

City of Oak Park,
Michigan



Year Ended
June 30, 2013

Comprehensive
Annual Financial
Report

Prepared by: Finance Department

Director of Finance and Administrative Services
Sandra Crawford

City Manager
Erik Tungate

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January 23, 2013

To the Honorable Mayor, Members of the City Council, the City Manager,
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, 2012, is hereby submitted as mandated by the City Charter, Section 9.8, and state statute, Public Act 2 of 1968. The City Charter and state statute require that the City issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The financial statements and supplemental schedules contained herein have been audited by Rehmann Robson, Certified Public Accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City activities have been included.

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

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

The Reporting Entity and Services Provided

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

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

Local Economy and Governmental Structure

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

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

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

For fiscal year 2012-2013, the citizens of Oak Park passed a millage increase to fund the public safety retirement system. This will allow the City to maintain its service for the citizens. It will be management's goal to maintain high quality services during economic uncertainty. The City has adopted prudent financial policies, which will help guide us through the upcoming years. The City has a strong property tax base and management believes it can meet the challenges confronting us 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 2011-2012:

- 1) The City's sewage is handled by the Twelve Towns Drain System. Stormwater and sewage enter the City's sewers, which is carried to the Twelve Towns treatment facility and released into Lake St. Clair. Pollution in Lake St. Clair has led the Michigan Department of Environmental Quality to issue violations, which will require improvements to the facility. It is estimated that these improvements will cost \$130 million of which \$17.3 million will be the City's share. These improvements will cost every user of the system in Oak Park \$3.14 to \$5.00 per month. This will have a significant impact on the citizen's water and sewer bills as the improvements will have to be paid by increased charges. The City will continue to work with the Southeastern Oakland County Sewage Disposal District to clear up any violations and to embark on a plan that will not only benefit the environment but keep costs within a reasonable range.

- 2) The City adopted the fiscal year 2012-2013 general fund budget with the goal of adding \$434,903 to fund balance, after adding \$155,630 of fund balance in fiscal year 2009-2010 and using \$395,138 in fiscal year 2010-2011. The City used \$913,962 of fund balance in fiscal year 2011-2012. The slowdown in the economy, cuts in State revenue sharing and the expected increases in expenditures for health insurance and pension costs will seriously affect future budgets.
- 3) The City borrowed \$13.425 million in October 2010 for the construction of a city hall and public safety building. The City entered into a \$2.5 million lease commitment for renovations to the library and recreation building in late 2011. These projects are anticipated to be completed in early 2013.

Financial Information

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

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

Long-term Financial Planning

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

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

As the City faces a slower economy additional funding sources will have to be found to fund large capital projects. This may include additional taxes, which can only be raised by a vote of the people. Other sources of revenue may include grants or raising fees. These challenges will be met following the financial policies above.

Federal Financial Assistance

As a recipient of federal financial assistance, the City is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control systems are evaluated periodically by management to achieve these objectives. The City is required to have a single audit in fiscal year 2011-2012 to test these controls because it received more than \$500,000 in federal assistance as required by the Federal Office of Management and Budget (OMB) Circular A-133.

Budgeting Controls

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

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the general fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level for the general and special revenue funds. However, for internal accounting purposes, budgetary control is maintained by object class (line account) for all funds. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Purchase orders that would create an over encumbrance are not written until additional appropriations are available. Encumbered accounts lapse at year-end. There were no encumbrances outstanding at June 30, 2012.

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

Awards and Acknowledgements

A Certificate of Achievement for Excellence in Financial Reporting was received for the City's CAFR from the Government Finance Officers Association (GFOA) for the fiscal year ended June 30, 2011. This award has been received for 18 consecutive years.

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

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

Sincerely,

[Signature omitted for security purposes]

Saundra Crawford
Director of Finance and Administrative Services



Government Finance Officers Association

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

Presented to

**City of Oak Park
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

CITY OF OAK PARK, MICHIGAN

ELECTED AND APPOINTED OFFICIALS

City Council

Marian McClellan

Mayor

Paul Levine

Mayor Pro-Tem

Carolyn Burns

Michael Seligson

Kiesha Speech

Council Members

Appointed Officials and Senior Management

Erik Tungate, City Manager

T. Edwin Norris, City Clerk

Plante Moran, Director of Finance and Administrative Services

John Gillooly & Ebony Duff, City Attorney

Beth Thompkins, Library Director

Robert Barrett, Director of Technical and Planning Services

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

Steve Cooper, Director of Public Safety

Cristin Spiller, Director of Recreation

Jeffrey Schefke, Director of Information Technology

Kathleen Lindroth, Deputy Treasurer

M. Dean Bush, City Assessor

Scott Lemarbe, General Foreman

Gary Shermetaro, General Foreman

Mike Pinkerton, Deputy Director of Public Safety

David DeCoster, Deputy Director of Technical and Planning Services

Rocco Fortura, Deputy Director of DPW

Steve Lukasik, Water Supervisor

Lynn Davey, Senior Services Coordinator

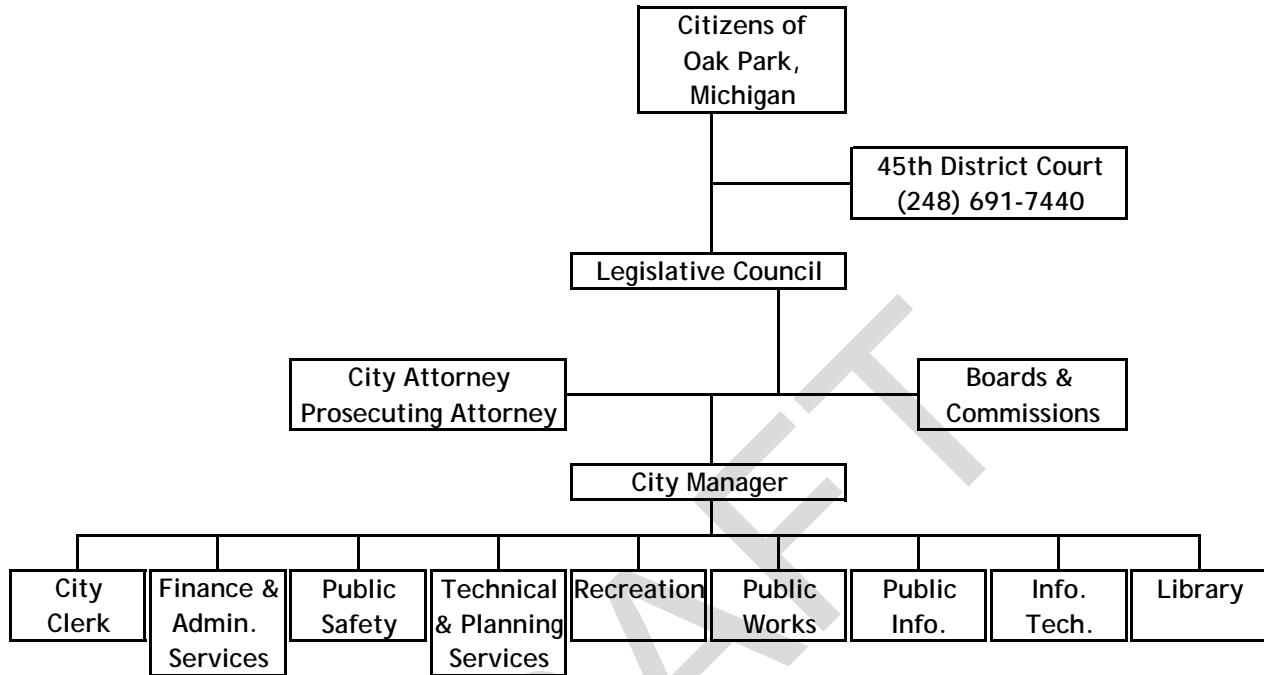
Diane Lemanski, Director of Human Resources & Operations

Emily Doerr, Director of Community & Economic Development

Joscelyn Davis, Director of Communications & Public Information

CITY OF OAK PARK, MICHIGAN

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

_____, 2013

The Honorable Mayor, Members of the City Council,
the City Manager, and the Citizens of the
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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated _____, 2013, on our consideration of the City of Oak Park, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

Our discussion and analysis of the City of Oak Park's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the financial statements.

Financial Highlights

- The City's net position decreased as a result of this year's operations. Net position of our business-type activities increased by \$916,230, or 4.6 percent; net position of our governmental activities decreased by \$3,658,011, or 69.6 percent.
- During the year, the City had revenues and other financing sources in governmental funds that were \$7.52 million less than the \$45.03 million of expenditures and other financing uses.
- In the City's business-type activities, revenues and transfers in were \$11.06 million while expenses were \$10.15 million.
- Total cost of all of the City's governmental programs was \$45.03 million.
- The general fund reported an increase in fund balance of \$1.19 million.
- The resources available for appropriation were \$0.7 million less than budgeted in the general fund. Expenditures were \$0.4 million less than budgeted. The general fund increased fund balance by \$1.19 million instead of increasing \$1.74 million as projected in the final budget.

Using this Annual Report

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

Reporting the City as a Whole

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

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

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

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

- 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.
- Component units — The City includes two separate legal entities in its report, the Economic Development Corporation and Brownfield Authority. Although legally separate, these 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 two kinds of funds—governmental and proprietary—use different accounting approaches.

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

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

Reporting the City as Trustee

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

The City as a Whole

The City's total net position decreased from a year ago — from \$25.17 million to \$22.42 million. Our analysis below focuses on the net position and changes in net position of the City's governmental and business-type activities.

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$14,807,572	\$21,980,522	\$ 5,555,873	\$ 5,267,258	\$20,363,445	\$27,247,780
Capital assets, net	44,834,162	37,425,028	26,929,303	27,556,806	71,763,465	64,981,834
Total assets	59,641,734	59,405,550	32,485,176	32,824,064	92,126,910	92,229,614
Long-term liabilities	36,079,059	37,071,946	10,916,762	12,136,997	46,995,821	49,208,943
Net OPEB obligation	18,490,640	14,438,628	-	-	18,490,640	14,438,628
Other liabilities	3,476,666	2,641,596	740,139	775,022	4,216,805	3,416,618
Total liabilities	58,046,365	54,152,170	11,656,901	12,912,019	69,703,266	67,064,189
Net position:						
Net investment in capital assets	13,132,212	1,805,028	16,174,664	15,566,968	29,306,876	17,371,996
Restricted	6,911,104	16,169,292	-	-	6,911,104	16,169,292
Unrestricted (deficit)	(18,447,947)	(12,720,940)	4,653,611	4,345,077	(13,794,336)	(8,375,863)
Total net position	\$ 1,595,369	\$ 5,253,380	\$20,828,275	\$19,912,045	\$22,423,644	\$25,165,425

Net position of the City's governmental activities decreased by 69.63 percent, from \$5.25 million compared to \$1.60 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 - \$12.72 million at June 30, 2012 to -\$15.84 million at the end of this year. The majority of the reduction in net position of \$3.66 million is due to the increase in the net other postemployment benefits obligation.

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

The net position of the business-type activities increased by 4.60 percent (\$20.83 million compared to \$19.91 million in 2012). This increase was due to revenues exceeding expenses. This trend is expected to change as the City begins replacing its infrastructure (water and sewer mains).

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Program revenues:						
Charges for services	\$ 5,343,428	\$ 4,757,561	\$10,984,950	\$10,726,423	\$16,328,378	\$15,483,984
Operating grants	2,273,132	2,599,832	-	-	2,273,132	2,599,832
Capital grants	-	893	-	-	-	893
General revenues:						
Property taxes	13,621,161	15,222,837	-	-	13,621,161	15,222,837
State shared	3,040,964	2,937,911	-	-	3,040,964	2,937,911
Other taxes	794,287	714,074	-	-	794,287	714,074
Investment earnings	51,382	60,524	29,095	30,156	80,477	90,680
Total revenues	25,124,354	26,293,632	11,014,045	10,756,579	36,138,399	37,050,211
Expenses:						
General government	4,496,266	4,702,670	-	-	4,496,266	4,702,670
Judicial	2,128,180	2,536,686	-	-	2,128,180	2,536,686
Public safety	2,653,492	10,268,074	-	-	2,653,492	10,268,074
Road maintenance	3,134,098	3,557,279	-	-	3,134,098	3,557,279
Public works	2,402,385	960,745	-	-	2,402,385	960,745
Health and sanitation	2,003,055	2,079,476	-	-	2,003,055	2,079,476
Culture and recreation	1,470,915	966,087	-	-	1,470,915	966,087
Library	817,163	945,653	-	-	817,163	945,653
Community development	5,242,607	981,099	-	-	5,242,607	981,099
Interest on long-term debt	1,693,126	1,563,087	-	-	1,693,126	1,563,087
Unallocated retiree insurance costs	2,691,078	2,804,481	-	-	2,691,078	2,804,481
Water and sewer	-	-	10,147,815	9,517,443	10,147,815	9,517,443
Total expenses	28,732,365	31,365,337	10,147,815	9,517,443	38,880,180	40,882,780
Change in net position before transfers	(3,608,011)	(5,071,705)	866,230	1,239,136	(2,741,781)	(3,832,569)
Transfers	(50,000)	(50,000)	50,000	50,000	-	-
Change in net position	(3,658,011)	(5,121,705)	916,230	1,289,136	(2,741,781)	(3,832,569)
Net position:						
Beginning of year	5,253,380	10,375,085	19,912,045	18,622,909	25,165,425	28,997,994
End of year	\$ 1,595,369	\$ 5,253,380	\$20,828,275	\$19,912,045	\$22,423,644	\$25,165,425

The City's total revenue for all programs and services decreased by 2.46 percent (\$0.91 million). The total cost of all programs and services decreased by 4.90 percent (\$2.00 million).

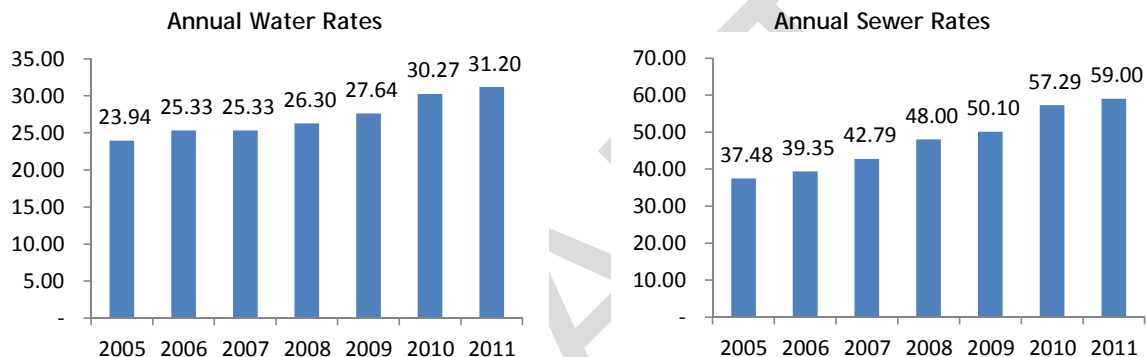
Governmental activities. Revenues for the City's governmental activities decreased by 4.45 percent (\$1.17 million), while total expenses decreased 8.39 percent (\$2.63 million).

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

Business-type activities. The City has one business-type activity: the water and sewer system. Revenues of the City's water and sewer fund increased by 2.39 percent (\$10.76 million in fiscal year 2012 compared to \$11.01 million in fiscal year 2013) and expenses increased by 6.62 percent (\$9.52 million in fiscal year 2012 compared to \$10.15 million in fiscal year 2013). The City reported net income of \$0.92 million in the water and sewer fund. This was a decrease from fiscal year 2012 income of \$1.29 million. The factors driving these results include:

- The City's water and sewer system is old and aging. The City has posted a net income in each of the last five fiscal years, which has led to the general overall health of this fund. It is expected that infrastructure improvements in the near future will be funded from reserves. Continuing improvements in the water and sewer system should provide its users with quality services.
- Water rates increased from \$30.27 to \$31.20 per 1,000 cubic feet in fiscal year 2011-2012. Sewer rates increased from \$57.29 to \$59.00 per 1,000 cubic feet. A recent history of the City's water and sewer rates follows:



The City's Funds

As the City completed the year, its governmental funds reported a total fund balance of \$10.62 million, which is below last year's total of \$18.13 million. Included in this year's total change in fund balance is an increase of \$1.19 million in the City's general fund. In addition, these other changes in fund balances should be noted:

- The City's decrease in property tax revenue was 8.58% in the general fund (\$11.95 million in fiscal year 2010-2011 and \$10.93 million in fiscal year 2011-2012). State shared revenue decreased in the general fund by 14.56 percent (\$504,438). The State of Michigan collects sales tax and redistributes a portion of these collections to local jurisdictions. The City received less because of lower sales tax collections by the State.
- The City has unspent bond proceeds of \$12,087,625 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 complete in 2013.

General Fund Budgetary Highlights

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

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

The actual charges to appropriations (expenditures) were \$0.37 million less than the final budget amounts in the general fund although six departments exceeded their budget. The variances were with information technology (\$945), prosecuting attorney (\$3,328), public information (\$1,944), technical and planning services (\$20,792), public works (\$8,785), and recreation and culture (\$21,530). These variances occurred because of unanticipated costs of health care.

Resources available for appropriation were \$729,188 below the final budgeted amount. Transfers in accounted for the majority of the reduced amount (\$335,000).

General Fund Revenue. The following paragraphs analyze the activities of the City's major funds. General fund revenues totaled \$17.66 million, a decrease of 0.30 percent from the prior year. Revenues by source were as follows:

General Fund Revenue					
	Fiscal Year		Percent of Total	Increase (Decrease)	% Change from Prior Year
	2013	2012			
Property taxes	\$10,100,500	\$10,925,718	57.19%	\$ (825,218)	-7.55%
Licenses and permits	376,502	410,216	2.13%	(33,714)	-8.22%
Intergovernmental	3,060,940	2,976,209	17.33%	84,731	2.85%
Charges for services	705,490	796,597	3.99%	(91,107)	-11.44%
Fines and forfeits	1,592,632	1,688,225	9.02%	(95,593)	-5.66%
Interest income	9,459	8,298	0.05%	1,161	13.99%
Other	1,815,024	909,167	10.28%	905,857	99.64%
Total	\$17,660,547	\$17,714,430	100.00%	\$ (53,883)	-0.30%

Ad valorem taxes provide the City's primary source of revenue. Current collections remain high at 92.26 percent, and the City's total tax rate of 27.2386 per \$1,000 of taxable value is at the state's legal limit as provided for by the Headlee Amendment and the Truth in Taxation Act. The tax rate was increased by 2.7195 mills in fiscal year 2011-2012 due to an increase of 1.5 mills for operating, .5 mills for library and .7195 for debt retirement.

Taxable values in the City decreased an average of 14.81%, led by a decrease of 16.04% in residential real property values. Property tax revenue was limited to an increase of 1.7%. The tax rate for operating purposes increased to 19.8477 in fiscal year 2011-2012 from the prior fiscal year.

Licenses and permits increased by 26.29%. The revenue for building permits accounted for the largest part of this increase (\$22,113). The rebounding economy in Michigan allowed the citizens of Oak Park to invest in their properties.

Intergovernmental revenues decreased 14.12%. The City received lower amounts because the State of Michigan continues to cut revenue sharing in an effort to balance its budget.

Charges for services decreased 2.34% indicating lower usage of recreation programs in fiscal year 2011-2012 although fees were increased.

Ordinance fines levied by the 45-B District Court account for a decrease of .86% in fines and forfeits. The decrease is due to less tickets issued by the Department of Public Safety.

Interest income decreased 7.38%, which is attributable to short-term interest rates decreasing to historical lows.

Miscellaneous income increased 2.89% or \$25,553 in fiscal year 2011-2012.

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

General Fund Expenditures. General fund expenditures were \$14.83 million, a decrease of 24.00 percent from the preceding year. Broken down by major function, expenditures were as follows:

	General Fund Expenditures				
	Fiscal Year		Percent of Total	Increase (Decrease)	% Change from Prior Year
	2013	2012			
General government	\$ 3,708,268	\$ 4,020,488	25.01%	\$ (312,220)	-7.77%
Public safety	6,807,655	8,453,448	45.91%	(1,645,793)	-19.47%
Public works	264,207	73,139	1.78%	191,068	261.24%
Recreation and culture	600,876	866,830	4.05%	(265,954)	-30.68%
Library	757,176	3,293,302	5.11%	(2,536,126)	-77.01%
Community development	75	-	0.00%	75	#DIV/0!
Nondepartmental	2,691,078	2,804,481	18.15%	(113,403)	-4.04%
Total	\$14,829,335	\$19,511,688	100.00%	\$ (4,682,353)	-24.00%

General fund expenditures decreased \$4.68 million.

General government expenditures increased \$158,426 in fiscal year 2011-2012. The increase is due to the increase in salary and fringe benefit expenditures related to accrued leave payouts due to retirement of City employees during the year.

The public safety department decreased \$979,197 or 10.38%. Reductions in salaries (\$628,869) and fringe benefits (\$316,373) account for this decrease.

The public works department decreased \$39,270 or 34.93%. This decrease was due to charging salaries and fringe benefits to other funds. The DPW employees worked more on projects that were charged to the other funds resulting in their costs not being charged to the general fund.

Recreation and culture decreased \$51,696 or 5.63%. The reason for this decrease was due to a reduction of employees because of budget cuts.

Library expenditures increased \$124,435 or 18.60%. The majority of this increase is due to \$54,899 charged to the library for retiree health care that was not charged in prior years. The library also paid an additional \$26,000 in technology to the Library Network.

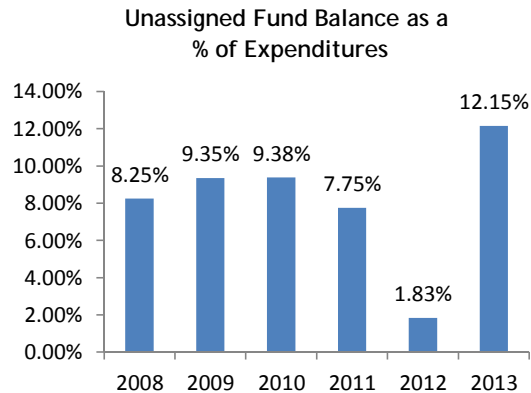
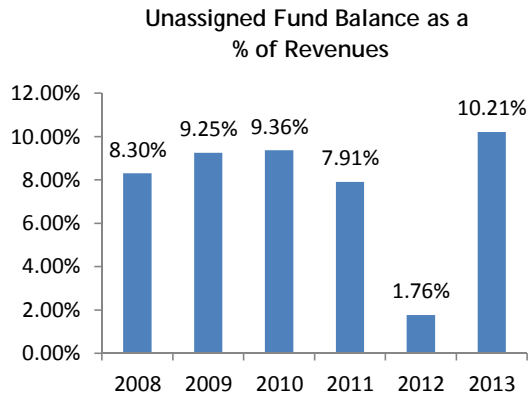
Capital outlay decreased \$57,259 or 100.00%. A decrease in our library collection purchases account for this decrease.

Other nondepartmental expenditures increased \$72,843 due to the health benefits for retirees. The experience in health care usage increased in fiscal year 2011-2012.

General Fund Balance. General fund balance at June 30, 2013 increased by 145.40 percent or \$1.19 million from June 30, 2012. The unassigned-available for appropriation portion of fund balance increased by \$1.49 million to a balance of \$1.80 million which provides the City with 44.36 days of expenditures, and is equivalent to 0.27 percent of annual expenditures. Our goal is to maintain this percentage at 8.33 to 16.67 percent (one to two months expenditures), a level considered adequate to meet any unforeseen events and avoid cash shortfalls during periods of low tax collections. An additional goal is to maintain fund balance at 10 to 15 percent of revenues. Unassigned fund balance can be graphically demonstrated as follows:

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis



Municipal Complex Construction Fund. The municipal complex construction fund, a capital projects fund, had a fund balance at June 30, 2013 of \$2.83. This fund received \$13.33 million in fiscal year 2010-2011 from proceeds of the sale of bonds. These funds are to be used for the construction of a City Hall and Public Safety building. It is anticipated that the building will be completed in during fiscal year 2014.

Capital Asset and Debt Administration

Capital Assets. At June 30, 2013, the City had \$71.76 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	
	2013	2012	2013	2012	2013	2012
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	10,371,827	8,393,822	1,287,115	1,287,115	11,658,942	9,680,937
Infrastructure - roads	24,818,238	21,602,700	-	-	24,818,238	21,602,700
Infrastructure - sidewalks	1,552,948	1,534,338	-	-	1,552,948	1,534,338
Infrastructure - Water/ Sewer System	-	-	25,625,052	26,251,689	25,625,052	26,251,689
Buildings	2,945,149	487,984	5,634	6,500	2,950,783	494,484
Public improvements	1,462,959	1,566,544	-	-	1,462,959	1,566,544
Library collection	150,634	131,503	-	-	150,634	131,503
Equipment - Vehicles	1,179,093	1,338,701	-	-	1,179,093	1,338,701
Equipment - miscellaneous	110,309	126,431	-	-	110,309	126,431
Total capital assets, net	\$44,834,162	\$37,425,028	\$26,929,303	\$27,556,806	\$71,763,465	\$64,981,834

This year's major additions included:

Municipal complex construction-in-progress	\$ 9,115,861
Three public safety vehicles	72,002
Replace sidewalks	9,149

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

The City's fiscal year 2012-2013 capital budget calls for it to spend \$14,509,147 for capital projects, principally for the municipal complex along with the continuation of its road reconstruction program, improvements to the city parks, acquisition of replacement vehicles, and replacement water mains. The City plans to spend \$12.6 million to construct a city hall and public safety building. 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 \$35,438,601 is 7.47% of assessed value, and provides a legal debt margin of \$111,999,088. Net bonded debt per capita equaled \$1,208.

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

The general obligation bonds are being retired with revenues from a millage levied on all personal and real property in the City. The City levied 3.7183 mills per \$1,000 of state taxable value in fiscal year 2011-2012 for the retirement of debt. At year-end, the City had \$42,704,639 in bonds outstanding versus \$44,724,838 last year, a decrease of 0.05 percent, as shown in below.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds (backed by the City)	\$31,950,000	\$33,120,000	\$10,754,639	\$11,604,838	\$42,704,639	\$44,724,838
Capital lease	2,430,000	-	-	-	2,430,000	-
Revenue bonds (backed by specific fee revenues)	-	-	-	385,000	-	385,000
Total	\$34,380,000	\$33,120,000	\$10,754,639	\$11,989,838	\$45,134,639	\$45,109,838

The City received approval from the voters in November of 2002 to borrow \$22.5 million for the repair of roads and municipal parking lots. The City sold \$11.5 million in general obligation bonds on May 1, 2003, and \$11 million in May 2006.

At June 30, 2012, the 2003 street improvement bonds, the 2006 street improvement bonds, and the 2010 municipal complex bonds were the only outstanding general obligation bonds. These bonds are paid by a tax levied on all taxpayers separate from the operating millage. A mill represents 1 dollar paid for every \$1,000 of taxable value of real and personal property. The City's debt service levy in fiscal year 2011-2012 was 4.4378 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, 2013 the City is obligated to pay \$10,754,639. Due to the nature of draws the exact obligation will be unknown until the project is complete or no other draws are made. Payments on these obligations continue until 2029, ranging from \$65,707 to \$1,061,080. The City will increase sewer rates to pay this debt.

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

The City's general obligation Moody's Investor Service underlying bond rating continues to be Aa3 with outstanding debt having the second highest rating due to bond insurance purchased at the time of issuance. The State limits the amount of general obligation debt that cities can issue to 10 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is below this \$47.44 million state-imposed limit.

The City's voters approved the issuance of \$13.4 million of debt in August, 2010. This debt was issued to construct two new buildings and renovate another one in the municipal complex.

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

Economic Factors and Next Year's Budget and Rates

Oak Park (population 29,319) is primarily a residential community located in southeastern Oakland County, Michigan. The local tax base has experienced a decline of 14.81% for fiscal year 2011-2012 and is expected to continue to decline in the following year. This decline signals some difficult years in the near future. Service levels will have to be adjusted to match declining revenue.

In fiscal year 2011-2012, the general fund posted a decrease in fund balance of \$913,962. The current unassigned fund balance of \$312,162 is 1.83% of expenditures. Management's fiscal policy is to maintain reserves between 8%-16% of annual expenditures. The City, which relies heavily on property taxes (61.68% of total revenue), is operating at the state-authorized tax rate limit. The City adopted a balanced budget for fiscal year 2012-2013.

Overall net general bonded debt is moderate, at \$1,209 per capita and 7.47% of assessed value.

The City's elected and appointed officials considered many factors when setting the fiscal year 2012-2013 budget including tax rates and fees to be charged for the business-type activities. One of those factors is the economy. Unemployment in the City now stands at 12.9 percent versus 14.6 percent a year ago. This compares with the State's unemployment rate of 9.3 percent and the national rate of 7.7 percent.

The metropolitan area has experienced a small increase in the Consumer Price Index (CPI). The Detroit area's CPI increase was 2.4 percent for 2012 compared with the average national rate of -0.3 percent.

These indicators were taken into account when adopting the general fund budget for fiscal year 2012-2013. The fiscal year 2012-2013 budget was adopted in May 2012 during the economic downturn that is affecting municipalities throughout the state. Amounts available for appropriation in the general fund budget are \$16.95 million, a decrease of 2.0 percent over the final fiscal year 2011-2012 amount of \$17.71 million. Property tax revenue is budgeted to decrease 10.63%. Other revenue sources are expected to decrease slightly or remain flat. Budgeted expenditures are expected to decrease slightly, to \$16.52 million from \$16.74 million in fiscal year 2011-2012. The City has added no major new programs or initiatives to the fiscal year 2011-2012 budget.

The expense plan for the water and sewer fund for fiscal year 2012-2013 is \$11,071,086, an increase of \$324,773 from fiscal year 2011-2012. The plan includes an increase in water rates of 4.0%. Sewer disposal rates increased from \$59.00 per 1,000 cubic feet to \$60.79 per 1,000 cubic feet. This increase is necessary due to a 4.1% increase in the wholesale sewage rate from Oakland County.

The water and sewer fund plan provided \$275,000 for replacement of water mains.

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 \$962,095 in fiscal year 2013-2014.

CITY OF OAK PARK, MICHIGAN

Management's Discussion and Analysis

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, 13600 Oak Park Blvd., Oak Park, MI, 48237.

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BASIC FINANCIAL STATEMENTS

CITY OF OAK PARK, MICHIGAN

Statement of Net Position

June 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments	\$ 11,926,855	\$ 2,835,831	\$ 14,762,686	\$ 82,310
Receivables, net	2,501,990	2,711,127	5,213,117	8
Restricted cash and investments	137,447	-	137,447	-
Prepaid items	241,280	8,915	250,195	-
Capital assets not being depreciated	12,614,832	1,298,617	13,913,449	-
Capital assets being depreciated, net	32,219,330	25,630,686	57,850,016	-
Total assets	59,641,734	32,485,176	92,126,910	82,318
Liabilities				
Accounts payable and accrued liabilities	3,167,868	740,139	3,908,007	-
Payables from restricted assets	94,621	-	94,621	-
Unearned revenue	214,177	-	214,177	-
Long-term liabilities:				
Due within one year	1,395,000	862,095	2,257,095	-
Due in more than one year	34,684,059	10,054,667	44,738,726	-
Other noncurrent liability - net other postemployment benefits obligation	18,490,640	-	18,490,640	-
Total liabilities	58,046,365	11,656,901	69,703,266	-
Net position				
Net investment in capital assets	13,132,212	16,174,664	29,306,876	-
Restricted for:				
Capital projects	4,049,214	-	4,049,214	-
Special purposes	2,861,890	-	2,861,890	-
Unrestricted (deficit)	(18,447,947)	4,653,611	(13,794,336)	82,318
Total net position	\$ 1,595,369	\$ 20,828,275	\$ 22,423,644	\$ 82,318

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

CITY OF OAK PARK, MICHIGAN

Statement of Activities

For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities:					
General government	\$ 4,496,266	\$ 3,548,194	\$ -	\$ -	\$ (948,072)
Judicial	2,128,180	-	68,586	-	(2,059,594)
Public safety	2,653,492	50,257	40,608	-	(2,562,627)
Road maintenance and repair	3,134,098	125,599	1,589,084	-	(1,419,415)
Public works	2,402,385	459,765	-	-	(1,942,620)
Health and sanitation	2,003,055	1,141,929	-	-	(861,126)
Culture and recreation	1,470,915	-	-	-	(1,470,915)
Library	817,163	17,684	53,350	-	(746,129)
Community development	5,242,607	-	521,504	-	(4,721,103)
Interest and fiscal charges	1,693,126	-	-	-	(1,693,126)
Unallocated retiree insurance costs	2,691,078	-	-	-	(2,691,078)
Total governmental activities	28,732,365	5,343,428	2,273,132	-	(21,115,805)
Business-type activities -					
Water and sewer	10,147,815	10,984,950	-	-	837,135
Total primary government	\$ 38,880,180	\$ 16,328,378	\$ 2,273,132	\$ -	\$ (20,278,670)
Component units					
Economic Development Corporation	-	-	-	-	-
Brownfield Authority	-	-	-	-	-
Total component units	\$ -	\$ -	\$ -	\$ -	\$ -

continued....

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

CITY OF OAK PARK, MICHIGAN

Statement of Activities

For the Year Ended June 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Change in net position				
Net (expense) revenue	\$ (21,115,805)	\$ 837,135	\$ (20,278,670)	\$ -
General revenues:				
Property taxes levied for:				
General purposes	11,143,042	-	11,143,042	47,494
Debt services	2,478,119	-	2,478,119	-
State shared revenues	3,040,964	-	3,040,964	-
Franchise fees	794,287	-	794,287	-
Investment earnings	51,382	29,095	80,477	30
Transfers	(50,000)	50,000	-	-
Total general revenues and transfers	17,457,794	79,095	17,536,889	47,524
Change in net position	(3,658,011)	916,230	(2,741,781)	47,524
Net position, beginning of year	5,253,380	19,912,045	25,165,425	34,794
Net position, end of year	\$ 1,595,369	\$ 20,828,275	\$ 22,423,644	\$ 82,318

concluded

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

CITY OF OAK PARK, MICHIGAN

Balance Sheet

Governmental Funds

June 30, 2013

	General	Municipal Complex Construction	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 1,857,368	\$ 4,222,025	\$ 5,237,868	\$ 11,317,261
Receivables:				
Taxes	145,392	-	38,087	183,479
Special assessments	-	-	114,263	114,263
Accounts	288,249	-	459,425	747,674
Accrued interest	243	458	585	1,286
Due from other governments	512,107	-	943,116	1,455,223
Due from other funds	76,886	-	-	76,886
Restricted assets - cash	-	-	137,447	137,447
Prepaid items	198,853	-	16,255	215,108
Total assets	\$ 3,079,098	\$ 4,222,483	\$ 6,947,046	\$ 14,248,627
Liabilities				
Accounts payable	\$ 235,396	\$ 810,868	\$ 707,861	\$ 1,754,125
Accounts payable from restricted assets	-	-	94,621	94,621
Accrued liabilities	358,260	583,022	68,614	1,009,896
Due to other funds	-	-	76,886	76,886
Due to other governments	-	-	174,666	174,666
Unearned revenue	214,177	-	-	214,177
Total liabilities	807,833	1,393,890	1,122,648	3,324,371
Deferred inflows of resources				
Unavailable revenue - property taxes	269,958	-	38,081	308,039
Fund balances				
Nonspendable	198,853	-	16,255	215,108
Restricted	-	2,828,593	4,127,950	6,956,543
Assigned	-	-	1,642,112	1,642,112
Unassigned	1,802,454	-	-	1,802,454
Total fund balances	2,001,307	2,828,593	5,786,317	10,616,217
Total liabilities, deferred inflows of resources and fund balances	\$ 3,079,098	\$ 4,222,483	\$ 6,947,046	\$ 14,248,627

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

CITY OF OAK PARK, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
June 30, 2013

Fund balances - total governmental funds \$ 10,616,217

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 statement.

Capital assets not being depreciated	12,614,832
Capital assets being depreciated, net	31,040,236

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.

es Deferred accounts and property taxes receivable	308,039
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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	1,714,086
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Certain liabilities, such as bonds payable, are not due and payable
in the current period, and therefore are not reported in the funds.

Accrued interest on long-term debt	(129,675)
Bonds payable	(34,380,000)
Unamortized bond premium	(150,543)
Net other postemployment benefit obligation	(18,490,640)
Accrued compensated absences	<u>(1,547,183)</u>

Net position of governmental activities	<u>\$ 1,595,369</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2013

	General	Municipal Complex Construction	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 10,100,500	\$ -	\$ 3,939,396	\$ 14,039,896
Special assessments	-	-	392,523	392,523
Licenses and permits	376,502	-	-	376,502
Intergovernmental:				
Federal grants	-	-	521,504	521,504
State grants	3,060,940	-	1,692,185	4,753,125
Charges for services	705,490	-	1,141,929	1,847,419
Fines and forfeitures	1,592,632	-	194,081	1,786,713
Interest income	9,459	10,963	30,252	50,674
Other	1,815,024	-	-	1,815,024
Total revenues	17,660,547	10,963	7,911,870	25,583,380
Expenditures				
Current:				
Judicial	-	-	1,670,645	1,670,645
General government	3,708,268	-	-	3,708,268
Public safety	6,807,655	-	21,384	6,829,039
Road maintenance and repair	-	-	1,207,793	1,207,793
Public works	264,207	-	2,009,453	2,273,660
Recreation and culture	600,876	-	-	600,876
Library	757,176	-	-	757,176
Community development	75	-	549,468	549,543
Nondepartmental retiree insurance costs	2,691,078	-	-	2,691,078
Debt service:				
Principal	-	-	1,230,000	1,230,000
Interest	-	-	1,635,571	1,635,571
Prior year tax refunds	-	-	49,228	49,228
Capital outlay and construction	-	9,095,680	717,015	9,812,695
Total expenditures	14,829,335	9,095,680	9,090,557	33,015,572
Revenues over (under) expenditures	2,831,212	(9,084,717)	(1,178,687)	(7,432,192)
Other financing sources (uses)				
Issuance of long-term debt	-	-	9,150,000	9,150,000
Premium on issuance of long-term debt	-	-	160,579	160,579
Payment to refund bond escrow agent	-	-	(9,160,000)	(9,160,000)
Transfers in	335,000	-	11,444,946	11,779,946
Transfers out	(1,980,446)	-	(10,034,500)	(12,014,946)
Total other financing sources (uses)	(1,645,446)	-	1,561,025	(84,421)
Net change in fund balances	1,185,766	(9,084,717)	382,338	(7,516,613)
Fund balances, beginning of year	815,541	11,913,310	5,403,979	18,132,830
Fund balances, end of year	\$ 2,001,307	\$ 2,828,593	\$ 5,786,317	\$ 10,616,217

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

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, 2013

Net change in fund balances - total governmental funds \$ (7,516,613)

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

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

Capital outlay	10,084,950
Depreciation expense	(2,516,208)

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 property taxes receivable	(418,735)
Net change in accounts receivable	(40,999)

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 assets. 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	(9,150,000)
Premium on issuance of long-term debt	(160,579)
Payment to refunded bond escrow agent	9,160,000
Principal payments on long-term liabilities	1,230,000

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	(18,363)
Amortization of bond premium	10,036
Change in net other postemployment benefit obligation	(4,052,012)
Change in the accrual for compensated absences	(96,570)

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.

Interest income from internal service funds	708
Operating loss from governmental activities in internal service funds	(358,626)
Transfers in from governmental activities in internal service funds	185,000

Change in net position of governmental activities \$ (3,658,011)

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

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, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 10,822,264	\$ 11,235,893	\$ 10,100,500	\$ (1,135,393)
Licenses and permits	392,800	295,870	376,502	80,632
Intergovernmental:				
State grants	3,021,620	3,035,395	3,060,940	25,545
Service charges	789,900	726,130	705,490	(20,640)
Fines and forfeits	1,420,000	1,447,500	1,592,632	145,132
Interest income	3,500	3,500	9,459	5,959
Other	1,082,200	1,645,447	1,815,024	169,577
Total revenues	17,532,284	18,389,735	17,660,547	(729,188)
Expenditures				
Current:				
General government:				
City council	100,815	93,315	94,901	1,586
City manager	328,769	397,261	411,430	14,169
Information technology	182,315	183,615	177,966	(5,649)
City attorney	225,000	225,110	324,546	99,436
Prosecuting attorney	94,999	94,999	101,406	6,407
City clerk	266,371	275,577	335,990	60,413
Finance and administrative services	615,102	635,190	658,437	23,247
Public information	174,964	192,547	196,984	4,437
Technical and planning services	1,524,262	1,292,421	1,406,608	114,187
Public safety	7,172,509	7,104,542	6,807,655	(296,887)
Public works	309,865	262,622	264,207	1,585
Recreation and culture	634,635	641,658	600,876	(40,782)
Library	677,927	741,423	757,176	15,753
Community development	-	-	75	75
Nondepartmental retiree insurance costs	3,045,951	3,054,419	2,691,078	(363,341)
Total expenditures	15,353,484	15,194,699	14,829,335	(365,364)
Revenues over (under) expenditures	2,178,800	3,195,036	2,831,212	(363,824)
Other financing sources (uses)				
Transfers in	335,000	430,485	335,000	(95,485)
Transfers out	(1,769,623)	(1,885,108)	(1,980,446)	(95,338)
Total other financing sources (uses)	(1,434,623)	(1,454,623)	(1,645,446)	(190,823)
Net change in fund balances	744,177	1,740,413	1,185,766	(459,162)
Fund balances, beginning of year	815,541	815,541	815,541	-
Fund balances, end of year	\$ 1,559,718	\$ 2,555,954	\$ 2,001,307	\$ (459,162)

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

CITY OF OAK PARK, MICHIGAN

Statement of Net Position

Proprietary Funds

June 30, 2013

	Business-type Activities	Governmental Activities
	Water and Sewer Enterprise Fund	Internal Service Funds
Assets		
Current assets:		
Cash and investments	\$ 2,835,831	\$ 609,594
Receivables:		
Special assessments	61,645	-
Accounts	2,428,211	-
Accrued interest	307	65
Due from other governments	220,964	-
Prepaid items	8,915	26,172
Total current assets	5,555,873	635,831
Noncurrent assets:		
Capital assets not being depreciated	1,298,617	-
Capital assets being depreciated, net	25,630,686	1,179,094
Total noncurrent assets	26,929,303	1,179,094
Total assets	32,485,176	1,814,925
Liabilities		
Current liabilities:		
Accounts payable	637,642	23,977
Accrued liabilities	102,497	75,529
Current portion of long-term debt	862,095	-
Total current liabilities	1,602,234	99,506
Noncurrent liabilities, net of current portion:		
Accumulated compensated absences	162,123	1,333
Bonds payable	9,892,544	-
Total noncurrent liabilities	10,054,667	1,333
Total liabilities	11,656,901	100,839
Net position		
Net investment in capital assets	16,174,664	1,179,094
Unrestricted	4,653,611	534,992
Total net position	\$ 20,828,275	\$ 1,714,086

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

CITY OF OAK PARK, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2013

	Business-type Activities	Governmental Activities
	Water and Sewer Enterprise Fund	Internal Service Funds
Operating revenues		
Charges for services	\$ 10,979,126	\$ 960,669
Miscellaneous	5,824	130,308
Total operating revenues	10,984,950	1,090,977
Operating expenses		
Gasoline	-	194,910
Professional services	-	68,699
Supplies	-	138,290
Postage	-	59,191
Water	1,100,145	-
Sewage treatment	5,383,067	-
Transmission and distribution	1,009,552	-
Maintenance and operation	1,105,325	-
Customer accounting and collection	220,578	-
General and administration	386,327	-
Depreciation	627,503	188,149
Wages and benefits	-	78,542
Insurance	-	721,822
Total operating expenses	9,832,497	1,449,603
Operating income (loss)	1,152,453	(358,626)
Nonoperating revenues (expenses)		
Interest income	29,095	708
Interest expense	(315,318)	-
Total nonoperating revenues (expenses)	(286,223)	708
Income (loss) before transfers	866,230	(357,918)
Transfers in	50,000	185,000
Change in net position	916,230	(172,918)
Net position, beginning of year	19,912,045	1,887,004
Net position, end of year	\$ 20,828,275	\$ 1,714,086

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

CITY OF OAK PARK, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2013

	Business-type Activities	Governmental Activities
	Water and Sewer Enterprise Fund	Internal Service Funds
Cash flows from operating activities		
Receipts from customers	\$ 11,049,199	\$ -
Receipts from interfund services	-	960,669
Payments to suppliers	(7,774,215)	(669,992)
Payments to employees	(1,450,916)	(560,978)
Miscellaneous receipts	-	130,308
Net cash provided (used) by operating activities	1,824,068	(139,993)
Cash flows from noncapital financing activities		
Transfers from other funds	50,000	185,000
Cash flows from capital and related financing activities		
Purchases of capital assets	-	(28,541)
Principal paid on long-term debt	(1,235,199)	-
Interest paid on capital debt	(315,318)	-
Net cash used by capital and related financing activities	(1,550,517)	(28,541)
Cash flows from investing activities		
Interest and dividends	29,655	850
Net change in cash and investments	353,206	17,316
Cash and investments, beginning of year	2,482,625	592,278
Cash and investments, end of year	\$ 2,835,831	\$ 609,594

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CITY OF OAK PARK, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2013

	Business-type Activities	Governmental Activities
	Water and Sewer Enterprise Fund	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 1,152,453	\$ (358,626)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	627,503	188,149
Change in assets and liabilities:		
Special assessments receivable	3,298	-
Accounts receivable	60,777	-
Due from other governments	174	-
Prepaid items	(218)	36,333
Accounts payable	(23,300)	13,011
Accrued liabilities	(11,583)	(18,860)
Accrued compensated absences	14,964	-
Net cash provided by operating activities	<u>\$ 1,824,068</u>	<u>\$ (139,993)</u>

concluded

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

CITY OF OAK PARK, MICHIGAN

Statement of Net Position

Fiduciary Funds

June 30, 2013

	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 3,654,692	\$ 179,020
Receivables:		
Accounts	-	1,682
Accrued interest	305,281	-
Investments, at fair value:		
U.S. government obligations	2,973,067	-
Mortgage backed securities	1,871,987	-
Corporate bonds	14,589,875	-
Corporate stocks	36,721,211	-
Total assets	60,116,113	\$ 180,702
Liabilities		
Accounts payable	633,413	\$ -
Undistributed receipts	-	180,702
Total liabilities	633,413	\$ 180,702
Net position		
Held in trust for pension benefits and other purposes	\$ 59,482,700	

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

CITY OF OAK PARK, MICHIGAN

Statement of Changes in Net Position

Fiduciary Funds

For the Year Ended June 30, 2013

	Pension and Other Employee Benefit Trust Funds
Additions	
Contributions:	
Employer	\$ 5,238,220
Plan members	347,770
Total contributions	<u>5,585,990</u>
Investment earnings	
Net appreciation in fair value of investments	5,497,823
Interest	823,622
Dividends	890,463
Total investment earnings	<u>7,211,908</u>
Less: investment management expense	<u>(231,665)</u>
Net investment earnings	<u>6,980,243</u>
Total additions	<u>12,566,233</u>
Deductions	
Benefits	10,069,927
Refunds, rebates and administration	273,201
Total deductions	<u>10,343,128</u>
Change in net position	2,223,105
Net position, beginning of year	<u>57,259,595</u>
Net position, end of year	<u>\$ 59,482,700</u>

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

CITY OF OAK PARK, MICHIGAN

Combining Statement of Net Position

Discretely Presented Component Units

June 30, 2013

	Economic Development Corporation	Brownfield Authority	Total Component Units
Assets			
Cash and investments	\$ 11,801	\$ 70,509	\$ 82,310
Accrued interest receivable	-	8	8
Total assets	<u>\$ 11,801</u>	<u>\$ 70,517</u>	<u>\$ 82,318</u>
Net position			
Unrestricted	<u>\$ 11,801</u>	<u>\$ 70,517</u>	<u>\$ 82,318</u>

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

CITY OF OAK PARK, MICHIGAN

Combining Statement of Activities

Discretely Presented Component Units
For the Year Ended June 30, 2013

	Economic Development Corporation	Brownfield Authority	Total Component Units
General revenues			
Property taxes	-	47,494	47,494
Investment earnings	-	30	30
Total general revenues	-	47,524	47,524
Changes in net position	-	47,524	47,524
Net position, beginning of year	11,801	22,993	34,794
Net position, end of year	\$ 11,801	\$ 70,517	\$ 82,318

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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 funds:

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

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

The City reports the following major enterprise fund:

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

In addition the City reports the following governmental fund types:

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

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

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

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City reports on four internal service funds: 1) the risk management fund is used to accumulate resources from other funds, which utilize labor, and to pay workers compensation premiums to the Michigan Municipal League's workers compensation pool, and for the City's property and liability insurance; 2) the central services fund is used to account for printing, duplicating, and mail services performed for the City's departments; 3) the motor pool fund is used for the purchase and maintenance of the City's fleet through rental charges for equipment to other funds; 4) the court retiree's health care fund is used for the accumulation of assets to fund retiree's health care for District court employees.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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 a pension trust fund and retiree's health care fund - general and public safety, which accounts for assets, liabilities, revenues and expenses in essentially the same manner as proprietary funds.

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

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 wastewater and water enterprise funds and of the government's internal service funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Assets, Liabilities, Deferred Inflows of Resources and Equity

Deposits and Investments

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

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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

The estimated useful lives are as follows:

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

Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in a debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the statement of net assets. 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, as well as issuance costs, 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. Issuance costs are reported as deferred charges.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Special Assessments

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

Compensated Absences

The City accrues vacation pay, sick pay (at fifty percent of unused sick days), compensatory time off, and any salary-related payments for these compensated absences in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. The current obligations of all funds and the long-term obligations of proprietary funds are recorded in the respective funds. City employees are granted vacation time based on length of service. Most employees have the option of receiving compensatory time off in lieu of pay for overtime worked up to 40 hours. Sick pay is earned at the rate of one day per month, and unused sick days may be accumulated up to 150 days. Employees will be paid for 50 percent of total accumulation upon retirement.

Unused sick and vacation that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. 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 are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Fund Equity

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. Unassigned fund balance is the residual classification for the general fund.

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

2. COMPLIANCE INFORMATION

Budgetary Data

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

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

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

Encumbrances

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

3. EXCESS OF EXPENDITURES OVER BUDGET

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

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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

During the year ended June 30, 2013, the City incurred expenditures in certain budgetary funds, which were in excess of amounts appropriated, as follows:

	Final Budget	Actual	Actual Over Budget
General fund			
City council	\$ 93,315	\$ 94,901	\$ (1,586)
City manager	397,261	411,430	(14,169)
City attorney	225,110	324,546	(99,436)
Prosecuting attorney	94,999	101,406	(6,407)
City clerk	275,577	335,990	(60,413)
Finance and administration services	635,190	658,437	(23,247)
Public information	192,547	196,984	(4,437)
Technical and planning services	1,292,421	1,406,608	(114,187)
Public works	262,622	264,207	(1,585)
Library	741,423	757,176	(15,753)
Community development	-	75	(75)
Nonmajor governmental funds			
Criminal justice training fund - public safety	15,000	21,384	(6,384)
Community development block grant fund - community development	92,800	126,651	(33,851)
COPS program fund - community development	312,950	357,446	(44,496)

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

4. BUILDING PERMITS AND RELATED COSTS

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

	Prior Years	2013	Total
Revenue	\$ 182,863	\$ 143,560	\$ 326,423
Expenditures	(316,990)	(271,076)	(588,066)
Shortfall at June 30	\$ (134,127)	\$ (127,516)	\$ (261,643)

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, 2013:

	Primary Government	Component Units	Totals
Statement of net position			
Cash and investments	\$ 14,762,686	\$ 82,310	\$ 14,844,996
Restricted cash	137,447	-	137,447
Statement of fiduciary net position			
Pension and other employee benefit trust funds:			
Cash and cash equivalents	3,654,692	-	3,654,692
Investments	56,156,140	-	56,156,140
Agency funds -			
Cash and cash equivalents	179,020	-	179,020
Total	\$ 74,889,985	\$ 82,310	\$ 74,972,295
Deposits and investments			
Bank deposits:			
Checking and savings accounts			\$ 1,675,511
Certificates of deposits			7,038,933
Investments:			
Pooled investments, at fair value			6,501,532
Pension and other employee benefit trust fund investments			59,751,241
Cash on hand			5,078
Total			\$ 74,972,295

Restricted Cash

The amount of \$137,477 in restricted cash represents bonds posted by individuals who have pending court cases in the 45th District Court fund. These bonds must be returned to the individuals and therefore are restricted.

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 \$9,633,557 of the City's bank balance of \$10,829,237 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 - Pooled Investments

Following is a summary of the City's pooled investments as of June 30, 2013:

Investment	Maturities	Fair Value	Percent of Portfolio
Commercial Paper			
Devon Energy	7/2013	\$ 999,980	15.38%
Natixis US Finance	7/2013	1,499,865	23.07%
Duke Energy	8/2013	1,999,480	30.75%
Amcor LTD	8/2013	999,620	15.38%
Abbey National North America LLC	9/2013	999,420	15.37%
Mutual funds	n/a	3,167	0.05%
Total		\$ 6,501,532	100.00%

Credit Risk. State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The City's investment policy has the same limits. As of June 30, 2013 the City's investment in commercial paper was rated A1 and A2 by Standard & Poor's.

Custodial Credit Risk - Investments. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require a policy for investment custodial risk. The City's investment policy requires all securities purchased by the City shall be properly designated as an asset of the City and held in safekeeping by a third party custodial bank or other third party custodial institution, chartered by the United States government or the State of Michigan, and no withdrawals of such securities shall be made from safekeeping except by the City.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk. The City's investment policy limits the amount that can be invested in a single security type to 50 percent (excluding U.S. government securities) and limits the amount invested in a single financial institution to 25 percent. The level of concentration of each investment is in the above table.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits at least 60 percent of the City's investment portfolio to maturities of less than three years.

The City does not have a formal policy relating to interest rate risk. However, the City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. To the extent possible, the Treasurer shall match investments with anticipated cash flow requirements. The City will not invest in securities with a maturity of greater than five years.

Pension and Other Employee Benefits Trust Fund Investments

Following is a summary of the pension and other employee benefits trust fund investments at fair value, as determined by quoted market price, as of June 30, 2013:

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Investment Type	Amount
Short-term investments	\$ 2,773,985
U.S. agencies	2,973,067
Mortgage/asset backed	1,871,987
Corporate bonds	14,589,875
Common stock	36,265,542
Money market funds	<u>1,276,785</u>
Total investments	<u>\$ 59,751,241</u>

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The trust funds' investment policy provides that investments in fixed income securities be limited to those rated BBB- or better at the time of purchase by a nationally recognized statistical rating organization, except for United States treasury securities which are explicitly guaranteed by the U.S. government and not considered to have credit risk. Short-term investments in money market funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form. As of June 30, 2013, the investments in debt securities were rated by Standard & Poor's as follows:

Rating	U.S. Agencies	Mortgage/ Asset Backed	Corporate Bonds
AAA	\$ -	\$ 909,871	\$ -
AA+	2,973,067	-	310,672
AA	-	369,714	-
A+	-	-	317,109
A	-	185,633	1,411,775
A-	-	-	2,821,462
BBB+	-	406,769	3,712,131
BBB	-	-	4,455,782
BBB-	-	-	1,560,944
	<u>\$ 2,973,067</u>	<u>\$ 1,871,987</u>	<u>\$ 14,589,875</u>

Investments in short-term investments, common stock and money market funds are not rated.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk, and the City does not have a policy specifying limits on concentration of credit risk. At June 30, 2013, there were no individual investments with a fair value that represent 5% or more of the City's trust funds' investments; and other than U.S. agencies, the City did not have 5% or more invested with any one issuer.

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

As of June 30, 2013, maturities of the trust funds' debt securities were as follows:

	Total Fair Value	Investment Maturities (fair value by years)			
		Due < 1 year	Due in 1-5 years	Due in 6-10 years	Due > 10 years
U.S. agencies	\$ 2,973,067	\$ -	\$ 2,873,504	\$ 99,563	\$ -
Mortgage/asset backed	1,871,987	-	360,616	406,769	1,104,602
Corporate bonds	14,589,875	186,689	9,491,365	4,911,821	-
Total	\$ 19,434,929	\$ 186,689	\$ 12,725,485	\$ 5,418,153	\$ 1,104,602

6. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Taxes	\$ 183,479	\$ -	\$ -
Accounts	747,674	2,428,211	-
Special assessments	114,263	61,645	-
Accrued interest	1,351	307	8
Due from other governments	1,455,223	220,964	-
	<u>\$ 2,501,990</u>	<u>\$ 2,711,127</u>	<u>\$ 8</u>

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

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts	\$ 1,778,102	\$ 637,642
Accrued liabilities	1,215,100	102,497
Due to other governments	174,666	-
	<u>\$ 3,167,868</u>	<u>\$ 740,139</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	\$ 76,886	\$ -
Nonmajor governmental funds	-	76,886
	<u>\$ 76,886</u>	<u>\$ 76,886</u>

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

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

Transfers Out	General Fund	Transfers in			
		Nonmajor Governmental Funds	Water and Sewer Enterprise Fund	Internal Service Funds	Total
General fund	\$ -	\$ 1,795,446	\$ -	\$ 185,000	\$ 1,980,446
Nonmajor governmental funds	335,000	9,649,500	50,000	-	10,034,500
	<u>\$ 335,000</u>	<u>\$ 11,444,946</u>	<u>\$ 50,000</u>	<u>\$ 185,000</u>	<u>\$ 12,014,946</u>

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

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

9. CAPITAL ASSETS

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

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 1,642,187	\$ -	\$ -	\$ -	\$ 1,642,187
Rights-of-way	600,818	-	-	-	600,818
Work in progress	8,393,822	9,115,861	-	(7,137,856)	10,371,827
	<u>10,636,827</u>	<u>9,115,861</u>	<u>-</u>	<u>(7,137,856)</u>	<u>12,614,832</u>
Capital assets being depreciated:					
Infrastructure - roads	96,848,742	708,870	-	4,637,856	102,195,468
Infrastructure - sidewalks	4,000,653	220,677	-	-	4,221,330
Buildings	3,224,005	-	-	2,500,000	5,724,005
Improvements	2,799,598	-	-	-	2,799,598
Library collection	383,185	39,542	-	-	422,727
Vehicles and equipment	4,059,117	28,541	-	-	4,087,658
Other equipment	1,276,610	-	-	-	1,276,610
	<u>112,591,910</u>	<u>997,630</u>	<u>-</u>	<u>7,137,856</u>	<u>120,727,396</u>
Less accumulated depreciation for:					
Infrastructure - roads	(75,246,042)	(2,131,188)	-	-	(77,377,230)
Infrastructure - sidewalks	(2,466,315)	(202,067)	-	-	(2,668,382)
Buildings	(2,736,021)	(42,835)	-	-	(2,778,856)
Improvements	(1,233,054)	(103,585)	-	-	(1,336,639)
Library collection	(251,682)	(20,411)	-	-	(272,093)
Vehicles and equipment	(2,720,416)	(188,149)	-	-	(2,908,565)
Other equipment	(1,150,179)	(16,122)	-	-	(1,166,301)
	<u>(85,803,709)</u>	<u>(2,704,357)</u>	<u>-</u>	<u>-</u>	<u>(88,508,066)</u>
Total capital assets being depreciated, net	<u>26,788,201</u>	<u>(1,706,727)</u>	<u>-</u>	<u>7,137,856</u>	<u>32,219,330</u>
Governmental activities					
capital assets, net	<u>\$ 37,425,028</u>	<u>\$ 7,409,134</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,834,162</u>

At June 30, 2013, the City's governmental activities had outstanding commitments through construction contracts of approximately \$2,000,000 for the construction of the new city hall and public safety building.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 11,502	\$ -	\$ -	\$ -	\$ 11,502
Work in progress	1,287,115	-	-	-	1,287,115
	<u>1,298,617</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,298,617</u>
Capital assets being depreciated:					
Buildings	86,500	-	-	-	86,500
Garage	24,564	-	-	-	24,564
Vehicles and equipment	888,986	-	-	-	888,986
Water system	12,034,981	-	-	-	12,034,981
Water - hydrants	560,836	-	-	-	560,836
Water - tanks	166,833	-	-	-	166,833
Water - pump station	1,054,921	-	-	-	1,054,921
Water - master meter	27,514	-	-	-	27,514
Water - reservoir	852,719	-	-	-	852,719
Water - Reservoir pump	413,457	-	-	-	413,457
Sewer system	18,909,309	-	-	-	18,909,309
	<u>35,020,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,020,620</u>
Less accumulated depreciation for:					
Buildings	(80,000)	(866)	-	-	(80,866)
Garage	(24,564)	-	-	-	(24,564)
Vehicles and equipment	(888,986)	-	-	-	(888,986)
Water system	(3,942,991)	(133,223)	-	-	(4,076,214)
Water - hydrants	(410,984)	(6,257)	-	-	(417,241)
Water - tanks	(166,833)	-	-	-	(166,833)
Water - pump station	(868,313)	(12,559)	-	-	(880,872)
Water - master meter	(20,636)	(344)	-	-	(20,980)
Water - reservoir	(506,350)	(11,416)	-	-	(517,766)
Water - Reservoir pump	(264,987)	(10,162)	-	-	(275,149)
Sewer system	(1,587,787)	(452,676)	-	-	(2,040,463)
	<u>(8,762,431)</u>	<u>(627,503)</u>	<u>-</u>	<u>-</u>	<u>(9,389,934)</u>
Total capital assets being depreciated, net	<u>26,258,189</u>	<u>(627,503)</u>	<u>-</u>	<u>-</u>	<u>25,630,686</u>
Business-type activities					
capital assets, net	<u>\$ 27,556,806</u>	<u>\$ (627,503)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,929,303</u>

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Depreciation expense was charged to functions/programs of the primary government as follows:

Depreciation of governmental activities by function

Public safety	\$ 42,835
Road maintenance and repair	2,333,255
Public works	16,122
Culture and recreation	103,585
Library	20,411
	<u>2,516,208</u>
Internal service funds	<u>188,149</u>
	<u>\$ 2,704,357</u>

Depreciation of business-type activities by function

Water and sewer	<u>\$ 627,503</u>
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10. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2013:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General Obligation					
2003 Street Improvement, refunded through the 2012 Refunding Street improvement bond	\$ 9,570,000	\$ -	\$ (9,570,000)	\$ -	\$ -
2012 Refunding Street Improvement, installments of \$520,000 to \$660,000 through May 1, 2028 ,interest at 2.0 to 3.0%, payable annually	-	9,150,000	-	9,150,000	520,000
2006 Street Improvement, installments of \$225,000 to \$800,000 through May 1, 2030, interest at 4.0 to 5.00%, payable annually	10,175,000	-	(400,000)	9,775,000	420,000

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities (continued)					
2010 Municipal Complex, installments of \$50,000 to \$925,000 through May 1, 2036, interest at 2.5 to 7.0%, payable annually	\$ 13,375,000	\$ -	\$ (350,000)	\$ 13,025,000	\$ 350,000
Total governmental activities bonds	33,120,000	9,150,000	(10,320,000)	31,950,000	1,290,000
Unamortized premium	-	160,579	(10,036)	150,543	-
Capital lease	2,500,000	-	(70,000)	2,430,000	70,000
Compensated absences	1,451,946	154,762	(58,192)	1,548,516	35,000
Total governmental activities	\$ 37,071,946	\$ 9,465,341	\$ (10,458,228)	\$ 36,079,059	\$ 1,395,000
Business-type activities					
Water Revenue Bonds, installments of \$370,000 to \$385,000 through May 1, 2013, interest at 5.0%, payable annually	\$ 385,000	\$ -	\$ (385,000)	\$ -	\$ -
Limited Tax General Obligation Bonds George W. Kuhn Drain installments of \$65,707 to \$1,061,080 through April 1, 2029, interest at 1.625% to 5.25%, payable annually	11,604,838	-	(850,199)	10,754,639	862,095
Total business-type activities bonds	11,989,838	-	(1,235,199)	10,754,639	862,095
Compensated absences	147,159	61,722	(46,758)	162,123	-
Total business-type activities	\$ 12,136,997	\$ 61,722	\$ (1,281,957)	\$ 10,916,762	\$ 862,095

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

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Year Ended June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 1,360,000	\$ 1,182,391	\$ 862,095	\$ 291,154
2015	1,400,000	1,146,703	883,699	267,753
2016	1,435,000	1,109,155	900,323	243,777
2017	1,480,000	1,069,560	934,274	219,055
2018	1,520,000	1,027,609	957,866	193,602
2019-2023	8,315,000	4,424,801	4,945,419	561,476
2024-2028	9,870,000	2,933,581	1,205,257	57,534
2029-2033	5,800,000	1,243,182	65,706	1,643
2034-2037	3,200,000	259,185	-	-
	<u>\$ 34,380,000</u>	<u>\$ 14,396,167</u>	<u>\$ 10,754,639</u>	<u>\$ 1,835,994</u>

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

In fiscal year 2002-2003 the City issued two general obligation bonds totaling \$23,375,000 for the construction of streets and refunding of 1993 refunding bonds.

In November of 2002 the voters approved a millage for the construction of streets and parking lots allowing the City to issue debt in the amount of \$22.5 million. In May of 2003 the City borrowed \$11.5 million as the first phase of a six-year rebuilding program. In May of 2006 the City borrowed \$11 million as the second phase of this rebuilding program.

On June 30, 2002 the City had \$12.915 million outstanding debt from the 1993 Refunding Bonds. In May of 2003 these bonds were redeemed to take advantage of favorable interest rates. The 2003 Refunding Bonds in the amount of \$11.875 million were issued to replace these bonds.

In August of 2010 the voters approved a millage to construct, reconstruct, remodel, add to, furnish and equip a city hall, a public safety building, a library building, a community and jobs placement center, and playground structures allowing the City to issue debt in the amount of \$13.425 million. In November of 2010 the City issued general obligation unlimited tax, federally taxable recovery zone economic development bonds. The City is to receive a direct pay interest credit from the United States Treasury equal to 45% of the stated interest paid on the bonds.

The City is a participating community in the George W. Kuhn drain project. The project is administered by the Oakland County Drain Commission and financed through the sale of drain bonds, a State of Michigan revolving loan fund, federal and state grants, and contributions from Oakland County. The City along with 13 other local communities are obligated for payment of principal and interest of the outstanding debt. It is currently anticipated that the City's total obligation at the end of construction will be approximately \$15.6 million with an interest rate ranging from 1.625% to 5.25%. As of June 30, 2013, the City's obligation is \$10.755 million and incurred interest expense of \$315,318 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.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

The water revenue bonds are not a general obligation or indebtedness of the City but are payable solely from the net revenues of the water supply system fund. As additional security, the City has signed a revenue sharing pledge agreement.

On June 30, 2003, the City had \$3.175 million outstanding debt from the 1992 Refunding Bonds. In March of 2004 these bonds were redeemed to take advantage of favorable interest rates. The 2004 Refunding Bonds in the amount of \$2.945 million were issued to replace these bonds.

On December 20, 2012, the City advance refunded the 2003 Street Improvement Bonds. The City issued \$9,150,000 of unlimited tax general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an escrow fund for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the certificates are considered defeased and the liability has been removed from the statement of net position. The refunding resulted in a net present value savings of \$1,554,734 and an economic gain of \$1,666,567.

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 2012 tax levy are as follows:

Real property	\$ 430,968,240
Personal property	<u>35,524,050</u>
Total	<u><u>\$ 466,492,290</u></u>

The City is permitted by City Charter to levy up to a maximum of \$20.00 (20 mills) per \$1,000 of taxable value for operations that is reduced by the Headlee Act and the Truth in Taxation Act. Additionally, state law allows the City to levy taxes for solid waste collection and disposal. It is also permitted to levy unlimited amounts for repayment of existing general long-term debt obligations. As of July 1, 2012, 20.9377 mills were levied for general governmental services, 2.8531 mills were levied for solid waste and 5.3953 mills were levied for long-term debt retirement.

13. DEFINED BENEFIT PENSION PLAN

Plan Description and Contribution Information

The following brief description of the City of Oak Park Employee's Retirement Plan and Trust (Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

The Plan, established by Chapter 15 of the City Charter, is a single-employer defined benefit pension plan covering all employees of the City of Oak Park 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 system described below. The City of Oak Park is the administrator of the defined benefit plan. Administrative costs of the Plan are financed through investment earnings. The Plan is included as a pension trust fund in the City's financial statements and a stand-alone financial report of the Plan has not been issued.

Membership of the plan consisted of the following at June 30, 2012, the date of the latest actuarial valuation:

	General	Public Safety
Retirees and beneficiaries currently receiving benefits	148	97
Inactive employees entitled to benefits	14	10
Active employees:		
Vested	29	31
Non-vested	16	13
	<hr/>	<hr/>
Total	207	151

Eligibility

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

Contributions

Employee Contributions

Eligible general employees are required to contribute 3.0% of compensation to the plan. Eligible AFSCME employees are required to contribute 3.0% of compensation to the plan. Eligible public safety 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 in fiscal year 2012-2013. Such aggregate contributions amounted to \$347,770 (before refunds) for the year ended June 30, 2013.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Employer Contributions

The City also makes contributions to the Plan, at annual actuarially determined amounts, to provide assets sufficient to meet the benefits to be paid to plan members. The rate paid in fiscal year 2013 by the City is 38.88% of annual covered payroll for general members and 39.00% of annual covered payroll for public safety members.

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

Summary of Significant Accounting Policies

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due.

The City's contributions to the plan 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 plan.

Method Used to Value Investments

The Plan's 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.

Annual Pension Cost and Net Pension Obligation

During the year ended June 30, 2013, total contributions of \$2,601,972 were made in accordance with actuarially determined requirements computed through an actuarial valuation. The annual required contribution for the current year was determined as part of a June 30, 2011 actuarial valuation using the entry age method. The actuarial assumptions included (a) 8.0% investment rate of return on the investment, which includes 4% attributable to inflation, compounded annually, (b) projected salary increases of 4% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0% to 4.0% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded, actuarial accrued liability is being amortized as a level percentage of projected payroll with 26 years remaining from a 30-year schedule, on a closed basis.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Three-Year Trend Information			
Years Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 3,258,854	100%	\$ -
2011	3,200,167	100%	-
2012	2,601,972	100%	-

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

Actuarial accrued liability (AAL)	\$ 95,742,507
Actuarial value of assets	<u>59,678,771</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 36,063,736</u>
Funded ratio	<u>62.3%</u>
Covered payroll	<u>\$ 6,134,570</u>
UAAL as a percentage of covered payroll	<u>587.9%</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 and covers 28 employees of the District Court. Members of the defined contribution plan are required to contribute 7.5% of compensation (full-time and part-time employees), the 457 plan is voluntary with employees making up to 3% contribution and the employer matching up to 3% (full-time employees only), and the health savings plan is for full time employees hired after July 2009, where the employer contributes 3% of compensation. The third party administrator for this plan is MERS. The plans cost to the 45th District Court for the fiscal year ended June 30, 2013 was \$79,320. The defined contribution pension cost to the employees was \$13,687. 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. Assets of the plan are valued at \$1,315,995 as of June 30, 2013.

15. DEFINED CONTRIBUTION PENSION PLAN

The City of Oak Park Defined Contribution Pension Plan provides retirement benefits to general employees hired after August 1, 2004 and employees belonging to the AFSCME union hired after July 1, 2006. At June 30, 2013 there were 19 plan members. The City contributes 7.5% of covered payroll and will match an employee's voluntary contribution up to 3% of covered payroll. Plan provisions and contribution requirements are established by City Council. Total contributions for the year ended June 30, 2013 were \$16,534 by employees and \$68,313 by the City.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

16. POSTEMPLOYMENT HEALTH BENEFITS

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

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

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

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

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 complimentary 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.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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

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

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

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

In the June 30, 2010, actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions include a 4.5% investment rate of return and an annual healthcare cost trend of 9.0% initially, reduced by decrements to an ultimate rate of 4.0% after ten years. Both rates include a 4.5% inflation assumption. The actuarial value of assets was determined using fair value. The unfunded actuarial accrued liability is being amortized as a level dollar amount for non-union members and a level percentage of payroll on a closed basis for all others. The remaining amortization period at June 30, 2010 was 28 years for general and public safety employees and 30 years for district court employees. The annual required contribution for fiscal 2013 is \$6,280,112 for the general and public safety plan and \$679,622 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 25 plan members at June 30, 2013. 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, 2013 were \$24,425.

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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, 2012, expenditures for general and public safety retirees of \$2,538,378 were recognized for retiree health insurance premiums. Retiree dental insurance premium payments of \$97,870 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 \$266,153 were recognized for employees of the district court. The court contributed \$176,120 to this fund. Funding in the amount of \$58,704 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:

	General and Public Safety	District Court
Annual required contribution	\$ 6,280,112	\$ 679,622
Interest on net OPEB obligation	564,073	85,665
Adjustment to annual required contribution	(576,994)	(78,065)
Annual OPEB cost	6,267,191	687,222
Contribution made	(2,636,248)	(266,153)
Increase in net OPEB obligation	3,630,943	421,069
Net OPEB obligation, beginning of year	12,534,966	1,903,662
Net OPEB obligation, end of year	<u>\$ 16,165,909</u>	<u>\$ 2,324,731</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
2011	\$ 4,875,562	44.75%	\$ 8,608,744
2012	6,301,221	37.69%	12,534,966
2013	6,267,191	42.06%	16,165,909

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:

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

Three-Year Trend Information			
Years Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 475,066	39.25%	\$ 1,414,805
2012	683,091	28.43%	1,903,662
2013	687,222	38.73%	2,324,731

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

	Plan Net Position		
	Employee Retirement Plan	Retiree Health Care - General and Public Safety	Total
Assets			
Cash and cash equivalents	\$ 3,587,843	\$ 66,849	\$ 3,654,692
Accrued interest receivable	305,274	7	305,281
Investments, at fair value:			
U.S. government obligations	2,973,067	-	2,973,067
Mortgage-backed securities	1,871,987	-	1,871,987
Corporate bonds	14,589,875	-	14,589,875
Corporate stocks	36,265,542	455,669	36,721,211
Total assets	59,593,588	522,525	60,116,113
Liabilities			
Accounts payable	633,413	-	633,413
Net position			
Held in trust for pension benefits and other purposes	<u>\$ 58,960,175</u>	<u>\$ 522,525</u>	<u>\$ 59,482,700</u>

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

	Changes in Plan Net Position		
	Employee Retirement Plan	Retiree Health Care - General and Public Safety	Total
Additions			
Contributions:			
Employer	\$ 2,601,972	\$ 2,636,248	\$ 5,238,220
Plan members	347,770	-	347,770
Total contributions	2,949,742	2,636,248	5,585,990
Investment earnings:			
Net appreciation in fair value of investments	5,420,161	77,662	5,497,823
Interest	823,538	84	823,622
Dividends	890,463	-	890,463
Total investment earnings	7,134,162	77,746	7,211,908
Less: investment management expense	(231,665)	-	(231,665)
Net investment earnings	6,902,497	77,746	6,980,243
Total additions	9,852,239	2,713,994	12,566,233
Deductions			
Benefits	7,433,679	2,636,248	10,069,927
Refunds, rebates and administration	271,775	1,426	273,201
Total deductions	7,705,454	2,637,674	10,343,128
Change in net position	2,146,785	76,320	2,223,105
Net position, beginning of year	56,813,390	446,205	57,259,595
Net position, end of year	\$ 58,960,175	\$ 522,525	\$ 59,482,700

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, 2013, the last available audited financial statements, the Authority reported an increase in net position in the amount of \$249,722 resulting in ending net position in the amount of \$6,952,733. During the year ended June 30, 2013, the City expended \$1,563,836 of payments made 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, 2013.

20. FUND BALANCES - GOVERNMENTAL FUNDS

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

	General Fund	Municipal Complex Construction	Nonmajor Governmental Funds	Total
Nonspendable -				
Prepays	\$ 198,853	\$ -	\$ 16,255	\$ 215,108
Restricted for:				
Road surface repairs	-	-	3,194,591	3,194,591
Refuse collection	-	-	633,864	633,864
City Hall construction	-	2,828,593	-	2,828,593
Debt service	-	-	49,286	49,286
Other	-	-	250,209	250,209
Total restricted	-	2,828,593	4,127,950	6,956,543
Assigned for:				
Sidewalks	-	-	224,567	224,567
Municipal buildings	-	-	1,272,933	1,272,933
Other	-	-	144,612	144,612
Total assigned	-	-	1,642,112	1,642,112
Unassigned	1,802,454	-	-	1,802,454
Total fund balances, governmental funds	\$ 2,001,307	\$ 2,828,593	\$ 5,786,317	\$ 10,616,217

21. SUMMARY OF SIGNIFICANT CONTINGENCIES

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

CITY OF OAK PARK, MICHIGAN

Notes to Financial Statements

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

22. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of June 30, 2013, was as follows:

	Governmental Activities	Business-type Activities
Capital assets:		
Capital assets not being depreciated	\$ 12,614,832	\$ 1,298,617
Capital assets being depreciated, net	32,219,330	25,630,686
	<u>44,834,162</u>	<u>26,929,303</u>
Related debt:		
General obligation bonds	31,950,000	10,754,639
Unamortized bond premium	150,543	-
Capital lease	2,430,000	-
Less: unexpended bond proceeds	(2,828,593)	-
	<u>31,701,950</u>	<u>10,754,639</u>
Net investment in capital assets	<u>\$ 13,132,212</u>	<u>\$ 16,174,664</u>

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OAK PARK, MICHIGAN

Required Supplementary Information

Defined Benefit Pension Plan

Schedule of Funding Progress (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)
6/30/2007	63,631	85,262	21,631	74.6%	9,887	219%
6/30/2008	63,911	87,748	23,837	72.8%	9,880	241%
6/30/2009	63,352	91,731	28,379	69.1%	9,335	304%
6/30/2010	62,448	93,774	31,326	66.6%	8,665	362%
6/30/2011	61,561	93,719	32,158	65.7%	8,051	399%
6/30/2012	59,679	95,743	36,064	62.3%	6,135	588%

Schedule of Employer Contributions (amounts in thousands)

Year Ended June 30,	Annual Required Contributions	Percentage Contributed
2008	2,917	100%
2009	3,355	100%
2010	3,107	100%
2011	3,259	100%
2012	3,200	100%
2013	3,140	100%

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)
6/30/2006	\$ 484	\$ 76,803	\$ 76,319	0.6%	\$ 8,918	856%
6/30/2008	414	73,436	73,022	0.6%	9,880	739%
6/30/2010	353	86,017	85,664	0.4%	8,665	989%
6/30/2012	378	95,919	95,541	0.4%	6,135	1557%

Schedule of Employer Contributions Other Postemployment Benefits Plan (amounts in thousands)

Year Ended June 30,	Annual Required Contributions	Percentage Contributed
2009	\$ 5,132,580	38%
2010	4,875,562	45%
2011	4,875,562	44%
2012	6,280,112	38%
2013	6,280,112	42%

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)
6/30/2006	\$ -	\$ 5,365	\$ 5,365	0.0%	\$ 974	551%
6/30/2008	-	5,366	5,366	0.0%	1,089	493%
6/30/2010	-	8,221	8,221	0.0%	1,029	799%
6/30/2012	-	8,361	8,361	0.0%	896	933%

Schedule of Employer Contributions Other Postemployment Benefits Plan (amounts in thousands)

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

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF OAK PARK, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2013

	Special Revenue	Debt Service	Capital Project	Total Other Governmental
Assets				
Cash and investments	\$ 2,440,326	\$ 49,248	\$ 2,748,294	\$ 5,237,868
Receivables:				
Taxes	12,230	25,857	-	38,087
Special assessments	-	-	114,263	114,263
Accounts	451,004	-	8,421	459,425
Accrued interest	256	32	297	585
Due from other governments	943,116	-	-	943,116
Restricted assets - cash	137,447	-	-	137,447
Prepaid items	16,106	-	149	16,255
Total assets	\$ 4,000,485	\$ 75,137	2,871,424	\$ 6,947,046
Liabilities				
Accounts payable	\$ 696,406	\$ -	\$ 11,455	\$ 707,861
Accounts payable from restricted assets	94,621	-	-	94,621
Accrued liabilities	67,718	-	896	68,614
Due to other funds	76,886	-	-	76,886
Due to other governments	174,666	-	-	174,666
Total liabilities	1,110,297	-	12,351	1,122,648
Deferred inflows of resources				
Unavailable revenue - property taxes	12,230	25,851	-	38,081
Fund balances				
Nonspendable	16,106	-	149	16,255
Restricted	2,858,043	49,286	1,220,621	4,127,950
Assigned	3,809	-	1,638,303	1,642,112
Total fund balances	2,877,958	49,286	2,859,073	5,786,317
Total liabilities, deferred inflows of resources and fund balances	\$ 4,000,485	\$ 75,137	\$ 2,871,424	\$ 6,947,046

CITY OF OAK PARK, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2013

	Special Revenue	Debt Service	Capital Project	Total Other Governmental
Revenues				
Property taxes	\$ 1,393,262	\$ 2,546,134	\$ -	\$ 3,939,396
Special assessments	122,049	-	270,474	392,523
Intergovernmental:				
Federal grants	521,504	-	-	521,504
State grants	1,692,185	-	-	1,692,185
Charges for services	1,141,929	-	-	1,141,929
Fines and forfeitures	10,578	-	183,503	194,081
Interest income	6,483	2,969	20,800	30,252
Total revenues	4,887,990	2,549,103	474,777	7,911,870
Expenditures				
Current:				
Judicial	1,670,645	-	-	1,670,645
Public safety	21,384	-	-	21,384
Road maintenance and repair	1,207,793	-	-	1,207,793
Public works	1,979,931	-	29,522	2,009,453
Community development	549,462	-	6	549,468
Debt service:				
Principal	-	1,230,000	-	1,230,000
Interest	-	1,635,571	-	1,635,571
Prior year tax refunds	-	49,228	-	49,228
Capital outlay	-	-	717,015	717,015
Total expenditures	5,429,215	2,914,799	746,543	9,090,557
Revenues over (under) expenditures	(541,225)	(365,696)	(271,766)	(1,178,687)
Other financing sources (uses)				
Issuance of long-term debt	-	9,150,000	-	9,150,000
Premium on issuance of long-term debt	-	160,579	-	160,579
Payment to refund bond escrow agent	-	(9,160,000)	-	(9,160,000)
Transfers in	1,855,823	9,534,123	55,000	11,444,946
Transfers out	(655,000)	(9,379,500)	-	(10,034,500)
Total other financing sources (uses)	1,200,823	305,202	55,000	1,561,025
Net change in fund balances	659,598	(60,494)	(216,766)	382,338
Fund balances, beginning of year	2,218,360	109,780	3,075,839	5,403,979
Fund balances, end of year	\$ 2,877,958	\$ 49,286	\$ 2,859,073	\$ 5,786,317

CITY OF OAK PARK, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds

Special Revenue Funds

June 30, 2013

	Major Streets	Local Streets	Solid Waste	Narcotics Forfeiture
Assets				
Cash and investments	\$ 1,029,638	\$ 713,319	\$ 311,554	\$ 84,681
Receivables:				
Taxes	-	-	12,230	-
Accounts	-	-	390,671	-
Accrued interest	115	74	34	1
Due from other governments	189,352	73,758	-	-
Restricted assets - cash	-	-	-	-
Prepaid items	2,044	1,042	761	-
Total assets	\$ 1,221,149	\$ 788,193	\$ 715,250	\$ 84,682
Liabilities				
Accounts payable	\$ 14,767	\$ 5,464	\$ 65,681	\$ -
Accounts payable from restricted assets	-	-	-	-
Accrued liabilities	6,332	5,723	2,714	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Total liabilities	21,099	11,187	68,395	-
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	12,230	-
Fund balances				
Nonspendable	2,044	1,042	761	-
Restricted	1,198,006	775,964	633,864	84,682
Assigned	-	-	-	-
Total fund balances	1,200,050	777,006	634,625	84,682
Total liabilities, deferred inflows of resources and fund balances	\$ 1,221,149	\$ 788,193	\$ 715,250	\$ 84,682

Criminal Justice Training	Disaster Contingency	Community Development Block Grant	C.O.P.S. Program	Caseflow Assistance
\$ 4,645	\$ 3,591	\$ -	\$ -	\$ 161,463
-	-	-	-	-
-	-	-	-	-
1	-	-	-	18
-	-	27,920	62,936	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 4,646</u>	<u>\$ 3,591</u>	<u>\$ 27,920</u>	<u>\$ 62,936</u>	<u>\$ 161,481</u>
\$ 600	\$ -	\$ 1,424	\$ -	\$ -
-	-	-	-	-
-	-	2,364	10,182	-
-	-	24,132	52,754	-
-	-	-	-	-
<u>600</u>	<u>-</u>	<u>27,920</u>	<u>62,936</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,046	-	-	-	161,481
-	3,591	-	-	-
<u>4,046</u>	<u>3,591</u>	<u>-</u>	<u>-</u>	<u>161,481</u>
<u>\$ 4,646</u>	<u>\$ 3,591</u>	<u>\$ 27,920</u>	<u>\$ 62,936</u>	<u>\$ 161,481</u>

CITY OF OAK PARK, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds

Special Revenue Funds

June 30, 2013

	Neighborhood Stabilization Program	45th District Court	Total
Assets			
Cash and investments	\$ 112,700	\$ 18,735	\$ 2,440,326
Receivables:			
Taxes	-	-	12,230
Accounts	-	60,333	451,004
Accrued interest	13	-	256
Due from other governments	589,150	-	943,116
Restricted assets - cash	-	137,447	137,447
Prepaid items	-	12,259	16,106
Total assets	<u>\$ 701,863</u>	<u>\$ 228,774</u>	<u>\$ 4,000,485</u>
Liabilities			
Accounts payable	\$ 526,155	\$ 82,315	\$ 696,406
Accounts payable from restricted assets	-	94,621	94,621
Accrued liabilities	1,042	39,361	67,718
Due to other funds	-	-	76,886
Due to other governments	174,666	-	174,666
Total liabilities	<u>701,863</u>	<u>216,297</u>	<u>1,110,297</u>
Deferred inflows of resources			
Unavailable revenue - property taxes	-	-	12,230
Fund balances			
Nonspendable	-	12,259	16,106
Restricted	-	-	2,858,043
Assigned	-	218	3,809
Total fund balances	<u>-</u>	<u>12,477</u>	<u>2,877,958</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 701,863</u>	<u>\$ 228,774</u>	<u>\$ 4,000,485</u>

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CITY OF OAK PARK, MICHIGAN

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

Nonmajor Governmental Funds

Special Revenue Funds

For the Year Ended June 30, 2013

	Major Streets	Local Streets	Solid Waste	Narcotics Forfeiture
Revenues				
Property taxes	\$ -	\$ -	\$ 1,393,262	\$ -
Special assessments	122,049	-	-	-
Intergovernmental:				
Federal grants	-	-	-	-
State grants	1,143,617	445,467	-	-
Charges for services	-	-	1,141,929	-
Fines and forfeitures	-	-	-	10,578
Interest income	1,223	2,732	2,211	103
Total revenues	1,266,889	448,199	2,537,402	10,681
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Road maintenance and repair	857,816	349,977	-	-
Public works	-	-	1,979,931	-
Community development	-	-	-	-
Total expenditures	857,816	349,977	1,979,931	-
Revenues over (under) expenditures	409,073	98,222	557,471	10,681
Other financing sources (uses)				
Transfers in	-	270,000	-	-
Transfers out	(270,000)	(75,000)	(310,000)	-
Total other financing sources (uses)	(270,000)	195,000	(310,000)	-
Net change in fund balances	139,073	293,222	247,471	10,681
Fund balances (deficit), beginning of year	1,060,977	483,784	387,154	74,001
Fund balances, end of year	\$ 1,200,050	\$ 777,006	\$ 634,625	\$ 84,682



Criminal Justice Training	Disaster Contingency	Community Development Block Grant	C.O.P.S. Program	Caseflow Assistance
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	126,651	322,623	-
9,585	-	-	-	24,930
-	-	-	-	-
-	-	-	-	-
14	5	-	-	173
9,599	5	126,651	322,623	25,103
-	-	-	-	4,692
21,384	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	126,651	357,446	-
21,384	-	126,651	357,446	4,692
(11,785)	5	-	(34,823)	20,411
-	-	-	34,823	-
-	-	-	-	-
-	-	-	34,823	-
(11,785)	5	-	-	20,411
15,831	3,586	-	-	141,070
\$ 4,046	\$ 3,591	\$ -	\$ -	\$ 161,481

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, 2013

	Neighborhood Stabilization Program	45th District Court	Total
Revenues			
Property taxes	\$ -	\$ -	\$ 1,393,262
Special assessments	-	-	122,049
Intergovernmental:			
Federal grants	72,230	-	521,504
State grants	-	68,586	1,692,185
Charges for services	-	-	1,141,929
Fines and forfeitures	-	-	10,578
Interest income	(13)	35	6,483
Total revenues	<u>72,217</u>	<u>68,621</u>	<u>4,887,990</u>
Expenditures			
Current:			
Judicial	-	1,665,953	1,670,645
Public safety	-	-	21,384
Road maintenance and repair	-	-	1,207,793
Public works	-	-	1,979,931
Community development	65,365	-	549,462
Total expenditures	<u>65,365</u>	<u>1,665,953</u>	<u>5,429,215</u>
Revenues over (under) expenditures	<u>6,852</u>	<u>(1,597,332)</u>	<u>(541,225)</u>
Other financing sources (uses)			
Transfers in	-	1,551,000	1,855,823
Transfers out	-	-	(655,000)
Total other financing sources (uses)	<u>-</u>	<u>1,551,000</u>	<u>1,200,823</u>
Net change in fund balances	<u>6,852</u>	<u>(46,332)</u>	<u>659,598</u>
Fund balances (deficit), beginning of year	<u>(6,852)</u>	<u>58,809</u>	<u>2,218,360</u>
Fund balances (deficit), end of year	<u>\$ -</u>	<u>\$ 12,477</u>	<u>\$ 2,877,958</u>

CITY OF OAK PARK, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Major Streets Fund

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Special assessments	\$ 126,000	\$ 78,000	\$ 122,049	\$ 44,049
Intergovernmental -				
State grants	1,000,000	1,000,000	1,143,617	143,617
Interest income	800	800	1,223	423
Total revenues	1,126,800	1,078,800	1,266,889	188,089
Expenditures				
Current -				
Road maintenance and repair	927,589	958,076	857,816	(100,260)
Revenues over expenditures	199,211	120,724	409,073	(288,349)
Other financing uses				
Transfers out	(270,000)	(270,000)	(270,000)	-
Net change in fund balances	(70,789)	(149,276)	139,073	288,349
Fund balances, beginning of year	1,060,977	1,060,977	1,060,977	-
Fund balances, end of year	\$ 990,188	\$ 911,701	\$ 1,200,050	\$ 288,349

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Local Streets Fund

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	\$ 400,000	\$ 400,000	\$ 445,467	\$ 45,467
Interest income	4,000	4,000	2,732	(1,268)
Total revenues	404,000	404,000	448,199	44,199
Expenditures				
Current -				
Road maintenance and repair	532,276	428,151	349,977	(78,174)
Revenues over (under) expenditures	(128,276)	(24,151)	98,222	122,373
Other financing sources (uses)				
Transfers in	270,000	270,000	270,000	-
Transfers out	(75,000)	(75,000)	(75,000)	-
Total other financing sources (uses)	195,000	195,000	195,000	-
Net change in fund balances	66,724	170,849	293,222	122,373
Fund balances, beginning of year	483,784	483,784	483,784	-
Fund balances, end of year	\$ 550,508	\$ 654,633	\$ 777,006	\$ 122,373

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Solid Waste Fund

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 1,402,641	\$ 1,400,000	\$ 1,393,262	\$ (6,738)
Charges for services	1,146,000	1,146,000	1,141,929	(4,071)
Interest income	1,000	1,500	2,211	711
Total revenues	2,549,641	2,547,500	2,537,402	(10,098)
Expenditures				
Current -				
Public works	2,264,346	2,179,028	1,979,931	(199,097)
Revenue over expenditures	285,295	368,472	557,471	188,999
Other financing uses				
Transfers out	(310,000)	(310,000)	(310,000)	-
Net change in fund balances	(24,705)	58,472	247,471	188,999
Fund balances, beginning of year	387,154	387,154	387,154	-
Fund balances, end of year	\$ 362,449	\$ 445,626	\$ 634,625	\$ 188,999

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Narcotics Forfeiture Fund

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Fines and forfeitures	\$ 15,000	\$ 8,400	\$ 10,578	\$ 2,178
Interest income	92	170	103	(67)
Total revenues	15,092	8,570	10,681	2,111
Expenditures				
Current -				
Public safety	1,250	500	-	(500)
Net change in fund balances	13,842	8,070	10,681	2,611
Fund balances, beginning of year	74,001	74,001	74,001	-
Fund balances, end of year	<u>\$ 87,843</u>	<u>\$ 82,071</u>	<u>\$ 84,682</u>	<u>2,611</u>

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Criminal Justice Training Fund

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	\$ 15,000	\$ 11,054	\$ 9,585	\$ (1,469)
Interest income	24	25	14	(11)
Total revenues	15,024	11,079	9,599	(1,480)
Expenditures				
Current -				
Public safety	15,000	15,000	21,384	6,384
Net change in fund balances	24	(3,921)	(11,785)	(7,864)
Fund balances, beginning of year	15,831	15,831	15,831	-
Fund balances, end of year	<u>\$ 15,855</u>	<u>\$ 11,910</u>	<u>\$ 4,046</u>	<u>\$ (7,864)</u>

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Disaster Contingency Fund

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Interest income	\$ 25	\$ 5	\$ 5	\$ -
Fund balances, beginning of year	3,586	3,586	3,586	-
Fund balances, end of year	<u>\$ 3,611</u>	<u>\$ 3,591</u>	<u>\$ 3,591</u>	<u>\$ -</u>

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Community Development Block Grant Fund

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal grants	\$ 111,701	\$ 92,800	\$ 126,651	\$ 33,851
Expenditures				
Current -				
Community development	111,701	92,800	126,651	33,851
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

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

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal grants	\$ 235,000	\$ 292,950	\$ 322,623	\$ 29,673
Expenditures				
Current -				
Community development	235,000	312,950	357,446	44,496
Revenues under expenditures	-	(20,000)	(34,823)	(14,823)
Other financing sources				
Transfers in	-	20,000	34,823	14,823
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Caseflow Assistance Fund

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	\$ 25,500	\$ 25,500	\$ 24,930	\$ (570)
Interest income	250	120	173	53
Total revenues	25,750	25,620	25,103	(517)
Expenditures				
Current -				
Judicial	26,137	10,000	4,692	(5,308)
Net change in fund balances	(387)	15,620	20,411	4,791
Fund balances, beginning of year	141,070	141,070	141,070	-
Fund balances, end of year	<u>\$ 140,683</u>	<u>\$ 156,690</u>	<u>\$ 161,481</u>	<u>\$ 4,791</u>

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Neighborhood Stabilization Program Fund

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenue				
Intergovernmental -				
Federal grants	\$ 400,000	\$ 86,501	\$ 72,230	\$ (14,271)
Charges for services	-	-	-	-
Interest income	-	-	(13)	(13)
Total revenues	<u>400,000</u>	<u>86,501</u>	<u>72,217</u>	<u>(14,284)</u>
Expenditures				
Current -				
Community development	<u>400,000</u>	<u>79,649</u>	<u>65,365</u>	<u>(14,284)</u>
Net change in fund balances	-	6,852	6,852	-
Fund balances (deficit), beginning of year	<u>(6,852)</u>	<u>(6,852)</u>	<u>(6,852)</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ (6,852)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - 45th District Court Fund

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	\$ 91,448	\$ 91,448	\$ 68,586	\$ (22,862)
Charges for services	277,000	277,000	-	(277,000)
Interest income	500	100	35	(65)
	<u>368,948</u>	<u>368,548</u>	<u>68,621</u>	<u>(299,927)</u>
Total revenues	368,948	368,548	68,621	(299,927)
Expenditures				
Current -				
Judicial	<u>1,743,948</u>	<u>1,744,813</u>	<u>1,665,953</u>	<u>(78,860)</u>
Revenues under expenditures	(1,375,000)	(1,376,265)	(1,597,332)	(221,067)
Other financing sources				
Transfers in	<u>1,375,000</u>	<u>1,375,000</u>	<u>1,551,000</u>	<u>176,000</u>
Net change in fund balances	-	(1,265)	(46,332)	(45,067)
Fund balances, beginning of year	<u>58,809</u>	<u>58,809</u>	<u>58,809</u>	<u>-</u>
Fund balances, end of year	<u>\$ 58,809</u>	<u>\$ 57,544</u>	<u>\$ 12,477</u>	<u>\$ (45,067)</u>

CITY OF OAK PARK, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds

Debt Service Funds

June 30, 2013

	2003 Street Improvement Bond	2012 Street Refunding Bond	2006 Street Improvement Bond
Assets			
Cash and investments	\$ 1,929	\$ 34	\$ 14,302
Receivables:			
Taxes	7,519	5,485	8,536
Accrued interest	5	-	4
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 9,453</u></u>	<u><u>\$ 5,519</u></u>	<u><u>\$ 22,842</u></u>
Liabilities			
Due to other funds	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>
Deferred inflows of resources			
Unavailable revenue - property taxes	7,519	5,485	8,536
	<u> </u>	<u> </u>	<u> </u>
Fund balances			
Restricted	1,934	34	14,306
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 9,453</u></u>	<u><u>\$ 5,519</u></u>	<u><u>\$ 22,842</u></u>

2010 Municipal Complex Bond	2011 Library and Recreation Lease	Municipal Building Authority	Total
\$ 737	\$ 22,105	\$ 10,141	\$ 49,248
4,317	-	-	25,857
-	2	21	32
<u>\$ 5,054</u>	<u>\$ 22,107</u>	<u>\$ 10,162</u>	<u>\$ 75,137</u>
\$ -	\$ -	\$ -	\$ -
4,311	-	-	25,851
743	22,107	10,162	49,286
<u>\$ 5,054</u>	<u>\$ 22,107</u>	<u>\$ 10,162</u>	<u>\$ 75,137</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, 2013

	2003 Street Improvement Bond	2012 Street Refunding Bond	2006 Street Improvement Bond
Revenues			
Property taxes	\$ 835,146	\$ 18,886	\$ 881,996
Interest income	772	65	926
Total revenues	<u>835,918</u>	<u>18,951</u>	<u>882,922</u>
Expenditures			
Debt service:			
Principal	410,000	-	400,000
Interest	357,908	276,996	454,293
Prior year tax refund	-	-	40,713
Total expenditures	<u>767,908</u>	<u>276,996</u>	<u>895,006</u>
Revenues (under) over expenditures	<u>68,010</u>	<u>(258,045)</u>	<u>(12,084)</u>
Other financing sources (uses)			
Issuance of long-term debt	-	9,150,000	-
Premium on issuance of long-term debt	-	160,579	-
Payment to refund bond escrow agent	(9,160,000)	-	-
Transfers in	9,160,000	107,500	-
Transfers out	(112,000)	(9,160,000)	(5,500)
Total other financing sources (uses)	<u>(112,000)</u>	<u>258,079</u>	<u>(5,500)</u>
Net change in fund balances	<u>(43,990)</u>	<u>34</u>	<u>(17,584)</u>
Fund balances, beginning of year	<u>45,924</u>	<u>-</u>	<u>31,890</u>
Fund balances, end of year	<u>\$ 1,934</u>	<u>\$ 34</u>	<u>\$ 14,306</u>

#REF!



2010 Municipal Complex Bond	2011 Library and Recreation Lease	Municipal Building Authority	Total
\$ 810,106	\$ -	\$ -	\$ 2,546,134
1,117	11	78	2,969
811,223	11	78	2,549,103
350,000	70,000	-	1,230,000
461,965	84,409	-	1,635,571
8,515	-	-	49,228
820,480	154,409	-	2,914,799
(9,257)	(154,398)	78	(365,696)
-	-	-	9,150,000
-	-	-	160,579
-	-	-	(9,160,000)
112,000	154,623	-	9,534,123
(102,000)	-	-	(9,379,500)
10,000	154,623	-	305,202
743	225	78	(60,494)
-	21,882	10,084	109,780
\$ 743	\$ 22,107	\$ 10,162	\$ 49,286

CITY OF OAK PARK, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds

Capital Projects Funds

June 30, 2013

	Public Improvement	City Owned Property	Sidewalk Program
Assets			
Cash and investments	\$ 54,189	\$ 86,599	\$ 102,768
Receivables:			
Special assessments	-	-	114,263
Accounts	-	-	8,421
Accrued interest	6	9	11
Prepaid items	-	-	149
Total assets	<u>\$ 54,195</u>	<u>\$ 86,608</u>	<u>\$ 225,612</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	896
Total liabilities	<u>-</u>	<u>-</u>	<u>896</u>
Fund balances			
Nonspendable	-	-	149
Restricted	-	-	-
Assigned	54,195	86,608	224,567
Total fund balance	<u>54,195</u>	<u>86,608</u>	<u>224,716</u>
Total liabilities and fund balances	<u>\$ 54,195</u>	<u>\$ 86,608</u>	<u>\$ 225,612</u>

Road Construction	Municipal Building Construction	Total
\$ 1,229,488	\$ 1,275,250	\$ 2,748,294
-	-	114,263
-	-	8,421
133	138	297
-	-	149
<u>\$ 1,229,621</u>	<u>\$ 1,275,388</u>	<u>\$ 2,871,424</u>
\$ 9,000	\$ 2,455	\$ 11,455
-	-	896
<u>9,000</u>	<u>2,455</u>	<u>12,351</u>
-	-	149
1,220,621	-	1,220,621
-	1,272,933	1,638,303
<u>1,220,621</u>	<u>1,272,933</u>	<u>2,859,073</u>
<u>\$ 1,229,621</u>	<u>\$ 1,275,388</u>	<u>\$ 2,871,424</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, 2013

	Public Improvement	City Owned Property	Sidewalk Program
Revenues			
Special assessments	\$ -	\$ -	\$ 266,924
Fines and forfeitures	-	-	-
Interest income	67	75	17,380
Total revenues	<u>67</u>	<u>75</u>	<u>284,304</u>
Expenditures			
Public works	-	-	20,508
Community development	-	6	-
Capital outlay	-	504	220,677
Total expenditures	<u>-</u>	<u>510</u>	<u>241,185</u>
Revenues over (under) expenditures	67	(435)	43,119
Other financing sources			
Transfers in	-	55,000	-
Net change in fund balances	<u>67</u>	<u>54,565</u>	<u>43,119</u>
Fund balances, beginning of year	<u>54,128</u>	<u>32,043</u>	<u>181,597</u>
Fund balances, end of year	<u><u>\$ 54,195</u></u>	<u><u>\$ 86,608</u></u>	<u><u>\$ 224,716</u></u>

Road Construction	Municipal Building Construction	Total
\$ 3,550	\$ -	\$ 270,474
-	183,503	183,503
1,783	1,495	20,800
5,333	184,998	474,777
-	9,014	29,522
-	-	6
495,834	-	717,015
495,834	9,014	746,543
(490,501)	175,984	(271,766)
-	-	55,000
(490,501)	175,984	(216,766)
1,711,122	1,096,949	3,075,839
\$ 1,220,621	\$ 1,272,933	\$ 2,859,073

CITY OF OAK PARK, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

June 30, 2013

	Risk Management	Central Services	Motor Pool	Retirees Health Care Court	Total
Assets					
Current assets:					
Cash and investments	\$ 501,079	\$ 40,754	\$ 67,761	\$ -	\$ 609,594
Accrued interest receivable	54	4	7	-	65
Prepaid items	13,637	-	765	11,770	26,172
Total current assets	514,770	40,758	68,533	11,770	635,831
Noncurrent assets -					
Capital assets, net	-	-	1,179,094	-	1,179,094
Total assets	514,770	40,758	1,247,627	11,770	1,814,925
Liabilities					
Current liabilities:					
Accounts payable	3,839	1,978	18,160	-	23,977
Accrued liabilities	74,000	-	1,529	-	75,529
Total current liabilities	77,839	1,978	19,689	-	99,506
Noncurrent liabilities -					
Accrued compensated absences	-	-	1,333	-	1,333
Total liabilities	77,839	1,978	21,022	-	100,839
Net position					
Investment in capital assets	-	-	1,179,094	-	1,179,094
Unrestricted	436,931	38,780	47,511	11,770	534,992
Total net position	\$ 436,931	\$ 38,780	\$ 1,226,605	\$ 11,770	\$ 1,714,086

CITY OF OAK PARK, MICHIGAN

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

Internal Service Funds

For the Year Ended June 30, 2013

	Risk Management	Central Services	Motor Pool	Retirees Health Care Court	Total
Operating revenues					
Charges for services	\$ 286,421	\$ -	\$ 498,132	\$ 176,116	\$ 960,669
Miscellaneous	71,604	-	-	58,704	130,308
Total operating revenues	358,025	-	498,132	234,820	1,090,977
Operating expenses					
Gas purchases	-	-	194,910	-	194,910
Professional services	-	6,656	62,043	-	68,699
Supplies	-	-	138,290	-	138,290
Postage	-	59,191	-	-	59,191
Depreciation	-	-	188,149	-	188,149
Wages and benefits	-	-	78,542	-	78,542
Insurance payments	455,525	-	-	266,297	721,822
Total operating expenses	455,525	65,847	661,934	266,297	1,449,603
Operating loss	(97,500)	(65,847)	(163,802)	(31,477)	(358,626)
Nonoperating revenues					
Interest income	569	49	90	-	708
Loss before transfers	(96,931)	(65,798)	(163,712)	(31,477)	(357,918)
Transfers in	110,000	75,000	-	-	185,000
Change in net position	13,069	9,202	(163,712)	(31,477)	(172,918)
Net position, beginning of year	423,862	29,578	1,390,317	43,247	1,887,004
Net position, end of year	\$ 436,931	\$ 38,780	\$ 1,226,605	\$ 11,770	\$ 1,714,086

CITY OF OAK PARK, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2013

	Risk Management	Central Services	Motor Pool	Retirees Health Care Court	Total
Cash flows from operating activities					
Receipts from interfund services	\$ 286,421	\$ -	\$ 498,132	\$ 176,116	\$ 960,669
Payments to suppliers	(218,724)	(64,007)	(386,428)	(833)	(669,992)
Payments to employees	(197,279)	-	(97,402)	(266,297)	(560,978)
Miscellaneous receipts	71,604	-	-	58,704	130,308
Net cash provided (used) by operating activities	(57,978)	(64,007)	14,302	(32,310)	(139,993)
Cash flows from noncapital financing activities					
Transfers from other funds	110,000	75,000	-	-	185,000
Cash flows from capital and related financing activities					
Purchases of capital assets	-	-	(28,541)	-	(28,541)
Cash flows from investing activities					
Interest and dividends	670	55	113	12	850
Net change in cash and investments	52,692	11,048	(14,126)	(32,298)	17,316
Cash and investments, beginning of year	448,387	29,706	81,887	32,298	592,278
Cash and investments, end of year	\$ 501,079	\$ 40,754	\$ 67,761	\$ -	\$ 609,594
Reconciliation of operating loss to net cash provided (used) by operating activities:					
Operating loss	\$ (97,500)	\$ (65,847)	\$ (163,802)	\$ (31,477)	\$ (358,626)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:					
Depreciation expense	-	-	188,149	-	188,149
Change in assets and liabilities:					
Prepaid items	35,683	-	1,483	(833)	36,333
Accounts payable	3,839	1,840	7,332	-	13,011
Accrued liabilities	-	-	(18,860)	-	(18,860)
Net cash provided (used) by operating activities	\$ (57,978)	\$ (64,007)	\$ 14,302	\$ (32,310)	\$ (139,993)

CITY OF OAK PARK, MICHIGAN

Combining Statement of Assets and Liabilities

Agency Funds

June 30, 2013

	Payroll Fund	Escrow Fund	Tax Fund	Total Agency Funds
Assets				
Cash and investments	\$ 25,634	\$ 153,386	\$ -	\$ 179,020
Due from other governments	-	1,682	-	1,682
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u><u>\$ 25,634</u></u>	<u><u>\$ 155,068</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 180,702</u></u>
Liabilities				
Undistributed receipts	<u><u>\$ 25,634</u></u>	<u><u>\$ 155,068</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 180,702</u></u>

CITY OF OAK PARK, MICHIGAN

Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
<i>Payroll Fund</i>				
Assets				
Cash and investments	\$ 40,199	\$ 35,201,194	\$ (35,215,759)	\$ 25,634
Liabilities				
Undistributed receipts	\$ 40,199	\$ 3,113,309	\$ (3,127,874)	\$ 25,634
<i>Escrow Fund</i>				
Assets				
Cash and investments	\$ 146,934	\$ 1,080,006	\$ (1,073,554)	\$ 153,386
Due from other governments	171	12,468	(10,957)	1,682
Total assets	\$ 147,105	\$ 1,092,474	\$ (1,084,511)	\$ 155,068
Liabilities				
Undistributed receipts	\$ 147,105	\$ 354,149	\$ (346,186)	\$ 155,068
<i>Tax Fund</i>				
Assets				
Cash and investments	\$ 158	\$ -	\$ (158)	\$ -
Liabilities				
Undistributed receipts	\$ 158	\$ -	\$ (158)	\$ -
<i>Total All Agency Funds</i>				
Assets				
Cash and investments	\$ 187,291	\$ 36,281,200	\$ (36,289,471)	\$ 179,020
Due from other governments	171	12,468	(10,957)	1,682
Total assets	\$ 187,462	\$ 36,293,668	\$ (36,300,428)	\$ 180,702
Liabilities				
Undistributed receipts	\$ 187,462	\$ 3,467,458	\$ (3,474,218)	\$ 180,702

STATISTICAL SECTION

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CITY OF OAK PARK, MICHIGAN

Statistical Section Table of Contents

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

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Financial Trends	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 114
Revenue Capacity	These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. 124
Debt Capacity	These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 130
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 135
Operating Information	These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. 136

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)

	2004	2005	2006	2007
Governmental activities				
Net investment in capital assets	\$ 3,558,851	\$ 6,932,515	\$ 5,900,897	\$ 6,375,013
Restricted	9,133,267	6,493,091	7,544,580	9,519,782
Unrestricted (deficit)	4,746,858	5,446,259	5,129,771	3,724,361
Total governmental activities	\$ 17,438,976	\$ 18,871,865	\$ 18,575,248	\$ 19,619,156
Business-type activities				
Net investment in capital assets	\$ 4,923,978	\$ 7,042,392	\$ 9,338,966	\$ 11,041,086
Unrestricted	4,269,224	3,381,129	3,752,044	3,467,097
Total business-type activities	\$ 9,193,202	\$ 10,423,521	\$ 13,091,010	\$ 14,508,183
Primary government				
Net investment in capital assets	\$ 8,482,829	\$ 13,974,907	\$ 15,239,863	\$ 17,416,099
Restricted	9,133,267	6,493,091	7,544,580	9,519,782
Unrestricted (deficit)	9,016,082	8,827,388	8,881,815	7,191,458
Total primary government	\$ 26,632,178	\$ 29,295,386	\$ 31,666,258	\$ 34,127,339

Schedule 1
Unaudited

2008	2009	2010	2011	2012	2013
\$ 11,739,781	\$ 14,884,759	\$ 15,406,195	\$ 2,076,411	\$ 1,805,028	\$ 13,132,212
5,140,968	3,201,454	4,088,332	16,892,886	16,169,292	6,911,104
2,463,887	(1,865,169)	(4,176,964)	(7,479,222)	(12,720,940)	(18,447,947)
<u>\$ 19,344,636</u>	<u>\$ 16,221,044</u>	<u>\$ 15,317,563</u>	<u>\$ 11,490,075</u>	<u>\$ 5,253,380</u>	<u>\$ 1,595,369</u>
\$ 12,723,979	\$ 14,053,708	\$ 16,780,263	\$ 17,689,440	\$ 15,566,968	\$ 16,174,664
2,883,239	2,734,483	503,073	1,623,541	4,345,077	4,653,611
<u>\$ 15,607,218</u>	<u>\$ 16,788,191</u>	<u>\$ 17,283,336</u>	<u>\$ 19,312,981</u>	<u>\$ 19,912,045</u>	<u>\$ 20,828,275</u>
\$ 24,463,760	\$ 28,938,467	\$ 32,186,458	\$ 19,765,851	\$ 17,371,996	\$ 29,306,876
5,140,968	3,201,454	4,088,332	16,892,886	16,169,292	6,911,104
5,347,126	869,314	(3,673,891)	(5,855,681)	(8,375,863)	(13,794,336)
<u>\$ 34,951,854</u>	<u>\$ 33,009,235</u>	<u>\$ 32,600,899</u>	<u>\$ 30,803,056</u>	<u>\$ 25,165,425</u>	<u>\$ 22,423,644</u>

CITY OF OAK PARK, MICHIGAN

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2004	2005	2006	2007
Expenses				
Governmental activities:				
General government	\$ 4,777,118	\$ 4,693,567	\$ 5,154,667	\$ 5,067,647
Judicial	1,985,825	2,049,750	2,270,554	2,268,921
Public safety	8,103,198	9,847,977	10,720,861	11,089,786
Road maintenance and repair	2,202,260	2,286,830	3,318,828	2,708,853
Public works	1,391,348	1,309,277	1,365,837	1,096,676
Health and sanitation	1,901,589	2,015,234	2,124,102	2,186,048
Culture and recreation	1,336,795	1,270,849	1,356,385	1,268,706
Library	845,802	837,813	885,081	836,669
Community development	386,063	288,244	260,461	299,539
Interest on long-term debt	893,426	752,489	707,092	1,148,474
Unallocated	-	-	-	-
Total governmental activities	23,823,424	25,352,030	28,163,868	27,971,319
Business-type activities:				
Water and sewer	7,489,197	7,083,210	8,039,854	7,835,161
Total primary government expenses	31,312,621	32,435,240	36,203,722	35,806,480
Program revenues				
Governmental activities:				
Charges for services:				
General government	527,537	926,595	891,142	599,632
Judicial	582,471	587,217	656,836	656,578
Public safety	1,232,209	1,442,360	1,832,233	1,856,111
Road maintenance and repair	1,850	(11,584)	(12,982)	21,919
Public works	119,523	289,466	131,299	214,874
Health and sanitation	540,740	454,678	500,888	577,620
Culture and recreation	452,690	473,684	431,907	469,373
Library	70,360	69,421	26,410	21,521
Community development	52,907	7,510	(5,165)	(2,335)
Unallocated	-	-	-	-
Operating grants and contributions	2,134,836	2,009,995	2,086,065	2,080,915
Capital grants and contributions	-	-	-	-
Total governmental activities	5,715,123	6,249,342	6,538,633	6,496,208
Business-type activities:				
Charges for services:				
Water and sewer	7,881,527	8,213,692	10,547,749	9,034,465
Total primary government program revenues	13,596,650	14,463,034	17,086,382	15,530,673
Net (expense)/revenue				
Government activities	(18,108,301)	(19,102,688)	(21,625,235)	(21,475,111)
Business-type activities	392,330	1,130,482	2,507,895	1,199,304
Total primary government net expense	(17,715,971)	(17,972,206)	(19,117,340)	(20,275,807)

Schedule 2
Unaudited

2008	2009	2010	2011	2012	2012
\$ 5,415,064	\$ 5,664,693	\$ 5,455,233	\$ 5,175,795	\$ 4,702,670	\$ 4,496,266
2,457,418	3,110,586	2,480,818	2,438,608	2,536,686	2,128,180
10,772,176	12,207,633	11,980,655	11,807,208	10,268,074	2,653,492
3,117,566	3,264,468	3,132,845	3,773,388	3,557,279	3,134,098
1,591,527	1,790,791	1,748,297	1,468,111	960,745	2,402,385
1,993,747	2,165,616	2,074,094	1,938,016	2,079,476	2,003,055
1,329,227	1,529,508	1,346,217	1,257,593	966,087	1,470,915
858,674	1,040,661	1,028,408	904,488	945,653	817,163
334,654	584,284	1,499,055	1,889,763	981,099	5,242,607
1,116,640	1,076,660	1,038,320	1,211,375	1,563,087	1,693,126
-	-	-	-	2,804,481	2,691,078
28,986,693	32,434,900	31,783,942	31,864,345	31,365,337	28,732,365
8,061,610	8,019,513	8,796,597	8,721,512	9,517,443	10,147,815
37,048,303	40,454,413	40,580,539	40,585,857	40,882,780	38,880,180
582,978	471,650	470,968	491,946	1,328,037	3,548,194
704,560	650,713	609,349	620,549	185,301	-
1,395,297	1,445,393	1,422,872	1,436,686	46,635	50,257
-	-	72,648	-	148,312	125,599
144,345	405,399	153,071	399,625	294,580	459,765
565,490	611,694	644,564	835,541	1,101,773	1,141,929
464,371	435,876	471,547	433,396	-	-
14,175	13,475	20,593	18,475	11,436	17,684
-	8,960	3,136	94,507	365	-
-	-	-	-	1,641,122	-
1,817,794	2,054,958	4,457,172	3,801,612	2,599,832	2,273,132
-	35,158	50,000	-	893	-
5,689,010	6,133,276	8,375,920	8,132,337	7,358,286	7,616,560
8,972,129	9,050,017	9,148,095	10,676,880	10,726,423	10,984,950
14,661,139	15,183,293	17,524,015	18,809,217	18,084,709	18,601,510
(23,297,683)	(26,301,624)	(23,408,022)	(23,732,008)	(24,007,051)	(21,115,805)
910,519	1,030,504	351,498	1,955,368	1,208,980	837,135
(22,387,164)	(25,271,120)	(23,056,524)	(21,776,640)	(22,798,071)	(20,278,670)

continued...

CITY OF OAK PARK, MICHIGAN

Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2004	2005	2006	2007
General revenues				
Governmental activities:				
Property taxes	\$ 18,088,249	\$ 19,774,491	\$ 20,294,741	\$ 20,977,326
State shared revenues	-	-	-	-
Franchise fees	424,167	453,310	460,244	518,234
Investment earnings	228,538	357,776	623,633	1,073,459
Miscellaneous	-	-	-	-
Transfers	(50,000)	(50,000)	(50,000)	(50,000)
Total governmental activities	<u>18,690,954</u>	<u>20,535,577</u>	<u>21,328,618</u>	<u>22,519,019</u>
Business-type activities:				
Investment earnings	42,498	49,837	109,594	167,869
Transfers	50,000	50,000	50,000	50,000
Total business-type activities	<u>92,498</u>	<u>99,837</u>	<u>159,594</u>	<u>217,869</u>
Total primary government	<u>18,783,452</u>	<u>20,635,414</u>	<u>21,488,212</u>	<u>22,736,888</u>
Change in net position				
Governmental activities	582,653	1,432,889	(296,617)	1,043,908
Business-type activities	<u>484,828</u>	<u>1,230,319</u>	<u>2,667,489</u>	<u>1,417,173</u>
Total primary government	<u>\$ 1,067,481</u>	<u>\$ 2,663,208</u>	<u>\$ 2,370,872</u>	<u>\$ 2,461,081</u>

Schedule 2
Unaudited

2008	2009	2010	2011	2012	2012
\$ 21,890,823	\$ 22,730,399	\$ 18,138,062	\$ 15,762,619	\$ 15,222,837	\$ 13,621,161
-	-	3,622,093	3,438,471	2,937,911	3,040,964
560,384	584,255	669,415	701,558	714,074	794,287
621,956	318,845	73,560	60,045	60,524	51,382
19,801	8,561	51,411	(8,173)	-	-
(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
<u>23,042,964</u>	<u>23,592,060</u>	<u>22,504,541</u>	<u>19,904,520</u>	<u>18,885,346</u>	<u>17,457,794</u>
118,715	100,469	93,647	24,277	156	29,095
50,000	50,000	50,000	50,000	50,000	50,000
<u>168,715</u>	<u>150,469</u>	<u>143,647</u>	<u>74,277</u>	<u>50,156</u>	<u>79,095</u>
<u>23,211,679</u>	<u>23,742,529</u>	<u>22,648,188</u>	<u>19,978,797</u>	<u>18,935,502</u>	<u>17,536,889</u>
(254,719)	(2,709,564)	(903,481)	(3,827,488)	(5,121,705)	(3,658,011)
<u>1,079,234</u>	<u>1,180,973</u>	<u>495,145</u>	<u>2,029,645</u>	<u>1,259,136</u>	<u>916,230</u>
<u>\$ 824,515</u>	<u>\$ (1,528,591)</u>	<u>\$ (408,336)</u>	<u>\$ (1,797,843)</u>	<u>\$ (3,862,569)</u>	<u>\$ (2,741,781)</u>

concluded

CITY OF OAK PARK, MICHIGAN

Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2004	2005	2006	2007
General fund				
Nonspendable	\$ 248,672	\$ 231,003	\$ 141,640	\$ 302,693
Unassigned	<u>2,044,775</u>	<u>2,122,398</u>	<u>1,869,129</u>	<u>1,735,777</u>
Total general fund	<u>2,293,447</u>	<u>2,353,401</u>	<u>2,010,769</u>	<u>2,038,470</u>
All other governmental funds				
Nonspendable	35,515	34,938	35,434	64,165
Restricted	10,824,929	8,612,892	16,365,862	10,265,178
Assigned	<u>282,328</u>	<u>334,783</u>	<u>371,772</u>	<u>493,669</u>
Total all other governmental funds	<u>11,142,772</u>	<u>8,982,613</u>	<u>16,773,068</u>	<u>10,823,012</u>
Total all governmental funds	<u>\$ 13,436,219</u>	<u>\$ 11,336,014</u>	<u>\$ 18,783,837</u>	<u>\$ 12,861,482</u>

2008	2009	2010	2011	2012	2013
\$ 114,609	\$ 90,444	\$ 191,983	\$ 234,242	\$ 245,037	\$ 198,853
1,784,828	2,029,085	1,970,324	1,514,649	312,162	1,802,454
1,899,437	2,119,529	2,162,307	1,748,891	557,199	2,001,307
20,859	23,368	33,737	25,396	22,815	16,255
5,757,552	3,453,091	4,569,839	17,436,759	16,146,559	6,956,543
643,161	784,216	835,683	1,082,319	1,413,109	1,642,112
6,421,572	4,260,675	5,439,259	18,544,474	17,582,483	8,614,910
\$ 8,321,009	\$ 6,380,204	\$ 7,601,566	\$ 20,293,365	\$ 18,139,682	\$ 10,616,217

CITY OF OAK PARK, MICHIGAN

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2004	2005	2006	2007
Revenues				
Property taxes	\$ 14,003,176	\$ 15,772,412	\$ 15,943,238	\$ 16,908,767
Special assessments	33,034	192,924	47,144	138,808
Licenses and permits	342,338	394,236	416,152	397,567
Intergovernmental	6,186,128	5,919,137	5,943,230	5,923,017
Charges for services	1,248,566	1,182,732	1,207,837	1,274,814
Fines and forfeitures	1,477,959	1,563,614	2,008,853	2,212,430
Interest income	197,155	364,088	637,781	1,038,284
Other	930,710	1,360,528	1,378,951	941,289
Total revenues	24,419,066	26,749,671	27,583,186	28,834,976
Expenditures				
Judicial	1,827,938	1,825,187	2,034,224	2,124,990
General government	4,088,575	3,909,447	4,380,187	4,346,347
Public safety	7,420,205	9,136,958	10,051,563	10,432,718
Road maintenance and repair	905,029	982,314	1,821,591	1,163,340
Public works	2,897,643	3,010,974	3,126,486	2,960,609
Recreation and culture	1,199,297	1,129,270	1,210,523	1,155,419
Library	765,011	754,336	792,078	775,018
Community development	312,309	211,270	187,818	247,852
Nondepartmental	1,776,992	2,151,016	2,020,698	1,649,454
Debt service:				
Principal	1,600,000	1,845,000	1,875,000	1,580,000
Interest	892,765	752,489	707,092	1,148,248
Prior year tax refunds	-	-	-	-
Capital outlay	2,372,728	3,091,615	3,072,493	7,123,336
Total expenditures	26,058,492	28,799,876	31,279,753	34,707,331
Revenues over (under) expenditures	(1,639,426)	(2,050,205)	(3,696,567)	(5,872,355)
Other financing sources (uses)				
Issuance of long-term debt	-	-	10,890,965	-
Premium on issuance of long-term debt	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Issuance of capital lease	-	-	-	-
Capital assets	-	-	303,425	-
Transfers in	2,153,141	2,036,085	2,267,989	2,401,870
Transfers out	(2,203,141)	(2,086,085)	(2,317,989)	(2,451,870)
Total other financing sources (uses)	(50,000)	(50,000)	11,144,390	(50,000)
Net changes in fund balances	\$ (1,689,426)	\$ (2,100,205)	\$ 7,447,823	\$ (5,922,355)
Debt services as a percentage of noncapital expenditures	10.52%	10.10%	9.15%	9.89%

Schedule 4
Unaudited

2008	2009	2010	2011	2012	2013
\$ 17,767,651	\$ 18,750,272	\$ 18,170,382	\$ 15,793,548	\$ 14,806,367	\$ 14,039,896
138,295	470,023	191,247	468,193	213,990	392,523
332,852	269,104	286,918	324,819	410,216	376,502
5,967,334	5,964,854	7,974,547	7,061,634	5,498,001	5,274,629
1,296,719	1,309,149	1,395,148	1,571,672	2,084,989	1,847,419
1,983,156	1,929,781	1,862,371	1,864,326	1,939,928	1,786,713
691,790	342,713	77,613	122,813	59,080	50,674
848,662	822,522	863,996	917,993	909,167	1,815,024
29,026,459	29,858,418	30,822,222	28,124,998	25,921,738	25,583,380
2,227,873	2,135,060	2,135,210	2,060,494	2,068,527	1,670,645
4,493,384	4,342,750	4,261,390	3,862,062	4,020,488	3,708,268
9,536,108	10,087,745	9,699,945	9,444,711	8,463,849	6,829,039
1,415,162	1,480,601	1,357,550	1,510,941	1,175,485	1,207,793
2,863,533	2,698,244	2,517,367	2,056,929	2,153,619	2,273,660
1,117,615	1,157,626	1,045,643	918,526	866,830	600,876
727,765	820,483	850,138	668,867	3,293,302	757,176
200,159	281,927	1,218,937	1,611,291	815,551	549,543
2,970,326	2,745,727	2,735,006	2,735,439	2,804,481	2,691,078
1,670,000	1,695,000	1,700,000	1,295,000	1,420,000	1,230,000
1,116,640	1,076,660	1,038,320	1,207,578	1,440,644	1,635,571
-	-	-	-	11,131	49,228
5,178,367	3,227,400	991,354	1,338,008	883,378	9,812,695
33,516,932	31,749,223	29,550,860	28,709,846	29,417,285	33,015,572
(4,490,473)	(1,890,805)	1,271,362	(584,848)	(3,495,547)	(7,432,192)
-	-	-	13,326,647	-	9,150,000
-	-	-	-	-	160,579
-	-	-	-	-	(9,160,000)
-	-	-	-	2,500,000	-
-	-	-	-	-	-
2,430,771	2,492,312	2,476,424	2,476,424	2,919,289	11,779,946
(2,480,771)	(2,542,312)	(2,526,424)	(2,526,424)	(2,969,289)	(12,014,946)
(50,000)	(50,000)	(50,000)	13,276,647	2,450,000	(84,421)
\$ (4,540,473)	\$ (1,940,805)	\$ 1,221,362	\$ 12,691,799	\$ (1,045,547)	\$ (7,516,613)
9.83%	9.72%	9.59%	9.14%	10.03%	12.50%

CITY OF OAK PARK, MICHIGAN

Taxable Value and Actual Value of Property

Last Ten Fiscal Years

(in thousands of dollars)

Year Ended June 30,	Real Property			Personal Property	Total Taxable Value
	Residential Property	Commercial Property	Industrial Property		
2013	\$ 312,688,580	\$ 107,596,610	\$ 18,982,270	\$ 35,705,130	\$ 474,972,590
2012	358,677,900	115,935,490	23,383,320	33,460,080	531,456,790
2011	427,200,170	99,543,660	60,865,560	36,210,100	623,819,490
2010	496,759,030	110,469,460	69,924,120	37,535,040	714,687,650
2009	511,737,180	109,204,400	70,406,640	37,226,110	728,574,330
2008	506,292,480	108,633,050	63,444,620	43,942,580	722,312,730
2007	480,667,540	105,533,730	59,565,190	44,318,580	690,085,040
2006	454,457,020	106,703,397	57,524,360	46,571,380	665,256,157
2005	431,289,070	90,517,620	52,614,020	49,005,590	623,426,300
2004	408,102,490	73,135,960	51,075,440	46,983,030	579,296,920

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	as a Percentage of Actual Value
29.8398	\$ 948,753,780	50.06%
27.2386	1,257,602,340	42.26%
24.5191	1,288,399,640	48.42%
24.6863	1,629,550,940	43.86%
24.6704	1,816,037,880	40.12%
23.7288	1,904,504,560	37.93%
23.8150	1,862,110,440	37.06%
23.7201	1,835,567,900	36.24%
24.1194	1,745,673,380	35.71%
23.5377	1,612,219,660	35.93%

CITY OF OAK PARK, MICHIGAN

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

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

Fiscal Year	Operating Millage	Library	Debt Service	Solid Waste	PA 345	Total Direct
2013: Homestead (1)	20.0000	1.4914	5.9560	2.9531	6.4729	36.8734
2013: Non-homestead						36.8734
2012: Homestead (1)	20.0000	1.4914	5.3953	2.9531	-	29.8398
2012: Non-homestead						29.8398
2011: Homestead (1)	18.8563	1.4914	4.4378	2.4531	-	27.2386
2011: Non-homestead						27.2386
2010: Homestead (1)	17.3563	0.9914	3.7183	2.4531	-	24.5191
2010: Non-homestead						24.5191
2009: Homestead (1)	17.3563	0.9914	3.8855	2.4531	-	24.6863
2009: Non-homestead						24.6863
2008: Homestead (1)	17.3563	0.9914	3.8696	2.4531	-	24.6704
2008: Non-homestead						24.6704
2007: Homestead (1)	16.3563	0.9914	3.9280	2.4531	-	23.7288
2007: Non-homestead						23.7288
2006: Homestead (1)	16.3613	0.9917	4.0081	2.4539	-	23.8150
2006: Non-homestead						23.8150
2005: Homestead (1)	16.3777	0.9927	3.8933	2.4564	-	23.7201
2005: Non-homestead						23.7201
2004: Homestead (1)	16.4981	1.0000	4.1468	2.4745	-	24.1194
2004: Non-homestead						24.1194

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

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

CITY OF OAK PARK, MICHIGAN

Schedule 7
Unaudited

Principal Property Tax Payers

Current Year and Nine Years Ago

Taxpayer	2004			2013		
	Taxable Value	Rank	Percentage of Total	Taxable Value	Rank	Percentage of Total
Jewish Federation Apts.	\$10,236,660	1	0.63%	\$ 8,482,300	1	0.89%
Detroit Square Properties, LLC				4,592,300	2	0.48%
Lincoln Towers Apts, LLP	6,496,050	2	0.40%	5,178,970	3	0.55%
Village Green Management Co.				4,611,580	4	0.49%
Eaton Steel/Goodman/Oak Park Bldg. Co.				3,962,960	5	0.42%
DTE Energy Company	6,320,760	3	0.39%	4,576,070	6	0.48%
Apollo Heat Treating & Processing	-	-		3,901,450	7	0.41%
Oak Park Manor MI, LLC				3,602,980	8	0.38%
Lincoln Center				2,955,400	9	0.31%
Symtec Mfg. Technologies/Paramount Boring				2,863,230	10	0.30%
Parkwoods Shopping Plaza, LLC	4,369,900	8	0.27%			
Oakmont Properties	3,846,470	10	0.24%			
Huntington Gardens Village Green Mgmt	5,618,510	5	0.35%			
CBS, Inc.	4,434,480	7	0.28%			
GTN Industries, Inc.	5,004,820	6	0.31%			
Home Properties of New York	4,166,680	9	0.26%			
Crown Pointe Office	5,706,350	4	0.35%			
	<u>\$56,200,680</u>		<u>3.69%</u>	<u>\$44,727,240</u>		<u>3.56%</u>

CITY OF OAK PARK, MICHIGAN

Schedule 8
Unaudited
Property Tax Levies and Collections
 Last Ten Fiscal Years

Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Years Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2013	\$ 15,138,509	\$ 13,946,023	92.12%	\$ 101,563	\$ 14,047,586	92.79%
2012	14,899,108	13,746,273	92.26%	81,518	13,827,791	92.81%
2011	15,658,581	14,363,567	91.73%	95,810	14,459,377	92.34%
2010	18,708,879	16,964,827	90.68%	81,685	17,046,512	91.11%
2009	19,029,345	17,269,947	90.75%	113,244	17,383,191	91.35%
2008	18,170,268	16,349,901	89.98%	136,390	16,486,291	90.73%
2007	17,357,852	15,654,630	90.19%	129,735	15,784,365	90.94%
2006	16,627,835	15,269,916	91.83%	142,811	15,412,727	92.69%
2005	15,670,688	15,439,161	98.52%	141,982	15,581,143	99.43%
2004	14,081,644	13,894,283	98.67%	93,827	13,988,110	99.34%

CITY OF OAK PARK, MICHIGAN

Schedule 9
Unaudited**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	Capital Lease	Water Revenue Bonds			
2013	\$ 31,950,000	\$ 2,430,000	\$ 10,754,639	\$ 45,134,639	93.11%	\$ 1,539.43
2012	33,120,000	2,500,000	12,510,082	48,130,082	98.84%	1,641.60
2011	34,540,000	-	13,697,003	48,237,003	99.06%	1,645.25
2010	22,410,000	-	14,315,803	36,725,803	75.42%	1,252.63
2009	24,110,000	-	15,066,183	39,176,183	80.45%	1,209.18
2008	25,805,000	-	15,219,483	41,024,483	84.24%	1,266.23
2007	27,475,000	-	16,091,554	43,566,554	89.46%	1,344.69
2006	29,055,000	-	16,921,387	45,976,387	94.41%	1,419.07
2005	19,930,000	-	17,326,313	37,256,313	76.51%	1,149.92
2004	21,775,000	-	16,475,815	38,250,815	78.55%	1,239.29

CITY OF OAK PARK, MICHIGAN

Schedule 10
Unaudited

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	% of Estimated Actual Taxable Value of Property	Per Capita
2013	\$ 31,950,000	\$ -	\$ 31,950,000	6.73%	\$ 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%	720
2008	25,805,000	643,161	25,161,839	3.48%	777
2007	27,475,000	493,669	26,981,331	3.91%	833
2006	29,055,000	371,772	28,683,228	4.31%	885
2005	19,930,000	334,783	19,595,217	3.14%	605
2004	21,775,000	282,328	21,492,672	3.71%	696

CITY OF OAK PARK, MICHIGAN

Schedule 11
Unaudited**Direct and Overlapping Governmental Activities Debt**

As of June 30, 2013

	Net Debt Outstanding	Percentage Applicable to City *	Estimated Share of Overlapping Debt
Direct			
City of Oak Park	\$ 31,950,000	100.00%	\$ 31,950,000
Overlapping			
Berkley School District	20,620,000	12.53%	2,583,686
Ferndale School District	54,427,678	13.08%	7,119,140
Oak Park School District	19,925,000	69.93%	13,933,553
Oakland County (at-large)	88,018,060	0.96%	844,973
Oakland Intermediate School District	61,705,000	0.97%	598,539
Oakland Community College	4,435,000	0.97%	43,020
			<u>25,122,910</u>
Total direct and overlapping debt			<u><u>\$ 57,072,910</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 Saginaw. 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		\$ 433,068,140
Legal debt limit (10% of SEV)		\$ 43,306,814
Gross indebtedness	\$ 34,380,000	
Amount available in debt service funds	-	
Net bonded debt		34,380,000
Legal debt margin		\$ 8,926,814
Net bonded debt as a percentage of assessed value		7.94%

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
2013	\$ 43,306,814	\$ 34,380,000	\$ 43,306,814	0.00%
2012	47,437,689	35,438,601	13,057,689	72.47%
2011	53,202,679	33,885,602	19,317,077	63.69%
2010	64,419,982	21,574,317	42,845,665	33.49%
2009	81,477,547	23,325,784	58,151,763	28.63%
2008	90,844,906	25,161,839	65,683,067	27.70%
2007	95,225,228	26,981,331	68,243,897	28.33%
2006	93,105,522	28,683,228	64,422,294	30.81%
2005	91,778,395	19,595,217	72,183,178	21.35%
2004	87,283,669	21,492,672	65,790,997	24.62%

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
2013	\$ 10,984,950	\$ 9,204,994	\$ 1,779,956	\$ 1,550,517	1.15
2012	10,726,423	8,500,899	2,225,524	1,552,305	1.43
2011	10,676,880	8,091,387	2,585,493	1,523,214	1.70
2010	9,148,095	8,094,665	1,053,430	1,552,893	0.68
2009	9,050,017	7,304,931	1,745,086	1,493,798	1.17
2008	8,972,129	7,302,057	1,670,072	1,490,687	1.12
2007	9,034,465	7,072,472	1,961,993	1,467,851	1.34
2006	10,547,749	7,255,581	3,292,168	1,469,511	2.24
2005	8,213,692	6,215,874	1,997,818	1,497,068	1.33
2004	7,974,025	6,641,542	1,332,483	1,051,245	1.27

CITY OF OAK PARK, MICHIGAN

Schedule 14
Unaudited

Demographic and Economic Statistics

Last Ten Fiscal Years

Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment Rate
2013	29,319	\$ 48,476	\$ 23,242	38.6	13.60%
2012	29,319	48,697	21,677	34.6	11.20%
2011	29,319	48,697	21,677	34.6	15.20%
2010	29,319	48,697	21,677	34.6	19.10%
2009	32,399	48,697	21,677	34.6	22.50%
2008	32,399	48,697	21,677	34.6	10.80%
2007	32,399	48,697	21,677	34.6	9.69%
2006	32,399	48,697	21,677	34.6	8.70%
2005	32,399	48,697	21,677	34.6	8.20%
2004	30,865	48,697	21,677	34.6	8.60%

Principal Employers

Current Year and Nine Years Ago

Employer	2004			2013		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Berkley School District	115	4	0.37%	615	1	2.10%
Oak Park School District	420	1	1.36%	320	4	1.09%
City of Oak Park	238	2	0.77%	234	6	0.80%
Aarmco	120	3	0.39%	252	5	0.86%
Hagopian World of Rugs Inc.	110	5	0.36%	84	8	0.29%
K-Mart Corporation				92	7	0.31%
Ferndale School District	108	7	0.35%	460	2	1.57%
Visiting Nurse Association	100	8	0.32%	378	3	1.29%
Barton Malow Rigging Co. Inc.	109	6	0.35%			
GTN Inc.	94	9	0.30%			
MeasureComp				67	9	0.23%
Weathergard Windows				63	10	0.21%
Thyssen Metal	91	10	0.29%			
	<u>1,390</u>		<u>4.50%</u>	<u>1,950</u>		<u>6.65%</u>

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CITY OF OAK PARK, MICHIGAN

Full-time Equivalent Employees by Department / Union Group

Last Ten Fiscal Years

Department/Union	2004	2005	2006	2007
Full-time				
Council	5.00	5.00	5.00	5.00
City Manager	4.00	4.00	4.00	4.00
Information Technology	1.00	1.00	1.00	1.00
City Attorney	-	-	-	-
Prosecuting Attorney	-	-	-	-
Elections	-	-	-	-
City Clerk	4.00	4.00	4.00	4.00
Finance & Administrative Services	17.00	16.00	17.00	16.00
Technical & Planning Services	16.00	16.00	17.00	17.00
Public Information	4.00	4.00	4.00	4.00
Public Safety	78.00	78.00	79.00	79.00
Public Works	28.00	28.00	27.00	27.00
Recreation	11.00	9.00	8.00	8.00
Library	8.00	8.00	8.00	6.00
Community Services	-	-	-	-
District Court 45-B / Probation	26.00	26.00	26.00	28.00
	<u>202.00</u>	<u>199.00</u>	<u>200.00</u>	<u>199.00</u>
Part-time				
Council	-	-	-	-
City Manager	-	-	-	-
Information Technology	-	-	-	-
City Attorney	-	-	-	-
Prosecuting Attorney	1.00	1.00	1.00	1.00
Elections	-	-	-	-
City Clerk	-	-	-	-
Finance & Administrative Services	-	-	-	-
Technical & Planning Services	1.00	0.50	0.50	0.50
Public Information	-	-	-	-
Public Safety	5.25	5.25	5.25	5.25
Public Works	2.42	2.42	2.42	3.17
Recreation	21.30	21.30	20.40	21.20
Library	3.65	3.65	3.65	3.65
Community Services	-	-	-	-
District Court 45-B / Probation	1.90	1.90	1.90	2.40
	<u>36.52</u>	<u>36.02</u>	<u>35.12</u>	<u>37.17</u>
Total	<u>238.52</u>	<u>235.02</u>	<u>235.12</u>	<u>236.17</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

2008	2009	2010	2011	2012	2013
5.00	5.00	5.00	5.00	5.00	5.00
4.00	4.00	4.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00	1.00
-	-	-	-	-	1.00
-	-	-	-	-	-
-	-	-	-	-	-
4.00	4.00	3.00	2.00	2.00	2.00
17.00	17.00	15.00	13.00	11.00	10.00
16.00	13.00	13.00	12.00	10.00	9.00
3.00	3.00	3.00	3.00	3.00	2.00
78.00	78.00	74.00	73.00	68.00	57.00
27.00	26.00	26.00	24.00	24.00	21.00
7.00	7.00	7.00	7.00	7.00	2.00
6.00	6.00	6.00	6.00	4.00	4.00
-	-	-	-	-	-
27.00	25.00	27.00	27.00	23.00	22.00
195.00	189.00	184.00	176.00	161.00	139.00
-	-	-	-	-	-
-	-	-	0.12	0.12	-
-	-	-	-	-	-
-	-	-	-	-	-
1.00	1.00	1.00	1.00	1.00	-
-	-	-	-	-	-
-	-	0.50	0.50	0.50	-
-	-	-	-	-	-
0.50	0.50	0.50	0.50	0.50	0.50
-	-	-	-	-	-
5.25	5.25	5.25	5.25	5.25	5.25
3.17	3.17	3.17	3.17	3.17	1.67
21.20	21.10	21.10	20.35	20.35	20.35
3.65	4.50	4.50	3.75	3.75	2.50
-	-	-	-	-	-
2.40	2.40	0.70	0.70	1.70	2.70
37.17	37.92	36.72	35.34	36.34	32.97
232.17	226.92	220.72	211.34	197.34	171.97

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CITY OF OAK PARK, MICHIGAN

Full-time Equivalent Employees by Department / Union Group

Last Ten Fiscal Years

Department/Union	2004	2005	2006	2007
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Full-time Personnel by Salary Classification

Legislative	5	5	5	5
Exempt	11	11	11	11
Supervisory	13	13	15	15
Administrative	6	5	5	5
AFSCME	71	69	66	63
POAM	50	50	52	52
COAM	14	14	14	14
Dispatch	6	6	6	6
District Court 45-B	26	26	26	28
	<u>202</u>	<u>199</u>	<u>200</u>	<u>199</u>

Schedule 16
Unaudited

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2008	2009	2010	2011	2012	2013
5	5	5	5	5	5
11	11	11	11	10	11
15	13	13	13	13	10
5	5	5	5	4	6
61	59	56	56	43	33
51	51	47	47	45	34
14	14	14	14	13	13
6	6	6	6	5	5
27	25	27	27	23	22
195	189	184	184	161	139

concluded

CITY OF OAK PARK, MICHIGAN

Operating Indicators by Function/Department

Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007
City Manager				
Number of complaints	130	167	160	143
Average days to complete	3.50	4.40	5.00	5.50
Public Safety				
Hazardous violations	2,563	4,726	6,178	5,423
Total violations	8,190	13,241	15,716	14,837
EMS requests	2,237	2,521	2,491	2,441
Traffic crashes	1,134	1,091	908	923
Technical & Planning Services				
Number of building permits	814	811	716	624
Value of building permits	\$ 10,711,218	\$ 9,930,436	\$ 9,075,580	\$ 8,515,609
Library				
Residents with library cards	15,311	17,234	19,127	16,076
Items available	103,500	102,893	105,302	104,954
Health and Sanitation				
Tons of solid waste recycled	940.12	940.00	863.00	771.00
Water System				
Percent of line lost	5.11%	10.70%	9.55%	9.48%

Schedule 17
Unaudited



2008	2009	2010	2011	2012	2013
139	94	113	293	293	147
7.63	1.50	2.00	5.60	5.60	6.68
5,077	4,060	3,428	3,624	3,624	2,409
13,955	11,171	10,122	9,473	9,473	6,941
2,210	2,305	2,533	2,423	2,423	2,389
815	730	659	655	655	593
545	582	526	526	526	649
\$ 5,868,495	\$ 6,143,751	\$ 4,560,779	\$ 4,560,779	\$ 4,560,779	\$13,015,549
17,102	17,400	18,268	18,916	18,916	19,062
114,338	105,750	105,720	94,939	94,939	103,021
802.00	826.00	818.00	793.00	793.00	762.00
6.51%	4.83%	4.83%	4.83%	4.83%	4.83%

CITY OF OAK PARK, MICHIGAN

Capital Asset Statistics by Function/Department

Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007
City Manager				
Vehicles assigned	1	2	3	2
Public Safety				
Vehicles assigned	33	35	35	40
Public Works				
Vehicles assigned	33	40	40	48
Number of buildings	5	5	5	4
Road Maintenance and Repair				
Miles of major streets	20.72	20.72	20.72	20.72
Miles of local streets	65.33	65.33	65.33	65.33
Water & Sewer System				
Miles of water mains	115	115	115	115
Miles of sewers	80.64	80.64	80.64	80.64
Recreation				
Swimming pool	1	1	1	1
City parks	10	10	10	10
Park acreage	109.8	109.8	109.8	109.8

Schedule 18
Unaudited

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2008	2009	2010	2011	2012	2013
2	-	-	-	-	-
39	29	34	38	33	37
46	38	42	42	42	41
4	4	4	4	4	5
20.72	20.72	20.72	21	21	21
65.33	65.33	65.33	65.33	65.33	65.33
115	115	115	115	115	115
80.64	80.64	80.64	80.64	80.64	80.64
1	1	1	1	1	1
10	10	10	10	10	10
109.8	109.8	109.8	109.8	109.8	109.8