

CITY OF OAK PARK

MICHIGAN

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**



FISCAL YEAR ENDED JUNE 30, 2011

CITY OF OAK PARK, MICHIGAN

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE YEAR ENDING

JUNE 30, 2011

SUBMITTED TO THE

2011 CITY COUNCIL

Mayor

Marian McClellan

Mayor Pro Tem

Angela Diggs Jackson

Council Member

Michael M. Seligson

Paul H. Levine

Emile J. Duplessis

Prepared By:

The Department of Finance and
Administrative Services



“The Family City”

**Fiscal Year July 1, 2010
through June 30, 2011**

**Comprehensive Annual
Financial Report**

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“The Family City”

**Fiscal Year July 1, 2010
through June 30, 2011**

**Comprehensive Annual
Financial Report**



CITY OF OAK PARK

"The Family City"

James Ghedotte

Director of Finance and Administrative Services

Mayor

Marian McClellan

Mayor Pro Tem

Angela Diggs Jackson

Councilmember

Michael M. Seligson

Paul H. Levine

Emile J. Duplessis

December 1, 2011

To the Honorable Mayor, members of the City Council, City Manager, and the Citizens of the City of Oak Park:

The comprehensive annual financial report (CAFR) of the City of Oak Park for the year ended June 30, 2011, 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 of Oak Park 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 Post, Smythe, Lutz and Ziel of Plymouth LLP, 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 are reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City of Oak Park. All disclosures necessary to enable the reader to gain an understanding of the City of Oak Park 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 of Oak Park's principal appointed officials. The Basic Financial Statements section includes the entity-wide financial statements, fund financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The required supplemental section includes management's discussion and analysis and information on the pension plan. Other supplementary information includes combining and individual fund financial statements. 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 of Oak Park's MD&A can be found immediately following the report of the independent auditor.

The Reporting Entity and Services Provided

The City of Oak Park has defined its financial reporting entity in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). The City of Oak Park 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 the Economic Development Corporation have been included in this report.

The City of Oak Park 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; 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, 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. The City Manager also 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.

There is no question the next fiscal year will be challenging as revenue is reduced and expenses increase. 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 2010-2011:

- 1) The City's sewage is handled by the Twelve Towns Drain system. Storm water 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 \$5.65 to \$8.00 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 a balanced FY 2011-2012 General Fund Budget, after adding \$220,092 of fund balance in FY 2008-2009 and adding \$42,778 in FY 2009-2010. The City will use \$413,416 of fund balance in FY 2010-2011. 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. It is anticipated that the City will borrow another \$2.5 million 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. 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 using 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 FY 2010-

2011 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 Trust Fund are reported on the full 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 Fund, Special Revenue Funds and certain Debt Service 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. However, any encumbrances outstanding at June 30, 2011, are reported as reservations of fund balances.

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 Comprehensive Annual Financial Report from the Government Finance Officers Association (GFOA) for the Fiscal Year July 1, 2009 through June 30, 2010. This award has been received for seventeen consecutive years.

A Distinguished Budget Presentation Award was received from the GFOA for the Fiscal Year 2011-2012 budget document. This award has been received for seventeen consecutive years.

An award for Outstanding Achievement in Popular Annual Financial Reporting was received from the GFOA for the Fiscal Year 2009-2010. This award has been received for eight consecutive years and made Oak Park one of five governments in Michigan to receive the three financial reporting awards offered by the GFOA.

The preparation of the comprehensive financial report 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, Post, Smythe, Lutz and Ziel of Plymouth LLP, 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

James Ghedotte
Director of Finance and Administrative Services

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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danson

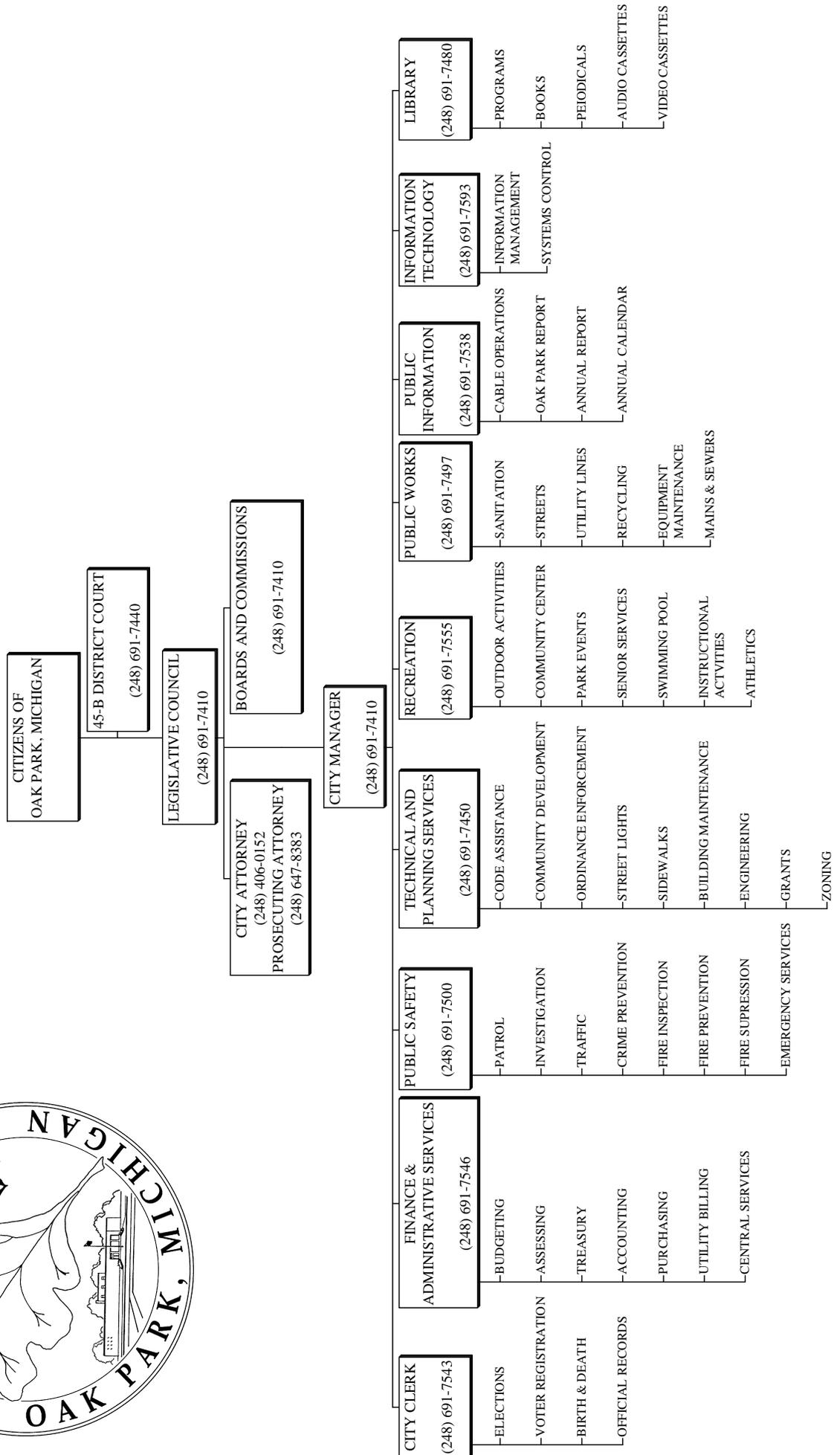
President

Jeffrey R. Enos

Executive Director



City of Oak Park



**CITY OF OAK PARK
2011
PRINCIPAL OFFICIALS**

<u>TITLE</u>	<u>NAME OF OFFICIAL</u>
City Manager	Richard Fox
City Clerk	Tonni Bartholomew
Director of Finance and Administrative Services	James Ghedotte
City Attorney	John Carlson
Library Director	Beth Thompkins
Director of Public Information	Melvyn Newman
Director of Technical and Planning Services	Kevin Rulkowski
Director of Public Works/City Engineer	Kevin Yee
Director of Public Safety	John M. McNeilance
Director of Recreation	Roy Vultaggio
Director of Information Technology	Jeffrey Schefke
Deputy Treasurer	Kathleen Lindroth
Deputy Finance Director	Saundra Crawford
City Assessor	M. Dean Bush
General Foreman	Scott Lemarbe
General Foreman	Gary Shermetaro
Deputy Director of Public Safety	Steve Cooper
Deputy Director of Technical and Planning Services	Robert Barrett
Deputy Director of DPW	Rocco Fortura
Deputy Director of Recreation	Scott Pratt
Senior Services Coordinator	Lynn Davey

POST, SMYTHE, LUTZ and ZIEL

of Plymouth LLP
Certified Public Accountants

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David R. Williamson, C.P.A.
Jane F. Wang, C.P.A.
Rana M. Emmons, C.P.A.

Jennifer A. Galofaro, C.P.A., C.V.A.
Susan H. Bertram, C.P.A.

BLOOMFIELD HILLS

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Independent Auditor's Report

December 1, 2011

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oak Park, Michigan as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Oak Park's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oak Park, Michigan, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Major Street Fund, and Solid Waste Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the defined benefit pension plans trend information and other post employment benefits plan information, as listed in the table of contents on pages 17 through 30 and page 87, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on them.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oak Park, Michigan's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical tables as listed in the table of contents 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 have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables, as listed in the table of contents, have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with Government Auditing Standards, we have also issued our report dated December 1, 2011, on our consideration of the City of Oak Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As discussed in Note 1, during the year the City implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. As a result of this implementation, the fund balance classifications in the governmental fund financial statements have been changed to reflect the five new fund balance classifications under GASB Statement No. 54.

Respectfully,

A handwritten signature in black ink that reads "Post Smythe Lutz and Ziel of Plymouth". The signature is written in a cursive, flowing style.

Post, Smythe, Lutz and Ziel of Plymouth LLP
Certified Public Accountants



CITY OF OAK PARK

"The Family City"

James Ghedotte

Director of Finance and Administrative Services

Mayor

Marian McClellan

Mayor Pro Tem

Angela Diggs Jackson

Councilmember

Michael M. Seligson

Paul H. Levine

Emile J. Duplessis

MANAGEMENT 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, 2011. Please read it in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The City's net assets decreased as a result of this year's operations. Net assets of our business-type activities increased by \$2,029,645, or 11.74 percent; net assets of our governmental activities decreased by \$3,827,488, or 24.98 percent.
- During the year, the City had revenues, bond proceeds and other financing sources in Governmental Funds that were \$12.692 million more than the \$31.29 million in expenditures and transfers out. The majority of the increase can be attributed to \$13.3 in bond proceeds.
- In the City's business-type activities, revenues were \$10.71 million while expenses were \$8.73 million.
- Total cost of all of the City's governmental programs was \$31.289 million.
- The General Fund reported a decline in fund balance of \$413,416.
- The resources available for appropriation were \$192,883 less than budgeted in the General Fund. Expenditures were \$329,525 less than budgeted. The General Fund decreased fund balance by \$413,416 instead of using \$550,058 as projected in the final budget.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets 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 are for governmental activities, these statements tell 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

The Statement of Net Assets and the Statement of Activities

Our analysis of the City as a whole begins with the Statement of Net Assets. 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 Assets 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 assets and changes in them. You can think of the City's net assets—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 Assets and the Statement of Activities, we divide the City into three kinds of activities:

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

Fund Financial Statements

Our analysis of the City's major funds begins on page 22. The fund financial statements begin on page 31 and provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes (like the Municipal Building Construction Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the U.S. Department of Housing and Urban Development). 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 you 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 Assets 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 Assets and the

Statement of Activities. In fact, the City’s enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. 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 Fund.

The City as Trustee

Reporting the City’s Fiduciary Responsibilities

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 that—because of a trust arrangement—can be used only for the trust beneficiaries. All of the City’s fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 43 and 44. 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 combined net assets were decreased from a year ago— from \$32.6 million to \$30.80 million. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City’s governmental and business-type activities.

Table 1
Net Assets

	Governmental Activities		Business- type Activities		Total Primary Government	
	2010	2011	2010	2011	2010	2011
Current and other assets	\$10,785,189	\$23,052,128	\$3,187,462	\$4,170,009	\$13,972,651	\$27,222,137
Capital Assets	<u>37,816,195</u>	<u>36,616,411</u>	<u>31,214,002</u>	<u>31,386,443</u>	<u>69,030,197</u>	<u>68,002,854</u>
Total Assets	<u>48,601,384</u>	<u>59,668,539</u>	<u>34,401,464</u>	<u>35,556,452</u>	<u>\$83,002,848</u>	<u>\$95,224,991</u>
Long-term debt outstanding	22,410,000	34,540,000	14,433,739	13,697,003	36,843,739	48,237,003
OPEB Net Obligation	7,041,501	10,023,549	0	0	7,041,501	10,023,549
Other liabilities	<u>3,832,320</u>	<u>3,614,915</u>	<u>2,684,389</u>	<u>2,546,468</u>	<u>6,516,709</u>	<u>6,161,383</u>
Total Liabilities	33,283,821	48,178,464	17,118,128	16,243,471	50,401,949	64,421,935
Net Assets:						
Invested in capital assets, net of debt	15,406,195	2,076,411	16,780,263	17,689,440	32,186,458	19,765,851
Restricted	4,088,332	16,892,886	0	0	4,088,332	16,892,886
Unrestricted	<u>(4,176,964)</u>	<u>(7,479,222)</u>	<u>503,073</u>	<u>1,623,541</u>	<u>(3,673,891)</u>	<u>(5,855,681)</u>
Total Net Assets	<u>\$15,317,563</u>	<u>\$11,490,075</u>	<u>\$17,283,336</u>	<u>\$19,312,981</u>	<u>\$32,600,899</u>	<u>\$30,803,056</u>

Net assets of the City’s governmental activities decreased by 24.98 percent, \$15.32 million compared to \$11.49 million. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—changed from -\$4.2 million at June 30, 2010 to -\$7.48 million at the end of this year. The majority of the decline can be attributed to a reduction in net assets of \$2,982,048 due to Other Post Employment Benefits Net Obligation. This is the amount of annual required contribution that the city did not make for retirees health care.

Governmental net asset 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 and Footnote 9.

The net assets of our business-type activities increased by 11.74 percent (\$19.31 million compared to \$17.28 million in 2010). 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).

Table 2
Changes in Net Assets

	Governmental Activities		Business- type Activities		Total Primary Government	
	2010	2011	2010	2011	2010	2011
Revenues						
Program Revenues:						
Charges for Services	\$3,868,748	\$4,330,725	\$9,148,095	\$10,688,598	\$13,016,843	\$15,019,323
Federal Grants	2,717,244	1,841,510	0	0	2,717,244	1,841,510
State Grants	1,789,928	1,960,102	0	0	1,789,928	1,960,102
General Revenues:						
Property Taxes	18,138,062	15,762,619	0	0	18,138,062	15,762,619
State Shared	3,622,093	3,438,471	0	0	3,622,093	3,438,471
Other Taxes	669,415	701,558	0	0	669,415	701,558
Investment Earnings	73,560	60,045	93,647	24,277	167,207	84,322
Gain (loss) on Sale	<u>51,411</u>	<u>(8,173)</u>	<u>0</u>	<u>(11,718)</u>	<u>51,411</u>	<u>(19,891)</u>
Total Revenues	<u>30,930,461</u>	<u>28,086,857</u>	<u>9,241,742</u>	<u>10,701,157</u>	<u>40,172,203</u>	<u>38,788,014</u>
Program Expenses:						
General Government	5,455,233	5,175,795	0	0	5,455,233	5,175,795
Judicial	2,480,818	2,438,608	0	0	2,480,818	2,438,608
Public Safety	11,980,655	11,807,208	0	0	11,980,655	11,807,208
Road Maintenance	3,132,845	3,773,388	0	0	3,132,845	3,773,388
Public Works	1,748,297	1,468,111	0	0	1,748,297	1,468,111
Health & Sanitation	2,074,094	1,938,016	0	0	2,074,094	1,938,016
Culture & Recreation	1,346,217	1,257,593	0	0	1,346,217	1,257,593
Library	1,028,408	904,488	0	0	1,028,408	904,488
Community Development	1,499,055	1,889,763	0	0	1,499,055	1,889,763
Interest on Long-term Debt	1,038,320	1,211,375	442,114	405,294	1,480,434	1,616,669
Water & Sewer	<u>0</u>	<u>0</u>	<u>8,354,483</u>	<u>8,316,218</u>	<u>8,354,483</u>	<u>8,316,218</u>
Total Expenses	<u>31,783,942</u>	<u>31,864,345</u>	<u>8,796,597</u>	<u>8,721,512</u>	<u>40,580,539</u>	<u>40,585,857</u>
Excess (shortage) before Transfers	(853,481)	(3,777,488)	445,145	1,979,645	(408,336)	(1,797,843)
Transfers	<u>(50,000)</u>	<u>(50,000)</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>0</u>
Increase (Decrease) in Net Assets	(903,481)	(3,827,488)	495,145	2,029,645	(408,336)	(1,797,843)
Net Assets - July 1	16,221,044	15,317,563	16,788,191	17,283,336	33,009,235	32,600,899
Net Assets – June 30	<u>15,317,563</u>	<u>11,490,075</u>	<u>17,283,336</u>	<u>19,312,981</u>	<u>32,600,899</u>	<u>30,803,056</u>

The City's total revenue for all programs and services decreased by 3.4 percent (\$1,384,189). The total cost of all programs and services was increased 0.01 percent (\$5,318).

Governmental Activities

Revenues for the City's governmental activities decreased by 9.19 percent (\$2,843,604), while total expenses increased .25 percent (\$80,403).

Table 3 presents the cost of each of the City's six largest programs—judicial, public safety, road maintenance, public works, health & sanitation, and recreation—as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Table 3
Governmental Activities

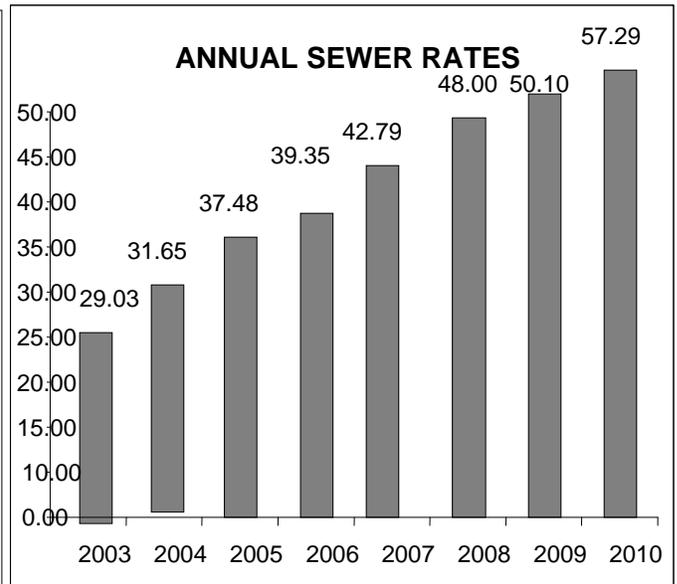
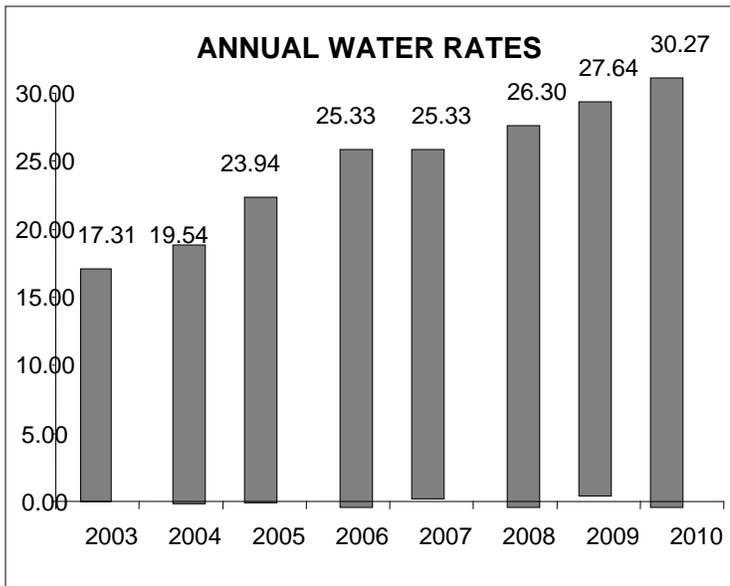
	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
Judicial	\$ 2,480,818	\$ 2,438,608	\$ (1,756,452)	\$ (1,701,004)
Public Safety	11,980,655	11,807,208	(10,489,095)	(10,113,388)
Road Maintenance & Repair	3,132,845	3,773,388	(1,466,101)	(2,131,204)
Public Works	1,748,297	1,468,111	(1,595,226)	(1,068,486)
Health & Sanitation	2,074,094	1,938,016	(1,429,530)	(1,102,475)
Recreation	1,346,217	1,257,593	(824,670)	(824,197)
All others	7,982,696	7,970,046	(4,808,628)	(5,579,879)
Interest on long-term debt	<u>1,038,320</u>	<u>1,211,375</u>	<u>(1,038,320)</u>	<u>(1,211,375)</u>
Totals	\$ 31,783,942	\$ 31,864,345	(\$ 23,408,022)	(\$ 23,732,008)

Business-type Activities

The City has one business-type activity: the water and sewer system. Revenues of the City's Water and Sewer Fund (see Table 2) increased by 15.79 percent (\$9.24 million in FY 2009-2010 compared to \$10.7 million in FY 2010-2011) and expenses decreased by .85 percent (\$8.797 million in FY 2009-2010 compared to \$8.721 million in FY 2010-2011). The City experienced a net income of \$2.03 million in its Water and Sewer Fund. This was an increase from FY 2009-2010 income of \$445,145. 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 \$27.64 to \$30.27 per 1,000 cubic feet in FY 2010-2011. Sewer rates increased from \$50.10 to \$57.29 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 (as presented in the balance sheet on page 33) reported a combined fund balance of \$20.293 million, which is above last year's total of \$7.602 million. Included in this year's total change in fund balance is a decrease of \$413,416 in the City's General Fund. In addition, these other changes in fund balances should be noted:

The City decrease in property tax revenue was 12.43% in the General Fund (\$13.649 million in FY 2009-2010 and \$11.951 million in FY 2010-2011). State shared revenue decreased in the General Fund by 5.13 percent (\$187,600). The State of Michigan collects sales tax and redistributes a portion of these collections to local jurisdictions. The City received decreased amounts because of less sales tax collected by the State.

The City borrowed \$11.5 million in FY 2002-2003 and \$11,000,000 in FY 2005-2006 for the reconstruction of roads that was placed in a Capital Projects Fund. This is a six-year construction program that began four years ago. An amount of \$1.926 million remains in the Road Construction fund balance. The City's fund balance changed in many of its governmental funds due to several factors:

The City had bond proceeds of \$13,326,647 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 building. It is anticipated the construction will be complete in 2013.

The fund balance in the 2003 Street Improvement Bond Fund decreased \$225,928. This is due to transferring funds to the 2010 Municipal Complex bond fund to pay interest. The city will levy a tax in FY 2012 - 2013 to cover future debt payments.

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.

The actual charges to appropriations (expenditures) were \$329,525 less than the final budget amounts in the General Fund although nine departments exceeded their budget. The variances were with City Council (\$2,219), Information Technology (\$611), Prosecuting Attorney (\$976), Public Information (\$111), Technical and Planning Services (\$49,103) Public Safety (\$227,973), Public Works (\$8,965), Library (\$10,246), and Non-departmental (\$103,496). These variances occurred because of unanticipated costs of health care. The city self funded the first \$5,000 of health care and billings did not come in until after the end of the fiscal year.

Resources available for appropriation were \$192,883 below the final budgeted amount. Transfers in accounted for the majority of the reduced amount (\$275,000).

General Fund Revenue. The following paragraphs analyze the activities of the City's major funds. General Fund revenues totaled \$18,877,484, a decrease of 9.19 percent from the prior year. Revenues by source were as follows:

General Fund Revenue:

<u>Revenue</u>	<u>FY 2009-2010 Amount</u>	<u>FY 2010-2011 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>	<u>Percent Increase (Decrease) from FY 2009-2010</u>
Property Taxes	\$ 13,648,728	\$ 11,951,090	63.31%	(\$1,697,638)	(12.44%)
Licenses & Permits	286,918	324,819	1.72	37,901	13.21
Charges for Services	591,378	540,679	2.86	(50,699)	(8.57)
Fines and Forfeits	1,665,372	1,702,798	9.02	37,426	2.25
Intergovernmental	3,703,125	3,465,525	18.36	(237,600)	(6.42)
Interest Income	32,322	8,959	0.05	(23,363)	(72.28)
Miscellaneous	<u>860,860</u>	<u>883,614</u>	<u>4.68</u>	<u>22,754</u>	2.64
Totals	<u>\$20,788,703</u>	<u>\$18,877,484</u>	<u>100%</u>	<u>(\$1,911,219)</u>	(9.19)

Ad Valorem taxes provide the City's primary source of revenue. Current collections remain high at 91.73 percent, and the City's total tax rate of 24.5191 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 decreased by .1672 mills in FY 2010-2011 due to a decrease for debt retirement.

Taxable values in the City decreased an average of 12.719%, led by a decrease of 14.00% in Residential Real Property values. Property tax revenue was limited to an increase of .997%. The tax rate for operating purposes remained at 18.3477 in Fiscal Year 2010 – 2011 from the prior fiscal year.

Licenses and permits increased by 13.21%. The revenue for building permits accounted for the largest part of this increase (\$22,113). The recession in Michigan is affecting the amount of investment in properties in the city. The amount for building permits in FY 2010-2011 was the lowest in over twenty years.

Charges for Services decreased 8.576% indicating lower usage of recreation programs in FY 2010 – 2011 although fees were increased.

Ordinance Fines levied by the 45-B District Court account for an increase of 2.25% in Fines and Forfeits. The increase is due to more tickets issued by the Department of Public Safety and higher collections.

Intergovernmental Revenues decreased 6.42%. The City received lower amounts because the State of Michigan continues to cut revenue sharing in an effort to balance its budget.

Interest income decreased 72.28%, which is attributable to short term interest rates decreasing to historical lows.

Miscellaneous Income increased 2.64% or \$22,754 in FY 2010 – 2011.

General Fund Expenditures. General Fund expenditures were \$17,783,406, a decrease of 6.6 percent from the preceding year. Broken down by major function, expenditures were as follows:

<u>Expenditure</u>	<u>FY 2009-2010 Amount</u>	<u>FY 2010-2011 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
General Government	\$4,261,390	\$3,862,062	21.72%	(\$399,328)	(9.37)%
Public Safety	9,641,655	9,432,641	53.04	(209,014)	(2.17)
Public Works	446,003	112,409	.63	(333,594)	(74.80)
Recreation	1,045,643	918,526	5.17	(127,117)	(12.16)
Library	850,138	668,867	3.76	(181,271)	(21.32)
Capital Outlay	59,666	57,259	.32	(2,407)	(4.03)
Other Non-departmental	<u>2,735,006</u>	<u>2,731,642</u>	<u>15.36</u>	<u>(3,364)</u>	<u>(.12)</u>
Totals	<u>\$19,039,501</u>	<u>\$17,783,406</u>	<u>100%</u>	<u>(\$1,256,095)</u>	<u>(6.60)</u>

General Fund expenditures decreased \$1,256,095.

General Government expenditures decreased \$399,328 in FY 2010-2011. The decrease is due to a decrease in salary and fringe benefit expenditures (\$125,455) due to a hiring freeze city wide and no negotiated wage increases.

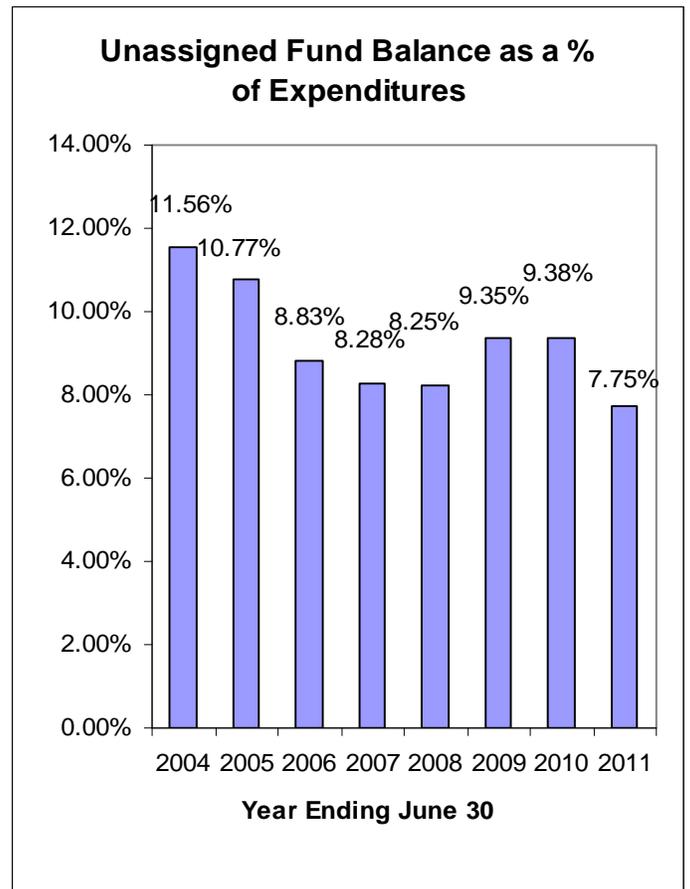
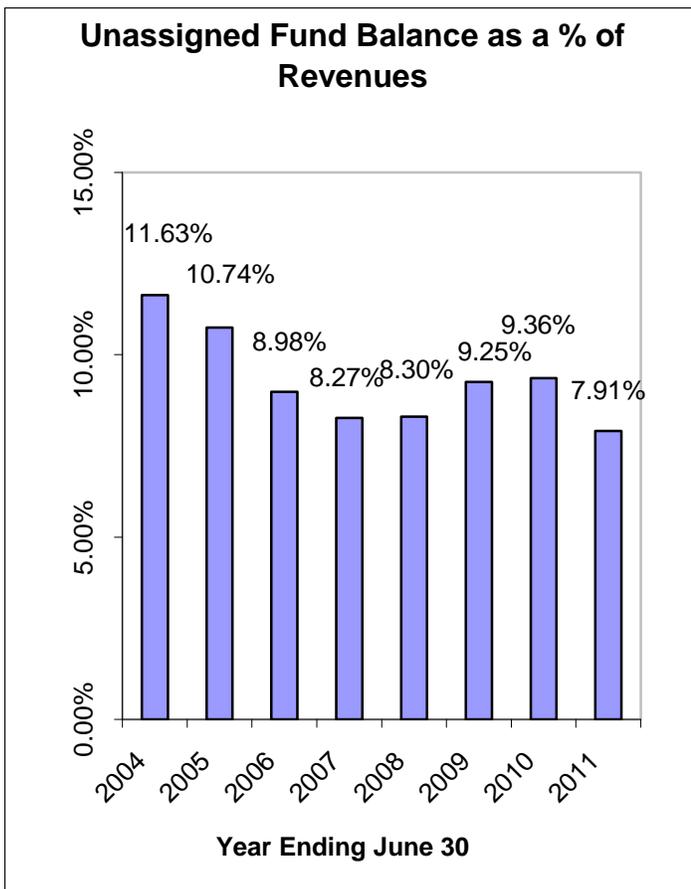
The Public Safety Department decreased \$209,014 or 2.17%. Reductions in salaries (\$304,486) and fringe benefits (\$102,813) account for this decrease.

The Public Works Department decreased \$333,594 or 74.80%. 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.

Capital Outlay decreased \$2,407, or 4.03%. A small decrease in our Library collection purchases account for this decrease.

Other Non-Departmental expenditures decreased \$3,364 due to the health benefits for retirees. The experience in health care usage decreased in FY 2010-2011.

General Fund Balance. General Fund Balance at June 30, 2011 was decreased by 19.11 percent or \$413,416 from June 30, 2010. The unassigned-available for appropriation portion of fund balance decreased by \$455,675 for a total of \$1,514,649, which provides the City with 28.28 days of expenditures, and is equivalent to 7.75 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. Undesignated Fund Balance can be graphically demonstrated as follows:



Special Revenue Funds. Special Revenue Funds account for revenue from specific revenue sources which are legally restricted for specified purposes. The City operates 11 separate special revenue funds as follows: (1) The Major Street Fund is used to finance the maintenance and construction of the City's major thorough-fares. (2) The Local Street Fund is used to finance the maintenance and construction of the City's minor thorough-fares. (3) The Narcotic Forfeiture Fund is used for the accounting of funds forfeited in drug arrests. (4) The Criminal Justice Training Fund is used for training in the Public Safety Department and is financed by fines levied at the District Court. (5) The Disaster Contingency Fund was established in prior years for the accounting and financing of natural disasters occurring within the City limits. (6) The Community Development Block Grant Fund is financed by grants received from the federal government and is restricted for use by the economically disadvantaged citizens of the City. (7) The Energy Efficiency and Conservation Block Grant Fund is used to account for expenditures of

The Energy Efficiency and Conservation Block Grant Fund is used to account for expenditures of replacing heating and cooling units at the Community Center. (8) The Community Oriented Policing Services Grant Fund is used to account for the hiring of police officers to enhance community policing strategies. (9) The Solid Waste Fund is used to finance the collection, recycling and disposal of the City's garbage and refuse. It is funded by a tax levy and collection fee on property. (10) The Caseflow Assistance Fund is used to fund a portion of the cost of processing drunk drivers. (11) The District Court 45-B Fund is financed by a General Fund transfer-in and its uses are restricted to the operations of the District Court 45-B.

Capital Project Funds. The City had expenditures in seven Capital Project Funds: Public Improvement Fund, City Owned Property, Neighborhood Stabilization Program, Sidewalk Program, Municipal Building Construction Fund, Municipal Complex Construction Fund and Road Construction Fund.

The Sidewalk Program Fund had a fund balance at June 30, 2011 of \$152,706. This fund is used for the construction of sidewalks, which are billed to the property owner.

The City Owned Property Fund had a fund balance of \$23,774 at June 30, 2011. The City took possession of 56 properties to return them to the tax rolls by selling or transferring the property to private ownership. The fund deficit will be eliminated by selling the property or a transfer from other funds.

The Neighborhood Stabilization Program had a fund balance of \$731,819 at June 30, 2011. The City took possession of sixteen properties to return it to the tax rolls by selling or transferring the property to private ownership. All expenditures will be reimbursed by the federal government with stimulus funding.

The Municipal Complex Construction Fund had a fund balance at June 30, 2011 of \$12,545,571. This fund received \$13.33 million in FY 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 roads will be completed in two years.

The Road Construction had a fund balance at June 30, 2011 of \$1,926,846. This fund received \$11.5 million in FY 2002-2003 and \$11 million in FY 2005-2006 from proceeds of the sale of bonds. It is anticipated that the roads will be completed in two years.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2011, the City had \$68.003 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, and water and sewer lines. (See Table 4)

Table 4
Capital Assets at Year-end
(Net of Depreciation)

	<u>Governmental</u> <u>Activities</u>		<u>Business- type</u> <u>Activities</u>		<u>Total</u> <u>Primary Government</u>	
	2010	2011	2010	2011	2010	2011
Land	\$ 1,503,145	\$ 1,642,187	\$ 11,502	\$ 11,502	\$1,514,647	\$1,653,689
Rights-of-way	600,818	600,818	0	0	600,818	600,818
Infrastructure - roads	16,916,509	23,517,723	0	0	16,916,509	23,517,723
Infrastructure – sidewalks	1,625,169	1,725,222	0	0	1,625,169	1,725,222
Infrastructure – water & sewer system	0	0	10,607,043	10,644,557	10,607,043	10,644,557
Buildings	469,311	525,287	18,073	7,367	487,384	532,654
Public Improvements	1,671,679	1,669,974	0	0	1,671,679	1,669,974
Library collection	67,038	92,168	0	0	67,038	92,168
Equipment - General	161,151	145,252	58,491	28,256	219,642	173,508
Equipment – Motor Pool	1,611,967	1,465,416	0	0	1,611,967	1,465,416
Work in Progress	<u>13,189,408</u>	<u>5,232,364</u>	<u>20,518,893</u>	<u>20,694,761</u>	<u>33,708,301</u>	<u>25,927,125</u>
Totals	<u>\$37,816,195</u>	<u>\$36,616,411</u>	<u>\$31,214,002</u>	<u>\$31,386,443</u>	<u>\$69,030,197</u>	<u>\$68,002,854</u>

This year's major additions included:

Five Public Safety Vehicles	\$ 108,834
Reconstruct Coolidge	3,408,344
Reconstruct Coolidge – Nine Mile Intersection	5,174,343
Replace Sidewalks	308,628
Replace Library Roof	110,650

The City's Fiscal Year 2011-2012 capital budget calls for it to spend another \$13,566,547 for capital projects, principally for 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 Notes 1, 6 and 7 to the financial statements.

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 \$33,885,602 (See Schedule 12 in Statistical Section) is 6.37% of assessed value, and provides a legal debt margin of \$19,317,077. Net bonded debt per capita equaled \$1,155.76.

The long-term debt obligations of the City consist of general obligation bonds outstanding of \$34,540,000.

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 2010-2011 for the retirement of debt. At year-end, the City had \$48,237,003 in bonds outstanding versus \$36,843,739 last year—an increase of 30.92 percent—as shown in Table 5.

Table 5
Outstanding Debt, at Year-end

	Governmental		Business- type		Totals	
	Activities		Activities			
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
General Obligation Bonds (backed by the City)	\$24,110,000	\$34,540,000	\$13,328,739	\$12,942,003	\$35,738,739	\$47,482,003
Revenue Bonds (backed by specific fee revenues)	-0-	-0-	<u>1,105,000</u>	<u>755,000</u>	<u>1,105,000</u>	<u>755,000</u>
Totals	<u>\$24,110,000</u>	<u>\$34,540,000</u>	<u>\$14,433,739</u>	<u>\$13,697,003</u>	<u>\$36,843,739</u>	<u>\$48,237,003</u>

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 of 2006.

At June 30, 2011 the 2003 Street Improvement Bond Fund, the 2003 Street Refunding Bond Fund, the 2006 Street Improvement Bond Fund, and the 2010 Municipal Complex Bond Fund were the only outstanding GO bonds. These bonds are paid by a tax levied on all taxpayers separate from 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 FY 2010-2011 was 3.7183 mills. Requirements for general obligation bonds will decrease until all bonds are paid off in May of 2036.

On June 30, 2003 the City had \$3.175 million of outstanding debt from the 1992 Refunding Revenue Bonds. In March of 2004 these bonds were redeemed to take advantage of favorable interest rates. The 2004 Refunding Revenue Bonds in the amount of \$2.945 million were issued to replace these bonds. These revenue bonds had an outstanding balance of \$755 thousand on June 30, 2011.

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 storm water 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 FY 2000-2001.

The District is borrowing funds through construction draw downs to complete this project. As of June 30, 2011 the City is obligated to pay \$12,942,003. Due to the nature of draw downs the exact obligation will be unknown until the project is complete or no other draw downs 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.

The City’s general obligation Moody’s Investor Service underlying bond rating continues to be A3 with outstanding debt having the 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 significantly below this \$53.20 million state-imposed limit.

The Voters of the City 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 17 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Oak Park (population 29,319) is primarily a residential community located in southeastern Oakland County, Michigan. The City's proximity to the downtown Detroit metropolitan area and several major roadways, including Interstate Highway 696, have helped spur considerable residential redevelopment.

The local tax base has experienced a decline of 12.71% for Fiscal Year 2010-2011 and is expected to continue to decline in the following year. This decline signals some difficult years in near future. Service levels will have to be adjusted to match declining revenue.

In FY 2010-2011, the general fund posted a decrease in fund balance of \$413,416. The current unassigned fund balance of \$1.515 million is 7.75% of expenditures. Management's fiscal policy is to maintain reserves between 8%-16% of annual expenditures. The City, which relies heavily on property taxes (61.18% of total revenue), is operating at the state-authorized tax rate limit. The City adopted a balanced budget for FY 2011-2012.

Overall net general bonded debt is moderate, at \$1,156 per capita and 6.37% of assessed value.

The City's elected and appointed officials considered many factors when setting the Fiscal Year 2011-2012 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 15.2 percent versus 19.1 percent a year ago. This compares with the State's unemployment rate of 11.1 percent and the national rate of 9.0 percent.

The metropolitan area has experienced a small increase in the Consumer Price Index (CPI). The Detroit areas CPI increase was 4.1 percent for 2011 compared with the average the national rate of 3.9 percent.

These indicators were taken into account when adopting the General Fund budget for Fiscal Year 2011-2012. The FY 2011-2012 budget was adopted in May of 2011 during the economic downturn that is affecting municipalities throughout the state. Amounts available for appropriation in the General Fund budget are \$17.62 million, a decrease of 5.54 percent over the final FY 2010-2011 amount of \$18.646 million. Property tax revenue is budgeted to decrease 6.38%. Other revenue sources are expected to decrease slightly or remain flat. Budgeted expenditures are expected to decrease 7.38 percent, to \$17.61 million from \$19.01 million in FY 2010-2011. The City has added no major new programs or initiatives to the FY 2011-2012 budget.

The appropriation for the Water & Sewer Fund for Fiscal Year 2011-2012 is \$10,746,313, a decrease of \$46,220 from the FY 2010-2011 appropriation. The budget includes an increase in Water rates of 3.07%. Sewer disposal rates are increased from \$57.29 per 1,000 cubic feet to \$59.00 per 1,000 cubic feet. This increase is necessary due to an 16.57% increase in the wholesale sewage rate from Oakland County.

The Water & Sewer Fund budgeted \$336,291 for replacement of the water mains.

This budget includes expenditures for the Twelve Towns Drain System (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 is \$1,153,212 in FY 2011-2012. This project is projected to be complete in the next fiscal year.

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.

CITY OF OAK PARK, MICHIGAN
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Primary Government			
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>Component</u> <u>Units</u>
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 5,778,275	\$ 273,511	\$ 6,051,786	\$ 11,796
Restricted cash and cash equivalents	128,711	-	128,711	-
Investments	12,235,523	622,547	12,858,070	-
Receivables (net)	4,572,806	3,263,844	7,836,650	-
Prepaid expenses	336,813	10,107	346,920	-
Total current assets	23,052,128	4,170,009	27,222,137	11,796
Noncurrent assets:				
Capital assets, net of depreciation (note 6)	29,141,042	10,680,180	39,821,222	-
Land	1,642,187	11,502	1,653,689	-
Rights-of-way	600,818	-	600,818	-
Work in progress	5,232,364	20,694,761	25,927,125	-
Total noncurrent assets	36,616,411	31,386,443	68,002,854	-
Total assets	<u>\$ 59,668,539</u>	<u>\$ 35,556,452</u>	<u>\$ 95,224,991</u>	<u>\$ 11,796</u>
LIABILITIES				
Current liabilities:				
Accounts payable, accrued and other liabilities	\$ 1,397,251	\$ 2,402,044	\$ 3,799,295	\$ 24,002
Unearned revenue	220,078	-	220,078	-
Current portion of accumulated compensated absences	93,090	-	93,090	-
Current portion of long-term obligations (Note 17)	1,420,000	1,186,921	2,606,921	-
Total current liabilities	<u>3,130,419</u>	<u>3,588,965</u>	<u>6,719,384</u>	<u>24,002</u>
Noncurrent liabilities:				
Accumulated compensated absences	1,904,496	144,424	2,048,920	-
Other post employment benefits net obligation	10,023,549	-	10,023,549	-
Noncurrent portion of long-term obligations (Note 17)	33,120,000	12,510,082	45,630,082	-
Total liabilities	<u>48,178,464</u>	<u>16,243,471</u>	<u>64,421,935</u>	<u>24,002</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,076,411	17,689,440	19,765,851	-
Restricted for:				
Capital projects	16,238,488	-	16,238,488	-
Debt service	654,398	-	654,398	-
Unrestricted	(7,479,222)	1,623,541	(5,855,681)	(12,206)
Total net assets	<u>11,490,075</u>	<u>19,312,981</u>	<u>30,803,056</u>	<u>(12,206)</u>
Total liabilities and net assets	<u>\$ 59,668,539</u>	<u>\$ 35,556,452</u>	<u>\$ 95,224,991</u>	<u>\$ 11,796</u>

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, 2011**

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets										
	Program Revenues				Primary Government						Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total				
Primary Government											
Governmental Activities:											
General government	\$ 5,175,795	\$ 491,946	-	-	\$ (4,683,849)	\$ -	\$ (4,683,849)	\$ -	-	-	
Judicial	2,438,608	620,549	117,055	-	(1,701,004)	-	(1,701,004)	-	-	-	
Public safety	11,807,208	1,436,686	257,134	-	(10,113,388)	-	(10,113,388)	-	-	-	
Road maintenance and repair	3,773,388	-	1,642,184	-	(2,131,204)	-	(2,131,204)	-	-	-	
Public works	1,468,111	399,625	-	-	(1,068,486)	-	(1,068,486)	-	-	-	
Health and sanitation	1,938,016	835,541	-	-	(1,102,475)	-	(1,102,475)	-	-	-	
Culture and recreation	1,257,593	433,396	-	-	(824,197)	-	(824,197)	-	-	-	
Library	904,488	18,475	61,492	-	(824,521)	-	(824,521)	-	-	-	
Community development	1,889,763	94,507	1,723,747	-	(71,509)	-	(71,509)	-	-	(72,696)	
Interest on long-term debt	1,211,375	-	-	-	(1,211,375)	-	(1,211,375)	-	-	-	
Total governmental activities	31,864,345	4,330,725	3,801,612	-	(23,732,008)	-	(23,732,008)	-	-	(72,696)	
Business-type Activities:											
Water and sewer	8,721,512	10,688,598	-	-	-	1,967,086	1,967,086	-	-	-	
Total primary government	\$ 40,585,857	\$ 15,019,323	\$ 3,801,612	\$ -	(23,732,008)	1,967,086	(21,764,922)	1,967,086	-	(72,696)	
General revenues:											
Taxes:											
Property taxes, levied for general purposes					13,445,261	-	13,445,261	-	-	48,684	
Property taxes, levied for debt services					2,317,358	-	2,317,358	-	-	-	
State shared revenues					3,438,471	-	3,438,471	-	-	-	
Franchise taxes					701,558	-	701,558	-	-	-	
Investment earnings					60,045	24,277	84,322	-	-	11	
Loss on sale of capital assets					(8,173)	(11,718)	(19,891)	-	-	-	
Transfers					(50,000)	50,000	-	-	-	-	
Total general revenues and transfers					19,904,520	62,559	19,967,079	-	-	48,695	
Change in net assets					(3,827,488)	2,029,645	(1,797,843)	-	-	(24,001)	
Net assets-beginning					15,317,563	17,283,336	32,600,899	-	-	11,795	
Net assets-ending					\$ 11,490,075	\$ 19,312,981	\$ 30,803,056	\$ -	\$ -	(12,206)	

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

**CITY OF OAK PARK, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011**

	GENERAL	MAJOR STREET	SOLID WASTE	MUNICIPAL COMPLEX CONSTRUCTION	ROAD CONSTRUCTION	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash and cash equivalents	\$ 350,130	\$ 162,903	\$ 40,041	\$ 3,854,447	\$ 191,649	\$ 936,018	\$ 5,535,188
Investments	788,815	371,331	91,272	8,786,068	436,857	1,207,071	11,681,414
Receivables:							
Taxes	476,679	-	59,863	-	-	87,276	623,818
Customers, billed	240,730	-	296,680	-	1,302,240	97,759	1,937,409
Special assessments	-	-	-	-	-	154,974	154,974
Accrued interest	455	85	21	-	100	222	883
Other	168,302	-	-	-	-	-	168,302
Due from other governmental units	-	-	-	-	-	772,134	772,134
Due from State	781,455	173,607	-	-	-	68,204	1,023,266
Due from other funds	97,639	-	-	-	-	-	97,639
Restricted assets:							
Cash and cash equivalents	-	-	-	-	-	128,711	128,711
Prepaid expenditures	234,242	2,304	2,424	-	-	20,668	259,638
TOTAL ASSETS	\$ 3,138,447	\$ 710,230	\$ 490,301	\$ 12,640,515	\$ 1,930,846	\$ 3,473,037	\$ 22,383,376
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 435,496	\$ 46,249	\$ 66,316	\$ 94,944	\$ 4,000	\$ 126,962	\$ 773,967
Accounts payable from restricted assets	-	-	-	-	-	128,711	128,711
Accrued and other liabilities	297,999	3,464	5,965	-	-	56,759	364,187
Due to other funds	-	-	-	-	-	97,639	97,639
Deferred revenue	656,061	15,346	22,418	-	-	31,682	725,507
TOTAL LIABILITIES	1,389,556	65,059	94,699	94,944	4,000	441,753	2,090,011
FUND BALANCES							
Nonspendable	234,242	2,304	2,424	-	-	20,668	259,638
Restricted	-	642,867	393,178	12,545,571	1,926,846	1,928,297	17,436,759
Assigned	-	-	-	-	-	1,082,319	1,082,319
Unassigned	1,514,649	-	-	-	-	-	1,514,649
TOTAL FUND BALANCES	1,748,891	645,171	395,602	12,545,571	1,926,846	3,031,284	20,293,365
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,138,447	\$ 710,230	\$ 490,301	\$ 12,640,515	\$ 1,930,846	\$ 3,473,037	\$ 22,383,376

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

**CITY OF OAK PARK, MICHIGAN
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET and
STATEMENT OF NET ASSETS
JUNE 30, 2011**

	Modified Accrual Basis						Full Accrual Basis	
	TOTAL		Reconciling Items				TOTAL	
	GOVERNMENTAL FUNDS	CAPITAL ASSETS & LONG TERM DEBT	COMPENSATED ABSENCES	DEFERRED REVENUES	ELIMINATE INTERFUND RECEIVABLES	INTERNAL SERVICE FUNDS	OTHER POST EMPLOYMENT BENEFIT NET OBLIGATION	TOTAL
ASSETS								
Cash and cash equivalents	\$ 5,535,188	\$ -	\$ -	\$ -	\$ -	\$ 243,087	\$ -	\$ 5,778,275
Investments	11,681,414	-	-	-	-	554,109	-	12,235,523
Receivables:								
Taxes	623,818	-	-	-	-	-	-	623,818
Customers, billed	1,937,409	-	-	(108,106)	-	-	-	1,829,303
Special assessments	154,974	-	-	-	-	-	-	154,974
Accrued interest	883	-	-	-	-	126	-	1,009
Other	168,302	-	-	-	-	-	-	168,302
Due from other governmental units	772,134	-	-	-	-	-	-	772,134
Due from State	1,023,266	-	-	-	-	-	-	1,023,266
Due from other funds	97,639	-	-	-	(97,639)	-	-	-
Prepaid expenditures	259,638	-	-	-	-	77,175	-	336,813
Total Current Assets	22,254,665	-	-	(108,106)	(97,639)	874,497	-	22,923,417
Restricted assets:								
Cash and cash equivalents	128,711	-	-	-	-	-	-	128,711
Capital Assets:								
Land	-	1,642,187	-	-	-	-	-	1,642,187
Rights-of-way	-	600,818	-	-	-	-	-	600,818
Work in progress	-	5,232,364	-	-	-	-	-	5,232,364
Infrastructure - roads, net	-	23,517,723	-	-	-	-	-	23,517,723
Infrastructure - sidewalks, net	-	1,725,222	-	-	-	-	-	1,725,222
Depreciable buildings, net	-	525,287	-	-	-	-	-	525,287
Depreciable public improvements, net	-	1,669,974	-	-	-	-	-	1,669,974
Library Collection	-	92,168	-	-	-	-	-	92,168
Equipment, net	-	145,252	-	-	-	-	-	145,252
Equipment, net - Motor Pool	-	-	-	-	-	1,465,416	-	1,465,416
Total Non-current assets	128,711	35,150,995	-	-	-	1,465,416	-	36,745,122
TOTAL ASSETS	\$ 22,383,376	\$ 35,150,995	\$ -	\$ (108,106)	\$ (97,639)	\$ 2,339,913	\$ -	\$ 59,668,539
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 773,967	\$ -	\$ -	\$ -	\$ -	\$ 36,646	\$ -	\$ 810,613
Accounts payable from restricted assets	128,711	-	-	-	-	-	-	128,711
Accrued and other liabilities	364,187	-	-	-	-	93,740	-	457,927
Due to other funds	97,639	-	-	-	(97,639)	-	-	-
Bonds payable - current	-	1,420,000	-	-	-	-	-	1,420,000
Deferred revenue	725,507	-	-	(505,429)	-	-	-	220,078
Accumulated compensated absences	-	-	1,997,586	-	-	-	-	1,997,586
Other post employment benefits net obligation	-	-	-	-	-	-	10,023,549	10,023,549
Bonds payable - net of current portion and bond discount	-	33,120,000	-	-	-	-	-	33,120,000
TOTAL LIABILITIES	2,090,011	34,540,000	1,997,586	(505,429)	(97,639)	130,386	10,023,549	48,178,464
FUND BALANCES								
Nonspendable	259,638	-	-	-	-	-	-	259,638
Restricted	17,436,759	-	-	-	-	-	-	17,436,759
Assigned	1,082,319	-	-	-	-	1,465,416	-	2,547,735
Unassigned	1,514,649	610,995	(1,997,586)	397,323	-	744,111	(10,023,549)	(8,754,057)
TOTAL FUND BALANCES/NET ASSETS	20,293,365	610,995	(1,997,586)	397,323	-	2,209,527	(10,023,549)	11,490,075
TOTAL LIABILITIES AND FUND BALANCES	\$ 22,383,376	\$ 35,150,995	\$ -	\$ (108,106)	\$ (97,639)	\$ 2,339,913	\$ -	\$ 59,668,539

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, 2011

	GENERAL	MAJOR STREET	SOLID WASTE	MUNICIPAL COMPLEX CONSTRUCTION	ROAD CONSTRUCTION	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Property taxes	\$ 11,951,090	\$ -	\$ 1,525,100	\$ -	\$ -	\$ 2,317,358	\$ 15,793,548
Special assessments	-	142,158	-	-	-	326,035	468,193
Licenses and permits	324,819	-	-	-	-	-	324,819
Intergovernmental revenue:							
Federal grants	-	-	-	-	92,184	1,749,326	1,841,510
State grants	3,465,525	1,021,404	-	-	-	606,047	5,092,976
Other grants	-	-	-	-	-	127,148	127,148
Charges for services	540,679	-	834,142	-	-	196,851	1,571,672
Fines and forfeitures	1,702,798	-	-	-	-	161,528	1,864,326
Interest	8,959	811	1,400	20,868	-	90,775	122,813
Other	883,614	-	-	-	-	34,379	917,993
TOTAL REVENUES	18,877,484	1,164,373	2,360,642	20,868	92,184	5,609,447	28,124,998
EXPENDITURES							
Current:							
Judicial	-	-	-	-	-	2,060,494	2,060,494
General government	3,862,062	-	-	-	-	-	3,862,062
Public safety	9,432,641	-	-	-	-	12,070	9,444,711
Road maintenance and repair	-	908,190	-	-	-	602,751	1,510,941
Public works	112,409	-	1,912,903	-	-	31,617	2,056,929
Recreation and culture	918,526	-	-	-	-	-	918,526
Library	668,867	-	-	-	-	-	668,867
Community enrichment and development	-	-	-	-	-	1,611,291	1,611,291
Other non-departmental	2,731,642	-	-	-	-	-	2,731,642
Debt service:							
Principal	-	-	-	-	-	1,295,000	1,295,000
Interest	-	-	-	-	-	1,207,578	1,207,578
Prior year tax refunds	-	-	-	-	-	3,797	3,797
Capital outlay and construction	57,259	-	-	801,944	31,135	447,670	1,338,008
TOTAL EXPENDITURES	17,783,406	908,190	1,912,903	801,944	31,135	7,272,268	28,709,846
REVENUES OVER (UNDER) EXPENDITURES	1,094,078	256,183	447,739	(781,076)	61,049	(1,662,821)	(584,848)
OTHER FINANCING SOURCES (USES)							
Proceeds from bond sale	-	-	-	13,326,647	-	-	13,326,647
Transfers in	260,000	-	-	-	-	2,269,620	2,529,620
Transfers (out)	(1,767,494)	(270,000)	(310,000)	-	-	(232,126)	(2,579,620)
TOTAL OTHER FINANCING SOURCES (USES)	(1,507,494)	(270,000)	(310,000)	13,326,647	-	2,037,494	13,276,647
NET CHANGE IN FUND BALANCES	(413,416)	(13,817)	137,739	12,545,571	61,049	374,673	12,691,799
FUND BALANCES , BEGINNING OF YEAR	2,162,307	658,988	257,863	-	1,865,797	2,656,611	7,601,566
FUND BALANCES , END OF YEAR	\$ 1,748,891	\$ 645,171	\$ 395,602	\$ 12,545,571	\$ 1,926,846	\$ 3,031,284	\$ 20,293,365

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

**CITY OF OAK PARK, MICHIGAN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, and
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Net change in fund balances - total governmental funds \$ 12,691,799

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 these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (1,039,428)

Bonds issued during the year increase fund balance but are recorded as long term debt on the Statement of Net Assets (13,425,000)

Capital Assets not fully depreciated that are retired create a loss not recognized in Governmental Funds. (13,805)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Long-term debt for capital assets is a reduction of net assets however, a reduction of the debt increases net assets. This is the amount of principal paid on long-term debt. 1,295,000

Revenues in the statement of activities that do not provide financial resources are not reported as revenues in the funds. The amount of deferred revenues (mainly delinquent personal property tax) recognized as revenue in the statement of activities is presented here. (30,684)

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. The amount of expenditures for accumulated compensated absences is reported here. (16,370)

Internal Service funds are used by management to charge the costs of certain activities, such as insurance, motor pool, central services, and retirees health care, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. (306,952)

Other post employment benefit net obligation (2,982,048)

Change in net assets of governmental activities \$ (3,827,488)

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
BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Budgetary fund balance, July 1	\$ 1,878,299	\$ 2,162,307	\$ 2,162,307	\$ -
Resources (inflows):				
Taxes, Penalties & Interest	13,684,590	11,910,000	11,951,090	41,090
Licenses & Permits	266,800	240,600	324,819	84,219
State Grants	4,214,457	3,519,320	3,465,525	(53,795)
Interest Income	126,000	11,000	8,959	(2,041)
Service Charges	553,450	560,596	540,679	(19,917)
Contributions - Other Funds	508,630	535,000	260,000	(275,000)
Fines and Forfeits	1,657,000	1,656,851	1,702,798	45,947
Miscellaneous Income	720,080	897,000	883,614	(13,386)
Amounts available for appropriation	<u>23,609,306</u>	<u>21,492,674</u>	<u>21,299,791</u>	<u>(192,883)</u>
Charges to appropriation (outflows):				
General government:				
City Council	116,750	101,902	104,121	(2,219)
City Manager	557,620	319,858	317,856	2,002
Information Technology	186,240	178,776	179,387	(611)
City Attorney	170,000	242,000	220,720	21,280
Prosecuting Attorney	99,741	99,325	100,301	(976)
City Clerk	375,029	342,783	330,026	12,757
Finance & Administrative Services	897,362	810,508	538,893	271,615
Public Information	317,294	232,897	233,008	(111)
Technical and Planning Services	2,186,854	1,799,147	1,848,250	(49,103)
Public Safety	9,600,551	9,204,668	9,432,641	(227,973)
Public Works	452,516	103,444	112,409	(8,965)
Recreation	1,193,530	991,372	918,526	72,846
Library	819,237	705,380	715,626	(10,246)
Nondepartmental	2,266,180	2,532,058	2,731,642	(199,584)
Transfers Out	2,501,431	2,216,307	1,767,494	448,813
Total Charges To Appropriations	<u>21,740,335</u>	<u>19,880,425</u>	<u>19,550,900</u>	<u>329,525</u>
Budgetary fund balance, June 30	<u>\$ 1,868,971</u>	<u>\$ 1,612,249</u>	<u>\$ 1,748,891</u>	<u>\$ 136,642</u>

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
BALANCE - BUDGET AND ACTUAL - MAJOR STREET FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Budgetary fund balance, July 1	\$ 553,247	\$ 658,988	\$ 658,988	\$ -
Resources (inflows):				
State Grants - Streets	1,000,000	1,000,000	1,021,404	21,404
Special Assessments	90,243	98,750	142,158	43,408
Interest Income & Other	15,000	15,000	811	(14,189)
Amounts available for appropriation	<u>1,658,490</u>	<u>1,772,738</u>	<u>1,823,361</u>	<u>50,623</u>
Charges to appropriation (outflows):				
Road Maintenance & Repair	727,243	1,046,083	908,190	137,893
Capital Outlay - Roads	272,768	-	-	-
Transfers Out	270,000	270,000	270,000	-
Total Charges To Appropriations	<u>1,270,011</u>	<u>1,316,083</u>	<u>1,178,190</u>	<u>137,893</u>
Budgetary fund balance, June 30	<u>\$ 388,479</u>	<u>\$ 456,655</u>	<u>\$ 645,171</u>	<u>\$ 188,516</u>

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
BALANCE - BUDGET AND ACTUAL - SOLID WASTE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Budgetary fund balance, July 1	\$ 169,985	\$ 257,863	\$ 257,863	\$ -
Resources (inflows):				
Property Taxes	1,531,014	1,500,000	1,525,100	25,100
Miscellaneous Fees	933,034	838,000	834,142	(3,858)
Interest Income	<u>5,000</u>	<u>2,000</u>	<u>1,400</u>	<u>(600)</u>
Amounts available for appropriation	<u>2,639,033</u>	<u>2,597,863</u>	<u>2,618,505</u>	<u>20,642</u>
Charges to appropriation (outflows):				
Public Works - Sanitation	2,158,074	2,025,820	1,912,903	112,917
Transfers Out	<u>310,000</u>	<u>310,000</u>	<u>310,000</u>	<u>-</u>
Total Charges To Appropriations	<u>2,468,074</u>	<u>2,335,820</u>	<u>2,222,903</u>	<u>112,917</u>
Budgetary fund balance, June 30	<u>\$ 170,959</u>	<u>\$ 262,043</u>	<u>\$ 395,602</u>	<u>\$ 133,559</u>

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 ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Funds
Operating revenues:		
Charges for services	\$ 10,688,598	\$ 1,195,478
Fines and forfeitures	-	117,428
Miscellaneous	-	17,642
Total operating revenues	<u>10,688,598</u>	<u>1,330,548</u>
Operating expenses:		
Gas purchases	-	197,191
Professional services	-	14,268
Supplies	-	215,354
Postage	-	44,157
Water purchases	945,012	-
Sewage treatment	4,524,398	-
Transmission and distribution	859,350	-
Maintenance and operation	1,143,218	-
Customer accounting and collection	287,466	-
General and administration	331,943	-
Depreciation	224,831	255,385
Wages and benefits	-	156,686
Insurance payments	-	758,248
Other	-	2,559
Total operating expenses	<u>8,316,218</u>	<u>1,643,848</u>
Operating income (loss)	<u>2,372,380</u>	<u>(313,300)</u>
Nonoperating revenues (expenses):		
Interest and investment revenues	24,277	716
Interest expense	(405,294)	-
Gain on disposal of capital assets	(11,718)	5,632
Total nonoperating revenues (expenses):	<u>(392,735)</u>	<u>6,348</u>
Income (loss) before transfers	1,979,645	(306,952)
Transfers in	50,000	-
Change in net assets	<u>2,029,645</u>	<u>(306,952)</u>
Total net assets - beginning	17,283,336	2,516,479
Total net assets - ending	<u>\$ 19,312,981</u>	<u>\$ 2,209,527</u>

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, 2011**

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 10,107,277	\$ -
Receipts from interfund services provided	-	1,195,478
Payments to suppliers	(6,942,014)	(1,216,335)
Payments to employees	(1,287,765)	(156,686)
Other receipts (payments)	-	135,876
Net cash provided by operating activities	1,877,498	(41,667)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating subsidies and transfers from other funds	50,000	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from disposal of capital assets	-	5,632
Purchases of capital assets	(408,990)	(108,834)
Capital debt issued	15,860	-
Capital debt retired	(752,596)	-
Interest paid on capital debt	(405,294)	-
Net cash (used) by capital and related financing activities	(1,551,020)	(103,202)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(435,087)	(197,544)
Interest and dividends	24,277	716
Net cash provided (used) by investing activities	(410,810)	(196,828)
Net increase (decrease) in cash and cash equivalents	(34,332)	(341,697)
Balances - beginning of year	307,843	584,784
Balances - end of year	\$ 273,511	\$ 243,087
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ 2,372,380	\$ (313,300)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	224,831	255,385
Change in assets and liabilities:		
Receivables, net	(581,792)	-
Accounts and other payables	(137,921)	14,665
Accrued expenses	-	1,583
Net cash provided (used) by operating activities	\$ 1,877,498	\$ (41,667)

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

**CITY OF OAK PARK, MICHIGAN
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011**

	<u>Employee Retirement Plan</u>	<u>Retirees Health Care - General and Public Safety</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	\$ 2,412,312	\$ 23,916	\$ 233,746
Receivables:			
Accounts receivable	-	-	1,927
Interest and dividends	208,013	11	-
Total receivables	208,013	11	1,927
Investments, at cost:			
U.S. government obligations	-	-	46,000
Investments, at fair value:			
U.S. government obligations	4,636,722	-	-
Municipal Bonds	398,190	-	-
Mortgage backed securities	5,778,503	-	-
Corporate bonds	9,626,095	-	-
Corporate stocks	35,550,475	413,151	-
Total investments	55,989,985	413,151	46,000
Total assets	58,610,310	437,078	\$ 281,673
LIABILITIES			
Accounts payable	4,806	10,400	\$ 281,673
Refunds payable and others	563,377	-	-
Total liabilities	568,183	10,400	\$ 281,673
NET ASSETS			
Held in trust for pension benefits and other purposes	\$ 58,042,127	\$ 426,678	

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

**CITY OF OAK PARK, MICHIGAN
STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	Employee Retirement Plan	Retirees Health Care - General and Public Safety
ADDITIONS		
Contributions:		
Employer	\$ 3,258,854	\$ -
Plan members	416,525	-
	3,675,379	-
Total contributions		
Investment earnings		
Net increase		
in fair value of investments	8,411,824	84,091
Interest	799,102	104
Dividends	869,793	-
	10,080,719	84,195
Total investment earnings		
Less: administrative expense	(176,636)	-
	9,904,083	84,195
Net investment earnings		
Total additions	13,579,462	84,195
DEDUCTIONS		
Benefits	6,658,873	-
Refunds, rebates, and miscellaneous	1,076	10,400
	6,659,949	10,400
Total deductions		
Change in net assets	6,919,513	73,795
Net assets - beginning of year	51,122,614	352,883
Net assets - end of year	\$ 58,042,127	\$ 426,678

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

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of *Oak Park*, Michigan was incorporated October 30, 1945. The City operates as 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 for the purpose of acquiring and owning facilities for the use of the *City of Oak Park*. 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. Statement on Michigan Governmental Accounting and Auditing Number 5 requires that the Authority be reported as a blended component unit. Complete financial statements of the Municipal Building Authority can be obtained from the *City of Oak Park, Michigan*.

Discrete Component Units

The City of Oak Park Economic Development Corporation 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

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

by a Board that is appointed by the City Council. The City has the ability to significantly influence the daily operations of the Corporation. Statement on Michigan Governmental Accounting and Auditing Number 5 requires that the Special Revenue Fund, in which all the Corporation's activity is recorded, be included in the financial statements as a discrete component unit. Complete financial statements of the Corporation can be obtained from the *City of Oak Park, Michigan*.

The City of Oak Park 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. Statement on Michigan Governmental Accounting and Auditing Number 5 requires that the Authority be reported as a discrete component unit. Complete financial statements of the Brownfield Authority can be obtained from the *City of Oak Park, Michigan*.

BASIS OF PRESENTATION - GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the Governmental Accounting Standards Board Statement 33.

The statement of net assets and the statement of activities display information about the City as a whole. The statements include all funds of the primary government and its component unit, except for its fiduciary funds. Those funds are reported in the statements of fiduciary net assets and changes in fiduciary net assets.

The statement of net assets and the statement of activities are presented to distinguish between governmental and business type activities of the City. Governmental activities are financed through taxes, intergovernmental revenues and other non-exchange revenues. These activities are reported in governmental and internal service funds. Business type activities are financed by fees charged to external parties for goods or services. These activities are reported in the City's enterprise funds.

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,

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

Capital assets are reported in the government wide statements at historical cost. Capital assets include land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, library collection, infrastructure and all other tangible or intangible assets that are used in operations and have initial useful lives beyond a single reporting period and an individual cost of more than \$5,000. Infrastructure assets are long-lived capital assets that normally can be preserved for a significantly greater number of years than most capital assets.

Capital assets that are being depreciated are reported net of accumulated depreciation in the statement of net assets. Capital assets that are not being depreciated, such as land, are reported separately.

Capital assets are depreciated over their estimated useful lives. Depreciation expense is reported in the statement of activities by allocating the net cost over the estimated useful life of the asset. Assets are depreciated on an individual basis for equipment and buildings. Roads are depreciated as a class with each class containing items based on their date of construction or reconstruction. Sidewalks are depreciated by class with each class containing items based on the year of construction.

BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Major Street Fund - The Major Street Fund is a special revenue fund used to account for the repair, maintenance and construction of the City's major streets as identified by the State of Michigan Department of Transportation.

Solid Waste Fund - The Solid Waste Fund is used to account for the collection and disposal of the City's solid waste.

Municipal Complex Construction Fund - The Municipal Complex Construction Fund is used to account for the construction of a new City Hall and Public Safety Building funded by the 2010 Municipal Complex Bonds.

Road Construction Fund - The Road Construction Fund is used to account for the construction of streets funded by the 2003 & 2006 Street Improvement General Obligation Bonds.

In addition the City reports on the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust funds).

PROPRIETARY FUNDS

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water & Sewer Fund and the City's Internal

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUNDS (Continued)

Service Funds are charges to customers for sales and services. Operating expenses for the Enterprise Fund and Internal Service Funds include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major proprietary fund:

Water and Sewer Fund - The Water and Sewer Fund is an Enterprise Fund. The City operates one Enterprise Fund, which accounts for the operation of the 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.

Additionally, the City reports the following fund type:

Internal Service 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. It is also used 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. Its revenues come from rental charges for equipment to other funds. 4) The Retiree's Health Care Fund - Court is used for the accumulation of assets to fund retiree's health care for District court employees.

FIDUCIARY FUNDS

Trust and Agency Funds - 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 & Public Safety, which accounts for assets, liabilities, revenues and expenses in essentially the same manner as Proprietary Funds since capital maintenance is critical.

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's payroll. It also uses an Escrow Agency Fund used to hold assets belonging to another person or entity

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF ACCOUNTING

such as bond deposits.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected within 60 days after year end to pay liabilities of the current period. Significant revenues susceptible to accrual include reimbursement grants, state shared revenues and charges for services.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred provided the liability normally would be liquidated with expendable available financial resources. The major exception to this general rule is principal and interest on general long-term debt which is recognized when due.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus. This means that generally only current assets and current liabilities are included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available, spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

All proprietary funds, pension trust funds and agency funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unbilled Water and Sewer Fund utility service receivables are recorded at year-end.

All proprietary funds and the pension trust funds are accounted for on a cost of services or "economic resources" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statements of net assets. Proprietary funds and the pension trust funds report fund equity as net assets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUDGETARY DATA

Budgets are adopted on the modified accrual basis consistent with generally accepted accounting principles except that transfers are reported as revenue and expenditures. Annual appropriated budgets are adopted for the General, Special Revenue, and Capital Project Funds and the following Debt Service Funds - 2003 Street Improvement Fund, 2006 Street Improvement Fund, 2003 Refunding Bond Fund and the 2010 Municipal Complex Construction Bond Fund. Annual budgets lapse at year-end. A budget is not adopted for the Municipal Building Authority Debt Service Fund.

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 and Debt Service 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 reservations of fund balance since they do not constitute expenditures or liabilities.

DEPOSITS AND INVESTMENTS

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

INTERFUND RECEIVABLES/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.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reported the following receivables as of June 30, 2011:

	<u>Taxes</u>	<u>Accounts</u>	<u>Special Assessments</u>	<u>Accrued Interest</u>	<u>Due From Other Governments</u>	<u>Due From Other Funds</u>	<u>Total Receivables</u>
Governmental Activities:							
General	\$ 476,679	\$ 409,032	\$ -	\$ 455	\$ 781,455	\$ 97,639	\$ 1,765,260
Special Revenue	59,863	386,017	-	184	320,972	-	767,036
Debt Service	87,276	-	-	-	-	-	87,276
Capital Projects	-	1,310,662	154,974	244	692,973	-	2,158,853
Internal Service	-	126	-	-	-	-	126
Total -							
Governmental Activities	<u>\$ 623,818</u>	<u>\$ 2,105,837</u>	<u>\$ 154,974</u>	<u>\$ 883</u>	<u>\$ 1,795,400</u>	<u>\$ 97,639</u>	<u>\$ 4,778,551</u>
Business-Type Activities							
Water and Sewer	<u>\$ -</u>	<u>\$ 3,161,620</u>	<u>\$ 102,081</u>	<u>\$ 143</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,263,844</u>

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

The City reported the following payables as of June 30, 2011:

		Accrued	Due To	
	Accounts	Wages	Other Funds	Total
Governmental Activities				
General	\$ 435,496	\$ 297,999	\$ -	\$ 733,495
Special Revenue	336,369	65,663	75,064	477,096
Capital Projects	130,813	525	22,575	153,913
Internal Service	36,646	93,740	-	130,386
Total -				
Governmental Activities	<u>\$939,324</u>	<u>\$ 457,927</u>	<u>\$97,639</u>	<u>\$ 1,494,890</u>
Business-Type Activities				
Water and Sewer	<u>\$ 2,286,288</u>	<u>\$ 115,756</u>	<u>\$ -</u>	<u>\$ 2,402,044</u>

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

CAPITAL ASSETS

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their fair market value on the date donated.

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:

Water and sewer system	20 to 100 years
Roads	25 years
Sidewalks	20 years
Vehicles	3 to 10 years
Machinery and equipment	3 to 30 years
Buildings and improvements	10 to 50 years
Library Books	5 years

DEFERRED REVENUES

Deferred revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City has reported as deferred revenues \$656,061 related to personal property taxes, assessments receivable and certain accounts receivable within the General Fund; \$15,346 for assessments receivable in the Major Street Fund, \$22,418 related to solid waste taxes, \$5,302 in the narcotics forfeiture fund in the Special Revenue Funds; and \$26,380 for taxes receivable within the Debt Service Funds.

LONG-TERM OBLIGATIONS

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the 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

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LONG-TERM OBLIGATIONS (Continued)

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.

FUND EQUITY

During fiscal year 2011, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds.

Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted – Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.

Committed – Amounts that have been formally set aside by the Council for use for a specific purpose. Commitments are made and can be rescinded only via resolution of the City Council.

Assigned – Intent to spend resources on specific purposes expressed by the governing body.

In order to conform the classifications of the funds to the appropriate fund types under these new definitions, amounts previously disclosed as unrestricted have been restated as unassigned.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PENSION PLANS

The provision for pension cost is recorded on an accrual basis, and the City's policy is to fund pension costs as they accrue.

PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of December 31 each year. City taxes are levied and immediately due on the following July 1, are collected without penalty through September 15, and with penalty thereafter. City property tax revenues are recognized as revenues in the fiscal year levied to the extent that they are measurable and available, and collected within sixty days after year-end. The City bills and collects its own property taxes as well as taxes for the County, three school districts and a community college within its jurisdiction. Collections and remittances of the County and school taxes are accounted for in the Current Tax Agency Fund.

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

Effective July 1, 1993, the City adopted Governmental Accounting Standards Board Statement No. 16, "Accounting for Compensated Absences" including Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in "Governmental Fund Financial Statements." Sick pay and vacation hours earned are recognized in the governmental financial statements when they are paid.

The long-term portion of compensated absences related to the governmental funds is a liability recorded in the Statement of Net Assets. This liability is composed of: 1) employees who vest in the retirement system and are paid for fifty percent of unused sick days upon termination of employment and 2) Unused vacation paid upon termination of employment.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 20

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 20 (Continued)

enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

2. EXPENDITURES OVER BUDGET

Compliance with Amended Budget and Michigan Public Act (P.A.) 2 of 1968 and Other Budgeting Matters:

P.A. 2 of 1968 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. The City adopts budgets for all other funds by City Council resolution.

In the body of the financial statements, the City's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis, with the approved budgets of the City of those budgetary funds being adopted at the activity or department level. A comparison of the original budget adopted by City Council and budget amendments can be examined at 13600 Oak Park Blvd., Oak Park, Michigan.

During the year ended June 30, 2011, the City incurred expenditures in certain budgetary funds, which were in excess of amounts appropriated, as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over Budget</u>
General Fund			
City Council	\$ 101,902	\$ 104,121	(\$2,219)
General Fund (Continued)			
Information Technology	\$ 178,776	\$ 179,387	(\$611)
Prosecuting Attorney	\$ 99,325	\$ 100,301	(\$976)
Public Information	\$ 232,897	\$ 233,008	(\$111)
Technical & Planning Services	\$1,799,147	\$ 1,848,250	(\$49,103)
Public Safety	\$9,204,668	\$ 9,432,641	(\$227,973)
Public Works	\$ 103,444	\$ 112,409	(\$8,965)
Library	\$ 705,380	\$ 715,626	(\$10,246)
Non-Departmental	\$2,532,058	\$ 2,731,642	(\$199,584)
District Court 45B Fund	\$2,033,577	\$ 2,060,964	(\$26,917)
2010 Municipal Complex Bond Fund	\$ 231,076	\$ 232,126	(\$1,050)
Sidewalk Program	\$ 315,500	\$ 340,245	(\$24,745)
Municipal Complex Construction Fund	\$ 750,000	\$ 801,944	(\$51,944)

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

2. EXPENDITURES OVER BUDGET (Continued)

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.

3. BUILDING PERMITS AND RELATED COSTS

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

	<u>Prior Years</u>	<u>FY 2010 – 2011</u>	<u>Total</u>
Building permit revenue	\$1,506,183	\$ 116,557	\$ 1,622,740
Less: Expenditures	<u>(3,126,897)</u>	<u>(367,394)</u>	<u>(3,494,291)</u>
Shortfall at June 30	<u>(\$1,620,714)</u>	<u>(\$ 250,837)</u>	<u>(\$1,871,551)</u>

4. DEPOSITS AND INVESTMENTS

Cash and cash equivalents per:

Statement of Net Assets	\$ 6,051,786
Statement of Fiduciary Net Assets	2,669,974

Investments per:

Statement of Net Assets	12,858,070
Statement of Fiduciary Net Assets	56,449,136

Restricted cash and cash equivalents per

Statement of Net Assets	<u>128,711</u>
Total Deposits and Investments	<u>\$78,157,677</u>

Restricted Cash:

The amount of \$128,711 in restricted cash represents bonds posted by individuals who have pending court cases in the 45B District Court Fund. These bonds must be returned to the individuals and therefore are restricted.

Deposits:

To the extent that cash from various funds have been pooled, related investment income is allocated to each fund based on relative participation in the pool, except that Agency Funds investment earnings are allocated to the General Fund.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

4. DEPOSITS AND INVESTMENTS (Continued)

Investments:

Statutory Authority

State statutes authorize the City of Oak Park to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended through 12/31/97.

The City of Oak Park investment policy allows for all of these types of investments.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of June 30, 2011 the City of Oak Park had the following investments in its internal investment pool:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Percent of Portfolio</u>
Certificates of Deposit:			
Charter One Bank	July, 2011	\$ 514,580	2.78 %
The Private Bank	August and September, 2011	3,506,119	18.94
Huntington Bank	Nov., 2011 and Jan. & Feb. 2012	2,724,057	14.72
PNC Bank	December, 2012	250,615	1.36
Commercial Paper:			
BMW	July, 2011	999,730	5.40
B&G Energy	October, 2011	999,290	5.40
Govco	July, 2011	999,810	5.40
Korea Development Bank	September, 2011	999,400	5.40
ENSCO	August, 2011	1,001,499	5.41
Volvo	September, 2011	998,850	5.40
Prudential	July, 2011	2,999,690	16.21
Bicardi	July, 2011	999,712	5.40
Stanley Black	September, 2011	999,039	5.40
U. S. Agencies			
Fannie Mae	June, 2012	<u>514,575</u>	<u>2.78</u>
Total		<u>\$ 18,506,966</u>	100 %

As a means of limiting its exposure to fair value losses arising from rising interest rates, the city's investment policy limits at least sixty percent of the city's investment portfolio to maturities of less than three years. The city's investment policy also prohibits investments with a maturity of greater than five years.

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, 2011 the city's investment in all commercial paper was rated A2 by Standard & Poor's and P2 by Moody's Investors Services.

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 \$6,995,371 of the city's certificates of deposit of \$5,995,371 was exposed to custodial credit risk because it was uninsured and uncollateralized.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

For an investment, 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 (except certificates of deposit) 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.

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. 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.

State statutes govern the City's investment policies. General City funds must be deposited in government insured bank accounts in banks, savings and loans, and credit unions, provided the latter two meet State Filing requirements and its lending practices are not discriminatory. Pension trust fund investments must conform to the limits and standards set forth in Michigan Public Act 55 of the Public Acts of 1982, as amended, and Public Act 252 of 1988.

The term of investments and financial institutions used for investment purposes are determined based on City needs. The City Treasurer periodically assesses the financial strength and services provided by financial institutions to help ensure that integrity of principal and City investment needs are met.

The City's investments in the Employees Retirement Plan at June 30, 2011 are summarized as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Credit Risk Rating</u>
U.S. Government Obligations:			
Collateralized Mortgage Obligations	More than 10 years	389,399	NR
Mortgage Backed	1 - 5 years	848	NR
	More than 10 years	2,521,924	NR
U.S. Treasury Notes & Bonds	1 - 5 years	2,982,568	NR
	5 - 10 years	1,263,907	NR
Corporate			
Asset Backed	1 - 5 years	1,036,746	AAA - BBB

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Credit Risk Rating</u>
Corporate			
Asset Backed	5 – 10 years	608,257	AAA - BBB
Bonds	1 – 5 years	2,330,439	AA - BBB
	5 – 10 years	4,951,350	AA - BBB
Collateralized Mortgage Obligations	More than 10 years	1,611,576	A - NR
Private Placement	1 – 5 years	1,211,998	A - BBB
	5 – 10 years	217,701	A - BBB
Foreign Bonds	1 – 5 years	401,615	AA - BBB
	5 – 10 years	512,992	AA - BBB
Municipal Bonds	1 – 5 years	190,726	BBB
	5 – 10 years	207,464	A
Common Stock		<u>35,550,475</u>	
Total		<u>\$ 55,989,985</u>	

Credit Ratings are provided by Standard & Poors Investor Service.

Pension trust investments are subject to a number of restrictions as to the type, quality, and concentration of investments made, including the limiting of equity investments.

Included in the City's investments at June 30, 2011 are the following:

- a) Approximately \$390,247 of securities issued by the Government National Mortgage Association (GNMA), \$1,894,774 issued by the Federal National Mortgage Association (FNMA), \$4,246,475 notes issued by U.S. Treasury, and \$8,190 issued by the Federal Home Loan Mortgage Corporation (FHLMA) are investments of the retirement system. These investments are backed by the full faith and credit of the U.S. government. The yields provided by these mortgage-related securities historically have exceeded yields on other types of U.S. government securities with comparable maturities, in large measure due to the potential for prepayment. Prepayment could result in difficulty in reinvesting the prepaid amounts in investments with comparable yields.

- b) Approximately \$389,399 of collateralized mortgage obligations (or obligations of the Government National Mortgage Association) is investments of the retirement system. These investments are usually not backed by the full faith and credit of the U. S. government. Credit ratings are supplied above. The yields provided by these mortgage-related securities historically have exceeded yields on other types of U. S. government securities with comparable maturities, in large measure due to the potential for prepayment. Prepayment could result in difficulty in reinvesting the prepaid amounts in investments with comparable yields.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

4. DEPOSITS AND INVESTMENTS (Continued)

- c) An amount of \$8,191,505 in IShares Common Stock (14.0153%) and \$4,246,475 in U.S. Treasury Notes (7.2655%) are invested in the retirement system and have concentration of credit risk. State law limits allowable investments but does not limit concentration of credit risk.

The retirement system is invested in mutual funds (\$8,191,505) that are registered with the SEC. The Michigan Banking Act regulates the bank investment pools. The fair value of the position in the bank investment pools is the same as the value of the pool shares. The bank investment pools and mutual funds are not categorized because they are not evidenced by securities that exist in physical or book entry form. Management believes that the investments in these funds comply with the investment authority noted above.

5. 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 2010 tax levy are as follows:

	<u>Taxable Value</u>
Real property	\$587,609,390
Personal property	<u>36,210,100</u>
Total	<u>\$623,819,490</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, 2010, 18.3477 mills were levied for general governmental services, 2.4531 mills were levied for solid waste and 3.7183 mills were levied for long-term debt retirement.

6. CAPITAL ASSETS

The City adopted a Capitalization Policy that identified Capital Assets as those items having a value of \$5,000 or more as of June 30, 2000. In conjunction with this policy an appraisal of all Capital Assets as of June 30, 2000 was conducted by an independent appraisal firm. In the appraisal process costing techniques used were in compliance with Generally Accepted Accounting Principals (GAAP). Original cost and acquisition date was used for property inventoried when invoices and accurate records were available. Standard costing and normal costing techniques were used when original records were not available. Infrastructure assets included all items regardless of their acquisition date or amount.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

6. CAPITAL ASSETS (Continued)

In standard costing, inventoried property units/groups not reconciled to a historical record received an estimated cost, were possible, based on a standard cost - a known average installed cost for a like unit at the estimated acquisition date, The unit's age is estimated based on observed condition, manufacturer's name, model, serial number, age of the facility, and other factors.

In normal costing, where the preceding technique cannot be employed to apply historical cost, cost is estimated based on a present cost reproduction new indexed by a reciprocal factor of the price increase from the estimated date acquired to the appraisal date.

General Capital Assets are reported as of June 30, 2011 based on this appraisal report. Deletion amounts reported as of June 30, 2011 are based on this appraisal report. Additions are based on actual activity during the fiscal year.

	<u>Balance</u> <u>July 1, 2010</u>	<u>Primary Government</u>		<u>Balance</u> <u>June 30,</u> <u>2011</u>
		<u>Additions</u>	<u>Deletions</u>	
Governmental Activities:				
<u>Nondepreciable Assets</u>				
Land	\$1,503,145	\$139,042	\$ 0	\$1,642,187
Rights-of-way	600,818	0	0	600,818
Work in progress	<u>13,189,408</u>	<u>625,643</u>	<u>(8,582,687)</u>	<u>5,232,364</u>
Subtotal	<u>15,293,371</u>	<u>764,685</u>	<u>(8,582,687)</u>	<u>7,475,369</u>
<u>Depreciable Assets</u>				
Infrastructure – roads	92,023,579	8,582,687	(3,757,524)	96,848,742
Infrastructure – sidewalks	4,040,876	308,628	(178,000)	4,171,504
Buildings	3,256,897	110,650	(143,542)	3,224,005
Improvements – other	2,702,812	96,786	0	2,799,598
Library collection	346,114	46,759	(59,028)	333,845
Vehicles and equipment	3,982,452	108,834	(20,747)	4,070,539
Miscellaneous equipment	<u>1,418,471</u>	<u>10,500</u>	<u>(152,361)</u>	<u>1,276,610</u>
Subtotal - Depreciable Assets	<u>107,771,201</u>	<u>9,264,844</u>	<u>(4,311,202)</u>	<u>112,724,843</u>
Total at historical cost	<u>123,064,572</u>	<u>10,029,529</u>	<u>(12,893,889)</u>	<u>120,200,212</u>

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

6. CAPITAL ASSETS (Continued)

Less accumulated depreciation for:

Infrastructure – roads	(75,107,070)	(1,981,473)	3,757,524	(73,331,019)
Infrastructure - sidewalks	(2,415,707)	(208,575)	178,000	(2,446,282)
Buildings	(2,787,586)	(42,835)	131,703	(2,698,718)
Improvements – other	(1,031,133)	(98,491)	0	(1,129,624)
Library collection	(279,076)	(21,629)	59,028	(241,677)
Vehicles and equipment	(2,370,485)	(255,385)	20,747	(2,605,123)
Equipment – general	<u>(1,257,320)</u>	<u>(24,433)</u>	<u>150,395</u>	<u>(1,131,358)</u>
 Total accumulated depreciation	 <u>(85,248,377)</u>	 <u>(2,632,821)</u>	 <u>4,297,397</u>	 <u>(83,583,801)</u>
 Subtotal - Depreciable Assets	 <u>22,522,824</u>	 <u>6,632,023</u>	 <u>(13,805)</u>	 <u>29,141,042</u>
Governmental activities capital assets, net	<u>\$37,816,195</u>	<u>\$ 7,396,708</u>	<u>\$(8,596,492)</u>	<u>\$36,616,411</u>

Business-type Activities:

<u>Nondepreciable Assets</u>	<u>Balance</u>	<u>Primary Government</u>		<u>Balance</u>
	<u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2011</u>
Land	\$ 11,502	\$ 0	\$ 0	\$ 11,502
Work in Progress	<u>20,518,893</u>	<u>175,868</u>	<u>0</u>	<u>20,694,761</u>
 Subtotal	 <u>20,530,395</u>	 <u>175,868</u>	 <u>0</u>	 <u>20,706,263</u>
 <u>Depreciable Assets</u>				
Buildings	233,624	0	(147,124)	86,500
Garage	24,564	0	0	24,564
Equipment – other	32,737	0	(32,737)	0
Vehicles and Equipment	1,134,542	0	(245,556)	888,986
Water System	11,801,859	233,122	0	12,034,981
Water – Hydrants	560,836	0	0	560,836
Water – Tanks	166,833	0	0	166,833
Water – Pump Station	1,054,921	0	0	1,054,921
Water – Master Meter	27,514	0	0	27,514
Water – Reservoir	852,719	0	0	852,719
Water – Reservoir Pump	413,457	0	0	413,457
Sewer System	<u>1,825,973</u>	<u>0</u>	<u>0</u>	<u>1,825,973</u>
Subtotal - Depreciable Assets	<u>18,129,579</u>	<u>233,122</u>	<u>(425,417)</u>	<u>17,937,284</u>
Total at historical cost	\$38,659,974	408,990	(425,417)	\$38,643,547

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

6. CAPITAL ASSETS (Continued)

Less accumulated depreciation for:

Buildings	(215,551)	(867)	137,285	(79,133)
Garage	(24,564)	(0)	0	(24,564)
Equipment – other	(30,858)	0	30,858	0
Vehicles and Equipment	(1,077,930)	(28,356)	245,556	(860,730)
Water System	(3,685,885)	(128,552)	0	(3,814,437)
Water – Hydrants	(398,281)	(6,376)	0	(404,657)
Water – Tanks	(166,833)	0	0	(166,833)
Water – Pump Station	(843,194)	(12,560)	0	(855,754)
Water – Master Meter	(19,948)	(344)	0	(20,292)
Water – Reservoir	(483,518)	(11,416)	0	(494,934)
Water – Reservoir Pump	(244,058)	(10,767)	0	(254,825)
Sewer System	<u>(255,352)</u>	<u>(25,593)</u>	<u>0</u>	<u>(280,945)</u>
Total accumulated depreciation	<u>(7,445,972)</u>	<u>(224,831)</u>	<u>413,699</u>	<u>(7,257,104)</u>
 Subtotal - Depreciable Assets	 <u>10,683,607</u>	 <u>8,291</u>	 <u>(11,718)</u>	 <u>10,680,180</u>
 Business-type activities capital assets, net	 <u>\$ 31,214,002</u>	 <u>\$ 184,159</u>	 <u>\$(11,718)</u>	 <u>\$ 31,386,443</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$	13,523
Judicial		7,012
Public Safety		7,355
Road Maintenance & Repair		2,190,048
Public Works		77,122
Culture and Recreation		54,504
Library		<u>27,872</u>
Sub-Total: Governmental Activities		2,377,436
In addition, depreciation on capital assets held by the City's internal service fund is charged to the various functions based on their usage of the assets		<u>255,385</u>
Total depreciation expense		<u>\$ 2,632,821</u>

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

7. SUMMARY OF PROPRIETARY TYPE FUNDS CAPITAL ASSETS

Proprietary type funds capital assets at June 30, 2011 are summarized as follows:

	<u>Enterprise</u>	<u>Internal Service</u>
Land	\$ 11,502	\$ -
Buildings	111,064	-
Vehicles	888,986	4,039,885
Equipment	0	30,654
Water transmission and distribution mains	12,034,981	-
Fire hydrants	560,836	-
Water Tank	166,833	-
Water Pumping Station	1,054,921	-
Water Master Meter	27,514	-
Water Reservoir	852,719	-
Water Reservoir Pumping Station	413,457	-
Sewer System	1,825,973	-
Work in Progress	<u>20,694,761</u>	<u>-</u>
Total Undepreciated cost	38,643,547	4,070,539
Less: accumulated depreciation	<u>(7,257,104)</u>	<u>(2,605,123)</u>
Total proprietary fund types property and equipment, net of accumulated depreciation	<u>\$31,386,443</u>	<u>\$1,465,416</u>

8. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSET

"Total fund balances" of the City's governmental funds (\$20,293,365) on the Governmental Funds Balance Sheet differs from "net assets" of governmental activities (\$11,490,075) reported in the statement of net assets. The difference primarily results from the long-term economic focus of the statement of net assets versus the current resources focus of the governmental fund balance sheets. The following is a description of each difference found on the reconciliation of government funds balance sheet and statement of net assets:

1. When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However the statement of net assets includes those assets among the assets of the City as a whole.

Cost of capital assets	\$116,118,077
Accumulated depreciation	<u>(80,967,082)</u>
	<u>\$ 35,150,995</u>

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

8. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSET (Continued)

2. Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets. The balance of bonds payable as of June 30, 2011 is \$34,540,000 and is recognized as a liability on the statement of net assets but not on the governmental funds balance sheet.

3. The City provides employees with sick, vacation, and personal leave, which can be accumulated and redeemed for compensation at retirement. This leave is referred to as accumulated compensated absences. Leave not used at the end of the fiscal year is not payable from current resources and is not recognized on the governmental funds balance sheet. The amount of \$1,997,586 is recognized as a long-term liability on the statement of net assets. The amount payable by fund is as follows:

General Fund	\$ 1,713,649
Major Streets	33,221
Local Streets	36,350
Solid Waste	5,248
C.O.P.S. Grant Fund	20,972
District Court	<u>188,146</u>
	<u>\$ 1,997,586</u>

4. Some revenues will not be collected for several months after the City's fiscal year ends and are not considered "available" revenues in governmental funds. These revenues are presented as "deferred revenues" with a corresponding accounts receivable on the governmental funds balance sheet. These revenues are recognized as revenues in the period which they were earned, with a corresponding estimate of uncollectible amounts, on the statement of net assets. These amounts are as follows:

	<u>Total</u>	<u>Percent</u>	<u>Estimated Allowance for Uncollectible Accounts Amount</u>	<u>Revenue</u>
Delinquent personal property tax	\$ 227,664	21.40	\$ 48,720	\$ 178,944
Emergency Service Billings	174,426	34.00	59,386	115,040
Special Assessments	<u>103,339</u>	0	<u>0</u>	<u>103,339</u>
Total	<u>\$ 505,429</u>		<u>\$ 108,106</u>	<u>\$ 397,323</u>

The City levies a tax on personal property of commercial and industrial businesses. Taxes that remain unpaid at the end of the tax year are collected by Oakland County under a contractual agreement with the City. The uncollectible amount is estimated using past experience of canceled accounts.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

8. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSET (Continued)

Emergency Service Billings represent amounts charged to persons convicted of drunk driving and are charged for time and materials used in their arrests. Uncollectible amounts were estimated using past experience of amounts written off by the City's collection agency.

Special Assessments are levied on properties that have services performed for them by the City, such as weed mowing. These amounts are put on a taxpayer's property tax bill and are paid 100% by Oakland County as part of the tax settlement.

5. Internal service funds are used by management to charge the costs of certain activities, such as risk management and motor pool, to individual funds. The balance of assets, liabilities, and fund equity at year-end are accounted for on the statement of net assets but not on the governmental balance sheet.

9. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES

The "net change in fund balances" for governmental funds (\$12,691,799 increase) on the Statement of Revenues, Expenditures and Changes in Fund Balance differs from the "change in net assets" for governmental activities (\$3,827,488 decrease) reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The following is a description of each difference found on the reconciliation of statement of revenues, expenditures and changes in fund balance to the statement of activities:

1. Capital outlays are reported as an expenditure in the statement of revenues, expenditures and changes in fund balance. The costs of these outlays are spread over the estimated useful lives of the assets (depreciation) in the statement of activities. The difference is illustrated below:

Total additions:		\$ 10,029,529
Less: Work in Progress completed from FY 2009-2010		(8,582,687)
Internal Service Funds capital purchases		<u>(108,834)</u>
Capital outlays as expenditures in FY 2010-2011		1,338,008
Total depreciation:	\$2,632,820	
Less: Internal Service Funds depreciation	<u>(255,384)</u>	<u>(2,377,436)</u>
		<u>\$ (1,039,428)</u>

2. Bonds issued during the year (\$13,425,000) increase fund balance but are recorded as long term debt on the Statement of Activities.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

9. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES (continued)

3. Capital Assets not fully depreciated that are retired create a loss (\$13,805) not recognized in Governmental Funds.

4. Principal on long-term debt was reduced in FY 2010-2011 by \$1,295,000. The debt was originally issued to purchase capital assets and the outstanding liability is reported as reduction of net assets. Reducing the liability increases net assets.

5. Deferred revenue is estimated as explained in footnote 8(4) above. The estimate of revenue earned in FY 2010-2011 by program is as follows:

Public Safety	\$ 247
General Tax Revenue	<u>(30,931)</u>
	<u>\$ (30,684)</u>

6. The change in the long-term expense for accumulated compensated absences reported in the statement of activities and not the statement of revenues, expenditures and changes in fund balance is as follows:

General Fund	\$ 71,487
Major Streets	(23,704)
Local Streets	(29,299)
Solid Waste	(558)
C.O.P.S. Grant Fund	(13,375)
District Court	<u>(20,921)</u>
	<u>\$ (16,370)</u>

These expenses were charged to the following programs on the Statement of Activities:

General Government	\$ (26,779)
Judicial	(20,921)
Public Safety	(695)
Road Maintenance & Repair	(53,003)
Public Works	105,472
Health & Sanitation	(558)
Culture and Recreation	(8,490)
Library	<u>(11,396)</u>
	<u>\$ (16,370)</u>

7. Internal service funds are used by management to charge the costs of certain activities, such as risk management, motor pool, central services, and retiree's health care to individual funds. The change in net assets of Internal Service Funds in FY 2010-2011 were included in the following programs on the Statement of Activities:

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

9. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES (continued)

5. Internal Service Funds (continued)

General Government	\$ (14,505)
Judicial	(18,539)
Public Safety	(96,329)
Road Maintenance & Repair	12,196
Public Works	(212,006)
Health and Sanitation	15,441
Culture and Recreation	(17,963)
Library	5,399
Community Development	13,006
General Interest, Loss and Contribution	<u>6,348</u>
	<u><u>\$(306,952)</u></u>

The City's policy for eliminating the activity in the Risk Management Fund is to spread the income or loss to each activity based on direct expenditures of each activity before internal activity is eliminated.

The City's policy for eliminating the activity in the Motor Pool Fund is to spread the income or loss to each activity based on the number of vehicles used.

The City's policy for eliminating the activity in the Central Services Fund is to spread the income or loss to each activity based on direct expenditures of each activity before internal activity is eliminated.

The City's policy for eliminating the activity in the Retirees Health Care Fund – Court is to spread the income or loss to the judicial activity.

6. The City had an Other Post Employment Benefit net obligation of \$2,982,048 (see footnote 14) in FY 2010 – 2011. The net obligation was charged to each activity based on the number of retiree contracts in that activity. The amounts charged were as follows:

General Government	\$ (562,233)
Judicial	(288,560)
Public Safety	(1,124,466)
Public Works	(627,609)
Culture and Recreation	(130,752)
Library	(104,601)
Community Development	<u>(143,827)</u>
	<u><u>\$ (2,982,048)</u></u>

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

10. 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 is a member of the Michigan Municipal League sponsored self-insurance/public entity risk pools. The City pays annual premiums to the respective pools for general liability, property and workers' compensation insurance coverage and carries commercial insurance for other risks of loss. The agreements for the formation of the Michigan Municipal Liability and Property Fund and the Michigan Municipal Workers Compensation Fund provide that the pools will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of limitations imposed by the pool.

General Liability and Property

The City's Risk Management Fund is used to account for and finance the expenditures of the general liability and property plan. The Michigan Municipal Liability and Property Fund provides various levels of coverage, depending on which policy covers the claim. The City has numerous policies but the major policy limits are as follows: public officials and public safety officers claims are covered up to \$10 million per occurrence, vehicle liability claims are covered up to \$10 million per occurrence, and employee dishonesty claims are covered up to \$500,000. For claims that are in excess of policy limitations, reinsurance with commercial companies has been provided.

Workers' Compensation

The Risk Management Internal Service Fund is also used to account for and finance the expenditures of the workers' compensation plan. The Risk Management Fund charges other City of Oak Park funds amounts that will provide for future expected and unexpected losses. The Risk Management Fund allocates the cost of providing claim servicing and claim payments by charging a "premium" to each fund, based on a percentage of each fund's estimated current year payroll. The plan has been approved by the State of Michigan under the Michigan Workers' Disability Compensation Act.

Workers compensation claims are covered by the Michigan Municipal Worker's Compensation Self-Insurer's Fund. Under the terms of the agreement, the Fund will pay all claims incurred, up to a maximum of \$500,000 per occurrence. The City's liabilities for claims are recorded in the Risk Management Fund when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an estimated amount for claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claim liability does not necessarily result in an exact amount. Claim liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

10. RISK MANAGEMENT (Continued):

The City's estimated claims payable at June 30, 2011 is \$74,000.

Changes in the fund's claims liability amount are as follows:

<u>Fiscal year ended June 30:</u>	<u>Beginning of year liability</u>	<u>Current year claims</u>	<u>Claim payments and changes in estimates</u>	<u>End of Year Liability</u>
2007	\$ 74,000	\$ 1,859	\$ 1,859	\$ 74,000
2008	74,000	1,116	1,116	74,000
2009	74,000	0	0	74,000
2010	74,000	0	0	74,000
2011	74,000	0	0	74,000

Insurance settlements have not exceeded insurance coverage in any of the past three years.

The Michigan Municipal Liability and Property Fund and the Michigan Municipal Workers Compensation Fund have published their own financial reports, which can be obtained by contacting the management of each pool.

Health Insurance

The City provides health care benefits for substantially all of its employees and certain retirees under a commercial insurance policy. The policy utilizes an experience rating system, whereby insurance premium rates are affected by the actual claims reported. A settlement is performed annually covering the policy period, ending in June. If actual and estimated claims are in excess of the premiums paid during the policy period, the excess is recovered through subsequent premium increases, not to exceed thirty percent of the excess claims. If claims are less than premiums paid, then fifty percent of the excess premiums may be used to offset future premiums or refunded at the option of the City.

11. 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

11. DEFINED BENEFIT PENSION PLAN (Continued)

General

The Plan, established by Chapter 15 of the City of Oak Park, Michigan 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 primary government 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, 2010, the date of the latest actuarial valuation:

	<u>Retirees and Beneficiaries Currently Receiving Benefits</u>	<u>Inactive Employees entitled to Benefits but Not Receiving them</u>			
General	143	11			
Public Safety	<u>89</u>	<u>10</u>			
Total	<u>232</u>	<u>21</u>			
	<u>Active Employees</u>				
	<u>Vested</u>	<u>Non-Vested</u>	<u>Total</u>		
General	34	28	62		
Public Safety	<u>34</u>	<u>29</u>	<u>63</u>		
Total	<u>68</u>	<u>57</u>	<u>125</u>		

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.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

11. DEFINED BENEFIT PENSION PLAN (Continued)

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 2010-2011. Such aggregate contributions amounted to \$416,525 (before refunds) for the year ended June 30, 2011.

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 FY 2010-2011 by the City is 48.20% of annual covered payroll for General members and 35.40% 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. The plan uses the entry age actuarial cost method and a 5-year smoothed market method to value assets.

Method Used to Value Investments

The Plan's investments are reported at fair value which is determined using selected bases as follows: securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; investments that do not have established market values are reported at estimated fair value; and cash deposits are reported at carrying amounts which reasonably estimates market value.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

11. DEFINED BENEFIT PENSION PLAN (Continued)

Annual Pension Cost and Net Pension Obligation

The City's annual pension cost and net pension obligation to the City of Oak Park Employee's Retirement Plan and Trust for the current year were as follows:

Annual required contribution/pension cost	\$3,258,854
Contribution made	<u>(3,258,854)</u>
Increase (decrease) in net pension obligation	-
Net pension obligation, beginning of year	<u>-</u>
Net pension obligation, end of year	<u><u>\$ -</u></u>

The annual required contribution for the current year was determined as part of a June 30, 2010 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 28 years remaining from a 30-year schedule, as of June 30, 2010.

Reserves - As of June 30, 2011 the plan's reserves have been fully funded as follows:

Legally required reserves:

Reserves for employees' contributions	\$ 6,219,688
Reserves for retired benefit payments	51,822,439
Additional reserves - Reserve for employer contributions	<u>0</u>
Total Reserves	<u><u>\$ 58,042,127</u></u>

The amortization period is closed - a specific number of years is counted from one date and, therefore, declines to zero with the passage of time.

Trend Information

Three Year Trend Information

<u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2009	\$3,354,508	100%	\$ -
6/30/2010	3,107,474	100%	-
6/30/2011	3,258,854	100%	-

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

12. 45B DISTRICT COURT MONEY PURCHASE PENSION PLAN

The 45B District Court Money Purchase Pension Plan is held in trust and covers 23 employees of the District Court. The plan is available to employees after one year of employment and benefits are fully vested upon the seventh year of service. The third party administrator for this plan is Freedom One Financial. In the money purchase pension plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The money purchase pension plan cost to the 45B District Court for the fiscal year ended June 30, 2011 was \$133,963. The defined contribution pension cost to the employees was \$0. 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 \$1,645,517 as of June 30, 2011.

13. DEFINED CONTRIBUTION PENSION PLAN

The City of Oak Park Defined Contribution Pension Plan provides retirement to General employees hired after August 1, 2004 and employees belonging to the AFSCME union hired after July 1, 2006. At June 30, 2011 there were 25 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, 2011 were \$20,855 by employees and \$87,813 by the City.

14. POST EMPLOYMENT HEALTH BENEFITS

The City provides a post retirement, 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 and employees not covered by union contracts will receive the same benefits that general employees receive.

The general employees' post retirement benefits and the public safety employees' coverage passes to the surviving spouse upon death of the retiree.

Currently 120 general, 86 public safety and 19 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. A co-pay at the percentage indicated below will be required by retirees who were hired after January 18, 1993 for Public Safety Officers and July 1, 1992 for Public Safety Command Officers.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

14. POST EMPLOYMENT HEALTH BENEFITS (continued)

<u>Years of Service</u>	<u>Employer Pays</u>	<u>Employee Pays</u>
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 in anticipation of pre-funding retiree's health care for general and public safety employees. The funds set aside are held in a fund authorized by Public Act 149 of the State of Michigan.

The funding status of the plan as of June 30, 2010, was as follows:

Actuarial Accrued Liability (AAL)	\$ 86,017,443
Actuarial Value of Assets	<u>352,883</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$ 85,664,560
Funded Ratio (actuarial value of plan assets/AAL)	0%
Covered Payroll	\$8,665,239
UAAL as a percentage of covered payroll	988.6%

The City has created a Retiree's Health Care 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 plan as of June 30, 2010, was as follows:

Actuarial Accrued Liability (AAL)	\$ 8,221,344
Actuarial Value of Assets	<u>0</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$ 8,221,344
Funded Ratio (actuarial value of plan assets/AAL)	0%
Covered Payroll	\$1,028,724
UAAL as a percentage of covered payroll	799.1%

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

14. POST EMPLOYMENT HEALTH BENEFITS (continued)

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 market 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. The Annual Required Contribution for Fiscal Year 2010-2011 is \$4,875,562 for general and public safety groups and \$475,066 for district court group.

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 17 plan members at June 30, 2011. 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, 2011 were \$30,158.

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 premiums on a pay-as-you-go financing method with no contributions to prefund benefits. During the year ended June 30, 2011, expenditures for general employees and public safety of \$2,094,411 were recognized for retiree health insurance premiums. Retiree dental insurance premium payments of \$93,562 were recognized for 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 insurance premiums of \$186,506 were recognized for employees of the district court. The court transferred \$37,407 to this fund. An amount of \$117,428 was funding provided by a \$10 charge on tickets.

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

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

14. POST EMPLOYMENT HEALTH BENEFITS (continued)

	<u>General and Public Safety</u>	<u>District Court</u>
Annual Required Contribution	\$4,875,562	\$ 475,066
Interest on net OPEB obligation	0	0
Adjustment to annual required contribution	<u>0</u>	<u>0</u>
Annual OPEB cost (expense)	4,875,562	475,066
Contributions made	<u>2,182,074</u>	<u>186,506</u>
Increase in OPEB obligation	2,693,488	288,560
Net OPEB Obligation beginning of year	<u>5,915,256</u>	<u>1,126,245</u>
Net OPEB Obligation end of year	<u>\$8,608,744</u>	<u>\$ 1,414,805</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:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2011	\$ 4,875,562	44.75%	\$ 2,693,488
June 30, 2010	\$ 4,875,562	44.06%	\$ 2,727,571
June 30, 2009	\$ 5,132,580	37.90%	\$ 3,187,685

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:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2011	\$ 475,066	39.25%	\$ 288,560
June 30, 2010	\$ 475,066	42.10%	\$ 275,039
June 30, 2009	\$ 1,012,461	15.90%	\$ 851,206

As of June 30, 2010, the most recent actuarial valuation date, the general and public safety plan was .41 percent funded. The district court plan was 1.05 percent funded. The actuarial liability for benefits was \$86,017,443 for the general and public safety plan and \$8,221,344 for the district court plan. The actuarial value of assets was \$352,883 for the general and public safety plan and \$86,444 for the district court plan. The unfunded actuarial accrued liability (UAAL) was \$85,664,560 for the general and public safety plan and \$8,134,900 for the district court plan. The covered payroll (annual payroll of active employees covered by the plan) was \$8,665,239 for the general and public safety plan and \$1,028,724 for the district court plan. The ratio of the UAAL to covered payroll was 988% for the general and public safety plan and 791% for the district court plan.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

15. 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 sixty-nine votes. The governing board approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2011, the last available audited financial statements, the Authority reported an increase in net assets in the amount of \$530,821 resulting in ending net assets in the amount of \$6,516,431. During the year ended June 30, 2011, the City expended \$1,464,021 of payments made to the Authority. Complete financial statements for the Southeastern Oakland County Resource Recovery Authority can be obtained from the administrative offices at 3910 Webster Road, Royal Oak, Michigan, 48073.

16. 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, 2011.

17. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2011:

	<u>Business-Type Activities - Enterprise Fund</u>	<u>Governmental Activities -General Obligation Accumulated Compensated</u>		
		<u>Bonds</u>	<u>Absences</u>	<u>Total</u>
Long-term debt payable at July 1, 2010	\$14,433,739	\$22,410,000	\$1,981,216	\$ 24,391,216
Debt issued or increases	15,860	13,425,000	87,857	13,512,857
Debt retired	<u>(752,596)</u>	<u>(1,295,000)</u>	<u>(71,487)</u>	<u>(1,366,487)</u>
Long-term debt at June 30, 2011	13,697,003	<u>\$34,540,000</u>	<u>\$1,997,586</u>	<u>\$36,537,586</u>
Accumulated compensated Absences				
June 30, 2010: \$ 43,104				
Additions 108,044				
Subtractions <u>(6,724)</u>	<u>144,424</u>			
Total - June 30, 2011	<u>\$ 13,841,427</u>			

Significant details regarding the types of debt are presented as follows:

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

17. LONG-TERM DEBT (Continued)

GENERAL OBLIGATION DEBT

<u>Bonds and Contracts Payable</u>	<u>Fund Servicing Debt</u>	<u>Final Payment Due</u>	<u>Interest Rate or Range</u>	<u>Annual Principal Payment Varies Between</u>	<u>Outstanding Balance June 30, 2011</u>
Street Improvement - 2003 Series	Debt	May 1, 2028	4.0-5.0%	\$280,000-\$760,000	\$ 9,850,000
Street Improvement - 2006 Series	Debt	May 1, 2030	4.0-5.0%	\$225,000-\$800,000	10,400,000
Street Improvement - Refunding Bond 2003 Series	Debt	May 1, 2012	3.5%	\$865,000	865,000
Municipal Complex - 2010 Series	Debt	May 1, 2036	2.5-7.0%	\$50,000-\$925,000	<u>13,425,000</u>
Total General Obligation Debt					<u>\$ 34,540,000</u>

The following amounts are due within one year:

Street Improvement - 2003 Series	\$ 280,000
Street Improvement - 2006 Series	225,000
Street Improvement – Refunding Bond - 2003 Series	865,000
Municipal Complex - 2010 Series	<u>50,000</u>
Sub-Total	1,420,000
Accumulated Compensated Absences	<u>93,090</u>
Total	<u>\$ 1,513,090</u>

Debt service requirements:

<u>Year Ended</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
6/30/12	\$ 2,806,905	\$ 1,420,000	\$ 1,386,905
6/30/13	2,495,742	1,160,000	1,335,742
6/30/14	2,492,568	1,195,000	1,297,568
6/30/15	2,487,030	1,230,000	1,257,030
6/30/16	2,509,130	1,295,000	1,214,130
6/30/17 to 6/30/2021	12,576,231	7,260,000	5,316,231
6/30/22 to 6/30/2026	12,662,786	8,990,000	3,672,786
6/30/27 to 6/30/2031	9,479,278	7,815,000	1,664,278
6/30/32 to 6/30/2036	<u>4,673,574</u>	<u>4,175,000</u>	<u>498,574</u>
	<u>\$ 52,183,244</u>	<u>\$ 34,540,000</u>	<u>\$ 17,643,244</u>

All general obligation contract and bonded debt is supported by the City's full faith and credit.

Interest is payable on all obligations semi-annually. Principal is paid on an annual basis.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

17. LONG-TERM DEBT (Continued)

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.

REVENUE BONDS

<u>Bonds, Contracts and Notes Payable</u>	<u>Fund Servicing Debt</u>	<u>Final Payment Due</u>	<u>Interest Rate or Range</u>	<u>Annual Principal Payment Varies Between</u>	<u>Outstanding Balance June 30, 2011</u>
Water revenue bonds	Water	May 1, 2013	5.00%	\$370,000-\$385,000	\$ 755,000

LIMITED TAX GENERAL OBLIGATION BONDS

George W. Kuhn Drain Bonds	Water	April 1, 2029	1.625% -5.25%	\$65,707-\$1,061,080	<u>12,942,003</u>
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Total Revenue Bond Debt \$13,697,003

The following amounts are due within one year:

2004 Water Revenue Bonds	\$ 370,000
George W. Kuhn Drain – Series A	117,909
George W. Kuhn Drain – Series C	515,429
George W. Kuhn Drain – Series D	13,475
George W. Kuhn Drain – Series E	57,270

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

17. LONG-TERM DEBT (Continued)

George W. Kuhn Drain – Series 2005F	9,582
George W. Kuhn Drain – Series 2007Ref	49,185
George W. Kuhn Drain – Series 2007G	10,951
George W. Kuhn Drain – Series 2007H	<u>43,120</u>
Sub-total	1,186,921
Accumulated Compensated Absences	<u>0</u>
Total	<u>\$ 1,186,921</u>

Debt Service requirements:

<u>Year Ended</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
6/30/12	\$ 407,750	\$ 370,000	\$ 37,750
6/30/13	<u>404,250</u>	<u>385,000</u>	<u>19,250</u>
Subtotal	812,000	755,000	57,000
George W. Kuhn Drain	<u>12,942,003</u>	<u>12,942,003</u>	<u>Not Available</u>
	<u>\$13,754,003</u>	<u>\$ 13,697,003</u>	<u>\$ 57,000</u>

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 sale of drain bonds, draw downs from the State of Michigan revolving fund, Federal and State of Michigan grants and contributions from Oakland County, Michigan. The City along with thirteen 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, 2011 the City's obligation is \$12.942 million and incurred interest expense of \$336,292 for the year then ended. Due to the current construction of the project, the sale of drain bonds and draws from the State of Michigan revolving fund are being incurred on an as needed basis and thus an accurate schedule of principal and interest payments cannot be determined at this time.

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.

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

18. DEFEASANCE OF DEBT

During the Fiscal Year ended June 30, 2003 the City issued \$11,875,000 of general obligation bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purposes of generating resources for all future debt service payments on \$12,230,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. This advanced refunding was undertaken to reduce total debt service payments by \$1,276,703, which resulted in an economic gain of \$1,028,752. On June 30, 2011 \$865,000 remained outstanding.

During the Fiscal Year ended June 30, 2004 the City issued \$2,945,000 of revenue bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purposes of generating resources for all future debt service payments on \$3,175,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. This advanced refunding was undertaken to reduce total debt service payments by \$505,186 which resulted in an economic gain of \$430,028. On June 30, 2011 \$755,000 remained outstanding.

19. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS IN AND OUT

Individual fund receivable and payable balances at June 30, 2011 are shown below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 97,639	\$ -
Non-major Governmental Funds	-	97,639
Total	\$ 97,639	\$ 97,639

The interfund balance is due to the CDBG Fund (\$19,607), the C.O.P.S. Program Fund (\$55,457) and the City Owned Property Fund (\$22,575). Community Development Block Grant and C.O.P.S. Program Fund are reimbursement type grants where funds must be expended before they are reimbursed, creating an interfund balance. The City Owned Property Fund accounts for the costs of taking property for back taxes. An interfund balance will remain until property is sold or a transfer from the General Fund will occur in the next fiscal year.

Interfund transfers for the year ended June 30, 2011 include:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 260,000	\$ 1,767,494

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

**19. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS IN AND OUT
(continued)**

Major Street Fund	-	270,000
Solid Waste Fund	-	310,000
Non-Major Governmental Funds	2,269,620	232,126
Enterprise Funds:		
Water & Sewer Fund	50,000	-
Total	<u>\$2,579,620</u>	<u>\$2,579,620</u>

An amount was transferred from the General Fund (\$1,767,494) to the District Court Fund to cover expenditures in the court above those funded by revenues. The City is allowed to transfer up to 50% of funds received under Act 51 in the Major Street Fund to the Local Street Fund. An amount was transferred from the Major Street Fund (\$270,000) to the Local Street Fund to cover expenditures. An amount was transferred from the Solid Waste Fund (\$310,000) to reimburse the General Fund (\$260,000) and Water & Sewer Fund (\$50,000) for services rendered. An amount (\$232,126) was transferred from the 2003 Street Improvement Bond Fund to the 2010 Municipal Complex Bond Fund to cover interest payments on the new debt.

20. FUND BALANCE

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

	<u>General</u>	<u>Major Streets</u>	<u>Solid Waste</u>	<u>Municipal Complex</u>	<u>Road Construction</u>	<u>Other Funds</u>
Fund Balances:						
Nonspendable:						
Prepaid						
Expenditures	\$ 234,242	\$ 2,304	\$ 2,424	\$ -	\$ -	\$ 20,668
Restricted						
Road surface repairs	-	642,867	-	-	1,926,846	337,184
Refuse collection	-	-	393,178	-	-	-
City Hall construction	-	-	-	12,545,571	-	-
Debt service	-	-	-	-	-	654,398
Residential repairs	-	-	-	-	-	731,819
Other	-	-	-	-	-	204,896
Assigned						
Sidewalks	-	-	-	-	-	152,195
Municipal Buildings	-	-	-	-	-	851,314
Other	-	-	-	-	-	78,810
Unassigned	1,514,649	-	-	-	-	-
TOTAL FUND BALANCE	<u>\$1,748,891</u>	<u>\$ 645,171</u>	<u>\$ 395,602</u>	<u>\$12,545,571</u>	<u>\$ 1,926,846</u>	<u>\$3,301,284</u>

CITY OF OAK PARK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

20. FUND BALANCE (continued)

The Governmental Accounting Standards Board has issued a new pronouncement, GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. GASB Statement No. 54 eliminates the terms “reserved” and “designated” fund balance, and replaces them with five new classifications: nonspendable, restricted, committed, assigned, and unassigned. The City has implemented this standard beginning with the City’s fiscal year ended June 30, 2011.

22. COMPONENT UNIT AND FUND DEFICIT

As of June 30, 2011 the Brownfield Authority, a component unit of the City, had a fund deficit of \$24,002 as a result of a tax reduction granted for prior years by the Michigan Tax Tribunal. Taxes collected by the Brownfield Authority were reimbursed to the developer. The deficit will be eliminated with future tax collections.

As of June 30, 2011 the City Owned Property Fund had a fund deficit of \$23,774. This fund accounts for the costs of taking tax reverted property and returning it to the tax rolls. The deficit will be removed when the property is sold. A transfer from the General Fund will be necessary to remove deficit should the property not sell.

23. SUMMARY OF DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

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. Although a reduction by the Tax Tribunal of any such assessments would result in a liability for the City to refund some taxes which have been collected, management believes a contingent liability for such refunds would not be significant to the financial statements.

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

CITY OF OAK PARK

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

FOR THE YEAR ENDED JUNE 30, 2010

DEFINED BENEFIT PENSION PLAN

Trend Information

Schedule of Funding Progress (\$ in thousands)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Level Fund</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
06/30/2010	\$ 62,448	\$ 93,858	\$ 31,410	66.5%	\$ 8,665	362 %
06/30/2009	63,352	91,731	28,379	69.1%	9,335	304
06/30/2008	63,911	87,748	23,837	72.8%	9,880	241
06/30/2007	63,631	85,262	21,631	74.6%	9,887	218
06/30/2006	60,994	85,695	24,701	71.2%	9,552	258
06/30/2005	60,661	81,957	21,296	74.0%	9,448	225

Schedule of Employer Contributions (\$ in thousands)

<u>Fiscal Year</u>	<u>Contribution Rates as % of Valuation Payroll</u>	<u>Annual Required Contribution</u>	<u>Actual Annual Contribution</u>	<u>Percent of Required Contribution</u>
06/30/2010	35.86%	\$ 3,107	\$ 3,107	100
06/30/2009	35.93	3,355	3,355	100
06/30/2008	29.52	2,917	2,917	100
06/30/2007	44.52	4,402	4,402	100
06/30/2006	38.99	3,725	3,725	100
06/30/2005	26.25	2,507	2,507	100

OTHER POSTEMPLOYMENT BENEFITS PLAN

Trend Information (Last actuarial evaluation performed June 30, 2010)

Schedule of Funding Progress (\$ in thousands)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Level Fund</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
<u>General and Public Safety Plan</u>						
06/30/2007	\$ 484	\$ 76,803	\$ 76,319	1.0%	\$ 8,918	856 %
06/30/2008	\$ 414	\$ 73,436	\$ 73,022	1.0%	\$ 9,880	739 %
06/30/2010	\$ 353	\$ 86,017	\$ 85,665	.4%	\$ 8,665	1,000%
<u>District Court Plan</u>						
06/30/2006	\$ 190	\$ 5,365	\$ 5,176	4.0%	\$ 974	532 %
06/30/2008	\$ 141	\$ 5,366	\$ 5,225	3.0%	\$ 1,089	480 %
06/30/2010	\$ 86	\$ 8,221	\$ 8,135	1.0%	\$ 1,029	791 %



“The Family City”

**Fiscal Year July 1, 2010
through June 30, 2011**

**Comprehensive Annual
Financial Report**

**CITY OF OAK PARK, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

<u>ASSETS</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>CAPITAL PROJECT FUNDS</u>	<u>TOTAL</u>
Cash and cash equivalents	\$ 181,995	\$ 460,067	\$ 293,956	\$ 936,018
Investments	403,576	133,435	670,060	1,207,071
Taxes receivable	-	87,276	-	87,276
Special assessments receivable	-	-	154,974	154,974
Accounts receivable	89,337	-	8,422	97,759
Accrued interest receivable	78	-	144	222
Due from other governmental units	79,161	-	692,973	772,134
Due from State	68,204	-	-	68,204
Prepaid expenditures	20,157	-	511	20,668
Restricted assets:				
Cash and cash equivalents	128,711	-	-	128,711
<u>TOTAL ASSETS</u>	<u>\$ 971,219</u>	<u>\$ 680,778</u>	<u>1,821,040</u>	<u>\$ 3,473,037</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts payable	\$ 95,093	\$ -	\$ 31,869	\$ 126,962
Accounts payable from restricted assets	128,711	-	-	128,711
Accrued and other liabilities	56,234	-	525	56,759
Due to other funds	75,064	-	22,575	97,639
Deferred revenue	5,302	26,380	-	31,682
TOTAL LIABILITIES	360,404	26,380	54,969	441,753
FUND BALANCES				
Nonspendable	20,157	-	511	20,668
Restricted	542,080	654,398	731,819	1,928,297
Assigned	48,578	-	1,033,741	1,082,319
TOTAL FUND BALANCES	610,815	654,398	1,766,071	3,031,284
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 971,219</u>	<u>\$ 680,778</u>	<u>\$ 1,821,040</u>	<u>\$ 3,473,037</u>

**CITY OF OAK PARK, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2011**

	CRIMINAL			
	LOCAL STREET	NARCOTICS FORFEITURE	JUSTICE TRAINING	DISASTER CONTINGENCY
<u>ASSETS</u>				
Cash and cash equivalents	\$ 84,760	\$ 21,737	\$ 4,556	\$ 1,091
Investments	193,208	49,550	10,384	2,487
Accounts receivable	-	-	-	-
Accrued interest receivable	44	12	2	-
Due from other governmental units	-	-	-	-
Due from State	68,204	-	-	-
Prepaid expenditures	4,496	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 350,712</u>	<u>\$ 71,299</u>	<u>\$ 14,942</u>	<u>\$ 3,578</u>
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts payable	\$ 336	\$ -	\$ 600	\$ -
Accounts payable from restricted assets	-	-	-	-
Accrued and other liabilities	8,696	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	5,302	-	-
<u>TOTAL LIABILITIES</u>	<u>9,032</u>	<u>5,302</u>	<u>600</u>	<u>-</u>
FUND BALANCES				
Nonspendable	4,496	-	-	-
Restricted	337,184	65,997	14,342	-
Assigned	-	-	-	3,578
<u>TOTAL FUND BALANCES</u>	<u>341,680</u>	<u>65,997</u>	<u>14,342</u>	<u>3,578</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 350,712</u>	<u>\$ 71,299</u>	<u>\$ 14,942</u>	<u>\$ 3,578</u>

COMMUNITY DEVELOPMENT BLOCK GRANT	E.E.C.B.G. FUND	C.O.P.S. PROGRAM FUND	CASEFLOW ASSISTANCE FUND	45-B DISTRICT COURT	TOTAL
\$ -	\$ -	\$ -	\$ 38,221	\$ 31,630	\$ 181,995
-	-	-	87,124	60,823	403,576
-	-	-	-	89,337	89,337
-	-	-	20	-	78
23,704	-	55,457	-	-	79,161
-	-	-	-	-	68,204
583	-	225	-	14,853	20,157
-	-	-	-	128,711	128,711
<u>\$ 24,287</u>	<u>\$ -</u>	<u>\$ 55,682</u>	<u>\$ 125,365</u>	<u>\$ 325,354</u>	<u>\$ 971,219</u>

\$ 2,542	\$ -	\$ 225	\$ -	\$ 91,390	\$ 95,093
-	-	-	-	128,711	128,711
2,138	-	-	-	45,400	56,234
19,607	-	55,457	-	-	75,064
-	-	-	-	-	5,302
<u>24,287</u>	<u>-</u>	<u>55,682</u>	<u>-</u>	<u>265,501</u>	<u>360,404</u>
583	-	225	-	14,853	20,157
(583)	-	(225)	125,365	-	542,080
-	-	-	-	45,000	48,578
-	-	-	125,365	59,853	610,815
<u>\$ 24,287</u>	<u>\$ -</u>	<u>\$ 55,682</u>	<u>\$ 125,365</u>	<u>\$ 325,354</u>	<u>\$ 971,219</u>

**CITY OF OAK PARK, MICHIGAN
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DEBT SERVICE FUNDS
 JUNE 30, 2011**

	2003 STREET IMPROVEMENT BOND	2003 STREET REFUNDING BOND	2006 STREET IMPROVEMENT BOND	2010 MUNICIPAL COMPLEX BOND	MUNICIPAL BUILDING AUTHORITY	TOTAL
<u>ASSETS</u>						
Cash and cash equivalents	\$ 124,153	\$ 229,571	\$ 106,343	\$ -	\$ -	460,067
Investments	38,622	48,454	36,323	-	10,036	133,435
Taxes receivable	30,385	35,992	20,899	-	-	87,276
<u>TOTAL ASSETS</u>	<u>\$ 193,160</u>	<u>\$ 314,017</u>	<u>\$ 163,565</u>	<u>\$ -</u>	<u>\$ 10,036</u>	<u>\$ 680,778</u>
<u>LIABILITIES AND FUND BALANCES</u>						
LIABILITIES						
Deferred revenue	\$ 15,859	\$ 4,324	\$ 6,197	\$ -	\$ -	26,380
TOTAL LIABILITIES	15,859	4,324	6,197	-	-	26,380
FUND BALANCES						
Restricted	177,301	309,693	157,368	-	10,036	654,398
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 193,160</u>	<u>\$ 314,017</u>	<u>\$ 163,565</u>	<u>\$ -</u>	<u>\$ 10,036</u>	<u>\$ 680,778</u>

**CITY OF OAK PARK, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECT FUNDS
JUNE 30, 2011**

	PUBLIC IMPROVEMENT	CITY OWNED PROPERTY	NEIGHBORHOOD STABILIZATION PROGRAM (NSP)	SIDEWALK PROGRAM	MUNICIPAL BUILDING CONSTRUCTION	TOTAL
<u>ASSETS</u>						
Cash and cash equivalents	\$ 16,466	\$ -	\$ 16,532	\$ 1,410	\$ 259,548	\$ 293,956
Investments	37,532	-	37,686	3,212	591,630	670,060
Special assessments receivable	-	-	-	154,974	-	154,974
Accounts receivable	-	-	-	8,422	-	8,422
Accrued interest receivable	8	-	-	-	136	144
Prepaid Expense	-	-	-	511	-	511
Due from other governmental units	-	-	692,973	-	-	692,973
<u>TOTAL ASSETS</u>	\$ 54,006	\$ -	\$ 747,191	\$ 168,529	\$ 851,314	\$ 1,821,040
<u>LIABILITIES AND FUND BALANCES</u>						
LIABILITIES						
Accounts payable	\$ -	\$ 1,199	\$ 15,372	\$ 15,298	\$ -	\$ 31,869
Accrued and other liabilities	-	-	-	525	-	525
Due to other funds	-	22,575	-	-	-	22,575
TOTAL LIABILITIES	-	23,774	15,372	15,823	-	54,969
FUND BALANCES						
Nonspendable	-	-	-	511	-	511
Restricted	-	-	731,819	-	-	731,819
Assigned	54,006	(23,774)	-	152,195	851,314	1,033,741
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 54,006	\$ -	\$ 747,191	\$ 168,529	\$ 851,314	\$ 1,821,040



“The Family City”

**Fiscal Year July 1, 2010
through June 30, 2011**

**Comprehensive Annual
Financial Report**

CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES
and CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	TOTAL
REVENUES				
Property taxes	\$ -	\$ 2,317,358	\$ -	\$ 2,317,358
Special assessments	-	-	326,035	326,035
Intergovernmental revenue:				
Federal grants	342,610	-	1,406,716	1,749,326
State grants	606,047	-	-	606,047
Other grants	127,148	-	-	127,148
Charges for services	196,851	-	-	196,851
Fines and forfeitures	10,884	-	150,644	161,528
Other Income	-	-	34,379	34,379
Interest	60,823	7,732	22,220	90,775
TOTAL REVENUE	1,344,363	2,325,090	1,939,994	5,609,447
EXPENDITURES				
Current:				
Judicial	2,060,494	-	-	2,060,494
Public safety	12,070	-	-	12,070
Road maintenance and repair	602,751	-	-	602,751
Public works	-	-	31,617	31,617
Community enrichment and development	529,803	-	1,081,488	1,611,291
Debt service:				
Principal	-	1,295,000	-	1,295,000
Interest	-	1,207,578	-	1,207,578
Prior year tax refunds	-	3,797	-	3,797
Capital outlay	-	-	447,670	447,670
TOTAL EXPENDITURES	3,205,118	2,506,375	1,560,775	7,272,268
REVENUES OVER (UNDER) EXPENDITURES	(1,860,755)	(181,285)	379,219	(1,662,821)
OTHER FINANCING SOURCES				
Transfers in	2,037,494	232,126	-	2,269,620
Transfers (out)	-	(232,126)	-	(232,126)
TOTAL OTHER FINANCING SOURCES (USES)	2,037,494	-	-	2,037,494
Net change in fund balances	176,739	(181,285)	379,219	374,673
FUND BALANCES, BEGINNING OF YEAR	434,076	835,683	1,386,852	2,656,611
FUND BALANCES, END OF YEAR	\$ 610,815	\$ 654,398	\$ 1,766,071	\$ 3,031,284

CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	LOCAL STREET	NARCOTICS FORFEITURE	CRIMINAL JUSTICE TRAINING	DISASTER CONTINGENCY
REVENUES				
Intergovernmental revenue:				
Federal grants	\$ -	\$ -	\$ -	\$ -
State grants	477,304	-	11,833	-
Other grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	10,884	-	-
Interest	507	97	24	4
TOTAL REVENUE	477,811	10,981	11,857	4
EXPENDITURES				
Current:				
Judicial	-	-	-	-
Public safety	-	1,250	10,820	-
Road maintenance and repair	602,751	-	-	-
Community enrichment and development	-	-	-	-
TOTAL EXPENDITURES	602,751	1,250	10,820	-
REVENUES OVER (UNDER) EXPENDITURES	(124,940)	9,731	1,037	4
OTHER FINANCING SOURCES				
Transfers in	270,000	-	-	-
TOTAL OTHER FINANCING SOURCES	270,000	-	-	-
NET CHANGE IN FUND BALANCES	145,060	9,731	1,037	4
FUND BALANCES, BEGINNING OF YEAR	196,620	56,266	13,305	3,574
FUND BALANCES, END OF YEAR	\$ 341,680	\$ 65,997	\$ 14,342	\$ 3,578

COMMUNITY DEVELOPMENT BLOCK GRANT	E.E.C.B.G. FUND	C.O.P.S. PROGRAM FUND	CASEFLOW ASSISTANCE FUND	45-B DISTRICT COURT	TOTAL
\$ 97,333	\$ -	\$ 245,277	\$ -	\$ -	\$ 342,610
-	-	-	25,462	91,448	606,047
-	127,148	-	-	-	127,148
-	-	-	-	196,851	196,851
-	-	-	-	-	10,884
-	60,045	-	146	-	60,823
<u>97,333</u>	<u>187,193</u>	<u>245,277</u>	<u>25,608</u>	<u>288,299</u>	<u>1,344,363</u>
-	-	-	-	2,060,494	2,060,494
-	-	-	-	-	12,070
-	-	-	-	-	602,751
<u>97,333</u>	<u>187,193</u>	<u>245,277</u>	<u>-</u>	<u>-</u>	<u>529,803</u>
<u>97,333</u>	<u>187,193</u>	<u>245,277</u>	<u>-</u>	<u>2,060,494</u>	<u>3,205,118</u>
-	-	-	25,608	(1,772,195)	(1,860,755)
-	-	-	-	1,767,494	2,037,494
-	-	-	-	1,767,494	2,037,494
-	-	-	25,608	(4,701)	176,739
-	-	-	99,757	64,554	434,076
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,365</u>	<u>\$ 59,853</u>	<u>\$ 610,815</u>

CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	2003 STREET IMPROVEMENT BOND	2003 STREET REFUNDING BOND	2006 STREET IMPROVEMENT BOND	2010 MUNICIPAL COMPLEX BOND	MUNICIPAL BUILDING AUTHORITY	TOTAL
REVENUES						
Property taxes	\$ 711,083	\$ 913,137	\$ 693,138	\$ -	\$ -	2,317,358
Interest income	2,981	2,815	1,812	-	124	7,732
TOTAL REVENUES	714,064	915,952	694,950	-	124	2,325,090
EXPENDITURES						
Debt service:						
Principal	265,000	830,000	200,000	-	-	1,295,000
Interest and charges	442,866	61,293	471,293	232,126	-	1,207,578
Prior year tax refund	-	-	3,797	-	-	3,797
TOTAL EXPENDITURES	707,866	891,293	675,090	232,126	-	2,506,375
REVENUES OVER (UNDER) EXPENDITURES	6,198	24,659	19,860	(232,126)	124	(181,285)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	232,126	-	232,126
Transfers (out)	(232,126)	-	-	-	-	(232,126)
TOTAL OTHER FINANCING SOURCES (USES)	(232,126)	-	-	232,126	-	-
NET CHANGE IN FUND BALANCES	(225,928)	24,659	19,860	-	124	(181,285)
FUND BALANCES, BEGINNING OF YEAR	403,229	285,034	137,508	-	9,912	835,683
FUND BALANCES, END OF YEAR	\$ 177,301	\$ 309,693	\$ 157,368	\$ -	\$ 10,036	\$ 654,398

CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	PUBLIC IMPROVEMENT	CITY OWNED PROPERTY	NEIGHBORHOOD		MUNICIPAL BUILDING CONSTRUCTION	TOTAL
			STABILIZATION PROGRAM (NSP)	SIDEWALK PROGRAM		
REVENUE						
Special assessments	\$ -	\$ -	\$ -	\$ 326,035	\$ -	\$ 326,035
Federal grants	-	-	1,406,716	-	-	1,406,716
Other Income	-	34,379	-	-	-	34,379
Fines and forfeitures	-	-	-	-	150,644	150,644
Interest income	73	-	11	20,973	1,163	22,220
TOTAL REVENUES	73	34,379	1,406,727	347,008	151,807	1,939,994
EXPENDITURES						
Public works	-	-	-	31,617	-	31,617
Community development	-	5,411	1,076,077	-	-	1,081,488
Capital outlay	-	139,042	-	308,628	-	447,670
TOTAL EXPENDITURES	-	144,453	1,076,077	340,245	-	1,560,775
REVENUES OVER (UNDER) EXPENDITURES	73	(110,074)	330,650	6,763	151,807	379,219
NET CHANGE IN FUND BALANCES	73	(110,074)	330,650	6,763	151,807	379,219
FUND BALANCES, BEGINNING OF YEAR	53,933	86,300	401,169	145,943	699,507	1,386,852
FUND BALANCES, END OF YEAR	\$ 54,006	\$ (23,774)	\$ 731,819	\$ 152,706	\$ 851,314	\$ 1,766,071

**CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - LOCAL STREET FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Budgetary fund balance, July 1	\$ 126,593	\$ 196,620	\$ 196,620	\$ -
Resources (inflows):				
State Grants - Streets	400,000	400,000	477,304	77,304
Interest Income & Other	4,000	4,000	507	(3,493)
Transfer-In	<u>270,000</u>	<u>270,000</u>	<u>270,000</u>	<u>-</u>
Amounts available for appropriation	<u>800,593</u>	<u>870,620</u>	<u>944,431</u>	<u>73,811</u>
Charges to appropriation (outflows):				
Road Maintenance & Repair	<u>672,351</u>	<u>666,200</u>	<u>602,751</u>	<u>63,449</u>
Total Charges To Appropriations	<u>672,351</u>	<u>666,200</u>	<u>602,751</u>	<u>63,449</u>
Budgetary fund balance, June 30	<u>\$ 128,242</u>	<u>\$ 204,420</u>	<u>\$ 341,680</u>	<u>\$ 137,260</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - NARCOTICS FORFEITURE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Budgetary fund balance, July 1	\$ 47,895	\$ 56,266	\$ 56,266	\$ -
Resources (inflows):				
Fines and Forfeitures	15,000	15,000	10,884	(4,116)
Interest Income & Other	-	-	97	97
Amounts available for appropriation	<u>62,895</u>	<u>71,266</u>	<u>67,247</u>	<u>(4,019)</u>
Charges to appropriation (outflows):				
Public Safety	<u>15,000</u>	<u>15,000</u>	<u>1,250</u>	<u>13,750</u>
Budgetary fund balance, June 30	<u>\$ 47,895</u>	<u>\$ 56,266</u>	<u>\$ 65,997</u>	<u>\$ 9,731</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - CRIMINAL JUSTICE TRAINING FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Budgetary fund balance, July 1	\$ 8,286	\$ 13,305	\$ 13,305	\$ -
Resources (inflows):				
State Grants	15,000	15,000	11,833	(3,167)
Interest Income	<u>130</u>	<u>130</u>	<u>24</u>	<u>(106)</u>
Amounts available for appropriation	<u>23,416</u>	<u>28,435</u>	<u>25,162</u>	<u>(3,273)</u>
Charges to appropriation (outflows):				
Public Safety	<u>15,000</u>	<u>15,000</u>	<u>10,820</u>	<u>4,180</u>
Budgetary fund balance, June 30	<u>\$ 8,416</u>	<u>\$ 13,435</u>	<u>\$ 14,342</u>	<u>\$ 907</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - DISASTER CONTINGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Budgetary fund balance, July 1	\$ 3,579	\$ 3,574	\$ 3,574	\$ -
Resources (inflows):				
Interest Income	25	25	4	(21)
Amounts available for appropriation	<u>3,604</u>	<u>3,599</u>	<u>3,578</u>	<u>(21)</u>
Budgetary fund balance, June 30	<u>\$ 3,604</u>	<u>\$ 3,599</u>	<u>\$ 3,578</u>	<u>\$ (21)</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Federal Grants	<u>132,675</u>	<u>138,775</u>	<u>97,333</u>	<u>(41,442)</u>
Amounts available for appropriation	<u>132,675</u>	<u>138,775</u>	<u>97,333</u>	<u>(41,442)</u>
Charges to appropriation (outflows):				
Community Enrichment and Development	<u>132,675</u>	<u>138,775</u>	<u>97,333</u>	<u>41,442</u>
 Budgetary fund balance, June 30	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - E.E.C.B.G. PROGRAM FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Federal Grants	87,148	127,148	127,148	-
Interest Income & Other	<u>54,942</u>	<u>64,838</u>	<u>60,045</u>	<u>(4,793)</u>
Amounts available for appropriation	<u>142,090</u>	<u>191,986</u>	<u>187,193</u>	<u>(4,793)</u>
Charges to appropriation (outflows):				
Community Enrichment and Development	<u>142,090</u>	<u>191,986</u>	<u>187,193</u>	<u>4,793</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - C.O.P.S. PROGRAM FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Federal Grants	<u>294,419</u>	<u>250,601</u>	<u>245,277</u>	<u>(5,324)</u>
Amounts available for appropriation	<u>294,419</u>	<u>250,601</u>	<u>245,277</u>	<u>(5,324)</u>
Charges to appropriation (outflows):				
Public Safety	<u>294,419</u>	<u>250,601</u>	<u>245,277</u>	<u>5,324</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - CASEFLOW ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary fund balance, July 1	\$ 97,951	\$ 99,757	\$ 99,757	\$ -
Resources (inflows):				
State Grants	24,000	24,000	25,462	1,462
Interest Income	<u>1,700</u>	<u>1,700</u>	<u>146</u>	<u>(1,554)</u>
Amounts available for appropriation	<u>123,651</u>	<u>125,457</u>	<u>125,365</u>	<u>(92)</u>
Charges to appropriation (outflows):				
Judicial	<u>25,002</u>	<u>25,002</u>	<u>-</u>	<u>25,002</u>
Budgetary fund balance, June 30	<u>\$ 98,649</u>	<u>\$ 100,455</u>	<u>\$ 125,365</u>	<u>\$ 24,910</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - DISTRICT COURT 45B FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1	\$ 45,000	\$ 45,000	\$ 64,554	\$ 19,554
Resources (inflows):				
State Grants	91,448	91,448	91,448	-
Charges for services	324,028	178,368	196,851	18,483
Interest and other	<u>2,454</u>	<u>2,454</u>	<u>-</u>	<u>(2,454)</u>
Amounts available for appropriation	462,930	317,270	352,853	35,583
Charges to appropriation (outflows):				
Judicial services	<u>2,033,287</u>	<u>2,033,577</u>	<u>2,060,494</u>	<u>(26,917)</u>
REVENUES UNDER EXPENDITURES	<u>(1,570,357)</u>	<u>(1,716,307)</u>	<u>(1,707,641)</u>	<u>8,666</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,615,357</u>	<u>1,761,307</u>	<u>1,767,494</u>	<u>6,187</u>
Budgetary fund balance, June 30	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ 59,853</u>	<u>\$ 14,853</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - 2003 ST. IMPROVEMENT BOND DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Budgetary fund balance, July 1	\$ 392,784	\$ 403,229	\$ 403,229	\$ -
Resources (inflows):				
Property taxes	715,383	717,000	711,083	(5,917)
Interest income	<u>2,303</u>	<u>686</u>	<u>2,981</u>	<u>2,295</u>
Amounts available for appropriation	<u>1,110,470</u>	<u>1,120,915</u>	<u>1,117,293</u>	<u>(3,622)</u>
Charges to appropriation (outflows):				
Principal	265,000	265,000	265,000	-
Interest and Other	452,686	452,686	442,866	9,820
Transfer out	<u>-</u>	<u>231,076</u>	<u>232,126</u>	<u>(1,050)</u>
Total Charges To Appropriations	<u>717,686</u>	<u>948,762</u>	<u>939,992</u>	<u>8,770</u>
Budgetary fund balance, June 30	<u>\$ 392,784</u>	<u>\$ 172,153</u>	<u>\$ 177,301</u>	<u>\$ 5,148</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - 2003 ST. REFUNDING DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with
	Original	Final		Final Budget Positive (Negative)
Budgetary fund balance, July 1	\$ 275,467	\$ 285,034	\$ 285,034	\$ -
Resources (inflows):				
Property taxes	909,392	912,000	913,137	1,137
Interest income	<u>2,858</u>	<u>250</u>	<u>2,815</u>	<u>2,565</u>
Amounts available for appropriation	<u>1,187,717</u>	<u>1,197,284</u>	<u>1,200,986</u>	<u>3,702</u>
Charges to appropriation (outflows):				
Principal	830,000	830,000	830,000	-
Interest and Other	<u>82,250</u>	<u>82,250</u>	<u>61,293</u>	<u>20,957</u>
Total Charges To Appropriations	<u>912,250</u>	<u>912,250</u>	<u>891,293</u>	<u>20,957</u>
Budgetary fund balance, June 30	<u>\$ 275,467</u>	<u>\$ 285,034</u>	<u>\$ 309,693</u>	<u>\$ 24,659</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - 2006 ST. IMPROVEMENT DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Budgetary fund balance, July 1	\$ 128,992	\$ 137,508	\$ 137,508	\$ -
Resources (inflows):				
Property taxes	681,976	683,000	693,138	10,138
Interest income	<u>1,092</u>	<u>68</u>	<u>1,812</u>	<u>1,744</u>
Amounts available for appropriation	<u>812,060</u>	<u>820,576</u>	<u>832,458</u>	<u>11,882</u>
Charges to appropriation (outflows):				
Principal	200,000	200,000	200,000	-
Interest and Other	<u>483,068</u>	<u>483,068</u>	<u>475,090</u>	<u>7,978</u>
Total Charges To Appropriations	<u>683,068</u>	<u>683,068</u>	<u>675,090</u>	<u>7,978</u>
Budgetary fund balance, June 30	<u>\$ 128,992</u>	<u>\$ 137,508</u>	<u>\$ 157,368</u>	<u>\$ 19,860</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - 2010 MUNICIPAL COMPLEX
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Transfer In	-	231,076	232,126	1,050
Amounts available for appropriation	-	231,076	232,126	1,050
Charges to appropriation (outflows):				
Interest and Other	-	231,076	232,126	(1,050)
Total Charges To Appropriations	-	231,076	232,126	(1,050)
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - PUBLIC IMPROVEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget
				Positive
				(Negative)
Budgetary fund balance, July 1	\$ 53,660	\$ 53,933	\$ 53,933	\$ -
Resources (inflows):				
Interest income	<u>25</u>	<u>100</u>	<u>73</u>	<u>(27)</u>
Amounts available for appropriation	<u>53,685</u>	<u>54,033</u>	<u>54,006</u>	<u>(27)</u>
Budgetary fund balance, June 30	<u>\$ 53,685</u>	<u>\$ 54,033</u>	<u>\$ 54,006</u>	<u>\$ (27)</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - CITY OWNED PROPERTY FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Budgetary fund balance, July 1	\$ 89,246	\$ 86,300	\$ 86,300	\$ -
Resources (inflows):				
Other Income	-	34,379	34,379	-
Interest income	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts available for appropriation	<u>89,346</u>	<u>120,679</u>	<u>120,679</u>	<u>-</u>
Charges to appropriation (outflows):				
Community Enrichment and Development	5,000	150,690	5,411	145,279
Capital Outlay	<u>-</u>	<u>-</u>	<u>139,042</u>	<u>(139,042)</u>
Total Charges To Appropriations	<u>5,000</u>	<u>150,690</u>	<u>144,453</u>	<u>6,237</u>
 Budgetary fund balance, June 30	 <u>\$ 84,346</u>	 <u>\$ (30,011)</u>	 <u>\$ (23,774)</u>	 <u>\$ 6,237</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - NEIGHBORHOOD STABILIZATION PROGRAM (NSP) FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Budgetary fund balance, July 1	\$ -	\$ 401,169	\$ 401,169	\$ -
Resources (inflows):				
Federal Grants	857,048	943,831	1,406,716	462,885
Interest Income	-	-	11	11
Amounts available for appropriation	<u>857,048</u>	<u>1,345,000</u>	<u>1,807,896</u>	<u>462,896</u>
Charges to appropriation (outflows):				
Community Enrichment and Development	<u>857,048</u>	<u>1,345,000</u>	<u>1,076,077</u>	<u>268,923</u>
Total Charges To Appropriations	<u>857,048</u>	<u>1,345,000</u>	<u>1,076,077</u>	<u>268,923</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 731,819</u>	<u>\$ 731,819</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - SIDEWALK PROGRAM FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Budgetary fund balance, July 1	\$ 121,209	\$ 145,943	\$ 145,943	\$ -
Resources (inflows):				
Charges for Services	290,000	297,000	326,035	29,035
Interest income	<u>500</u>	<u>2,700</u>	<u>20,973</u>	<u>18,273</u>
Amounts available for appropriation	<u>411,709</u>	<u>445,643</u>	<u>492,951</u>	<u>47,308</u>
Charges to appropriation (outflows):				
Public Works	36,067	21,500	31,617	(10,117)
Capital Projects - Sidewalks	<u>250,000</u>	<u>294,000</u>	<u>308,628</u>	<u>(14,628)</u>
Total Charges To Appropriations	<u>286,067</u>	<u>315,500</u>	<u>340,245</u>	<u>(24,745)</u>
Budgetary fund balance, June 30	<u>\$ 125,642</u>	<u>\$ 130,143</u>	<u>\$ 152,706</u>	<u>\$ 22,563</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - MUNICIPAL BUILDING CONSTRUCTION FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Budgetary fund balance, July 1	\$ 699,315	\$ 699,507	\$ 699,507	\$ -
Resources (inflows):				
Ordinance Fines	172,000	142,590	150,644	8,054
Interest income	<u>5,000</u>	<u>1,000</u>	<u>1,163</u>	<u>163</u>
Amounts available for appropriation	<u>876,315</u>	<u>843,097</u>	<u>851,314</u>	<u>8,217</u>
Charges to appropriation (outflows):				
Community Enrichment and Development	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>
Total Charges To Appropriations	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>
Budgetary fund balance, June 30	<u>\$ 876,315</u>	<u>\$ 842,997</u>	<u>\$ 851,314</u>	<u>\$ 8,317</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - ROAD CONSTRUCTION FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Budgetary fund balance, July 1	\$ 220,001	\$ 1,865,797	\$ 1,865,797	\$ -
Resources (inflows):				
Federal Grants	-	-	92,184	
Interest income	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
Amounts available for appropriation	<u>221,501</u>	<u>1,867,297</u>	<u>1,957,981</u>	<u>90,684</u>
Charges to appropriation (outflows):				
Capital Outlay - Roads	<u>-</u>	<u>1,173,000</u>	<u>31,135</u>	<u>1,141,865</u>
Total Charges To Appropriations	<u>-</u>	<u>1,173,000</u>	<u>31,135</u>	<u>1,141,865</u>
Budgetary fund balance, June 30	<u>\$ 221,501</u>	<u>\$ 694,297</u>	<u>\$ 1,926,846</u>	<u>\$ 1,232,549</u>

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - MUNICIPAL COMPLEX CONSTRUCTION FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Bond Proceeds	-	13,326,647	13,326,647	
Interest income	-	13,000	20,868	7,868
Amounts available for appropriation	-	13,339,647	13,347,515	7,868
Charges to appropriation (outflows):				
Maintenance & Repair	-	-	-	-
Capital Outlay	-	750,000	801,944	(51,944)
Total Charges To Appropriations	-	750,000	801,944	(51,944)
Budgetary fund balance, June 30	\$ -	\$ 12,589,647	\$ 12,545,571	\$ (44,076)

**CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2011**

	RISK MANAGEMENT	CENTRAL SERVICES	MOTOR POOL	RETIREES HEALTH CARE COURT	TOTAL
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 113,739	\$ 6,115	\$ 95,903	\$ 27,330	\$ 243,087
Investments	259,265	13,937	218,609	62,298	554,109
Receivables (net)	59	3	50	14	126
Prepaid expenses	65,895	225	1,595	9,460	77,175
Total current assets	<u>438,958</u>	<u>20,280</u>	<u>316,157</u>	<u>99,102</u>	<u>874,497</u>
Noncurrent assets:					
Capital assets:					
Depreciable buildings, property, and equipment, net	-	-	1,465,416	-	1,465,416
Total assets	<u>\$ 438,958</u>	<u>\$ 20,280</u>	<u>\$ 1,781,573</u>	<u>\$ 99,102</u>	<u>\$ 2,339,913</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ -	\$ 735	\$ 23,253	\$ 12,658	\$ 36,646
Accrued and other liabilities	74,000	-	19,740	-	93,740
Total liabilities	<u>74,000</u>	<u>735</u>	<u>42,993</u>	<u>12,658</u>	<u>130,386</u>
NET ASSETS					
Invested in capital assets	-	-	1,465,416	-	1,465,416
Unrestricted	364,958	19,545	273,164	86,444	744,111
Total net assets	<u>364,958</u>	<u>19,545</u>	<u>1,738,580</u>	<u>86,444</u>	<u>2,209,527</u>
Total liabilities and net assets	<u>\$ 438,958</u>	<u>\$ 20,280</u>	<u>\$ 1,781,573</u>	<u>\$ 99,102</u>	<u>\$ 2,339,913</u>

**CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	RISK MANAGEMENT	CENTRAL SERVICES	MOTOR POOL	RETIREES HEALTH CARE COURT	TOTAL
Operating revenues:					
Charges for services	\$ 718,466	\$ 75,000	\$ 364,605	\$ 37,407	\$ 1,195,478
Fines and forfeits	-	-	-	117,428	117,428
Miscellaneous	17,642	-	-	-	17,642
Total operating revenues	736,108	75,000	364,605	154,835	1,330,548
Operating expenses:					
Gas purchases	-	-	197,191	-	197,191
Professional services	-	7,944	2,824	3,500	14,268
Supplies	-	8,603	206,751	-	215,354
Postage	-	44,157	-	-	44,157
Depreciation	-	-	255,385	-	255,385
Wages and benefits	-	-	156,686	-	156,686
Insurance payments	571,742	-	-	186,506	758,248
Other	-	-	2,559	-	2,559
Total operating expenses	571,742	60,704	821,396	190,006	1,643,848
Operating income (loss)	164,366	14,296	(456,791)	(35,171)	(313,300)
Nonoperating revenues (expenses):					
Interest and investment revenues	283	7	322	104	716
Gain on disposal of capital assets	-	-	5,632	-	5,632
Total nonoperating revenues (expenses):	283	7	5,954	104	6,348
Income (loss)	164,649	14,303	(450,837)	(35,067)	(306,952)
Total net assets - beginning	200,309	5,242	2,189,417	121,511	2,516,479
Total net assets - ending	\$ 364,958	\$ 19,545	\$ 1,738,580	\$ 86,444	\$ 2,209,527

**CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	RISK MANAGEMENT	CENTRAL SERVICES	MOTOR POOL	RETIREES HEALTH CARE COURT	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund services provided	\$ 718,466	\$ 75,000	\$ 364,605	\$ 37,407	\$ 1,195,478
Payments to suppliers	(568,386)	(64,437)	(404,289)	(179,223)	(1,216,335)
Payments to employees		-	(156,686)	-	(156,686)
Other receipts (payments)	17,784	6	551	117,535	135,876
Net cash provided (used) by operating activities	<u>167,864</u>	<u>10,569</u>	<u>(195,819)</u>	<u>(24,281)</u>	<u>(41,667)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	-	-	(108,834)	-	(108,834)
Disposal of capital assets	-	-	5,632	-	5,632
Net cash (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(103,202)</u>	<u>-</u>	<u>(103,202)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(181,669)	(10,348)	13,664	(19,191)	(197,544)
Interest and dividends	283	7	322	104	716
Net cash provided (used) by investing activities	<u>(181,386)</u>	<u>(10,341)</u>	<u>13,986</u>	<u>(19,087)</u>	<u>(196,828)</u>
Net increase (decrease) in cash and cash equivalents	(13,522)	228	(285,035)	(43,368)	(341,697)
Balances - beginning of year	127,261	5,887	380,938	70,698	584,784
Balances - end of year	<u>\$ 113,739</u>	<u>\$ 6,115</u>	<u>\$ 95,903</u>	<u>\$ 27,330</u>	<u>\$ 243,087</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 164,366	\$ 14,296	\$ (456,791)	\$ (35,171)	\$ (313,300)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	-	-	255,385	-	255,385
Change in assets and liabilities:					
Accounts and other payables	-	(3,508)	5,614	12,559	14,665
Accrued expenses	3,498	(219)	(27)	(1,669)	1,583
Net cash provided by operating activities	<u>\$ 167,864</u>	<u>\$ 10,569</u>	<u>\$ (195,819)</u>	<u>\$ (24,281)</u>	<u>\$ (41,667)</u>

**CITY OF OAK PARK, MICHIGAN
STATEMENT OF CHANGES IN AGENCY FUND
ASSETS AND LIABILITIES
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

ESCROW FUND

	<u>BALANCE</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>BALANCE</u> <u>JUNE 30, 2011</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 125,333	\$ 980,091	\$ 1,029,982	\$ 75,442
Investments at cost:				
US government obligations	76,420	46,000	76,420	46,000
Accounts receivable	1,774	21,897	21,744	1,927
<u>TOTAL ASSETS</u>	<u>\$ 203,527</u>	<u>\$ 1,047,988</u>	<u>\$ 1,128,146</u>	<u>\$ 123,369</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 203,527	\$ 853,652	\$ 933,810	\$ 123,369
<u>TOTAL LIABILITIES</u>	<u>\$ 203,527</u>	<u>\$ 853,652</u>	<u>\$ 933,810</u>	<u>\$ 123,369</u>

PAYROLL FUND

<u>ASSETS</u>				
Cash and cash equivalents	\$ 100,209	\$ 16,973,616	\$ 16,915,521	\$ 158,304
<u>TOTAL ASSETS</u>	<u>\$ 100,209</u>	<u>\$ 16,973,616</u>	<u>\$ 16,915,521</u>	<u>\$ 158,304</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 100,209	\$ 38,758,229	\$ 38,700,134	\$ 158,304
<u>TOTAL LIABILITIES</u>	<u>\$ 100,209</u>	<u>\$ 38,758,229</u>	<u>\$ 38,700,134</u>	<u>\$ 158,304</u>

COMBINED ESCROW AND PAYROLL FUNDS

<u>ASSETS</u>				
Cash and cash equivalents	\$ 225,542	\$ 17,953,707	\$ 17,945,503	\$ 233,746
Investments at cost:				
US government obligations	76,420	46,000	76,420	46,000
Accounts receivable	1,774	21,897	21,744	1,927
<u>TOTAL ASSETS</u>	<u>\$ 303,736</u>	<u>\$ 18,021,604</u>	<u>\$ 18,043,667</u>	<u>\$ 281,673</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 303,736	\$ 39,611,881	\$ 39,633,944	\$ 281,673
<u>TOTAL LIABILITIES</u>	<u>\$ 303,736</u>	<u>\$ 39,611,881</u>	<u>\$ 39,633,944</u>	<u>\$ 281,673</u>

**CITY OF OAK PARK, MICHIGAN
 COMBINING STATEMENT OF NET ASSETS
 AGENCY FUNDS
 JUNE 30, 2011**

	<u>Payroll Fund</u>	<u>Escrow Fund</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and cash equivalents	\$ 158,304	\$ 75,442	\$ 233,746
Receivables:			
Accounts receivable	-	1,927	1,927
Investments, at cost:			
U.S. government obligations	-	46,000	46,000
Total assets	<u>\$ 158,304</u>	<u>\$ 123,369</u>	<u>\$ 281,673</u>
LIABILITIES			
Accounts payable	<u>\$ 158,304</u>	<u>\$ 123,369</u>	<u>\$ 281,673</u>

**CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2011**

	<u>Economic Development Corp.</u>	<u>Brownfield Authority</u>	<u>Total Component Units</u>
ASSETS			
Cash and cash equivalents	\$ 11,796	\$ -	\$ 11,796
Total assets	<u>\$ 11,796</u>	<u>\$ -</u>	<u>\$ 11,796</u>
LIABILITIES			
Accounts Payable	\$ -	\$ 24,002	\$ 24,002
NET ASSETS			
Unrestricted	11,796	(24,002)	(12,206)
Total liabilities and net assets	<u>\$ 11,796</u>	<u>\$ -</u>	<u>\$ 11,796</u>

**COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2011**

General revenues:			
Property taxes, levied for general purposes	\$ -	\$ 48,684	\$ 48,684
Investment earnings	11	-	11
Total General Revenues	<u>11</u>	<u>48,684</u>	<u>48,695</u>
Functions/Programs			
Community Development	<u>(10)</u>	<u>(72,686)</u>	<u>(72,696)</u>
Changes in Net Assets	1	(24,002)	(24,001)
Net Asset-beginning	11,795	-	11,795
Net Asset-ending	<u>\$ 11,796</u>	<u>\$ (24,002)</u>	<u>\$ (12,206)</u>



“The Family City”

**Fiscal Year July 1, 2010
through June 30, 2011**

**Comprehensive Annual
Financial Report**

STATISTICAL SECTION

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 city’s overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	125 - 129
<i>These schedules contain trend information to help the reader understand how the city’s financial performance and well-being have changed.</i>	
Revenue Capacity	130 - 133
<i>These schedules contain information to help the reader access the city’s most significant local revenue source, the property tax.</i>	
Debt Capacity	134 - 138
<i>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.</i>	
Demographic and Economic Information	139 - 140
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the city’s financial activities take place.</i>	
Operating Information	141 - 143
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the city provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



“The Family City”

**Fiscal Year July 1, 2010
through June 30, 2011**

**Comprehensive Annual
Financial Report**

Schedule I
City of Oak Park
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Governmental Activities										
Invested in capital assets, net of related debt	\$ 11,900,617	\$ 1,165,203	\$ 3,558,851	\$ 6,932,515	\$ 5,900,897	\$ 6,375,013	\$ 11,739,781	\$ 14,884,759	\$ 15,406,195	\$ 2,076,411
Restricted	922,960	11,399,846	9,133,267	6,493,091	7,544,580	9,519,782	5,140,968	3,201,454	4,088,332	16,892,886
Unrestricted	3,228,633	4,291,274	4,746,858	5,446,259	5,129,771	3,724,361	2,463,887	(1,865,169)	(4,176,964)	(7,479,222)
Total governmental activities net assets	\$ 16,052,210	\$ 16,856,323	\$ 17,438,976	\$ 18,871,865	\$ 18,575,248	\$ 19,619,156	\$ 19,344,636	\$ 16,221,044	\$ 15,317,563	\$ 11,490,075
Business-type Activities										
Invested in capital assets, net of related debt	\$ 5,143,267	\$ 4,102,500	\$ 4,923,978	\$ 7,042,392	\$ 9,338,966	\$ 11,041,086	\$ 12,723,979	\$ 14,053,708	\$ 16,780,263	\$ 17,689,440
Unrestricted	2,619,440	4,606,284	4,269,224	3,381,129	3,752,044	3,467,097	2,883,239	2,734,483	503,073	1,623,541
Total business-type activities net assets	\$ 7,762,707	\$ 8,708,784	\$ 9,193,202	\$ 10,423,521	\$ 13,091,010	\$ 14,508,183	\$ 15,607,218	\$ 16,788,191	\$ 17,283,336	\$ 19,312,981
Primary Government										
Invested in capital assets, net of related debt	\$ 17,043,884	\$ 5,267,703	\$ 8,482,829	\$ 13,974,907	\$ 15,239,863	\$ 17,416,099	\$ 24,463,760	\$ 28,938,467	\$ 32,186,458	\$ 19,765,851
Restricted	922,960	11,399,846	9,133,267	6,493,091	7,544,580	9,519,782	5,140,968	3,201,454	4,088,332	16,892,886
Unrestricted	5,848,073	8,897,558	9,016,082	8,827,388	8,881,815	7,191,458	5,347,126	869,314	(3,673,891)	(5,855,681)
Total primary government net assets	\$ 23,814,917	\$ 25,565,107	\$ 26,632,178	\$ 29,295,386	\$ 31,666,258	\$ 34,127,339	\$ 34,951,854	\$ 33,009,235	\$ 32,600,899	\$ 30,803,056

Schedule 2
City of Oak Park
Changes in Net Assets
Last Ten Fiscal Years
 (accrual basis of accounting)

Fiscal Year

	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>
Expenses										
Governmental Activities:										
General government	\$ 4,921,970	\$ 4,768,500	\$ 4,777,118	\$ 4,693,567	\$ 5,154,667	\$ 5,067,647	\$ 5,415,064	\$ 5,664,693	\$ 5,455,233	\$ 5,175,795
Judicial	2,094,887	2,064,387	1,985,825	2,049,750	2,270,554	2,268,921	2,457,418	3,110,586	2,480,818	2,438,608
Public safety	7,662,037	7,702,056	8,103,198	9,847,977	10,720,861	11,089,786	10,772,176	12,207,633	11,980,655	11,807,208
Road maintenance and repair	2,235,932	2,771,996	2,202,260	2,286,830	3,318,828	2,708,853	3,117,566	3,264,468	3,132,845	3,773,368
Public works	1,570,850	1,317,853	1,391,348	1,309,277	1,365,837	1,096,676	1,591,527	1,790,791	1,748,297	1,468,111
Health and sanitation	1,629,189	1,729,437	1,901,589	2,015,234	2,124,102	2,186,048	1,993,747	2,165,616	2,074,094	1,938,016
Culture and recreation	1,632,659	1,373,338	1,336,795	1,270,849	1,356,385	1,268,706	1,329,227	1,529,508	1,346,217	1,257,593
Library	812,756	763,799	845,802	837,813	885,081	836,669	858,674	1,040,661	1,028,408	904,488
Community development	332,721	563,495	386,063	288,244	260,461	299,539	334,654	584,284	1,499,055	1,889,763
Interest on long-term debt	857,960	1,034,325	893,426	752,489	707,092	1,148,474	1,116,640	1,076,660	1,038,320	1,211,375
Total governmental activities expenses	23,750,961	24,089,186	23,823,424	25,352,030	28,163,868	27,971,319	28,986,693	32,434,900	31,783,942	31,864,345
Business-type Activities:										
Water and sewer	6,019,494	7,355,360	7,489,197	7,083,210	8,039,854	7,835,161	8,061,610	8,019,513	8,796,597	8,721,512
Total primary government	\$ 29,770,455	\$ 31,444,546	\$ 31,312,621	\$ 32,435,240	\$ 36,203,722	\$ 35,806,480	\$ 37,048,303	\$ 40,454,413	\$ 40,580,539	\$ 40,585,857

Program Revenues

Governmental Activities:										
Charges for Services:										
General government	\$ 522,098	\$ 488,184	\$ 527,537	\$ 926,595	\$ 891,142	\$ 599,632	\$ 582,978	\$ 471,650	\$ 470,968	\$ 491,946
Judicial	957,082	758,468	582,471	587,217	656,836	656,578	704,560	650,713	609,349	620,549
Public safety	1,683,117	1,428,287	1,232,209	1,442,360	1,832,233	1,856,111	1,395,297	1,445,393	1,422,872	1,436,686
Road maintenance and repair	903	135,271	1,850	(11,584)	(12,982)	21,919	-	-	72,648	-
Public works	24,819	161,951	119,523	289,466	131,299	214,874	144,345	405,399	153,071	399,625
Health and sanitation	526,673	574,180	540,740	454,678	500,888	577,620	565,490	611,694	644,564	835,541
Culture and recreation	500,511	463,926	452,690	473,684	431,907	469,373	464,371	435,876	471,547	433,396
Library	60,558	74,983	70,360	69,421	26,410	21,521	14,175	13,475	20,593	18,475
Community development	2,356	116,868	52,907	7,510	(5,165)	(2,335)	-	8,960	3,136	94,507
Operating Grants and Contributions	1,858,664	1,973,731	2,134,836	2,009,995	2,086,065	2,080,915	1,817,794	2,054,958	4,457,172	3,801,612
Capital Grants and Contributions	51,940	30,100	-	-	-	-	-	35,158	50,000	-
Total governmental activities program revenues	6,188,721	6,205,949	5,715,123	6,249,342	6,538,633	6,496,208	5,689,010	6,133,276	8,375,920	8,132,337
Business-type Activities:										
Charges for Services:										
Water and sewer	6,104,667	8,112,778	7,881,527	8,213,692	10,547,749	9,034,465	8,972,129	9,050,017	9,148,095	10,676,880
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total primary government program revenues	\$ 12,293,388	\$ 14,318,727	\$ 13,596,650	\$ 14,463,034	\$ 17,086,382	\$ 15,530,673	\$ 14,661,139	\$ 15,183,293	\$ 17,524,015	\$ 18,809,217

Net (expense)/revenue	\$	(17,562,240)	\$	(17,883,237)	\$	(18,108,301)	\$	(19,102,688)	\$	(21,625,235)	\$	(21,475,111)	\$	(23,297,683)	\$	(26,301,624)	\$	(23,408,022)	\$	(23,732,008)
Governmental Activities		85,173		757,418		392,330		1,130,482		2,507,895		1,199,304		910,519		1,030,504		351,498		1,955,368
Business-type Activities																				
Total primary government net expense	\$	(17,477,067)	\$	(17,125,819)	\$	(17,715,971)	\$	(17,972,206)	\$	(19,117,340)	\$	(20,275,807)	\$	(22,387,164)	\$	(25,271,120)	\$	(23,056,524)	\$	(21,776,640)

General Revenues and Other Changes in Net Assets

Governmental Activities:																				
Taxes																				
Property Taxes	\$	18,199,216	\$	18,128,805	\$	18,088,249	\$	19,774,491	\$	20,294,741	\$	20,977,326	\$	21,890,823	\$	22,730,399	\$	21,760,155	\$	19,201,090
Franchise Taxes		455,141		336,312		424,167		453,310		460,244		518,234		560,384		584,255		669,415		701,558
Investment Earnings		236,553		272,233		228,538		357,776		623,633		1,073,459		621,956		318,845		73,560		60,045
Miscellaneous		-		-		-		-		-		-		19,801		8,561		51,411		(8,173)
Transfers		(50,000)		(50,000)		(50,000)		(50,000)		(50,000)		(50,000)		(50,000)		(50,000)		(50,000)		(50,000)
Total governmental activities		18,840,910		18,687,350		18,690,954		20,535,577		21,328,618		22,519,019		23,042,964		23,592,060		22,504,541		19,904,520
Business-type Activities:																				
Investment Earnings		54,920		138,659		42,498		49,837		109,594		167,869		118,715		100,469		93,647		24,277
Transfers		50,000		50,000		50,000		50,000		50,000		50,000		50,000		50,000		50,000		50,000
Total business-type activities		104,920		188,659		92,498		99,837		159,594		217,869		168,715		150,469		143,647		74,277
Total primary government	\$	18,945,830	\$	18,876,009	\$	18,783,452	\$	20,635,414	\$	21,488,212	\$	22,736,888	\$	23,211,679	\$	23,742,529	\$	22,648,188	\$	19,978,797

Change in Net Assets

Governmental Activities	\$	1,278,670	\$	804,113	\$	582,653	\$	1,432,889	\$	(296,617)	\$	1,043,908	\$	(254,719)	\$	(2,709,564)	\$	(903,481)	\$	(3,827,488)
Business-type Activities		190,093		946,077		484,828		1,230,319		2,667,489		1,417,173		1,079,234		1,180,973		495,145		2,029,645
Total primary government net expense	\$	1,468,763	\$	1,750,190	\$	1,067,481	\$	2,663,208	\$	2,370,872	\$	2,461,081	\$	824,515	\$	(1,528,591)	\$	(408,336)	\$	(1,797,843)

Schedule 3
City of Oak Park
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>
General Fund										
Nonspendable	\$ 206,233	\$ 233,265	\$ 248,672	\$ 231,003	\$ 141,640	\$ 302,693	\$ 114,609	\$ 90,444	\$ 191,983	\$ 234,242
Unassigned	2,201,738	2,163,490	2,044,775	2,122,398	1,869,129	1,735,777	1,784,828	2,029,085	1,970,324	1,514,649
Total general fund	\$ 2,407,971	\$ 2,396,755	\$ 2,293,447	\$ 2,353,401	\$ 2,010,769	\$ 2,038,470	\$ 1,899,437	\$ 2,119,529	\$ 2,162,307	\$ 1,748,891
All Other Governmental Funds										
Nonspendable	\$ 25,091	\$ 32,992	\$ 35,515	\$ 34,938	\$ 35,434	\$ 64,165	\$ 20,859	\$ 23,368	\$ 33,737	\$ 25,396
Restricted	931,047	12,420,977	10,824,929	8,612,892	16,365,862	10,265,178	5,757,552	3,453,091	4,569,839	17,436,759
Assigned	872,971	274,921	282,328	334,783	371,772	493,669	643,161	784,216	835,683	1,082,319
Total all other governmental funds	1,829,109	12,728,890	11,142,772	8,982,613	16,773,068	10,823,012	6,421,572	4,260,675	5,439,259	18,544,474
Total all governmental funds	\$ 4,237,080	\$ 15,125,645	\$ 13,436,219	\$ 11,336,014	\$ 18,783,837	\$ 12,861,482	\$ 8,321,009	\$ 6,380,204	\$ 7,601,566	\$ 20,293,365

Schedule 4
City of Oak Park
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>
Revenues										
Property taxes	\$13,402,139	\$13,581,507	\$14,003,176	\$15,772,412	\$15,943,238	\$16,908,767	\$17,767,651	\$18,750,272	\$18,170,382	\$15,793,548
Special assessments	20,238	255,553	33,034	192,924	47,144	138,808	138,295	470,023	191,247	468,193
Licenses and permits	323,316	289,526	342,338	394,236	416,152	397,567	332,852	269,104	286,918	324,819
Intergovernmental	6,690,862	6,505,693	6,186,128	5,919,137	5,943,230	5,923,017	5,967,334	5,964,854	7,974,547	7,061,634
Charges for services	1,445,393	1,410,403	1,248,566	1,182,732	1,207,837	1,274,814	1,296,719	1,309,149	1,395,148	1,571,672
Fines and forfeitures	1,979,089	1,717,428	1,477,959	1,563,614	2,008,853	2,212,430	1,983,156	1,929,781	1,862,371	1,864,326
Investment earnings	372,423	303,428	197,155	364,088	637,781	1,038,284	691,790	342,713	77,613	122,813
Other	726,060	630,064	930,710	1,360,528	1,378,951	941,289	848,662	822,522	863,996	917,993
Total revenues	24,949,520	24,693,602	24,419,066	26,749,671	27,583,186	28,834,976	29,026,459	29,858,418	30,822,222	28,124,998
Expenditures										
Judicial	2,035,751	1,990,428	1,827,938	1,825,187	2,034,224	2,124,990	2,227,873	2,135,060	2,135,210	2,060,494
General government	4,198,722	4,110,182	4,088,575	3,909,447	4,380,187	4,346,347	4,493,384	4,342,750	4,261,390	3,862,062
Public safety	7,240,699	7,255,487	7,420,205	9,136,958	10,051,563	10,432,718	9,536,108	10,087,745	9,699,945	9,444,711
Road maintenance and repair	1,015,522	1,362,110	905,029	982,314	1,821,591	1,163,340	1,415,162	1,480,601	1,357,550	1,510,941
Public works	2,886,642	2,758,699	2,897,643	3,010,974	3,126,486	2,960,609	2,863,533	2,698,244	2,517,367	2,056,929
Recreation and culture	1,388,372	1,257,417	1,199,297	1,129,297	1,210,523	1,155,419	1,117,615	1,157,626	1,045,643	918,526
Library	767,582	688,841	765,011	754,336	792,078	775,018	727,765	820,483	850,138	668,867
Community enrichment and development	277,227	491,329	312,309	211,270	187,818	247,852	200,159	281,927	1,218,937	1,611,291
Non-departmental	1,691,998	1,737,075	1,776,992	2,151,016	2,020,698	1,649,454	2,970,326	2,745,727	2,735,006	2,735,439
Capital outlay	2,428,171	725,395	2,372,728	3,091,615	3,072,493	7,123,336	5,178,367	3,227,400	991,354	1,338,008
Debt Service:										
Principal	1,753,147	1,890,000	1,600,000	1,845,000	1,875,000	1,580,000	1,670,000	1,695,000	1,700,000	1,295,000
Interest	857,960	1,034,325	892,765	752,489	707,092	1,148,248	1,116,640	1,076,660	1,038,320	1,207,578
Total expenditures	26,541,793	25,301,288	26,058,492	28,799,876	31,279,753	34,707,331	33,516,932	31,749,223	29,550,860	28,709,846
Excess of revenues over (under) expenditures	(1,592,273)	(607,686)	(1,639,426)	(2,050,205)	(3,696,567)	(5,872,355)	(4,490,473)	(1,890,805)	1,271,362	(584,848)
Other Financing Sources (Uses)										
Proceeds from sale of bonds	-	11,500,000	-	-	10,890,965	-	-	-	-	13,326,647
Refunding bonds issued	-	11,875,000	-	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	(11,828,750)	-	-	-	-	-	-	-	-
Proceeds from capital lease	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	303,425	-	-	-	-	-
Transfers in	1,963,113	2,541,886	2,153,141	2,036,085	2,267,989	2,401,870	2,430,771	2,492,312	2,476,424	2,476,424
Transfer out	(2,013,113)	(2,591,886)	(2,203,141)	(2,086,085)	(2,317,989)	(2,451,870)	(2,480,771)	(2,542,312)	(2,526,424)	(2,526,424)
Total other financing sources (uses)	(50,000)	11,496,250	(50,000)	(50,000)	11,144,390	(50,000)	(50,000)	(50,000)	(50,000)	13,276,647
Net change in fund balances	\$(1,642,273)	\$10,888,564	\$(1,689,426)	\$(2,100,205)	\$ 7,447,823	\$(5,922,355)	\$(4,540,473)	\$(1,940,805)	\$ 1,221,362	\$12,691,799
Debt service as a percentage of noncapital expenditures	10.83%	11.90%	10.52%	10.10%	9.15%	9.89%	9.83%	9.72%	9.59%	9.14%

Schedule 5
City of Oak Park
Taxable Value and Actual Value of Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Real Property			Personal Property	Total Taxable Value	Total Direct Tax Rate	Estimated Actual Value	Taxable Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property					
2002	\$365,121,240	\$66,470,730	\$48,298,930	\$52,245,480	\$532,136,380	24.6245	\$ 1,424,698,940	37.35%
2003	388,554,740	69,031,130	50,180,580	51,711,060	559,477,510	23.6344	1,521,228,600	36.78%
2004	408,102,490	73,135,960	51,075,440	46,983,030	579,296,920	23.5377	1,612,219,660	35.93%
2005	431,289,070	90,517,620	52,614,020	49,005,590	623,426,300	24.1194	1,745,673,380	35.71%
2006	454,457,020	106,703,397	57,524,360	46,571,380	665,256,157	23.7201	1,835,567,900	36.24%
2007	480,667,540	105,533,730	59,565,190	44,318,580	690,085,040	23.8150	1,862,110,440	37.06%
2008	506,292,480	108,633,050	63,444,620	43,942,580	722,312,730	23.7288	1,904,504,560	37.93%
2009	511,737,180	109,204,400	70,406,640	37,226,110	728,574,330	24.6704	1,816,037,880	40.12%
2010	496,759,030	110,469,460	69,924,120	37,535,040	714,687,650	24.6863	1,629,550,940	43.86%
2011	427,200,170	99,543,660	60,865,560	36,210,100	623,819,490	24.5191	1,288,399,640	48.42%

Source: City of Oak Park Assessing Department.

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

Schedule 6
City of Oak Park
Direct And Overlapping Property Tax Rates
(Per \$1,000 of Taxable Value)
Last Ten Fiscal Years

Fiscal Year	Operating Millage	Library	Debt Service	Solid Waste	Total Direct	School Districts			Community College	Total Rates for Residents Residing In			
						Oak Park	Ferndale	Berkley		Oak Park School District	Ferndale School District	Berkley School District	
2001: Homestead (1)	17.3727	0.0000	4.6460	2.6058	24.6245	14.4444	13.2300	10.5737	1.5952	8.4171	49.0812	47.8668	45.2105
2001: Non-Homestead					24.6245	32.5126	31.4100	28.7537	1.5952	8.4171	67.1494	66.0468	63.3905
2002: Homestead (1)	17.0843	0.0000	3.9876	2.5625	23.6344	14.4173	13.2328	10.5765	1.6090	8.6747	48.3354	47.1509	44.4946
2002: Non-Homestead					23.6344	32.5754	31.4128	28.7565	1.6090	8.6747	66.4935	65.3309	62.6746
2003: Homestead (1)	16.7443	0.0000	4.2819	2.5115	23.5377	12.5350	12.2223	9.5660	1.5983	8.6462	46.3172	46.0045	43.3482
2003: Non-Homestead					23.5377	30.6184	30.4023	27.7460	1.5983	8.6462	64.4006	64.1845	61.5282
2004: Homestead (1)	16.4981	1.0000	4.1468	2.4745	24.1194	13.4729	13.4732	11.5744	1.5889	8.6227	47.8039	47.8042	45.9054
2004: Non-Homestead					24.1194	31.6529	31.6532	29.7544	1.5889	8.6227	65.9839	65.9842	64.0854
2005: Homestead (1)	16.3777	0.9927	3.8933	2.4564	23.7201	13.4688	13.4691	10.9509	1.5844	8.6101	47.3834	47.3837	44.8655
2005: Non-Homestead					23.7201	31.6488	31.6491	29.1309	1.5844	8.6101	65.5634	65.5637	63.0455
2006: Homestead (1)	16.3613	0.9917	4.0081	2.4539	23.8150	13.3585	13.4699	10.9416	1.5844	8.6051	47.3630	47.4744	44.9461
2006: Non-Homestead					23.8150	31.5385	31.6499	29.1216	1.5844	8.6051	65.5430	65.6544	63.1261
2007: Homestead (1)	16.3563	0.9914	3.9280	2.4531	23.7288	13.4388	13.4691	10.7892	1.5844	8.6051	47.3571	47.3874	44.7075
2007: Non-Homestead					23.7288	31.6188	31.6491	28.9692	1.5844	8.6051	65.5371	65.5674	62.8875
2008: Homestead (1)	17.3563	0.9914	3.8696	2.4531	24.6704	13.4492	13.4795	10.6684	1.5844	8.4905	48.1945	48.2248	45.4137
2008: Non-Homestead					24.6704	31.6292	31.6595	28.8484	1.5844	8.4905	66.3745	66.4048	63.5937
2009: Homestead (1)	17.3563	0.9914	3.8855	2.4531	24.6863	13.4494	13.4796	10.6685	1.5844	8.7051	48.4252	48.4554	45.6443
2009: Non-Homestead					24.6863	31.6294	31.6596	28.8485	1.5844	8.7051	66.6052	66.6354	63.8243
2010: Homestead (1)	17.3563	0.9914	3.7183	2.4531	24.5191	14.6800	13.4780	10.6668	1.5844	8.7051	49.4886	48.2866	45.4754
2010: Non-Homestead					24.5191	31.8600	31.6580	28.8468	1.5844	8.7051	66.6686	66.4666	63.6554

(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.

**Schedule 7
City of Oak Park
Principal Property Tax Payers
Current Year and Nine Years Ago**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2011</u>			<u>2002</u>		
		<u>Taxable Valuation</u>	<u>Rank</u>	<u>Percentage of Total Taxable Valuation</u>	<u>Taxable Valuation</u>	<u>Rank</u>	<u>Percentage of Total Taxable Valuation</u>
Jewish Federation Apts.	Apartment Complex	\$ 8,482,300	1	1.59%	\$9,606,100	1	1.69%
Detroit Square Properties, LLC	Apartment Complex	7,473,800	2	1.40%			
Lincoln Towers Apts, LLP	Apartment Complex	5,535,080	3	1.04%			
Village Green Management Co.	Apartment Complex	5,410,200	4	1.02%			
Oak Park Manor MI, LLC	Apartment Complex	4,416,840	5	0.83%			
Sub-total		31,318,220		5.88%	9,606,100		1.69%
Greenfield Lincoln Investments #2, LLC	Commercial Lease	4,395,000	6	0.83%			
Detroit Edison	Utility	3,783,840	7	0.71%	5,304,970	2	0.94%
Lincoln Center	Shopping Center	3,242,450	8	0.61%	4,327,250	5	0.76%
Symtec Mfg. Technologies/Paramount Boring	Manufacturing	2,889,490	9	0.54%	2,143,820	17	0.38%
Oakmont Properties	Industrial Lease	2,798,100	10	0.53%	3,608,480	10	0.64%
		17,108,880		3.22%	15,384,520		2.72%
Northend Properties, LLC	Industrial Lease	2,481,300	11	0.47%			
Parkwoods Shopping Plaza, LLC	Shopping Center	2,429,900	12	0.46%	4,208,540	6	0.74%
Consumers Energy Company	Utility	2,411,500	13	0.45%	2,483,080	13	0.44%
Public Storage / PS Euro Part X III Ltd.	Storage	2,088,590	14	0.39%	2,194,960	16	0.39%
C & N Building, LLC	Shopping Center	2,062,100	15	0.39%			
		11,473,390		2.16%	8,886,580		1.57%
Richland Towers Management Detroit	Broadcasting Towers	2,043,900	16	0.38%			
Oak Park Metro, LLC	Storage	1,980,400	17	0.37%			
Stratford Associates	Apartment Complex	1,953,190	18	0.37%			
Kmart Corporation	Discount Store	1,895,190	19	0.36%			
Oak Park Partners, LLC	Apartment Complex	1,772,000	20	0.33%			
Sub-total		9,644,680		1.81%	0		0.00%
Huntington Gardens Village Green Management	Apartment Complex				4,980,880	3	0.88%
CBS, Inc.	Television Network				4,725,210	4	0.83%
GTN Indurtries, Inc.	Studio				4,072,760	7	0.72%
Home Properties of New York	Apartment Complex				3,985,740	8	0.70%
Cincinnati Milacron	Manufacturer				3,816,650	9	0.67%
Comcast	Television/Cable				2,723,550	11	0.48%
Northland Properties	Shopping Center				2,554,700	12	0.45%
Eaton Steel	Steel Warehouse				2,374,110	14	0.42%
ASC	Manufacturer				2,206,430	15	0.39%
Lincoln Briar Apartments	Apartment Complex				2,061,870	18	0.36%
P & P Real Estate Investment	Shopping Center				1,926,520	19	0.34%
Stratford Associates	Apartment Complex				1,758,120	20	0.31%
Sub-total		0		0.00%	37,186,540		6.55%
GrandTotal		\$69,545,170		13.07%	\$71,063,740		12.53%

**Schedule 8
City of Oak Park
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ending <u>June 30</u>	Taxes Levied for the <u>Fiscal Year</u>	Collected within the		Collections in Subsequent <u>Years</u>	<u>Total Collections to Date</u>	
		<u>Fiscal Year of the Levy</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2002	\$13,575,518	\$13,385,035	98.60%	\$ 95,246	\$13,480,281	99.30%
2003	13,562,840	13,353,379	98.46%	110,803	13,464,182	99.27%
2004	14,081,644	13,894,283	98.67%	93,827	13,988,110	99.34%
2005	15,670,688	15,439,161	98.52%	141,982	15,581,143	99.43%
2006	16,627,835	15,269,916	91.83%	142,811	15,412,727	92.69%
2007	17,357,852	15,654,630	90.19%	129,735	15,784,365	90.94%
2008	18,170,268	16,349,901	89.98%	136,390	16,486,291	90.73%
2009	19,029,345	17,269,947	90.75%	113,244	17,383,191	91.35%
2010	18,708,879	16,964,827	90.68%	81,685	17,046,512	91.11%
2011	15,658,581	14,363,567	91.73%	95,810	14,459,377	92.34%

Schedule 9
City of Oak Park
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending <u>June 30</u>	Governmental	Business-Type	Total Primary <u>Government</u>	Percentage of Personal <u>Income</u>	Per <u>Capita</u>
	<u>Activities</u> General Obligation <u>Bonds</u>	<u>Activities</u> Water Revenue <u>Bonds</u>			
2002	\$ 13,765,000	\$ 19,058,594	\$32,823,594	0.1484%	\$ 1,102
2003	23,375,000	13,074,510	36,449,510	0.1336%	1,223
2004	21,775,000	16,475,815	38,250,815	0.1273%	1,239
2005	19,930,000	17,326,313	37,256,313	0.1307%	1,150
2006	29,055,000	16,921,387	45,976,387	0.1059%	1,419
2007	27,475,000	16,091,554	43,566,554	0.1118%	1,345
2008	25,805,000	15,219,483	41,024,483	0.1187%	1,266
2009	24,110,000	15,066,183	39,176,183	0.1243%	1,209
2010	22,410,000	14,315,803	36,725,803	0.1326%	1,253
2011	34,540,000	13,697,003	48,237,003	0.1010%	1,645

Schedule 10
City of Oak Park
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ending <u>June 30</u>	General Obligation <u>Bonds</u>	Less: Amounts Available in Debt <u>Service Funds</u>	<u>Total</u>	Percentage of Estimated Actual Taxable Value of <u>Property</u>	Per <u>Capita</u>
2002	\$13,765,000	\$ 873,971	\$ 12,891,029	2.42%	\$ 432.69
2003	23,375,000	274,921	23,100,079	4.13%	775.35
2004	21,775,000	282,328	21,492,672	3.71%	696.34
2005	19,930,000	334,783	19,595,217	3.14%	604.81
2006	29,055,000	371,772	28,683,228	4.31%	885.31
2007	27,475,000	493,669	26,981,331	3.91%	832.78
2008	25,805,000	643,161	25,161,839	3.48%	776.62
2009	24,110,000	784,216	23,325,784	3.20%	719.95
2010	22,410,000	835,683	21,574,317	3.02%	735.85
2011	34,540,000	654,398	33,885,602	5.43%	1,155.76

**Schedule 11
City of Oak Park
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Debt Applicable To City *</u>	<u>Estimated Share Of Overlapping Debt</u>
City of Oak Park	\$34,540,000	100.00%	\$ 34,540,000
Subtotal direct debt			<u>\$ 34,540,000</u>
Berkley School District	23,165,000	14.63%	3,389,040
Ferndale School District	35,422,678	15.08%	5,341,740
Oak Park School District	21,665,000	75.30%	16,313,745
Oakland County at Large	97,306,733	1.24%	1,206,603
Oakland Intermediate School District	62,379,412	1.24%	773,505
Oakland Community College	<u>5,075,000</u>	<u>1.25%</u>	63,438
Subtotal overlapping debt			<u>\$ 27,088,071</u>
Total	<u>\$279,553,823</u>		<u>\$61,628,071</u>

* Amounts supplied by Municipal Advisory Council of Michigan.

Schedule 12
City of Oak Park
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt limit	\$76,062,450	\$80,611,283	\$87,283,669	\$91,778,395	\$93,105,522	\$95,225,228	\$90,844,906	\$81,477,547	\$64,419,982	\$53,202,679
Total net debt applicable to limit	<u>12,891,029</u>	<u>23,100,079</u>	<u>21,492,672</u>	<u>19,595,217</u>	<u>28,683,228</u>	<u>26,981,331</u>	<u>25,161,839</u>	<u>23,325,784</u>	<u>21,574,317</u>	<u>33,885,602</u>
Legal debt margin	<u>\$63,171,421</u>	<u>\$57,511,204</u>	<u>\$65,790,997</u>	<u>\$72,183,178</u>	<u>\$64,422,294</u>	<u>\$68,243,897</u>	<u>\$65,683,067</u>	<u>\$58,151,763</u>	<u>\$42,845,665</u>	<u>\$ 19,317,077</u>
Total net debt applicable to the limit as a percentage of debt limit	16.95%	28.66%	24.62%	21.35%	30.81%	28.33%	27.70%	28.63%	33.49%	63.69%

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed Value	<u>\$532,026,790</u>
Legal Debt Limit (10% of Assessed Value)	\$53,202,679
Gross Indebtedness	\$34,540,000
Less: Amount Available In Debt Service Fund	<u>654,398</u>
Net Bonded Debt	<u>33,885,602</u>
Legal Debt Margin	<u>\$19,317,077</u>
Net Bonded Debt as a Percentage of Assessed Value	6.37%

Schedule 13
City of Oak Park
Revenue Bond Coverage
Last Ten Fiscal Years

<u>Fiscal</u> <u>Year Ending</u> <u>June 30</u>	<u>Gross</u> <u>Revenue</u>	<u>Expenses, Net</u> <u>of Depreciation</u> <u>and Interest</u>			<u>Net Revenue</u> <u>Available for</u> <u>Debt Service</u>			<u>Total Debt Service Requirements</u>			<u>Debt</u> <u>Service</u> <u>Coverage</u>
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
2002	\$6,209,587	\$ 5,372,679	\$ 836,908	\$200,000	\$391,560	\$591,560	1.41				
2003	8,301,437	6,574,923	1,726,514	314,480	500,068	814,548	2.12				
2004	7,974,025	6,641,542	1,332,483	469,897	581,348	1,051,245	1.27				
2005	8,213,692	6,215,874	1,997,818	863,589	633,479	1,497,068	1.33				
2006	10,547,749	7,255,581	3,292,168	940,749	528,762	1,469,511	2.24				
2007	9,034,465	7,072,472	1,961,993	973,374	494,477	1,467,851	1.34				
2008	8,972,129	7,302,057	1,670,072	1,027,558	463,129	1,490,687	1.12				
2009	9,050,017	7,304,931	1,745,086	1,042,584	451,214	1,493,798	1.17				
2010	9,148,095	8,094,665	1,053,430	1,110,779	442,114	1,552,893	0.68				
2011	10,676,880	8,091,387	2,585,493	1,186,922	336,292	1,523,214	1.70				

**Schedule 14
City of Oak Park
Demographic and Economic Statistics
Last Ten Calendar Fiscal Years**

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Unemployment Rate</u>
2002	29,793	48,697	21,677	34.6	7.2%
2003	29,793	48,697	21,677	34.6	8.3%
2004	30,865	48,697	21,677	34.6	8.6%
2005	32,399	48,697	21,677	34.6	8.2%
2006	32,399	48,697	21,677	34.6	8.7%
2007	32,399	48,697	21,677	34.6	9.6%
2008	32,399	48,697	21,677	34.6	10.8%
2009	32,399	48,697	21,677	34.6	22.5%
2010	29,319	48,697	21,677	34.6	19.1%
2011	29,319	48,697	21,677	34.6	15.2%

**Schedule 15
City of Oak Park
Principal Employers
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2011</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of of Total City Employment</u>
Oak Park School District	485	1	3.50%	450	1	3.04%
City of Oak Park	197	2	1.42%	267	2	1.80%
Aarmco	130	3	0.94%	121	3	0.82%
Berkley School district	105	4	0.76%	115		0.78%
Hagopian World of Rugs Inc.	99	5	0.71%	111	4	0.75%
Sub-total	<u>1,016</u>		<u>7.33%</u>	<u>1,064</u>		<u>7.19%</u>
Barton Malow Rigging Co. Inc.	98	6	0.71%	110	5	0.74%
K-Mart Corporation	98	7	0.71%	-		0.00%
Ferndale School District	97	8	0.70%	109	6	0.99%
Visiting Nurse Association	96	9	0.69%	100	7	0.83%
Bullseye Telecom Inc.	95	10	0.69%	-		0.00%
Sub-total	<u>484</u>		<u>3.50%</u>	<u>319</u>		<u>2.56%</u>
GTN Inc.				94	8	0.63%
Thyssen Metal				93	9	0.63%
Startford Associates				92	10	0.62%
DBA Jorgenson Alloy Steel				91	16	0.61%
Koeplingers				90	17	0.61%
Tishken Products				89	18	0.60%
Hartman Tyner				88	19	0.59%
General Die Cast				87	20	0.59%
Sub-total	<u>0</u>		<u>0.00%</u>	<u>724</u>		<u>4.88%</u>
GrandTotal	<u>1,500</u>		<u>10.83%</u>	<u>2,107</u>		<u>14.63%</u>

Schedule 16
City of Oak Park
Full-time Equivalent City Government Employees by Department/Union Group

Last Ten Fiscal Years

<u>Department/Union</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Full Time</u>										
<u>General Government</u>										
Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Manager	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00
Information Technology	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Attorney	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prosecuting Attorney	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Elections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
City Clerk	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	2.00
Finance & Administrative Services	18.00	18.00	17.00	16.00	17.00	16.00	17.00	17.00	15.00	13.00
Technical & Planning Services	17.00	17.00	16.00	16.00	17.00	17.00	16.00	13.00	13.00	12.00
Public Information	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00
Subtotal General Government	55.00	54.00	51.00	50.00	52.00	51.00	50.00	47.00	44.00	39.00
Public Safety	85.00	83.00	78.00	78.00	79.00	79.00	78.00	78.00	74.00	73.00
Public Works	30.00	30.00	28.00	28.00	27.00	27.00	27.00	26.00	26.00	24.00
Recreation	12.00	12.00	11.00	9.00	8.00	8.00	7.00	7.00	7.00	7.00
Library	8.00	8.00	8.00	8.00	8.00	6.00	6.00	6.00	6.00	6.00
Community Services	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
District Court 45-B / Probation	27.00	26.00	26.00	26.00	26.00	28.00	27.00	25.00	27.00	27.00
Sub-Total Full Time	219.00	215.00	202.00	199.00	200.00	199.00	195.00	189.00	184.00	176.00
<u>PART TIME</u>										
Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
City Manager	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.12
Information Technology	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
City Attorney	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prosecuting Attorney	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Elections	0.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
City Clerk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50
Finance & Administrative Services	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Technical & Planning Services	1.00	1.00	1.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Public Information	0.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal General Government	5.12	3.00	2.00	1.50	1.50	1.50	1.50	1.50	2.00	2.12
Public Safety	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Public Works	6.03	6.03	2.42	2.42	2.42	3.17	3.17	3.17	3.17	3.17
Recreation	22.10	22.10	21.30	21.30	20.40	20.40	21.20	21.10	21.10	20.35
Library	7.65	7.65	3.65	3.65	3.65	3.65	3.65	4.50	4.50	3.75
Community Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
District Court 45-B / Probation	2.20	2.90	1.90	1.90	1.90	1.60	2.40	2.40	0.70	0.70
Sub-Total Part Time	48.35	46.93	36.52	36.02	35.12	35.57	37.17	37.92	36.72	35.34
TOTAL FULL TIME EQUIVALENTS	267.35	261.93	238.52	235.02	235.12	234.57	232.17	226.92	220.72	211.34

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).

FULL TIME PERSONNEL BY SALARY CLASSIFICATION

Legislative	5	5	5	5	5	5	5	5	5	5
Exempt	11	12	11	11	11	11	11	11	11	11
Supervisory	20	15	13	13	15	15	15	13	13	13
Administrative	17	8	6	5	5	5	5	5	5	5
AFSCME	70	74	71	69	66	63	61	59	56	56
POAM	55	55	50	50	52	52	51	51	47	47
COAM	14	14	14	14	14	14	14	14	14	14
Dispatch	0	6	6	6	6	6	6	6	6	6
District Court 45-B	27	26	26	26	26	28	27	25	27	27
	219	215	202	199	200	199	195	189	184	184

Schedule 17
City of Oak Park
Operating Indicators by Function/Department
Last Ten Fiscal Years

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City Manager										
Number of Complaints	112	164	202	130	167	160	143	139	94	113
Average Days to Complete	8.30	4.60	4.60	3.50	4.40	5.00	5.50	7.63	1.50	2.00
Public Safety										
Hazardous Violations	5,370	4,586	2,731	2,563	4,726	6,178	5,423	5,077	4,060	3,428
Total Violations	15,380	13,844	9,168	8,190	13,241	15,716	14,837	13,955	11,171	10,122
EMS Requests	1,724	1,987	2,067	2,237	2,521	2,491	2,441	2,210	2,305	2,533
Traffic Crashes	1,446	1,225	1,187	1,134	1,091	908	923	815	730	659
Technical & Planning Services										
Number of Building Permits	872	938	710	814	811	716	624	545	582	526
Value of Building Permits	\$12,716,735	\$9,101,942	\$6,515,615	\$10,711,218	\$9,930,436	\$9,075,580	\$8,515,609	\$5,868,495	\$6,143,751	\$4,560,779
Library										
Residents with Library Cards	15,009	15,110	14,382	15,311	17,234	19,127	16,076	17,102	17,400	18,268
Items Available	94,380	97,605	100,971	103,500	102,893	105,302	104,954	114,338	105,750	105,720
Health and Sanitation										
Tons of Solid Waste Recycled	995.00	997.00	988.00	940.12	940.00	863.00	771.00	802.00	826.00	818.00
Water System										
Percent of Line Loss	11.75%	9.61%	9.64%	5.11%	10.70%	9.55%	9.48%	6.51%	4.83%	4.83%

Schedule 18
City of Oak Park
Capital Asset Statistics by Function/Department
Last Ten Fiscal Years

<u>Department</u>	<u>Fiscal Year</u>									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
City Manager										
Vehicles Assigned	2	2	1	1	2	3	2	2	0	0
Public Safety										
Vehicles Assigned	33	33	33	33	35	35	40	39	29	34
Public Works										
Vehicles Assigned	33	33	33	33	40	40	48	46	38	42
Number of Buildings	5	5	5	5	5	5	4	4	4	4
Road Maintenance and Repair										
Miles of Major Streets	20.72	20.72	20.72	20.72	20.72	20.72	20.72	20.72	20.72	20.72
Miles of Local Streets	65.33	65.33	65.33	65.33	65.33	65.33	65.33	65.33	65.33	65.33
Water & Sewer System										
Miles of Water Mains	115	115	115	115	115	115	115	115	115	115
Miles of Sewers	80.64	80.64	80.64	80.64	80.64	80.64	80.64	80.64	80.64	80.64
Recreation										
Swimming Pool	1	1	1	1	1	1	1	1	1	1
City Parks	10	10	10	10	10	10	10	10	10	10
Park Acreage	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8	109.8



“The Family City”

**Fiscal Year July 1, 2010
through June 30, 2011**

**Comprehensive Annual
Financial Report**