets being depreciated, net	40,903,215	26,367,270
	<u>43,714,841</u>	<u>27,781,968</u>
Related debt:		
General obligation bonds	27,295,000	8,081,332
Unamortized bond premium	917,317	-
Capital lease	2,220,000	-
Less unamortized deferred loss on refunding	(193,444)	-
Less unexpended bond proceeds	(121,214)	-
	<u>30,117,659</u>	<u>8,081,332</u>
Net investment in capital assets	<u>\$ 13,597,182</u>	<u>\$ 19,700,636</u>

■ ■ ■ ■ ■

## REQUIRED SUPPLEMENTARY INFORMATION

# CITY OF OAK PARK, MICHIGAN

## Required Supplementary Information

### 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)
<b>General Employees</b>						
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%
<b>Public Safety Employees</b>						
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%

#### Schedule of Employer Contributions Other Postemployment Benefits Plan

Year Ended June 30,	Annual Required Contributions	Percentage Contributed
2010	\$ 4,875,562	44.7%
2011	4,875,562	44.1%
2012	6,280,112	37.8%
2013	6,458,177	33.0%
2014	6,458,177	33.7%
2015	4,192,425	71.5%
2016	4,192,425	101.8%

# CITY OF OAK PARK, MICHIGAN

## Required Supplementary Information

### 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%

#### 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%

## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

#### Schedule of Investment Returns

Last Three Fiscal Years (ultimately 10 years of data will be presented)

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%
Public Safety Employees' Retirement System	
6/30/2014	17.37%
6/30/2015	-0.02%
6/30/2016	-1.35%



## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information

#### Employees' Retirement System

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

Last Three Fiscal Years (ultimately 10 years of data will be presented)

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

## 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

Last Three Fiscal Years (ultimately 10 years of data will be presented)

	2014	2015	2016
<b>Change in total pension liability</b>			
Service cost	\$ 1,351,362	\$ 1,391,903	\$ 941,346
Interest	4,381,564	4,346,878	4,427,324
Differences between expected and actual experience	-	136,404	2,342,761
Changes of assumptions	-	(19,693,917)	3,938,301
Benefit payments, including refunds of member contributions	(4,961,937)	(4,280,101)	(4,378,526)
<b>Net change in total pension liability</b>	<u>770,989</u>	<u>(18,098,833)</u>	<u>7,271,206</u>
<b>Total pension liability, beginning</b>	<u>82,496,362</u>	<u>83,267,351</u>	<u>65,168,518</u>
<b>Total pension liability, ending (a)</b>	<u>83,267,351</u>	<u>65,168,518</u>	<u>72,439,724</u>
<b>Change in plan fiduciary net position</b>			
Contributions - employer	2,869,461	2,438,761	2,521,391
Contributions - member	325,361	317,315	330,804
Net investment income (loss)	11,976,064	(7,748)	(513,784)
Benefit payments, including refunds of member contributions	(4,961,937)	(4,280,101)	(4,378,526)
Administrative expense	-	-	(10,848)
Other - transfer from Employees' Retirement System	31,376,710	-	-
<b>Net change in plan fiduciary net position</b>	<u>41,585,659</u>	<u>(1,531,773)</u>	<u>(2,050,963)</u>
<b>Plan fiduciary net position, beginning</b>	<u>-</u>	<u>41,585,659</u>	<u>40,053,886</u>
<b>Plan fiduciary net position, ending (b)</b>	<u>41,585,659</u>	<u>40,053,886</u>	<u>38,002,923</u>
<b>City's net pension liability, ending (a)-(b)</b>	<u><u>\$41,681,692</u></u>	<u><u>\$24,615,798</u></u>	<u><u>\$34,436,801</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	 49.9%	 60.9%	 52.5%
 Covered-employee payroll	 \$ 3,727,181	 \$ 3,954,232	 \$ 4,041,630
 City's net pension liability as a percentage of covered payroll	 1118.3%	 622.5%	 852.1%

## CITY OF OAK PARK, MICHIGAN

### Required Supplementary Information (GASB Statement No. 67)

#### Schedule of City Contributions

Last Three Fiscal Years (ultimately 10 years of data will be presented)

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%
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	(79,310)	4,041,630	62.4%

#### 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	28 years
Asset valuation method	Adjusted Market Value
Inflation	3.0%
Salary increases	Varied
Investment rate of return	6.07-7.27% net of pension plan investment expense, including inflation
Mortality rates	RP-2000 Combined Table

This page intentionally left blank.

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

# CITY OF OAK PARK, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2016

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental
<b>Assets</b>				
Cash and investments	\$ 3,659,185	\$ 478,996	\$ 2,158,941	\$ 6,297,122
Receivables:				
Special assessments	549,953	-	70,748	620,701
Accounts	499,305	-	86,376	585,681
Due from other governments	614,160	-	-	614,160
Prepaid items	1,842	-	-	1,842
<b>Total assets</b>	<u>\$ 5,324,445</u>	<u>\$ 478,996</u>	<u>\$ 2,316,065</u>	<u>\$ 8,119,506</u>
<b>Liabilities</b>				
Accounts payable	\$ 550,340	\$ -	\$ 44,195	\$ 594,535
Accrued liabilities	88,815	42,113	9,056	139,984
Due to other funds	175,438	-	-	175,438
<b>Total liabilities</b>	<u>814,593</u>	<u>42,113</u>	<u>53,251</u>	<u>909,957</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	6,854	-	-	6,854
Unavailable revenue - special assessments	549,953	-	136,636	686,589
Unavailable revenue - grants	49,452	-	-	49,452
<b>Total deferred inflows of resources</b>	<u>606,259</u>	<u>-</u>	<u>136,636</u>	<u>742,895</u>
<b>Fund balances</b>				
Nonspendable	1,842	-	-	1,842
Restricted	3,924,503	436,883	224,188	4,585,574
Assigned	5,466	-	1,901,990	1,907,456
Unassigned (deficit)	(28,218)	-	-	(28,218)
<b>Total fund balances</b>	<u>3,903,593</u>	<u>436,883</u>	<u>2,126,178</u>	<u>6,466,654</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 5,324,445</u>	<u>\$ 478,996</u>	<u>\$ 2,316,065</u>	<u>\$ 8,119,506</u>

# CITY OF OAK PARK, MICHIGAN

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

Nonmajor Governmental Funds

For the Year Ended June 30, 2016

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental
<b>Revenues</b>				
Property taxes	\$ 1,917,325	\$ 2,665,336	\$ -	\$ 4,582,661
Special assessments	68,555	-	265,595	334,150
Intergovernmental:				
Federal grants	448,213	-	-	448,213
State grants	2,236,679	-	-	2,236,679
Charges for services	1,591,492	-	-	1,591,492
Fines and forfeitures	81,539	-	150,576	232,115
Interest income	57,285	16,853	35,598	109,736
Other revenue	86,186	-	-	86,186
<b>Total revenues</b>	<b>6,487,274</b>	<b>2,682,189</b>	<b>451,769</b>	<b>9,621,232</b>
<b>Expenditures</b>				
Current:				
Judicial	2,384,920	-	-	2,384,920
Public safety	10,659	-	-	10,659
Road maintenance and repair	2,161,235	-	-	2,161,235
Public works	2,531,505	-	23,422	2,554,927
Library	766,733	-	-	766,733
Community development	525,591	-	18,159	543,750
Debt service:				
Principal	-	1,641,000	-	1,641,000
Interest and fiscal charges	-	1,425,436	-	1,425,436
Capital outlay	-	-	755,044	755,044
<b>Total expenditures</b>	<b>8,380,643</b>	<b>3,066,436</b>	<b>796,625</b>	<b>12,243,704</b>
Revenues over (under) expenditures	(1,893,369)	(384,247)	(344,856)	(2,622,472)
<b>Other financing sources (uses)</b>				
Issuance of long-term debt	-	7,825,000	-	7,825,000
Premium on issuance of long-term debt	-	796,882	-	796,882
Payment to refunding bond escrow agent	-	(8,289,000)	-	(8,289,000)
Transfers in	2,529,451	8,424,291	153,651	11,107,393
Transfers out	(373,651)	(8,273,772)	-	(8,647,423)
<b>Total other financing sources (uses)</b>	<b>2,155,800</b>	<b>483,401</b>	<b>153,651</b>	<b>2,792,852</b>
<b>Net change in fund balances</b>	<b>262,431</b>	<b>99,154</b>	<b>(191,205)</b>	<b>170,380</b>
Fund balances, beginning of year	3,641,162	337,729	2,317,383	6,296,274
<b>Fund balances, end of year</b>	<b>\$ 3,903,593</b>	<b>\$ 436,883</b>	<b>\$ 2,126,178</b>	<b>\$ 6,466,654</b>

# CITY OF OAK PARK, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

Special Revenue Funds

June 30, 2016

	Major Streets	Local Streets	Solid Waste Fund	Narcotics Forfeiture	Criminal Justice Training
<b>Assets</b>					
Cash and investments	\$ 1,278,709	\$ 1,041,792	\$ 668,281	\$ 77,467	\$ 12,355
Receivables:					
Accounts	21,841	-	463,662	-	-
Special assessments	549,953	-	-	-	-
Due from other governments	344,138	99,843	-	-	-
Prepaid items	29	-	-	-	-
<b>Total assets</b>	<b>\$ 2,194,670</b>	<b>\$ 1,141,635</b>	<b>\$ 1,131,943</b>	<b>\$ 77,467</b>	<b>\$ 12,355</b>
<b>Liabilities</b>					
Accounts payable	\$ 186,264	\$ 6,044	\$ 148,209	\$ -	\$ -
Accrued liabilities	11,339	6,629	25,935	-	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>197,603</b>	<b>12,673</b>	<b>174,144</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue - property taxes	-	-	6,854	-	-
Unavailable revenue - special assessments	549,953	-	-	-	-
Unavailable revenue - grants	21,841	-	-	250	-
<b>Total deferred inflows of resources</b>	<b>571,794</b>	<b>-</b>	<b>6,854</b>	<b>250</b>	<b>-</b>
<b>Fund balances</b>					
Nonspendable	29	-	-	-	-
Restricted	1,425,244	1,128,962	950,945	77,217	12,355
Assigned	-	-	-	-	-
Unassigned deficits	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>1,425,273</b>	<b>1,128,962</b>	<b>950,945</b>	<b>77,217</b>	<b>12,355</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 2,194,670</b>	<b>\$ 1,141,635</b>	<b>\$ 1,131,943</b>	<b>\$ 77,467</b>	<b>\$ 12,355</b>





Disaster Contingency	Community Development Block Grant	C.O.P.S. Program	Caseflow Assistance	Neighborhood Stabilization Program
\$ -	\$ -	\$ -	\$ 206,653	\$ -
-	-	-	-	-
-	-	-	-	-
-	31,737	100,785	-	37,657
-	-	-	-	-
<u>\$ -</u>	<u>\$ 31,737</u>	<u>\$ 100,785</u>	<u>\$ 206,653</u>	<u>\$ 37,657</u>
\$ -	\$ 4,088	\$ -	\$ -	\$ 1,125
-	603	-	-	58
-	27,046	100,785	-	36,474
-	31,737	100,785	-	37,657
-	-	-	-	-
-	-	-	-	-
-	10,991	-	-	2,068
-	10,991	-	-	2,068
-	-	-	-	-
-	-	-	206,653	-
-	-	-	-	-
-	(10,991)	-	-	(2,068)
-	(10,991)	-	206,653	(2,068)
<u>\$ -</u>	<u>\$ 31,737</u>	<u>\$ 100,785</u>	<u>\$ 206,653</u>	<u>\$ 37,657</u>

continued...

# CITY OF OAK PARK, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

Special Revenue Funds

June 30, 2016

	Veterans Treatment Court Grant	45th District Court	Library	Total
<b>Assets</b>				
Cash and investments	\$ -	\$ 212,382	\$ 161,546	\$ 3,659,185
Receivables:				
Accounts	13,802	-	-	499,305
Special assessments	-	-	-	549,953
Due from other governments	-	-	-	614,160
Prepaid items	-	1,357	456	1,842
<b>Total assets</b>	<b>\$ 13,802</b>	<b>\$ 213,739</b>	<b>\$ 162,002</b>	<b>\$ 5,324,445</b>
<b>Liabilities</b>				
Accounts payable	\$ 2,254	\$ 187,660	\$ 14,696	\$ 550,340
Accrued liabilities	415	26,079	17,757	88,815
Due to other funds	11,133	-	-	175,438
<b>Total liabilities</b>	<b>13,802</b>	<b>213,739</b>	<b>32,453</b>	<b>814,593</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	-	-	-	6,854
Unavailable revenue - special assessments	-	-	-	549,953
Unavailable revenue - grants	13,802	-	500	49,452
<b>Total deferred inflows of resources</b>	<b>13,802</b>	<b>-</b>	<b>500</b>	<b>606,259</b>
<b>Fund balances</b>				
Nonspendable	-	1,357	456	1,842
Restricted	-	-	123,127	3,924,503
Assigned	-	-	5,466	5,466
Unassigned deficit	(13,802)	(1,357)	-	(28,218)
<b>Total fund balances (deficits)</b>	<b>(13,802)</b>	<b>-</b>	<b>129,049</b>	<b>3,903,593</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 13,802</b>	<b>\$ 213,739</b>	<b>\$ 162,002</b>	<b>\$ 5,324,445</b>

concluded.

This page intentionally left blank.

# 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, 2016

	Major Streets	Local Streets	Solid Waste Fund	Narcotics Forfeiture	Criminal Justice Training
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ 1,274,918	\$ -	\$ -
Special assessments	68,555	-	-	-	-
Intergovernmental:					
Federal grants	87,961	-	-	-	-
State grants	1,458,748	568,613	13,053	-	9,467
Charges for services	-	-	1,369,211	-	-
Fines and forfeitures	-	-	-	9,498	-
Interest income	19,600	16,027	13,292	1,046	172
Other revenue	86,072	-	-	-	-
<b>Total revenues</b>	<b>1,720,936</b>	<b>584,640</b>	<b>2,670,474</b>	<b>10,544</b>	<b>9,639</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	-	-	-
Public safety	-	-	-	22	10,637
Road maintenance and repair	1,395,510	765,725	-	-	-
Public works	-	-	2,531,505	-	-
Community development	-	-	-	-	-
Library	-	-	-	-	-
<b>Total expenditures</b>	<b>1,395,510</b>	<b>765,725</b>	<b>2,531,505</b>	<b>22</b>	<b>10,637</b>
<b>Revenues over (under) expenditures</b>	<b>325,426</b>	<b>(181,085)</b>	<b>138,969</b>	<b>10,522</b>	<b>(998)</b>
<b>Other financing sources (uses)</b>					
Transfers in	-	270,000	-	-	-
Transfers out	(270,000)	-	(50,000)	-	-
<b>Total other financing sources (uses)</b>	<b>(270,000)</b>	<b>270,000</b>	<b>(50,000)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>55,426</b>	<b>88,915</b>	<b>88,969</b>	<b>10,522</b>	<b>(998)</b>
<b>Fund balances (deficit), beginning of year</b>	<b>1,369,847</b>	<b>1,040,047</b>	<b>861,976</b>	<b>66,695</b>	<b>13,353</b>
<b>Fund balances (deficits), end of year</b>	<b>\$ 1,425,273</b>	<b>\$ 1,128,962</b>	<b>\$ 950,945</b>	<b>\$ 77,217</b>	<b>\$ 12,355</b>

Disaster Contingency	Community Development Block Grant	C.O.P.S. Program	Caseflow Assistance	Neighborhood Stabilization Program
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	80,489	245,431	-	34,332
-	-	-	20,198	-
-	-	-	-	-
-	-	-	-	-
53	-	-	2,724	-
-	-	-	-	-
53	80,489	245,431	22,922	34,332
-	-	-	1,047	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	91,480	397,711	-	36,400
-	-	-	-	-
-	91,480	397,711	1,047	36,400
53	(10,991)	(152,280)	21,875	(2,068)
-	-	152,280	-	-
(3,651)	-	-	-	-
(3,651)	-	152,280	-	-
(3,598)	(10,991)	-	21,875	(2,068)
3,598	-	-	184,778	-
\$ -	\$ (10,991)	\$ -	\$ 206,653	\$ (2,068)

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, 2016

	Veterans Treatment Court Grant	45th District Court	Library	Total
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ 642,407	\$ 1,917,325
Special assessments	-	-	-	68,555
Intergovernmental:				
Federal grants	-	-	-	448,213
State grants	45,072	91,448	30,080	2,236,679
Charges for services	-	210,220	12,061	1,591,492
Fines and forfeitures	-	-	72,041	81,539
Interest income	-	-	4,371	57,285
Other revenue	-	-	114	86,186
<b>Total revenues</b>	<b>45,072</b>	<b>301,668</b>	<b>761,074</b>	<b>6,487,274</b>
<b>Expenditures</b>				
Current:				
Judicial	35,034	2,348,839	-	2,384,920
Public safety	-	-	-	10,659
Road maintenance and repair	-	-	-	2,161,235
Public works	-	-	-	2,531,505
Community development	-	-	-	525,591
Library	-	-	766,733	766,733
<b>Total expenditures</b>	<b>35,034</b>	<b>2,348,839</b>	<b>766,733</b>	<b>8,380,643</b>
Revenues over (under) expenditures	10,038	(2,047,171)	(5,659)	(1,893,369)
<b>Other financing sources (uses)</b>				
Transfers in	-	2,047,171	60,000	2,529,451
Transfers out	-	-	(50,000)	(373,651)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>2,047,171</b>	<b>10,000</b>	<b>2,155,800</b>
<b>Net change in fund balances</b>	<b>10,038</b>	<b>-</b>	<b>4,341</b>	<b>262,431</b>
Fund balances (deficit), beginning of year	(23,840)	-	124,708	3,641,162
<b>Fund balances (deficits), end of year</b>	<b>\$ (13,802)</b>	<b>\$ -</b>	<b>\$ 129,049</b>	<b>\$ 3,903,593</b>

concluded.

## CITY OF OAK PARK, MICHIGAN

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

Budget and Actual - Major Streets Fund

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 68,555	\$ 68,555	\$ 68,555	\$ -
Intergovernmental -				
Federal grants	-	-	87,961	87,961
State grants	1,236,048	1,394,193	1,458,748	64,555
Interest income	464	3,000	19,600	16,600
Other revenue	-	40,500	86,072	45,572
<b>Total revenues</b>	<b>1,305,067</b>	<b>1,506,248</b>	<b>1,720,936</b>	<b>214,688</b>
<b>Expenditures</b>				
Current -				
Road maintenance and repair	1,752,173	1,754,555	1,395,510	(359,045)
<b>Revenues over (under) expenditures</b>	<b>(447,106)</b>	<b>(248,307)</b>	<b>325,426</b>	<b>(573,733)</b>
<b>Other financing uses</b>				
Transfers out	(270,000)	(270,000)	(270,000)	-
<b>Net change in fund balance</b>	<b>(717,106)</b>	<b>(518,307)</b>	<b>55,426</b>	<b>573,733</b>
Fund balance, beginning of year	1,369,847	1,369,847	1,369,847	-
<b>Fund balance, end of year</b>	<b>\$ 652,741</b>	<b>\$ 851,540</b>	<b>\$ 1,425,273</b>	<b>\$ 573,733</b>

## CITY OF OAK PARK, MICHIGAN

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

Budget and Actual - Local Streets Fund

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental -				
State grants	\$ 467,545	\$ 467,545	\$ 568,613	\$ 101,068
Interest income	247	247	16,027	15,780
<b>Total revenues</b>	<u>467,792</u>	<u>467,792</u>	<u>584,640</u>	<u>116,848</u>
<b>Expenditures</b>				
Current -				
Road maintenance and repair	<u>884,632</u>	<u>884,632</u>	<u>765,725</u>	<u>(118,907)</u>
<b>Revenues over (under) expenditures</b>	<u>(416,840)</u>	<u>(416,840)</u>	<u>(181,085)</u>	<u>235,755</u>
<b>Other financing sources</b>				
Transfers in	<u>270,000</u>	<u>270,000</u>	<u>270,000</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(146,840)</u>	<u>(146,840)</u>	<u>88,915</u>	<u>235,755</u>
<b>Fund balance, beginning of year</b>	<u>1,040,047</u>	<u>1,040,047</u>	<u>1,040,047</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 893,207</u></u>	<u><u>\$ 893,207</u></u>	<u><u>\$ 1,128,962</u></u>	<u><u>\$ 235,755</u></u>



## CITY OF OAK PARK, MICHIGAN

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

Budget and Actual - Solid Waste Fund

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 1,288,512	\$ 1,288,512	\$ 1,274,918	\$ (13,594)
Intergovernmental-				
State grants	-	-	13,053	13,053
Charges for services	1,251,200	1,251,200	1,369,211	118,011
Interest income	1,628	1,628	13,292	11,664
<b>Total revenues</b>	<u>2,541,340</u>	<u>2,541,340</u>	<u>2,670,474</u>	<u>129,134</u>
<b>Expenditures</b>				
Current:				
Public works	2,722,874	2,737,874	2,531,505	(206,369)
Prior year tax refund	15,000	-	-	-
<b>Total expenditures</b>	<u>2,737,874</u>	<u>2,737,874</u>	<u>2,531,505</u>	<u>(206,369)</u>
Revenue over (under) expenditures	(196,534)	(196,534)	138,969	335,503
<b>Other financing uses</b>				
Transfers out	(50,000)	(50,000)	(50,000)	-
<b>Net change in fund balance</b>	(246,534)	(246,534)	88,969	335,503
Fund balance, beginning of year	<u>861,976</u>	<u>861,976</u>	<u>861,976</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 615,442</u>	<u>\$ 615,442</u>	<u>\$ 950,945</u>	<u>\$ 335,503</u>

## CITY OF OAK PARK, MICHIGAN

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

Budget and Actual - Narcotics Forfeiture Fund

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Fines and forfeitures	\$ 1,000	\$ 1,000	\$ 9,498	\$ 8,498
Interest income	18	18	1,046	1,028
<b>Total revenues</b>	1,018	1,018	10,544	9,526
<b>Expenditures</b>				
Current -				
Public safety	5,000	5,000	22	(4,978)
<b>Net change in fund balance</b>	(3,982)	(3,982)	10,522	14,504
Fund balance, beginning of year	66,695	66,695	66,695	-
<b>Fund balance, end of year</b>	<u>\$ 62,713</u>	<u>\$ 62,713</u>	<u>\$ 77,217</u>	<u>\$ 14,504</u>

## CITY OF OAK PARK, MICHIGAN

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

Budget and Actual - Criminal Justice Training Fund

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental -				
State grants	\$ 8,000	\$ 12,000	\$ 9,467	\$ (2,533)
Interest income	-	-	172	172
<b>Total revenues</b>	8,000	12,000	9,639	(2,361)
<b>Expenditures</b>				
Current -				
Public safety	8,000	12,000	10,637	(1,363)
<b>Net change in fund balance</b>	-	-	(998)	(998)
Fund balance, beginning of year	13,353	13,353	13,353	-
<b>Fund balance, end of year</b>	<u>\$ 13,353</u>	<u>\$ 13,353</u>	<u>\$ 12,355</u>	<u>\$ (998)</u>

## CITY OF OAK PARK, MICHIGAN

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

Budget and Actual - Disaster Contingency Fund

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Interest income	\$ -	\$ -	\$ 53	\$ 53
<b>Other financing sources</b>				
Transfers out	-	-	(3,651)	(3,651)
<b>Net change in fund balances</b>	-	-	(3,598)	(3,598)
Fund balance, beginning of year	3,598	3,598	3,598	-
<b>Fund balance, end of year</b>	<u>\$ 3,598</u>	<u>\$ 3,598</u>	<u>\$ -</u>	<u>\$ (3,598)</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, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Federal grants	\$ 128,961	\$ 128,961	\$ 80,489	\$ (48,472)
<b>Expenditures</b>				
Current -				
Community development	128,961	128,961	91,480	(37,481)
<b>Net change in fund balance</b>	-	-	(10,991)	(10,991)
Fund balance, beginning of year	-	-	-	-
<b>Fund balance (deficit), end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,991)</u>	<u>\$ (10,991)</u>

## CITY OF OAK PARK, MICHIGAN

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

Budget and Actual - C.O.P.S Program Fund

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Federal grants	\$ 186,483	\$ 186,483	\$ 245,431	\$ 58,948
<b>Expenditures</b>				
Current -				
Community development	248,644	248,644	397,711	149,067
Revenues under expenditures	(62,161)	(62,161)	(152,280)	(90,119)
<b>Other financing sources</b>				
Transfers in	62,161	62,161	152,280	90,119
<b>Net change in fund balance</b>	-	-	-	-
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## 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, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental -				
State grants	\$ 20,000	\$ 20,000	\$ 20,198	\$ 198
Interest income	24	24	2,724	2,700
<b>Total revenues</b>	20,024	20,024	22,922	2,898
<b>Expenditures</b>				
Current -				
Judicial	7,538	7,538	1,047	(6,491)
<b>Net change in fund balance</b>	12,486	12,486	21,875	9,389
Fund balance, beginning of year	184,778	184,778	184,778	-
<b>Fund balance, end of year</b>	<u>\$ 197,264</u>	<u>\$ 197,264</u>	<u>\$ 206,653</u>	<u>\$ 9,389</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, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenue</b>				
Intergovernmental -				
Federal grants	\$ 156,759	\$ 156,759	\$ 34,332	\$ (122,427)
<b>Expenditures</b>				
Current -				
Community development	156,759	156,759	36,400	(120,359)
<b>Net change in fund balance</b>	-	-	(2,068)	(2,068)
Fund balance, beginning of year	-	-	-	-
<b>Fund balance (deficit), end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,068)</u>	<u>\$ (2,068)</u>



## 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, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental -				
State grants	\$ 30,301	\$ 45,301	\$ 45,072	\$ (229)
<b>Expenditures</b>				
Current -				
Judicial	30,301	45,301	35,034	(10,267)
<b>Net change in fund balance</b>	-	-	10,038	10,038
Fund balance (deficit), beginning of year	-	-	(23,840)	(23,840)
<b>Fund balance (deficit), end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,802)</u>	<u>\$ (13,802)</u>

## CITY OF OAK PARK, MICHIGAN

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

Budget and Actual - 45th District Court Fund

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental -				
State grants	\$ 91,448	\$ 91,448	\$ 91,448	\$ -
Charges for services	171,044	171,044	210,220	39,176
<b>Total revenues</b>	262,492	262,492	301,668	39,176
<b>Expenditures</b>				
Current -				
Judicial	2,050,896	2,162,492	2,348,839	186,347
Revenues under expenditures	(1,788,404)	(1,900,000)	(2,047,171)	(147,171)
<b>Other financing sources</b>				
Transfers in	1,788,404	1,900,000	2,047,171	147,171
<b>Net change in fund balance</b>	-	-	-	-
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# 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, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 650,735	\$ 650,735	\$ 642,407	\$ (8,328)
Intergovernmental -				
State grants	12,100	17,100	30,080	12,980
Charges for services	8,500	8,500	12,061	3,561
Fines and forfeitures	52,000	64,000	72,041	8,041
Interest income	197	3,289	4,371	1,082
Other	1,000	1,000	114	(886)
<b>Total revenues</b>	<b>724,532</b>	<b>744,624</b>	<b>761,074</b>	<b>16,450</b>
<b>Expenditures</b>				
Current -				
Library	784,624	794,624	766,733	(27,891)
Prior year tax refund	10,000	-	-	-
<b>Total expenditures</b>	<b>794,624</b>	<b>794,624</b>	<b>766,733</b>	<b>(27,891)</b>
Revenues under expenditures	(70,092)	(50,000)	(5,659)	44,341
<b>Other financing sources (uses)</b>				
Transfers in	100,000	100,000	60,000	(40,000)
Transfers out	(50,000)	(50,000)	(50,000)	-
<b>Total other sources (uses)</b>	<b>50,000</b>	<b>50,000</b>	<b>10,000</b>	<b>(40,000)</b>
<b>Net change in fund balance</b>	<b>(20,092)</b>	<b>-</b>	<b>4,341</b>	<b>4,341</b>
Fund balance, beginning of year	124,708	124,708	124,708	-
<b>Fund balance, end of year</b>	<b>\$ 104,616</b>	<b>\$ 124,708</b>	<b>\$ 129,049</b>	<b>\$ 4,341</b>

## CITY OF OAK PARK, MICHIGAN

### Combining Balance Sheet

Nonmajor Governmental Funds

Debt Service Funds

June 30, 2016

	2015 Refunding Bond	2012 Street Refunding Bond	2006 Street Improvement Bond
<b>Assets</b>			
Cash and investments	\$ 84,774	\$ 281,437	\$ 113
<b>Liabilities</b>			
Accrued liabilities	\$ 15,000	\$ 13,000	\$ 113
<b>Fund balances</b>			
Restricted	69,774	268,437	-
<b>Total liabilities and fund balances</b>	\$ 84,774	\$ 281,437	\$ 113



2010 Municipal Complex Bond	2011 Library and Recreation Lease	Municipal Building Authority	Total
<u>\$ 112,672</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478,996</u>
\$ 14,000	\$ -	\$ -	\$ 42,113
<u>98,672</u>	<u>-</u>	<u>-</u>	<u>436,883</u>
<u>\$ 112,672</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478,996</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, 2016

	2015 Refunding Bond	2012 Street Refunding Bond	2006 Street Improvement Bond
<b>Revenues</b>			
Property taxes	\$ -	\$ 844,227	\$ 912,543
Interest income	1,345	8,344	4,961
<b>Total revenues</b>	<u>1,345</u>	<u>852,571</u>	<u>917,504</u>
<b>Expenditures</b>			
Debt service:			
Principal	-	555,000	641,000
Interest and fiscal charges	290,026	184,433	404,510
<b>Total expenditures</b>	<u>290,026</u>	<u>739,433</u>	<u>1,045,510</u>
<b>Revenues (under) over expenditures</b>	<u>(288,681)</u>	<u>113,138</u>	<u>(128,006)</u>
<b>Other financing sources (uses)</b>			
Issuance of long-term debt	7,825,000	-	-
Premium on issuance of long-term debt	796,882	-	-
Payment to refund bond escrow agent	-	-	(8,289,000)
Transfers in	-	10,345	8,263,427
Transfers out	(8,263,427)	-	-
<b>Total other financing sources (uses)</b>	<u>358,455</u>	<u>10,345</u>	<u>(25,573)</u>
<b>Net change in fund balances</b>	<u>69,774</u>	<u>123,483</u>	<u>(153,579)</u>
<b>Fund balances, beginning of year</b>	<u>-</u>	<u>144,954</u>	<u>153,579</u>
<b>Fund balances, end of year</b>	<u>\$ 69,774</u>	<u>\$ 268,437</u>	<u>\$ -</u>



2010 Municipal Complex Bond	2011 Library and Recreation Lease	Municipal Building Authority	Total
\$ 908,566	\$ -	\$ -	\$ 2,665,336
1,932	121	150	16,853
910,498	121	150	2,682,189
375,000	70,000	-	1,641,000
465,827	80,640	-	1,425,436
840,827	150,640	-	3,066,436
69,671	(150,519)	150	(384,247)
-	-	-	7,825,000
-	-	-	796,882
-	-	-	(8,289,000)
-	150,519	-	8,424,291
-	-	(10,345)	(8,273,772)
-	150,519	(10,345)	483,401
69,671	-	(10,195)	99,154
29,001	-	10,195	337,729
\$ 98,672	\$ -	\$ -	\$ 436,883

# CITY OF OAK PARK, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

Capital Projects Funds

June 30, 2016

	Public Improvement	City-Owned Property	Sidewalk Program
<b>Assets</b>			
Cash and investments	\$ 196,446	\$ 100,600	\$ 101,542
Receivables:			
Special assessments	-	-	70,748
Accounts	-	-	86,376
<b>Total assets</b>	<u>\$ 196,446</u>	<u>\$ 100,600</u>	<u>\$ 258,666</u>
<b>Liabilities</b>			
Accounts payable	\$ 5,595	\$ -	\$ 10,000
Accrued liabilities	-	-	9,056
<b>Total liabilities</b>	<u>5,595</u>	<u>-</u>	<u>19,056</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue - special assessments	-	-	136,636
<b>Fund balances</b>			
Restricted	-	-	102,974
Assigned	190,851	100,600	-
<b>Total fund balance</b>	<u>190,851</u>	<u>100,600</u>	<u>102,974</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 196,446</u>	<u>\$ 100,600</u>	<u>\$ 258,666</u>





Road Construction	Municipal Building Construction	Municipal Complex Construction	Total
\$ 6,000	\$ 1,632,639	\$ 121,714	\$ 2,158,941
-	-	-	70,748
-	-	-	86,376
<u>\$ 6,000</u>	<u>\$ 1,632,639</u>	<u>\$ 121,714</u>	<u>\$ 2,316,065</u>
\$ 6,000	\$ 22,100	\$ 500	\$ 44,195
-	-	-	9,056
<u>6,000</u>	<u>22,100</u>	<u>500</u>	<u>53,251</u>
-	-	-	136,636
-	-	121,214	224,188
-	<u>1,610,539</u>	-	<u>1,901,990</u>
-	<u>1,610,539</u>	<u>121,214</u>	<u>2,126,178</u>
<u>\$ 6,000</u>	<u>\$ 1,632,639</u>	<u>\$ 121,714</u>	<u>\$ 2,316,065</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, 2016

	Public Improvement	City-Owned Property	Sidewalk Program
<b>Revenues</b>			
Special assessments	\$ -	\$ -	\$ 265,595
Fines and forfeitures	-	-	-
Interest income	1,032	1,482	5,055
<b>Total revenues</b>	<u>1,032</u>	<u>1,482</u>	<u>270,650</u>
<b>Expenditures</b>			
Public works	-	-	23,422
Community development	18,130	29	-
Capital outlay	-	-	354,772
<b>Total expenditures</b>	<u>18,130</u>	<u>29</u>	<u>378,194</u>
Revenues over (under) expenditures	(17,098)	1,453	(107,544)
<b>Other financing sources</b>			
Transfers in	153,651	-	-
<b>Net change in fund balances</b>	136,553	1,453	(107,544)
Fund balances, beginning of year	<u>54,298</u>	<u>99,147</u>	<u>210,518</u>
<b>Fund balances, end of year</b>	<u>\$ 190,851</u>	<u>\$ 100,600</u>	<u>\$ 102,974</u>



Road Construction	Municipal Building Construction	Municipal Complex Construction	Total
\$ -	\$ -	\$ -	\$ 265,595
-	150,576	-	150,576
2,144	23,668	2,217	35,598
2,144	174,244	2,217	451,769
-	-	-	23,422
-	-	-	18,159
234,422	26,040	139,810	755,044
234,422	26,040	139,810	796,625
(232,278)	148,204	(137,593)	(344,856)
-	-	-	153,651
(232,278)	148,204	(137,593)	(191,205)
232,278	1,462,335	258,807	2,317,383
\$ -	\$ 1,610,539	\$ 121,214	\$ 2,126,178

# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Net Position

Internal Service Funds

June 30, 2016

	Risk Management	Motor Pool	Retirees Health Care Court	Total
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 242,340	\$ 52,938	\$ -	\$ 295,278
Prepaid items	83,111	-	340	83,451
Total current assets	325,451	52,938	340	378,729
Noncurrent assets -				
Capital assets, net	-	963,044	-	963,044
<b>Total assets</b>	<b>325,451</b>	<b>1,015,982</b>	<b>340</b>	<b>1,341,773</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	-	35,543	-	35,543
Accrued liabilities	-	1,394	-	1,394
Total current liabilities	-	36,937	-	36,937
Noncurrent liabilities -				
Accrued compensated absences	-	2,296	-	2,296
<b>Total liabilities</b>	<b>-</b>	<b>39,233</b>	<b>-</b>	<b>39,233</b>
<b>Net position</b>				
Investment in capital assets	-	963,044	-	963,044
Unrestricted	325,451	13,705	340	339,496
<b>Total net position</b>	<b>\$ 325,451</b>	<b>\$ 976,749</b>	<b>\$ 340</b>	<b>\$ 1,302,540</b>

# 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, 2016

	Risk Management	Motor Pool	Retirees Health Care Court	Total
<b>Operating revenues</b>				
Charges for services	\$ 266,350	\$ 532,776	\$ -	\$ 799,126
Miscellaneous	159,015	-	208,823	367,838
<b>Total operating revenues</b>	<u>425,365</u>	<u>532,776</u>	<u>208,823</u>	<u>1,166,964</u>
<b>Operating expenses</b>				
Gasoline	-	118,496	-	118,496
Professional services	64	84,841	-	84,905
Supplies	-	168,811	-	168,811
Depreciation	-	167,863	-	167,863
Wages and benefits	-	66,246	-	66,246
Insurance	461,154	-	208,811	669,965
<b>Total operating expenses</b>	<u>461,218</u>	<u>606,257</u>	<u>208,811</u>	<u>1,276,286</u>
Operating income (loss)	(35,853)	(73,481)	12	(109,322)
<b>Nonoperating revenues</b>				
Interest income	<u>3,364</u>	<u>548</u>	<u>-</u>	<u>3,912</u>
Change in net position	(32,489)	(72,933)	12	(105,410)
Net position, beginning of year	<u>357,940</u>	<u>1,049,682</u>	<u>328</u>	<u>1,407,950</u>
Net position, end of year	<u>\$ 325,451</u>	<u>\$ 976,749</u>	<u>\$ 340</u>	<u>\$ 1,302,540</u>

# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2016

	Risk Management	Motor Pool	Retirees Health Care Court	Total
<b>Cash flows from operating activities</b>				
Receipts from interfund services	\$ 266,350	\$ 532,776	\$ -	\$ 799,126
Miscellaneous receipts	159,015	-	208,823	367,838
Payments to suppliers	(351,828)	(358,979)	(12)	(710,819)
Payments to employees	(155,167)	(66,940)	(208,811)	(430,918)
<b>Net cash provided (used) by operating activities</b>	(81,630)	106,857	-	25,227
<b>Cash flows from capital and related financing activities</b>				
Purchases of capital assets	-	(87,134)	-	(87,134)
<b>Cash flows from investing activities</b>				
Interest and dividends	3,364	548	-	3,912
<b>Net change in cash and investments</b>	(78,266)	20,271	-	(57,995)
Cash and investments, beginning of year	320,606	32,667	-	353,273
<b>Cash and investments, end of year</b>	<u>\$ 242,340</u>	<u>\$ 52,938</u>	<u>\$ -</u>	<u>\$ 295,278</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (35,853)	\$ (73,481)	\$ 12	\$ (109,322)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	167,863	-	167,863
Change in assets and liabilities:				
Prepaid items	(45,777)	-	(12)	(45,789)
Accounts payable	-	13,169	-	13,169
Accrued liabilities	-	(936)	-	(936)
Accrued compensated absences	-	242	-	242
<b>Net cash provided (used) by operating activities</b>	<u>\$ (81,630)</u>	<u>\$ 106,857</u>	<u>\$ -</u>	<u>\$ 25,227</u>

# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Assets and Liabilities

Agency Funds

June 30, 2016

	Payroll Fund	Escrow Fund	Agency Fund	Tax Fund	Total Agency Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 52,023	\$ 394,403	\$ -	\$ -	\$ 446,426
Due from other governments	-	2,417	-	-	2,417
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total assets</b>	<u>\$ 52,023</u>	<u>\$ 396,820</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 448,843</u>
<b>Liabilities</b>					
Undistributed receipts	\$ 52,023	\$ 396,820	\$ -	\$ -	\$ 448,843
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<i>Payroll Fund</i>				
<b>Assets</b>				
Cash and cash equivalents	\$ 36,479	\$ 24,521,373	\$ (24,505,829)	\$ 52,023
<b>Liabilities</b>				
Undistributed receipts	\$ 36,479	\$ 10,058,711	\$ (10,043,167)	\$ 52,023
<i>Escrow Fund</i>				
<b>Assets</b>				
Cash and cash equivalents	\$ 249,438	\$ 634,925	\$ (489,960)	\$ 394,403
Due from other governments	2,663	7,209	(7,455)	2,417
<b>Total assets</b>	\$ 252,101	\$ 642,134	\$ (497,415)	\$ 396,820
<b>Liabilities</b>				
Undistributed receipts	\$ 252,101	\$ 625,805	\$ (481,086)	\$ 396,820
<i>Tax Fund</i>				
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 13,739,290	\$ (13,739,290)	\$ -
<b>Liabilities</b>				
Undistributed receipts	\$ -	\$ 13,739,290	\$ (13,739,290)	\$ -
<i>Agency Fund</i>				
<b>Assets</b>				
Cash and cash equivalents	\$ 196,908	\$ -	\$ (196,908)	\$ -
Accrued interest receivable	3,499	-	(3,499)	-
<b>Total assets</b>	\$ 200,407	\$ -	\$ (200,407)	\$ -
<b>Liabilities</b>				
Due to other governments	\$ 200,407	\$ -	\$ (200,407)	\$ -

continued...



# CITY OF OAK PARK, MICHIGAN

## Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<i>Total All Agency Funds</i>				
<b>Assets</b>				
Cash and cash equivalents	\$ 482,825	\$ 38,895,588	\$ (38,931,987)	\$ 446,426
Accrued interest receivable	3,499	-	(3,499)	-
Due from other governments	2,663	7,209	(7,455)	2,417
<b>Total assets</b>	<u>\$ 488,987</u>	<u>\$ 38,902,797</u>	<u>\$ (38,942,941)</u>	<u>\$ 448,843</u>
<b>Liabilities</b>				
Due to other governments	\$ 200,407	\$ -	\$ (200,407)	\$ -
Undistributed receipts	288,580	24,423,806	(24,263,543)	448,843
<b>Total liabilities</b>	<u>\$ 488,987</u>	<u>\$ 24,423,806</u>	<u>\$ (24,463,950)</u>	<u>\$ 448,843</u>

concluded.

This page intentionally left blank.

## STATISTICAL SECTION

This page intentionally left blank.

# 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>
<b>Financial Trends</b>	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 126
<b>Revenue Capacity</b>	These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. 136
<b>Debt Capacity</b>	These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 142
<b>Demographic and Economic Information</b>	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 147
<b>Operating Information</b>	These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. 149

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)

	2007	2008	2009	2010	2011
<b>Governmental activities</b>					
Net investment in capital assets	\$ 6,375,013	\$ 11,739,781	\$ 14,884,759	\$ 15,406,195	\$ 2,076,411
Restricted	9,519,782	5,140,968	3,201,454	4,088,332	16,892,886
Unrestricted (deficit)	3,724,361	2,463,887	(1,865,169)	(4,176,964)	(7,479,222)
<b>Total governmental activities</b>	<u>\$ 19,619,156</u>	<u>\$ 19,344,636</u>	<u>\$ 16,221,044</u>	<u>\$ 15,317,563</u>	<u>\$ 11,490,075</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 11,041,086	\$ 12,723,979	\$ 14,053,708	\$ 16,780,263	\$ 17,689,440
Unrestricted	3,467,097	2,883,239	2,734,483	503,073	1,623,541
<b>Total business-type activities</b>	<u>\$ 14,508,183</u>	<u>\$ 15,607,218</u>	<u>\$ 16,788,191</u>	<u>\$ 17,283,336</u>	<u>\$ 19,312,981</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 17,416,099	\$ 24,463,760	\$ 28,938,467	\$ 32,186,458	\$ 19,765,851
Restricted	9,519,782	5,140,968	3,201,454	4,088,332	16,892,886
Unrestricted (deficit)	7,191,458	5,347,126	869,314	(3,673,891)	(5,855,681)
<b>Total primary government</b>	<u>\$ 34,127,339</u>	<u>\$ 34,951,854</u>	<u>\$ 33,009,235</u>	<u>\$ 32,600,899</u>	<u>\$ 30,803,056</u>

Schedule 1  
Unaudited

2012	2013	2014	2015	2016
\$ 1,805,028	\$ 13,132,212	\$ 14,247,686	\$ 14,000,594	\$ 13,597,182
16,169,292	6,911,104	4,887,899	4,317,193	4,464,360
(12,720,940)	(18,447,947)	(20,223,425)	(68,221,764)	(65,506,297)
<u>\$ 5,253,380</u>	<u>\$ 1,595,369</u>	<u>\$ (1,087,840)</u>	<u>\$ (49,903,977)</u>	<u>\$ (47,444,755)</u>
\$ 15,566,968	\$ 16,175,706	\$ 16,773,566	\$ 17,818,784	\$ 19,700,636
4,345,077	4,653,218	6,175,448	733,114	(1,894,698)
<u>\$ 19,912,045</u>	<u>\$ 20,828,924</u>	<u>\$ 22,949,014</u>	<u>\$ 18,551,898</u>	<u>\$ 17,805,938</u>
\$ 17,371,996	\$ 29,307,918	\$ 31,021,252	\$ 31,819,378	\$ 33,297,818
16,169,292	6,911,104	4,887,899	4,317,193	4,464,360
(8,375,863)	(13,794,729)	(14,047,977)	(67,488,650)	(67,400,995)
<u>\$ 25,165,425</u>	<u>\$ 22,424,293</u>	<u>\$ 21,861,174</u>	<u>\$ (31,352,079)</u>	<u>\$ (29,638,817)</u>

# CITY OF OAK PARK, MICHIGAN

## Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2007	2008	2009	2010	2011
<b>Expenses</b>					
Governmental activities:					
General government	\$ 5,067,647	\$ 5,415,064	\$ 5,664,693	\$ 5,455,233	\$ 5,175,795
Judicial	2,268,921	2,457,418	3,110,586	2,480,818	2,438,608
Public safety	11,089,786	10,772,176	12,207,633	11,980,655	11,807,208
Road maintenance and repair	2,708,853	3,117,566	3,264,468	3,132,845	3,773,388
Public works	1,096,676	1,591,527	1,790,791	1,748,297	1,468,111
Health and sanitation	2,186,048	1,993,747	2,165,616	2,074,094	1,938,016
Culture and recreation	1,268,706	1,329,227	1,529,508	1,346,217	1,257,593
Library	836,669	858,674	1,040,661	1,028,408	904,488
Community development	299,539	334,654	584,284	1,499,055	1,889,763
Interest on long-term debt	1,148,474	1,116,640	1,076,660	1,038,320	1,211,375
Total governmental activities	27,971,319	28,986,693	32,434,900	31,783,942	31,864,345
Business-type activities:					
Water and sewer	7,835,161	8,061,610	8,019,513	8,796,597	8,721,512
Total primary government expenses	35,806,480	37,048,303	40,454,413	40,580,539	40,585,857
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
General government	599,632	582,978	471,650	470,968	491,946
Judicial	656,578	704,560	650,713	609,349	620,549
Public safety	1,856,111	1,395,297	1,445,393	1,422,872	1,436,686
Road maintenance and repair	21,919	-	-	72,648	-
Public works	214,874	144,345	405,399	153,071	399,625
Health and sanitation	577,620	565,490	611,694	644,564	835,541
Culture and recreation	469,373	464,371	435,876	471,547	433,396
Library	21,521	14,175	13,475	20,593	18,475
Community development	(2,335)	-	8,960	3,136	94,507
Operating grants and contributions	2,080,915	1,817,794	2,054,958	4,457,172	3,801,612
Capital grants and contributions	-	-	35,158	50,000	-
Total governmental activities	6,496,208	5,689,010	6,133,276	8,375,920	8,132,337
Business-type activities:					
Charges for services:					
Water and sewer	9,034,465	8,972,129	9,050,017	9,148,095	10,676,880
Capital grants and contributions	-	-	-	-	-
Total business-type activities	9,034,465	8,972,129	9,050,017	9,148,095	10,676,880
Total primary government program revenues	15,530,673	14,661,139	15,183,293	17,524,015	18,809,217
<b>Net (expense)/revenue</b>					
Government activities	(21,475,111)	(23,297,683)	(26,301,624)	(23,408,022)	(23,732,008)
Business-type activities	1,199,304	910,519	1,030,504	351,498	1,955,368
Total primary government net expense	(20,275,807)	(22,387,164)	(25,271,120)	(23,056,524)	(21,776,640)



Schedule 2  
Unaudited

2012	2013	2014	2015	2016
\$ 7,507,151	\$ 7,899,791	\$ 6,824,175	\$ 3,064,969	\$ 9,940,652
2,536,686	2,128,180	1,976,211	1,944,235	2,280,899
10,268,074	2,653,492	9,525,007	3,497,663	7,401,142
3,557,279	3,209,098	4,098,970	4,702,539	3,125,342
960,745	2,402,385	1,744,556	1,141,585	2,837,202
2,079,476	1,983,105	2,268,966	3,023,012	280,850
966,087	1,470,915	827,531	572,947	475,963
945,653	762,658	696,640	702,648	661,836
981,099	5,242,607	1,161,136	384,815	601,863
1,563,087	1,501,533	1,170,026	1,192,125	1,076,838
31,365,337	29,253,764	30,293,218	20,226,538	28,682,587
9,517,443	10,147,814	9,447,898	8,242,405	11,841,571
40,882,780	39,401,578	39,741,116	28,468,943	40,524,158
2,969,159	3,623,194	2,930,627	4,171,972	4,357,345
185,301	-	148,221	184,028	210,220
46,635	50,257	41,518	40,237	58,596
148,312	125,599	251,972	131,194	154,627
294,580	459,765	288,447	733,485	480,086
1,101,773	1,141,929	1,149,094	1,245,819	1,311,457
-	-	-	-	-
11,436	17,684	144,126	22,380	24,974
365	-	21,680	-	-
2,599,832	2,273,132	2,241,178	2,406,046	2,690,345
893	-	1,750	561,703	100,150
7,358,286	7,691,560	7,218,613	9,496,864	9,387,800
10,726,423	10,985,124	11,550,673	11,706,574	10,984,177
-	-	-	-	-
10,726,423	10,985,124	11,550,673	11,706,574	10,984,177
18,084,709	18,676,684	18,769,286	21,203,438	20,371,977
(24,007,051)	(21,562,204)	(23,074,605)	(10,729,674)	(19,294,787)
1,208,980	837,310	2,102,775	3,464,169	(857,394)
(22,798,071)	(20,724,894)	(20,971,830)	(7,265,505)	(20,152,181)

continued...

# CITY OF OAK PARK, MICHIGAN

## Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2007	2008	2009	2010	2011
<b>General revenues</b>					
Governmental activities:					
Property taxes	\$ 20,977,326	\$ 21,890,823	\$ 22,730,399	\$ 18,138,062	\$ 15,762,619
State shared revenues	-	-	-	3,622,093	3,438,471
Franchise fees	518,234	560,384	584,255	669,415	701,558
Investment earnings	1,073,459	621,956	318,845	73,560	60,045
Miscellaneous	-	19,801	8,561	51,411	(8,173)
Transfers	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Total governmental activities	<u>22,519,019</u>	<u>23,042,964</u>	<u>23,592,060</u>	<u>22,504,541</u>	<u>19,904,520</u>
Business-type activities:					
Investment earnings	167,869	118,715	100,469	93,647	24,277
Transfers	50,000	50,000	50,000	50,000	50,000
Total business-type activities	<u>217,869</u>	<u>168,715</u>	<u>150,469</u>	<u>143,647</u>	<u>74,277</u>
Total primary government	<u>22,736,888</u>	<u>23,211,679</u>	<u>23,742,529</u>	<u>22,648,188</u>	<u>19,978,797</u>
<b>Change in net position</b>					
Governmental activities	1,043,908	(254,719)	(2,709,564)	(903,481)	(3,827,488)
Business-type activities	1,417,173	1,079,234	1,180,973	495,145	2,029,645
Total primary government	<u>\$ 2,461,081</u>	<u>\$ 824,515</u>	<u>\$ (1,528,591)</u>	<u>\$ (408,336)</u>	<u>\$ (1,797,843)</u>

Schedule 2  
Unaudited

2012	2013	2014	2015	2016
\$ 15,222,837	\$ 14,067,560	\$ 16,466,311	\$ 16,326,336	\$ 17,549,447
2,937,911	3,040,964	3,134,336	3,197,425	3,288,744
714,074	794,287	757,237	712,120	717,762
60,524	51,382	33,512	48,071	248,056
-	-	-	-	-
(50,000)	(50,000)	-	-	(50,000)
<u>18,885,346</u>	<u>17,904,193</u>	<u>20,391,396</u>	<u>20,283,952</u>	<u>21,754,009</u>
156	29,569	17,315	16,381	61,434
50,000	50,000	-	-	50,000
<u>50,156</u>	<u>79,569</u>	<u>17,315</u>	<u>16,381</u>	<u>111,434</u>
<u>18,935,502</u>	<u>17,983,762</u>	<u>20,408,711</u>	<u>20,300,333</u>	<u>21,865,443</u>
(5,121,705)	(3,658,011)	(2,683,209)	9,554,278	2,459,222
<u>1,259,136</u>	<u>916,879</u>	<u>2,120,090</u>	<u>3,480,550</u>	<u>(745,960)</u>
<u>\$ (3,862,569)</u>	<u>\$ (2,741,132)</u>	<u>\$ (563,119)</u>	<u>\$ 13,034,828</u>	<u>\$ 1,713,262</u>

concluded.

# CITY OF OAK PARK, MICHIGAN

## Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2007	2008	2009	2010	2011
<b>General fund</b>					
Nondisposable	\$ 302,693	\$ 114,609	\$ 90,444	\$ 191,983	\$ 234,242
Unassigned	1,735,777	1,784,828	2,029,085	1,970,324	1,514,649
<b>Total general fund</b>	<u>2,038,470</u>	<u>1,899,437</u>	<u>2,119,529</u>	<u>2,162,307</u>	<u>1,748,891</u>
<b>All other governmental funds</b>					
Nondisposable	64,165	20,859	23,368	33,737	25,396
Restricted	10,265,178	5,757,552	3,453,091	4,569,839	17,436,759
Assigned	493,669	643,161	784,216	835,683	1,082,319
Unassigned (deficit)	-	-	-	-	-
<b>Total all other governmental funds</b>	<u>10,823,012</u>	<u>6,421,572</u>	<u>4,260,675</u>	<u>5,439,259</u>	<u>18,544,474</u>
<b>Total all governmental funds</b>	<u>\$ 12,861,482</u>	<u>\$ 8,321,009</u>	<u>\$ 6,380,204</u>	<u>\$ 7,601,566</u>	<u>\$ 20,293,365</u>

Schedule 3  
Unaudited

2012	2013	2014	2015	2016
\$ 245,037	\$ 198,853	\$ 387,059	\$ 597,521	\$ 482,475
312,162	1,802,454	2,973,036	2,833,231	3,196,719
557,199	2,001,307	3,360,095	3,430,752	3,679,194
22,815	16,255	702	246	1,842
16,146,559	6,956,543	4,887,899	4,317,193	4,585,574
1,413,109	1,642,112	1,419,099	2,002,675	1,907,456
-	-	(7,869)	(23,840)	(28,218)
17,582,483	8,614,910	6,299,831	6,296,274	6,466,654
\$ 18,139,682	\$ 10,616,217	\$ 9,659,926	\$ 9,727,026	\$ 10,145,848

# CITY OF OAK PARK, MICHIGAN

## Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2007	2008	2009	2010	2011
<b>Revenues</b>					
Property taxes	\$ 16,908,767	\$ 17,767,651	\$ 18,750,272	\$ 18,170,382	\$ 15,793,548
Special assessments	138,808	138,295	470,023	191,247	468,193
Licenses and permits	397,567	332,852	269,104	286,918	324,819
Intergovernmental	5,923,017	5,967,334	5,964,854	7,974,547	7,061,634
Charges for services	1,274,814	1,296,719	1,309,149	1,395,148	1,571,672
Fines and forfeitures	2,212,430	1,983,156	1,929,781	1,862,371	1,864,326
Interest income	1,038,284	691,790	342,713	77,613	122,813
Other	941,289	848,662	822,522	863,996	917,993
<b>Total revenues</b>	<b>28,834,976</b>	<b>29,026,459</b>	<b>29,858,418</b>	<b>30,822,222</b>	<b>28,124,998</b>
<b>Expenditures</b>					
Judicial	2,124,990	2,227,873	2,135,060	2,135,210	2,060,494
General government	4,346,347	4,493,384	4,342,750	4,261,390	3,862,062
Public safety	10,432,718	9,536,108	10,087,745	9,699,945	9,444,711
Road maintenance and repair	1,163,340	1,415,162	1,480,601	1,357,550	1,510,941
Public works	2,960,609	2,863,533	2,698,244	2,517,367	2,056,929
Recreation and culture	1,155,419	1,117,615	1,157,626	1,045,643	918,526
Library	775,018	727,765	820,483	850,138	668,867
Community development	247,852	200,159	281,927	1,218,937	1,611,291
Nondepartmental	1,649,454	2,970,326	2,745,727	2,735,006	2,735,439
Debt service:					
Principal	1,580,000	1,670,000	1,695,000	1,700,000	1,295,000
Interest	1,148,248	1,116,640	1,076,660	1,038,320	1,207,578
Bond issuance costs	-	-	-	-	-
Prior year tax refunds	-	-	-	-	-
Capital outlay	7,123,336	5,178,367	3,227,400	991,354	1,338,008
<b>Total expenditures</b>	<b>34,707,331</b>	<b>33,516,932</b>	<b>31,749,223</b>	<b>29,550,860</b>	<b>28,709,846</b>
<b>Revenues over (under) expenditures</b>	<b>(5,872,355)</b>	<b>(4,490,473)</b>	<b>(1,890,805)</b>	<b>1,271,362</b>	<b>(584,848)</b>
<b>Other financing sources (uses)</b>					
Proceeds from sale of capital assets	-	-	-	-	-
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	-	-	-	-	-
Capital assets	-	-	-	-	-
Transfers in	2,401,870	2,430,771	2,492,312	2,476,424	2,476,424
Transfers out	(2,451,870)	(2,480,771)	(2,542,312)	(2,526,424)	(2,526,424)
<b>Total other financing sources (uses)</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>13,276,647</b>
<b>Net changes in fund balances</b>	<b>\$ (5,922,355)</b>	<b>\$ (4,540,473)</b>	<b>\$ (1,940,805)</b>	<b>\$ 1,221,362</b>	<b>\$ 12,691,799</b>
 Debt services as a percentage of noncapital expenditures	 9.89%	 9.83%	 9.72%	 9.59%	 9.14%

Schedule 4  
Unaudited

2012	2013	2014	2015	2016
\$ 14,806,367	\$ 14,486,295	\$ 16,422,482	\$ 16,292,076	\$ 16,997,519
213,990	392,523	133,052	525,492	334,150
410,216	376,502	363,301	546,585	633,468
5,498,001	5,274,629	5,336,577	6,121,119	6,008,506
2,084,989	1,922,419	2,188,756	2,857,318	2,499,661
1,939,928	1,786,713	1,803,694	2,056,122	2,200,334
59,080	50,674	33,146	47,385	244,144
909,167	1,815,024	1,284,806	1,299,773	1,682,787
25,921,738	26,104,779	27,565,814	29,745,870	30,600,569
2,068,527	1,670,645	1,946,216	1,950,499	2,384,920
4,020,488	3,708,268	3,284,804	3,613,552	3,562,498
8,463,849	6,829,039	5,557,392	8,447,856	8,771,838
1,175,485	1,282,793	1,753,709	1,756,810	2,161,235
2,153,619	2,253,710	2,970,801	3,616,070	3,092,354
866,830	600,876	591,912	570,403	544,721
3,293,302	702,671	727,789	738,863	766,733
815,551	549,543	600,913	593,951	677,202
2,804,481	2,691,078	5,214,184	3,944,438	4,681,648
1,420,000	1,230,000	1,360,000	1,400,000	1,641,000
1,440,644	1,493,206	1,211,564	1,175,121	1,425,436
-	64,220	-	-	-
11,131	648,227	109,740	382,611	-
883,378	9,812,695	3,193,081	1,161,178	755,044
29,417,285	33,536,971	28,522,105	29,351,352	30,464,629
(3,495,547)	(7,432,192)	(956,291)	394,518	135,940
-	-	-	-	-
-	9,150,000	-	-	7,825,000
-	160,579	-	-	796,882
-	(9,160,000)	-	-	(8,289,000)
2,500,000	-	-	-	-
-	-	-	-	-
2,919,289	11,704,946	2,695,253	2,153,584	11,107,393
(2,969,289)	(11,939,946)	(2,695,253)	(2,153,584)	(11,157,393)
2,450,000	(84,421)	-	-	282,882
\$ (1,045,547)	\$ (7,516,613)	\$ (956,291)	\$ 394,518	\$ 418,822
10.03%	11.61%	10.54%	9.15%	10.58%

## 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		
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
2007	480,667,540	105,533,730	59,565,190	44,318,580	690,085,040

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
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%
23.8150	1,862,110,440	37.06%

## 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
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
2007: Homestead (1)	16.3613	0.9917	4.0081	2.4539	-	23.8150
2007: Non-homestead						23.8150

(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
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
13.3585	13.4699	10.9416	1.5844	8.6051	47.3630	47.4744	44.9461
31.5385	31.6499	29.1216	1.5844	8.6051	65.5430	65.6544	63.1261

**Principal Property Tax Payers**

Current Year and Nine Years Ago

Taxpayer	2007			2016		
	Taxable Value	Rank	Percentage of Total	Taxable Value	Rank	Percentage of Total
Jewish Federation Apts.	\$ 8,335,650	2	1.15%	\$ 8,482,300	1	1.94%
DTE Energy Company	4,942,510	8	0.68%	6,695,060	2	1.53%
Lincoln Towers Apts, LLP	6,897,170	3	0.95%	5,243,000	3	1.20%
Village Green Management Co.	6,066,120	5	0.84%	4,579,780	4	1.05%
Eaton Steel/Goodman/Oak Park Bldg. Co.	-	-	-	3,803,490	5	0.87%
Loop of Greenfield	-	-	-	3,801,000	6	0.87%
Oak Park Manor MI, LLC	4,632,560	9	0.64%	3,553,550	7	0.81%
Scannell Properties (Fed Ex)	-	-	-	3,525,300	8	0.81%
Consumers Energy Company	-	-	-	3,392,470	9	0.78%
Apollo Heat Treating & Processing	-	-	-	2,749,070	10	0.63%
Detroit Square Properties, LLC	10,166,400	1	1.40%	-	-	-
Parkwoods Shopping Plaza, LLC	6,212,600	4	0.86%	-	-	-
Greenfield Lincoln Investments #2, LLC	5,685,000	6	0.78%	-	-	-
GTN Industries, Inc.	5,530,820	7	0.76%	-	-	-
Oakmont Properties	4,177,050	10	0.58%	-	-	-
	<u>\$62,645,880</u>		<u>8.64%</u>	<u>\$45,825,020</u>		<u>10.49%</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
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%
2007	17,357,852	15,654,630	90.19%	129,735	15,784,365	90.94%

**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			
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
2007	27,475,000	-	-	16,091,554	43,566,554	89.46%	1,344.69

**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
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
2007	27,475,000	-	493,669	26,981,331	3.91%	833

# CITY OF OAK PARK, MICHIGAN

Schedule 11  
Unaudited

## Direct and Overlapping Governmental Activities Debt

As of June 30, 2016

	Net Debt Outstanding	Percentage Applicable to City *	Estimated Share of Overlapping Debt
<b>Direct</b>			
City of Oak Park	\$ 30,432,317	100.00%	<u>\$ 30,432,317</u>
<b>Overlapping</b>			
Berkley School District	64,490	11.01%	7,100
Ferndale School District	44,967,633	11.71%	5,265,710
Oak Park School District	13,937,485	70.71%	9,855,196
Oakland County (at-large)	403,351,276	0.84%	3,388,151
Oakland Intermediate School District	46,680,000	0.84%	392,112
Oakland Community College	1,605,000	0.85%	13,643
			<u>18,921,911</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 49,354,228</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		\$ 472,689,950
Legal debt limit (10% of SEV)		\$ 47,268,995
Gross indebtedness	\$ 29,515,000	
Amount available in debt service funds	(436,883)	
Net bonded debt		29,078,117
Legal debt margin		\$ 18,190,878
Net bonded debt as a percentage of assessed value		6.15%

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
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%
2007	93,105,522	28,683,228	64,422,294	30.81%

## CITY OF OAK PARK, MICHIGAN

Schedule 13  
Unaudited**Revenue Bond Coverage**

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Gross Revenue	Expenses Net of Depreciation and Interest	Net Revenue Available for Debt Service	Total Debt Service Requirement	Coverage
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
2007	9,034,465	7,072,472	1,961,993	1,467,851	1.34

**Demographic and Economic Statistics**

Last Ten Fiscal Years

Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment Rate
2016	29,319	\$ 47,292	\$ 22,143	36.8	14.20%
2015	29,319	48,476	21,677	37.1	11.20%
2014	29,319	53,297	22,486	38.2	12.10%
2013	29,319	48,476	23,242	38.6	13.60%
2012	29,319	48,697	21,677	34.6	11.20%
2011	29,319	48,697	21,677	34.6	15.20%
2010	29,319	48,697	21,677	34.6	19.10%
2009	32,399	48,697	21,677	34.6	22.50%
2008	32,399	48,697	21,677	34.6	10.80%
2007	32,399	48,697	21,677	34.6	9.69%

This page intentionally left blank.

**Principal Employers**

Current Year and Nine Years Ago

Employer	2007			2016		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Barton Malow Company	-	-	-	795	1	8.17%
Oak Park School District	485	1	2.81%	592	2	6.09%
EJS USA, Inc.	-	-	-	500	3	5.14%
Easter Seals - Michigan	-	-	-	400	4	4.11%
Home Depot Measurement Serv	-	-	-	375	5	3.86%
City of Oak Park	233	2	1.35%	249	6	2.56%
Berkely School District	-	-	-	201	7	2.07%
Hewson Van Hellemont PC	-	-	-	130	8	1.34%
Ringside Creative LLC	-	-	-	111	9	1.14%
PCI, Inc.	-	-	-	83	10	0.85%
Jewish Federation Apartments	130	3	0.75%	-	-	-
Thyssen Metal	105	4	0.61%	-	-	-
Lincoln Towers Apartments	99	5	0.57%	-	-	-
Detroit Edison	98	6	0.57%	-	-	-
Crown Pointe Office	98	7	0.57%	-	-	-
Huntington Gardens, Village Gr	97	8	0.56%	-	-	-
GTN Industries, Inc.	96	9	0.56%	-	-	-
CBS, Inc.	95	10	0.55%	-	-	-
	<u>1,536</u>		<u>8.90%</u>	<u>3,436</u>		<u>11.72%</u>

## CITY OF OAK PARK, MICHIGAN

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

Last Ten Fiscal Years

Department/Union	2007	2008	2009	2010	2011
<b>Full-time</b>					
Council	5.00	5.00	5.00	5.00	5.00
City Manager	4.00	4.00	4.00	4.00	3.00
Information Technology	1.00	1.00	1.00	1.00	1.00
City Attorney	-	-	-	-	-
Community & Economic Developmer	-	-	-	-	-
City Clerk	4.00	4.00	4.00	3.00	2.00
Finance & Administrative Services	16.00	17.00	17.00	15.00	13.00
Technical & Planning Services	17.00	16.00	13.00	13.00	12.00
Public Information	4.00	3.00	3.00	3.00	3.00
Public Safety	79.00	78.00	78.00	74.00	73.00
Public Works	27.00	27.00	26.00	26.00	24.00
Recreation	8.00	7.00	7.00	7.00	7.00
Library	6.00	6.00	6.00	6.00	6.00
Community Services	-	-	-	-	-
District Court 45-B / Probation	28.00	27.00	25.00	27.00	27.00
	<u>199.00</u>	<u>195.00</u>	<u>189.00</u>	<u>184.00</u>	<u>176.00</u>
<b>Part-time</b>					
Council	-	-	-	-	-
City Manager	-	-	-	-	0.12
Information Technology	-	-	-	-	-
City Attorney	-	-	-	-	-
Prosecuting Attorney	1.00	1.00	1.00	1.00	1.00
Community & Economic Developmer	-	-	-	-	-
City Clerk	-	-	-	0.50	0.50
Finance & Administrative Services	-	-	-	-	-
Technical & Planning Services	0.50	0.50	0.50	0.50	0.50
Public Information	-	-	-	-	-
Public Safety	5.25	5.25	5.25	5.25	5.25
Public Works	3.17	3.17	3.17	3.17	3.17
Recreation	21.20	21.20	21.10	21.10	20.35
Library	3.65	3.65	4.50	4.50	3.75
Community Services	-	-	-	-	-
District Court 45-B / Probation	2.40	2.40	2.40	0.70	0.70
	<u>37.17</u>	<u>37.17</u>	<u>37.92</u>	<u>36.72</u>	<u>35.34</u>
<b>Total</b>	<u>236.17</u>	<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 and not actual positions. Full Time Equivalents equalizes part time hours to that of a full time worker in a like position. For example a part time worker who works 30 hours in a office that normally works 40 hours would be recorded at .75 FTE (30 hours / 40 hours = .75 FTE).

Schedule 16  
Unaudited

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

continued...

## CITY OF OAK PARK, MICHIGAN

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

Last Ten Fiscal Years

Department/Union	2007	2008	2009	2010	2011
<b>Full-time Personnel by Salary Classification</b>					
Legislative	5	5	5	5	5
Exempt	11	11	11	11	11
Supervisory	15	15	13	13	13
Administrative	5	5	5	5	5
AFSCME	63	61	59	56	56
POAM	52	51	51	47	47
COAM	14	14	14	14	14
Dispatch	6	6	6	6	6
District Court 45-B	28	27	25	27	27
	<u>199</u>	<u>195</u>	<u>189</u>	<u>184</u>	<u>184</u>



Schedule 16  
Unaudited

--

2012	2013	2014	2015	2016
------	------	------	------	------

5	5	5	5	5
10	11	10	10	11
13	10	11	11	11
4	6	5	5	5
43	33	38	41.50	43
45	34	38	37	37
13	13	12	12	12
5	5	5	5	5
23	22	23	24	23
<hr/>				
161	139	147	150.50	152.00
<hr/>				

concluded.

## CITY OF OAK PARK, MICHIGAN

### Operating Indicators by Function / Department

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011
<b>Public Safety</b>					
Hazardous violations	5,423	5,077	4,060	3,428	3,624
Total violations	14,837	13,955	11,171	10,122	9,473
EMS requests	2,441	2,210	2,305	2,533	2,423
Traffic crashes	923	815	730	659	655
<b>Technical &amp; Planning Services</b>					
Number of building permits	624	545	582	526	526
Value of building permits	\$ 8,515,609	\$ 5,868,495	\$ 6,143,751	\$ 4,560,779	\$ 4,560,779
<b>Library</b>					
Residents with library cards	16,076	17,102	17,400	18,268	18,916
Items available	104,954	114,338	105,750	105,720	94,939
<b>Health and Sanitation</b>					
Tons of solid waste recycled	771.00	802.00	826.00	818.00	793.00
<b>Water System</b>					
Water Rate Per Unit	\$ 2.46	\$ 2.63	\$ 2.76	\$ 3.02	\$ 3.12

Schedule 17  
Unaudited

2012	2013	2014	2015	2016
3,624	2,409	2,057	2,376	2,093
9,473	9,473	6,941	7,449	5,784
2,423	2,389	2,408	2,561	2,445
655	593	648	688	746
526	649	468	755	692
\$ 4,560,779	\$13,015,549	\$ 8,184,966	\$14,450,358	\$25,085,257
18,916	19,062	19,800	20,122	19,464
94,939	103,021	104,924	104,648	98,742
793.00	762.00	817.00	786.00	895.00
\$ 3.27	\$ 3.27	\$ 3.41	\$ 3.54	\$ 3.85

## CITY OF OAK PARK, MICHIGAN

### Capital Asset Statistics by Function / Department

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011
<b>City Manager</b>					
Vehicles assigned	2	2	-	-	-
<b>Public Safety</b>					
Vehicles assigned	40	39	29	34	38
<b>Public Works</b>					
Vehicles assigned	48	46	38	42	42
Number of buildings	4	4	4	4	4
<b>Road Maintenance and Repair</b>					
Miles of major streets	20.72	20.72	20.72	20.72	21
Miles of local streets	65.33	65.33	65.33	65.33	65.33
<b>Water &amp; Sewer System</b>					
Miles of water mains	115	115	115	115	115
Miles of sewers	80.64	80.64	80.64	80.64	80.64
<b>Recreation</b>					
Swimming pool	1	1	1	1	1
City parks	10	10	10	10	10
Park acreage	109.8	109.8	109.8	109.8	109.8

Schedule 18  
Unaudited

--

2012	2013	2014	2015	2016
------	------	------	------	------

-	-	-	-	-
33	37	36	27	26
42	41	42	45	49
4	5	5	5	5
21	21	21	18.35	18.35
65.33	65.33	65.33	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

This page intentionally left blank.