City of Oak Park, Michigan

Year Ended June 30, 2023

Annual Comprehensive Financial Report

Prepared by
Finance Department

City Manager
Erik Tungate

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CITY OF OAK PARK, MICHIGAN

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INTRODUCTORY SECTION

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CITY OF OAK PARK

OFFICE OF THE CITY MANAGER

Mayor
Marian McClellan
Mayor Pro Tem
Carolyn Burns
Council Members
Solomon Radner
Julie Edgar
Shaun Whitehead
City Manager
Erik Tungate

December 21, 2023

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

The annual comprehensive financial report (ACFR) of the City of Oak Park (the "City") for the year ended June 30, 2023, is hereby submitted as mandated by the City Charter, Section 9.8, and state statute, Public Act 2 of 1968. The City Charter and state statute require that the City issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The financial statements and supplemental schedules contained herein have been audited by Rehmann Robson LLC, 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 is accurate in all material respects and reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City activities have been included.

Generally accepted accounting principles ("GAAP") 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 complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

The Reporting Entity and Services Provided

The City provides a full range of services including police and fire protection; sanitation services; the construction and maintenance of highways, streets, and infrastructure; planning and zoning; library services; and recreational activities and cultural events. In addition, water and sewer and storm water 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 is located near the southeast corner of Oakland County in metropolitan Detroit, and approximately 3.5 miles from Macomb County and adjacent to the northern boundary of the City of Detroit and Wayne County. The City contains approximately 5.5 square miles with a population of 29,560 as reported by the U.S. Bureau of Census for 2020.

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

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

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

Major Initiatives

The following were among those many diverse activities and accomplishments to which both the elected officials and staff devoted their energies in fiscal year 2022-2023:

1) The City's number one priority was preserving fund balance while maintaining, and in some instances expanding, existing essential city services while coming out of the worldwide COVID-19 pandemic. The City used approximately $950,000 in federal grants to help offset the substantial revenue loss as a result of the pandemic. Public safety continues to be the most important service provided to our residents and businesses and the City's three year (beginning in FY 21/22) included the addition of three new public safety officers in each fiscal year. The increase in officers was made possible by tax revenue growth from new economic development along with rebounding property tax values on existing properties citywide. The City also was able to purchase new body cameras totaling approximately $624,000 for the public safety team from the general fund. The general fund overall ended the year with a slight increase to fund balance of $2,055 bringing total fund balance to $4,911,697 or 19.5% of FY 2023 expenditures and transfers. The ending fund balance in the General Fund continues to be in the targeted range for the eighth year in a row.

2) The second priority was to continue to address long-term legacy costs. The City aggressively changed the amortization periods for both pension systems during fiscal year 2018-2019 from 24 years to 18 to accelerate the amount of contributions based on projected operations. Due to the significant loss in operating revenue citywide due to the COVID-19 pandemic, the City was forced to switch both systems back to the 24 year amortization in fiscal year 2019-2020. The City continues to make the actuarial required contributions for both pensions. Subsequent to year-end, the City received approximately $1.8 million from a state grant to help increase the overall funding level to near 60% and will ultimately help decrease future required contributions.

3) The third priority is to improve the quality of life for residents and business owners. The City continues to work toward this goal through economic development efforts and strategic investment in public safety, code enforcement, infrastructure, and public spaces. Economic development efforts are focused on attracting and retaining a mixture of robust businesses into the City. Strategic investments work as a tool to support those efforts and to ensure the City is meeting the quality-of-life expectations of current and future residents.

4) The final priority is to improve the City's parks and related recreation programming. The City hired a firm to create a parks and recreation master plan and transferred approximately $1,065,000 of funds budgeted in the current year into the parks and recreation capital improvement fund to be utilized on parks and recreation projects identified in the master plan in fiscal year 2023-2024 and beyond. The total available in this funds totals $1,573,692 at June 30, 2023. Subsequent to year-end, voters approved two millage requests for parks and recreation; the first was a Headlee Override of 2.4033 mills for operating and capital funds for parks and recreation and the second, approximately 4.2 mills for debt service for a new community center to be constructed over the next couple fiscal years.

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 GAAP. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

Long-term Financial Planning

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

City Council has made parks and recreation a priority in conjunction with the new parks and recreation master plan. The master plan identified significant future projects to enhance the quality of life for Oak Park residents. The newly approved millages along with significant general fund contributions will enable the City to construct an Event Hub, a new community center, and make improvements to many of the City parks including adding/replacing playground equipment, shelters, facilities, and trails.

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

Federal Financial Assistance

As a recipient of federal financial assistance, the City is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control systems are evaluated periodically by management to achieve these objectives. The City historically has not been required to have a single audit performed to test these controls, but due to the receipt of more than $950,000 in federal dollars related to the COVID-19 pandemic, one will be performed for fiscal year June 30, 2023 and is also expected to be performed in fiscal year 2023-2024. The single audits will be performed as required, per Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), because the City received more than $750,000 in federal awards.

Budgeting Controls

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

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the general fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level for the general and special revenue funds. However, for internal accounting purposes, budgetary control is maintained by object class (line account) for all funds. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Purchase orders that would create an over encumbrance are not written until additional appropriations are available. Encumbered accounts lapse at year-end. There were no encumbrances outstanding at June 30, 2023.

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

Acknowledgements

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

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

Sincerely,

[Signature omitted for security purposes]

Erik Tungate
City Manager

CITY OF OAK PARK, MICHIGAN

ELECTED AND APPOINTED OFFICIALS

City Council

Marian McClellan
Mayor

Julie Edgar
Mayor Pro-Tem

Solomon Radner
Carolyn Burns
Shaun Whitehead
Council Members

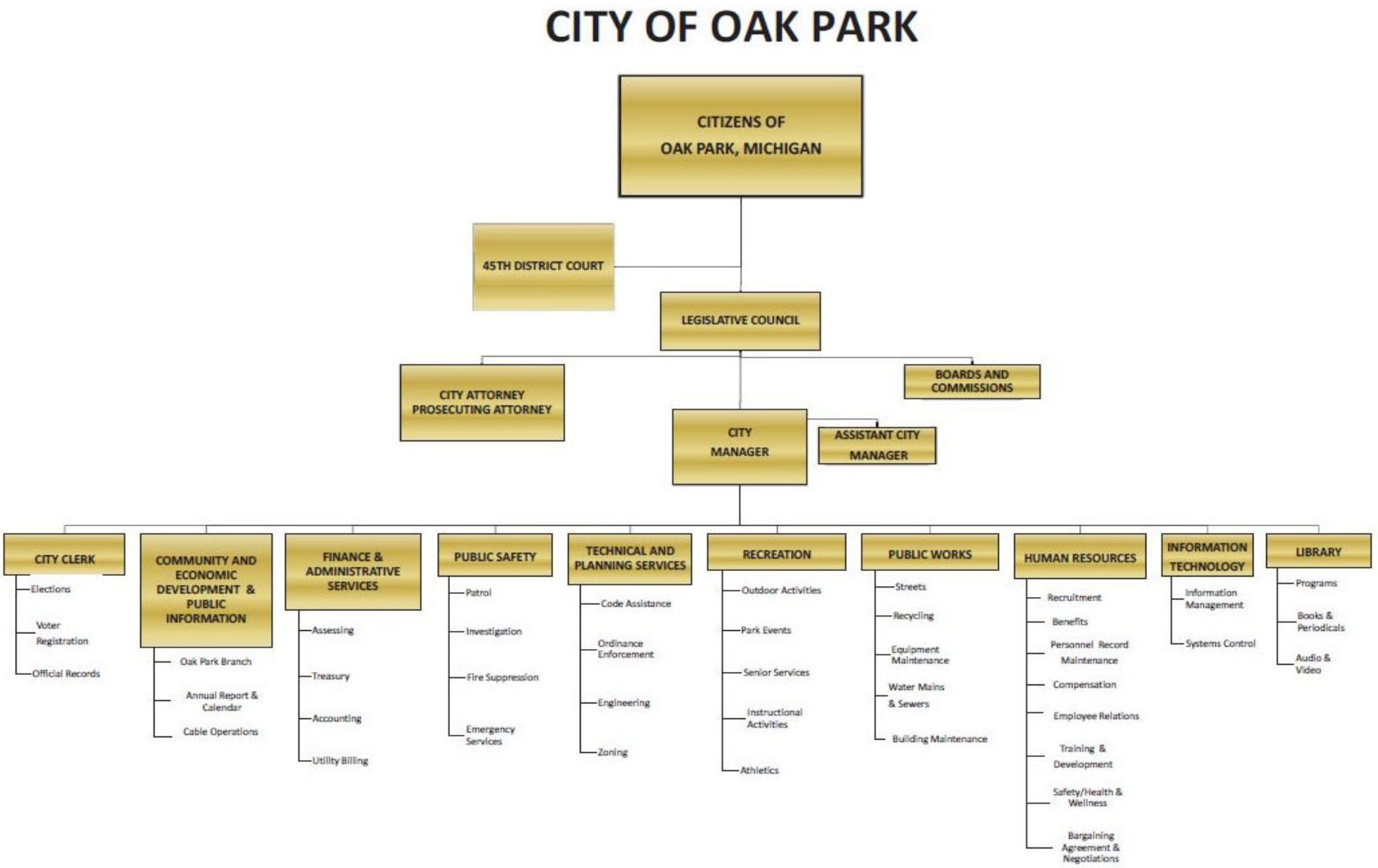
Appointed Officials and Senior Management

Erik Tungate, City Manager

David DeCoster, Public Works Director / Director of Facilities
T. Edwin Norris, City Clerk
Saundra Crawford, Director of Finance and Administrative Services / Treasurer
Joshua Johnson, Deputy Finance Director
John Gillooly and Ebony Duff, City Attorney
Kimberly Schaaf, Library Director
Kimberly Marrone, Director of Municipal Services / Director of Economic Development & Communications / Communications & Public Information
Steve Cooper, Director of Public Safety
Laurie Stasiak, Director of Recreation
Steve Lukasik, Deputy Treasurer
WCA Assessing, City Assessor
Joe Nissan, General Foreman
Ray Krajewski, General Foreman
Shawn Tetler, Deputy Director of Public Safety
Daniel Fairless, Deputy Director of Municipal Services
Scott LeMarbe, Deputy Director of DPW
Kevin VanDewalle, Water Supervisor
Maralee Rosemond, Senior Services Coordinator
Carla Allen, Director of Human Resources & Operations
Crystal VanVleck, Deputy City Manager / Community Services
Kara Grisamer, City Engineer

CITY OF OAK PARK, MICHIGAN

Table of Organization



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Oak Park Michigan

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

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Rehmann

INDEPENDENT AUDITORS' REPORT

December 21, 2023

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***City of Oak Park, Michigan*** (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

HLB We are an independent member of THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards,* we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 21, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rehmann Lohan LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the City of Oak Park, Michigan (the "City"), we offer readers an overview of the City's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the financial statements.

Financial Highlights

- The City's net position increased in the current year. Net position of the governmental activities increased by $2.8 million, or 4.4 percent. Net position of the business-type activities increased by $5.9 million, or 21.8 percent.
- The total cost of all of the City's governmental programs was $33.5 million.
- In the City's business-type activities, revenues were $17.0 million while expenses were $11.1 million.
- The fund balance of the City's governmental funds reported an increase of approximately $835,000, or 6.0 percent from $13.8 million to $14.7 million.
- The general fund reported an increase in fund balance of approximately $2,000, or less than 1.0 percent.
- The City's installment debt outstanding decreased $2.6 million, or 12.2 percent, from $21.2 million to $18.6 million.

Using this Annual Report

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

Reporting the City as a Whole

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

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

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

- Governmental activities — Most of the City's basic services are reported here, including general government, judicial, public safety, road maintenance and repair, public works, health and sanitation, culture and recreation, library, and community development. Property taxes, charges for services, and federal 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 and stormwater utility system are reported here.

- Discretely presented component units — The City includes three separate legal entities in its report, the Economic Development Corporation, Brownfield Redevelopment Authority, and Corridor Improvement Authority. Although legally separate, these discretely presented component units are important because the City is financially accountable for them.

Reporting the City's Most Significant Funds

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

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

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

Fiduciary funds. This category includes the City's pension and other employee benefits trust funds (fiduciary component units) along with its custodial fund, which account for monies held on behalf of others.

Reporting the City as Trustee

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

Management's Discussion and Analysis

The City as a Whole

The City's total net position increased over the prior year from negative $36.8 million to negative $28.0 million. Our analysis below focuses on the net position and changes in net position of the City's governmental and business-type activities.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 21,850,834	$ 21,754,791	$ 10,155,775	$ 9,703,459	$ 32,006,609	$ 31,458,250
Capital assets, net	43,117,138	42,026,576	35,652,711	31,928,425	78,769,849	73,955,001
Total assets	64,967,972	63,781,367	45,808,486	41,631,884	110,776,458	105,413,251
Deferred outflows of resources	4,541,955	6,418,500	219,934	513,595	4,761,889	6,932,095
Long-term liabilities	124,211,939	124,029,340	10,781,961	13,077,824	134,993,900	137,107,164
Other liabilities	5,570,189	5,721,318	1,990,445	1,756,349	7,560,634	7,477,667
Total liabilities	129,782,128	129,750,658	12,772,406	14,834,173	142,554,534	144,584,831
Deferred inflows of resources	965,841	4,536,900	-	-	965,841	4,536,900
Net position						
Net investment in capital assets	24,558,212	21,598,062	34,399,864	29,819,147	58,958,076	51,417,209
Restricted	7,065,401	7,670,497	-	-	7,065,401	7,670,497
Unrestricted (deficit)	(92,861,655)	(93,356,250)	(1,143,850)	(2,507,841)	(94,005,505)	(95,864,091)
Total net position	$ (61,238,042)	$ (64,087,691)	$ 33,256,014	$ 27,311,306	$ (27,982,028)	$ (36,776,385)

Except for the unrestricted net position deficit in the governmental and business-type activities, the City reports positive balances in all other categories of net position. The unrestricted net position deficits are a direct result of the net pension and other postemployment benefit liabilities and related deferred amounts.

Net position of the City's governmental activities increased by $2.8 million. Unrestricted net position — the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements — changed from negative $93.4 million at June 30, 2022 to negative $92.9 million at the end of this year. The increase in unrestricted net position (decrease in the deficit) from the prior to the current year is largely due to changes in the net pension and other postemployment benefit liabilities and related deferred amounts.

The net position of the business-type activities increased by $5.9 million, largely due to the $2.0 million increase in charges for services due to an overall increase in consumption. Additionally, investment earnings increased by approximately $233,000 due to a significantly higher interest rates on investment accounts.

Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	$ 5,514,178	$ 5,515,231	$ 16,418,385	$ 14,447,529	$ 21,932,563	$ 19,962,760
Operating grants and contributions	5,016,034	5,304,336	-	-	5,016,034	5,304,336
Capital grants and contributions	302,581	34,571	-	-	302,581	34,571
General revenues:						
Property taxes	20,013,619	19,732,463	-	-	20,013,619	19,732,463
State shared	4,487,054	4,286,888	-	-	4,487,054	4,286,888
Franchise fees	447,346	589,683	-	-	447,346	589,683
Unrestricted investment earnings (loss)	598,604	7,468	219,767	(13,149)	818,371	(5,681)
Other	-	-	393,149	352,183	393,149	352,183
Total revenues	36,379,416	35,470,640	17,031,301	14,786,563	53,410,717	50,257,203
Expenses						
General government	7,102,270	4,569,576	-	-	7,102,270	4,569,576
Judicial	2,318,603	1,738,990	-	-	2,318,603	1,738,990
Public safety	12,904,735	8,812,779	-	-	12,904,735	8,812,779
Road maintenance and repair	2,909,884	2,820,014	-	-	2,909,884	2,820,014
Public works	2,269,942	571,346	-	-	2,269,942	571,346
Health and sanitation	3,050,772	2,867,225	-	-	3,050,772	2,867,225
Culture and recreation	1,051,998	428,914	-	-	1,051,998	428,914
Library	989,501	689,860	-	-	989,501	689,860
Community development	426,600	161,520	-	-	426,600	161,520
Interest on long-term debt	505,462	556,445	-	-	505,462	556,445
Water and sewer	-	-	5,560,740	5,937,060	5,560,740	5,937,060
Stormwater utility	-	-	5,525,853	4,965,477	5,525,853	4,965,477
Total expenses	33,529,767	23,216,669	11,086,593	10,902,537	44,616,360	34,119,206
Change in net position	2,849,649	12,253,971	5,944,708	3,884,026	8,794,357	16,137,997
Net position						
Beginning of year	(64,087,691)	(76,341,662)	27,311,306	23,427,280	(36,776,385)	(52,914,382)
End of year	$ (61,238,042)	$ (64,087,691)	$ 33,256,014	$ 27,311,306	$ (27,982,028)	$ (36,776,385)

Management's Discussion and Analysis

The City's total revenue for all programs and services increased 6.3 percent ($3.2 million) from the prior year. This is largely due to the following:

- Charges for services revenue increased by $2.0 million due to an overall increase in consumption.
- Investment earnings increased by approximately $824,000 due to a significantly higher interest rates on investment accounts.
- Net property taxes increased by approximately $281,000 primarily due to the annual inflation rate per Headlee was almost double prior years at 5%.
- State shared revenue increased by approximately $200,000 due to increases by the State for revenue sharing and gas and weight taxes collected.
- Operating grants decreased by approximately $288,000 due to the decrease in ARPA federal grant revenue.

The total cost of all programs and services increased by 30.8 percent ($10.5 million). This is largely due to the following:

- Significant increases in pension and OPEB liabilities increased expenditures in both general government ($2.5 million) and pubic safety ($4.1 million).
- Increased building maintenance and repair costs were the primary reason for the $1.7 million increase in public works.

Governmental activities. Revenues for the City's governmental activities increased by 2.6 percent ($909,000), while total expenses increased 44.4 percent ($10.3 million), as previously discussed. The factors driving these changes in revenues include:

- Increase in investment earnings of approximately $591,000 along with property tax and revenue sharing increases of approximately $481,000, offset by reductions in federal grant revenue of $500,000 account for the majority of the net revenue increase.
- Expenditure increases include significant increases in wages to offset significant hiring issues, capital investments in public safety, and capital investments in roads were part of the overall cost increases.
- Continued increases in public safety and general pension contributions, adding three new public safety officer positions, and increased fringe benefit costs increase overall expenditure levels.

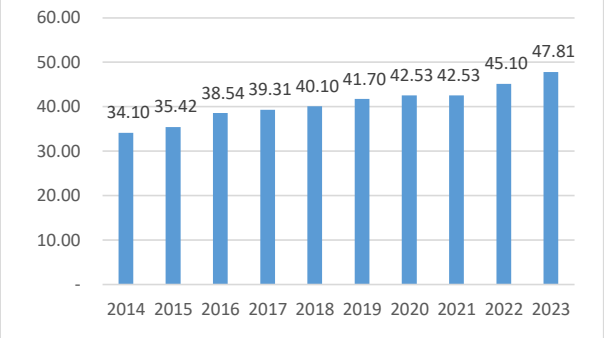
Management's Discussion and Analysis

Business-type activities. The City has two business-type activities: the water and sewer system and the stormwater utility fund.

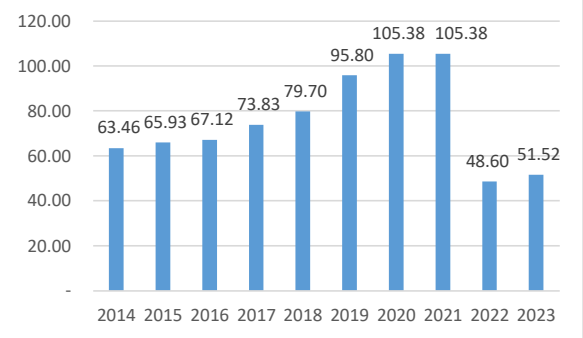
The City reported net income of $4.9 million in the water and sewer activity. This was an increase of approximately $2.1 million, from fiscal year 2022 net income of $2.8 million. The factors driving these results include:

- City experienced an overall increase in consumption in water and sewer and storm water.
- Investment earnings increased by approximately $233,000 due to significant increase in investment interest rates.

Annual Water Rates



Annual Sewer Rates



The City reported net income of $1.1 million in the stormwater utility fund. This was a decrease of $11,000, from fiscal year 2022 net income of $1.1 million. The factors driving these results include:

- The storm water fund charges a fixed rate to cover annual operating, capital and debt charges, the rate remained unchanged in fiscal year June 30, 2023.

The City's Funds

As the City completed the year, its governmental funds reported a total fund balance of $14.7 million, which is more than last year's total by $835,000. Included in this year's total change in fund balance is an increase of approximately $2,000 in the City's general fund. Refer below for further information regarding the significant changes in general fund revenues and expenditures.

General fund revenues. The following paragraphs analyze the activities of the City's major operating fund. General fund revenues totaled $25.2 million, an increase of 2.8 percent over the prior year. Revenues by source were as follows:

	General Fund Revenues				
	Fiscal Year		Percent of	Increase	% Change from
	2023	2022	Total	(Decrease)	Prior Year
Property taxes	$ 15,370,275	$ 14,716,400	61.10%	$ 653,875	4.44%
Licenses and permits	614,209	694,875	2.44%	(80,666)	-11.61%
Intergovernmental	5,744,567	5,768,011	22.84%	(23,444)	-0.41%
Charges for services	629,824	695,342	2.50%	(65,518)	-9.42%
Fines and forfeits	1,099,358	1,082,333	4.37%	17,025	1.57%
Franchise fees	447,346	589,683	1.78%	(142,337)	-24.14%
Investment income (loss)	303,579	(8,600)	1.21%	312,179	-3629.99%
Other	946,541	935,575	3.76%	10,966	1.17%
Total	$ 25,155,699	$ 24,473,619	100.00%	$ 682,080	2.79%

Management's Discussion and Analysis

Ad valorem taxes provide the City's primary source of revenue. The City's total tax rate is 32.4383 per $1,000 of taxable value. This is below the state's legal limit as provided for by the Headlee Amendment and the Truth in Taxation Act and includes the 7.0000 mill voter-approved levy for PA 345 public safety retirement costs. The overall increase in revenue is due to an increase in overall taxable value coupled with a decrease in the reserve for uncollectible chargebacks (foreclosures were put on hold due to COVID-19). See rates, as follows:

Purpose of Millage	2023 Rate	2022 Rate
Operating	14.5300	15.2339
Library	1.3243	1.3886
Solid waste/refuse	2.6228	2.7500
2012 debt	1.2228	1.3344
2015 debt	1.2191	1.3514
2020 debt	1.2693	1.3880
Recreation	0.4439	0.4655
Public safety	1.7904	1.8773
Headlee override	1.0157	1.0650
Public Safety Act 345	7.0000	7.0000
	32.4383	33.8541

Property tax revenue increase was due to new development and an inflation rate of 5% (approximately double prior year).

License and permits revenue decrease was primarily due to prior year had several significant construction projects.

Intergovernmental revenues remained relatively consistent, with a decrease of less than 1.0 percent.

Charges for services decrease is due primarily to a decrease in housing inspection revenue.

Fines and forfeits revenues remained relatively consistent, with an increase of approximately 1.6 percent.

Franchise fees revenues decrease was primarily due to law changes which have reduced the amounts received under current franchise agreements.

Investment income (loss) increase is attributable to significant increases in investment interest rates.

Other revenues remained relatively consistent, with an increase of approximately 1.2 percent.

Management's Discussion and Analysis

General fund expenditures. General fund expenditures were $22.2 million, a decrease of $542,000 or 2.4 percent, over the prior year. Broken down by function, expenditures were as follows:

	General Fund Expenditures				
	Fiscal Year		Percent of	Increase	% Change from
	2023	2022	Total	(Decrease)	Prior Year
General government	$ 4,327,588	$ 4,055,631	19.53%	$ 271,957	6.71%
Public safety	12,664,198	13,181,717	57.16%	(517,519)	-3.93%
Public works	1,460,161	1,500,353	6.59%	(40,192)	-2.68%
Culture and recreation	976,323	714,056	4.41%	262,267	36.73%
Community development	289,493	256,122	1.31%	33,371	13.03%
Nondepartmental costs	2,424,789	2,976,702	10.95%	(551,913)	-18.54%
Debt service:					
Principal	9,512	10,171	0.04%	(659)	-6.48%
Interest and fiscal charges	1,819	1,599	0.01%	220	13.76%
Total	$ 22,153,883	$ 22,696,351	100.00%	$ (542,468)	-2.39%

General government expenditures increase is due to mid-year wage increases given to employees due to high inflation.

The public safety department decrease is due primarily to staffing shortages throughout the year.

The public works department was relatively consistent, with a decrease of approximately 2.7 percent.

Culture and recreation increase is due primarily to the repairs and costs related to the reopening of the swimming pool.

Community development was relatively consistent, with an increase of approximately $33,000 or 13.0 percent.

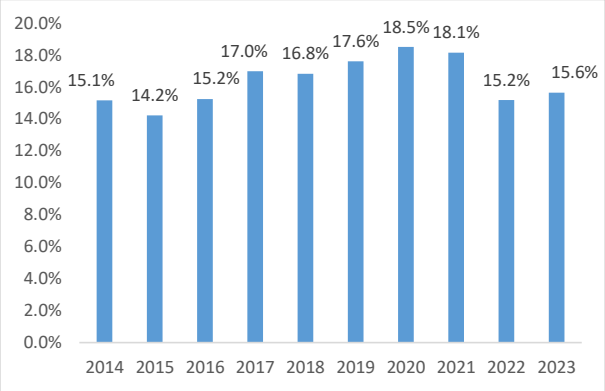
Nondepartmental costs decrease was primarily due to the significant decrease in retiree healthcare costs.

Debt service expenditures remained relatively consistent with prior year amounts, as expected.

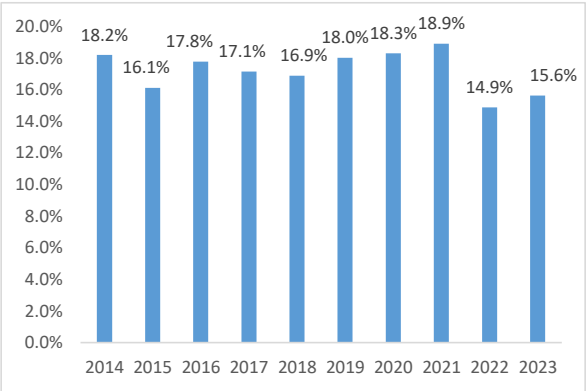
Management's Discussion and Analysis

General fund. Fund balance at June 30, 2023 increased by approximately $2,000 from the prior year. The unassigned (and available for appropriation portion of) fund balance increased by approximately $244,000 to a balance of $4.0 million which provides the City with approximately 57 days of annualized expenditures and transfers, and is equivalent to 15.7 percent of annual expenditures and transfers. Our goal is to maintain this percentage at 8.3 to 18.0 percent (approximates one to two months expenditures), a level considered adequate to meet any unforeseen events and avoid cash shortfalls during periods of low tax collections. Additionally, the City attempts to maintain a target fund balance of 10 to 15 percent of revenues. Unassigned fund balance can be graphically illustrated as follows:

Unassigned Fund Balance as a % of Revenues



Unassigned Fund Balance as a % of Expenditures and Transfers Out



General Fund Budgetary Highlights

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

Final budgeted revenues were $869,000 greater than original budgeted revenues. Significant budget amendments included better than expected property taxes of $200,000 and revenue sharing of $459,000.

Final budgeted expenditures were $527,000 greater than original budgeted expenditures. Significant budget amendments included building maintenance cost increase of $110,000 and mid-year wage increases including related fringe benefits.

Total actual revenues were less than the final amended budgeted amount by $386,000. The primary reasons for the decreases over the final amended budget were federal grant revenues were less than anticipated due to timing and district court revenues were substantially less than anticipated.

The actual expenditures were $780,000 less than the final budget amounts in the general fund. This is primarily due to budgeted projects were not completed by year end due to timing and supply chain issues and will need to be budgeted in fiscal year 2023-2024.

Capital Asset and Debt Administration

Capital assets. At June 30, 2023, the City had $78.8 million invested in a broad range of capital assets, including land, rights-of-way, work in progress, infrastructure, buildings, improvements, library collection, vehicles, and equipment.

Significant capital asset additions include in progress water main and road rehabilitation and replacement projects of $2.1 million, water and sewer systems of $1.1 million, roads and sidewalks of $776,000, public safety body cams of $302,000, new fences of $286,000, and other equipment of $656,000.

	Capital Assets (Net of Depreciation/Amortization)					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 1,617,369	$ 1,617,369	$ 11,502	$ 11,502	$ 1,628,871	$ 1,628,871
Rights-of-way	600,818	600,818	-	-	600,818	600,818
Work in progress	2,116,121	-	1,718,917	1,768,418	3,835,038	1,768,418
Infrastructure - roads	15,381,190	16,372,366	-	-	15,381,190	16,372,366
Infrastructure - sidewalks	2,199,662	2,242,144	-	-	2,199,662	2,242,144
Infrastructure - systems	-	-	33,546,655	29,932,056	33,546,655	29,932,056
Buildings	14,677,972	15,103,124	-	-	14,677,972	15,103,124
Improvements	2,310,601	2,185,186	-	-	2,310,601	2,185,186
Library collection	193,268	197,371	-	-	193,268	197,371
Vehicles and equipment	2,334,144	2,447,876	370,978	209,460	2,705,122	2,657,336
Other equipment	1,643,293	1,203,388	-	-	1,643,293	1,203,388
Lease equipment	42,700	56,934	4,659	6,989	47,359	63,923
Total capital assets, net	$ 43,117,138	$ 42,026,576	$ 35,652,711	$ 31,928,425	$ 78,769,849	$ 73,955,001

More detailed information about the City's capital assets is presented in Note 9 to the financial statements.

Long-term debt. Under current state statutes, the City's net bonded debt may not exceed 10 percent of the total assessed value of real and personal property as certified by the City Assessor. The City's net bonded debt of $17,815,640 is 1.6 percent of assessed value, and provides a legal debt margin of $97,112,128. Net general bonded debt per capita equaled $545.

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

At year-end, the City had $18.6 million in installment debt outstanding versus $21.2 million last year, a decrease of 12.2 percent, as shown in the table below.

	Installment Debt					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds (backed by the City)	$ 15,890,000	$ 17,560,000	$ 1,249,164	$ 2,102,746	$ 17,139,164	$ 19,662,746
Note payable	1,495,000	1,565,000	-	-	1,495,000	1,565,000
Total	$ 17,385,000	$ 19,125,000	$ 1,249,164	$ 2,102,746	$ 18,634,164	$ 21,227,746

At June 30, 2023, the 2012 street improvement refunding bonds, the 2015 refunding bonds, and the 2020 refunding bonds were the only outstanding governmental general obligation bonds. These bonds are paid by a tax levied on all taxpayers separate from the operating millage. A mill represents $1 of tax for every $1,000 of taxable value of real and personal property. The City's debt service levy in fiscal year 2022-2023 was 3.7112 mills. Requirements for general obligation bonds will decrease until all bonds are paid off in May 2036.

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

The District is borrowing funds through construction drawdowns to complete this project. As of June 30, 2023, the City is obligated to pay $1,249,164. Due to the nature of draws, the exact obligation will be unknown until the project is complete or no other draws are made. Payments on these obligations continue until 2029, ranging from $65,707 to $1,054,343. The City will continue to monitor the sewer rates to ensure sufficient cashflow to repay this debt.

The City's general obligation Moody's Rating Service underlying bond rating was A3. The State limits the amount of general obligation debt that cities can issue to 10 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is below this $114,927,768 state-imposed limit.

Other obligations include accrued vacation pay, sick leave, leases payable, and claims and judgments. More detailed information about the City's long-term liabilities is presented in Note 11 to the financial statements.

Economic Factors and Next Year's Budget and Rates

Oak Park (population 29,560) is primarily a residential community located in southeastern Oakland County, Michigan. The local tax base has experienced an increase of 4.2% for fiscal year 2022-2023 and is expected to have a similar inflationary increase in the following year (5.0% expected for 2023-2024). This rebound in the economy is encouraging but will continue to present challenges in the near future. Service levels will continue to be adjusted to match annual revenues.

Overall net general bonded debt is moderate and continues to decline for the tenth year in a row, at $545 per capita and 2.65% of actual taxable value of property.

The City's elected and appointed officials considered many factors when setting the fiscal year 2022-2023 budget including tax rates and fees to be charged for the business-type activities. One of those factors is the economy. Unemployment in the City now stands at 5.1 percent versus 5.9 percent a year ago. This compares with the State's unemployment rate of 3.6 percent and the national rate of 3.6 percent.

The City received the balance of the $3.1 million in COVID-19 related federal grants funds (ARPA grant) during fiscal year 2022. The three year budget passed by the mayor and city council in May 2021 utilizes all of these funds over the three years to balance the annual budget by offsetting lost revenues along with using the proceeds to fund several capital projects.

These indicators were taken into account when adopting the general fund budget for fiscal year 2023-2024. The fiscal year 2023-2024 budget was adopted in May 2023. Amounts available for appropriation in the general fund budget are $25.6 million, an increase of 1.6 percent over the estimated fiscal year 2022-2023 amount of $25.2 million. Property tax revenue is budgeted to increase by 5.6 percent. Overall, revenues are expected to remain relatively flat (excluding the three year use of the ARPA grant). Budgeted expenditures are expected to increase to $26.2 million from $25.2 million in fiscal year 2023-2024. The City has added no new major programs or initiatives to the fiscal year 2023-2024 budget.

Management's Discussion and Analysis

The expense plan for the water and sewer fund for fiscal year 2023-2024 is $9,696,421 a decrease of $2.90 million from fiscal year 2022-2023. The plan includes a modest rate increase in water and sewer rates, primarily to pass along the increase in the wholesale water and sewage rates from Oakland County.

This plan includes expenses for the District (known also as the George W. Kuhn Drain). Construction continues, and 10 bonds have been issued to pay for the costs. The City is responsible for 13.48 percent of the cost. Debt payments have been built into the budget and stormwater rates are adjusted as needed to meet our obligations. The George W. Kuhn Drain debt payment (principal and interest) will be approximately $887,000 in fiscal year 2023-2024.

Contacting the City's Financial Management

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

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BASIC FINANCIAL STATEMENTS

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Statement of Net Position

June 30, 2023

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and investments	$ 17,838,389	$ 7,756,122	$ 25,594,511	$ 744,308
Receivables, net	3,499,440	2,374,642	5,874,082	12,315
Prepaid items	513,005	25,011	538,016	-
Capital assets not being depreciated/amortized	4,334,308	1,730,419	6,064,727	-
Capital assets being depreciated/amortized, net	38,782,830	33,922,292	72,705,122	-
Total assets	64,967,972	45,808,486	110,776,458	756,623
Deferred outflows of resources				
Deferred pension amounts	4,105,621	211,328	4,316,949	-
Deferred other postemployment benefit amounts	223,555	8,606	232,161	-
Deferred charge on refunding	212,779	-	212,779	-
Total deferred outflows of resources	4,541,955	219,934	4,761,889	-
Liabilities				
Accounts payable and accrued liabilities	4,877,323	1,990,445	6,867,768	25,010
Unearned revenue	692,866	-	692,866	-
Bonds, notes, and other long-term liabilities:				
Due within one year	2,791,570	932,671	3,724,241	-
Due in more than one year	18,436,544	550,636	18,987,180	-
Other liabilities due in more than one year:				
Net pension liability	51,896,560	7,006,328	58,902,888	-
Net other postemployment benefit liability	51,087,265	2,292,326	53,379,591	-
Total liabilities	129,782,128	12,772,406	142,554,534	25,010
Deferred inflows of resources				
Deferred other postemployment benefit amounts	42,231	-	42,231	-
Deferred lease amounts	923,610	-	923,610	-
Total deferred inflows of resources	965,841	-	965,841	-
Net position				
Net investment in capital assets	24,558,212	34,399,864	58,958,076	-
Restricted for:				
Capital projects	169,060	-	169,060	-
Debt service	956,065	-	956,065	-
Opioid settlement	155,605	-	155,605	-
Judicial	140,817	-	140,817	-
Public safety	52,665	-	52,665	-
Road maintenance and repair	3,428,850	-	3,428,850	-
Health and sanitation	2,060,912	-	2,060,912	-
Library	101,427	-	101,427	-
Unrestricted (deficit)	(92,861,655)	(1,143,850)	(94,005,505)	731,613
Total net position	$ (61,238,042)	$ 33,256,014	$ (27,982,028)	$ 731,613

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

Statement of Activities

For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities:					
General government	$ 7,102,270	$ 3,413,003	$ 23,871	$ 302,581	$ (3,362,815)
Judicial	2,318,603	79,757	524,138	-	(1,714,708)
Public safety	12,904,735	47,407	991,762	-	(11,865,566)
Road maintenance and repair	2,909,884	24,182	3,294,015	-	408,313
Public works	2,269,942	115,350	-	-	(2,154,592)
Health and sanitation	3,050,772	1,810,028	-	-	(1,240,744)
Culture and recreation	1,051,998	-	-	-	(1,051,998)
Library	989,501	24,451	80,368	-	(884,682)
Community development	426,600	-	101,880	-	(324,720)
Interest on long-term debt	505,462	-	-	-	(505,462)
Total governmental activities	33,529,767	5,514,178	5,016,034	302,581	(22,696,974)
Business-type activities:					
Water and sewer	5,560,740	9,836,085	-	-	4,275,345
Stormwater utility	5,525,853	6,582,300	-	-	1,056,447
Total business-type activities	11,086,593	16,418,385	-	-	5,331,792
Total primary government	$ 44,616,360	$ 21,932,563	$ 5,016,034	$ 302,581	$ (17,365,182)
Component units					
Brownfield Redevelopment Authority	$ 15,680	$ -	$ 15,608	$ -	$ (72)
Corridor Improvement Authority	39,407	2,600	-	-	(36,807)
Total component units	$ 55,087	$ 2,600	$ 15,608	$ -	$ (36,879)

continued…

Statement of Activities

For the Year Ended June 30, 2023

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Change in net position				
Net (expense) revenue	$ (22,696,974)	$ 5,331,792	$ (17,365,182)	$ (36,879)
General revenues:				
Property taxes levied for:				
General purposes	17,745,637	-	17,745,637	239,722
Debt service	2,267,982	-	2,267,982	-
State shared revenues	4,487,054	-	4,487,054	-
Franchise fees	447,346	-	447,346	-
Investment income	598,604	219,767	818,371	15,605
Other	-	393,149	393,149	-
Total general revenues	25,546,623	612,916	26,159,539	255,327
Change in net position	2,849,649	5,944,708	8,794,357	218,448
Net position, beginning of year	(64,087,691)	27,311,306	(36,776,385)	513,165
Net position, end of year	$ (61,238,042)	$ 33,256,014	$ (27,982,028)	$ 731,613

concluded.

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

CITY OF OAK PARK, MICHIGAN

Balance Sheet

Governmental Funds
June 30, 2023

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and investments	$ 7,103,281	$ 10,348,862	$ 17,452,143
Receivables:			
Taxes	3,728	142,535	146,263
Special assessments	-	99,403	99,403
Accounts, net	530,314	308,192	838,506
Leases	923,610	-	923,610
Due from other governments	860,384	628,771	1,489,155
Due from other funds	43,203	-	43,203
Prepaid items	360,034	1,209	361,243
Total assets	$ 9,824,554	$ 11,528,972	$ 21,353,526
Liabilities			
Accounts payable	$ 2,048,412	$ 1,356,930	$ 3,405,342
Accrued liabilities	1,126,013	217,676	1,343,689
Unearned revenue	692,866	-	692,866
Due to other funds	-	43,203	43,203
Total liabilities	3,867,291	1,617,809	5,485,100
Deferred inflows of resources			
Unavailable revenue - charges for services	2,182	4,658	6,840
Unavailable revenue - special assessments	-	99,403	99,403
Unavailable revenue - grants	-	38,871	38,871
Unavailable revenue - opioid settlement	119,774	-	119,774
Deferred lease amounts	923,610	-	923,610
Total deferred inflows of resources	1,045,566	142,932	1,188,498
Fund balances			
Nonspendable	360,034	1,209	361,243
Restricted	35,831	6,891,969	6,927,800
Assigned	584,380	2,898,054	3,482,434
Unassigned (deficit)	3,931,452	(23,001)	3,908,451
Total fund balances	4,911,697	9,768,231	14,679,928
Total liabilities, deferred inflows of resources, and fund balances	$ 9,824,554	$ 11,528,972	$ 21,353,526

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

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2023

Fund balances - total governmental funds	$ 14,679,928
Amounts reported for *governmental activities* in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund financial statements.	
Capital assets not being depreciated/amortized	4,334,308
Capital assets being depreciated/amortized, net	38,782,830
Less net capital assets accounted for in internal service funds	(2,334,144)
The focus of governmental funds is on short-term financing. Accordingly, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows in the governmental funds, and thus are not included in fund balance.	
Unavailable charges for services receivable	6,840
Unavailable special assessments receivable	99,403
Unavailable grants receivable	38,871
Unavailable opioid settlement receivable	119,774
Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities.	
Net position of governmental activities accounted for in internal service funds	2,838,810
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Accrued interest on bonds and note payable	(102,354)
Bonds, notes, and other long-term liabilities	(17,413,987)
Unamortized bonds and note payable premiums	(1,357,718)
Accrued compensated absences	(2,446,502)
Deferred charge on refunding	212,779
Certain pension and other postemployment benefit-related amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.	
Net pension liability	(51,896,560)
Deferred outflows of resources related to the net pension liability	4,105,621
Net other postemployment benefit liability	(51,087,265)
Deferred outflows of resources related to the net other postemployment benefit liability	223,555
Deferred inflows of resources related to the net other postemployment benefit liability	(42,231)
Net position of governmental activities	$ (61,238,042)

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

CITY OF OAK PARK, MICHIGAN

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	$ 15,370,275	$ 4,643,344	$ 20,013,619
Special assessments	-	619,227	619,227
Licenses and permits	614,209	-	614,209
Intergovernmental:			
Federal grants	1,256,469	96,028	1,352,497
State grants	4,488,098	3,945,048	8,433,146
Charges for services	629,824	1,783,819	2,413,643
Fines and forfeitures	1,099,358	77,709	1,177,067
Franchise fees	447,346	-	447,346
Investment income	303,579	293,337	596,916
Other	946,541	306,206	1,252,747
Total revenues	25,155,699	11,764,718	36,920,417
Expenditures			
Current:			
General government	4,327,588	-	4,327,588
Judicial	-	2,529,218	2,529,218
Public safety	12,664,198	6,676	12,670,874
Road maintenance and repair	-	4,599,100	4,599,100
Public works	1,460,161	174,889	1,635,050
Health and sanitation	-	3,050,772	3,050,772
Culture and recreation	976,323	153	976,476
Library	-	885,051	885,051
Community development	289,493	312,850	602,343
Nondepartmental costs	2,424,789	-	2,424,789
Debt service:			
Principal	9,512	1,751,358	1,760,870
Interest and fiscal charges	1,819	621,889	623,708
Total expenditures	22,153,883	13,931,956	36,085,839
Revenues over (under) expenditures	3,001,816	(2,167,238)	834,578
Other financing sources (uses)			
Transfers in	30,000	3,297,261	3,327,261
Transfers out	(3,029,761)	(297,500)	(3,327,261)
Total other financing sources (uses)	(2,999,761)	2,999,761	-
Net change in fund balances	2,055	832,523	834,578
Fund balances, beginning of year	4,909,642	8,935,708	13,845,350
Fund balances, end of year	$ 4,911,697	$ 9,768,231	$ 14,679,928

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

Reconciliation

Net Change in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds	$	834,578
Amounts reported for *governmental activities* in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.		
Capital assets purchased/constructed		4,085,269
Less capital assets purchased/constructed accounted for in internal service funds		(175,479)
Depreciation/amortization expense		(2,994,707)
Less depreciation/amortization expense accounted for in internal service funds		289,211
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.		
Net change in deferred inflows for charges for services receivable		(486,699)
Net change in deferred inflows for special assessments receivable		(157,309)
Net change in deferred inflows for grants receivable		(18,455)
Net change in deferred inflows for opioid settlement receivable		119,774
Bond and note payable proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds and note payable increases long-term liabilities in the statement of net position. Repayment of bond and note payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal payments on bonds, notes, and other long-term liabilities		1,760,870
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued interest payable on bonds and note payable		9,528
Amortization of bond premium		129,993
Amortization of deferred charge on refunding		(21,275)
Change in net pension liability and related deferred amounts		(583,624)
Change in net other postemployment benefit liability and related deferred amounts		270,695
Change in the accrual for compensated absences		(146,118)
An internal service fund is used by management to charge the costs of certain services to individual governmental funds. The net revenue (expense) attributable to those funds is reported with governmental activities.		
Operating loss from governmental activities in internal service funds		(68,291)
Investment income from internal service funds		1,688
Change in net position of governmental activities	$	2,849,649

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

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	$ 15,314,248	$ 15,513,861	$ 15,370,275	$ (143,586)
Licenses and permits	529,225	564,225	614,209	49,984
Intergovernmental:				
Federal grants	1,510,000	1,510,000	1,256,469	(253,531)
State grants	4,077,904	4,536,844	4,488,098	(48,746)
Charges for services	606,710	608,110	629,824	21,714
Fines and forfeitures	1,300,000	1,207,000	1,099,358	(107,642)
Franchise fees	687,020	560,298	447,346	(112,952)
Investment income	181,089	170,730	303,579	132,849
Other	466,900	870,622	946,541	75,919
Total revenues	24,673,096	25,541,690	25,155,699	(385,991)
Expenditures				
Current:				
General government:				
City council	96,681	78,681	61,343	(17,338)
City manager	513,631	607,691	600,579	(7,112)
Human resources	291,152	261,452	248,356	(13,096)
Information technology	306,281	306,281	302,301	(3,980)
City attorney	274,600	274,600	238,409	(36,191)
Prosecuting attorney	80,000	95,000	80,499	(14,501)
City clerk	414,315	489,255	451,919	(37,336)
Finance and administrative services	1,242,692	1,394,074	1,379,403	(14,671)
Public information	368,708	350,708	300,918	(49,790)
Technical and planning services	1,586,053	1,527,403	1,460,949	(66,454)
Less reimbursements from other funds for finance and administrative services	(789,214)	(797,088)	(797,088)	-
Total general government	4,384,899	4,588,057	4,327,588	(260,469)
Public safety:				
General	12,633,090	12,713,335	12,407,018	(306,317)
K9 unit	206,966	257,300	257,180	(120)
Total public safety	12,840,056	12,970,635	12,664,198	(306,437)
Public works:				
Building and maintenance	836,461	946,461	942,872	(3,589)
Administration	20,982	20,982	13,773	(7,209)
Shepherd Park	147,891	122,391	121,378	(1,013)
Other parks	148,741	517,506	382,138	(135,368)
Total public works	1,154,075	1,607,340	1,460,161	(147,179)

continued…

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Culture and recreation:				
Administration	$ 424,749	$ 554,998	$ 554,534	$ (464)
Athletics	30,859	9,459	8,400	(1,059)
Outdoor activities	85,351	98,451	97,076	(1,375)
Instructional activities	25,000	24,425	17,109	(7,316)
Special recreation activities	75,800	77,400	69,826	(7,574)
Swimming pool	139,603	189,213	156,878	(32,335)
Senior services	58,060	73,556	72,500	(1,056)
Total culture and recreation	839,422	1,027,502	976,323	(51,179)
Community development	281,039	300,359	289,493	(10,866)
Nondepartmental costs	2,893,500	2,427,500	2,424,789	(2,711)
Debt service:				
Principal	9,512	9,512	9,512	-
Interest and fiscal charges	4,108	2,878	1,819	(1,059)
Total debt service	13,620	12,390	11,331	(1,059)
Total expenditures	22,406,611	22,933,783	22,153,883	(779,900)
Revenues over expenditures	2,266,485	2,607,907	3,001,816	393,909
Other financing sources (uses)				
Transfers in	30,000	30,000	30,000	-
Transfers out	(2,296,485)	(2,597,485)	(3,029,761)	432,276
Total other financing sources (uses)	(2,266,485)	(2,567,485)	(2,999,761)	(432,276)
Net change in fund balance	-	40,422	2,055	(38,367)
Fund balance, beginning of year	4,640,275	4,640,275	4,909,642	269,367
Fund balance, end of year	$ 4,640,275	$ 4,680,697	$ 4,911,697	$ 231,000

concluded.

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

Statement of Net Position

Proprietary Funds
June 30, 2023

	Business-type Activities			Governmental Activities
	Enterprise Funds			
	Water and Sewer	Stormwater Utility	Total	Internal Service Funds
Assets				
Current assets:				
Cash and investments	$ 7,756,122	$ -	$ 7,756,122	$ 386,246
Receivables:				
Special assessments	800	-	800	-
Accounts	1,361,355	897,470	2,258,825	2,503
Due from other governments	49,129	65,888	115,017	-
Due from other funds	625,715	-	625,715	-
Prepaid items	25,011	-	25,011	151,762
Total current assets	9,818,132	963,358	10,781,490	540,511
Noncurrent assets:				
Capital assets not being depreciated/amortized	1,633,590	96,829	1,730,419	-
Capital assets being depreciated/amortized, net	21,468,525	12,453,767	33,922,292	2,334,144
Total noncurrent assets	23,102,115	12,550,596	35,652,711	2,334,144
Total assets	32,920,247	13,513,954	46,434,201	2,874,655
Deferred outflows of resources				
Deferred pension amounts	76,078	135,250	211,328	-
Deferred other postemployment benefit amounts	3,098	5,508	8,606	-
Total deferred outflows of resources	79,176	140,758	219,934	-
Liabilities				
Current liabilities:				
Accounts payable	1,568,153	330,095	1,898,248	21,955
Accrued liabilities	84,649	-	84,649	3,983
Accrued interest payable	-	7,548	7,548	-
Due to other funds	-	625,715	625,715	-
Current portion of:				
Accrued compensated absences	72,645	-	72,645	1,104
Bonds and other long-term liabilities	2,935	857,091	860,026	-
Total current liabilities	1,728,382	1,820,449	3,548,831	27,042
Noncurrent liabilities:				
Accrued compensated absences, net of current portion	157,815	-	157,815	8,803
Bonds and other long-term liabilities, net of current portion	748	392,073	392,821	-
Net pension liability	2,522,278	4,484,050	7,006,328	-
Net other postemployment benefit liability	1,146,163	1,146,163	2,292,326	-
Total noncurrent liabilities	3,827,004	6,022,286	9,849,290	8,803
Total liabilities	5,555,386	7,842,735	13,398,121	35,845
Net position				
Net investment in capital assets	23,098,432	11,301,432	34,399,864	2,334,144
Unrestricted (deficit)	4,345,605	(5,489,455)	(1,143,850)	504,666
Total net position	$ 27,444,037	$ 5,811,977	$ 33,256,014	$ 2,838,810

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

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

Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities			Governmental Activities
	Enterprise Funds			
	Water and Sewer	Stormwater Utility	Total	Internal Service Funds
Operating revenues				
Charges for services	$ 9,836,085	$ 6,582,300	$ 16,418,385	$ 1,383,652
Fines and forfeitures	-	-	-	100,388
Other	393,149	-	393,149	65,527
Total operating revenues	10,229,234	6,582,300	16,811,534	1,549,567
Operating expenses				
Water	1,487,700	-	1,487,700	-
Sewage treatment	2,033,947	-	2,033,947	-
Transmission and distribution	873,371	-	873,371	-
Maintenance and operation	171,452	4,399,166	4,570,618	-
Customer accounting and collection	229,723	192,822	422,545	-
General and administration	207,879	426,650	634,529	-
Depreciation/amortization	556,668	461,407	1,018,075	289,211
Wages and benefits	-	-	-	327,061
Insurance	-	-	-	527,589
Gasoline	-	-	-	241,294
Professional services	-	-	-	43,912
Supplies	-	-	-	188,791
Total operating expenses	5,560,740	5,480,045	11,040,785	1,617,858
Operating income (loss)	4,668,494	1,102,255	5,770,749	(68,291)
Nonoperating revenues (expenses)				
Investment income	219,758	9	219,767	1,688
Interest expense	-	(45,808)	(45,808)	-
Total nonoperating revenues (expenses)	219,758	(45,799)	173,959	1,688
Change in net position	4,888,252	1,056,456	5,944,708	(66,603)
Net position, beginning of year	22,555,785	4,755,521	27,311,306	2,905,413
Net position, end of year	$ 27,444,037	$ 5,811,977	$ 33,256,014	$ 2,838,810

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

CITY OF OAK PARK, MICHIGAN

Statement of Cash Flows

Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities			Governmental Activities
	Enterprise Funds			
	Water and Sewer	Stormwater Utility	Total	Internal Service Funds
Cash flows from operating activities				
Receipts from customers	$ 10,206,700	$ 6,536,930	$ 16,743,630	$ -
Receipts from interfund services	-	-	-	1,381,523
Other receipts	393,149	-	393,149	165,915
Payments to suppliers	(2,773,728)	(5,304,268)	(8,077,996)	(999,515)
Payments to employees	(1,917,746)	(334,463)	(2,252,209)	(320,077)
Net cash provided by operating activities	5,908,375	898,199	6,806,574	227,846
Cash flows from noncapital financing activities				
Principal paid on claims and judgments	(587,500)	-	(587,500)	-
Cash flows from capital and related financing activities				
Purchases of capital assets	(4,742,361)	-	(4,742,361)	(175,479)
Principal paid on bonds and leases payable	(2,849)	(853,582)	(856,431)	-
Interest paid on bonds and leases payable	-	(50,992)	(50,992)	-
Net cash used in capital and related financing activities	(4,745,210)	(904,574)	(5,649,784)	(175,479)
Cash flows from investing activities				
Investment income	219,758	9	219,767	1,688
Net change in cash and investments	795,423	(6,366)	789,057	54,055
Cash and investments, beginning of year	6,960,699	6,366	6,967,065	332,191
Cash and investments, end of year	$ 7,756,122	$ -	$ 7,756,122	$ 386,246

continued…

Statement of Cash Flows

Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities			Governmental Activities
	Enterprise Funds			
	Water and Sewer	Stormwater Utility	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ 4,668,494	$ 1,102,255	$ 5,770,749	$ (68,291)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation/amortization expense	556,668	461,407	1,018,075	289,211
Change in assets and liabilities:				
Special assessments receivable	200	-	200	-
Accounts receivable	456,047	(45,370)	410,677	(2,129)
Due from other governments	(49,129)	-	(49,129)	-
Due from other funds	(36,503)	-	(36,503)	-
Prepaid items	(25,007)	-	(25,007)	25,998
Deferred outflows of resources - pension amounts	102,279	181,830	284,109	-
Deferred outflows of resources - other postemployment benefit amounts	3,439	6,113	9,552	-
Accounts payable	329,273	7,680	336,953	(23,031)
Accrued liabilities	(97,673)	-	(97,673)	847
Due to other funds	-	36,503	36,503	-
Accrued compensated absences	(21,786)	-	(21,786)	5,241
Net pension liability	17,945	31,902	49,847	-
Net other postemployment benefit liability	4,128	(884,121)	(879,993)	-
Net cash provided by operating activities	$ 5,908,375	$ 898,199	$ 6,806,574	$ 227,846

concluded.

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

CITY OF OAK PARK, MICHIGAN

Statement of Fiduciary Net Position

June 30, 2023

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
Assets		
Cash and cash equivalents	$ 5,273,559	$ -
Investments, at fair value:		
Equity mutual funds	15,186,604	-
Fixed income mutual funds	52,584,100	-
Money market accounts	3,893,471	-
Due from other governments	262,231	-
Prepaid items	33,098	-
Total assets	77,233,063	-
Liabilities		
Accounts payable	925,205	-
Net position		
Restricted for:		
Pension	69,515,946	-
Other postemployment benefits	6,791,912	-
Total net position	$ 76,307,858	$ -

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

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2023

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
Additions		
Contributions:		
Employer	$ 7,053,335	$ -
Plan members	569,829	-
Total contributions	7,623,164	-
Investment income:		
Net change in fair value of investments	6,044,642	-
Interest	110,283	-
Dividends	1,721,340	-
Total investment income	7,876,265	-
Less: investment expense	(255,342)	-
Net investment income	7,620,923	-
Taxes collected for other governments	-	19,017,856
Total additions	15,244,087	19,017,856
Deductions		
Benefits	11,481,678	-
Administration	13,940	-
Payments of taxes to other governments	-	19,017,856
Total deductions	11,495,618	19,017,856
Change in net position	3,748,469	-
Net position, beginning of year	72,559,389	-
Net position, end of year	$ 76,307,858	$ -

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

Combining Statement of Net Position

Discretely Presented Component Units
June 30, 2023

	Economic Development Corporation	Brownfield Redevelopment Authority	Corridor Improvement Authority	Total Component Units
Assets				
Cash and investments	$ 19,384	$ 245,383	$ 479,541	$ 744,308
Receivables	-	12,315	-	12,315
Total assets	19,384	257,698	479,541	756,623
Liabilities				
Accounts payable	-	12,315	4,695	17,010
Accrued liabilities	-	-	8,000	8,000
Total liabilities	-	12,315	12,695	25,010
Net position				
Unrestricted	$ 19,384	$ 245,383	$ 466,846	$ 731,613

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

Combining Statement of Activities

Discretely Presented Component Units
For the Year Ended June 30, 2023

	Economic Development Corporation	Brownfield Redevelopment Authority	Corridor Improvement Authority	Total Component Units
Expenses				
Community development	$ -	$ 15,680	$ 39,407	$ 55,087
Program revenues				
Charges for services	-	-	2,600	2,600
Operating grants and contributions	-	15,608	-	15,608
Total program revenues	-	15,608	2,600	18,208
Net revenues (expenses)	-	(72)	(36,807)	(36,879)
General revenues				
Property taxes	-	-	239,722	239,722
Investment income	508	6,758	8,339	15,605
Total general revenues	508	6,758	248,061	255,327
Changes in net position	508	6,686	211,254	218,448
Net position, beginning of year	18,876	238,697	255,592	513,165
Net position, end of year	$ 19,384	$ 245,383	$ 466,846	$ 731,613

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

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NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

Discretely Presented Component Units

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

Economic Development Corporation (the "EDC"). The EDC is a municipal, non-profit, non-stock corporation organized under the laws of the State of Michigan for the purpose of promoting development in the City. The EDC is governed by a Board that is appointed by City Council. The City has the ability to significantly influence the daily operations of the EDC. The EDC does not issue a separate financial report.

Brownfield Redevelopment Authority. The Brownfield Redevelopment Authority was established to promote the redevelopment of, and private investment in, environmentally distressed properties within the City. The Brownfield Redevelopment Authority is governed by a Board that is appointed by City Council. The City also has accountability for fiscal matters of the Brownfield Redevelopment Authority. The Brownfield Redevelopment Authority does not issue a separate financial report.

Corridor Improvement Authority. The Corridor Improvement Authority was established to maintain and upgrade the economic viability in the business districts of the City. The designated corridors, include portions of Nine Mile Road, Eleven Mile Road, and all of Coolidge. The Corridor Improvement Authority is governed by a Board that is appointed by City Council. The City also has accountability for fiscal matters of the Corridor Improvement Authority. The Corridor Improvement Authority does not issue a separate financial report.

Notes to Financial Statements

Fiduciary Component Unit

Employees' Retirement System. The Employees' Retirement System (the System) is a single-employer defined benefit contributory retirement plan which provides pension, death and disability benefits covering certain full-time employees of the City. The System is administered through a qualified trust. The System is included as a fiduciary component unit of the City because (1) the System is a legally separate entity; (2) the City appoints a voting majority of the Pension Board; and (3) the City makes contributions to the System on behalf of its participants. Employee contribution requirements were established and may be amended subject to collective bargaining agreements and approval by the City.

Public Safety Employees' Retirement System. The Public Safety Employees' Retirement System (the PS System) is a single-employer defined benefit contributory retirement plan which provides pension, death and disability benefits covering certain full-time employees of the City. The PS System is administered through a qualified trust. The PS System is included as a fiduciary component unit of the City because (1) the PS System is a legally separate entity; (2) the City appoints a voting majority of the Pension Board; and (3) the City makes contributions to the PS System on behalf of its participants. Employee contribution requirements were established and may be amended subject to collective bargaining agreements and approval by the City.

Retiree Health Care - General and Public Safety. The Retiree Health Care Plan (the Plan) is a single-employer defined benefit postemployment plan, for which provides group hospitalization for general and district court employees and dental and optical coverage for district court employees. The Plan is administered through a qualified trust. The Plan is included as a fiduciary component unit of the City because (1) the Plan is a legally separate entity; (2) the City appoints a voting majority of the OPEB Board; and (3) the City makes contributions to the Plan on behalf of its participants. Employee contribution requirements were established and may be amended subject to collective bargaining agreements and approval by the City.

Government-wide and Fund Financial Statements

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

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

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

Notes to Financial Statements

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary funds use the accrual basis of accounting to recognize receivables and payables.

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

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

The City reports the following major governmental fund -

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

The City reports the following major enterprise funds:

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

The *stormwater utility fund* accounts for the operation of the City's stormwater 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 stormwater services to the general public are recovered through user charges.

In addition the City reports the following governmental fund types:

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

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

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

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

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

The *custodial fund* is used to account for assets held by the City as an agent for other governments. This fund is custodial in nature. The City has a tax custodial fund used to hold assets belonging to other governments.

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

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

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

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

Notes to Financial Statements

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

Cash and Investments

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

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

Interfund Receivables and Payables

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

Prepaid Items

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

Leases

Lessee. The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary funds financial statements. The City recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price (if applicable) that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor. The City is a lessor for noncancellable leases related to a water tower and land. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for prepaid lease payments received at lease inception. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Capital Assets

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

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

The estimated useful lives are as follows:

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

Deferred Outflows of Resources

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

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts, if any, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Special Assessments

Special assessments, if any, are recorded as revenues in the fund financial statements when due, not when levied. Estimated annual installments not yet available are reflected as deferred inflows of resources in the governmental fund financial statements and as revenues in the government-wide financial statements. Special assessments are billed annually on June 1 and are due and payable August 1.

Compensated Absences

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

Unused sick and vacation that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Unused sick and vacation is accrued when incurred in proprietary funds and reported as a liability. For governmental funds, the current portion of the liability for compensated absences reflects only the unpaid balance of reimbursable unused leave for employees that terminated by the fiscal year end. In accordance with GAAP, for the governmental funds, in the fund financial statements, the noncurrent portion of the compensated absences are considered long-term and, therefore, are not a fund liability and represents a reconciling item between the fund level and government-wide presentations. In addition to the proprietary funds, the general fund, the major streets special revenue fund, and several nonmajor special revenue funds have been used to liquidate the liability for compensated absences.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position and governmental balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds also report unavailable revenues, which arise only under a modified accrual basis of accounting that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflows of resources related to pension and other postemployment benefit liabilities. Finally, the statements of net position and governmental funds balance sheet report deferred inflows related to leases. The amounts are deferred and amortized over the remaining life of the lease.

Pensions and Other Postemployment Benefits

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

Notes to Financial Statements

Fund Balances

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

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

Statements of Cash Flows

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

Use of Estimates

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

2. COMPLIANCE INFORMATION

Budgetary Data

Budgets presented in the financial statements were prepared on the same basis as the accounting basis used to reflect actual results. The general and special revenue funds are subject to legal budgetary accounting controls and all are budgeted annually. Debt service and capital projects funds are also included in the budgetary process; however, State statutes do not require legally adopted budgets for such funds. The City follows these procedures in establishing the budgetary date reflected in the financial statements.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level for the general and special revenue funds.

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.

Notes to Financial Statements

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

Encumbrances

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

3. EXCESS OF EXPENDITURES OVER BUDGET AND FUND BALANCE DEFICITS

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

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

At year end, the City reported expenditures in excess of budgetary amounts, as noted below.

General fund -		
Transfers out	$	432,276

At year end, the City reported a fund balance deficit in a certain nonmajor governmental fund, as noted below. The governmental fund deficit resulted from unavailable grant revenues.

Nonmajor governmental fund -		
Community Development Block Grant Special Revenue Fund	$	(23,001)

Additionally, the Stormwater Utility Enterprise fund reported an unrestricted deficit of $5,489,455 at June 30, 2023.

4. BUILDING PERMITS AND RELATED COSTS

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

Shortfall at July 1, 2022	$	(434,892)
Current year building permit revenue		343,147
Related costs		(365,009)
Cumulative shortfall at June 30, 2023	$	(456,754)

Notes to Financial Statements

5. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of June 30, 2023:

	Primary Government	Component Units	Totals
Statement of net position			
Cash and investments	$ 25,594,511	$ 744,308	$ 26,338,819
Statement of fiduciary net position			
Pension and other employee benefit trust funds:			
Cash and cash equivalents	5,273,559	-	5,273,559
Investments	71,664,175	-	71,664,175
Total	$ 102,532,245	$ 744,308	$ 103,276,553

Deposits and investments	
Bank deposits -	
Checking, savings accounts, and certificates of deposit (due within one year)	$ 4,304,659
Treasurer's investments	27,302,536
Pension and other employee benefit trust funds investments	71,664,175
Cash on hand	5,183
Total	$ 103,276,553

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. State law does not require and the City does not have a policy for deposit custodial credit risk. As of year-end, $3,082,277 of the City's bank balance of $5,231,927 (book balance of $4,304,659) was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

Notes to Financial Statements

Treasurer's Investments

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

Following is a summary of the City's investments as of June 30, 2023:

U.S. agency securities	$	3,923,178
Municipal bonds		1,402,696
Money market accounts		11,282,169
Commercial paper		992,286
Michigan CLASS Investment Fund		9,701,993
Oakland County Investment Pool		214
Total	$	27,302,536

Credit Risk. State law limits investments to specific governmental securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified money market accounts, and qualified external investment pools.

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

Rating		Amount	
Moody's	**S&P**		
AA3	A-	$	398,544
Aaa	AA+		3,923,178
N/A	AAA		9,701,993
N/A	A		1,004,153
Not rated	Not rated		12,274,668
		$	27,302,536

Concentration of Credit Risk. At June 30, 2023, there were no concentrations in securities of any one issuer greater than five percent of investment fair market value. The City's investment policy does not address concentration of credit risk.

Notes to Financial Statements

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

		Investment Maturities		
	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years
U.S. agency securities	$ 3,923,178	$ -	$ 3,923,178	$ -
Municipal bonds	1,402,696	1,004,152	-	398,544
Commercial paper	992,286	992,286	-	-
	$ 6,318,160	$ 1,996,438	$ 3,923,178	$ 398,544

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

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

The City had the following recurring fair value measurements as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
U.S. agency securities	$ -	$ 3,923,178	$ -	$ 3,923,178
Municipal bonds	-	1,402,696	-	1,402,696
Money market accounts	-	11,282,169	-	11,282,169
Commercial paper	-	992,286	-	992,286
	$ -	$ 17,600,329	$ -	17,600,329
Investments measured at NAV				
Michigan CLASS Investment Fund				9,701,993
Investments measured at amortized cost				
Oakland County Investment Pool				214
Total investments				$ 27,302,536

Level 2 inputs use one of the following valuation techniques depending on the investment: a) traditional net asset valuation (dividing the asset value by the number of units owned), b) matrix pricing technique (relying on the securities' relationship to other benchmark quoted securities instead of exclusively on quoted prices for specific securities), or c) quoted market prices for similar assets in active markets or quoted prices for identical or similar assets in markets that are not active.

The investments in the Michigan CLASS government investment pool and Oakland County investment pool are not categorized as they are measured at net asset value per share or its equivalent and amortized cost, respectively.

Investments in Entities that Calculate Net Asset Value per Share. The City holds share in Michigan CLASS whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient.

At year end, the net asset value of the City's investment in Michigan CLASS was $9,701,993. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

Pension and Other Employee Benefits Trust Funds Investments

Following is a summary of the pension and other employee benefits trust funds investments at fair value as of June 30, 2023:

Investment Type	Amount
Equity mutual funds	$ 15,186,604
Fixed income mutual funds	52,584,100
Money market accounts	3,893,471
Total investments	$ 71,664,175

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

Concentration of Credit Risk. The pension and other employee benefits trust funds investment policy does not address concentration of credit risk. At June 30, 2023, there were no concentrations in securities of any one issuer greater than 5 percent of investment fair market value.

Interest Rate Risk. Interest rate risk is the risk that the market rate of securities in the portfolio will fall due to changes in market interest rates. The State of Michigan law limits the allowable investments and the maturities of some of the allowable investments.

Notes to Financial Statements

The pension and other employee benefits trust funds investment policy does not address credit or interest rate risk.

Rate of Return. For the year ended June 30, 2023, the annual money-weighted rate of return on pension and other postemployment benefits investments, net of investment expense, was as follows:

- Employees' Retirement System 11.04%
- Public Safety Employees' Retirement System 11.22%
- General Retiree Healthcare Plan 5.72%
- Public Safety Retiree Healthcare Plan 5.95%
- Court Retiree Healthcare Plan 0.00%

The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

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

The pension and other employee benefits trust funds had the following recurring fair value measurements as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Equity mutual funds	$ 15,186,604	$ -	$ -	$ 15,186,604
Fixed income mutual funds	52,584,100	-	-	52,584,100
Money market accounts	3,893,471	-	-	3,893,471
Total investments	$ 71,664,175	$ -	$ -	$ 71,664,175

The fair value of the City's Level 1 investments is based on quotes from publicly traded securities markets, where available.

Notes to Financial Statements

6. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Taxes receivable	$ 146,263	$ -
Special assessments receivable	99,403	800
Accounts receivable	999,437	2,258,825
Allowance for uncollectible accounts receivable	(158,428)	-
Leases receivable	923,610	-
Due from other governments	1,489,155	115,017
	$ 3,499,440	$ 2,374,642
Not expected to be collected within one year	$ 1,057,165	$ 193,370

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts payable	$ 3,427,297	$ 1,898,248
Accrued liabilities	1,347,672	84,649
Accrued interest payable	102,354	7,548
	$ 4,877,323	$ 1,990,445

8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

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

	Due from Other Funds	Due to Other Funds
General fund	$ 43,203	$ -
Nonmajor governmental funds	-	43,203
Water and sewer	625,715	-
Stormwater utility	-	625,715
	$ 668,918	$ 668,918

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

Notes to Financial Statements

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

	Transfers in		
Transfers Out	General Fund	Nonmajor Governmental Funds	Total
General fund	$ -	$ 3,029,761	$ 3,029,761
Nonmajor governmental funds	30,000	267,500	297,500
	$ 30,000	$ 3,297,261	$ 3,327,261

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

For the year ended June 30, 2023, the general fund transferred $1,888,505 to the 45th District Court nonmajor special revenue fund, $76,256 to the 2011 library and recreation lease nonmajor debt service fund, and $1,065,000 to the parks and recreation improvements nonmajor capital projects fund. The major streets nonmajor special revenue fund transferred $175,000 to the local streets nonmajor special revenue fund. The 45th District Court nonmajor special revenue fund transferred $42,500 to the indigent defense grant nonmajor special revenue fund. The library nonmajor special revenue fund transferred $50,000 to the 2011 library and recreation lease nonmajor debt service fund. The public improvement nonmajor capital projects fund transferred $30,000 to the general fund.

Notes to Financial Statements

9. CAPITAL ASSETS

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

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated/amortized:					
Land	$ 1,617,369	$ -	$ -	$ -	$ 1,617,369
Rights-of-way	600,818	-	-	-	600,818
Work in progress	-	2,116,121	-	-	2,116,121
	2,218,187	2,116,121	-	-	4,334,308
Capital assets being depreciated/amortized:					
Infrastructure - roads	109,116,274	624,858	-	-	109,741,132
Infrastructure - sidewalks	6,660,947	151,035	-	-	6,811,982
Buildings	21,295,079	6,400	-	-	21,301,479
Improvements	4,866,791	309,791	-	-	5,176,582
Library collection	783,258	45,389	(4,539)	-	824,108
Vehicles and equipment	6,076,291	175,479	(477,810)	-	5,773,960
Other equipment	3,238,992	656,196	-	-	3,895,188
Lease equipment (Note 10)	71,168	-	-	-	71,168
	152,108,800	1,969,148	(482,349)	-	153,595,599
Less accumulated depreciation/amortization for:					
Infrastructure - roads	(92,743,908)	(1,616,034)	-	-	(94,359,942)
Infrastructure - sidewalks	(4,418,803)	(193,517)	-	-	(4,612,320)
Buildings	(6,191,955)	(431,552)	-	-	(6,623,507)
Improvements	(2,681,605)	(184,376)	-	-	(2,865,981)
Library collection	(585,887)	(49,492)	4,539	-	(630,840)
Vehicles and equipment	(3,628,415)	(289,211)	477,810	-	(3,439,816)
Other equipment	(2,035,604)	(216,291)	-	-	(2,251,895)
Lease equipment (Note 10)	(14,234)	(14,234)	-	-	(28,468)
	(112,300,411)	(2,994,707)	482,349	-	(114,812,769)
Total capital assets being depreciated/amortized, net	39,808,389	(1,025,559)	-	-	38,782,830
Governmental activities capital assets, net	$ 42,026,576	$ 1,090,562	$ -	$ -	$ 43,117,138

Notes to Financial Statements

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

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated/amortized:					
Land	$ 11,502	$ -	$ -	$ -	$ 11,502
Work in progress	1,768,418	3,437,143	-	(3,486,644)	1,718,917
	1,779,920	3,437,143	-	(3,486,644)	1,730,419
Capital assets being depreciated/amortized:					
Buildings	86,500	-	-	-	86,500
Garage	24,564	-	-	-	24,564
Vehicles and equipment	1,570,627	253,394	-	-	1,824,021
Water system	18,033,996	489,495	-	2,113,692	20,637,183
Water - hydrants	605,836	-	-	-	605,836
Water - tanks	442,873	-	-	-	442,873
Water - pump station	1,150,089	-	-	-	1,150,089
Water - master meter	27,514	-	-	-	27,514
Water - reservoir	852,719	-	-	-	852,719
Water - reservoir pump	677,557	-	-	-	677,557
Sewer system	23,072,628	562,329	-	1,372,952	25,007,909
Lease equipment (Note 10)	9,319	-	-	-	9,319
	46,554,222	1,305,218	-	3,486,644	51,346,084
Less accumulated depreciation/amortization for:					
Buildings	(86,500)	-	-	-	(86,500)
Garage	(24,564)	-	-	-	(24,564)
Vehicles and equipment	(1,361,167)	(91,876)	-	-	(1,453,043)
Water system	(5,513,168)	(263,641)	-	-	(5,776,809)
Water - hydrants	(473,020)	(6,306)	-	-	(479,326)
Water - tanks	(300,145)	(27,604)	-	-	(327,749)
Water - pump station	(1,020,785)	(17,078)	-	-	(1,037,863)
Water - master meter	(24,075)	(344)	-	-	(24,419)
Water - reservoir	(575,508)	(4,400)	-	-	(579,908)
Water - reservoir pump	(426,816)	(16,695)	-	-	(443,511)
Sewer system	(6,597,639)	(587,801)	-	-	(7,185,440)
Lease equipment (Note 10)	(2,330)	(2,330)	-	-	(4,660)
	(16,405,717)	(1,018,075)	-	-	(17,423,792)
Total capital assets being depreciated/amortized, net	30,148,505	287,143	-	3,486,644	33,922,292
Business-type activities capital assets, net	$ 31,928,425	$ 3,724,286	$ -	$ -	$ 35,652,711

Notes to Financial Statements

At June 30, 2023, the City had outstanding commitments through construction contracts of approximately $403,000.

Depreciation/amortization expense was charged to governmental activities functions as follows:

General government	$	39,539
Judicial		5,129
Public safety		555,065
Road maintenance and repair		1,279,993
Public works		688,208
Culture and recreation		2,765
Library		105,376
Community development		29,421
Internal service funds		289,211
Total governmental activities	$	2,994,707

Depreciation/amortization expense was charged to business-type activities functions as follows:

Water and sewer	$	556,668
Stormwater utility		461,407
	$	1,018,075

10. LEASES

Lessee - The City is involved in an agreement for 20 copiers as a lessee that qualifies as a long-term lease agreement. Below is a summary of the nature of this agreement. This agreement qualifies as an intangible, right-to-use asset and not a financed purchase, as the City will not own the asset at the end of the contract term and the noncancelable term of the agreement surpasses one year.

The right-to-use-assets and the related activity are included in Note 9, Capital Assets. The lease liability and related activity are presented in Note 11, Bonds, Notes, and Other Long-term Liabilities.

Asset Type	Remaining Term of Agreements
Copiers	1-3 years

Notes to Financial Statements

The net present value of future minimum payments as of June 30, 2023, were as follows:

Year Ended June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	$ 21,504	$ 576	$ 2,935	$ 70
2025	7,390	56	748	4
2026	93	-	-	-
Total	$ 28,987	$ 632	$ 3,683	$ 74

Lessor - The City is involved in three agreements as a lessor that qualify as long-term lease agreements. Below is a summary of these agreements. These agreements qualify as long-term lease agreements as the City will not surrender control of the asset at the end of the term and the noncancelable term of the agreement surpasses one year. Total lease revenue for the year ended June 30, 2023 was $106,615.

	Remaining Term of Agreements
Asset Type	
Water tower	10 years
Land	7 years

The net present value of expected future minimum payments as of June 30, 2023, were as follows:

Year Ended June 30,	Governmental Activities	
	Principal	Interest
2024	$ 83,815	$ 32,265
2025	90,921	29,252
2026	98,435	25,979
2027	106,377	22,431
2028	114,768	18,590
2029-2033	429,294	38,389
Total	$ 923,610	$ 166,906

Notes to Financial Statements

11. BONDS, NOTES, AND OTHER LONG-TERM LIABILITIES

The following is a summary of bonds, notes and other long-term liabilities transactions of the City for the year ended June 30, 2023:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds					
$9,150,000, 2012 Refunding Street Improvement, installments of $520,000 to $660,000 through May 1, 2028, interest at 2.0 to 3.0%	$ 3,880,000	$ -	$ (635,000)	$ 3,245,000	$ 640,000
$7,825,000, 2015 Refunding Bond, installments of $415,000 to $755,000 through May 1, 2030, interest at 4.0%	5,075,000	-	(530,000)	4,545,000	550,000
$9,145,000, 2020 Refunding Bond, installments of $50,000 to $740,000 through May 1, 2036, interest at 3.0%	8,605,000	-	(505,000)	8,100,000	520,000
Total governmental activities bonds	17,560,000	-	(1,670,000)	15,890,000	1,710,000
Unamortized premium:					
2012 G.O. bonds	60,219	-	(10,036)	50,183	10,036
2015 G.O. bonds	478,126	-	(53,126)	425,000	53,126
2020 G.O. bonds	743,560	-	(53,111)	690,449	53,111
Direct borrowings:					
$1,700,000 note payable refunding, installments of $65,000 to $135,000 through November 1, 2036, interest ranging from 2.0% - 5.0%	1,565,000	-	(70,000)	1,495,000	75,000
Unamortized premium - Note payable refunding	205,806	-	(13,720)	192,086	13,720
Leases liability (Note 10)	49,857	-	(20,870)	28,987	21,504
Compensated absences	2,305,050	1,006,338	(854,979)	2,456,409	855,073
Total governmental activities	$ 22,967,618	$ 1,006,338	$ (2,745,842)	$ 21,228,114	$ 2,791,570

Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Business-type activities					
Water revenue bonds George W. Kuhn Drain installments of $65,707 to $1,054,343 through April 1, 2029, interest at 1.625% to 2.5%	$ 2,102,746	$ -	$ (853,582)	$ 1,249,164	$ 857,091
Leases liability (Note 10)	6,532	-	(2,849)	3,683	2,935
Claims and judgments	587,500	-	(587,500)	-	-
Compensated absences	252,246	50,859	(72,645)	230,460	72,645
Total business-type activities	$ 2,949,024	$ 50,859	$ (1,516,576)	$ 1,483,307	$ 932,671

Annual debt service requirements to maturity for bonds are as follows:

	Governmental Activities		Business-type Activities	
Year Ended June 30,	Principal	Interest	Principal	Interest
2024	$ 1,710,000	$ 510,875	$ 857,091	$ 30,190
2025	1,755,000	458,875	84,871	9,114
2026	1,805,000	403,700	86,808	7,214
2027	1,855,000	346,750	76,658	5,270
2028	1,915,000	284,700	78,027	3,474
2029-2033	4,695,000	706,300	65,709	1,643
2034-2036	2,155,000	130,650	-	-
	$ 15,890,000	$ 2,841,850	$ 1,249,164	$ 56,905

Notes to Financial Statements

Annual debt service requirements to maturity for the direct borrowing note payable is as follows:

Year Ended June 30,	Governmental Activities Principal	Governmental Activities Interest
2024	$ 75,000	$ 52,775
2025	80,000	48,900
2026	85,000	44,775
2027	90,000	40,400
2028	95,000	35,775
2029-2033	560,000	103,350
2034-2037	510,000	20,700
	$ 1,495,000	$ 346,675

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

The City is a participating community in the George W. Kuhn drain project. The project is administered by the Oakland County Drain Commission and financed through the sale of drain bonds, a State of Michigan revolving loan fund, federal and state grants, and contributions from Oakland County. The City along with 13 other local communities are obligated for payment of principal and interest of the outstanding debt. It is currently anticipated that the City's total obligation at the end of construction will be approximately $15.6 million with an interest rate ranging from 1.625 percent to 2.5 percent. As of June 30, 2023, the City's outstanding obligation is approximately $1.2 million and incurred interest expense of $50,992 for the year then ended. Due to the current construction of the project, the sale of drain bonds and draws from the revolving fund are being incurred on an as needed basis and thus an accurate schedule of principal and interest payments cannot be determined at this time.

Several years ago, a class action lawsuit was filed against the City related to its water and sewer rates. In October 2018, a settlement was reached whereby the City will pay $2,850,000 to resolve the claims of the lawsuit. Within one week of the settlement date, a payment of $500,000 was made. Subsequently, a payment of $587,500 was to be made each year for the three years following the settlement date. The final payment was made during fiscal 2023.

12. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases insurance coverage through public entity risk pools or commercial carriers. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Notes to Financial Statements

13. 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 2022 tax levy are as follows:

Real property	$ 552,831,194
Personal property	54,733,945
Total	$ 607,565,139

For the current fiscal year, the City levied 17.7800 mills for general governmental services, 1.3243 mills for library services, 7.0000 mills for public safety pension (Public Act 345), 2.6228 mills for solid waste, and 3.7112 mills for long-term debt retirement.

14. TAX ABATEMENTS

The City received reduced property tax revenues during fiscal year 2023 as a result of industrial facilities tax exemptions (IFT's) agreements.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50 percent of the millage rate applicable to other real and personal property in the City. The abatements amounted to approximately $60,600 in reduced City tax revenues for fiscal year 2023.

15. DEFINED BENEFIT PENSION PLANS

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

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

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

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

Notes to Financial Statements

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

Management of the ERS is vested in the City of Oak Park General Employees' Retirement System Board of Trustees, which consists of five members, one is the City Manager of the City, one is a citizen member of the City, two members are elected by the active participants of the Plan, and one is appointed by City Council.

Management of the PS is vested in the City of Oak Park Public Safety Employees' Retirement System Board of Trustees, which consists of five members, one is the City Manager of the City, one is an active member from the Command Officers Union group, one is an active member of the Public Safety Officers Union group, and two are appointed by City Council.

Plans Membership. Membership of the plans consisted of the following at June 30, 2023, the date of the latest actuarial valuation for each plan:

	General	Public Safety
Retirees and beneficiaries currently receiving benefits	138	106
Inactive employees entitled to benefits	15	18
Active employees	15	49
Total	168	173

Benefits Provided. Employees retiring with 10 or more years of service are entitled to annual pension benefits. ERS employees may retire at age 55, with retirement mandatory at age 70 without the employer's consent to continue. ERS employees may retire after 25 years of service, regardless of age. PS employees may retire at age 50, with retirement mandatory at age 60 without the employer's consent to continue. PS employees may retire after 25 years of service, regardless of age.

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

Employee Contributions. Eligible ERS employees are required to contribute 3.50 percent of compensation to the plan. Eligible PS employees are required to contribute 9.50 percent of their annual compensation to the plan.

Employer Contributions. The City is required to contribute at annual actuarially determined rate to provide assets sufficient to pay benefits to plan members. The rate paid in fiscal year 2023 by the City is 144.52 percent of annual covered payroll for ERS members and 73.09 percent of annual covered payroll for PS members.

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

Net Pension Liability. The City's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions. The total pension liability was determined by respective actuarial valuations as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	Varies
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation
Mortality rate	Pub-2010 Public Retirement Plans Mortality Tables for Employees; annuitant and non-annuitant, sexdistinct with modified MP-2021 improvement factors.

The actuarial assumptions used in the June 30, 2023 valuations were based on the results of an actuarial experience study for the period April 2013 through March 2014.

The long-term expected rate of return on pension plan investments (for both ERS and PS) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 (see the discussion below of the investment allocation policy) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equities:		
Large cap	28%	7.15%
Mid cap	11%	8.40%
Small cap	7%	8.85%
International equities:		
Developed large cap growth	17%	8.30%
Emerging markets	3%	10.00%
Fixed income -		
Core	24%	3.70%
Real estate	4%	7.80%
Cash	1%	3.00%
Liquid hedge funds	5%	4.80%
	100%	

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

Notes to Financial Statements

Discount Rate. A single discount rate of 7.0 percent for ERS and PS was used to measure the respective total pension liabilities. The discount rate is equal to the long-term expected rate of return. The projection of cash flows used to determine the respective single discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the ERS and PS's fiduciary net position was projected, using the long-term expected rate of return, to be sufficient to make all projected future benefit payments of current plan members.

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Employees' Retirement System			
Balances at June 30, 2022	$ 39,474,997	$ 18,070,440	$ 21,404,557
Changes for the year:			
Service cost	176,411	-	176,411
Interest	2,662,282	-	2,662,282
Differences between expected and actual experience	940,357	-	940,357
Employer contributions	-	1,631,280	(1,631,280)
Employee contributions	-	43,829	(43,829)
Net investment income	-	1,950,567	(1,950,567)
Benefit payments, including refunds of employee contributions	(3,237,625)	(3,237,625)	-
Net changes	541,425	388,051	153,374
Balances at June 30, 2023	$ 40,016,422	$ 18,458,491	$ 21,557,931

Notes to Financial Statements

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Public Safety Employees' Retirement System			
Balances at June 30, 2022	$ 85,140,400	$ 48,072,336	$ 37,068,064
Changes for the year:			
Service cost	892,313	-	892,313
Interest	5,817,009	-	5,817,009
Differences between expected and actual experience	2,417,854	-	2,417,854
Employer contributions	-	3,043,166	(3,043,166)
Employee contributions	-	526,000	(526,000)
Net investment income	-	5,281,117	(5,281,117)
Benefit payments, including refunds of employee contributions	(5,865,164)	(5,865,164)	-
Net changes	3,262,012	2,985,119	276,893
Balances at June 30, 2023	$ 88,402,412	$ 51,057,455	$ 37,344,957

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.0 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
General	$ 25,291,825	$ 21,557,931	$ 18,355,639
Public safety	47,090,477	37,344,957	29,203,652
Total	$ 72,382,302	$ 58,902,888	$ 47,559,291

Notes to Financial Statements

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions. For the year ended June 30, 2023, the City recognized pension expense of $2,658,836 and $2,933,190, for the ERS and PS systems, respectively. At June 30, 2023, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Employees' Retirement System			
Net difference between projected and actual earnings on pension plan investments	$ 650,239	$ -	$ 650,239
Public Safety Employees' Retirement System			
Difference between expected and actual experience	1,663,717	-	1,663,717
Changes in assumptions	27,980	-	27,980
Net difference between projected and actual earnings on pension plan investments	1,975,013	-	1,975,013
	3,666,710	-	3,666,710
Total	$ 4,316,949	$ -	$ 4,316,949

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

Year Ended June 30,	General	Public Safety
2024	$ 138,763	$ 1,532,763
2025	(48,327)	668,105
2026	707,867	1,865,123
2027	(148,064)	(399,281)
	$ 650,239	$ 3,666,710

The net pension liability is generally liquidated by the general fund.

There were no amounts due to the pension plans at June 30, 2023.

Notes to Financial Statements

16. 45th DISTRICT COURT PENSION PLANS

The 45th District Court's defined contribution plan, 457 plan, and health savings plan are held in trust. The District Court contributes 7.5 percent of compensation for full-time and part-time employees, the 457 plan is voluntary with employees making up to 3.0 percent contribution and the employer matching up to 3.0 percent (full-time employees only), and the health savings plan is for full-time employees hired after July 2009, where the employer contributes 3.0 percent of compensation and employees are allowed to contribute payments (post-tax) to this plan with no matching. The third party administrator for this plan is the Michigan Employees Retirement System ("MERS"). The plans cost to the 45th District Court for the fiscal year ended June 30, 2023 was $99,448. There was no defined contribution pension cost to the employees. Contributions to the plan are recognized when due and payable. Plan provisions and contribution rates are established and may be amended by resolution of City Council. Unvested benefits forfeited by employees who leave employment early are redistributed to active participants.

17. DEFINED CONTRIBUTION PENSION PLAN

The City defined contribution pension plan provides retirement benefits to general employees hired after August 1, 2004 and employees belonging to the TPOAM union hired after July 1, 2006. The City contributes 7.5 percent of covered payroll and will match an employee's voluntary contribution up to 3.0 percent of covered payroll. Plan provisions and contribution requirements are established by City Council. Total contributions for the year ended June 30, 2023 were $136,711 by employees and $444,141 by the City. The City contributes 3.0 percent of covered payroll to a health savings plan for general employees hired after August 1, 2004 and employees belonging to the TPOAM union hired after July 1, 2006. There are 80 plan members at June 30, 2023. The City contributes 1.0 percent of covered payroll to a health savings plan for POAM, POLC, and Dispatchers hired after March 1, 2013.

18. POSTEMPLOYMENT HEALTH BENEFITS

Plan Administration. The City provides a single-employer defined benefit postemployment group hospitalization plan for its general employees and group hospitalization, dental, and optical plans for its public safety employees hired before August 1, 2004. Group hospitalization, dental, and optical plans are provided for district court employees. The City contributes 3.0 percent of covered payroll to a health savings plan for general employees hired after August 1, 2004 and employees belonging to the TPOAM union hired after July 1, 2006. These plans were established through the employees' union contracts; employees not covered by union contracts receive the same benefits that general employees receive. The General and Public Safety plans are included as OPEB trust funds in the City's financial statements and the Court plan is included as the retiree health care court internal service fund of the City's financial statements; stand-alone financial reports of the plans have not been issued.

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

Notes to Financial Statements

The City pays 100 percent of the benefits for all public safety, court, and general current retirees. Co-pays, at the percentage indicated below, are required for retirees who were hired after January 18, 1993 for public safety officers and July 1, 1992 for public safety command officers.

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

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

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

Plans Membership. Membership of the plans consisted of the following at June 30, 2022, the date of the latest actuarial valuation for each plan:

	General	Public Safety	Court
Inactive plan members receiving or entitled to future benefits	11	1	-
Covered spouse/dependents	126	100	20
Active plan members	14	25	7
Total	151	126	27

Benefits Provided. The City provides medical, pharmacy, dental, and vision for eligible retirees hired prior to July 1, 2010 and their dependents. Pre-Medicare benefits are provided through self-insured plans administered by Blue Cross Blue Shield of Michigan. Medicare Supplemental benefits are provided through fully-insured arrangements administered by Blue Cross Blue Shield of Michigan Medicare Advantage plan. City Council has the authority to establish or amend benefit terms, to determine the types of benefits provided through the OPEB Plan, and to determine the classes of plan members covered.

Contributions. The City has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment; in other words, the plan may be financed on a pay-as-you-go basis. Administrative costs of the plan are paid for by the City's general fund. Plan participants are required to make co-payments, as noted above. For the year ended June 30, 2023, the City made an additional contribution over the pay-as-you-go amount of approximately $9,393.

Net Other Postemployment Benefit Liability. The City's net other postemployment benefit liability was measured as of June 30, 2023, and the total other postemployment benefit liability used to calculate the net other postemployment benefit liability was determined by an actuarial valuation as of June 30, 2022 (rolled forward to June 30, 2023).

Notes to Financial Statements

Actuarial Assumptions. The total other postemployment liability was determined by respective actuarial valuations as of June 30, 2022 (and rolled forward to June 30, 2023), using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.0 percent
Salary increases	General and Court: 3.0 percent; Public Safety: 2.5 percent
Investment rate of return	4.5 percent, net of other postemployment benefit plan investment expense, including inflation
Healthcare cost trend rate	Pre-Medicare 7.25% graded down to 4.5% by 0.25% per year; Post-Medicare, 5.50% graded down to 4.5% by 0.25% per year
Mortality rate	2010 Public General Employees and Healthy Retirees, Headcount weighted
Changes in assumptions	Trend rates updated to those prescribed by PA 202 for year 2023.

The actuarial assumptions used in the June 30, 2022 valuations were based on the results of an actuarial experience study for the period April 2013 through March 2014.

The long-term expected rate of return on other postemployment benefit plan investments (for General, Public Safety, and Court) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the other postemployment benefit plan's target asset allocation as of June 30, 2023 (see the discussion below of the investment allocation policy) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equity in pooled cash and investments	100%	4.50%

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

Discount Rate. A single discount rate of 4.5 percent was used to measure the respective total other postemployment benefit liabilities. The assets are not projected to be sufficient to make projected future benefit payments of current plan members beyond the first year. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. The discount rate is used to determine the total OPEB liability. The discount rate used as of June 30, 2023 was 4.5 percent.

Notes to Financial Statements

Changes in the Net Other Postemployment Benefit Liability. The components of the change in the net other postemployment benefit liability are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
General Retiree Healthcare Plan			
Balances at June 30, 2022	$ 25,112,757	$ 2,755,466	$ 22,357,291
Changes for the year:			
Service cost	175,501	-	175,501
Interest	1,111,029	-	1,111,029
Differences between expected and actual experience	(98,078)	-	(98,078)
Changes in assumptions	247,480	-	247,480
Employer contributions	-	1,197,477	(1,197,477)
Net investment income	-	163,480	(163,480)
Benefit payments, including refunds of employee contributions	(1,197,477)	(1,197,477)	-
Administrative expense	-	(5,855)	5,855
Net changes	238,455	157,625	80,830
Balances at June 30, 2023	$ 25,351,212	$ 2,913,091	$ 22,438,121

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Public Safety Retiree Healthcare Plan			
Balances at June 30, 2022	$ 30,618,256	$ 3,661,147	$ 26,957,109
Changes for the year:			
Service cost	334,218	-	334,218
Interest	1,366,280	-	1,366,280
Differences between expected and actual experience	(95,236)	-	(95,236)
Changes in assumptions	352,837	-	352,837
Employer contributions	-	1,181,412	(1,181,412)
Net investment income	-	225,759	(225,759)
Benefit payments, including refunds of employee contributions	(1,181,412)	(1,181,412)	-
Administrative expense	-	(8,085)	8,085
Net changes	776,687	217,674	559,013
Balances at June 30, 2023	$ 31,394,943	$ 3,878,821	$ 27,516,122

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Court Retiree Healthcare Plan			
Balances at June 30, 2022	$ 3,487,565	$ 84,064	$ 3,403,501
Changes for the year:			
Service cost	72,117	-	72,117
Interest	157,316	-	157,316
Differences between expected and actual experience	(98,907)	-	(98,907)
Changes in assumptions	28,232	-	28,232
Employer contributions	-	136,911	(136,911)
Benefit payments, including refunds of employee contributions	(127,518)	(127,518)	-
Net changes	31,240	9,393	21,847
Balances at June 30, 2023	$ 3,518,805	$ 93,457	$ 3,425,348

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

	1% Decrease (3.5%)	Current Discount (4.5%)	1% Increase (5.5%)
General	$ 25,707,957	$ 22,438,121	$ 19,765,478
Public Safety	32,063,612	27,516,122	23,864,939
Court	3,832,493	3,425,348	3,087,009
Total	$ 61,604,062	$ 53,379,591	$ 46,717,426

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rate of 7.25 percent graded down by 0.25 percent per year to 4.5 percent for pre-medicare costs and 5.5 percent for post-medicare costs, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower (6.25 percent graded down to 3.5 percent /4.5 percent) or 1 percentage point higher (8.25 percent graded down to 5.5 percent /6.5 percent) than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
General	$ 19,506,007	$ 22,438,121	$ 26,014,311
Public Safety	23,436,531	27,516,122	32,621,133
Court	3,030,024	3,425,348	3,907,195
Total	$ 45,972,562	$ 53,379,591	$ 62,542,639

Notes to Financial Statements

Other Postemployment Benefit Expense and Deferred Outflows/Inflows of Resources Related to Other Postemployment Benefits. For the year ended June 30, 2023, the City recognized other postemployment benefit expense of $1,345,632, $107,865, and $(78,833), for the General, Public Safety, and Court retiree healthcare plans, respectively. At June 30, 2023, the City reported deferred outflows and inflows of resources related to other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
General Retiree Healthcare Plan			
Net difference between projected and actual earnings on other postemployment benefit plan investments	$ 60,649	$ -	$ 60,649
Public Safety Retiree Healthcare Plan			
Difference between expected and actual experience	-	23,088	(23,088)
Changes in assumptions	85,536	-	85,536
Net difference between projected and actual earnings on other postemployment benefit plan investments	74,396	-	74,396
	159,932	23,088	136,844
Court Retiree Healthcare Plan			
Difference between expected and actual experience	-	19,143	(19,143)
Changes in assumptions	5,464	-	5,464
Net difference between projected and actual earnings on other postemployment benefit plan investments	6,116	-	6,116
	11,580	19,143	(7,563)
Total	$ 232,161	$ 42,231	$ 189,930

The net other postemployment benefit liability is generally liquidated by the general fund.

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

Year Ended June 30,	General Employees' Retirement System	Public Safety Employees' Retirement System	Court Employees' Retirement System	Total
2024	$ 22,466	$ 90,599	$ (11,718)	$ 101,347
2025	15,020	18,148	1,854	35,022
2026	31,087	40,334	1,503	72,924
2027	(7,924)	(12,237)	798	(19,363)
	$ 60,649	$ 136,844	$ (7,563)	$ 189,930

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

	Plan Net Position				
	Employees' Retirement System	Public Safety Employees' Retirement System	Retiree Health Care - General	Retiree Health Care - Public Safety	Total
Assets					
Cash and cash equivalents	$ 5,845	$ -	$ 2,259,354	$ 3,008,360	$ 5,273,559
Investments, at fair value:					
Equity mutual funds	3,638,626	11,547,978	-	-	15,186,604
Fixed income mutual funds	14,564,158	38,019,942	-	-	52,584,100
Money market accounts	489,537	1,879,736	653,737	870,461	3,893,471
Due from other governments	43,296	218,935	-	-	262,231
Prepaid items	-	33,098	-	-	33,098
Total assets	18,741,462	51,699,689	2,913,091	3,878,821	77,233,063
Liabilities					
Accounts payable	282,971	642,234	-	-	925,205
Net position					
Restricted for:					
Pension	18,458,491	51,057,455		-	69,515,946
Other postemployment benefits	-	-	2,913,091	3,878,821	6,791,912
Total net position	$ 18,458,491	$ 51,057,455	$ 2,913,091	$ 3,878,821	$ 76,307,858

Notes to Financial Statements

	Changes in Plan Net Position				
	Employees' Retirement System	Public Safety Employees' Retirement System	Retiree Health Care - General	Retiree Health Care - Public Safety	Total
Additions					
Contributions:					
Employer	$ 1,631,280	$ 3,043,166	$ 1,197,477	$ 1,181,412	$ 7,053,335
Plan members	43,829	526,000	-	-	569,829
Total contributions	1,675,109	3,569,166	1,197,477	1,181,412	7,623,164
Investment income:					
Net change in fair value of investments	1,515,363	4,250,323	117,161	161,795	6,044,642
Interest	-	-	46,319	63,964	110,283
Dividends	512,386	1,208,954	-	-	1,721,340
Total investment loss	2,027,749	5,459,277	163,480	225,759	7,876,265
Less: investment expense	(77,182)	(178,160)	-	-	(255,342)
Net investment income	1,950,567	5,281,117	163,480	225,759	7,620,923
Total additions	3,625,676	8,850,283	1,360,957	1,407,171	15,244,087
Deductions					
Benefits	3,237,625	5,865,164	1,197,477	1,181,412	11,481,678
Administration	-	-	5,855	8,085	13,940
Total deductions	3,237,625	5,865,164	1,203,332	1,189,497	11,495,618
Change in net position	388,051	2,985,119	157,625	217,674	3,748,469
Net position, beginning of year	18,070,440	48,072,336	2,755,466	3,661,147	72,559,389
Net position, end of year	$ 18,458,491	$ 51,057,455	$ 2,913,091	$ 3,878,821	$ 76,307,858

Notes to Financial Statements

20. JOINT VENTURES

The City is a member of the Southeastern Oakland County Resource Recovery Authority (the "Authority") which consists of 12 municipalities in Oakland County and provides refuse disposal services for the benefit of member municipalities. The City appoints one member of the joint venture's governing board and controls six of 69 votes. The governing board approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2023, the Authority reported an increase in net position in the amount of $670,439, resulting in ending net position in the amount of $8,469,062. During the year ended June 30, 2023, the City expended $2,124,692 of payments made to the Authority. The City is unaware of any situation that would cause any additional financial benefit or burden related to the Authority. Complete financial statements for the Southeastern Oakland County Resource Recovery Authority can be obtained from its administrative offices at 3910 Webster Road, Royal Oak, Michigan, 48073.

21. FUND BALANCES

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

	General Fund	Nonmajor Governmental Funds	Total
Nonspendable -			
Prepaids	$ 360,034	$ 1,209	$ 361,243
Restricted for:			
Opioid settlement	35,831	-	35,831
Road surface repairs	-	3,313,577	3,313,577
Solid waste	-	2,060,912	2,060,912
Debt service	-	1,058,169	1,058,169
Capital projects	-	164,402	164,402
Library	-	101,427	101,427
Public safety	-	52,665	52,665
Courts	-	140,817	140,817
Total restricted	35,831	6,891,969	6,927,800
Assigned for:			
Subsequent years' budget	584,380	-	584,380
Library	-	433,305	433,305
Municipal buildings	-	2,464,749	2,464,749
Total assigned	584,380	2,898,054	3,482,434
Unassigned (deficits)	3,931,452	(23,001)	3,908,451
Total fund balances	$ 4,911,697	$ 9,768,231	$ 14,679,928

Notes to Financial Statements

22. SUMMARY OF SIGNIFICANT CONTINGENCIES

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

23. NET INVESTMENT IN CAPITAL ASSETS

The composition of the net investment in capital assets as of June 30, 2023, was as follows:

	Governmental Activities	Business-type Activities
Capital assets:		
Capital assets not being depreciated/amortized	$ 4,334,308	$ 1,730,419
Capital assets being depreciated/amortized, net	38,782,830	33,922,292
	43,117,138	35,652,711
Related debt:		
Leases liability	28,987	3,683
General obligation bonds	15,890,000	1,249,164
Note payable	1,495,000	-
Unamortized bond and note premium	1,357,718	-
Less unamortized deferred charge on refunding	(212,779)	-
	18,558,926	1,252,847
Net investment in capital assets	$ 24,558,212	$ 34,399,864

24. OPIOID SETTLEMENT

The City is part of a $21 billion nationwide settlement reached in July 2021 to resolve all Opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors: McKesson, Cardinal Health, and AmerisourceBergen (Distributors), and a $5 billion nationwide settlement with manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (Janssen). The term of the settlement varies by entity; however, the City expects to receive eighteen (18) installments from the Distributors with the first two installments being paid early in 2023 in the amount of $9,032 and the remaining 16 installments expected to be made annually beginning in 2024. Additionally, the City expects to receive eleven (11) installments from Janssen with the first five installments being paid early in 2023 in the amount of $26,799 and the remaining installments expected to be made annually beginning in 2026. The City is currently allocated approximately 0.0599% of the total State of Michigan local unit settlement and the total amount of the settlement is expected to be $155,766 and $35,803 from the Distributors and Janssen, respectively.

As a result of the payment terms issued to the Directing Administrator of the National Opioid Settlements, the receivable for the Distributor and Janssen settlement agreements was recorded at the net present value, using a discount rate for payments to be received subsequent to 2023 of 3%. The net present value of the combined settlement payments to be received as of June 30, 2023 is $119,774.

Additional settlements with pharmacies and manufacturers were entered into during 2022 and 2023, including CVS, Walgreens, Walmart, Allergan and Teva. However, as of June 30, 2023, the amounts to be allocated to and collected by the City were not able to be determined, and as such, no amounts have been reported related to these settlements in the financial statements.

Notes to Financial Statements

25. SUBSEQUENT EVENT

In September 2023, the City received $1.8 million for the Protecting Michigan Pension Grant.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF OAK PARK, MICHIGAN

Required Supplementary Information

Employees' Retirement System and Public Safety Employees' Retirement System
Schedule of Investment Returns

Fiscal Year Ended	Annual Money-Weighted Rate of Return, Net of Investment Expense
Employees' Retirement System	
6/30/2023	11.04%
6/30/2022	-12.94%
6/30/2021	27.72%
6/30/2020	1.97%
6/30/2019	7.03%
6/30/2018	7.85%
6/30/2017	11.57%
6/30/2016	-1.72%
6/30/2015	0.91%
6/30/2014	13.89%
Public Safety Employees' Retirement System	
6/30/2023	11.22%
6/30/2022	-13.09%
6/30/2021	27.15%
6/30/2020	2.18%
6/30/2019	7.27%
6/30/2018	7.81%
6/30/2017	11.67%
6/30/2016	-1.35%
6/30/2015	-0.02%
6/30/2014	17.37%

See notes to required supplementary information.

Required Supplementary Information

General Employees' Retirement System

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

	Year Ended June 30,			
	2023	2022	2021	2020
Change in total pension liability				
Service cost	$ 176,411	$ 198,653	$ 259,662	$ 223,187
Interest	2,662,282	2,688,373	2,644,822	2,753,237
Differences between expected and actual experience	940,357	(81,265)	66,234	(652,298)
Changes of assumptions	-	73,104	(1,985,019)	2,189,212
Benefit payments, including refunds of member contributions	(3,237,625)	(3,221,064)	(3,196,819)	(3,187,595)
Other changes	-	-	-	-
Net change in total pension liability	541,425	(342,199)	(2,211,120)	1,325,743
Total pension liability, beginning	39,474,997	39,817,196	42,028,316	40,702,573
Total pension liability, ending (a)	40,016,422	39,474,997	39,817,196	42,028,316
Change in plan fiduciary net position				
Contributions - employer	1,631,280	1,933,659	1,931,198	1,700,000
Contributions - member	43,829	42,972	48,232	47,913
Net investment income (loss)	1,950,567	(2,776,791)	4,935,665	374,841
Benefit payments, including refunds of member contributions	(3,237,625)	(3,221,064)	(3,196,819)	(3,187,595)
Administrative expense	-	-	-	-
Other - transfer to Public Safety Employees' Retirement System	-	-	-	-
Net change in plan fiduciary net position	388,051	(4,021,224)	3,718,276	(1,064,841)
Plan fiduciary net position, beginning	18,070,440	22,091,664	18,373,388	19,438,229
Plan fiduciary net position, ending (b)	18,458,491	18,070,440	22,091,664	18,373,388
City's net pension liability, ending (a)-(b)	$ 21,557,931	$ 21,404,557	$ 17,725,532	$ 23,654,928
Plan fiduciary net position as a percentage of the total pension liability	46.13%	45.78%	55.48%	43.72%
Covered payroll	$ 1,128,755	$ 1,181,068	$ 1,415,952	$ 1,385,953
City's net pension liability as a percentage of covered payroll	1909.89%	1812.31%	1251.85%	1706.76%

See notes to required supplementary information.

Year Ended June 30,					
2019	2018	2017	2016	2015	2014
$ 233,255	$ 246,853	$ 325,140	$ 303,303	$ 485,484	$ 471,343
2,672,022	2,679,864	2,563,114	2,726,891	2,159,545	2,471,316
616,284	(486,200)	(56,941)	(136,533)	810,181	-
827,930	(807,180)	(2,789,126)	4,952,784	(8,131,545)	-
(3,170,823)	(2,893,955)	(3,081,680)	(3,079,825)	(3,165,651)	(3,237,481)
-	48,778	-	-	-	-
1,178,668	(1,211,840)	(3,039,493)	4,766,620	(7,841,986)	(294,822)
39,523,905	40,735,745	43,775,238	39,008,618	46,850,604	47,145,426
40,702,573	39,523,905	40,735,745	43,775,238	39,008,618	46,850,604
1,850,000	1,445,558	1,338,260	1,336,565	1,272,539	1,367,086
52,428	51,977	48,211	52,239	54,389	61,130
1,336,058	1,461,332	2,053,473	(326,643)	196,674	(3,162,566)
(3,170,823)	(2,893,955)	(3,081,680)	(3,079,825)	(3,165,651)	(3,237,481)
-	-	-	(4,531)	-	-
-	-	-	-	-	(31,376,710)
67,663	64,912	358,264	(2,022,195)	(1,642,049)	(36,348,541)
19,370,566	19,305,654	18,947,390	20,969,585	22,611,634	58,960,175
19,438,229	19,370,566	19,305,654	18,947,390	20,969,585	22,611,634
$ 21,264,344	$ 20,153,339	$ 21,430,091	$ 24,827,848	$ 18,039,033	$ 24,238,970
47.76%	49.01%	47.39%	43.28%	53.76%	48.26%
$ 1,572,221	$ 1,706,969	$ 1,695,162	$ 1,786,708	$ 1,885,123	$ 1,998,057
1352.50%	1180.65%	1264.19%	1389.59%	956.92%	1213.13%

Required Supplementary Information

Public Safety Employees' Retirement System

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

	Year Ended June 30,			
	2023	2022	2021	2020
Change in total pension liability				
Service cost	$ 892,313	$ 915,758	$ 1,097,113	$ 940,528
Interest	5,817,009	5,682,653	5,481,747	5,372,543
Differences between expected and actual experience	2,417,854	523,428	(168,657)	516,897
Changes of assumptions	-	103,602	(4,737,725)	5,155,187
Benefit payments, including refunds of member contributions	(5,865,164)	(4,700,081)	(4,589,811)	(4,525,738)
Other changes	-	-	-	-
Net change in total pension liability	3,262,012	2,525,360	(2,917,333)	7,459,417
Total pension liability, beginning	85,140,400	82,615,040	85,532,373	78,072,956
Total pension liability, ending (a)	88,402,412	85,140,400	82,615,040	85,532,373
Change in plan fiduciary net position				
Contributions - employer	3,043,166	3,467,985	3,408,962	3,100,000
Contributions - member	526,000	521,733	486,259	501,987
Net investment income (loss)	5,281,117	(7,413,178)	12,013,756	972,322
Benefit payments, including refunds of member contributions	(5,865,164)	(4,700,081)	(4,589,811)	(4,525,738)
Administrative expense	-	-	-	-
Other - transfer from Employees' Retirement System	-	-	-	-
Net change in plan fiduciary net position	2,985,119	(8,123,541)	11,319,166	48,571
Plan fiduciary net position, beginning	48,072,336	56,195,877	44,876,711	44,828,140
Plan fiduciary net position, ending (b)	51,057,455	48,072,336	56,195,877	44,876,711
City's net pension liability, ending (a)-(b)	$ 37,344,957	$ 37,068,064	$ 26,419,163	$ 40,655,662
Plan fiduciary net position as a percentage of the total pension liability	57.76%	56.46%	68.02%	52.47%
Covered payroll	$ 4,163,630	$ 4,161,797	$ 4,416,345	$ 4,626,234
City's net pension liability as a percentage of covered payroll	896.93%	890.67%	598.21%	878.81%

See notes to required supplementary information.

Year Ended June 30,					
2019	2018	2017	2016	2015	2014
$ 998,688	$ 837,339	$ 1,116,227	$ 941,346	$ 1,391,903	$ 1,351,362
5,251,142	5,173,752	4,968,550	4,427,324	4,346,878	4,381,564
(1,200,198)	446,463	(251,605)	2,342,761	136,404	-
1,242,814	3,895,295	(2,189,134)	3,938,301	(19,693,917)	-
(4,474,212)	(4,121,370)	(4,431,882)	(4,378,526)	(4,280,101)	(4,961,937)
-	(1,628,637)	-	-	-	-
1,818,234	4,602,842	(787,844)	7,271,206	(18,098,833)	770,989
76,254,722	71,651,880	72,439,724	65,168,518	83,267,351	82,496,362
78,072,956	76,254,722	71,651,880	72,439,724	65,168,518	83,267,351
3,381,218	2,551,000	2,387,270	2,521,391	2,438,761	2,869,461
453,727	407,715	325,575	330,804	317,315	325,361
3,062,888	3,096,956	4,198,316	(513,784)	(7,748)	11,976,064
(4,474,212)	(4,121,370)	(4,431,882)	(4,378,526)	(4,280,101)	(4,961,937)
-	-	(11,984)	(10,848)	-	-
-	-	-	-	-	31,376,710
2,423,621	1,934,301	2,467,295	(2,050,963)	(1,531,773)	41,585,659
42,404,519	40,470,218	38,002,923	40,053,886	41,585,659	-
44,828,140	42,404,519	40,470,218	38,002,923	40,053,886	41,585,659
$ 33,244,816	$ 33,850,203	$ 31,181,662	$ 34,436,801	$ 25,114,632	$ 41,681,692
57.42%	55.61%	56.48%	52.46%	61.46%	49.94%
$ 4,726,656	$ 4,436,592	$ 4,169,534	$ 4,041,630	$ 3,954,232	$ 3,727,181
703.35%	762.98%	747.85%	852.05%	635.13%	1118.32%

CITY OF OAK PARK, MICHIGAN

Required Supplementary Information

Employees' Retirement System and Public Safety Employees' Retirement System
Schedule of City Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Employees' Retirement System					
6/30/2023	$ 1,631,280	$ 1,631,280	$ -	$ 1,128,755	144.52%
6/30/2022	1,583,150	1,933,659	(350,509)	1,181,068	163.72%
6/30/2021	1,585,765	1,931,198	(345,433)	1,415,952	136.39%
6/30/2020	1,584,904	1,700,000	(115,096)	1,385,953	122.66%
6/30/2019	1,678,746	1,850,000	(171,254)	1,572,221	117.67%
6/30/2018	1,384,659	1,445,558	(60,899)	1,706,969	84.69%
6/30/2017	1,256,953	1,338,260	(81,307)	1,695,162	78.95%
6/30/2016	1,318,377	1,336,565	(18,188)	1,786,708	74.81%
6/30/2015	1,272,539	1,272,539	-	1,885,123	67.50%
6/30/2014	1,211,912	1,367,086	(155,174)	1,998,057	68.42%
Public Safety Employees' Retirement System					
6/30/2023	$ 3,043,166	$ 3,043,166	$ -	$ 4,163,630	73.09%
6/30/2022	2,904,805	3,467,985	(563,180)	4,161,797	83.33%
6/30/2021	3,011,118	3,408,962	(397,844)	4,416,345	77.19%
6/30/2020	2,997,391	3,100,000	(102,609)	4,626,234	67.01%
6/30/2019	3,099,614	3,381,218	(281,604)	4,726,656	71.54%
6/30/2018	2,550,106	2,551,000	(894)	4,436,592	57.50%
6/30/2017	2,314,911	2,387,270	(72,359)	4,169,534	57.26%
6/30/2016	2,326,055	2,521,391	(195,336)	4,041,630	62.39%
6/30/2015	2,159,875	2,438,761	(278,886)	3,954,232	61.67%
6/30/2014	2,105,664	2,869,461	(763,797)	3,727,181	76.99%

See notes to required supplementary information.

CITY OF OAK PARK, MICHIGAN

Required Supplementary Information

General, Public Safety, and Court Retiree Healthcare Plans
Schedule of Investment Returns

Fiscal Year Ended	Annual Money-Weighted Rate of Return, Net of Investment Expense
General Retiree Healthcare Plan	
6/30/2023	5.72%
6/30/2022	-2.50%
6/30/2021	7.44%
6/30/2020	2.76%
6/30/2019	3.04%
6/30/2018	2.99%
6/30/2017	3.59%
Public Safety Retiree Healthcare Plan	
6/30/2023	5.95%
6/30/2022	-2.60%
6/30/2021	7.53%
6/30/2020	2.80%
6/30/2019	3.58%
6/30/2018	2.99%
6/30/2017	3.59%
Court Retiree Healthcare Plan	
6/30/2023	0.00%
6/30/2022	-0.23%
6/30/2021	1.03%
6/30/2020	2.28%
6/30/2019	0.67%
6/30/2018	N/A (1)

See notes to required supplementary information.

Required Supplementary Information

General Retiree Healthcare Plan

Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios

	Year Ended June 30,		
	2023	2022	2021
Change in total other postemployment benefit liability			
Service cost	$ 175,501	$ 233,274	$ 282,644
Interest	1,111,029	1,062,008	1,028,049
Differences between expected and actual experience	(98,078)	(1,132,521)	(26,336)
Changes of assumptions	247,480	(2,524,662)	(2,719,705)
Benefit payments, including refunds of member contributions	(1,197,477)	(1,681,329)	(1,129,684)
Net change in total other postemployment benefit liability	238,455	(4,043,230)	(2,565,032)
Total other postemployment benefit liability, beginning	25,112,757	29,155,987	31,721,019
Less amounts for Court Retiree Healthcare Plan (1)	-	-	-
Total other postemployment benefit liability, ending (a)	25,351,212	25,112,757	29,155,987
Change in plan fiduciary net position			
Contributions - employer	1,197,477	1,681,329	1,354,684
Net investment income (loss)	163,480	(67,930)	193,852
Benefit payments, including refunds of member contributions	(1,197,477)	(1,681,329)	(1,129,684)
Administrative expense	(5,855)	(2,796)	(5,873)
Net change in plan fiduciary net position	157,625	(70,726)	412,979
Plan fiduciary net position, beginning	2,755,466	2,826,192	2,413,213
Plan fiduciary net position, ending (b)	2,913,091	2,755,466	2,826,192
City's net other postemployment benefit liability, ending (a)-(b)	$ 22,438,121	$ 22,357,291	$ 26,329,795
Plan fiduciary net position as a percentage of the total other postemployment benefit liability	11.49%	10.97%	9.69%
Covered payroll	$ 1,222,408	$ 1,047,392	$ 1,459,487
City's net other postemployment benefit liability as a percentage of covered payroll	1835.57%	2134.57%	1804.04%

See notes to required supplementary information.

Year Ended June 30,			
2020	**2019**	**2018**	**2017**
$ 214,178	$ 224,750	$ 304,260	$ 372,392
1,293,005	1,358,699	1,076,780	1,435,899
(11,842,304)	2,039	1,107,922	-
(295,522)	4,079,733	3,071,218	7,013,108
(1,068,657)	(1,446,516)	(1,578,228)	(1,545,294)
(11,699,300)	4,218,705	3,981,952	7,276,105
43,420,319	39,201,614	39,957,630	32,681,525
-	-	(4,737,968)	-
31,721,019	43,420,319	39,201,614	39,957,630
1,268,657	2,046,516	1,878,228	1,545,294
64,034	54,619	38,027	40,168
(1,068,657)	(1,446,516)	(1,578,228)	(1,545,294)
(1,889)	-	-	-
262,145	654,619	338,027	40,168
2,151,068	1,496,449	1,158,422	1,118,254
2,413,213	2,151,068	1,496,449	1,158,422
$ 29,307,806	$ 41,269,251	$ 37,705,165	$ 38,799,208
7.61%	4.95%	3.82%	2.90%
$ 1,368,940	$ 1,475,359	$ 1,706,969	$ 2,105,252
2140.91%	2797.23%	2208.90%	1842.97%

Required Supplementary Information

Public Safety Retiree Healthcare Plan

Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios

	Year Ended June 30,		
	2023	2022	2021
Change in total other postemployment benefit liability			
Service cost	$ 334,218	$ 656,045	$ 616,516
Interest	1,366,280	1,267,351	1,337,145
Differences between expected and actual experience	(95,236)	(1,570,441)	176,086
Changes of assumptions	352,837	(3,742,600)	724,292
Benefit payments, including refunds of member contributions	(1,181,412)	(1,276,616)	(1,268,492)
Net change in total other postemployment benefit liability	776,687	(4,666,261)	1,585,547
Total other postemployment benefit liability, beginning	30,618,256	35,284,517	33,698,970
Total other postemployment benefit liability, ending (a)	31,394,943	30,618,256	35,284,517
Change in plan fiduciary net position			
Contributions - employer	1,181,412	1,276,616	1,493,492
Net investment income (loss)	225,759	(93,808)	263,345
Benefit payments, including refunds of member contributions	(1,181,412)	(1,276,616)	(1,268,492)
Administrative expense	(8,085)	(3,861)	(7,978)
Net change in plan fiduciary net position	217,674	(97,669)	480,367
Plan fiduciary net position, beginning	3,661,147	3,758,816	3,278,449
Plan fiduciary net position, ending (b)	3,878,821	3,661,147	3,758,816
City's net other postemployment benefit liability, ending (a)-(b)	$ 27,516,122	$ 26,957,109	$ 31,525,701
Plan fiduciary net position as a percentage of the total other postemployment benefit liability	12.35%	11.96%	10.65%
Covered payroll	$ 2,617,472	$ 2,499,530	$ 4,873,478
City's net other postemployment benefit liability as a percentage of covered payroll	1051.25%	1078.49%	646.88%

See notes to required supplementary information.

Year Ended June 30,			
2020	2019	2018	2017
$ 1,040,742	$ 1,042,819	$ 525,509	$ 525,509
1,403,288	1,368,038	1,164,989	1,307,879
(10,844,739)	17,585	(575,996)	-
(2,996,366)	-	7,594,136	7,536,448
(1,278,956)	(1,214,780)	(1,204,145)	(1,553,955)
(12,676,031)	1,213,662	7,504,493	7,815,881
46,375,001	45,161,339	37,656,846	29,840,965
33,698,970	46,375,001	45,161,339	37,656,846
1,478,956	1,814,780	1,504,145	1,553,955
89,068	93,001	63,534	67,112
(1,278,956)	(1,214,780)	(1,204,145)	(1,553,955)
(2,627)	-	-	-
286,441	693,001	363,534	67,112
2,992,008	2,299,007	1,935,473	1,868,361
3,278,449	2,992,008	2,299,007	1,935,473
$ 30,420,521	$ 43,382,993	$ 42,862,332	$ 35,721,373
9.73%	6.45%	5.09%	5.14%
$ 4,869,302	$ 4,744,250	$ 3,464,030	$ 3,842,496
624.74%	914.43%	1237.35%	929.64%

Required Supplementary Information

Court Retiree Healthcare Plan

Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios

	Year Ended June 30,		
	2023	2022	2021
Change in total other postemployment benefit liability			
Service cost	$ 72,117	$ 80,950	$ 118,029
Interest	157,316	159,825	150,768
Differences between expected and actual experience	(98,907)	(549,794)	(2,023)
Changes of assumptions	28,232	(322,506)	(351,432)
Benefit payments, including refunds of member contributions	(127,518)	(192,653)	(192,408)
Net change in total other postemployment benefit liability	31,240	(824,178)	(277,066)
Total other postemployment benefit liability, beginning	3,487,565	4,311,743	4,588,809
Total other postemployment benefit liability, ending (a)	3,518,805	3,487,565	4,311,743
Change in plan fiduciary net position			
Contributions - employer	136,911	211,947	219,402
Contributions - member			
Net investment income (loss)	-	(173)	549
Benefit payments, including refunds of member contributions	(127,518)	(192,653)	(192,408)
Administrative expense	-	-	(26)
Other	-	-	-
Net change in plan fiduciary net position	9,393	19,121	27,517
Plan fiduciary net position, beginning	84,064	64,943	37,426
Plan fiduciary net position, ending (b)	93,457	84,064	64,943
City's net other postemployment benefit liability, ending (a)-(b)	$ 3,425,348	$ 3,403,501	$ 4,246,800
Plan fiduciary net position as a percentage of the total other postemployment benefit liability	2.66%	2.41%	1.51%
Covered payroll	$ 412,913	$ 397,009	$ 411,524
City's net other postemployment benefit liability as a percentage of covered payroll	829.56%	857.29%	1031.97%

See notes to required supplementary information.

Year Ended June 30,		
2020	2019	2018
$ 82,899	$ 77,646	$ 68,132
193,584	207,992	143,650
(1,910,688)	(64,182)	1,076,251
(43,668)	528,673	291,606
(206,433)	(250,158)	(344,463)
(1,884,306)	499,971	1,235,176
6,473,115	5,973,144	4,737,968
4,588,809	6,473,115	5,973,144
230,946	262,134	344,463
561	40	-
(206,433)	(250,158)	(344,463)
-	-	-
336	-	-
25,410	12,016	-
12,016	-	-
37,426	12,016	-
$ 4,551,383	$ 6,461,099	$ 5,973,144
0.82%	0.19%	0.00%
$ 473,348	$ 435,990	$ 422,984
961.53%	1481.94%	1412.14%

CITY OF OAK PARK, MICHIGAN

Required Supplementary Information

General, Public Safety, and Court Retiree Healthcare Plans
Schedule of City Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
General Retiree Healthcare Plan:					
6/30/2023	$ 3,572,980	$ 1,197,477	$ 2,375,503	$ 1,222,408	97.96%
6/30/2022	4,583,468	1,681,329	2,902,139	1,047,392	160.53%
6/30/2021	4,514,656	1,354,684	3,159,972	1,459,487	92.82%
6/30/2020	5,520,972	1,268,657	4,252,315	1,368,940	92.67%
6/30/2019	5,280,276	2,046,516	3,233,760	1,475,359	138.71%
6/30/2018	4,307,310	1,878,228	2,429,082	1,706,969	110.03%
6/30/2017	1,620,940	1,545,294	75,646	2,105,252	73.40%
Public Safety Retiree Healthcare Plan:					
6/30/2023	$ 4,923,919	$ 1,181,412	$ 3,742,507	$ 2,617,472	45.14%
6/30/2022	5,283,093	1,276,616	4,006,477	2,499,530	51.07%
6/30/2021	4,726,748	1,493,492	3,233,256	4,873,478	30.65%
6/30/2020	6,157,774	1,478,956	4,678,818	4,869,302	30.37%
6/30/2019	5,586,225	1,814,780	3,771,445	4,744,250	38.25%
6/30/2018	3,988,426	1,504,145	2,484,281	3,464,030	43.42%
6/30/2017	1,901,699	1,553,955	347,744	3,842,496	40.44%
Court Retiree Healthcare Plan:					
6/30/2023	$ 850,651	$ 136,911	$ 713,740	$ 412,913	33.16%
6/30/2022	1,246,202	211,947	1,034,255	397,009	53.39%
6/30/2021	1,123,379	219,402	903,977	411,524	53.31%
6/30/2020	1,278,089	230,946	1,047,143	473,348	48.79%
6/30/2019	949,686	262,134	687,552	435,990	60.12%
6/30/2018	625,762	344,463	281,299	422,984	81.44%

See notes to required supplementary information.

Notes to Required Supplementary Information

Pension Information

Note: GASB 67 was implemented in fiscal year 2014.

Notes to the Schedule of Changes in the City's Net Pension Liability and Related Ratios: General Employees' Retirement System

The June 30, 2022 changes in assumptions are due to the following:
- The mortality tables were updated with MP-2021 improvement scale.

The June 30, 2021 changes in assumptions are due to the following:
- The mortality tables were updated with MP-2020 improvement scale.
- The discount rate increased from 6.5% to 7.0%.

The June 30, 2020 changes in assumptions are due to the following:
- The mortality tables were changed to the Society of Actuaries tables for public employees.
- The discount rate decreased from 7.0% to 6.5%.

The June 30, 2019 changes in assumptions are due to the following:
- The mortality tables changed to the new government tables provided by the State.

The June 30, 2018 changes in assumptions are due to the following:
- The assumption that mortality and disability decrements do not occur during the first five years of employment was removed.
- The liability load for “roll-in amounts” decreased from 9.00% to 4.00%.
- Th adjusted dates of hire were added to the data to reflect the adjusted service accurately.
- The discount rate was decreased from 8.00% to 7.00%.

The June 30, 2017 changes in assumptions are due to the following:
- For the calculation of year end liabilities, the tax-exempt municipal bond rate increased from 3.18% to 3.58%.
- The discount rate increased from 6.07% to 8.00%.
- The long-term inflation assumption has decreased from 3.0% to 2.5% as of July 1, 2016. This change applies to both the salary increase assumption and the amortization of the unfunded actuarial accrued liability.

The June 30, 2016 changes in assumptions are due to the following:
- For the calculation of year end liabilities, the tax-exempt municipal bond rate decreased from 3.80% to 3.18%.
- The discount rate decreased from 7.38% to 6.07%.

The June 30, 2015 changes in assumptions are due to the following:
- For the calculation of year end liabilities, the tax-exempt municipal bond rate decreased from 4.29% to 3.80%.
- The long-term rate of return on assets increased from 6.54% to 8.00%.
- The discount rate increased from 5.40% to 7.38%.

Notes to Required Supplementary Information

Notes to the Schedule of Changes in the City's Net Pension Liability and Related Ratios: Public Safety Employees' Retirement System

The June 30, 2022 changes in assumptions are due to the following:

- The mortality tables were updated with MP-2021 improvement scale.

The June 30, 2021 changes in assumptions are due to the following:

- The mortality tables were updated with MP-2020 improvement scale.
- The discount rate increased from 6.5% to 7.0%.

The June 30, 2020 changes in assumptions are due to the following:

- The mortality tables were changed to the Society of Actuaries tables for public employees.
- The discount rate decreased from 7.0% to 6.5%.

The June 30, 2019 changes in assumptions are due to the following:

- The mortality tables changed to the new government tables provided by the State.

The June 30, 2018 changes in assumptions are due to the following:

- The assumption that mortality and disability decrements do not occur during the first five years of employment was removed.
- The liability load for “roll-in amounts” decreased from 12.50% to 7.00%.
- The liability load for subsidized service purchases was removed and replaced with actual adjusted service
- The discount rate was changed from 7.52% to 7.00%.

The June 30, 2017 changes in assumptions are due to the following:

- For the calculation of year end liabilities, the tax-exempt municipal bond rate increased from 3.18% to 3.58%.
- The discount rate increased from 7.27% to 7.52%.
- The long-term inflation assumption has decreased from 3.0% to 2.5% as of July 1, 2016. This change applies to both the salary increase assumption and the amortization of the unfunded actuarial accrued liability.

The June 30, 2016 changes in assumptions are due to the following:

- For the calculation of year end liabilities, the tax-exempt municipal bond rate decreased from 3.80% to 3.18%.
- The discount rate decreased from 7.83% to 7.27%.

The June 30, 2015 changes in assumptions are due to the following:

- The actuarial equivalence basis for converting between option forms of benefit payment was updated.

Notes to Required Supplementary Information

Notes to Schedule of City Contributions

Valuation date	July 1, 2022
Notes	Actuarially determined contribution rates are calculated as of June 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal level percent of pay
Amortization method	General: 2.5 percent scale on amortization is applied to recognize increasing amortization payments; Public Safety: spread gain/loss with 2.5 percent scale
Remaining amortization period	21 years
Asset valuation method	General: The actuarial value of assets is equal to the prior year's actuarial value brought forward to the valuation date with contributions, benefit payments, and expected investment income. The excess/(deficit) of actual return on market assets over expected return on actuarial assets is the asset gain(loss) for the year. The rolled forward actuarial assets are then adjusted by adding/(subtracting) 20% of the asset gains/(losses) for each of the five preceding years. A final adjustment is made, if necessary, so the actuarial value of assets is no more than 120% nor less than 80% of Public Safety: Equal to market value of assets.
Inflation	2.5 percent
Salary increases	Varies
Investment rate of return	7.0 percent net of pension plan investment expense, including inflation
Mortality rates	Pub-2010 Public Retirement Plans Mortality Tables; annuitant and non-annuitant, sex-distinct with MP-2021 improvement factors

Notes to Required Supplementary Information

OPEB Information

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

Notes to Schedule of Investment Returns

(1) The Court Retiree Healthcare Plan is not pre-funded and has no assets.

Notes to Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios: General Retiree Healthcare Plan

(1) The Court Retiree Healthcare Plan total other postemployment benefit liability was presented with the General Retiree Healthcare Plan for the year ended 6/30/2017, but is presented separately for the year ended 6/30/2018 (prospectively).

The June 30, 2023 changes in assumptions are due to the following:
- Trend rates updated to those prescribed by PA 202 for year 2023.

The June 30, 2022 changes in assumptions are due to the following:
- Trend rates updated to those prescribed by PA 202 for year 2022.
- Salary scale updated from 2.5% to 3.0%.
- Discount rate updated from 3.72% to 4.50%.

The June 30, 2021 changes in assumptions are due to the following:
- Trend rates updated to those prescribed by PA 202 for year 2021.
- Discount rate updated from 3.27% to 3.72%.

The June 30, 2020 changes in assumptions are due to the following:
- Mortality updated from RP-2014 adjusted to 2006 Total Data Set, Headcount-weighted, with MP-2017 (set-forward 10 years for disability).
- Trend Rates updated from Pre-65; 8.0% graded down to 5% over six years, 5.0% per annum for Medicare
- Discount rate updated from 3.0%.

The June 30, 2019 changes in assumptions are due to the following:
- Discount rate lowered from 3.51% to 3.0%.

The June 30, 2018 changes in assumptions are due to the following:
- First valuation performed by Watkins Ross.
- The discount rate was lowered from 3.1% to 3.0%.
- The trend rates changed from 6.0% graded down to 4.0% to 8.0% graded down to 5.0% for pre-65 claims, 5.0% forage 65 and after.
- The mortality rates changed from RP-2014 Group Annuity Mortality Table 50/50 blend male/female to RPH-2014 adjusted to 2006 Total Data Set with MP-2017 (set-forward 10 years for disability).

The June 30, 2017 changes in assumptions are due to the following:
- Discount rate lowered from 4.5% to 3.1%.

Notes to Required Supplementary Information

Notes to Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios: Public Safety Retiree Healthcare Plan

The June 30, 2023 changes in assumptions are due to the following:

- Trend rates updated to those prescribed by PA 202 for year 2023.

The June 30, 2022 changes in assumptions are due to the following:

- Trend rates updated to those prescribed by PA 202 for year 2022.
- Discount rate updated from 3.59% to 4.50%.

The June 30, 2021 changes in assumptions are due to the following:

- Trend rates updated to those prescribed by PA 202 for year 2021.
- Discount rate changed from 3.97% to 3.59%.

The June 30, 2020 changes in assumptions are due to the following:

- Mortality updated from RP-2014 adjusted to 2006 Total Data Set, Headcount-weighted, with MP-2017 (set-forward 10 years for disability).
- Trend Rates updated from Pre-65; 8.0% graded down to 5% over six years, 5.0% per annum for Medicare costs.
- Timing of claims payments changed from middle of year to beginning of year.
- Discount rate updated from 3.0%.

The June 30, 2018 changes in assumptions are due to the following:

- First valuation performed by Watkins Ross.
- The discount rate was lowered from 3.1% to 3.0%.
- The trend rates changed from 6.0% graded down to 4.0% to 8.0% graded down to 5.0% for pre-65 claims, 5.0% forage 65 and after.
- The mortality rates changed from RP-2014 Group Annuity Mortality Table 50/50 blend male/female to RPH-2014 adjusted to 2006 Total Data Set with MP-2017 (set-forward 10 years for disability).

The June 30, 2017 changes in assumptions are due to the following:

- Discount rate lowered from 4.5% to 3.1%.

Notes to Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios: Court Retiree Healthcare Plan

The June 30, 2023 changes in assumptions are due to the following:

- Trend rates updated to those prescribed by PA 202 for year 2023.

The June 30, 2022 changes in assumptions are due to the following:

- Trend rates updated to those prescribed by PA 202 for year 2022.
- Salary scale updated from 2.5% to 3.0%.
- Discount rate updated from 3.72% to 4.50%.

The June 30, 2021 changes in assumptions are due to the following:

- Trend rates updated to those prescribed by PA 202 for year 2021.
- Discount rate updated from 3.27% to 3.72%.

Notes to Required Supplementary Information

The June 30, 2020 changes in assumptions are due to the following:

- Mortality updated from RP-2014 adjusted to 2006 Total Data Set, Headcount-weighted, with MP-2017 (set-forward 10 years for disability).
- Trend Rates updated from Pre-65; 8.0% graded down to 5% over six years, 5.0% per annum for Medicare
- Discount rate updated from 3.0%.

The June 30, 2019 changes in assumptions are due to the following:

- Discount rate lowered from 3.51% to 3.0%.

The June 30, 2018 changes in assumptions are due to the following:

- First valuation performed by Watkins Ross.
- The discount rate was lowered from 3.1% to 3.0%.
- The trend rates changed from 6.0% graded down to 4.0% to 8.0% graded down to 5.0% for pre-65 claims, 5.0% forage 65 and after.
- The mortality rates changed from RP-2014 Group Annuity Mortality Table 50/50 blend male/female to RPH-2014 adjusted to 2006 Total Data Set with MP-2017 (set-forward 10 years for disability).

Notes to Schedule of City Contributions

Valuation date	June 30, 2022
Notes	Actuarially determined contribution rates are calculated as of June 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level percentage of compensation
Remaining amortization period	General: 6 years; Public Safety: 7 years; Court: 3 years
Asset valuation method	Market value
Healthcare inflation rate	Pre-Medicare 7.25% graded down to 4.5% by 0.25% per year; Post Medicare, 5.50% graded down to 4.5% by 0.25% per year
Inflation rate	2.0 percent
Salary increases	3.0 percent for General and Court; 2.5 percent for Public Safety
Investment rate of return	4.5 percent, including inflation
Mortality rates	2010 Public General Employees / Public Safety Employees and Healthy Retirees, Headcount weighted, MP-2021 Rationale – Most current mortality rates available for municipalities

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CITY OF OAK PARK, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
June 30, 2023

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental
Assets				
Cash and investments	$ 6,743,010	$ 1,109,857	$ 2,495,995	$ 10,348,862
Receivables:				
Taxes	331	-	142,204	142,535
Special assessments	99,403	-	-	99,403
Accounts	302,035	-	6,157	308,192
Due from other governments	628,771	-	-	628,771
Prepaid items	959	250	-	1,209
Total assets	$ 7,774,509	$ 1,110,107	$ 2,644,356	$ 11,528,972
Liabilities				
Accounts payable	$ 1,337,141	$ 12,688	$ 7,101	$ 1,356,930
Accrued liabilities	175,230	39,000	3,446	217,676
Due to other funds	43,203	-	-	43,203
Total liabilities	1,555,574	51,688	10,547	1,617,809
Deferred inflows of resources				
Unavailable revenue - charges for services	-	-	4,658	4,658
Unavailable revenue - special assessments	99,403	-	-	99,403
Unavailable revenue - grants	38,871	-	-	38,871
Total deferred inflows of resources	138,274	-	4,658	142,932
Fund balances				
Nonspendable	959	250	-	1,209
Restricted	5,669,398	1,058,169	164,402	6,891,969
Assigned	433,305	-	2,464,749	2,898,054
Unassigned (deficit)	(23,001)	-	-	(23,001)
Total fund balances	6,080,661	1,058,419	2,629,151	9,768,231
Total liabilities, deferred inflows of resources, and fund balances	$ 7,774,509	$ 1,110,107	$ 2,644,356	$ 11,528,972

CITY OF OAK PARK, MICHIGAN

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

Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental
Revenues				
Property taxes	$ 2,375,362	$ 2,267,982	$ -	$ 4,643,344
Special assessments	46,417	-	572,810	619,227
Intergovernmental:				
Federal grants	96,028	-	-	96,028
State grants	3,926,792	18,256	-	3,945,048
Charges for services	1,783,819	-	-	1,783,819
Fines and forfeitures	48,470	-	29,239	77,709
Investment income	191,599	63,203	38,535	293,337
Other	135,728	-	170,478	306,206
Total revenues	8,604,215	2,349,441	811,062	11,764,718
Expenditures				
Current:				
Judicial	2,529,218	-	-	2,529,218
Public safety	6,676	-	-	6,676
Road maintenance and repair	4,599,100	-	-	4,599,100
Public works	-	-	174,889	174,889
Health and sanitation	3,050,772	-	-	3,050,772
Culture and recreation	-	-	153	153
Library	885,051	-	-	885,051
Community development	101,880	-	210,970	312,850
Debt service:				
Principal	11,358	1,740,000	-	1,751,358
Interest and fiscal charges	2,172	619,717	-	621,889
Total expenditures	11,186,227	2,359,717	386,012	13,931,956
Revenues over (under) expenditures	(2,582,012)	(10,276)	425,050	(2,167,238)
Other financing sources (uses)				
Transfers in	2,106,005	126,256	1,065,000	3,297,261
Transfers out	(267,500)	-	(30,000)	(297,500)
Total other financing sources (uses)	1,838,505	126,256	1,035,000	2,999,761
Net change in fund balances	(743,507)	115,980	1,460,050	832,523
Fund balances, beginning of year	6,824,168	942,439	1,169,101	8,935,708
Fund balances, end of year	$ 6,080,661	$ 1,058,419	$ 2,629,151	$ 9,768,231

CITY OF OAK PARK, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
Special Revenue Funds
June 30, 2023

	Major Streets	Local Streets	Solid Waste	Narcotics Forfeiture
Assets				
Cash and investments	$ 1,809,006	$ 1,964,700	$ 1,937,310	$ 35,204
Receivables:				
Taxes	-	331	-	-
Special assessments	99,403	-	-	-
Accounts	6,198	16,842	278,385	-
Due from other governments	401,018	156,100	-	-
Prepaid items	-	-	-	-
Total assets	$ 2,315,625	$ 2,137,973	$ 2,215,695	$ 35,204
Liabilities				
Accounts payable	$ 882,174	$ 107,318	$ 123,875	$ -
Accrued liabilities	18,205	17,051	30,908	-
Due to other funds	-	-	-	-
Total liabilities	900,379	124,369	154,783	-
Deferred inflows of resources				
Unavailable revenue - special assessments	99,403	-	-	-
Unavailable revenue - grants	-	15,870	-	-
Total deferred inflows of resources	99,403	15,870	-	-
Fund balances				
Nonspendable	-	-	-	-
Restricted	1,315,843	1,997,734	2,060,912	35,204
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	1,315,843	1,997,734	2,060,912	35,204
Total liabilities, deferred inflows of resources, and fund balances	$ 2,315,625	$ 2,137,973	$ 2,215,695	$ 35,204

Criminal Justice Training	Community Development Block Grant	Indigent Defense Grant	Caseflow Assistance	Veterans Treatment Court Grant	45th District Court
$ 18,406	$ -	$ 126,586	$ 44,016	$ -	$ 186,352
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	610
-	42,432	-	-	10,030	-
-	-	-	-	-	-
$ 18,406	$ 42,432	$ 126,586	$ 44,016	$ 10,030	$ 186,962
$ 945	$ -	$ 29,785	$ -	$ 5,973	$ 117,835
-	2,522	-	-	764	69,127
-	39,910	-	-	3,293	-
945	42,432	29,785	-	10,030	186,962
-	-	-	-	-	-
-	23,001	-	-	-	-
-	23,001	-	-	-	-
-	-	-	-	-	-
17,461	-	96,801	44,016	-	-
-	-	-	-	-	-
-	(23,001)	-	-	-	-
17,461	(23,001)	96,801	44,016	-	-
$ 18,406	$ 42,432	$ 126,586	$ 44,016	$ 10,030	$ 186,962

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CITY OF OAK PARK, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
Special Revenue Funds
June 30, 2023

	Library	Mental Health Court Grant	Total
Assets			
Cash and investments	$ 615,412	$ 6,018	$ 6,743,010
Receivables:			
Taxes	-	-	331
Special assessments	-	-	99,403
Accounts	-	-	302,035
Due from other governments	-	19,191	628,771
Prepaid items	959	-	959
Total assets	$ 616,371	$ 25,209	$ 7,774,509
Liabilities			
Accounts payable	$ 44,027	$ 25,209	$ 1,337,141
Accrued liabilities	36,653	-	175,230
Due to other funds	-	-	43,203
Total liabilities	80,680	25,209	1,555,574
Deferred inflows of resources			
Unavailable revenue - special assessments	-	-	99,403
Unavailable revenue - grants	-	-	38,871
Total deferred inflows of resources	-	-	138,274
Fund balances			
Nonspendable	959	-	959
Restricted	101,427	-	5,669,398
Assigned	433,305	-	433,305
Unassigned (deficit)	-	-	(23,001)
Total fund balances	535,691	-	6,080,661
Total liabilities, deferred inflows of resources, and fund balances	$ 616,371	$ 25,209	$ 7,774,509

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CITY OF OAK PARK, MICHIGAN

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

Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended June 30, 2023

	Major Streets	Local Streets	Solid Waste	Narcotics Forfeiture
Revenues				
Property taxes	$ -	$ -	$ 1,579,708	$ -
Special assessments	32,137	14,280	-	-
Intergovernmental:				
Federal grants	-	-	-	358
State grants	2,363,971	919,864	12,324	-
Charges for services	-	-	1,690,254	-
Fines and forfeitures	-	-	-	-
Investment income	46,592	59,678	61,291	980
Other	118,134	11,250	-	-
Total revenues	2,560,834	1,005,072	3,343,577	1,338
Expenditures				
Current:				
Judicial	-	-	-	-
Public safety	-	-	-	11
Road maintenance and repair	3,296,551	1,302,549	-	-
Health and sanitation	-	-	3,050,772	-
Library	-	-	-	-
Community development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	3,296,551	1,302,549	3,050,772	11
Revenues over (under) expenditures	(735,717)	(297,477)	292,805	1,327
Other financing sources (uses)				
Transfers in	-	175,000	-	-
Transfers out	(175,000)	-	-	-
Total other financing sources (uses)	(175,000)	175,000	-	-
Net change in fund balances	(910,717)	(122,477)	292,805	1,327
Fund balances (deficits), beginning of year	2,226,560	2,120,211	1,768,107	33,877
Fund balances (deficits), end of year	$ 1,315,843	$ 1,997,734	$ 2,060,912	$ 35,204

Criminal Justice Training	Community Development Block Grant	Indigent Defense Grant	Caseflow Assistance	Veterans Treatment Court Grant	45th District Court
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	93,670	-	-	-	-
12,409	-	273,627	11,131	53,804	91,448
-	-	-	-	-	79,757
-	-	-	-	-	-
359	-	-	909	-	-
-	-	-	-	-	-
12,768	93,670	273,627	12,040	53,804	171,205
-	-	361,893	10	53,684	2,008,252
6,665	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	101,880	-	-	-	-
-	-	-	-	-	7,520
-	-	-	-	-	1,438
6,665	101,880	361,893	10	53,684	2,017,210
6,103	(8,210)	(88,266)	12,030	120	(1,846,005)
-	-	42,500	-	-	1,888,505
-	-	-	-	-	(42,500)
-	-	42,500	-	-	1,846,005
6,103	(8,210)	(45,766)	12,030	120	-
11,358	(14,791)	142,567	31,986	(120)	-
$ 17,461	$ (23,001)	$ 96,801	$ 44,016	$ -	$ -

continued…

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

Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended June 30, 2023

	Library	Mental Health Court Grant	Total
Revenues			
Property taxes	$ 795,654	$ -	$ 2,375,362
Special assessments	-	-	46,417
Intergovernmental:			
Federal grants	2,000	-	96,028
State grants	40,420	147,794	3,926,792
Charges for services	13,808	-	1,783,819
Fines and forfeitures	48,470	-	48,470
Investment income	21,790	-	191,599
Other	6,344	-	135,728
Total revenues	928,486	147,794	8,604,215
Expenditures			
Current:			
Judicial	-	105,379	2,529,218
Public safety	-	-	6,676
Road maintenance and repair	-	-	4,599,100
Health and sanitation	-	-	3,050,772
Library	885,051	-	885,051
Community development	-	-	101,880
Debt service:			
Principal	3,838	-	11,358
Interest and fiscal charges	734	-	2,172
Total expenditures	889,623	105,379	11,186,227
Revenues over (under) expenditures	38,863	42,415	(2,582,012)
Other financing sources (uses)			
Transfers in	-	-	2,106,005
Transfers out	(50,000)	-	(267,500)
Total other financing sources (uses)	(50,000)	-	1,838,505
Net change in fund balances	(11,137)	42,415	(743,507)
Fund balances (deficits), beginning of year	546,828	(42,415)	6,824,168
Fund balances (deficits), end of year	$ 535,691	$ -	$ 6,080,661

concluded.

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Major Streets Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Special assessments	$ 33,006	$ 32,138	$ 32,137	$ (1)
Intergovernmental -				
State grants	2,302,667	2,336,102	2,363,971	27,869
Investment income	8,199	10,312	46,592	36,280
Other	95,000	76,285	118,134	41,849
Total revenues	2,438,872	2,454,837	2,560,834	105,997
Expenditures				
Current -				
Road maintenance and repair	1,850,872	3,331,837	3,296,551	(35,286)
Revenues over (under) expenditures	588,000	(877,000)	(735,717)	(141,283)
Other financing uses				
Transfers out	(175,000)	(175,000)	(175,000)	-
Net change in fund balance	413,000	(1,052,000)	(910,717)	141,283
Fund balance, beginning of year	923,341	2,226,560	2,226,560	-
Fund balance, end of year	$ 1,336,341	$ 1,174,560	$ 1,315,843	$ 141,283

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Local Streets Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Special assessments	$ 55,000	$ 30,000	$ 14,280	$ (15,720)
Intergovernmental -				
State grants	895,481	908,635	919,864	11,229
Investment income	21,033	11,351	59,678	48,327
Other	-	11,000	11,250	250
Total revenues	971,514	960,986	1,005,072	44,086
Expenditures				
Current -				
Road maintenance and repair	1,930,514	1,989,986	1,302,549	(687,437)
Revenues under expenditures	(959,000)	(1,029,000)	(297,477)	731,523
Other financing sources				
Transfers in	175,000	175,000	175,000	-
Net change in fund balance	(784,000)	(854,000)	(122,477)	731,523
Fund balance, beginning of year	1,725,326	2,120,211	2,120,211	-
Fund balance, end of year	$ 941,326	$ 1,266,211	$ 1,997,734	$ 731,523

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Solid Waste Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	$ 1,560,187	$ 1,560,187	$ 1,579,708	$ 19,521
Intergovernmental-				
State grants	7,500	7,500	12,324	4,824
Charges for services	1,520,000	1,520,000	1,690,254	170,254
Investment income	11,837	11,837	61,291	49,454
Total revenues	3,099,524	3,099,524	3,343,577	244,053
Expenditures				
Current -				
Health and sanitation	3,099,524	3,099,524	3,050,772	(48,752)
Net change in fund balance	-	-	292,805	292,805
Fund balance, beginning of year	1,550,241	1,768,107	1,768,107	-
Fund balance, end of year	$ 1,550,241	$ 1,768,107	$ 2,060,912	$ 292,805

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, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
Federal grants	$ -	$ -	$ 358	$ 358
Investment income	325	325	980	655
Total revenues	325	325	1,338	1,013
Expenditures				
Current -				
Public safety	25	25	11	(14)
Net change in fund balance	300	300	1,327	1,027
Fund balance, beginning of year	22,613	33,877	33,877	-
Fund balance, end of year	$ 22,913	$ 34,177	$ 35,204	$ 1,027

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Criminal Justice Training Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	$ 6,300	$ 12,400	$ 12,409	$ 9
Investment income	25	25	359	334
Total revenues	6,325	12,425	12,768	343
Expenditures				
Current -				
Public safety	6,325	12,725	6,665	(6,060)
Net change in fund balance	-	(300)	6,103	6,403
Fund balance, beginning of year	9,866	11,358	11,358	-
Fund balance, end of year	$ 9,866	$ 11,058	$ 17,461	$ 6,403

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, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
Federal grants	$ 129,000	$ 143,791	$ 93,670	$ (50,121)
Expenditures				
Current -				
Community development	129,000	129,000	101,880	(27,120)
Net change in fund balance	-	14,791	(8,210)	(23,001)
Fund balance (deficit), beginning of year	-	(14,791)	(14,791)	-
Fund balance (deficit), end of year	$ -	$ -	$ (23,001)	$ (23,001)

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Indigent Defense Grant Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	$ 408,093	$ 408,093	$ 273,627	$ (134,466)
Expenditures				
Current -				
Judicial	449,850	449,850	361,893	(87,957)
Revenues under expenditures	(41,757)	(41,757)	(88,266)	(46,509)
Other financing sources				
Transfers in	41,757	41,757	42,500	743
Net change in fund balance	-	-	(45,766)	(45,766)
Fund balance, beginning of year	243,455	142,567	142,567	-
Fund balance, end of year	$ 243,455	$ 142,567	$ 96,801	$ (45,766)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Caseflow Assistance Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	$ 10,000	$ 12,000	$ 11,131	$ (869)
Investment income	100	100	909	809
Total revenues	10,100	12,100	12,040	(60)
Expenditures				
Current -				
Judicial	10,100	31,400	10	(31,390)
Net change in fund balance	-	(19,300)	12,030	31,330
Fund balance, beginning of year	23,236	31,986	31,986	-
Fund balance, end of year	$ 23,236	$ 12,686	$ 44,016	$ 31,330

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Veterans Treatment Court Grant Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	$ 52,400	$ 57,520	$ 53,804	$ (3,716)
Expenditures				
Current -				
Judicial	52,400	57,400	53,684	(3,716)
Net change in fund balance	-	120	120	-
Fund balance (deficit), beginning of year	-	(120)	(120)	-
Fund balance, end of year	$ -	$ -	$ -	$ -

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - 45th District Court Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	$ 91,448	$ 91,448	$ 91,448	$ -
Charges for services	366,821	141,821	79,757	(62,064)
Total revenues	458,269	233,269	171,205	(62,064)
Expenditures				
Current -				
Judicial	2,128,012	2,125,512	2,008,252	(117,260)
Debt service:				
Principal	7,520	7,520	7,520	-
Interest and fiscal charges	980	1,480	1,438	(42)
Total expenditures	2,136,512	2,134,512	2,017,210	(117,302)
Revenues under expenditures	(1,678,243)	(1,901,243)	(1,846,005)	55,238
Other financing sources (uses)				
Transfers in	1,720,000	1,945,000	1,888,505	(56,495)
Transfers out	(41,757)	(43,757)	(42,500)	(1,257)
Total other financing sources (uses)	1,678,243	1,901,243	1,846,005	(55,238)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

CITY OF OAK PARK, MICHIGAN

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Library Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	$ 787,763	$ 787,763	$ 795,654	$ 7,891
Intergovernmental:				
Federal grants	-	-	2,000	2,000
State grants	33,400	33,400	40,420	7,020
Charges for services	6,500	6,500	13,808	7,308
Fines and forfeitures	56,000	56,000	48,470	(7,530)
Investment income	4,191	4,191	21,790	17,599
Other	500	6,294	6,344	50
Total revenues	888,354	894,148	928,486	34,338
Expenditures				
Current -				
Library	928,884	933,337	885,051	(48,286)
Debt service:				
Principal	3,838	3,838	3,838	-
Interest and fiscal charges	962	962	734	(228)
Total expenditures	933,684	938,137	889,623	(48,514)
Revenues over (under) expenditures	(45,330)	(43,989)	38,863	82,624
Other financing uses				
Transfers out	(50,000)	(50,000)	(50,000)	-
Net change in fund balance	(95,330)	(93,989)	(11,137)	82,624
Fund balance, beginning of year	557,863	546,828	546,828	-
Fund balance, end of year	$ 462,533	$ 452,839	$ 535,691	$ 82,852

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Mental Health Court Grant Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental -				
State grants	$ 120,000	$ 162,415	$ 147,794	$ (14,621)
Expenditures				
Current -				
Judicial	120,000	120,000	105,379	(14,621)
Net change in fund balance	-	42,415	42,415	-
Fund balance (deficit), beginning of year	-	-	(42,415)	(42,415)
Fund balance, end of year	$ -	$ 42,415	$ -	$ (42,415)

CITY OF OAK PARK, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
Debt Service Funds
June 30, 2023

	2015 Refunding Bond	2012 Street Refunding Bond	2011 Library and Recreation Lease	2020 Refunding Bond	Total
Assets					
Cash and investments	$ 294,578	$ 589,512	$ -	$ 225,767	$ 1,109,857
Prepaid items	-	250	-	-	250
Total assets	$ 294,578	$ 589,762	$ -	$ 225,767	$ 1,110,107
Liabilities					
Accounts payable	$ 4,340	$ 4,168	$ -	$ 4,180	$ 12,688
Accrued liabilities	13,000	12,000	-	14,000	39,000
Total liabilities	17,340	16,168	-	18,180	51,688
Fund balances					
Nonspendable	-	250	-	-	250
Restricted	277,238	573,344	-	207,587	1,058,169
Total fund balances	277,238	573,594	-	207,587	1,058,419
Total liabilities and fund balances	$ 294,578	$ 589,762	$ -	$ 225,767	$ 1,110,107

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CITY OF OAK PARK, MICHIGAN

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

Nonmajor Governmental Funds
Debt Service Funds
For the Year Ended June 30, 2023

	2015 Refunding Bond	2012 Street Refunding Bond	2011 Library and Recreation Lease	2020 Refunding Bond	Total
Revenues					
Property taxes	$ 741,700	$ 761,632	$ -	$ 764,650	$ 2,267,982
Intergovernmental -					
State grants	5,980	6,056	-	6,220	18,256
Investment income	18,710	27,578	-	16,915	63,203
Total revenues	766,390	795,266	-	787,785	2,349,441
Expenditures					
Debt service:					
Principal	530,000	635,000	70,000	505,000	1,740,000
Interest and fiscal charges	203,700	100,912	56,256	258,849	619,717
Total expenditures	733,700	735,912	126,256	763,849	2,359,717
Revenues over (under) expenditures	32,690	59,354	(126,256)	23,936	(10,276)
Other financing sources					
Transfers in	-	-	126,256	-	126,256
Net change in fund balances	32,690	59,354	-	23,936	115,980
Fund balances, beginning of year	244,548	514,240	-	183,651	942,439
Fund balances, end of year	$ 277,238	$ 573,594	$ -	$ 207,587	$ 1,058,419

CITY OF OAK PARK, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
Capital Projects Funds
June 30, 2023

	Public Improvement	City-Owned Property	Sidewalk Program
Assets			
Cash and investments	$ 55,731	$ 424,540	$ 24,145
Receivables:			
Taxes	-	-	142,204
Accounts	-	-	6,157
Total assets	$ 55,731	$ 424,540	$ 172,506
Liabilities			
Accounts payable	$ 6,796	$ 305	$ -
Accrued liabilities	-	-	3,446
Total liabilities	6,796	305	3,446
Deferred inflows of resources			
Unavailable revenue - charges for services	-	-	4,658
Fund balances			
Restricted	-	-	164,402
Assigned	48,935	424,235	-
Total fund balances	48,935	424,235	164,402
Total liabilities, deferred inflows of resources, and fund balances	$ 55,731	$ 424,540	$ 172,506

Municipal Building Construction	Parks and Recreation Improvements	Total
$ 417,887	$ 1,573,692	$ 2,495,995
-	-	142,204
-	-	6,157
$ 417,887	$ 1,573,692	$ 2,644,356
$ -	$ -	$ 7,101
-	-	3,446
-	-	10,547
-	-	4,658
-	-	164,402
417,887	1,573,692	2,464,749
417,887	1,573,692	2,629,151
$ 417,887	$ 1,573,692	$ 2,644,356

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

Nonmajor Governmental Funds
Capital Project Funds
For the Year Ended June 30, 2023

	Public Improvement	City-Owned Property	Sidewalk Program
Revenues			
Special assessments	$ -	$ -	$ 572,810
Fines and forfeitures	-	-	-
Investment income	1,793	11,704	161
Other	10,000	160,478	-
Total revenues	11,793	172,182	572,971
Expenditures			
Current:			
Public works	-	-	174,772
Culture and recreation	-	-	-
Community development	52,373	158,597	-
Total expenditures	52,373	158,597	174,772
Revenues over (under) expenditures	(40,580)	13,585	398,199
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	(30,000)	-	-
Total other financing sources (uses)	(30,000)	-	-
Net change in fund balances	(70,580)	13,585	398,199
Fund balances (deficit), beginning of year	119,515	410,650	(233,797)
Fund balances, end of year	$ 48,935	$ 424,235	$ 164,402

Municipal Building Construction	Parks and Recreation Improvements	Total
$ -	$ -	$ 572,810
29,239	-	29,239
10,765	14,112	38,535
-	-	170,478
40,004	14,112	811,062
117	-	174,889
-	153	153
-	-	210,970
117	153	386,012
39,887	13,959	425,050
-	1,065,000	1,065,000
-	-	(30,000)
-	1,065,000	1,035,000
39,887	1,078,959	1,460,050
378,000	494,733	1,169,101
$ 417,887	$ 1,573,692	$ 2,629,151

Combining Statement of Net Position

Internal Service Funds
June 30, 2023

	Risk Management	Motor Pool	Retirees Health Care Court	Total
Assets				
Current assets:				
Cash and investments	$ 203,052	$ 97,053	$ 86,141	$ 386,246
Accounts receivable	2,503	-	-	2,503
Prepaid items	144,446	-	7,316	151,762
Total current assets	350,001	97,053	93,457	540,511
Noncurrent assets -				
Capital assets being depreciated, net	-	2,334,144	-	2,334,144
Total assets	350,001	2,431,197	93,457	2,874,655
Liabilities				
Current liabilities:				
Accounts payable	-	21,955	-	21,955
Accrued liabilities	-	3,983	-	3,983
Current portion of -				
Accrued compensated absences	-	1,104	-	1,104
Total current liabilities	-	27,042	-	27,042
Noncurrent liabilities -				
Accrued compensated absences, net of current portion	-	8,803	-	8,803
Total liabilities	-	35,845	-	35,845
Net position				
Investment in capital assets	-	2,334,144	-	2,334,144
Unrestricted	350,001	61,208	93,457	504,666
Total net position	$ 350,001	$ 2,395,352	$ 93,457	$ 2,838,810

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

Internal Service Funds
For the Year Ended June 30, 2023

	Risk Management	Motor Pool	Retirees Health Care Court	Total
Operating revenues				
Charges for services	$ 581,625	$ 768,027	$ 34,000	$ 1,383,652
Fines and forfeitures	-	-	100,388	100,388
Other	63,004	-	2,523	65,527
Total operating revenues	644,629	768,027	136,911	1,549,567
Operating expenses				
Depreciation	-	289,211	-	289,211
Wages and benefits	79,926	119,617	127,518	327,061
Insurance	527,589	-	-	527,589
Gasoline	-	241,294	-	241,294
Professional services	32	43,880	-	43,912
Supplies	-	188,791	-	188,791
Total operating expenses	607,547	882,793	127,518	1,617,858
Operating income (loss)	37,082	(114,766)	9,393	(68,291)
Nonoperating revenues				
Investment income	480	1,208	-	1,688
Change in net position	37,562	(113,558)	9,393	(66,603)
Net position, beginning of year	312,439	2,508,910	84,064	2,905,413
Net position, end of year	$ 350,001	$ 2,395,352	$ 93,457	$ 2,838,810

Combining Statement of Cash Flows

Internal Service Funds
For the Year Ended June 30, 2023

	Risk Management	Motor Pool	Retirees Health Care Court	Total
Cash flows from operating activities				
Receipts from interfund services	$ 579,122	$ 768,401	$ 34,000	$ 1,381,523
Other receipts	63,004	-	102,911	165,915
Payments to suppliers	(502,519)	(496,996)	-	(999,515)
Payments to employees	(79,926)	(113,529)	(126,622)	(320,077)
Net cash provided by operating activities	59,681	157,876	10,289	227,846
Cash flows from capital and related financing activities				
Purchases of capital assets	-	(175,479)	-	(175,479)
Cash flows from investing activities				
Investment income	480	1,208	-	1,688
Net change in cash and investments	60,161	(16,395)	10,289	54,055
Cash and investments, beginning of year	142,891	113,448	75,852	332,191
Cash and investments, end of year	$ 203,052	$ 97,053	$ 86,141	$ 386,246
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ 37,082	$ (114,766)	$ 9,393	$ (68,291)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	-	289,211	-	289,211
Change in assets and liabilities:				
Accounts receivable	(2,503)	374	-	(2,129)
Prepaid items	25,102	-	896	25,998
Accounts payable	-	(23,031)	-	(23,031)
Accrued liabilities	-	847	-	847
Accrued compensated absences	-	5,241	-	5,241
Net cash provided by operating activities	$ 59,681	$ 157,876	$ 10,289	$ 227,846

STATISTICAL SECTION

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CITY OF OAK PARK, MICHIGAN

Statistical Section Table of Contents

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

		Page
Financial Trends	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	148
Revenue Capacity	These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	158
Debt Capacity	These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	164
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	169
Operating Information	These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	176

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

CITY OF OAK PARK, MICHIGAN

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	$ 14,247,686	$ 14,000,594	$ 15,052,182	$ 16,080,881
Restricted	4,887,899	4,317,193	4,464,360	3,372,538
Unrestricted (deficit)	(20,223,425)	(68,221,764)	(66,961,297)	(62,472,772)
Total governmental activities	$ (1,087,840)	$ (49,903,977)	$ (47,444,755)	$ (43,019,353)
Business-type activities				
Net investment in capital assets	$ 16,773,566	$ 17,818,784	$ 19,700,636	$ 20,845,966
Unrestricted (deficit)	6,175,448	733,114	(1,894,698)	(1,633,533)
Total business-type activities	$ 22,949,014	$ 18,551,898	$ 17,805,938	$ 19,212,433
Primary government				
Net investment in capital assets	$ 31,021,252	$ 31,819,378	$ 34,752,818	$ 36,926,847
Restricted	4,887,899	4,317,193	4,464,360	3,372,538
Unrestricted (deficit)	(14,047,977)	(67,488,650)	(68,855,995)	(64,106,305)
Total primary government	$ 21,861,174	$ (31,352,079)	$ (29,638,817)	$ (23,806,920)

Source: City's annual financial statements

Note: GASB Statement No. 74 was implemented for the fiscal year ended June 30, 2017. This resulted in presentation of the City's net pension liability on the statement of net position. Prior years were not restated.

Schedule 1
Unaudited

2018	2019	2020	2021	2022	2023
$ 15,026,750	$ 16,135,780	$ 18,246,707	$ 18,738,789	$ 21,598,062	$ 24,558,212
4,388,861	5,915,132	5,711,679	6,893,549	7,670,497	7,065,401
(115,747,281)	(125,598,845)	(115,166,123)	(101,974,000)	(93,356,250)	(92,861,655)
$ (96,331,670)	$ (103,547,933)	$ (91,207,737)	$ (76,341,662)	$ (64,087,691)	$ (61,238,042)
$ 22,094,929	$ 23,682,823	$ 25,860,979	$ 27,312,837	$ 29,819,147	$ 34,399,864
(9,270,130)	(9,299,373)	(7,280,295)	(3,885,557)	(2,507,841)	(1,143,850)
$ 12,824,799	$ 14,383,450	$ 18,580,684	$ 23,427,280	$ 27,311,306	$ 33,256,014
$ 37,121,679	$ 39,818,603	$ 44,107,686	$ 46,051,626	$ 51,417,209	$ 58,958,076
4,388,861	5,915,132	5,711,679	6,893,549	7,670,497	7,065,401
(125,017,411)	(134,898,218)	(122,446,418)	(105,859,557)	(95,864,091)	(94,005,505)
$ (83,506,871)	$ (89,164,483)	$ (72,627,053)	$ (52,914,382)	$ (36,776,385)	$ (27,982,028)

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2014	2015	2016	2017
Expenses				
Governmental activities:				
General government	$ 6,824,175	$ 3,064,969	$ 9,940,652	$ 4,078,708
Judicial	1,976,211	1,944,235	2,280,899	2,000,064
Public safety	9,525,007	3,497,663	7,401,142	9,299,317
Road maintenance and repair	4,098,970	4,702,539	3,125,342	3,145,293
Public works	1,744,556	1,141,585	2,837,202	1,516,904
Health and sanitation	2,268,966	3,023,012	280,850	2,498,707
Culture and recreation	827,531	572,947	475,963	658,582
Library	696,640	702,648	661,836	821,249
Community development	1,161,136	384,815	601,863	444,575
Interest on long-term debt	1,170,026	1,192,125	1,076,838	1,076,246
Total governmental activities	30,293,218	20,226,538	28,682,587	25,539,645
Business-type activities:				
Water and sewer	9,447,898	8,242,405	11,841,571	9,972,023
Stormwater utility	-	-	-	-
Total business-type activities	9,447,898	8,242,405	11,841,571	9,972,023
Total primary government expenses	39,741,116	28,468,943	40,524,158	35,511,668
Program revenues				
Governmental activities:				
Charges for services:				
General government	2,930,627	4,171,972	4,357,345	3,436,647
Judicial	148,221	184,028	210,220	178,908
Public safety	41,518	40,237	58,596	55,402
Road maintenance and repair	251,972	131,194	154,627	219,892
Public works	288,447	733,485	480,086	567,170
Health and sanitation	1,149,094	1,245,819	1,311,457	1,357,366
Library	144,126	22,380	24,974	25,386
Community development	21,680	-	-	-
Operating grants and contributions	2,241,178	2,406,046	2,690,345	2,452,723
Capital grants and contributions	1,750	561,703	100,150	422,628
Total governmental activities	7,218,613	9,496,864	9,387,800	8,716,122
Business-type activities:				
Charges for services:				
Water and sewer	11,550,673	11,706,574	10,984,177	11,353,474
Stormwater utility	-	-	-	-
Operating grants and contributions	-	-	-	-
Total business-type activities	11,550,673	11,706,574	10,984,177	11,353,474
Total primary government program revenues	18,769,286	21,203,438	20,371,977	20,069,596
Net (expense)/revenue				
Government activities	(23,074,605)	(10,729,674)	(19,294,787)	(16,823,523)
Business-type activities	2,102,775	3,464,169	(857,394)	1,381,451
Total primary government net expense	(20,971,830)	(7,265,505)	(20,152,181)	(15,442,072)

Schedule 2
Unaudited

2018	2019	2020	2021	2022	2023
$ 8,428,726	$ 9,878,893	$ 3,711,686	$ 3,035,000	$ 4,569,576	$ 7,102,270
3,312,598	3,067,582	596,073	2,103,336	1,738,990	2,318,603
16,032,718	16,498,401	11,825,375	6,407,054	8,812,779	12,904,735
2,599,451	973,456	3,947,631	2,367,452	2,820,014	2,909,884
2,047,753	3,792,312	(3,355,639)	1,159,977	571,346	2,269,942
2,726,238	2,772,595	2,800,210	3,320,003	2,867,225	3,050,772
903,615	844,486	(209,601)	521,273	428,914	1,051,998
962,330	946,003	(31,194)	528,441	689,860	989,501
709,763	624,666	(678,663)	83,322	161,520	426,600
921,950	878,483	742,654	632,709	556,445	505,462
38,645,142	40,276,877	19,348,532	20,158,567	23,216,669	33,529,767
11,182,425	12,282,252	10,263,283	5,949,508	5,937,060	5,560,740
-	-	-	5,024,635	4,965,477	5,525,853
11,182,425	12,282,252	10,263,283	10,974,143	10,902,537	11,086,593
49,827,567	52,559,129	29,611,815	31,132,710	34,119,206	44,616,360
4,414,603	4,284,570	3,391,331	3,211,673	3,545,345	3,413,003
191,037	432,860	155,315	136,823	60,625	79,757
66,021	31,195	40,477	50,506	62,007	47,407
191,986	199,119	355,285	299,133	205,564	24,182
532,062	443,549	215,798	122,613	75,069	115,350
1,462,305	1,604,897	1,590,085	1,651,148	1,549,069	1,810,028
32,511	28,274	20,773	4,059	17,552	24,451
-	-	-	-	-	-
3,096,285	3,624,651	3,620,442	6,018,475	5,304,336	5,016,034
44,438	58,760	13,394	-	34,571	302,581
10,031,248	10,707,875	9,402,900	11,494,430	10,854,138	10,832,793
12,356,387	13,338,756	14,365,681	9,214,018	8,414,798	9,836,085
-	-	-	6,222,701	6,032,731	6,582,300
90,817	408,736	-	-	-	-
12,447,204	13,747,492	14,365,681	15,436,719	14,447,529	16,418,385
22,478,452	24,455,367	23,768,581	26,931,149	25,301,667	27,251,178
(28,613,894)	(29,569,002)	(9,945,632)	(8,664,137)	(12,362,531)	(22,696,974)
1,264,779	1,465,240	4,102,398	4,462,576	3,544,992	5,331,792
(27,349,115)	(28,103,762)	(5,843,234)	(4,201,561)	(8,817,539)	(17,365,182)

continued...

Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2014	2015	2016	2017
General revenues				
Governmental activities:				
Property taxes	$ 16,466,311	$ 16,326,336	$ 17,549,447	$ 17,133,346
State shared revenues	3,134,336	3,197,425	3,288,744	3,329,476
Franchise fees	757,237	712,120	717,762	683,781
Investment earnings	33,512	48,071	248,056	102,322
Transfers	-	-	(50,000)	-
Total governmental activities	20,391,396	20,283,952	21,754,009	21,248,925
Business-type activities:				
Investment earnings	17,315	16,381	61,434	25,044
Other	-	-	-	-
Transfers	-	-	50,000	-
Special item	-	-	-	-
Total business-type activities	17,315	16,381	111,434	25,044
Total primary government	20,408,711	20,300,333	21,865,443	21,273,969
Change in net position				
Governmental activities	(2,683,209)	9,554,278	2,459,222	4,425,402
Business-type activities	2,120,090	3,480,550	(745,960)	1,406,495
Total primary government	$ (563,119)	$ 13,034,828	$ 1,713,262	$ 5,831,897

Source: City's annual financial statements

Note: As a result of a class action lawsuit settlement during fiscal 2021, the City was required to break out the revenue and related stormwater costs from the water and sewer fund into a new stormwater utility fund.

Schedule 2
Unaudited

2018	2019	2020	2021	2022	2023
$ 16,340,124	$ 17,639,267	$ 17,806,967	$ 18,724,147	$ 19,732,463	$ 20,013,619
3,556,332	3,611,586	3,460,549	3,974,975	4,286,888	4,487,054
642,949	631,787	616,572	613,987	589,683	447,346
120,820	470,099	401,740	217,103	7,468	598,604
-	-	-	-	-	-
20,660,225	22,352,739	22,285,828	23,530,212	24,616,502	25,546,623
23,870	83,894	68,629	307,219	(13,149)	219,767
6,731	9,517	26,207	76,801	352,183	393,149
-	-	-	-	-	-
(2,850,000)	-	-	-	-	-
(2,819,399)	93,411		384,020	339,034	612,916
17,840,826	22,446,150	22,285,828	23,914,232	24,955,536	26,159,539
(7,953,669)	(7,216,263)	12,340,196	14,866,075	12,253,971	2,849,649
(1,554,620)	1,558,651	4,102,398	4,846,596	3,884,026	5,944,708
$ (9,508,289)	$ (5,657,612)	$ 16,442,594	$ 19,712,671	$ 16,137,997	$ 8,794,357

concluded.

CITY OF OAK PARK, MICHIGAN

Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2014	2015	2016	2017
General fund				
Nonspendable	$ 387,059	$ 597,521	$ 482,475	$ 440,141
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	2,973,036	2,833,231	3,196,719	3,413,925
Total general fund	3,360,095	3,430,752	3,679,194	3,854,066
All other governmental funds				
Nonspendable	702	246	1,842	461
Restricted	4,887,899	4,317,193	4,585,574	3,632,049
Assigned	1,419,099	2,002,675	1,907,456	1,944,357
Unassigned (deficit)	(7,869)	(23,840)	(28,218)	(232,266)
Total all other governmental funds	6,299,831	6,296,274	6,466,654	5,344,601
Total all governmental funds	$ 9,659,926	$ 9,727,026	$ 10,145,848	$ 9,198,667

Source: City's annual financial statements

Schedule 3
Unaudited

2018	2019	2020	2021	2022	2023
$ 422,560	$ 521,922	$ 476,775	$ 247,297	$ 637,447	$ 360,034
-	-	-	-	-	35,831
-	-	-	658,746	559,965	584,380
3,472,254	3,847,361	3,868,765	4,399,288	3,722,401	3,931,452
3,894,814	4,369,283	4,345,540	5,305,331	4,919,813	4,911,697
61	37	82	200	40,392	1,209
4,640,051	6,158,607	5,580,415	6,819,070	7,353,160	6,891,969
2,083,209	1,050,237	1,309,481	1,648,387	1,833,279	2,898,054
(52,691)	(56,161)	(13,525)	(22,649)	(291,123)	(23,001)
6,670,630	7,152,720	6,876,453	8,445,008	8,935,708	9,768,231
$ 10,565,444	$ 11,522,003	$ 11,221,993	$ 13,750,339	$ 13,855,521	$ 14,679,928

CITY OF OAK PARK, MICHIGAN

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2014	2015	2016	2017
Revenues				
Property taxes	$ 16,422,482	$ 16,292,076	$ 16,997,519	$ 17,239,139
Special assessments	133,052	525,492	334,150	531,443
Licenses and permits	363,301	546,585	633,468	516,630
Intergovernmental	5,336,577	6,121,119	6,008,506	6,142,814
Charges for services	2,188,756	2,857,318	2,499,661	2,094,312
Fines and forfeitures	1,803,694	2,056,122	2,200,334	1,986,362
Franchise fees	-	-	-	-
Interest income	33,146	47,385	244,144	100,369
Other	1,284,806	1,299,773	1,682,787	1,408,372
Total revenues	27,565,814	29,745,870	30,600,569	30,019,441
Expenditures				
General government	3,284,804	3,613,552	3,562,498	4,007,155
Judicial	1,946,216	1,950,499	2,384,920	2,099,767
Public safety	5,557,392	8,447,856	8,771,838	9,391,416
Road maintenance and repair	1,753,709	1,756,810	2,161,235	3,818,001
Public works	2,970,801	3,616,070	3,092,354	791,087
Health and sanitation	-	-	-	2,498,707
Culture and recreation	591,912	570,403	544,721	656,008
Library	727,789	738,863	766,733	827,630
Community development	600,913	593,951	677,202	520,597
Nondepartmental	5,214,184	3,944,438	4,681,648	3,069,226
Debt service:				
Principal	1,360,000	1,400,000	1,641,000	1,455,000
Interest	1,211,564	1,175,121	1,425,436	1,022,022
Prior year tax refunds	109,740	382,611	-	-
Capital outlay	3,193,081	1,161,178	755,044	810,006
Total expenditures	28,522,105	29,351,352	30,464,629	30,966,622
Revenues over (under) expenditures	(956,291)	394,518	135,940	(947,181)
Other financing sources (uses)				
Issuance of long-term debt	-	-	7,825,000	-
Premium on issuance of long-term debt	-	-	796,882	-
Payment to refund bond/note payable escrow agent	-	-	(8,289,000)	-
Transfers in	2,695,253	2,153,584	11,107,393	2,125,068
Transfers out	(2,695,253)	(2,153,584)	(11,157,393)	(2,125,068)
Total other financing sources (uses)	-	-	282,882	-
Net changes in fund balances	$ (956,291)	$ 394,518	$ 418,822	$ (947,181)
Debt services as a percentage of noncapital expenditures	10.54%	9.15%	10.58%	9.09%

Source: City's annual financial statements

Schedule 4
Unaudited

2018	2019	2020	2021	2022	2023
$ 16,750,759	$ 17,655,106	$ 17,947,906	$ 18,793,613	$ 19,302,768	$ 20,013,619
526,728	476,592	244,759	212,808	110,848	619,227
688,406	704,039	650,884	659,275	694,875	614,209
6,586,789	7,233,687	7,073,498	9,932,623	9,539,348	9,785,643
2,229,414	2,359,400	2,169,865	2,243,734	2,315,147	2,413,643
2,334,141	2,560,104	1,666,985	1,362,956	1,168,427	1,177,067
-	-	616,572	613,987	589,683	447,346
120,111	464,757	397,289	213,393	10,021	596,916
1,806,222	1,624,121	1,085,279	1,042,449	1,253,047	1,252,747
31,042,570	33,077,806	31,853,037	35,074,838	34,984,164	36,920,417
3,498,671	3,406,565	3,603,050	3,940,503	4,055,631	4,327,588
2,169,253	2,601,590	2,361,940	2,310,041	2,429,691	2,529,218
10,236,280	10,799,893	11,148,719	11,914,390	13,210,207	12,670,874
2,184,807	1,896,223	4,016,353	2,080,887	2,736,585	4,599,100
757,240	800,981	1,067,710	1,931,522	2,046,461	1,635,050
2,726,238	2,772,595	2,800,210	3,320,003	2,866,090	3,050,772
666,885	578,873	544,031	593,034	714,099	976,476
805,382	762,488	562,446	633,870	882,173	885,051
619,909	455,738	453,959	430,944	576,017	602,343
3,396,046	3,905,535	2,907,183	2,982,305	2,976,702	2,424,789
1,495,000	1,540,000	1,580,000	1,655,000	1,721,311	1,760,870
980,695	937,498	1,079,109	721,056	674,186	623,708
-	-	-	-	-	-
134,188	1,663,268	-	44,558	-	-
29,670,594	32,121,247	32,124,710	32,558,113	34,889,153	36,085,839
1,371,976	956,559	(271,673)	2,516,725	95,011	834,578
-	-	9,145,000	1,700,000	-	-
-	-	849,782	233,246	-	-
-	-	(10,023,119)	(1,921,625)	-	-
2,568,991	2,459,079	12,674,286	2,572,225	2,824,714	3,327,261
(2,568,991)	(2,459,079)	(12,674,286)	(2,572,225)	(2,824,714)	(3,327,261)
-	-	(28,337)	11,621	-	-
$ 1,371,976	$ 956,559	$ (300,010)	$ 2,528,346	$ 95,011	$ 834,578
8.45%	7.71%	8.28%	7.30%	7.74%	7.45%

CITY OF OAK PARK, MICHIGAN

Taxable and Estimated Actual Value of Property

Last Ten Fiscal Years

Year Ended June 30,	Real Property			Personal Property
	Residential Property	Commercial Property	Industrial Property	
2023	$ 404,946,227	$ 118,205,874	$ 29,679,093	$ 54,733,945
2022	372,852,967	106,726,826	27,882,403	46,727,649
2021	353,651,840	105,765,410	27,595,730	44,084,510
2020	335,469,770	103,340,280	26,655,550	44,564,310
2019	317,258,070	101,727,150	25,813,190	43,550,990
2018	303,162,780	97,241,660	24,980,660	33,550,020
2017	293,941,530	95,836,930	19,829,100	30,565,350
2016	289,174,450	97,946,090	17,119,170	32,054,990
2015	283,412,310	99,570,910	17,124,830	32,106,170
2014	280,856,040	101,354,490	17,629,760	34,403,540

Source: City of Oak Park Assessing Department

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

Schedule 5
Unaudited

Total Taxable Value	Total Direct Tax Rate	Estimated Actual Value	Taxable Value as a Percentage of Actual Value
$ 607,565,139	32.4383	$ 2,034,478,890	29.86%
554,189,845	33.8541	1,822,004,118	30.42%
531,097,490	34.5903	1,600,770,340	33.18%
510,029,910	35.0460	1,430,380,940	35.66%
488,349,400	35.5834	1,267,580,720	38.53%
458,935,120	36.1688	1,170,692,040	39.20%
440,172,910	36.9308	1,037,375,040	42.43%
436,294,700	37.6060	945,379,900	46.15%
432,214,220	37.1191	871,556,740	49.59%
434,243,830	36.8734	866,136,280	50.14%

CITY OF OAK PARK, MICHIGAN

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per $1,000 of taxable value)

Fiscal Year	Operating Millage	Library	Debt Service	Solid Waste	PA 345	Total Direct
2023: Homestead (1)	17.7800	1.3243	3.7112	2.6228	7.0000	32.4383
2023: Non-homestead						32.4383
2022: Homestead (1)	18.6417	1.3886	4.0738	2.7500	7.0000	33.8541
2022: Non-homestead						33.8541
2021: Homestead (1)	18.9663	1.4128	4.4133	2.7979	7.0000	34.5903
2021: Non-homestead						34.5903
2020: Homestead (1)	19.2163	1.4315	4.5633	2.8349	7.0000	35.0460
2020: Non-homestead						35.0460
2019: Homestead (1)	19.4049	1.4457	4.8700	2.8628	7.0000	35.5834
2019: Non-homestead						35.5834
2018: Homestead (1)	19.7007	1.4690	5.1950	2.9088	6.8953	36.1688
2018: Non-homestead						36.1688
2017: Homestead (1)	19.8959	1.4836	5.6500	2.9377	6.9636	36.9308
2017: Non-homestead						36.9308
2016: Homestead (1)	20.0000	1.4914	6.1615	2.9531	7.0000	37.6060
2016: Non-homestead						37.6060
2015: Homestead (1)	20.0000	1.4914	6.2017	2.9531	6.4729	37.1191
2015: Non-homestead						37.1191
2014: Homestead (1)	20.0000	1.4914	5.9560	2.9531	6.4729	36.8734
2014: Non-homestead						36.8734

Source: City of Oak Park Treasury Department

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

School Districts					Total Rates for Residents Residing In		
Oak Park	Ferndale	Berkley	Community College	County	Oak Park School District	Ferndale School District	Berkley School District
8.8279	8.1018	6.0098	1.4891	14.9235	57.6788	56.9527	54.8607
26.8279	26.1018	24.0098	1.4891	14.9235	75.6788	74.9527	72.8607
8.9503	8.1372	6.0524	1.5057	15.0321	59.3422	58.5291	56.4443
26.9503	26.1372	24.0524	1.5057	15.0321	77.3422	76.5291	74.4443
8.9758	8.1670	6.1038	1.5184	15.0813	60.1658	59.3570	57.2938
26.9758	26.1670	24.1038	1.5184	15.0813	78.1658	77.3570	75.2938
8.9773	8.1984	6.6517	1.5303	15.0214	60.5750	59.7961	58.2494
26.9773	26.1984	24.0366	1.5303	15.0214	78.5750	77.7961	75.6343
8.9773	8.1984	6.7000	1.5303	13.2978	59.3888	58.6099	57.1115
26.9773	26.1984	24.0849	1.5303	13.2978	77.3888	76.6099	74.4964
8.9991	8.2313	7.6843	1.5431	13.3213	60.0323	59.2645	58.7175
26.9991	26.2313	25.3465	1.5431	13.3213	78.0323	77.2645	76.3797
9.4592	8.3000	7.7148	1.5707	9.1248	57.0855	55.9263	55.3411
27.4592	26.3000	25.7148	1.5707	9.1248	75.0855	73.9263	73.3411
15.5000	13.0000	13.7269	1.5819	9.2081	63.8960	61.3960	62.1229
33.5000	31.0000	31.7269	1.5819	9.2081	81.8960	79.3960	80.1229
17.8912	15.3662	13.0788	1.5844	7.5590	64.1537	61.6287	59.3413
36.0712	33.5462	31.2588	1.5844	7.5590	82.3337	79.8087	77.5213
17.1251	13.5901	11.3042	1.5844	7.5590	63.1419	59.6069	57.3210
35.3051	31.7701	29.4842	1.5844	7.5590	81.3219	77.7869	75.5010

CITY OF OAK PARK, MICHIGAN

Schedule 7
Unaudited

Principal Property Tax Payers

Current Year and Nine Years Ago

Taxpayer	2014 Taxable Value	2014 Rank	2014 Percentage of Total	2023 Taxable Value	2023 Rank	2023 Percentage of Total
Spirit Realty LP	$ -	-	-	$ 9,713,700	1	1.60%
Consumers Energy	2,830,410	10	0.65%	8,422,621	2	1.39%
Oak Park Owner's Multiple LLC's	-	-	-	7,635,075	3	1.26%
FEDEX Corporation	-	-	-	7,470,843	4	1.23%
Barton Malow Contracting	-	-	-	6,605,082	5	1.09%
Oak Park Manor Owner LLC	3,487,200	8	0.80%	6,371,400	6	1.05%
Lincoln Tower Apartments	5,145,000	2	1.18%	6,198,647	7	1.02%
Primestar Asset LLC	-	-	-	5,522,200	8	0.91%
ODC Eight Miler LLC	-	-	-	4,717,780	9	0.78%
DTE Electric Company	4,608,010	4	1.06%	4,588,526	10	0.76%
Jewish Federation Apartments	8,482,300	1	1.95%	-	-	-
Eaton Steel/Goodman/ Oak Park Bldg. Co.	5,042,340	3	1.16%	-	-	-
Village Green Management Co.	4,491,020	5	1.03%	-	-	-
Detroit Square Properties	4,476,100	6	1.03%	-	-	-
Symtec Mfg. Technologies/Paramont Boring	3,716,830	7	0.86%	-	-	-
Apollo Heat Treating & Processing	3,435,510	9	0.79%	-	-	-
	$ 45,714,720		10.51%	$ 67,245,874		11.07%

Source: City of Oak Park Assessing Department

CITY OF OAK PARK, MICHIGAN

Schedule 8
Unaudited

Property Tax Levies and Collections

Last Ten Fiscal Years

Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Years Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2023	$ 19,818,188	$ 19,025,678	96.00%	$ -	$ 19,025,678	96.00%
2022	18,513,568	17,643,185	95.30%	99,715	17,742,900	95.84%
2021	18,008,440	17,121,977	95.08%	51,182	17,173,159	95.36%
2020	17,531,174	16,640,938	94.92%	18,056	16,658,994	95.02%
2019	17,388,966	16,290,986	93.69%	119,126	16,410,112	94.37%
2018	16,611,438	15,521,142	93.44%	64,571	15,585,713	93.83%
2017	16,255,214	15,211,479	93.58%	109,269	15,320,748	94.25%
2016	16,301,611	15,088,697	92.56%	63,360	15,152,057	92.95%
2015	16,104,874	15,031,406	93.33%	94,188	15,125,594	93.92%
2014	16,260,957	14,955,242	91.97%	109,923	15,065,165	92.65%

Source: City of Oak Park Treasury Department

CITY OF OAK PARK, MICHIGAN

Schedule 9
Unaudited

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

	Governmental Activities					Business-type Activities				
Fiscal Year Ending June 30,	General Obligation Bonds	Unamortized Premium (Bonds)	Note Payable	Unamortized Premium (Note)	Leases Liability	Water Revenue Bonds	Leases Liability	Total Primary Government	% of Personal Income	Per Capita
2023	$ 15,890,000	$ 1,165,632	$ 1,495,000	$ 192,086	$ 28,987	$ 1,249,164	$ 3,683	$ 20,024,552	31.68%	$ 677.42
2022	17,560,000	1,281,905	1,565,000	205,806	49,857	2,102,746	6,532	22,771,846	42.01%	676.32
2021	19,190,000	1,398,178	1,635,000	219,526	71,168	3,157,088	9,319	25,680,279	42.59%	866.03
2020	20,780,000	1,514,451	1,910,000	-	-	4,186,457	-	28,390,908	47.09%	968.35
2019	23,035,000	727,831	1,990,000	-	-	5,192,888	-	30,945,719	60.09%	1,055.48
2018	24,495,000	790,993	2,070,000	-	-	6,176,389	-	33,532,382	67.32%	1,143.71
2017	25,915,000	854,155	2,145,000	-	-	7,140,320	-	36,054,475	75.96%	1,229.73
2016	27,295,000	917,317	2,220,000	-	-	8,081,332	-	38,513,649	79.74%	1,286.26
2015	29,330,000	-	2,290,000	-	-	9,008,845	-	40,628,845	84.08%	1,390.20
2014	30,660,000	140,507	2,360,000	-	-	9,892,544	-	43,053,051	80.52%	1,463.64

Source: City of Oak Park Finance Department

CITY OF OAK PARK, MICHIGAN

Schedule 10
Unaudited

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Obligation Bonds	Unamortized Premium	Less: Amounts Available in Debt Service Funds	Total	% of Estimated Actual Taxable Value of Property	Per Capita
2023	$ 15,890,000	$ 1,165,632	$ 956,065	$ 16,099,567	2.65%	$ 545
2022	17,560,000	1,281,905	830,557	18,011,348	2.93%	549
2021	19,190,000	1,398,178	723,174	19,865,004	3.74%	672
2020	20,780,000	1,514,451	594,510	21,699,941	4.25%	740
2019	23,035,000	727,831	637,166	23,125,665	4.74%	789
2018	24,495,000	790,993	496,311	24,789,682	5.40%	846
2017	25,915,000	854,155	400,299	26,368,856	5.99%	892
2016	27,295,000	917,317	436,883	27,775,434	6.37%	920
2015	29,330,000	130,471	337,729	29,122,742	6.74%	989
2014	30,660,000	140,507	-	30,800,507	7.09%	1,039

Source: City of Oak Park Finance Department

CITY OF OAK PARK, MICHIGAN

Schedule 11
Unaudited

Direct and Overlapping Governmental Activities Debt

As of June 30, 2023

	Net Debt Outstanding	Percentage Applicable to City *	Estimated Share of Overlapping Debt
Direct			
City of Oak Park	$ 18,771,705	100.00%	$ 18,771,705
Overlapping			
Berkley School District	45,575,000	10.35%	4,717,013
Ferndale School District	104,113,665	11.30%	11,764,844
Oak Park School District	27,770,000	78.19%	21,713,363
Oakland County (at-large)	181,894,707	0.85%	1,546,105
Oakland Intermediate School District	39,675,000	0.85%	337,238
			40,078,562
Total direct and overlapping debt			$ 58,850,267

Source: Municipal Advisory Council of Michigan

* Amount supplied by Municipal Advisory Council of Michigan.

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

CITY OF OAK PARK, MICHIGAN

Schedule 12
Unaudited

Legal Debt Margin

Last Ten Fiscal Years

Assessed value		$ 1,149,277,683
Legal debt limit (10% of SEV)		$ 114,927,768
Gross indebtedness	$ 18,771,705	
Amount available in debt service funds	(956,065)	
Net bonded debt		17,815,640
Legal debt margin		$ 97,112,128
Net bonded debt as a percentage of assessed value		1.55%

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2023	$ 114,927,768	$ 17,815,640	$ 97,112,128	15.50%
2022	101,723,945	17,912,161	83,811,784	17.61%
2021	89,681,575	21,719,530	67,962,045	24.22%
2020	71,519,047	22,760,159	48,758,888	31.82%
2019	63,379,036	25,115,665	38,263,371	39.63%
2018	58,534,602	26,859,682	31,674,920	45.89%
2017	51,868,752	27,442,706	24,426,046	52.91%
2016	47,268,995	29,078,117	18,190,878	61.52%
2015	43,577,837	31,292,468	12,285,369	71.81%
2014	43,306,814	32,803,885	10,502,929	75.75%

Source: City of Oak Park Finance Department

CITY OF OAK PARK, MICHIGAN

Schedule 13
Unaudited

Revenue Bond Coverage

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Gross Revenue	Expenses Net of Depreciation and Interest	Net Revenue Available for Debt Service	Total Debt Service Requirement	Coverage
2023	$ 6,582,309	$ 5,018,638	$ 1,563,671	$ 904,574	1.73
2022	6,032,731	4,468,357	1,564,374	853,583	1.83
2021	6,482,113	4,502,538	1,979,575	1,054,342	1.88
2020	14,460,517	9,317,671	5,142,846	1,029,369	5.00
2019	13,840,903	11,325,244	2,515,659	1,006,431	2.50
2018	12,477,805	10,206,511	2,271,294	983,501	2.31
2017	11,504,380	9,002,977	2,501,403	963,931	2.60
2016	11,076,829	9,513,741	1,563,088	941,012	1.66
2015	11,756,573	9,221,737	2,534,836	1,144,100	2.22
2014	11,550,673	8,527,198	3,023,475	1,147,399	2.64

Source: City of Oak Park Finance Department

Note: This schedule represents the enterprise fund revenue available to cover additional potential debt, after first covering enterprise fund expenses and existing debt (Kuhn Drain bonds).

Note: As a result of a class action lawsuit settlement during fiscal 2021, the City was required to break out the revenue and related stormwater costs from the water and sewer fund into a new stormwater utility fund. The Kuhn Drain bonds are included in the stormwater utility fund.

CITY OF OAK PARK, MICHIGAN

Schedule 14
Unaudited

Demographic and Economic Statistics

Last Ten Fiscal Years

Year	Population	Personal Income	Per Capita Personal Income	Median Age	Unemployment Rate
2023	29,560	$ 63,202	$ 34,768	38.0	5.10%
2022	29,560	54,202	28,993	37.1	5.90%
2021	29,560	58,700	32,423	37.8	6.00%
2020	29,319	52,584	26,585	39.3	23.10%
2019	29,319	51,498	24,156	37.6	6.20%
2018	29,319	49,811	23,092	34.6	5.70%
2017	29,319	47,463	22,059	37.8	5.80%
2016	29,319	47,292	22,143	36.8	7.90%
2015	29,319	48,476	21,677	37.1	8.10%
2014	29,319	53,297	22,486	38.2	11.30%

Source: Michigan Bureau of Labor Market Information and Strategic Initiatives

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CITY OF OAK PARK, MICHIGAN

Schedule 15
Unaudited

Principal Employers

Current Year and Nine Years Ago

	2014			2023		
Employer	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Kroger	-	-	-	432	1	3.35%
Oak Park School District	605	1	2.06%	386	2	3.00%
Fed Ex	-	-	-	286	3	2.22%
City of Oak Park	172	5	0.59%	211	4	1.64%
Brilar, LLC	-	-	-	150	5	1.16%
Hewson Van Hellemont PC	-	-	-	130	6	1.01%
PCI Industries	-	-	-	130	6	1.01%
The Wellness Plan Medical Centers	-	-	-	125	8	0.97%
Hagopian World of Rugs	114	8	0.39%	120	9	0.93%
Ringside Creative LLC	109	9	0.37%	111	10	0.86%
Measure Comp	400	2	1.36%	-	-	-
Ferndale School District	358	3	1.22%	-	-	-
Berkley School District	201	4	0.69%	-	-	-
Eaton Steel	132	6	0.45%	-	-	-
Paramount Precision	118	7	0.40%	-	-	-
Mopec	62	10	0.21%	-	-	-
	2,271		7.74%	2,081		16.15%

Source: City of Oak Park Community & Economic Development

Full-time Equivalent Employees by Department / Union Group

Last Ten Fiscal Years

Department/Union	2014	2015	2016	2017
Full-time				
Council	5.00	5.00	5.00	5.00
City Manager	4.00	4.00	4.00	3.00
Human Resources	-	-	-	2.00
Information Technology	1.00	2.00	-	2.00
Community & Economic Development	-	1.00	1.00	1.00
City Clerk	3.00	3.00	3.00	3.00
Finance & Administrative Services	10.00	11.00	10.00	11.00
Technical & Planning Services	11.00	12.50	14.00	16.50
Public Information	2.00	1.00	2.00	2.00
Public Safety	59.00	59.00	59.00	61.00
Public Works	22.00	22.00	23.00	24.00
Recreation	3.00	3.00	3.00	3.00
Library	4.00	4.00	5.00	4.00
District Court 45-B / Probation	23.00	23.00	23.00	23.00
	147.00	150.50	152.00	160.50
Part-time				
City Manager	0.63	-	0.73	0.73
City Attorney	-	0.56	-	-
Community & Economic Development	-	-	0.50	0.50
City Clerk	-	-	-	-
Finance & Administrative Services	-	-	-	-
Technical & Planning Services	2.97	2.38	-	-
Public Information	-	-	0.70	-
Public Safety	5.25	5.25	5.25	5.25
Public Works	2.37	2.27	2.27	4.79
Recreation	20.87	20.35	20.35	20.35
Library	5.24	6.56	2.90	5.12
District Court 45-B / Probation	4.45	4.00	4.00	3.50
	41.78	41.37	36.70	40.24
Total	188.78	191.87	188.70	200.74

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

Schedule 16
Unaudited

2018	2019	2020	2021	2022	2023
5.00	5.00	5.00	5.00	5.00	5.00
3.00	3.00	3.00	3.00	5.00	5.00
2.00	2.00	2.00	2.00	2.00	2.00
2.00	-	-	-	-	-
1.00	1.00	2.00	1.00	2.00	2.00
3.00	3.00	3.00	3.00	2.00	3.00
11.00	10.00	9.00	8.00	10.00	10.00
16.50	11.00	12.00	12.00	13.00	14.00
2.00	2.00	1.00	2.00	2.00	2.00
62.00	57.00	61.00	62.00	62.00	58.00
24.00	23.00	24.00	19.00	17.00	23.00
3.00	4.00	2.00	4.00	4.00	3.00
4.00	2.00	2.00	2.00	4.00	4.00
23.00	23.00	15.00	20.00	18.00	18.00
165.50	146.00	141.00	143.00	146.00	149.00
-	-	-	-	-	-
-	-	-	-	-	-
0.45	0.41	0.54	0.40	-	-
-	0.75	0.29	0.29	0.29	0.29
-	-	0.58	0.58	0.75	0.75
-	-	-	-	-	-
-	-	-	-	0.60	0.60
5.25	5.25	-	5.25	5.25	5.25
3.97	3.97	1.53	0.68	0.58	0.51
20.35	20.35	1.24	0.47	0.47	0.47
5.03	5.08	1.22	0.47	0.45	0.36
1.20	1.67	0.89	0.04	0.44	0.33
36.25	37.48	6.29	8.18	8.83	8.56
201.75	183.48	147.29	151.18	154.83	157.56

continued…

CITY OF OAK PARK, MICHIGAN

Full-time Equivalent Employees by Department / Union Group

Last Ten Fiscal Years

Department/Union	2014	2015	2016	2017
Full-time Personnel by Salary Classification				
Legislative	5.00	5.00	5.00	5.00
Exempt	10.00	10.00	11.00	12.00
Supervisory	11.00	11.00	11.00	11.00
Administrative	5.00	5.00	5.00	6.00
TPOAM	38.00	41.50	43.00	43.50
POAM	38.00	37.00	37.00	38.00
COAM	12.00	12.00	12.00	14.00
Dispatch	5.00	5.00	5.00	6.00
District Court 45-B	23.00	24.00	23.00	23.00
	147.00	150.50	152.00	158.50

Source: City of Oak Park Finance Department

Schedule 16
Unaudited

2018	2019	2020	2021	2022	2023
5.00	5.00	5.00	5.00	5.00	5.00
12.00	8.00	8.00	7.00	13.00	10.00
11.00	13.00	13.00	12.00	12.00	13.00
7.00	6.00	9.00	9.00	10.00	11.00
43.50	35.00	34.00	33.00	31.00	38.00
39.00	37.00	38.00	38.00	37.00	34.00
14.00	13.00	13.00	13.00	14.00	13.00
6.00	6.00	6.00	6.00	6.00	7.00
23.00	23.00	15.00	20.00	18.00	18.00
160.50	146.00	141.00	143.00	146.00	149.00

concluded.

CITY OF OAK PARK, MICHIGAN

Operating Indicators by Function / Department

Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017
Public Safety				
Hazardous violations	2,057	2,376	2,093	2,736
Total violations	6,941	7,449	5,784	7,152
EMS requests	2,408	2,561	2,445	2,547
Traffic crashes	648	688	746	727
Technical & Planning Services				
Number of building permits	468	755	692	713
Value of building permits	$ 8,184,966	$ 14,450,358	$ 25,085,257	$ 9,270,250
Library				
Residents with library cards	19,800	20,122	19,464	19,483
Items available	104,924	104,648	98,742	106,092
Electronic items available	-	-	-	-
Health and Sanitation				
Tons of solid waste recycled	817	786	895	885
Water System				
Water Rate Per Unit	$ 3.41	$ 3.54	$ 3.85	$ 3.93

Source: City of Oak Park Public Safety Department
Source: City of Oak Park Technical & Planning Department
Source: City of Oak Park Library
Source: SOCRRA
Source: City of Oak Park Water & Sewer Department

Schedule 17
Unaudited

2018	2019	2020	2021	2022	2023
3,670	2,485	1,650	1,748	1,834	1,390
9,813	6,354	5,376	4,509	5,759	5,045
2,535	2,515	2,801	2,842	3,278	3,191
719	713	453	485	561	500
792	768	643	771	753	1,071
$ 12,426,781	$ 13,064,114	$ 22,842,717	$ 15,442,106	$ 22,888,234	$ 34,484,404
13,174	9,716	8,146	7,059	6,631	7,040
87,571	83,362	88,189	83,498	82,926	82,952
-	-	-	-	1,270,380	1,669,701
951	1,468	1,458	1,290	1,238	1,089
$ 4.17	$ 4.25	$ 4.51	$ 4.51	$ 4.78	$ 4.78

CITY OF OAK PARK, MICHIGAN

Capital Asset Statistics by Function / Department

Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017
Public Safety				
Vehicles assigned	36	27	26	36
Public Works				
Vehicles assigned	42	45	49	50
Number of buildings	5	5	5	5
Road Maintenance and Repair				
Miles of major streets	20.72	18.35	18.35	18.35
Miles of local streets	65.33	65.94	65.94	65.94
Water & Sewer System				
Miles of water mains	115	115	115	115
Miles of sewers	80.64	80.64	80.64	80.64
Recreation				
Swimming pool	1	1	1	1
City parks	10	10	10	10
Park acreage	109.8	109.8	109.8	109.8

Source: City of Oak Park Finance Department

Schedule 18
Unaudited

2018	2019	2020	2021	2022	2023
39	43	41	47	43	44
53	54	58	59	54	57
5	5	5	5	5	5
18.35	18.35	18.35	18.35	18.35	18.35
65.94	65.94	65.94	65.94	65.94	65.94
115	115	115	115	115	115
80.64	80.64	80.64	80.64	80.64	80.64
1	1	1	1	1	1
10	10	10	10	12	12
109.8	109.8	109.8	109.8	78.0	78.0

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

December 21, 2023

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***City of Oak Park, Michigan*** (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 21, 2023.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

HLB We are an independent member of THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

Report on Compliance and Other Matters

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

Purpose of this Report

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

Rehmann Lohan LLC