



City of Berkley



**Annual Comprehensive Financial Report for
the Fiscal Year Ending June 30, 2022**



ANNUAL COMPREHENSIVE FINANCIAL REPORT



City of Berkley, Michigan
For the Fiscal Year Ended June 30, 2022
as prepared by the Finance Department

City Council

Dan Terbrack – Mayor

Bridget Dean, Mayor Pro-Tempore
Steven W. Baker
Ross Gavin

Dennis S. Hennen
Natalie Price
Jessica Vilani

City Manager

Matthew Baumgarten

Finance Director

Mark Pollock



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For the Year Ended June 30, 2022
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City of Berkley, Michigan
List of City Officials
June 30, 2022



City Manager

Matthew BaumGarten, City Manager
Stan Lisica, Information Technology Coordinator
Torri Mathes, Communications Coordinator
Michael Smith, Assistant to City Manager

City Clerk

Victoria Mitchell, City Clerk
Gina Harold, Deputy City Clerk

Department of Public Works

Shawn Young, Director
Robert Chalmers, Deputy Director
Janis Laity, Executive Assistant

Finance/Treasury Department

Matt Pollock, Finance Director
Bryan Bemis, Deputy Treasurer
Laurie Fielder, Accountant
Susan Reddin, Accountant

Library

Matthew Church, Library Director
Karen Endres, Executive Assistant

Parks and Recreation

Theresa McArleton, Director
Dan McMinn, Senior Program/Events Manager
Scott Jennex, Programming

Planning

Kristen Kapelanski, Community Development
Kimberly Anderson, Department Clerk

Public Safety

Matthew Koehn, Chief
Mary Staron, Executive Assistant



City of Berkley

3338 Coolidge Highway, Berkley, MI 48072



Department of Finance & Treasury
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LETTER OF TRANSMITTAL

December 7, 2022

The Honorable Mayor Dan Terbrack
Members of the City Council
And Citizens of the City of Berkley

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Berkley for the fiscal year ending June 30, 2022.

This report is prepared for the purpose of disclosing the City's financial condition to residents, elected officials and other interested parties. The financial statements contain all disclosures necessary to enable the reader to gain an understanding of the City's financial activities and condition. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including disclosures belongs to the City exclusively. We believe that the information presented is accurate in all material aspects, that it is presented in a manner designated to fairly set forth the financial position and results of operation of the City, and that all disclosures necessary to enable the reader to gain the best understanding of the City's financial affairs 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 detailed 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 auditors.

All local units of governments within the State of Michigan must comply with the Uniform Budgeting and Accounting Act, Public Act 2 of 1968 as amended, which requires an annual audit of the financial records and transactions of the City by independent certified public accountants. Chapter 9.8 of the Berkley City Charter also references Public Act 2 of 1968 and requires an independent audit of the City's financial records and transactions. The primary purpose of the auditing requirements of this act is to maintain the confidence of all interested parties as to the integrity of the record keeping and financial reporting of

local unit of government such as the City of Berkley.

Profile of the Local Government

The City of Berkley became a City in May 1932. Berkley is located in Oakland County, Michigan and encompasses an area of approximately 2.6 square miles and has approximately 15,000 residents. The City is a mature community located eleven miles northwest of downtown Detroit and is directly within the historical Woodward corridor.

The City operates under a Council-Manager form of government. The Mayor is elected to a two-year term and six council members are elected for four-year overlapping terms. The City Council appoints the City Manager, and the City Attorney. Both serve at the pleasure of the City Council. All other department heads are appointed by the City Manager. The City Manager directs all city operations, projects and programs.

The City provides a full range of municipal services including police and fire through a public safety department; public services, parks, recreational programming for adults, children and seniors, and cultural services at the City library. Building inspection, code enforcement and planning and development are also provided by the City. In addition to general government services, the activities of the Downtown Development Authority are reported as a discretely presented component unit of the City.

The city of Berkley prepares budgets in accordance with the State of Michigan Uniform Budgeting and Accounting Act, PA 2 of 1968 as amended. Under the direction of the City Manager, the Finance Director prepares an initial projection of revenue for the next fiscal year. Spending priorities are then determined upon the City's financial policies, priorities and mandated requirements of the federal and state governments. Activities of the General Fund/District Court, Special Revenue Funds, Debt and Construction Funds along with the Downtown Development Authority and the Public Safety Pension System are all appropriated annually by the Berkley City Council. The level of budgetary control (that is the level at which expenditures cannot exceed the appropriated amount) is established by department. It takes a four-vote majority to adopt and amend the annual appropriations document.

Factors Affecting Financial Condition

City Operation - Fitch's rating service, which provides credit rating and other financial analysis, confirms the City of Berkley's high-quality rating on general obligation bonds as AA with a stable outlook in its most recent report dated February 6, 2017. The report states, "The City has solid flexibility to reduce main expenditure items, and carrying costs for debt service, pension and other post-employment benefits (OPEB) are moderate. The long-term liability burden for the debt and pension is low relative to the city's resource base. The City maintains healthy reserve balances driven by positive operating results."

According to Fitch's rating service, the city has seen a post-recession increase in taxable value reflecting a solid economic recovery. They expect revenues to grow at the rate of inflation based on the city's growth in residential development. The City maintained very stable operations throughout the most recent economic recession and its recovery with ample safety

margins. Management has been proactive in maintaining strong financial resilience given the City's small budget and limited ability to independently increase revenues.

Local Economy - Wealth levels within the City of Berkeley remain above state and national averages. The median household income in Berkeley is just over \$93,038 per incomebyzipcode.com. The per capita income is \$47,840. The median home value in October 2022 according to zillow.com is \$291,532; the median gross rents are \$1,750/month. The average taxable value in the City as determined by the City Finance Department is \$88,700. Per the 2010 census, there are just over 6,400 single family homes and another 624 multi-unit residences. Within this amount 5,363 were owner occupied and another 1,231 are rented.

The Southeast Michigan Council of Governments is also forecasting that the City of Berkeley will maintain a level population of approximately 15,000 people through 2045. As of 2020, the population of the City of Berkeley is estimated at 15,513. As of 9/30/2022, the unemployment level within the City according to the Bureau of Labor Statistics is 3.5% which is under the State unemployment rate of 4.2%.

The City and surrounding area have a very diverse business community that employs residents in the region. Specifically, the City of Berkeley, Westborn Market, Green Lantern restaurant, Crispelli's restaurant, the Berkeley School District, and satellite medical services from Beaumont Hospital are large local employers. Regionally, the main campus of Beaumont Hospital is just outside the City limit.

Each year, the Headlee rollback combined with the Proposal "A" individual property owner restriction of rate increases, keeps the tax revenue increase at or below the rate of inflation. That rate has hovered near 2% every year, but is expected to be higher in 2023.

In August 2012, the City was able to pass through a vote of the people a Headlee tax override of \$3.00 per thousand taxable value on all real and personal property in the City to offset the tax base loss and to achieve revenue flexibility. The tax override went into effect on the 7/1/2013 property tax billing. This additional tax levy added \$1.7 million for City operation net of tax increment capture for FY 2021/22. It is anticipated that State Shared Revenues will increase slightly in 2022/2023. Future revenues should remain steady or increase at a very slow rate.

The City has paid all outstanding bond debt other than the business type activities debt. The only outstanding debt amounts are all obligations with Oakland County related to improvements with the George W Kuhn Drain.

Employee Pensions and Other Post-Employment Benefits - The City has two pension systems. The Public Safety Officers have their pension benefits overseen by a board appointed by the Mayor and approved by City Council along with union membership representation and the City Finance Director. All other employees participate in the Municipal Employee Retirement System (MERS). Internally, the City Finance Department administers the pension benefits of the public safety officers with Board oversight. MERS administers the pension benefits of all other eligible employees. The Finance Department coordinates all pension issues with MERS locally. The City's annual required contribution is determined by an independent actuary engaged by the Board for the public safety officers and MERS for all other eligible employees. The City of Berkeley fully funds the annual required contribution recommended by the actuary for pensions. To reduce future pension liabilities, the City has now closed all MERS non-union and public works employee

pension divisions from new hires effective January 1, 2022. New hires now receive a Defined Contribution Retirement Plan administered by MERS. All non-union and new hires at Public Works must contribute towards their DC and pension benefit. All public safety, non-union and public works employees hired on or after 7/1/2005 or 7/1/2008 no longer receive a defined benefit health care plan at retirement. The City requires contributions to a third-party administrator and matches contributions as defined by contract or policy.

Internal Controls and Other Internal Factors-The City continues to review and examine internal controls on a regular basis. Our Chief Innovation Officer performs routine checks of file protection and employee separation of critical duties. He also spends time on protecting crucial data and separating accounting input and financial transaction duties. These are important internal controls that the city takes very seriously. Automated Clearing House (ACH) and banking transaction controls are separated from the set-up of vendor templates for these transactions. Approval of those financial functions is then completed by another employee. Internal controls can be challenging in a small office environment, but the city will continue to protect data and finances with regular reviews of internal controls and make improvements wherever necessary.

Awards - The Government Finance Officers Association (GFOA) has awarded to the City of Berkley a certificate of excellence in financial reporting from GFOA for its first Annual Comprehensive Financial Report that was provided to the leadership and citizens of the City for the last nine fiscal years.

This Annual Comprehensive Financial Report was made possible by the efficient and dedicated service of many individuals. We wish to express our sincere appreciation to each of them. Special thanks go to our dedicated staff accountants, Laurie Fielder and Susan Reddin. Thanks also to Deputy Treasurer, Bryan Bemis and cashier Phyllis Brown. Thank you to our independent auditors PSLZ, PLLC who provided guidance and assistance in putting this document together. Finally, we would like to also express our appreciation to the Mayor and City Council for their guidance and leadership in the financial matters of the City.

Sincerely,

Matthew Baumgarten

Matthew Baumgarten, MPA
City Manager

Mark W Pollock

Mark W Pollock, BBA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Berkley
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



City of Berkley, Michigan Fund Organization Chart



GOVERNMENTAL FUNDS

General Fund

Special Revenue Funds

Major Street

Local Street

Solid Waste

Community Development Block Grant (CDGB)

Recreation Revolving

Seniors Program

Capital Projects

Court Building Fund

Road Millage Fund

Sidewalk Fund

PROPRIETARY FUNDS

Water & Sewer

Fringe Benefits/Compensated Absences

FIDUCIARY - PENSION TRUST FUND

Public Safety Pension System

Other Postemployment Benefits

FIDUCIARY - AGENCY FUNDS

Tax Collection Fund

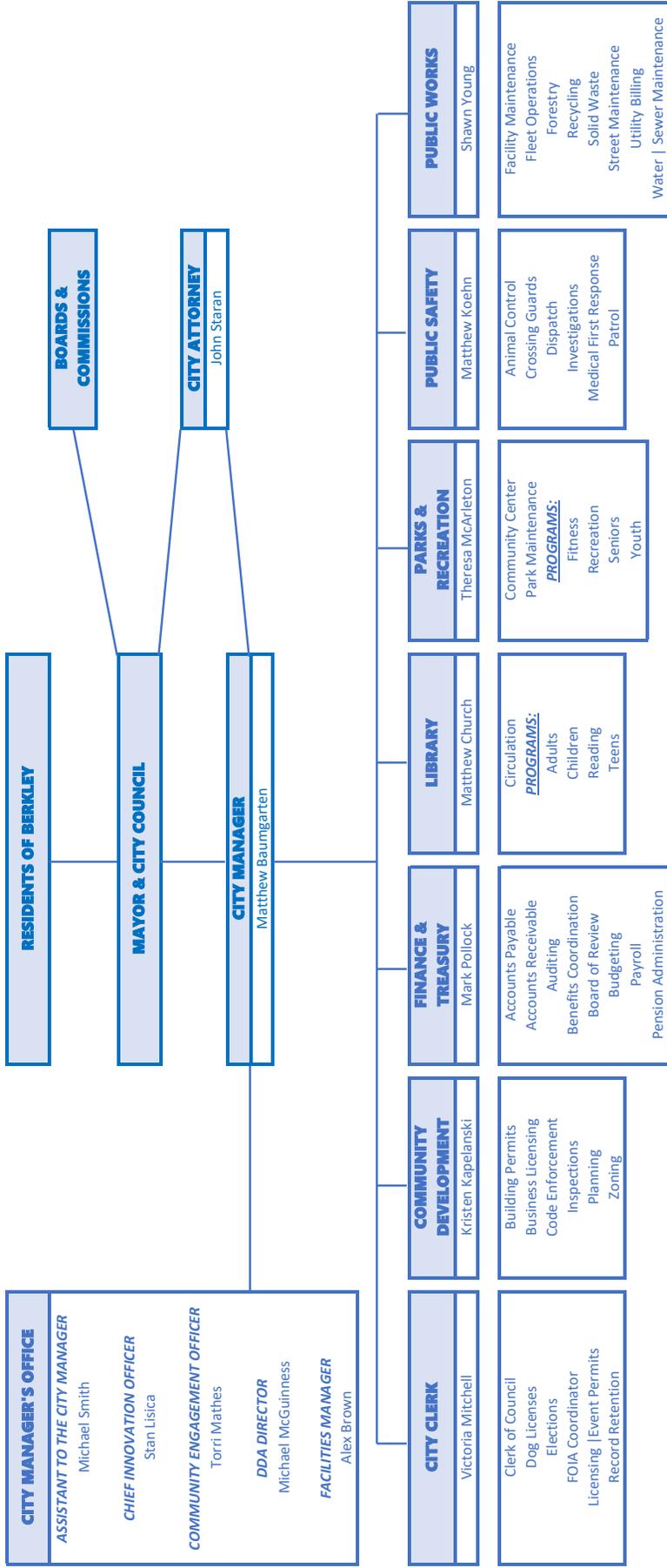
COMPONENT UNIT

Downtown Development Authority





CITY OF BERKLEY ORGANIZATIONAL CHART 2022-2023



Adopted 5/17/2016
Revised 2/27/2020



FINANCIAL SECTION



PSLZ PLLC

Certified Public Accountants

19500 Victor Parkway
Suite 460
Livonia, MI 48152

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Dennis M. Siegner, C.V.A.
Kaitlin J. McDuff, C.P.A.
Kevin F. Kurkie, C.P.A.

Independent Auditor's Report

To the Honorable Mayor and City Council
The City of Berkley, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Berkley, Michigan, as of and for the year ended June 30, 2022, 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 discretely presented component unit, each major fund, and the aggregate of all remaining fund information of the City of Berkley, Michigan, as of June 30, 2022, and the respective changes in its financial position and, where applicable, cash flows thereof 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). Our responsibilities under those standards are further described in the *Auditor's 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 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 these 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.

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.

Auditor's 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 auditor's 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 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, 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, amount 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 other required supplemental information, as identified 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, which 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Berkley's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 underlying accounting and other records used to prepare the basic financial statements or 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 other supplemental information, as identified in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole.

Honorable Mayor and
Members of the City Council
City of Berkley, Michigan

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 auditor's 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 whether 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.

Respectfully,

A handwritten signature in black ink, appearing to read "PSLZ PLLC", is written above the printed name of the firm.

PSLZ PLLC
Certified Public Accountants

December 7, 2022



Management's Discussion and Analysis

As management of the City of Berkley, Michigan, we offer readers this narrative overview and analysis of the financial activities of the City of Berkley for the fiscal year ended June 30, 2022.

Financial Highlights

- COVID-19 is still impacting revenue; however, building department and parks and recreation department revenue recovered significantly later in the fiscal year. COVID-19 affected all areas of operation, but seems to be easing in impact.
- Taxable property tax values increased (4.88 percent or \$31.05 million) for the July 1, 2021 tax collection season that funds fiscal year 2021-2022; however, this is offset by a Headlee reduction factor to many of the City's millage rates. This is the eighth straight year that the City has experienced an overall increase in its taxable value. Last fiscal year, taxable values increased 5.1 percent, or approximately \$31.4 million.
- Constitutional and city, village, and township (CVT) revenue-sharing payments, the City's second largest revenue source, increased by \$148,875, or 10.2 percent, in fiscal year 2021-2022, as compared to fiscal year 2020-2021.
- To offset lost revenue and increase infrastructure investments, the City sought a \$3.00 per thousand Headlee tax override. This levy was overwhelmingly passed with almost 70 percent of the voters approving the Headlee property tax override in August 2012. This levy went into effect on July 1, 2013. The levy was rolled back to \$2.6002 per thousand tax value for the July 2021 tax levy in accordance with the State's Headlee amendment. This tax levy generated approximately \$1.699 million (net of tax increment finance capture) for fiscal year 2021-2022.
- The City continued to maintain the structural integrity of its water mains and sewer system by investing approximately \$1,635,000 water and sewer improvements in fiscal year 2021-2022.
- The City also continued to invest in its general infrastructure with over \$2 million worth of capital improvements in fiscal year 2021-2022. Improvements included major and local street improvements, department of public works building improvements and police vehicles, and park improvements and major upgrades to the Tot Lot Park.
- For the 22nd consecutive year, the City invested in the library collection. The library purchased \$56,400 in new reading and rental materials.
- The City's estimated total other postemployment benefit (OPEB) liability as of June 30, 2022 is \$14,258,100. The City currently has \$6,680,695 of investments held in trust with the Municipal Employees' Retirement System (MERS), which leaves a net unfunded OPEB liability of \$7,577,405, meaning the plan is 46.86 percent funded. The City paid \$717,395 on a pay-as-you-go basis, including an implicit rate study contribution toward the calculated OPEB liability. The City has continued to make a conscious effort to set aside some level of funding for its OPEB liability.

Using This Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell the reader how the taxpayers' resources were spent during the year and how much is available for future spending. Fund financial statements also report the City's operations in more detail than the government-wide financial statements by providing information about the City's most significant funds. The fiduciary fund 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.

Government-wide Overall Financial Analysis

The following table shows, in a condensed format, the net position as of June 30, 2022 and 2021:

The City's Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 15,545,217	\$ 12,888,650	\$ 4,651,707	\$ 5,038,767	\$ 20,196,924	\$ 17,927,417
Capital Assets	18,244,394	17,716,646	20,157,591	18,853,640	38,401,985	36,570,286
Total Assets	33,789,611	30,605,296	24,809,298	23,892,407	58,598,909	54,497,703
Deferred Outflows	2,518,964	1,436,342	500,368	202,694	3,019,332	1,639,036
Liabilities						
Current liabilities	3,272,586	1,827,468	1,258,336	709,460	4,530,922	2,536,928
Long-term liabilities	25,099,159	23,173,145	3,475,973	4,066,980	28,575,132	27,240,125
Total Liabilities	28,371,745	25,000,613	4,734,309	4,776,440	33,106,054	29,777,053
Deferred Inflows	6,001,848	4,393,862	369,944	184,226	6,371,792	4,578,088
Net Position (Deficit):						
Net investment in capital assets	18,244,394	17,716,646	19,170,640	17,373,929	37,415,034	35,090,575
Restricted	8,319,600	6,417,046	-	-	8,319,600	6,417,046
Unrestricted	(24,629,012)	(21,486,529)	1,034,773	1,760,506	(23,594,239)	(19,726,023)
Total Net Position (Deficit)	\$ 1,934,982	\$ 2,647,163	\$ 20,205,413	\$ 19,134,435	\$ 22,140,395	\$ 21,781,598

The City's combined total net position increased 1.65 percent from a year ago – increasing from \$21.8 million to \$22.1 million. Unrestricted net position of the governmental activities and the business-type activities (the part of net position used to finance day-to-day operations) increased 20 percent at June 30, 2022, from \$(19.7) million to \$(23.6) million. This increase is due to the increased investment in capital assets using unrestricted resources.

The governmental activities unrestricted net position decreased by approximately \$3,142,000. Analyzing this further, this decrease is due to the increases in both net position restricted for public safety and capital assets. On the other hand, the majority of the governmental funds experienced revenue exceeding expenses, which also attributed to an increase in restricted fund balance and net position.

The unrestricted net position for business-type activities saw an increase of approximately \$1,071,000 and the investment in capital assets increased by approximately \$1,800,000.

In reviewing the City's net position of governmental activities, the net investment in capital assets increased approximately \$528,000 due to the recognition of approximately \$1.5 million in

depreciation expense in 2022 that was partially offset by asset additions of approximately \$2.0 million net of sales and write-offs.

The following table shows the changes in net position during the years ended June 30, 2022 and 2021:

The City's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenue:						
Charges for Services	\$ 3,173,417	\$ 2,498,465	\$ 7,333,257	\$ 7,146,772	\$ 10,506,674	\$ 9,645,237
Operating Grants & Contrib.	1,920,792	2,613,999	-	-	1,920,792	2,613,999
Capital Grants & Contrib.	521,806	-	-	-	521,806	-
General Revenue:						
Property Taxes	10,805,968	10,654,406	-	-	10,805,968	10,654,406
State-shared revenue	1,854,884	1,659,482	-	-	1,854,884	1,659,482
Investment Earnings	16,505	43,432	6,581	7,606	23,086	51,038
Other revenue:						
Franchise fees	261,666	283,030	-	-	261,666	283,030
Sale of capital assets	59,013	64,729	-	-	59,013	64,729
Other revenue	-	220,558	-	-	-	220,558
Total Revenue	18,614,051	18,038,101	7,339,838	7,154,378	25,953,889	25,192,479
Expenses:						
General government	4,325,018	3,581,763	-	-	4,325,018	3,581,763
Public safety	8,721,090	4,712,094	-	-	8,721,090	4,712,094
Public works	4,316,306	4,556,860	-	-	4,316,306	4,556,860
Health and welfare	64,126	36,488	-	-	64,126	36,488
Recreation and culture	1,899,692	1,918,176	-	-	1,899,692	1,918,176
Water and sewer	-	-	6,268,860	5,702,556	6,268,860	5,702,556
Total Expenses	19,326,232	14,805,381	6,268,860	5,702,556	25,595,092	20,507,937
Change in Net Position						
before transfers	(712,181)	3,232,720	1,070,978	1,451,822	358,797	4,684,542
Net Position, Beg. of year	2,647,163	(585,557)	19,134,435	17,682,613	21,781,598	17,097,056
Net Position, End of year	\$ 1,934,982	\$ 2,647,163	\$ 20,205,413	\$ 19,134,435	\$ 22,140,395	\$ 21,781,598

Governmental Activities

Overall, the net position for governmental activities decreased by approximately \$700,000 in fiscal year 2021-2022 as compared to an increase of approximately \$2.6 million in fiscal year 2020-2021. This is due to the expenses that exceeded the revenues. In the prior fiscal year, the City received more than \$800,000 in Coronavirus Relief Fund awards. In the 2021-2022 fiscal year the City received \$1.6 million in ARPA funds that are posted as deferred revenues until those funds are properly spent. The net OPEB liability decreased by \$3,103,596, and the Public Safety net pension liability increased \$4,765,196. General government expenses increased as a result of increased pension and health care costs.

Business-type Activities

The City's business-type activities include water and sewer enterprise operations. The City provides water and sewer services to residents through contracts or consortiums with the Great Lakes Water Authority and the Southeastern Oakland County Water Authority. Total net position

for all business-type activities increased approximately \$1.07 million in fiscal year 2021-2022. The City waived penalties up until January 2021 to help struggling families during COVID-19. Charges for services increased slightly. On the expenditure side of the ledger there was a decrease in capital equipment purchases due to supply chain issues and delays in deliveries. Capital projects planned for 2021-2022 continued and were completed during the fiscal year.

The City of Berkley, Michigan's Funds

The City of Berkley, Michigan's major fund financial statements are on pages 13 through 19, following the statement of net position and statement of activities. The fund financial statements provide detailed information about the most significant funds, not the City as a whole.

The City's major funds for the year ended June 30, 2022 include the General Fund, the Major Streets Fund, and the Local Streets Fund.

The General Fund pays for most of the City's governmental services. The General Fund recorded \$12.5 million in expenditures to provide city service and purchase capital equipment in fiscal year 2021-2022. When adding in operating transfers to other funds, the total General Fund expenditures for the fiscal year were approximately \$13.2 million. The most significant of these costs is public safety (police and fire), which incurred expenses of approximately \$5.8 million within the General Fund. Public safety expenditures were 47 percent of the total operating General Fund expenditures. The City ended the fiscal year with a use of fund balance of approximately \$400,000 which included \$600,000 of capital expenditures spent during the fiscal year. The City received ARPA Federal Grant money during fiscal year 2021-2022 of \$1.63 million which is recorded as unearned revenue at June 30, 2022 as the funds have not been spent as of year-end. Those funds can be used to offset some of the lost revenue incurred during COVID-19 shutdowns and other infrastructure projects approved by the federal government.

Public safety services are partially supported by two special public safety millages, which are recorded in the General Fund. The first millage is for operations, and the second millage is for retirement contribution and legacy costs (PA 345 levy). Revenue generated by these two millage rates was approximately \$2.8 million. During the 2021-2022 fiscal year, expenditures recorded in the General Fund directly related to public safety amounted to approximately \$5.8 million. The remaining cost of the police and fire protection is funded by other general revenue sources of the General Fund.

The City presents the Solid Waste Service Fund amount the nonmajor fund category of the financial statements. The City spent \$1.46 million to collect and dispose of the City's solid waste, recyclables, and leaves in fiscal year 2021-2022. In addition to property taxes collected of approximately \$1,081,000, the fund also recorded approximately \$448,000 in charges for service. As of June 30, 2022, only about \$237,000 remains in the Solid Waste Service Fund fund balance.

The Recreation Revolving Fund recorded approximately \$1.26 million in operating and capital expenses. Recreation program revenue received amounted to approximately \$453,000 and the fund received support of \$515,000 from the General Fund. This resulted in an ending fund balance of \$17,577 as of June 30, 2022 for the Recreation Revolving Fund.

General Fund Budgetary Highlights

The COVID-19 pandemic eased up some later in the fiscal year and lessened the impact on revenues during the fiscal year. Inflation has begun to have a negative impact on revenues as discretionary income has decreased for most families. During the fiscal year the City amended the capital equipment budget due to supply chain issues and uncertainty of reserves in the long

term. Supply chain issues and the Russian invasion of Ukraine have added to the burden of future revenue projections. When removing the ARPA funds from the revenue amount the original budgeted revenues were \$12.9 million and we ended the year with \$12.5 million in actual revenues. Original budgeted expenditures were \$14.7 million and the actual amount expended was approximately \$13.0 million, This discrepancy was due mostly to cuts in capital equipment and deliveries that have extended into the 2022-2023 fiscal year. The final amended expenditure budget was \$14.8 million.

The General Fund expenditure appropriation adjustment was a decrease of \$1.86 million. The actual revenues versus expenditures of the General Fund amounted to a deficit of over (\$728,000). Although the City received over \$1.6 million in ARPA grant funds, those funds were moved to deferred revenue until they are spent. Some of those funds will be converted into revenue as lost revenues during COVID-19 and will help offset some of the deficit.

Capital Assets and Debt Administration

At the end of fiscal year 2022, the City had a net book value of approximately \$38.4 million invested in a broad range of capital assets, including buildings, police and fire equipment, and water and sewer lines. In addition, the City invested significantly in its major and local road system.

Additions to capital assets include the construction in progress on area repairs in various major and local streets throughout the City, new water meters, sidewalks, patrol cars, various public works equipment, a purchase of a home for a later project, and reinvestment in various city facilities. Additional information regarding the City's capital assets and long-term debt can be found in Notes 4 and 6, respectively, within the financial statements.

All bond obligations of the City are business-type debt in the Water and Sewer Fund. Total bond obligations for the Water and Sewer Fund are down approximately \$493,000 from fiscal year 2020-2021 to approximately \$987,000 in the fiscal year ended June 30, 2022.

In January 2017, Fitch Ratings services affirmed the City's bond rating as AA stable for the general obligation road bonds, Series 2006. Fitch Ratings stated, "The city has maintained very stable financial operations throughout the most recent economic recession. Management has been proactive in maintaining strong financial resilience given the city's small budget and limited ability to independently increase revenue. Fitch believes that the City will maintain strong financial resilience based on management's history of conservative budgeting practices and solid expenditure flexibility."

Economic Factors and Next Year's Budgets and Rates

The Oakland County Assessor's Office projected a 5.96 percent increase in property taxable value within the City of Berkley, Michigan for the July 2022 tax year (fiscal year 2022-2023). The effects of the Headlee reduction factor reduce the anticipated operating and public safety tax revenue from the taxable value increase of 5.96 percent down to an anticipated increase in property tax revenue net of DDA capture of 4.64 percent.

It is anticipated that the State of Michigan will have a slight increase in state-shared revenue payments to local governments as the State is on solid footing thanks to a one-time influx of Federal funds. This should create increases in state income and sales tax, which make up the components of state-shared revenue payment distribution in fiscal year 2022-2023 from 2021-2022 funding levels.

As stated earlier in this discussion, the City sought and was able to pass, through a vote of the people, a Headlee tax override of \$3.00 per thousand taxable value on all real and personal property in the City. It is anticipated that the City will continue to levy this voter-approved tax increase in fiscal year 2022-2023 and into the future to allow the City to balance all operating budgets and to invest in various infrastructure projects around the City. The levy has been reduced from \$2.6002 per thousand of taxable value to \$2.5552 per thousand of taxable value in fiscal year 2022-2023.

The voters approved a capital improvement millage for road repair and replacement of up to 2 mills in November 2018. This millage was rolled back to Headlee again to 1.8833 for the third levy in 2021. After a delay due to COVID-19 work restrictions, work began in the fall of 2020 on this capital project and continued into 2021. The City continued repair and replacement of the worst condition roads over a 10-year program utilizing this millage and supplementing with Major Streets and Local Streets funds.

On the expenditure side of operations, the City continues to carefully manage resources that are available for operations and improvements. The City evaluates all current operating programs in order to determine if the program provides a quality level of service at a fair cost. The City continues to evaluate revenue to ensure that revenue charged rate payors meets program expenses.

Salaries and fringes continue to be the largest expenditures, making up approximately 70 percent of the General Fund budget. The City will also continue to make investments in its capital structure, such as police vehicles, department of public works equipment, upgrades to parks and park structures, various street repair projects, a sidewalk program, and water and sewer improvements and lining. After carryforward budget amendments, capital is budgeted to be over 12 percent of the General Fund budget.

The City of Berkley is now facing the question that so many of our surrounding communities are facing, or have already faced. Due to repeated Headlee rollbacks of our millage rates, we are no longer able to generate enough tax revenue to continue to properly manage the City on behalf of our residents and taxpayers. City Council will carefully consider a Headlee millage override to be placed on the ballot in May 2023. In the 2022-2023 budget the City had to cut over \$2 million of capital equipment and capital projects in order to try to maintain the fund balance set by policy of a minimum 20% of average annual expenditures. Please look for factual data that will be presented between January and May 2023 on this override millage. Through the use of long-term planning, the City will continue to evaluate and monitor its budgets. Other adjustments will be made to address changes in economic conditions and other events as they present themselves.

Requests for Further Information

This financial report is designed to provide a general overview of the City of Berkley's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Municipal Offices at 3338 Coolidge Hwy., Berkley, Michigan 48072.

BASIC FINANCIAL STATEMENTS



CITY OF BERKLEY
Statement of Net Position
June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and Investments	\$ 13,860,364	\$ 1,709,194	\$ 15,569,558	\$ 324,577
Receivables:				
Taxes	98,426	-	98,426	5,314
Customers	299,633	2,903,369	3,203,002	-
Other governmental units	932,500	-	932,500	-
Inventories	93,375	-	93,375	-
Prepaid costs	260,919	39,144	300,063	-
Capital Assets:				
Assets not subject to depreciation	738,619	256,678	995,297	-
Assets subject to depreciation - Net	17,505,775	19,900,913	37,406,688	-
Total Assets	<u>33,789,611</u>	<u>24,809,298</u>	<u>58,598,909</u>	<u>329,891</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension cost increases	1,958,618	470,876	2,429,494	-
Deferred OPEB cost increases	560,346	29,492	589,838	-
Total deferred outflows of resources	<u>2,518,964</u>	<u>500,368</u>	<u>3,019,332</u>	<u>-</u>
LIABILITIES				
Accounts Payable	803,915	1,197,169	2,001,084	9,088
Cash bonds and deposits	493,938	5,856	499,794	-
Accrued liabilities and other	338,538	55,311	393,849	4,678
Unearned revenue	1,636,195	-	1,636,195	1,264
Noncurrent Liabilities:				
Due within one year:				
Compensated absences	190,225	93,135	283,360	-
Current portion of long-term debt	-	398,931	398,931	-
Due in more than one year:				
Compensated absences	915,367	-	915,367	-
Net pension liability	16,795,032	2,017,017	18,812,049	-
Net OPEB liability	7,198,535	378,870	7,577,405	-
Long-term debt - Net of current portion	-	588,020	588,020	-
Total Liabilities	<u>28,371,745</u>	<u>4,734,309</u>	<u>33,106,054</u>	<u>15,030</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension cost decreases	2,304,155	175,329	2,479,484	-
Deferred OPEB cost decreases	3,697,693	194,615	3,892,308	-
Total deferred inflows of resources	<u>6,001,848</u>	<u>369,944</u>	<u>6,371,792</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	18,244,394	19,170,640	37,415,034	-
Restricted:				
Streets	6,435,440	-	6,435,440	-
Public Safety	1,457,077	-	1,457,077	-
Community Development and Promotion	113,726	-	113,726	-
Sanitation	235,006	-	235,006	-
Library	65,685	-	65,685	-
Debt Service	12,666	-	12,666	-
Unrestricted (Deficit)	(24,629,012)	1,034,773	(23,594,239)	314,861
Total Net Position	<u>\$ 1,934,982</u>	<u>\$ 20,205,413</u>	<u>\$ 22,140,395</u>	<u>\$ 314,861</u>

CITY OF BERKLEY
Statement of Activities
For the Year Ended June 30, 2022

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 4,325,018	\$ 1,164,856	\$ -	\$ 16,886
Public Safety	8,721,090	840,837	45,774	2,190
Public Works	4,316,306	575,753	1,827,455	258,769
Health and welfare	64,126	-	6,454	-
Recreation and Cultural	1,899,692	591,971	41,109	243,961
Total Governmental Activities	<u>19,326,232</u>	<u>3,173,417</u>	<u>1,920,792</u>	<u>521,806</u>
Business-type Activities:				
Water and Sewer	<u>6,268,860</u>	<u>7,333,257</u>	-	-
Total Primary Government	<u>\$ 25,595,092</u>	<u>\$ 10,506,674</u>	<u>\$ 1,920,792</u>	<u>\$ 521,806</u>
Component Unit:				
Downtown Development Authority	<u>\$ 529,232</u>	<u>\$ 8,675</u>	<u>\$ 64,505</u>	<u>\$ -</u>

General Revenue:
 Property Taxes
 Unrestricted state-shared revenue
 Unrestricted investment income
 Franchise Fees
 Gain on sale of capital assets
 Total General Revenue

Change in Net Position
 Net Position - Beginning of year

Net Position - End of year

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (3,143,276)	\$ -	\$ (3,143,276)	\$ -
(7,832,289)	-	(7,832,289)	-
(1,654,329)	-	(1,654,329)	-
(57,672)	-	(57,672)	-
(1,022,651)	-	(1,022,651)	-
<u>(13,710,217)</u>	<u>-</u>	<u>(13,710,217)</u>	<u>-</u>
-	1,064,397	1,064,397	-
<u>(13,710,217)</u>	<u>1,064,397</u>	<u>(12,645,820)</u>	<u>-</u>
-	-	-	(456,052)
10,805,968	-	10,805,968	383,270
1,854,884	-	1,854,884	-
16,505	6,581	23,086	1,143
261,666	-	261,666	-
59,013	-	59,013	-
<u>12,998,036</u>	<u>6,581</u>	<u>13,004,617</u>	<u>384,413</u>
(712,181)	1,070,978	358,797	(71,639)
<u>2,647,163</u>	<u>19,134,435</u>	<u>21,781,598</u>	<u>386,500</u>
<u>\$ 1,934,982</u>	<u>\$ 20,205,413</u>	<u>\$ 22,140,395</u>	<u>\$ 314,861</u>

CITY OF BERKLEY
Governmental Funds
Balance Sheet
June 30, 2022

	<u>General Fund</u>	<u>Major Streets Fund</u>	<u>Local Streets Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Investments	\$ 6,818,831	\$ 2,803,174	\$ 932,186	\$ 2,955,125	\$ 13,509,316
Receivables:					
Taxes	12,842	-	-	85,584	98,426
Customers	6,269	-	-	293,364	299,633
Other Governmental Units	401,482	214,414	119,367	197,237	932,500
Due from Other Funds	120,000	-	-	-	120,000
Inventories	93,375	-	-	-	93,375
Prepaid costs	243,211	5,259	5,259	7,190	260,919
Total Assets	<u>\$ 7,696,010</u>	<u>\$ 3,022,847</u>	<u>\$ 1,056,812</u>	<u>\$ 3,538,500</u>	<u>\$ 15,314,169</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 584,465	\$ 10,647	\$ 20,179	\$ 188,624	\$ 803,915
Due to other funds	-	-	-	120,000	120,000
Cash bonds and deposits	493,938	-	-	-	493,938
Accrued liabilities and other	284,896	10,149	5,846	37,647	338,538
Unearned revenue	1,614,793	-	-	21,402	1,636,195
Total Liabilities	<u>2,978,092</u>	<u>20,796</u>	<u>26,025</u>	<u>367,673</u>	<u>3,392,586</u>
Deferred Inflows of Resources					
Unearned revenue	11,220	-	-	89,287	100,507
Fund Balances:					
Nonspendable-Inventory and Prepaid Items	336,586	5,259	5,259	7,190	354,294
Restricted for:					
Debt service	-	-	-	12,666	12,666
Streets	-	2,996,792	1,025,528	2,413,120	6,435,440
Community service	-	-	-	30,539	30,539
Solid waste service	-	-	-	235,006	235,006
Public Safety	1,457,077	-	-	-	1,457,077
Library	65,685	-	-	-	65,685
Community promotion and development	83,187	-	-	-	83,187
Committed - Recreation	-	-	-	12,718	12,718
Assigned:					
Subsequent year's budget	878,557	-	-	-	878,557
Capital improvement	-	-	-	370,301	370,301
Unassigned	1,885,606	-	-	-	1,885,606
Total Fund Balances	<u>4,706,698</u>	<u>3,002,051</u>	<u>1,030,787</u>	<u>3,081,540</u>	<u>11,821,076</u>
Total Liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,696,010</u>	<u>\$ 3,022,847</u>	<u>\$ 1,056,812</u>	<u>\$ 3,538,500</u>	<u>\$ 15,314,169</u>

CITY OF BERKLEY
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position
For the Year Ended June 30, 2022

Fund Balance Reported in Governmental Funds	\$ 11,821,076
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 are not reported in the funds.	18,244,394
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	100,507
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities.	(754,544)
Net pension liability and related deferred inflows of resources and deferred outflows of resources are not due and payable in the current period and are not reported in the funds.	(17,140,569)
Net OPEB liability and related deferred inflows of resources and deferred outflows of resources are not due and payable in the current period and are not reported in the funds.	<u>(10,335,882)</u>
Net Position of Governmental Activities	\$ <u><u>1,934,982</u></u>

CITY OF BERKLEY
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Major Streets Fund</u>	<u>Local Streets Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental</u>
Revenue					
Property Taxes	\$ 8,495,484	\$ -	\$ -	\$ 2,310,484	\$ 10,805,968
Special Assessments	-	-	-	258,769	258,769
Intergovernmental:					
Federal grants	5,921	-	-	6,454	12,375
State-shared revenue and grants	1,895,051	1,323,569	503,886	244,676	3,967,182
Charges for services	709,312	13,074	-	948,596	1,670,982
Fines and forfeitures	197,559	-	-	-	197,559
Licenses and permits	715,475	-	-	-	715,475
Investment Earnings	25,126	6,869	2,228	7,408	41,631
Other revenue:					
Franchise fees	261,666	-	-	-	261,666
Other miscellaneous income	449,829	37,720	64,112	70,749	622,410
Total Revenue	<u>12,755,423</u>	<u>1,381,232</u>	<u>570,226</u>	<u>3,847,136</u>	<u>18,554,017</u>
Expenditures					
Current:					
General government	4,397,004	-	-	-	4,397,004
Public safety	5,829,779	-	-	-	5,829,779
Public works	701,743	631,220	694,106	1,461,045	3,488,114
Health and welfare	-	-	-	64,126	64,126
Recreation and culture	962,814	-	-	885,928	1,848,742
Capital Outlay	603,082	-	-	1,099,030	1,702,112
Total Expenditures	<u>12,494,422</u>	<u>631,220</u>	<u>694,106</u>	<u>3,510,129</u>	<u>17,329,877</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>261,001</u>	<u>750,012</u>	<u>(123,880)</u>	<u>337,007</u>	<u>1,224,140</u>
Other Financing Sources (Uses)					
Transfers In	38,000	-	180,000	755,000	973,000
Transfers Out	(755,000)	(180,000)	-	(38,000)	(973,000)
Sale of Capital Assets	59,013	-	-	-	59,013
Total Other Financing Sources (Uses)	<u>(657,987)</u>	<u>(180,000)</u>	<u>180,000</u>	<u>717,000</u>	<u>59,013</u>
Net Change in Fund Balances	(396,986)	570,012	56,120	1,054,007	1,283,153
Fund Balances - Beginning of year	<u>5,103,684</u>	<u>2,432,039</u>	<u>974,667</u>	<u>2,027,533</u>	<u>10,537,923</u>
Fund Balances - End of year	<u>\$ 4,706,698</u>	<u>\$ 3,002,051</u>	<u>\$ 1,030,787</u>	<u>\$ 3,081,540</u>	<u>\$ 11,821,076</u>

CITY OF BERKLEY
Governmental Funds
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances
Fund Balances to the Statement of Activities
For the Year Ended June 30, 2022

Net change in fund balances - total governmental funds \$ 1,283,153

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, these costs are allocated over their estimated useful lives as depreciation:

Capital Outlay	2,020,017
Depreciation Expense	(1,492,269)

Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available.	1,021
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Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	<u>(2,524,103)</u>
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Change in net position in governmental activities	\$ <u><u>(712,181)</u></u>
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CITY OF BERKLEY
Proprietary Funds
Statement of Net Position
June 30, 2022

	<u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Water and Sewer System</u>	<u>Internal Service Fund - Fringe Benefits Fund</u>
Assets		
Current Assets:		
Cash and investments	\$ 1,709,194	\$ 351,048
Receivables - Customer	2,903,369	-
Prepaid costs	39,144	-
Total Current Assets	<u>4,651,707</u>	<u>351,048</u>
Noncurrent Assets:		
Capital assets:		
Assets not subject to depreciation	256,678	-
Assets subject to depreciation - Net	19,900,913	-
Total Assets	<u>24,809,298</u>	<u>351,048</u>
Deferred Outflows of Resources		
Deferred pension cost increases	470,876	-
Deferred OPEB cost increases	29,492	-
Total deferred outflows of resources	<u>500,368</u>	<u>-</u>
Liabilities		
Current Liabilities		
Accounts Payable	1,197,169	-
Cash bonds and deposits	5,856	-
Accrued liabilities and other	55,311	-
Compensated absences	93,135	190,225
Current portion of long-term debt	398,931	-
Total Current Liabilities	<u>1,750,402</u>	<u>190,225</u>
Noncurrent Liabilities:		
Compensated absences	-	160,823
Net pension liability	2,017,017	-
Net OPEB liability	378,870	-
Long-term debt - Net of current portion	588,020	-
Total Noncurrent Liabilities	<u>2,983,907</u>	<u>160,823</u>
Total Liabilities	<u>4,734,309</u>	<u>351,048</u>
Deferred Inflows of Resources		
Deferred pension cost reductions	175,329	-
Deferred OPEB cost reductions	194,615	-
Total deferred inflows of resources	<u>369,944</u>	<u>-</u>
Net Position		
Net Investment in Capital Assets	19,170,640	-
Unrestricted	1,034,773	-
Total Net Position	<u>\$ 20,205,413</u>	<u>\$ -</u>

CITY OF BERKLEY
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022

	<u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Water and Sewer System</u>	<u>Internal Service Fund - Fringe Benefits Fund</u>
Operating Revenue		
Water and sewer charges	\$ 7,098,854	\$ -
Property and equipment rental	19,190	-
Miscellaneous	215,213	-
Charges to other funds	-	39,987
Total Operating Revenue	<u>7,333,257</u>	<u>39,987</u>
Operating Expenses		
Water and sewer operations	5,658,434	-
Compensated absences	-	41,022
Depreciation	574,717	-
Total Operating Expenses	<u>6,233,151</u>	<u>41,022</u>
Operating Income (Loss)	<u>1,100,106</u>	<u>(1,035)</u>
Nonoperating Revenue (Expenses):		
Investment income	6,581	1,035
Interest Expense	(35,709)	-
Total Nonoperating Revenue (Expenses)	<u>(29,128)</u>	<u>1,035</u>
Change in Net Position	1,070,978	-
Net Position - Beginning of year	<u>19,134,435</u>	<u>-</u>
Net Position - End of year	<u>\$ 20,205,413</u>	<u>\$ -</u>

CITY OF BERKLEY
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2022

	Enterprise Fund	Governmental Activities
	Water and Sewer System	Internal Service Fund - Fringe Benefits Fund
Cash Flows from Operating Activities		
Receipts from customers	\$ 7,649,348	\$ -
Receipts from interfund services	-	39,987
Payments to suppliers	(4,278,707)	-
Payments to employees	(754,930)	(113,747)
Net cash provided (used) by operating activities	2,615,711	(73,760)
Cash Flows from Capital and Related Financing Activities		
Purchase of capital assets	(1,878,668)	-
Principal and interest paid on capital debt	(492,760)	-
Net cash used in capital and related financing activities	(2,371,428)	-
Cash Flows Provided by Investing Activities		
Interest received on investments	6,581	1,035
Net Increase (Decrease) in Cash and Cash Equivalents	250,864	(72,725)
Cash and Cash Equivalents, Beginning of year	1,458,330	423,773
Cash and Cash Equivalents, End of year	\$ 1,709,194	\$ 351,048
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ 1,100,106	\$ (1,035)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation	574,717	-
Changes in assets and liabilities:		
Receivables	316,091	-
Prepaid and other assets	4,256	-
Net pension and OPEB liabilities	51,505	-
Accounts payable	525,420	-
Accrued and other liabilities	43,616	(72,725)
Total adjustments	1,515,605	(72,725)
Net cash provided (used) by operating activities	\$ 2,615,711	\$ (73,760)

CITY OF BERKLEY
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2022

	Pension and Other Postemployment Benefits Funds		Custodial Fund Property Tax Collection Fund
	Public	Other	
	Safety Pension	Postemployment Benefits Fund	
ASSETS			
Cash and cash equivalents	\$ 1,108,362	\$ -	\$ -
Investments:			
Municipal bonds	25,813	-	-
U.S. government agency securities	2,589,845	-	-
Common and preferred stock	10,708,307	-	-
Corporate bonds	2,614,235	-	-
Mortgage-backed securities	324,651	-	-
Mutual funds - Fixed income securities	1,652,285	-	-
Interest in pooled investments	-	6,680,695	-
Accrued interest receivable	79,455	-	-
Total Assets	<u>19,102,953</u>	<u>6,680,695</u>	<u>-</u>
LIABILITIES			
Accounts Payable	<u>30,398</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted:			
Pensions	19,072,555	-	-
Postemployment benefits other than pension	-	6,680,695	-
Total net position	<u>\$ 19,072,555</u>	<u>\$ 6,680,695</u>	<u>\$ -</u>

CITY OF BERKLEY
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	Pension and Other Postemployment Benefits Funds		Custodial Fund
	Public Safety Pension	Other Postemployment Benefits Fund	Property Tax Collection Fund
ADDITIONS:			
Investment income (loss):			
Net increase in fair value of investments	\$ (3,448,733)	\$ (599,936)	\$ -
Net investment income	(3,448,733)	(599,936)	-
Contributions:			
Employer	1,303,500	738,812	-
Employee	60,012	-	-
Total contributions	1,363,512	738,812	-
Property tax collections	-	-	16,939,547
Total additions	(2,085,221)	138,876	16,939,547
DEDUCTIONS:			
Benefit payments	1,843,155	717,395	-
Administrative expenses	78,809	13,060	-
Tax distributions to other governments	-	-	16,939,547
Total deductions	1,921,964	730,455	16,939,547
Net Decrease in Fiduciary Net Position	(4,007,185)	(591,579)	-
Net Position, Beginning of Year	23,079,740	7,272,274	-
Net Positions, End of Year	\$ 19,072,555	\$ 6,680,695	\$ -

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 1 – Significant Accounting Policies

Reporting Entity

The City of Berkley, Michigan (the “City”) is governed by an elected seven-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Although blended component units are legally separate entities, in substance, they are part of the City’s operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City (see discussion below for description).

Blended Component Unit

The City’s building authority is governed by a three-member board appointed by the City Council. Although it is legally separate from the City, the building authority is reported as if it were part of the primary government because its primary purpose is to acquire, furnish, equip, own, improve, enlarge, operate, and maintain the ice arena and horseshoe pit for the use or benefit of the City. The building authority was inactive during the year ended June 30, 2022.

Discretely Presented Component Units

Downtown Development Authority

The Downtown Development Authority (the “Authority” or the “DDA”) was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and promote economic growth within the downtown district. The Authority’s governing body, which consists of 10 individuals, is selected by the City Council. In addition, the Authority’s budget is subject to approval by the City Council. Financial information can be obtained from the City of Berkley, Michigan at 3338 Coolidge, Berkley, MI 48072.

Pension and Other Postemployment Benefits Funds

The Public Safety Pension Trust Fund is governed by a five-member board that includes the City’s treasurer and two members appointed by the mayor. The Other Postemployment Benefits Fund is governed by City Council. Although they are legally separate from the City, they are reported as fiduciary component units because the City governs the plans or appoints a voting majority to the board and the plans impose a financial burden on the City.

Accounting and Reporting Principles

The City follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB).

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives – the government-wide perspective and the fund-based perspective. The

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 1 – Significant Accounting Policies (Continued)

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, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue 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. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (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. Taxes, unrestricted intergovernmental receipts, and other items not properly included amount program revenue are reported instead as general revenue.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule occur when there are charges between the City's water and sewer function and various other functions. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

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 funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the City has spent its resources.

Expenditures are reported when the goods are received, or the services are rendered. Capital outlays are reported as expenditures (rather than capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 1 – Significant Accounting Policies (Continued)

this purpose, the City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, district court fines, and interest associated with the current fiscal period. Conversely, for certain amounts due from businesses and residents collected after the period of availability, receivables have been recorded for these along with a deferred inflow.

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Accounting

The City accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the City to show the particular expenditures for which specific revenue is used. The various funds are aggregated into three broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The City reports the following funds as major governmental funds:

The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.

The Major Streets Fund accounts for the resources of the state gas and weight tax revenue that are restricted for use on the City's major streets.

The Local Streets Fund accounts for resources of the state gas and weight tax revenue that are restricted for use on the City's local streets.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the City). The City reports the following fund as a major enterprise fund:

The Water and Sewer Fund provides water to customers and disposes of sanitary sewage in exchange for user charges.

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 1 – Significant Accounting Policies (Continued)

The City's internal service fund is used to allocate the City's liability for employee compensated absences on a full accrual basis so that the costs are recognized and allocated to the various funds in the year during which the costs are incurred.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the City's programs. Activities that are reported as fiduciary include the following:

The Public Safety Pension Fund accumulates resources for pension benefit payments to qualified public safety employees.

The Other Postemployment Benefits Fund accumulates resources for future retiree health care payments to qualified retirees.

The Property Tax Collections Fund collects taxes on behalf of all the taxing authorities (county, school district, and the various other taxing authorities).

Interfund Activity

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e. the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e. the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported as gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 1 – Significant Accounting Policies (Continued)

Specific Balances and Transactions

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value, except for investments in external investment pools, which are valued at amortized cost. Pooled investment income from all funds is generally allocated to each fund using a weighted average of balance for the principal.

Inventories and Prepaid Items

Inventories are valued at cost on a first-in, first-out basis. Inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements, when applicable.

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City 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 value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Capital Asset Class</u>	<u>Depreciable Life - Years</u>
Roads and bridges	15-20
Water and Sewer lines	60-85
Buildings	15-50
Building improvements	7-20
Equipment and books	3-15
Vehicles	5-10
Land improvements	20

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 1 – Significant Accounting Policies (Continued)

Long-term Obligations

In the government-wide financial statements and the 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 statement of net position. Bond premiums and discounts are deferred and amortized over the lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses. The debt service funds are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows related to pensions and OPEB, as detailed in Notes 8 and 9, respectively.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows related to receivables collected beyond the City's period of availability, which are reported only in the governmental funds. The City also reports deferred inflows related to pensions and OPEB, as detailed in Notes 8 and 9, respectively.

Net Position

Net position of the City is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The City will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 1 – Significant Accounting Policies (Continued)

Fund Balance Flow Assumptions

The City will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by passing a resolution prior to the end of the fiscal year, commit fund balance. Once passed, the limitation imposed by the resolution remains in place until a similar action is taken (the passing of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential either to remove or revise a commitment.

Amounts that do not fall into the nonspendable, restricted, committed, or assigned categories of fund balance are reported as unassigned. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 1 – Significant Accounting Policies (Continued)

Property Tax Revenue

Property taxes are levied and become an enforceable lien on each July 1; the tax is based on the taxable valuation of property as of the preceding December 31. Summer taxes are due on the first business day of September. Penalties and interest are assessed on late summer tax payments from approximately September 1 through the end of February. Winter taxes are due on the third Monday of February. Penalties and interest are assessed on late winter tax payments from approximately mid-February to the end of February. Delinquent real and personal property taxes are turned over to the county on March 1.

Pension

The City offers defined benefit pension benefits to its employees. The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net position liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions have been determined on the same basis as they are reported by the pension 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.

Other Postemployment Benefit Costs

The City offers retiree health care benefits to retirees. The City records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences (Vacation and Sick Leave)

It is the City's policy to permit employees to accumulated earned but unused sick and vacation pay benefits. Most annual leave and sick pay related to governmental activities and the ice arena is accrued when incurred in the internal service fund. Annual leave and sick pay related to the Water and Sewer Fund is accrued when incurred in that fund.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue 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 revenue of proprietary funds is charges to customers for sales or services. The Water and Sewer Fund also recognizes as operating revenue the

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 1 – Significant Accounting Policies (Continued)

portion of tap fees intended to cover the cost of connecting new customers to the system. Operating expenses for these funds include the cost of sales or services and administrative expenses and may include depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 -Stewardship, Compliance, and Accountability

Budgetary Information

The City is subject to the budgetary control requirements of the Uniform Budgeting Act (P.A. 621 of 1978, as amended). The annual budget is prepared by the city manager and adopted by the City Council; subsequent amendments are approved by the City Council. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at June 30, 2022 has not been calculated.

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America, except that interfund reimbursements are budgeted as transfers. The budgetary comparison schedules (General Fund and major special revenue funds) are presented on the same basis of accounting used in preparing the adopted budget.

The budget has been adopted on an activity basis (i.e. City Council, city manager, etc); expenditures at this level in excess of amounts budgeted are a violation of Michigan law. A comparison of actual results adopted by the City Council is included in the required supplemental information.

Excess of Expenditures Over Appropriations in Budgeted Funds

The City did not incur expenditures in excess of appropriations in the current fiscal year.

Construction Code Fees

The City oversees building construction in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 2 -Stewardship, Compliance, and Accountability (Continued)

Cumulative shortfall at July 1, 2021	\$ (1,988,356)
Current year permit revenue	359,985
Related expenditures	<u>634,145</u>
Current year shortfall	<u>(274,160)</u>
Cumulative shortfall at June 30, 2022	\$ <u><u>(2,262,516)</u></u>

Note 3 -Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loans associations that have offices in Michigan. The law also allows investments outside the State of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that mature no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The pension trust fund is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The City has designated one bank for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in accordance 20 of 1943, as amended. The City's deposits and investments are in accordance with statutory authority.

The City's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City and Downtown Development Authority had \$12,411,179 and \$324,577, respectively, of bank deposits that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 3 - Deposits and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity.

At year end, the City had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Weighted Avg Maturity (Years)</u>
Corporate bonds	\$ 2,822,955	8.29
Mutual funds - Fixed income securities	1,711,871	5.35
Mortgage-backed securities	239,916	18.86
U.S. Treasury bonds	1,693,893	9.73
Municipal bonds	32,001	19.50
U.S. government agency securities	787,320	17.99
Oakland County Local Govt. Investment Pool	1,069,207	1.20
Total	<u>\$ 8,357,163</u>	

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of June 30, 2022, the credit quality ratings of debt securities are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
U.S. government agency securities	\$ 787,320	not rated	N/A
Mutual funds - Fixed income securities	1,711,871	5.35	Moody's
Mortgage-backed securities	239,916	18.86	Moody's
U.S. Treasury bonds	1,693,893	9.73	Moody's
Municipal bonds	32,001	19.50	Moody's
U.S. government agency securities	787,320	17.99	Moody's
Oakland County Local Govt. Investment Pool	1,069,207	1.20	Moody's
Total	<u>\$ 6,321,528</u>		

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (NAV) (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 3 -Deposits and Investments (Continued)

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The City has the following recurring fair value measurements as of June 30, 2022:

Assets Measured at Carrying Value on a Recurring Basis at June 30, 2022				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2022
U.S. government agency securities	\$ -	\$ 2,589,845	\$ -	\$ 2,589,845
Corporate bonds	-	2,614,235	-	2,614,235
Mortgage-backed securities	-	324,651	-	324,651
Municipal bonds	-	25,813	-	25,813
Mutual Funds-Equity	5,084,207	-	-	5,084,207
Mutual Funds-Fixed income	1,652,285	-	-	1,652,285
Other Equity	-	6,990	-	6,990
Stpcls	5,617,110	-	-	5,617,110
Total Investments by Fair Value Level	\$ 12,353,602	\$ 5,561,534	\$ -	\$ 17,915,136

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of certain assets at June 30, 2022 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

The valuation method for investments measured at net asset value per share (or its equivalent) is presented on the table below.

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 3 -Deposits and Investments (Continued)

Investments in Entities that Calculated Net Asset Value per Share

The City holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At June 30, 2022, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	<u>Identical Assets Carrying Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Oakland County Local				
Government Investment Pool	\$ 860,623	\$ -	None	None
MERS Total Market Portfolio	6,680,695	-	None	None

The Oakland County Local Government Investment Pool (LGIP) is not registered with the SEC and does not issue a separate report. The pool does not meet the requirements under GASB 79 to report its value for financial reporting purposes at amortized costs. Accordingly, the investment is reported at fair value. The fair value of the position in the pool is not the same as the value of the pool shares because the pool redeems shares at \$1 per share, regardless of current fair value.

The MERS Total Market Portfolio is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity, and commodities. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. The Municipal Employees' Retirement System (MERS) manages the asset allocation and monitors the underlying investment managers of the MERS Total Market Portfolio.

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 4 -Capital Assets

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

Governmental Activities

<u>Governmental Activities:</u>	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2022</u>
Capital Assets, not being depreciated:				
Land	\$ 738,619	\$ -	\$ -	\$ 738,619
Capital Assets, being depreciated:				
Roads and bridges	59,283,510	1,216,858	-	60,500,368
Buildings	7,479,691	227,420	-	7,707,111
Equipment and books	3,860,765	338,280	-	4,199,045
Vehicles	4,742,538	237,459	(76,567)	4,903,430
	<u>75,366,504</u>	<u>2,020,017</u>	<u>(76,567)</u>	<u>77,309,954</u>
Accumulated Depreciation:				
Roads and bridges	48,170,337	784,303	-	48,954,640
Buildings	5,649,540	115,981	-	5,765,521
Equipment and books	2,929,230	248,623	-	3,177,853
Vehicles	1,639,370	343,362	(76,567)	1,906,165
	<u>58,388,477</u>	<u>1,492,269</u>	<u>(76,567)</u>	<u>59,804,179</u>
Net capital assets being depreciated	<u>16,978,027</u>	<u>527,748</u>	<u>-</u>	<u>17,505,775</u>
Governmental Activities Capital Assets, net	<u>\$ 17,716,646</u>	<u>\$ 527,748</u>	<u>\$ -</u>	<u>\$ 18,244,394</u>

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 4 -Capital Assets (Continued)

Business-type Activities

<u>Business-type Activities:</u>	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2022</u>
Capital Assets, not being depreciated:				
Land	\$ 13,795	\$ -	\$ -	\$ 13,795
Construction in Progress	-	242,883	-	242,883
	<u>13,795</u>	<u>242,883</u>	<u>-</u>	<u>256,678</u>
Capital Assets, being depreciated:				
Water and Sewer transmission lines	21,759,038	542,617	-	22,301,655
Buildings	158,668	601,894	-	760,562
Equipment	3,818,728	491,274	-	4,310,002
	<u>25,736,434</u>	<u>1,635,785</u>	<u>-</u>	<u>27,372,219</u>
Accumulated Depreciation:				
Water and Sewer transmission lines	4,269,094	320,736	-	4,589,830
Buildings	93,409	5,007	-	98,416
Equipment	2,534,086	248,974	-	2,783,060
	<u>6,896,589</u>	<u>574,717</u>	<u>-</u>	<u>7,471,306</u>
Net capital assets being depreciated	<u>18,839,845</u>	<u>1,061,068</u>	<u>-</u>	<u>19,900,913</u>
Business-type Activities Capital Assets, net	<u>\$ 18,853,640</u>	<u>\$ 1,303,951</u>	<u>\$ -</u>	<u>\$ 20,157,591</u>

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

Governmental activities:	
General Government	\$ 91,526
Public Safety	281,601
Public Works	978,192
Recreation and culture	140,950
Total governmental activities	<u>\$ 1,492,269</u>
Business-type activities:	
Water and Sewer	<u>\$ 574,717</u>

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 5-Interfund Receivables, Payables, and Transfers

The General Fund has loaned \$120,000 to the Sidewalk Fund, a nonmajor governmental fund, for cash flow purposes.

Interfund transfers reported in the fund financial statements are composed of the following:

<u>Paying Fund (Transfer Out)</u>	<u>Receiving Fund (Transfer In)</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 755,000
Major Streets Fund	Local Streets Fund	180,000
Nonmajor governmental funds	General Fund	38,000
		<u>\$ 973,000</u>

The transfer from the General Fund to the Recreation Revolving Fund (nonmajor governmental fund) was to fund operating expenses during the year. The transfer from the Major Streets Fund to the Local Streets Fund represents the sharing of gas and weight tax revenue in accordance with Act 51. The transfer from the General Fund to the Sidewalk Fund was to cover initial costs of the sidewalk projects.

Note 6-Long-term Debt

Long-term debt activity for the year ended June 30, 2022 can be summarized as follows:

Governmental Activities

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Compensated Absences	\$ 868,645	\$ 659,896	\$ (583,772)	\$ 944,769	\$ 190,225

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 6-Long-term Debt (Continued)

Business-type Activities

Business-type Activities:	Interest Rate Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
General Obligation bonds - Direct						
borrowings and direct placements -						
Contractual obligations with Oakland County, Michigan-George W. Kuhn Bonds:						
2000-A:						
Amount of issue - \$1,126,053						
Maturing through 2022	2.50%	\$ 70,533	\$ -	\$ (70,533)	\$ -	-
2001-C:						
Amount of issue - \$5,176,822						
Maturing through 2024	2.50%	948,454	-	(308,281)	640,173	316,150
2001-D:						
Amount of issue - \$199,641						
Maturing through 2024	2.50%	25,044	-	(8,187)	16,857	8,502
2000-B and 2001-E::						
Refinanced 2016						
Amount of issue - \$486,508						
Maturing through 2024	2.00-2.50%	138,239	-	(68,332)	69,907	36,213
2005-F:						
Amount of issue - \$103,573						
Maturing through 2026	1.625%	27,459	-	(5,438)	22,021	5,438
2006-G:						
Amount of issue - \$112,919						
Maturing through 2028	1.625%	43,825	-	(6,078)	37,747	6,078
2008-H:						
Amount of issue - \$491,662						
Maturing through 2029	2.50%	226,157	-	(25,911)	200,246	26,550
Total bond obligations		1,479,711	-	(492,760)	986,951	398,931
Compensated Absences						
		72,975	75,348	(55,188)	93,135	-
		\$ 3,032,397	\$ 75,348	\$ (1,040,708)	\$ 2,067,037	\$ 797,862

General Obligations Bonds and Contracts

The City issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligations have been issued for the business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. County contractual agreements are also general obligations of the City.

County Contractual Obligations

The above contractual obligations to Oakland County, Michigan, are the result of the issuance of bonds by the County on the City's behalf. The City has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay obligations. Proceeds from the bonds provided financing for the construction of the George G. Kuhn Drain. The remaining principal on the bonds total \$ 986,951.

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 6-Long-term Debt (Continued)

Other Long-term Liabilities

Compensated absences attributable to the governmental activities will be liquidated primarily by the Fringe Benefits internal service fund. That fund will finance the payment of those claims by charging the other funds based on management's assessment of the relative insurance risk that should be assumed by individual funds. The net pension liability and the net OPEB liability will be liquidated from the funds from which the individual employee's salaries are paid, generally the General Fund and the Water and Sewer Fund.

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30,	Business-type Activities Direct Borrowings and Direct Placements		
	Principal	Interest	Total
2023	\$ 398,933	\$ 23,800	\$ 422,733
2024	404,780	14,110	418,890
2025	39,666	4,260	43,926
2026	40,571	3,372	43,943
2027	36,467	2,360	38,827
2028-2029	66,535	2,494	69,029
	\$ 986,952	\$ 50,396	\$ 1,037,348

Note7-Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for health and workers' compensation claims and participates in the Michigan Municipal Liability and Property Pool for claims related to property liability and errors and omissions. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 8-Pension Plans

Plan Description

General Employees' Defined Benefit Pension Plan

The City participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees Retirement System of Michigan that covers substantially all employees of the City's merit system and all employees of the department of public works (the "General Employees' Defined Benefit Pension Plan"). MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report, which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmich.com or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Public Safety Pension Plan

The City also administers the City of Berkley Public Safety Pension System (the "Public Safety Pension Plan"). This single employer defined benefit pension system that covers all public safety officers of the City, including the chief. This pension system is provided by State of Michigan, PA 345 of 1937, as amended. The voters of the City approved this type of pension system in April 1965.

The system is governed by a five-member board. The composition of this board is made up of one public safety command officer and one public safety officer. Each is voted onto the board by the members of their respective bargaining units. The law also requires that the city treasurer have a seat on the board. The mayor appoints the final two members of the board with City Council approval.

Benefit terms have been established by contractual agreements and PA 345 of 1937, as amended. The financial statements of the plan are included in these financial statements as a pension fiduciary trust fund. A separate stand-alone financial report is not issued.

Benefits Provided

General Employees' Defined Benefit Pension Plan

The General Employees' Defined Benefit Pension Plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. A member must meet minimum employment and age requirements to vest and obtain a pension benefit. An employee from any group who leaves service may withdraw his or her contributions plus any accumulated interest and forfeit his or her pension benefit. The City is a Public Act 88 of 1961 city.

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 8-Pension Plans (continued)

Service or Deferred Retirement – Union Members Hired in Public Works Prior to July 1, 2004

Retirement benefits for members are calculated as 2.50 percent of the member's best 3 consecutive years of compensation while employed with the City. This sum is then multiplied by the number of years of service to obtain a pension benefit. The maximum benefit allowed is 80 percent of final average compensation. The member must be age 55 with 15 years of service, be age 60 with 10 years of service, or have a total of 25 years of service to obtain a pension benefit. This closed group does not contribute toward its pension benefit. There is a 10 year vesting requirement for this group. Compensation is defined as all wages, except overtime, uniform allowance, education pay, and license pay. Severance at retirement may or may not be included in compensation. If severance is included, sick leave payment will not be part of compensation.

Service or Deferred Retirement – Union Members Hired in Public Works on or after July 1, 2004

Retirement benefits for members are calculated as 2.50 percent of the member's best 3 consecutive years of compensation while employed with the City. This sum is then multiplied by the number of years of service to obtain a pension benefit. The maximum benefit allowed is 80 percent of final average compensation. The member must be age 55 with 15 years of service, be age 60 with 10 years of service, or have a total of 25 years of service to obtain a pension benefit. This open group pays 4 percent toward its pension benefit. There is a 10 year vesting requirement for this group. Compensation is defined as all wages, except overtime, uniform allowance, education pay, and license pay. Severance at retirement may or may not be included in compensation. If severance is included, sick leave payment will not be part of compensation.

Service or Deferred Retirement – Nonunion Members Hired Prior to July 1, 2008

Retirement benefits for members are calculated as 2.50 percent of the member's best 3 consecutive years of compensation while employed with the City. This sum is then multiplied by the number of years of service to obtain a pension benefit. The maximum benefit allowed is 80 percent of final average compensation. The member must be age 55 with 15 years of service, be age 60 with 10 years of service, or have a total of 25 years of service to obtain a pension benefit. This closed group pays 4 percent toward its pension benefit. There is a 6-year vesting requirement for this group. Compensation is defined as all wages, including earned overtime. Severance at retirement may or may not be included in compensation. If severance is included, sick leave payment will not be part of compensation.

Service or Deferred Retirement – Nonunion Members Hired on or after July 1, 2008

Retirement benefits for members are calculated as 2.25 percent of the member's best 3 consecutive years of compensation while employed with the City. This sum is then multiplied by the number of years of service to obtain a pension benefit. The maximum

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 8-Pension Plans (continued)

benefit allowed is 80 percent of final average compensation. The member must be age 55 with 25 years of service, be age 60 with 10 years of service to obtain a pension benefit. This closed group pays 4 percent toward its pension benefit. There is a 10-year vesting requirement for this group. Compensation is defined as all wages, including overtime. Severance at retirement may or may not be included in compensation. If severance is included, sick leave payment will not be part of compensation.

Public Safety Pension Plan

The Public Safety Pension Plan provides retirement, disability, duty, and nonduty death benefits. A member must have 25 or more years of service or be age 60, regardless of service. Military or prior employment and other public employment or generic credited service may be purchased by a member. A deferred retirement may be obtained after 10 years of service. Straight-life benefits only are paid under a deferred retirement at the date retirement would have occurred had the member remained employed.

Service or Deferred Retirement – Members Hired Prior to July 1, 2013

Retirement benefits for members are calculated as 2.8 percent of the member's best 3 consecutive years of the last 10 years of a member's average final compensation for the first 25 years of service, plus 1 percent of average final compensation times years of service in excess of 25 years. The maximum benefit allowed is 85 percent of base wages. Base wages are defined as the final rate of pay at retirement, multiplied by 2,080 hours, multiplied by 85 percent.

Service or Deferred Retirement – Members Hired on or after July 1, 2013

Retirement benefits for members are calculated as 2.5 percent of the member's best 3 consecutive years of the last 10 years of a member's average final compensation for the first 25 years of service, plus 1 percent of average final compensation times years of service in excess of 25 years. The maximum benefit allowed is 85 percent of base wages. Base wages are defined as the final rate of pay at retirement, multiplied by 2,080 hours, multiplied by 85 percent.

Death after Retirement – Survivor Pension

The benefit is payable to a surviving spouse, if any, upon the death of a retired member who was receiving a straight-life pension that was effective July 1, 1975 or later. The spouse's pension equals 60 percent of the straight-life pension the deceased retiree was receiving. Deferred retirees are ineligible for this benefit.

Nonduty Death-in-service Survivor's Pension

The benefit is payable to a surviving spouse upon the death of a member with 20 or more years of service. Accrued straight-life pension is actuarially reduced in accordance with Option 1 election.

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 8-Pension Plans (continued)

Duty Death-in-service Survivor's Pension

The benefit is payable upon the expiration of workers' compensation to the survivors of a member who died in the line of duty. The benefit is the same amount that was paid by workers' compensation.

Nonduty Disability

The benefit is payable upon the total and permanent disability of a member with five or more years of service. To age 55, it is equal to 1.5 percent of average final compensation times years of service. At age 55, it is equal to the same benefit as a service retirement pension.

Duty Disability

The benefit is payable upon the total and permanent disability of a member in the line of duty. To age 55, the benefit is payable at 50 percent of average final compensation. At age 55, it is payable at the same benefit as a service retirement pension.

Annuity Withdrawals

Accumulated member contributions may be withdrawn at retirement with an actuarial reduction in the pension that would otherwise be payable.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	General Employees' Defined Benefit Pension Plan <u>Dec. 31, 2021</u>	Public Safety Pension Plan <u>June 30, 2021</u>
Date of member count		
Inactive plan members or beneficiaries currently receiving benefits	76	51
Inactive plan members entitled to but not receiving benefits	43	2
Active plan members	<u>47</u>	<u>30</u>
Total employees covered by plan	<u><u>166</u></u>	<u><u>83</u></u>

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 8-Pension Plans (Continued)

Contributions

General Employees' Defined Benefit Pension Plan

Article 9, Section 24 of the State of Michigan constitution requires public employers to make pension contributions in accordance with an actuarial valuation. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended June 30, 2022, the average active employee contribution rate was 0.0 percent of annual pay for a union public works member hired prior to July 1, 2004; 4.0 percent of annual pay for a union public works member hired on or after July 1, 2004; and 4.0 percent for all nonunion eligible employees. The City's average contribution rate for a union public works employee was 37.08 percent of annual payroll and, for a nonunion eligible employee, it was 57.94 percent of annual payroll. Total contributions during the City's fiscal year were \$1,103,219.

Public Safety Pension Plan

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the pension board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the board in accordance with the city charter, union contracts, and plan provisions. For the year ended June 30, 2022, the average active member contribution rate was 0.0 percent of annual pay, and the City's average contribution rate was 53.69 percent of annual payroll.

Net Pension Liability

The City chooses a date for each pension plan to measure its net pension liability. This is based on the measurement date of each pension plan, which may be based on a comprehensive valuation as of that date or based on an earlier valuation that has used procedures to roll the information forward to the measurement date.

	General Employees' Defined Benefit Pension Plan	Public Safety Pension Plan
Measurement date used for the City's net pension liability	December 31, 2021	June 30, 2022
Based on a comprehensive actuarial valuation as of	December 31, 2021	June 30, 2021

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 8-Pension Plans (Continued)

Changes in the net pension liability during the measurement year were as follows:

General Employees' Defined Benefit Pension Plan

<u>Changes in Net Pension Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
Balance at December 31, 2020	\$ 22,487,966	\$ 12,311,940	\$ 10,176,026
Service Cost	300,191	-	300,191
Interest	1,655,367	-	1,655,367
Contributions-Employer	-	1,390,129	(1,390,129)
Contributions-Employee	-	127,518	(127,518)
Net Investment Income	-	1,550,018	(1,550,018)
Differences between expected and actual experience	238,479	-	238,479
Change in assumptions	763,167	-	763,167
Benefit Payments, including refunds	(1,713,834)	(1,713,834)	-
Administrative Expenses	-	(19,521)	19,521
Net Changes	<u>1,243,370</u>	<u>1,334,310</u>	<u>(90,940)</u>
Balance at December 31, 2021	<u>\$ 23,731,336</u>	<u>\$ 13,646,250</u>	<u>\$ 10,085,086</u>

Public Safety Pension Plan

<u>Changes in Net Pension Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
Balance at July 1, 2021	\$ 27,041,507	\$ 23,079,740	\$ 3,961,767
Service Cost	558,625	-	558,625
Interest	1,847,947	-	1,847,947
Contributions-Employer	-	1,303,500	(1,303,500)
Contributions-Employee	-	58,982	(58,982)
Net Investment Income	-	(3,448,733)	3,448,733
Differences between expected and actual experience	194,594	-	194,594
Change in assumptions	-	-	-
Benefit Payments, including refunds	(1,843,155)	(1,843,155)	-
Administrative Expenses	-	(77,779)	77,779
Net Changes	<u>758,011</u>	<u>(4,007,185)</u>	<u>4,765,196</u>
Balance at June 30, 2022	<u>\$ 27,799,518</u>	<u>\$ 19,072,555</u>	<u>\$ 8,726,963</u>

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 8 – Pension Plans (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, The City recognized pension expense of \$1,277,308 related to the General Employees' Defined Benefit Pension Plan and \$1,469,116 related to the Public Safety Pension Plan for a total of \$2,746,424.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General Employees'		Public Safety Pension Plan	
	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 1,158,493	\$ 876,643	\$ -	\$ 1,602,841
Difference between expected and actual experience	119,240	-	75,113	-
Change in assumptions	381,583	-	-	-
Employer contributions to the plan subsequent to the measurement date	695,065	-	-	-
Total	<u>\$ 2,354,381</u>	<u>\$ 876,643</u>	<u>\$ 75,113</u>	<u>\$ 1,602,841</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date, which will impact the net pension liability in fiscal year 2023, rather than pension expense.

Years Ending <u>June 30</u>	General Employees'	Public Safety
	<u>Defined Benefit Pension Plan</u>	<u>Pension Plan</u>
2023	\$ 554,784	\$ (508,668)
2024	171,537	(481,915)
2025	(98,335)	(363,802)
2026	154,687	(173,343)

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 8 – Pension Plans (Continued)

Actuarial Assumptions

The total pension liability in each actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

	General Employees' Defined Benefit Pension Plan	Public Safety Pension Plan
Inflation	2.50%	1.75%
Salary increases	3.00%	3.50%-7.50%
Investment rate of return	7.25%	7.00%
Mortality rates	Pub-2010	RP-2014

General Employees' Defined Benefit Pension Plan

Salary increase assumptions are based on an age-related scale to reflect merit, longevity, and promotional pay increases.

The investment rate of return presented above is gross of pension plan investment expense, including inflation.

Mortality rates were based on a blend of the Pub-2010 Juvenile Mortality Tables, the PubG-2010 Employee Mortality Tables, and the PubG-2010 Healthy Retiree Tables.

The actuarial assumptions used in the December 31, 2021 actuarial valuation were based on the results of an actuarial experience study for the period from January 1, 2014 through December 31, 2018.

Public Safety Pension Plan

Salary increase assumptions are based on an age-related scale to reflect merit, longevity, and promotional pay increases, including inflation.

The investment rate of return presented above is net of plan investment expense, including inflation.

Mortality rates were based on the RP-2014 Employee Mortality Table, the RP-2014 Health Annuitant Mortality Table, and the RP-2014 Disabled Annuitant Mortality Table, each adjusted for mortality improvements to 2025 using projection scale MP-2018 from 2006.

Discount Rate

As shown below, the discount rate used to measure the total pension liability was determined after considering a projection of the cash flows to determine whether the future contributions (made at the current contribution rates) will be sufficient to allow the pension plans' fiduciary net position to make all projected future benefit payments of current active and inactive employees.

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 8 – Pension Plans (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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.

	General Employees' Defined Benefit Pension Plan	Public Safety Pension Plan
Assumed investment rate of return	7.00%	7.00%
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits	Yes	Yes
Discount rate used to measure total pension liability	7.25%	7.00%

Investment Rate of Return

General Employees' Defined Benefit Pension Plan

Best estimates of arithmetic real rates of return as of the December 31, 2021 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	60%	4.50%
Global Fixed Income	20%	2.00%
Private Investments	20%	7.00%

Public Safety Pension Plan

Best estimates of arithmetic real rates of return as of the June 30, 2022 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large-cap equity	27.50%	7.25%
Small-Mid-cap equity	14.50%	7.50%
International equity	20.50%	6.75%
Domestic fixed income	30.00%	2.00%
Treasury inflation-protected securities	4.50%	2.00%
High-yield bonds	2.50%	3.10%
T-Bills	0.50%	1.60%

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 8 – Pension Plans (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

General Employees' Defined Benefit Pension Plan

The following presents the net pension liability of the City, calculated using the discount rate of 7.25 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ <u>12,526,435</u>	\$ <u>10,085,086</u>	\$ <u>8,013,498</u>

Public Safety Pension Plan

The following presents the net pension liability of the City, calculated using the discount rate of 7.00 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ <u>11,962,290</u>	\$ <u>8,726,963</u>	\$ <u>6,021,568</u>

Pension Plan Fiduciary Net Position

General Employees' Defined Benefit Pension Plan

Detailed information about the General Employees' Defined Pension Plan's fiduciary net position is available in the separately issued financial report found at www.mersofmich.com. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 8-Pension Plans (Continued)

Public Safety Pension Plan

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus on the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Investment Policy

The Public Safety Pension Plan's policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its members. It is the policy of the pension board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of case equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Pension Plan Reserves

In accordance with Public Act 345, as amended, and the actions of the City Council and Public Safety Retirement Board, the following reserves are required to be set aside within the Public Safety pension plan:

The retiree reserve is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. The amounts reserved may be used solely to pay monthly retiree benefit payments.

The employee reserve is credited as employee contributions are received through the year; the plan maintains a record of the amount contributed by each employee and credits interest annually at a rate of 2.0 percent. For any employee who terminates before vesting in the pension plan, his or her balance is returned to him or her; for those who stay until retirement, the balance is transferred into the retiree reserve.

The employer reserve account is used for the residual net position balance in the pension plan after funding the above two reserves and receives all investment income (or loss) earned within the fiscal year.

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 8 – Pension Plans (Continued)

The balances of the reserve accounts at June 30, 2022 are as follows:

	Required Reserve	Amount Funded
Retiree Reserve	\$ 18,266,685	\$ 18,266,685
Employee Reserve	318,198	318,198
Employer Reserve	-	487,672
	\$ 18,584,883	\$ 19,072,555

Note 9 – Other Postemployment Benefit Plan

Plan Description

The City has elected to provide postemployment health benefits and life insurance benefits to certain retirees and their beneficiaries in accordance with current employment labor contracts for union members, and the City Council adopted Merit System of Personnel Management for nonunion and court retirees.

This is a single-employer defined benefit plan administered by the City. The plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the plan through employer contributions. The assets of the plan are being held in the MERS Retiree Health Funding Vehicle.

Benefits Provided

The plan provides health care, prescription drug, vision, and life insurance benefits for eligible retirees. Members are subject to age and service requirements in order to receive benefits. Member coverage is dependent upon the hire date and employee group of the member. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the plan.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	June 30, 2021
Date of member count	
Inactive plan members or beneficiaries currently receiving benefits	94
Active plan members	77
Total plan members	718

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 9 – Other Postemployment Benefit Plan – (Continued)

Contributions

Retiree health care costs are paid by the City on a pay-as-you-go basis. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment; however, the City does make discretionary contributions to the trust. For the fiscal year ended June 30, 2022, the City made payments for postemployment health benefit premiums of \$717,498.

Net OPEB Liability

The City has chosen to use the June 30 measurement date as its measurement date for the net OPEB liability. The June 30, 2022 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2020 measurement date. The June 30, 2022 total OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, which used update procedures to roll forward the estimated liability to June 20, 2022.

Changes in the net OPEB liability during the measurement year were as follows:

<u>Changes in Net OPEB Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Net Position</u>	<u>Net OPEB Liability</u>
Balance at July 1, 2021	\$ <u>17,953,275</u>	\$ <u>7,272,274</u>	\$ <u>10,681,001</u>
Changes for the year:			
Service Cost	141,915	-	141,915
Interest	1,142,693	-	1,142,693
Differences between expected and actual experience	(4,482,016)	-	(4,482,016)
Change in assumptions	390,917	-	390,917
Contributions-Employer	-	738,812	(738,812)
Net Investment Income(loss)	-	(612,996)	612,996
Benefit Payments, including refunds	<u>(888,684)</u>	<u>(717,395)</u>	<u>(171,289)</u>
Net Changes	<u>(3,695,175)</u>	<u>(591,579)</u>	<u>(3,103,596)</u>
Balance at June 30, 2022	\$ <u><u>14,258,100</u></u>	\$ <u><u>6,680,695</u></u>	\$ <u><u>7,577,405</u></u>

The plan's fiduciary net position represents 46.86 percent of the total OPEB liability.

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note – 9 Other Postemployment Benefit Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized an OPEB cost recovery of \$1,497,766.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 264,870	\$ -
Difference between expected and actual experience	-	3,892,308
Changes in assumptions	324,968	-
Total	\$ 589,838	\$ 3,892,308

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending	Amount
June 30	
2023	\$ (1,376,180)
2024	(985,133)
2025	(1,007,620)
2026	66,463

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using and inflation assumption of 3.00 percent; assumed salary increases (including inflation) of between 3.5 percent and 10.20 percent depending on seniority and merit; an investment rate of return (net investment expenses) of 6.5 percent; a health care cost trend rate of 8.25 percent, decreasing 0.50 percent of 0.75 percent per year to an ultimate rate of 3.50 percent; and the RP-2014 Employee, Healthy Annuitant, and Disabled Annuitant Mortality Tables adjusted for mortality improvements to 2025 using scale MP-2018 from 2006. These assumptions were applied to all periods included in the measurement.

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note – 9 Other Postemployment Benefit Plan (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed the City will continue to fund OPEB benefits on a pay as you go basis up to \$1.2 million per year. Benefit payments in excess of \$1.2 million in a given year would be paid from trust assets.

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of plan investment expense, was -3.35 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan 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 adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2021 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following tables:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Global Equity	60.0%	4.95%
Global Fixed Income	20.0%	2.40%
Private Investments	20.0%	7.00%

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note – 9 Other Postemployment Benefit Plan (Continued)

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 6.50 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 or 1 percentage point higher than the current rate:

	<u>1% Decrease</u> <u>(5.50%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(6.50%)</u>	<u>1% Increase</u> <u>(7.50%)</u>
Net OPEB Liability	\$ <u>9,108,696</u>	\$ <u>7,577,405</u>	\$ <u>6,282,160</u>

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB liability of the City, calculated using the health care cost trend rate of 8.25 percent, as well as what the City's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ <u>6,141,901</u>	\$ <u>7,577,405</u>	\$ <u>9,246,936</u>

OPEB Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is not available in the separately issued financial report. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

CITY OF BERKLEY
Notes to Financial Statements
June 30, 2022

Note 10 – Joint Ventures

Southeastern Oakland County Water Authority

The City is a member of the Southeastern Oakland County Water Authority (the "Water Authority"), which provides a water supply system serving 11 members and 2 nonmembers municipalities in Oakland County. The City appoints one member of the joint venture's governing board, which approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2022, the City expensed \$866,676 of payments made to the Water Authority. The City has no explicit and measurable equity in the joint venture. The Southeastern Oakland County Water Authority's operations are financially independent of the City. The City is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future. Complete financial statements of the Southeastern Oakland County Water Authority can be obtained from the administrative offices at 3910 Webster Road, Royal Oak, MI 48073.

Southeastern Oakland County Resource Recovery Authority

The City is a member of the Southeastern Oakland County Resource Recovery Authority (the "Resource Recovery Authority"), which collects, processes, and disposes of the municipal solid waste, yard waste, and recyclables accumulated within the City. The Resource Recovery Authority provides services to 12 member municipalities in Oakland County. The City appoints one member of the joint venture's governing board, which approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2022, the City expensed \$1,162,711 of payments made to the Resource Recovery Authority. The City has no explicit and measurable equity interests in the joint venture. The Southeastern Oakland County Resource Recovery Authority can be obtained from the administrative offices at 3910 W. Webster Road, Royal Oak, MI 48073.

Note 11 – Upcoming Accounting Pronouncements

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The City is currently evaluating the impact this standard will have on the financial statements, if any, when adopted. This statement is effective for the City's financial statements beginning with the fiscal year ending June 30, 2023.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences as well as the disclosure requirements. This statement requires that the compensated absence liability be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. This statement is effective for the City's financial statements beginning with the fiscal year ending June 30, 2025.



REQUIRED SUPPLEMENTARY INFORMATION



CITY OF BERKLEY
Required Supplemental Information
Schedule of Pension Investment Returns
Public Safety Pension Plan
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Annual money-weighted rate of return - Net of investment expense	-12.90%	25.41%	4.36%	5.34%	7.33%	11.80%	-0.40%	1.80%	16.20%	10.80%

CITY OF BERKLEY
Required Supplemental Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Public Safety Pension Plan
Last Nine Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:									
Service Cost	\$ 558,625	\$ 539,011	\$ 502,638	\$ 476,281	\$ 427,320	\$ 387,896	\$ 369,308	\$ 348,830	\$ 376,217
Interest	1,847,947	1,805,389	1,752,414	1,724,836	1,711,781	1,683,319	1,646,655	1,623,409	1,600,549
Differences between expected and actual experience	194,594	61,418	251,209	517,899	(231,761)	38,612	189,536	15,829	-
Change in assumptions	-	-	-	1,070,500	-	-	-	-	-
Benefit payments, including refunds	(1,843,155)	(1,772,154)	(1,763,153)	(1,768,878)	(1,752,501)	(1,742,208)	(1,703,842)	(1,678,258)	(1,638,281)
Net Change in Total Pension Liability	758,011	633,664	743,108	2,020,638	154,839	367,619	501,657	309,810	338,485
Total Pension Liability - Beginning of year	27,041,507	26,407,843	25,664,735	23,644,097	23,489,258	23,121,639	22,619,982	22,310,172	21,971,687
Total Pension Liability - End of year	\$ 27,799,518	\$ 27,041,507	\$ 26,407,843	\$ 25,664,735	\$ 23,644,097	\$ 23,489,258	\$ 23,121,639	\$ 22,619,982	\$ 22,310,172
Plan Fiduciary Net Position:									
Contributions - Employer	\$ 1,303,500	\$ 1,204,528	\$ 1,013,557	\$ 774,630	\$ 743,241	\$ 713,669	\$ 660,531	\$ 726,568	\$ 780,105
Contributions - Member	58,982	204,534	6,718	41,690	118,413	-	-	-	90,169
Net Investment Income (Loss)	(3,448,733)	4,750,831	758,066	946,900	1,341,200	1,984,577	(55,465)	357,995	2,752,802
Administrative Expenses	(78,809)	(80,192)	(68,702)	(65,541)	(62,621)	(51,027)	(44,152)	(46,951)	(51,306)
Benefit payments, including refunds	(1,843,155)	(1,772,154)	(1,763,153)	(1,768,878)	(1,752,501)	(1,742,208)	(1,703,842)	(1,678,258)	(1,638,281)
Other	1,030	-	-	3,293	-	-	-	183	-
Net Change in Plan Fiduciary Net Position	(4,007,185)	4,307,547	(53,514)	(67,906)	387,732	905,011	(1,142,928)	(640,463)	1,933,489
Plan Fiduciary Net Position - Beg. of year	23,079,740	18,772,193	18,825,707	18,893,613	18,505,881	17,600,870	18,743,798	19,384,261	17,450,772
Plan Fiduciary Net Position - End of year	\$ 19,072,555	\$ 23,079,740	\$ 18,772,193	\$ 18,825,707	\$ 18,893,613	\$ 18,505,881	\$ 17,600,870	\$ 18,743,798	\$ 19,384,261
City's Net Pension Liability - Ending	\$ 8,726,963	\$ 3,961,767	\$ 7,635,650	\$ 6,839,028	\$ 4,750,484	\$ 4,983,377	\$ 5,520,769	\$ 3,876,184	\$ 2,925,911
Plan Fiduciary Net Position as a Percent of Total Pension Liability	68.61%	85.35%	71.09%	73.35%	79.91%	78.78%	76.12%	82.86%	86.89%
Covered Payroll	\$ 2,422,387	\$ 2,241,392	\$ 2,218,820	\$ 2,085,703	\$ 1,960,564	\$ 1,915,375	\$ 1,770,387	\$ 1,923,665	\$ 1,965,494
City's Net Pension Liability as a Percent of Covered Payroll	360.26%	176.75%	344.13%	327.90%	242.30%	260.18%	311.84%	201.50%	148.86%

Schedule is built prospectively upon implementation of GASB Statement No. 67.

CITY OF BERKLEY
Required Supplemental Information
Schedule of Pension Contributions
Public Safety Pension Plan
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 1,167,348	\$ 1,090,661	\$ 1,013,557	\$ 774,630	\$ 743,054	\$ 713,669	\$ 660,531	\$ 726,568	\$ 780,105	\$ 770,451
Contributions in relation to the actuarially determined contribution	1,303,500	1,203,500	1,013,557	774,630	743,241	713,669	660,531	726,568	780,105	770,451
Contribution Excess	\$ 136,152	\$ 112,839	\$ -	\$ -	\$ 187	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 2,422,387	\$ 2,241,392	\$ 2,218,820	\$ 2,085,703	\$ 1,960,564	\$ 1,915,375	\$ 1,770,387	\$ 1,923,665	\$ 1,965,494	\$ 1,965,938
Contributions as a Percentage of Covered Payroll	53.81%	53.69%	45.68%	37.14%	37.91%	37.26%	37.31%	37.77%	39.69%	39.19%

Actuarial valuation information relative to the determination of contributions:

Valuation Date: Actuarially determined contribution amounts are calculated as of June 30 each year, which is 12 months prior to the beginning of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry-age normal
Amortization Method	Level percentage of pay
Remaining Amortization Period	15 years, closed
Asset Valuation Method	4 year smoothed market
Inflation	1.75%
Salary Increase	3.5 to 7.5% including wage inflation
Investment Rate of Return	7.0% net of investment and administrative expenses
Retirement Age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	RP-2014 Employee, Healthy Annuitant, and Disabled Annuitant Mortality Tables, adjusted for mortality improvements to 2025 using projection scale MP-2018 from 2006

CITY OF BERKLEY
Required Supplemental Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Municipal Employees' Retirement System of Michigan
Last Eight Fiscal Years Ended December 31

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:								
Service Cost	\$ 300,191	\$ 279,973	\$ 253,811	\$ 232,498	\$ 224,700	\$ 250,936	\$ 231,896	\$ 313,028
Interest	1,655,367	1,589,513	1,600,556	1,623,192	1,612,480	1,599,114	1,602,510	1,588,656
Differences between expected and actual experience	238,479	(2,393)	171,132	(388,478)	50,262	63,274	(432,248)	-
Change in assumptions	763,167	723,288	621,435	-	-	-	868,163	-
Benefit payments, including refunds	(1,713,834)	(1,754,148)	(1,750,488)	(1,771,161)	(1,743,690)	(1,722,576)	(1,707,986)	(1,678,420)
Net Change in Total Pension Liability	1,243,370	836,233	896,446	(303,949)	143,752	190,748	562,335	223,264
Total Pension Liability - Beginning of year	22,487,966	21,651,733	20,755,287	21,059,236	20,915,484	20,724,736	20,162,401	19,939,137
Total Pension Liability - End of year	\$ 23,731,336	\$ 22,487,966	\$ 21,651,733	\$ 20,755,287	\$ 21,059,236	\$ 20,915,484	\$ 20,724,736	\$ 20,162,401
Plan Fiduciary Net Position:								
Contributions - Employer	\$ 1,390,129	\$ 1,090,006	\$ 1,232,770	\$ 437,618	\$ 907,736	\$ 528,385	\$ 546,145	\$ 574,412
Contributions - Member	127,518	86,385	96,041	74,880	116,858	72,550	80,039	90,641
Net Investment Income (Loss)	1,550,018	1,533,090	1,390,885	(429,097)	1,471,376	1,231,253	(176,950)	792,022
Administrative Expenses	(19,521)	(22,351)	(23,897)	(22,404)	(23,315)	(24,362)	(26,595)	(28,852)
Benefit payments, including refunds	(1,713,834)	(1,754,148)	(1,750,488)	(1,771,161)	(1,743,690)	(1,722,576)	(1,707,986)	(1,678,420)
Net Change in Plan Fiduciary Net Position	1,334,310	932,982	945,311	(1,710,164)	728,965	85,250	(1,285,347)	(250,197)
Plan Fiduciary Net Position - Beg. of year	12,311,940	11,378,958	10,433,647	12,143,811	11,414,846	11,329,596	12,614,943	12,865,140
Plan Fiduciary Net Position - End of year	\$ 13,646,250	\$ 12,311,940	\$ 11,378,958	\$ 10,433,647	\$ 12,143,811	\$ 11,414,846	\$ 11,329,596	\$ 12,614,943
City's Net Pension Liability - Ending	\$ 10,085,086	\$ 10,176,026	\$ 10,272,775	\$ 10,321,640	\$ 8,915,425	\$ 9,500,638	\$ 9,395,140	\$ 7,547,458
Plan Fiduciary Net Position as a Percent of Total Pension Liability	57.50%	54.75%	52.55%	50.27%	57.67%	54.58%	54.67%	62.57%
Covered Payroll	\$ 2,502,987	\$ 2,376,127	\$ 2,101,331	\$ 1,918,830	\$ 2,001,189	\$ 2,014,906	\$ 1,679,482	\$ 1,679,482
City's Net Pension Liability as a Percent of Covered Payroll	402.92%	428.26%	488.87%	537.91%	445.51%	471.52%	559.41%	449.39%

Schedule is built prospectively upon implementation of GASB Statement No. 68.

CITY OF BERKLEY

**Required Supplemental Information
Schedule of Pension Contributions**

Municipal Employees' Retirement System of Michigan

Last Ten Fiscal Years Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 1,390,129	\$ 1,119,653	\$ 960,613	\$ 424,931	\$ 640,280	\$ 528,385	\$ 546,145	\$ 574,412	\$ 600,607	\$ 637,576
Contributions in relation to the actuarially determined contribution	1,390,129	1,294,653	1,360,613	675,590	907,736	528,385	546,145	574,412	600,607	637,576
Contribution Excess (Deficiency)	\$ -	\$ 175,000	\$ 400,000	\$ 250,659	\$ 267,456	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	2,502,987	2,622,540	2,319,247	2,404,170	2,001,189	2,001,644	2,222,306	2,253,166	2,225,644	2,194,904
Contributions as a Percentage of Covered Employee Payroll	55.54%	49.37%	58.67%	28.10%	45.36%	26.40%	24.58%	25.49%	26.99%	29.05%

Actuarial valuation information relative to the determination of contributions:

Valuation Date Actuarially determined contribution amounts are calculated as of December 31 each year, which is 18 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry-age normal
Amortization method	Level percentage of pay - Closed
Remaining amortization period	20 years
Asset valuation method	10-year smoothed market
Inflation	2.50%
Salary increase	3.00%
Investment Rate of Return	7.60%
Retirement Age	Experience based tables of rates that are specific to the type of eligibility condition
Mortality	Blend of the Pub-2010 Juvenile Mortality Tables, the PubG-2010 Employee Mortality Tables, and the PubG-2010 Healthy Retiree Tables

CITY OF BERKLEY
Required Supplemental Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last Five Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:					
Service Cost	\$ 141,915	\$ 147,830	\$ 156,989	\$ 190,339	\$ 364,827
Interest	1,142,693	1,124,018	1,130,768	1,122,116	923,469
Differences between expected and actual experience	(4,482,016)	-	(1,894,582)	(198,240)	(1,014,834)
Change in assumptions	390,917	-	109,385	-	-
Benefit payments, including refunds	(888,684)	(1,074,498)	(1,028,555)	(878,125)	(1,036,188)
Net Change in Total OPEB Liability	<u>(3,695,175)</u>	<u>197,350</u>	<u>(1,525,995)</u>	<u>236,090</u>	<u>(762,726)</u>
Total OPEB Liability - Beginning of year	<u>17,953,275</u>	<u>17,755,925</u>	<u>19,281,920</u>	<u>19,045,830</u>	<u>19,808,556</u>
Total OPEB Liability - End of year	<u>\$ 14,258,100</u>	<u>\$ 17,953,275</u>	<u>\$ 17,755,925</u>	<u>\$ 19,281,920</u>	<u>\$ 19,045,830</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 738,812	\$ 1,253,876	\$ 1,032,759	\$ 1,135,210	\$ 1,041,123
Net Investment Income	(599,936)	1,575,924	121,322	137,994	350,035
Administrative expenses	(13,060)	(11,606)	-	-	-
Benefit payments, including refunds	(717,395)	(1,074,498)	(1,028,555)	(878,125)	(1,036,188)
Net Change in Plan Fiduciary Net Position	<u>(591,579)</u>	<u>1,743,696</u>	<u>125,526</u>	<u>395,079</u>	<u>354,970</u>
Plan Fiduciary Net Position - Beginning of year	<u>7,272,274</u>	<u>5,528,578</u>	<u>5,403,052</u>	<u>5,007,973</u>	<u>4,653,003</u>
Plan Fiduciary Net Position - End of year	<u>\$ 6,680,695</u>	<u>\$ 7,272,274</u>	<u>\$ 5,528,578</u>	<u>\$ 5,403,052</u>	<u>\$ 5,007,973</u>
Net OPEB Liability - Ending	<u>\$ 7,577,405</u>	<u>\$ 10,681,001</u>	<u>\$ 12,227,347</u>	<u>\$ 13,878,868</u>	<u>\$ 14,037,857</u>
Plan Fiduciary Net Position as a Percent of Total OPEB Liability	46.86%	40.51%	31.14%	28.02%	26.29%
Covered Employee Payroll	\$ 5,753,643	\$ 5,129,064	\$ 4,913,491	\$ 3,652,907	\$ 3,722,725
Net OPEB Liability as a Percent of Covered Employee Payroll	131.70%	208.24%	248.85%	379.94%	377.09%

Schedule is built prospectively upon implementation of GASB Statement No. 75.

CITY OF BERKLEY
Required Supplemental Information
Schedule of OPEB Contributions
Last Ten Fiscal Years Ended June 30

	2022	2021	2020	2019*	2018*	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 685,635	\$ 1,068,849	\$ 1,074,788	\$ -	\$ -	\$ 2,512,485	\$ 2,531,410	\$ 2,603,419	\$ 1,802,766	\$ 1,822,159
Contributions in relation to the actuarially determined contribution	738,812	1,253,876	1,032,759	-	-	1,541,815	1,571,446	1,604,630	1,442,200	1,224,176
Contribution Excess (Deficiency)	\$ 53,177	\$ 185,027	\$ (42,029)	\$ -	\$ -	\$ (970,670)	\$ (959,964)	\$ (998,789)	\$ (360,566)	\$ (597,983)
Covered Employee Payroll	5,753,643	5,129,064	4,913,491	3,652,907	3,722,725	2,635,197	2,635,197	2,635,197	3,344,839	3,344,839
Contributions as a Percentage of Covered Employee Payroll	12.84%	24.45%	21.02%	0.00%	0.00%	58.51%	59.63%	60.89%	43.12%	36.60%

*No actuarially determined employer contribution (ADC) was calculated in connection with the valuation of the plan for this year.

Actuarial valuation information relative to the determination of contributions:

Valuation Date Actuarially determined contribution amounts are calculated as of June 30 each year.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Individual entry age normal
Asset valuation method	Market value
Inflation	3.00%
Health care cost trend rates	8.25 percent decreasing .50 or .75 percent per year to an ultimate rate of 3.50 percent after 10 years
Salary increase	3.50 to 10.20 percent, including inflation
Investment Rate of Return	6.50%
Retirement Age	Experience based tables of rates that are specific to the type of eligibility condition
Mortality	RP-2014 Employee, Healthy Annuitant, and Disabled Annuitant Mortality Tables adjusted for mortality improvements to 2025 using scale MP-2018 from 2006

CITY OF BERKLEY
Required Supplemental Information
Schedule of OPEB Investment Returns
Last Five Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	-3.35%	28.19%	2.36%	2.97%	7.78%

CITY OF BERKLEY
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenue				
Property Taxes	\$ 8,500,455	\$ 8,511,455	\$ 8,495,484	\$ (15,971)
Intergovernmental:				
Federal grants	898,200	962,900	5,921	(956,979)
State-shared revenue and grants	1,610,170	1,829,950	1,895,051	65,101
Charges for services	751,107	747,507	709,312	(38,195)
Fines and forfeitures	178,000	180,700	197,559	16,859
Licenses and permits	623,510	717,510	715,475	(2,035)
Investment earnings	44,000	25,000	25,126	126
Franchise fees	300,000	250,000	261,666	11,666
Other miscellaneous income	460,820	496,420	449,829	(46,591)
Total Revenue	<u>13,366,262</u>	<u>13,721,442</u>	<u>12,755,423</u>	<u>(966,019)</u>
Expenditures				
Current services:				
General Government:				
City Council	16,886	16,886	11,964	4,922
Manager	317,555	318,355	282,355	36,000
Clerk/Elections	186,927	198,342	178,996	19,346
Finance	448,200	446,985	425,023	21,962
Legal	173,000	170,000	143,673	26,327
Treasurer	93,642	99,773	94,681	5,092
City hall	464,352	238,552	191,668	46,884
Planning	89,584	145,455	123,742	21,713
Inspection	617,609	584,024	576,495	7,529
Community promotion	61,060	64,060	55,764	8,296
Insurance	1,301,050	1,410,050	1,298,094	111,956
Active employee benefits	1,006,531	1,090,700	998,892	91,808
Coronavirus expenditures	-	16,000	15,657	343
Total General Government	<u>4,776,396</u>	<u>4,799,182</u>	<u>4,397,004</u>	<u>402,178</u>
Public Safety:				
Administration	209,061	212,080	207,693	4,387
Operations	3,877,022	3,814,551	3,445,730	368,821
Service aides	539,973	511,673	474,252	37,421
Pension administration	1,672,700	1,741,700	1,638,738	102,962
Animal control	71,785	72,285	63,366	8,919
Total Public Safety	<u>6,370,541</u>	<u>6,352,289</u>	<u>5,829,779</u>	<u>522,510</u>
Public Works:				
Operations	691,936	354,304	290,816	63,488
Street programs	204,300	204,300	192,756	11,544
Garage	250,913	273,869	218,171	55,698
Total Public Works	<u>1,147,149</u>	<u>832,473</u>	<u>701,743</u>	<u>130,730</u>
Recreation and Culture:				
Library	686,240	671,338	647,421	23,917
WBRK	191,558	247,458	179,928	67,530
Communications	206,822	206,822	135,465	71,357
Total Recreation and Culture	<u>1,084,620</u>	<u>1,125,618</u>	<u>962,814</u>	<u>162,804</u>
Capital Outlay	938,750	938,750	603,082	335,668
Total Expenditures	<u>14,317,456</u>	<u>14,048,312</u>	<u>12,494,422</u>	<u>1,553,890</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(951,194)</u>	<u>(326,870)</u>	<u>261,001</u>	<u>587,871</u>
Other Financing Sources (Uses):				
Transfers In	390,000	100,000	38,000	(62,000)
Transfers Out	(450,000)	(830,000)	(755,000)	75,000
Sale of Capital Assets	15,000	59,000	59,013	(1,739,056)
Total Other Financing Sources (Uses)	<u>(45,000)</u>	<u>(671,000)</u>	<u>(657,987)</u>	<u>(1,726,056)</u>
Change in Fund Balance	(996,194)	(997,870)	(396,986)	600,884
Fund Balance - July 1	<u>5,103,684</u>	<u>5,103,684</u>	<u>5,103,684</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 4,107,490</u>	<u>\$ 4,105,814</u>	<u>\$ 4,706,698</u>	<u>\$ 600,884</u>

CITY OF BERKLEY
Major Streets Fund
Budgetary Comparison Schedule - Major Special Revenue Funds
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenue:				
State shared revenue and grants	\$ 1,243,200	\$ 1,315,000	\$ 1,323,569	\$ 8,569
Charges for Services	12,849	12,849	13,074	225
Investment income	5,500	5,500	6,869	1,369
Other revenue	19,275	37,000	37,720	720
Total Revenue	<u>1,280,824</u>	<u>1,370,349</u>	<u>1,381,232</u>	<u>10,883</u>
Expenditures:				
Public Works	<u>702,217</u>	<u>770,281</u>	<u>631,220</u>	<u>139,061</u>
Excess (Deficiency) of Revenues Over Expenditures	578,607	600,068	750,012	149,944
Other Financing Sources (Uses):				
Transfers Out	<u>(180,000)</u>	<u>(180,000)</u>	<u>(180,000)</u>	<u>-</u>
Net Change in Fund Balance	398,607	420,068	570,012	149,944
Fund Balance - Beginning of year	<u>2,432,039</u>	<u>2,432,039</u>	<u>2,432,039</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 2,830,646</u>	<u>\$ 2,852,107</u>	<u>\$ 3,002,051</u>	<u>\$ 149,944</u>

CITY OF BERKLEY
Local Streets Fund
Budgetary Comparison Schedule - Major Special Revenue Funds
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenue:				
State shared revenue and grants	\$ 453,620	\$ 490,000	\$ 503,886	\$ 13,886
Investment income	2,500	2,500	2,228	(272)
Other revenue	25,000	48,150	64,112	15,962
Total Revenue	<u>481,120</u>	<u>540,650</u>	<u>570,226</u>	<u>29,576</u>
Expenditures:				
Public Works	<u>795,260</u>	<u>815,148</u>	<u>694,106</u>	<u>121,042</u>
Excess (Deficiency) of Revenues Over Expenditures	(314,140)	(274,498)	(123,880)	150,618
Other Financing Sources:				
Transfers In	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>-</u>
Net Change in Fund Balance	(134,140)	(94,498)	56,120	150,618
Fund Balance - July 1	<u>974,667</u>	<u>974,667</u>	<u>974,667</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 840,527</u>	<u>\$ 880,169</u>	<u>\$ 1,030,787</u>	<u>\$ 150,618</u>



CITY OF BERKLEY
Notes to Required Supplementary Information
June 30, 2022

Budgetary Information – Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except that fund balance appropriations and transfers are budgeted as either revenue or expenditures to balance the budget. All annual appropriations lapse at fiscal year end. During the fiscal year, the budget was amended in a legally permissible manner.



OTHER SUPPLEMENTARY INFORMATION

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue courses that are restricted or committed to expenditure for specified purposes.

Community Development Block Grant

The Community Development Block Grant Fund accounts for federal grant funds received from the U.S. Department of Housing and Urban Development to assist economically disadvantaged areas with the community and those citizens who are also economically disadvantaged.

Seniors' Program

The Seniors' Program Fund accounts for all senior recreation revenue and expenses relate to senior activities planned within the recreation department, including SMART senior transportation programming. User fees and nonprofit and corporate grants are the major funding sources of this fund.

Recreation Revolving

The Recreation Revolving Fund accounts for the activities of the City's sanitation system. Revenue in the fund is generated from a dedicated millage and charges to customers within the City for trash pickup.

Debt Service Funds

Debt service funds are used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on long-term debt.

Eleven Mile Road Project Debt Service

The Eleven Mile Road Project Debt Service Fund accounts for a 2006 voter-approved debt issue and supporting tax increase to finance the reconstruction of Eleven Mile Road within the City of Berkley. The bonds are issued in accordance with Michigan Public Act 279 of 1909, as amended. There are two years remaining before the debt expires.

Capital Project Funds

Capital project funds are used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring land, buildings, and equipment; technology upgrades; remodeling and repairs.

Court Projects

The Court Projects Fund accounts for capital activity of the district court building. In March 2006, the Berkley City Council approved an ordinance under Michigan Compiled Law Section 141.261, which allows for a specific fine to be levied by the district court on a civil infraction. The funds derived from these fines are to be utilized to provide for the renovation or expansion of the Berkley District Court facility, including furniture, fixtures, and necessary equipment. Beginning on July 1, 2015, the 45-A District Court was consolidated with the City of Royal Oak, Michigan's 44th District Court. Upon the dissolution of the 45-A District Court, the capital improvement funds are permissible to be transferred to the General Fund to be used pursuant to MCLA 141.262.

Sidewalk

The Sidewalk Fund will manage any special assessment sidewalk projects with the City. All future special assessment revenue will be collected here to offset the construction expenses of the sidewalk project. Engineering costs related to the project are budgeted in the Major Streets and Local Streets funds.

Road Millage

In November 2018, the Berkley voters approved a ballot proposal for capital improvement projects for road improvements. The ballot proposal approved up to 2 mills to be levied for capital improvement projects beginning with summer tax collection in July 2019. In addition to road improvements, the City will also be getting an updated PASER rating of road conditions that will help decide which roads are in the worst condition and will need to be repaired and/or replaced first.

CITY OF BERKLEY
Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds				Debt Service Fund		Capital Project Funds			Total Nonmajor Governmental Funds
	Community Development Block Grant	Seniors' Program	Recreation Revolving	Solid Waste Service	Eleven Mile Road Project Debt Service		Court Projects	Road Millage	Sidewalk	
Assets										
Cash and investments	\$ -	\$ 15,503	\$ 208	\$ 190,093	\$ 9,946	\$ -	\$ 2,380,897	\$ 288	\$ 2,955,125	
Receivables:										
Taxes	-	-	-	43,071	2,720	-	39,793	-	85,584	
Customers	-	-	-	148,141	-	-	-	145,223	293,364	
Other Governmental Units	17,237	-	180,000	-	-	-	-	-	197,237	
Prepaid Costs	-	-	4,859	2,331	-	-	-	-	7,190	
Total Assets	\$ 17,237	\$ 15,503	\$ 185,067	\$ 383,636	\$ 12,666	\$ -	\$ 2,420,690	\$ 145,511	\$ 3,538,500	
Liabilities, Deferred Inflows and Fund Balance										
Liabilities:										
Accounts payable	\$ -	\$ 948	\$ 115,925	\$ 52,568	\$ -	\$ -	\$ 5,783	\$ 13,400	\$ 188,624	
Due to other funds	-	-	-	-	-	-	-	120,000	120,000	
Accrued liabilities and other	-	1,253	31,950	4,444	-	-	-	-	37,647	
Unearned revenue	-	-	19,615	-	-	-	1,787	-	21,402	
Total Liabilities	-	2,201	167,490	57,012	-	-	7,570	133,400	367,673	
Deferred Inflows of Resources:										
Unavailable revenue	-	-	-	89,287	-	-	-	-	89,287	
Fund Balance:										
Nonspendable - Prepaid costs	-	-	4,859	2,331	-	-	-	-	7,190	
Restricted for:										
Debt service	-	-	-	-	12,666	-	-	-	12,666	
Streets	-	-	-	-	-	-	2,413,120	-	2,413,120	
Community service	17,237	13,302	-	-	-	-	-	-	30,539	
Solid waste service	-	-	-	235,006	-	-	-	-	235,006	
Committed - Recreation	-	-	12,718	-	-	-	-	-	12,718	
Assigned - Capital Improvement	-	-	-	-	-	-	-	12,111	370,301	
Total Fund Balance	17,237	13,302	17,577	237,337	12,666	-	2,413,120	12,111	3,081,540	
Total Liabilities, Deferred Inflows of resources and fund balance	\$ 17,237	\$ 15,503	\$ 185,067	\$ 383,636	\$ 12,666	\$ -	\$ 2,420,690	\$ 145,511	\$ 3,538,500	

CITY OF BERKLEY
Other Supplemental Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds				Debt Service Fund		Capital Project Funds			Total Nonmajor Governmental Funds
	Community Development Block Grant	Seniors' Program	Recreation Revolving	Solid Waste Service	Eleven Mile Road Project Debt Service	Court Projects	Road Millage	Sidewalk		
Revenue:										
Property Taxes	\$ -	\$ -	\$ -	\$ 1,081,831	\$ -	\$ -	\$ 1,228,653	\$ -	\$ 2,310,484	
Special Assessments Intergovernmental:	-	-	-	-	-	-	-	258,769	258,769	
Federal grants	6,454	-	-	-	-	-	-	-	6,454	
State-shared revenue and grants	-	14,676	230,000	-	-	-	-	-	244,676	
Charges for services	-	46,411	453,718	448,467	-	-	-	-	948,596	
Investment earnings	-	23	16	996	-	214	6,159	-	7,408	
Other revenue	-	-	60,097	10,652	-	-	-	-	70,749	
Total Revenue	6,454	61,110	743,831	1,541,946	-	214	1,234,812	258,769	3,847,136	
Expenditures:										
Current services:										
Public works	-	-	-	1,461,045	-	-	-	-	1,461,045	
Health and welfare	6,454	57,672	-	-	-	-	-	-	64,126	
Recreation and culture	-	-	885,928	-	-	-	-	-	885,928	
Capital Outlay	-	-	370,481	-	-	-	359,136	369,413	1,099,030	
Total Expenditures	6,454	57,672	1,256,409	1,461,045	-	-	359,136	369,413	3,510,129	
Excess (Deficiency) of Revenues Over Expenditures	-	3,438	(512,578)	80,901	-	214	875,676	(110,644)	337,007	
Other Financing Sources (Uses):										
Transfers In	-	-	515,000	-	-	-	-	240,000	755,000	
Transfers Out	-	-	-	-	-	(38,000)	-	-	(38,000)	
Total Other Financing Sources (Uses)	-	-	515,000	-	-	(38,000)	-	240,000	717,000	
Net Change in Fund Balance	-	3,438	2,422	80,901	-	(37,786)	875,676	129,356	1,054,007	
Fund Balance - Beginning of year	17,237	9,864	15,155	156,436	12,666	395,976	1,537,444	(117,245)	2,027,533	
Fund Balance - End of Year	\$ 17,237	\$ 13,302	\$ 17,577	\$ 237,337	\$ 12,666	\$ 358,190	\$ 2,413,120	\$ 12,111	\$ 3,081,540	

CITY OF BERKLEY
Other Supplemental Information
Budgetary Comparison Schedule - Nonmajor Governmental Funds
Community Development Block Grant
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Federal Grants	\$ 35,000	\$ 35,000	\$ 6,454	\$ (28,546)
Expenditures:				
Health and welfare	<u>35,000</u>	<u>35,000</u>	<u>6,454</u>	<u>28,546</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - July 1	<u>17,237</u>	<u>17,237</u>	<u>17,237</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 17,237</u>	<u>\$ 17,237</u>	<u>\$ 17,237</u>	<u>\$ -</u>

CITY OF BERKLEY
Other Supplemental Information
Budgetary Comparison Schedule - Nonmajor Governmental Funds
Seniors' Program
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
State-shared revenue and grants	\$ 22,880	\$ 22,880	\$ 14,676	\$ (8,204)
Charges for services	49,706	56,706	46,411	(10,295)
Investment earnings	85	85	23	(62)
Total Revenue	<u>72,671</u>	<u>79,671</u>	<u>61,110</u>	<u>(18,561)</u>
Expenditures:				
Health and welfare	<u>69,957</u>	<u>69,903</u>	<u>57,672</u>	<u>12,231</u>
Net Change in Fund Balance	2,714	9,768	3,438	(6,330)
Fund Balance - July 1	<u>9,864</u>	<u>9,864</u>	<u>9,864</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 12,578</u>	<u>\$ 19,632</u>	<u>\$ 13,302</u>	<u>\$ (6,330)</u>

CITY OF BERKLEY
Other Supplemental Information
Budgetary Comparison Schedule - Nonmajor Governmental Funds
Recreation Revolving
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
State-shared revenue and grants	\$ -	\$ 180,000	\$ 230,000	\$ 50,000
Charges for services	394,900	436,670	453,718	17,048
Investment earnings	2,200	20	16	(4)
Other revenue	10,000	42,000	60,097	18,097
Total Revenue	<u>407,100</u>	<u>658,690</u>	<u>743,831</u>	<u>85,141</u>
Expenditures:				
Current services:				
Recreation and culture	968,407	1,009,880	885,928	123,952
Capital Outlay	445,000	445,000	370,481	74,519
Total Expenditures	<u>1,413,407</u>	<u>1,454,880</u>	<u>1,256,409</u>	<u>198,471</u>
Excess of Expenditures over Revenue	(1,006,307)	(796,190)	(512,578)	283,612
Other Financing Sources:				
Transfers In	<u>450,000</u>	<u>830,000</u>	<u>515,000</u>	<u>(315,000)</u>
Net Change in Fund Balance	(556,307)	33,810	2,422	(31,388)
Fund Balance - July 1	<u>15,155</u>	<u>15,155</u>	<u>15,155</u>	<u>-</u>
Fund Balance - June 30	<u>\$ (541,152)</u>	<u>\$ 48,965</u>	<u>\$ 17,577</u>	<u>\$ (31,388)</u>

CITY OF BERKLEY
Other Supplemental Information
Budgetary Comparison Schedule - Nonmajor Governmental Funds
Eleven Mile Road Project Debt Service
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - July 1	<u>12,666</u>	<u>12,666</u>	<u>12,666</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 12,666</u>	<u>\$ 12,666</u>	<u>\$ 12,666</u>	<u>\$ -</u>

CITY OF BERKLEY
Other Supplemental Information
Budgetary Comparison Schedule - Nonmajor Governmental Funds
Court Projects
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Investment earnings	\$ 3,100	\$ 3,100	\$ 214	\$ (2,886)
Expenditures:				
General government	100	100	-	100
Excess of Expenditures over Revenue	3,000	3,000	214	(2,786)
Other Financing Uses:				
Transfer Out	(390,000)	(390,000)	(38,000)	352,000
Net Change in Fund Balance	(387,000)	(387,000)	(37,786)	349,214
Fund Balance - July 1	395,976	395,976	395,976	-
Fund Balance - June 30	\$ <u>8,976</u>	\$ <u>8,976</u>	\$ <u>358,190</u>	\$ <u>349,214</u>

CITY OF BERKLEY
Other Supplemental Information
Budgetary Comparison Schedule - Nonmajor Governmental Funds
Road Millage
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Property Taxes	\$ 1,231,060	\$ 1,231,060	\$ 1,228,653	\$ (2,407)
Investment earnings	3,850	3,850	6,159	2,309
Total Revenue	<u>1,234,910</u>	<u>1,234,910</u>	<u>1,234,812</u>	<u>(98)</u>
Expenditures:				
Capital Outlay	<u>1,150,000</u>	<u>1,150,000</u>	<u>359,136</u>	<u>790,864</u>
Net Change in Fund Balance	84,910	84,910	875,676	790,766
Fund Balance - July 1	<u>1,537,444</u>	<u>1,537,444</u>	<u>1,537,444</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 1,622,354</u>	<u>\$ 1,622,354</u>	<u>\$ 2,413,120</u>	<u>\$ 790,766</u>

CITY OF BERKLEY
Other Supplemental Information
Budgetary Comparison Schedule - Nonmajor Governmental Funds
Solid Waste Service
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Property Taxes	\$ 1,072,285	\$ 1,072,285	\$ 1,081,831	\$ 9,546
Charges for services	446,602	469,202	448,467	(20,735)
Investment earnings	1,650	1,000	996	(4)
Other revenue	13,500	13,500	10,652	(2,848)
Total Revenue	<u>1,534,037</u>	<u>1,555,987</u>	<u>1,541,946</u>	<u>(14,041)</u>
Expenditures:				
Public Works	<u>1,500,511</u>	<u>1,519,414</u>	<u>1,461,045</u>	<u>58,369</u>
Net Change in Fund Balance	33,526	36,573	80,901	44,328
Fund Balance - July 1	<u>156,436</u>	<u>156,436</u>	<u>156,436</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 189,962</u>	<u>\$ 193,009</u>	<u>\$ 237,337</u>	<u>\$ 44,328</u>

CITY OF BERKLEY
Other Supplemental Information
Budgetary Comparison Schedule - Nonmajor Governmental Funds
Sidewalk
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Special Assessments	\$ 200,000	\$ 200,000	\$ 258,769	\$ 58,769
Expenditures:				
Capital Outlay	410,000	410,000	369,413	40,587
Excess of Expenditures over Revenue	(210,000)	(210,000)	(110,644)	99,356
Other Financing Sources:				
Transfer In	210,000	210,000	240,000	30,000
Net Change in Fund Balance	-	-	129,356	129,356
Fund Balance - July 1	(117,245)	(117,245)	(117,245)	-
Fund Balance - June 30	\$ (117,245)	\$ (117,245)	\$ 12,111	\$ 129,356

CITY OF BERKLEY
Annual Comprehensive Financial Report
For the Year Ended June 30, 2022

Pension and Other Postemployment Benefits Funds

Public Safety Pension

The Public Safety Pension accumulates resources for pension benefit payments to qualified public safety employees.

Other Post Employment Benefits

The Other Postemployment Benefits Fund accumulated resources for future retiree health care payments to qualified retirees.

CITY OF BERKLEY
Other Supplemental Information
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Pension and Other Postemployment Benefits Funds		
	Public Safety	Other	Total
	Pension	Postemployment Benefits Fund	
ASSETS			
Cash and cash equivalents	\$ 1,108,362	\$ -	\$ 1,108,362
Investments:			
Municipal bonds	25,813	-	25,813
U.S. government agency securities	2,589,845	-	2,589,845
Common and preferred stock	10,708,307	-	10,708,307
Corporate bonds	2,614,235	-	2,614,235
Mortgage-backed securities	324,651	-	324,651
Mutual funds - Fixed income securities	1,652,285	-	1,652,285
Interest in pooled investments	-	6,680,695	6,680,695
Accrued interest receivable	79,455	-	79,455
Total Assets	19,102,953	6,680,695	25,783,648
LIABILITIES			
Accounts Payable	30,398	-	30,398
NET POSITION			
Restricted:			
Pension	19,072,555	-	19,072,555
Postemployment benefits other than pension	-	6,680,695	6,680,695
Total Net Position	\$ 19,072,555	\$ 6,680,695	\$ 25,753,250

CITY OF BERKLEY
Other Supplemental Information
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Pension and Other Postemployment Benefits Funds		
	Public Safety Pension	Other Postemployment Benefits Fund	Total
Additions			
Investment income(loss):			
Net increase in fair value of investments	\$ (3,448,733)	\$ (599,936)	\$ (4,048,669)
Net investment income	(3,448,733)	(599,936)	(4,048,669)
Contributions:			
Employer	1,303,500	738,812	2,042,312
Employee	60,012	-	60,012
Total contributions	1,363,512	738,812	2,102,324
Total Additions	(2,085,221)	138,876	(1,946,345)
Deductions			
Benefit payments	1,843,155	717,395	2,560,550
Administrative expenses	78,809	13,060	91,869
Total Deductions	1,921,964	730,455	2,652,419
Net Increase in Fiduciary Net Position	(4,007,185)	(591,579)	(4,598,764)
Net Position - Beginning of year	23,079,740	7,272,274	30,352,014
Net Position - End of year	\$ 19,072,555	\$ 6,680,695	\$ 25,753,250

STATISTICAL SECTION

City of Berkeley
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	As of June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities:										
Net investment in capital assets	\$ 9,546,904	\$ 10,490,391	\$ 11,765,355	\$ 12,605,508	\$ 12,566,628	\$ 12,991,485	\$ 13,045,304	\$ 14,370,876	\$ 17,716,646	\$ 18,244,394
Restricted	2,297,100	2,489,255	2,575,308	3,481,448	3,299,179	3,022,602	3,618,304	5,298,444	6,417,046	8,319,600
Unrestricted	1,605,022	1,571,278	(7,387,648)	(8,329,077)	(10,002,030)	(18,442,146)	(18,885,704)	(20,254,877)	(21,486,529)	(24,629,012)
Total Governmental Activities Net Position	\$ 13,449,026	\$ 14,550,924	\$ 6,953,015	\$ 7,757,879	\$ 5,863,777	\$ (2,428,059)	\$ (2,222,096)	\$ (585,557)	\$ 2,647,163	\$ 1,934,982
Business-type Activities:										
Net investment in capital assets	\$ 10,048,279	\$ 10,469,046	\$ 11,078,068	\$ 11,829,788	\$ 12,902,134	\$ 14,339,122	\$ 15,633,718	\$ 16,470,852	\$ 17,373,929	\$ 19,170,640
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	2,792,194	3,431,190	2,314,089	2,524,710	2,292,463	1,585,079	1,052,583	1,211,761	1,760,506	1,034,773
Total Business-type Activities Net Position	\$ 12,840,473	\$ 13,900,236	\$ 13,392,157	\$ 14,354,498	\$ 15,194,597	\$ 15,924,201	\$ 16,686,301	\$ 17,682,613	\$ 19,134,435	\$ 20,205,413
Primary Government:										
Net investment in capital assets	\$ 19,595,183	\$ 20,959,437	\$ 22,843,423	\$ 24,435,296	\$ 25,468,762	\$ 27,330,607	\$ 28,679,022	\$ 30,841,728	\$ 35,090,575	\$ 37,415,034
Restricted	2,297,100	2,489,255	2,575,308	3,481,448	3,299,179	3,022,602	3,618,304	5,298,444	6,417,046	8,319,600
Unrestricted	4,397,216	5,002,468	(5,073,559)	(5,804,367)	(7,709,567)	(16,857,067)	(17,833,121)	(19,043,116)	(19,726,023)	(23,594,239)
Total Primary Government Net Position	\$ 26,289,499	\$ 28,451,160	\$ 20,345,172	\$ 22,112,377	\$ 21,058,374	\$ 13,496,142	\$ 14,464,205	\$ 17,097,056	\$ 21,781,598	\$ 22,140,395

City of Berkeley
Changes in Governmental Activities Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	As of June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
General government	\$ 3,014,392	\$ 3,259,836	\$ 3,713,410	\$ 2,960,882	\$ 3,253,442	\$ 2,457,584	\$ 2,717,055	\$ 2,796,098	\$ 3,581,763	\$ 4,325,018
Public safety	4,693,881	4,824,914	5,108,392	5,827,300	6,537,971	5,502,213	6,153,144	5,883,336	4,712,094	8,721,090
Public works	3,033,044	3,303,767	3,710,743	3,263,194	3,961,969	4,169,167	4,307,344	4,327,550	4,556,860	4,316,306
Health and welfare	163,566	159,649	166,478	119,477	212,793	132,247	110,335	102,322	36,488	64,126
Recreation and culture	1,585,170	1,709,925	1,828,480	1,887,724	2,070,940	2,071,555	2,097,708	1,992,930	1,918,176	1,899,692
Interest on long-term debt	172,787	139,890	104,750	68,928	46,083	36,100	26,250	18,500	-	-
Total Governmental Activities expenses	12,662,840	13,397,981	14,632,253	14,127,505	16,083,198	14,368,866	15,411,836	15,120,736	14,805,381	19,326,232
Program Revenue:										
Charges for Services	2,837,661	3,062,151	3,057,180	2,367,271	2,599,640	2,845,944	3,079,982	2,660,224	2,498,465	3,173,417
Operating Grants and Contributions	1,171,642	1,264,242	1,612,680	1,850,630	1,385,111	1,621,962	1,726,321	1,702,719	2,613,999	1,920,792
Capital Grants and Contributions	420,556	199,272	249,360	240,677	30,933	73,692	1,343	-	-	521,806
Total Governmental program revenue	4,429,859	4,525,665	4,919,220	4,458,578	4,015,684	4,541,598	4,807,646	4,362,943	5,112,464	5,616,015
Net Governmental activities expense	(8,232,981)	(8,872,316)	(9,713,033)	(9,668,927)	(12,067,514)	(9,827,268)	(10,604,190)	(10,757,793)	(9,692,917)	(13,710,217)
General Revenue:										
Property Taxes	6,707,929	8,253,315	8,477,367	8,544,699	8,236,436	8,295,631	8,685,875	10,351,643	10,654,406	10,805,968
State-shared revenue	1,259,681	1,293,237	1,316,074	1,314,979	1,429,058	1,449,940	1,485,102	1,456,465	1,659,482	1,854,884
Unrestricted investment earnings	50,954	37,413	55,102	60,242	77,244	129,208	173,030	147,103	43,432	16,505
Other	387,005	390,249	459,510	553,871	430,674	781,620	466,146	439,121	568,317	320,679
Total governmental activities general revenues	8,405,569	9,974,214	10,308,053	10,473,791	10,173,412	10,656,399	10,810,153	12,394,332	12,925,637	12,998,036
Change in governmental activities net position	\$ 172,588	\$ 1,101,898	\$ 595,020	\$ 804,864	\$ (1,894,102)	\$ 829,131	\$ 205,963	\$ 1,636,539	\$ 3,232,720	\$ (712,181)

City of Berkeley
 Changes in Business-type Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	As of June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating Revenue:										
Charges for Services - Water/Sewer	\$ 5,562,758	\$ 5,592,326	\$ 5,729,719	\$ 6,285,422	\$ 6,296,971	\$ 6,683,811	\$ 6,717,244	\$ 6,915,755	\$ 7,146,772	\$ 7,333,257
Charges for Services - Arena	379,651	368,805	340,729	237,581	275,454	14,369	-	-	-	-
Total business-type operating revenue	5,942,409	5,961,131	6,070,448	6,523,003	6,572,425	6,698,180	6,717,244	6,915,755	7,146,772	7,333,257
Operation Expenses:										
Water/Sewer	4,503,819	4,568,046	4,874,414	5,214,208	5,762,885	5,721,616	5,991,515	5,944,829	5,702,556	6,268,860
Arena	398,498	388,811	392,804	387,124	138,126	52,870	73,980	157,113	-	-
Total business-type operating expenses	4,902,317	4,956,857	5,267,218	5,601,332	5,901,011	5,774,486	6,065,495	6,101,942	5,702,556	6,268,860
Net business-type operating income	1,040,092	1,004,274	803,230	921,671	671,414	923,694	651,749	813,813	1,444,216	1,064,397
Nonoperating Revenue:										
Unrestricted investment earnings	4,781	4,489	10,097	13,670	18,685	22,587	30,351	23,681	7,606	6,581
Other	-	-	275	-	150,000	30,000	80,000	158,818	-	-
Total business-type nonoperating revenue	4,781	4,489	10,372	13,670	168,685	52,587	110,351	182,499	7,606	6,581
Change in business-type net position	1,044,873	1,008,763	813,602	935,341	840,099	976,281	762,100	996,312	1,451,822	1,070,978
Change in net position, total primary government	\$ 1,217,461	\$ 2,110,661	\$ 1,408,622	\$ 1,740,205	\$ (1,054,003)	\$ 1,805,412	\$ 968,063	\$ 2,632,851	\$ 4,684,542	\$ 358,797

City of Berkeley
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	As of June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Nonspendable	\$ 284,329	\$ 317,474	\$ 291,749	\$ 327,691	\$ 305,101	\$ 203,072	\$ 1,302,781	\$ 1,246,313	\$ 334,280	\$ 336,586
Restricted	107,930	120,355	129,814	142,012	166,408	257,678	393,516	826,899	1,197,384	1,605,949
Assigned	325,000	5,000	-	-	-	1,791,139	351,237	447,244	996,194	878,557
Unassigned	2,438,647	2,741,075	3,103,391	3,909,081	4,646,335	3,979,977	4,601,416	3,940,515	2,575,826	1,885,606
Total General Fund	3,155,906	3,183,904	3,524,954	4,378,784	5,117,844	6,231,866	6,648,950	6,460,971	5,103,684	4,706,698
All Other Governmental Funds										
Nonspendable	138,276	80,536	24,361	19,707	15,485	16,607	8,258	236	40,997	17,708
Restricted	2,188,290	2,415,571	2,320,355	3,305,159	3,009,016	2,685,461	3,138,502	4,344,607	5,105,670	6,713,651
Committed	526,423	692,100	835,919	976,873	989,553	901,471	909,394	722,864	8,988	12,718
Assigned	606,723	700,423	774,901	800,592	709,313	721,710	671,893	400,238	395,976	370,301
Unassigned	-	-	-	-	(29,971)	-	-	-	(117,392)	-
Total All Other Governmental Funds	3,459,712	3,888,630	3,955,536	5,102,331	4,693,396	4,325,249	4,728,047	5,467,945	5,434,239	7,114,378
Total All Governmental Funds	\$ 6,615,618	\$ 7,072,534	\$ 7,480,490	\$ 9,481,115	\$ 9,811,240	\$ 10,557,115	\$ 11,376,997	\$ 11,928,916	\$ 10,537,923	\$ 11,821,076

City of Berkeley
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	As of June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue										
Local revenue	\$ 10,422,534	\$ 8,471,191	\$ 8,426,746	\$ 12,002,658	\$ 11,581,688	\$ 12,090,257	\$ 12,543,928	\$ 13,681,126	\$ 13,758,568	\$ 14,574,460
State revenue	93,077	252,716	250,488	2,918,786	2,599,706	2,957,014	3,154,981	3,069,271	3,392,458	3,967,182
Federal revenue	2,191,716	527,036	532,228	120,601	22,240	68,914	11,092	53,347	861,316	12,375
Total revenue	<u>12,707,327</u>	<u>9,250,943</u>	<u>9,209,462</u>	<u>15,042,045</u>	<u>14,203,634</u>	<u>15,116,185</u>	<u>15,710,001</u>	<u>16,803,744</u>	<u>18,012,342</u>	<u>18,554,017</u>
Expenditures:										
Current:										
General government	2,560,152	1,656,533	1,850,807	2,254,700	2,546,261	2,564,713	3,014,867	3,518,325	4,241,335	4,397,004
Public safety	4,525,013	4,769,957	4,983,298	4,668,617	5,170,198	4,928,196	5,156,993	5,313,236	5,637,089	5,829,779
Public works	2,869,767	2,466,667	2,883,083	3,123,736	3,470,559	4,154,574	3,685,816	3,815,701	3,608,516	3,488,114
Health and welfare	207,514	1,581,674	1,488,465	153,445	218,459	148,967	134,388	102,556	52,609	64,126
Recreation and culture	1,377,854	1,136,550	1,214,317	1,485,044	1,594,881	1,773,307	1,814,049	1,591,818	1,489,008	1,848,742
Debt Service:										
Principal	725,000	479,412	85,000	925,000	225,000	225,000	250,000	275,000	300,000	-
Interest	180,847	479,412	85,000	76,174	47,194	38,349	28,750	18,250	6,000	-
Capital Outlay	202,906	53,474	12,798	327,704	450,957	507,204	725,256	1,527,759	4,133,507	1,702,112
Total expenditures	<u>12,649,053</u>	<u>12,623,679</u>	<u>12,602,768</u>	<u>13,014,420</u>	<u>13,723,509</u>	<u>14,340,310</u>	<u>14,810,119</u>	<u>16,162,645</u>	<u>19,468,064</u>	<u>17,329,877</u>
Excess of Revenue over Expenditures	58,274	(3,372,736)	(3,393,306)	2,027,625	480,125	775,875	899,882	641,099	(1,455,722)	1,224,140
Other Financing Sources (Uses):										
Transfers In	155,963	-	-	555,034	189,916	570,000	630,000	749,921	938,500	973,000
Transfers Out	(229,278)	980,000	-	(582,034)	(339,916)	(600,000)	(710,000)	(947,607)	(938,500)	(973,000)
Other	-	(1,764,062)	(1,890,241)	-	-	-	-	108,506	64,729	59,013
Total other financing sources (uses)	<u>(73,315)</u>	<u>(784,062)</u>	<u>(1,890,241)</u>	<u>(27,000)</u>	<u>(150,000)</u>	<u>(30,000)</u>	<u>(80,000)</u>	<u>(89,180)</u>	<u>64,729</u>	<u>59,013</u>
Net Change in Fund Balances	(15,041)	(4,156,798)	(5,283,547)	2,000,625	330,125	745,875	819,882	551,919	(1,390,993)	1,283,153
Fund Balances - Beginning of year	6,630,499	6,615,458	7,072,534	7,480,490	9,481,115	9,811,240	10,557,115	11,376,997	11,928,916	10,537,923
Fund Balances - End of year	<u>\$ 6,615,458</u>	<u>\$ 2,458,660</u>	<u>\$ 1,788,987</u>	<u>\$ 9,481,115</u>	<u>\$ 9,811,240</u>	<u>\$ 10,557,115</u>	<u>\$ 11,376,997</u>	<u>\$ 11,928,916</u>	<u>\$ 10,537,923</u>	<u>\$ 11,821,076</u>
Debt Service as a percentage of noncapital expenditures	7.54%	6.70%	6.77%	7.89%	2.09%	2.07%	2.06%	2.15%	2.00%	-

City of Berkley
 Taxable Value and Estimated Actual Value of Taxable Property
 Last Ten Tax Years

Tax Year	Fiscal Year	Taxable Value by Property Type				Total Value	Tax Rate (mills)	Estimated Actual Value	Taxable Value as a % of Actual
		Residential	Commercial	Industrial	Personal Property				
2012	2013	388,105,590	51,050,170	889,120	13,992,940	454,037,820	14.4917	460,925,460	98.51%
2013	2014	397,730,420	50,439,440	849,760	14,900,060	463,919,680	17.5074	473,399,655	98.00%
2014	2015	410,885,648	50,207,950	816,550	11,907,130	473,817,278	17.5454	521,957,503	90.78%
2015	2016	429,367,950	51,202,520	831,010	12,626,360	494,027,840	16.9791	591,165,960	83.57%
2016	2017	444,824,760	51,074,430	795,420	12,251,880	508,946,490	15.8215	634,050,220	80.27%
2017	2018	470,165,800	51,766,210	817,790	12,972,020	535,721,820	15.1746	683,000,240	78.44%
2018	2019	503,477,610	53,456,860	707,960	13,749,000	571,391,430	14.9025	722,186,870	79.12%
2019	2020	534,781,150	55,499,230	828,050	14,150,420	605,258,850	16.8238	787,137,440	76.89%
2020	2021	562,563,170	58,179,770	843,750	14,896,210	636,482,900	16.5476	838,198,290	75.93%
2021	2022	589,237,040	60,710,000	852,840	16,728,530	667,528,410	15.9886	875,290,290	76.26%

Note: Under Michigan law, the revenue base is referred to as "Taxable Value". This amount represents Assessed limited for each property by the lower of 5% or inflation.

Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year.

Source: Oakland County Equalization

City of Berkley
Direct and Overlapping Property Tax Rates
Last Ten Tax Years

Tax Year	Millage Rates - City of Berkley								Overlapping Taxes Berkley Schools	
	City Operating	Public Safety	Sanitation	Community Promotions	Public Safety Pension	City Debt	Capital Projects (Roads)	Total direct taxes	Homestead	Non-Homestead
2012	6.3101	1.8927	1.8927	0.1075	2.5479	1.5481	-	14.2990	4.6967	22.6967
2013	6.3101	1.8927	1.8927	0.1101	2.6430	1.6431	-	14.4917	4.7167	22.7167
2014	9.3101	1.8927	1.8927	0.1078	2.7435	1.5606	-	17.5074	4.7367	22.7367
2015	9.2831	1.8872	1.8872	0.1055	2.7120	1.6704	-	17.5454	4.7353	22.7353
2016	9.1456	1.8592	1.8592	0.1012	2.4290	1.5849	-	16.9791	7.7269	25.7269
2017	8.9818	1.8259	1.8259	0.0982	2.5445	0.5452	-	15.8215	7.7148	25.7148
2018	8.7590	1.7806	1.7806	0.0933	2.2684	0.4927	-	15.1746	7.6993	25.6993
2019	8.5697	1.7421	1.7421	0.0875	2.2684	0.4927	-	14.9025	7.6843	25.3465
2020	8.4034	1.7083	1.7083	0.0826	2.4975	0.4625	1.9612	16.8238	6.6517	24.0366
2021	8.2436	1.6758	1.6758	0.0785	2.5000	0.4500	1.9239	16.5476	6.1038	24.1038
2022	8.0696	1.6404	1.6404	0.0749	2.6800	-	1.8833	15.9886	6.0524	24.0524

Note: Michigan law restricts the maximum millage that may be levied by the City without a vote of our residents, as follows:

General operating	8.0696
Public safety	1.6404
Sanitation	1.6404
Community promotions	0.0749

The public safety pension and debt millages noted in the table above are limited by law to the millage required to cover estimated eligible expenditures.

Source: Oakland County Equalization - Apportionment Reports
City of Berkley Treasury Department

<u>Royal Oak Schools</u>		<u>Oakland County</u>							<u>Downtown</u>
<u>Homestead</u>	<u>Non-Homestead</u>	<u>Oakland County</u>	<u>Oakland Intermediate Schools</u>	<u>Oakland Community College</u>	<u>Public Transportation Authority</u>	<u>State Education</u>	<u>HCMA</u>	<u>Zoo Authority</u>	<u>Development Authority</u>
7.7300	22.7100	4.4315	3.3690	1.5844	0.5900	6.0000	0.2146	0.1000	1.9217
7.7300	22.7100	4.1900	3.3690	1.5844	0.5900	6.0000	0.2146	0.1000	1.9217
7.7300	25.7300	4.1900	3.3690	1.5844	0.5900	6.0000	0.2146	0.1000	1.9217
7.1928	25.1928	4.1900	3.3690	1.5844	1.0000	6.0000	0.2146	0.1000	1.9217
7.3842	22.7466	4.3310	3.3633	1.5819	0.9998	6.0000	0.2146	0.0998	1.9217
7.2911	22.5797	4.0900	3.3633	1.5819	0.9998	6.0000	0.2146	0.0998	1.9217
6.6965	22.2263	4.0400	3.1113	1.5555	0.9863	6.0000	0.2140	0.0998	1.9217
6.6245	22.2160	4.0400	3.0863	1.5431	1.0000	6.0000	0.2129	0.0982	1.9084
6.0511	24.0511	4.0400	3.0605	1.5303	0.9927	6.0000	0.2117	0.0973	1.8776
6.2372	28.5804	4.0200	3.0362	1.5184	0.9851	6.0000	0.2104	0.0965	1.8676
5.3966	21.5366	4.0132	3.0110	1.5057	0.9765	6.0000	0.2089	0.0965	1.8225

City of Berkley
Principal Property Tax Payers
Current Year and Ten Years Ago

Taxpayer	2022 Taxable Value	% of total	2013 Taxable Value	% of total	2013 Rank
1 Consumers Energy	\$ 5,876,680	0.88%	\$ 2,362,900	0.52%	3
2 DHS Management	4,038,450	0.60%	2,785,430	0.61%	1
3 DTE Electric	3,634,130	0.54%	2,600,470	0.57%	2
4 Woodward Berkle LLC	2,079,490	0.31%	-	- %	N/A
5 814 Berkley LLC	2,024,040	0.30%	-	- %	N/A
6 Northwood Medical Limited Ptnrs.	1,784,860	0.27%	1,780,450	0.39%	4
7 Anusbigian LLC	1,448,560	0.22%	1,159,500	0.26%	8
8 Essco of Berkley LLC	1,428,780	0.21%	-	- %	N/A
9 BP Real Estate Inc	397,570	0.06%	-	- %	N/A
10 Capital Development Corp	1,076,730	0.16%	1,227,310	0.27%	6
2200 Berkley LLC	1,060,510	0.16%	-	- %	N/A
Berkley Twelve Associates II	-	- %	1,196,810	0.26%	7
Dynex Commercial Services	-	- %	1,468,060	0.32%	5
Winward Berkley Properties	-	- %	813,440	0.18%	9
Arbor Drugs	-	- %	769,920	0.17%	10
Total Taxable Value	\$ 24,849,800	3.71%	\$ 16,164,290	3.55%	

Source: Oakland County Equalization Department
City of Berkley Treasury Department

City of Berkeley
Property Tax Levies and Collections
Last Ten Fiscal Years

Tax Year	Fiscal Year Ended June 30	Total Levy	Current Collections(1)	Percent Collected	Delinquent Collections (2)	Total Tax Collections	Percent of Levy Collected
2012	2013	\$ 7,470,715	\$ 7,457,808	99.83%	\$ 11,657	\$ 7,469,465	99.98%
2013	2014	9,042,351	9,023,584	99.79%	16,973	9,040,557	99.98%
2014	2015	9,231,605	9,225,574	99.93%	5,111	9,230,685	99.99%
2015	2016	9,279,449	9,265,679	99.85%	9,786	9,275,465	99.96%
2016	2017	8,962,059	8,950,100	99.87%	11,959	8,962,059	100.00%
2017	2018	9,042,743	9,033,469	99.90%	9,274	9,042,743	100.00%
2018	2019	9,138,215	9,122,750	99.83%	15,465	9,138,215	100.00%
2019	2020	10,340,646	10,318,128	99.78%	22,518	10,340,646	100.00%
2020	2021	11,010,588	10,773,161	97.84%	237,427	11,010,588	100.00%
2021	2022	12,133,120	11,828,625	97.49%	296,941	12,125,566	99.94%

Source: Oakland County Settlement Document
City of Berkeley Accounting Records

(1) Represents collections through the final distribution of taxes, including delinquent real taxes purchased by the county

(2) Represents all collections after the final distribution date, through the current date

City of Berkeley
Ratios of Outstanding Debt
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities:										
General Obligation bonds	\$ 3,250,000	\$ 2,675,000	\$ 2,000,000	\$ 1,275,000	\$ 1,050,000	\$ 825,000	\$ 575,000	\$ 300,000	\$ -	\$ -
Installment purchase agreements	545,000	385,000	200,000	-	-	-	-	-	-	-
Total governmental activities debt	3,795,000	3,060,000	2,200,000	1,275,000	1,050,000	825,000	575,000	300,000	-	-
Business-type Activities:										
General Obligation bonds	5,030,519	4,627,609	4,214,602	3,798,436	3,341,323	2,890,818	2,431,167	1,960,800	1,479,711	986,951
Total debt of the government	\$ 8,825,519	\$ 7,687,609	\$ 6,414,602	\$ 5,073,436	\$ 4,391,323	\$ 3,715,818	\$ 3,006,167	\$ 2,260,800	\$ 1,479,711	\$ 986,951
Total taxable value (1)	\$ 454,037,820	\$ 463,919,680	\$ 473,817,278	\$ 494,027,840	\$ 508,946,490	\$ 535,721,820	\$ 571,391,430	\$ 605,258,850	\$ 636,482,900	\$ 667,528,410
Ratio of total debt to personal income	1.94%	1.66%	1.35%	1.03%	0.86%	0.69%	0.53%	0.37%	0.23%	0.15%
Total Population	15,253	15,253	15,089	15,135	15,272	15,239	15,269	15,513	15,194	15,238
Total debt per capita	\$ 579	\$ 504	\$ 425	\$ 335	\$ 288	\$ 244	\$ 197	\$ 146	\$ 97	\$ 65

(1) Personal income is not available

Source: Population information obtained from U.S. Census Bureau.
Taxable value obtained from Oakland County Equalization

City of Berkeley
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	UTGO City General Obligation Bonds	General Obligation Bonds Issued by County on Behalf of the City	Total General Obligation Debt	Taxable Values	Total General Bonded Debt as a Percentage of Taxable Value	Debt as a Percentage of Taxable Value	Population	Debt Per Capita
2013	3,250,000	5,030,519	8,280,519	454,037,820	0.72%	1.82%	15,253	543
2014	2,675,000	4,627,609	7,302,609	463,919,680	0.58%	1.57%	15,253	479
2015	2,000,000	4,214,602	6,214,602	473,817,278	0.42%	1.31%	15,089	412
2016	1,275,000	3,798,436	5,073,436	494,027,840	0.26%	1.03%	15,135	335
2017	1,050,000	3,341,323	4,391,323	508,946,490	0.21%	0.86%	15,272	288
2018	825,000	2,890,818	3,715,818	535,721,820	0.15%	0.69%	15,239	244
2019	575,000	2,431,167	3,006,167	571,391,430	0.10%	0.53%	15,269	197
2020	300,000	1,960,800	2,260,800	605,258,850	0.05%	0.37%	15,513	146
2021	-	1,479,711	1,479,711	636,482,900	0.00%	0.23%	15,194	97
2022	-	986,951	986,951	667,528,410	0.00%	0.15%	15,238	65

Source: SEMCOG
Tax Value - Oakland County Equalization

City of Berkley
Direct and Overlapping Governmental Activities Debt
June 30, 2022

Governmental unit	Debt Outstanding	Estimated % applicable	Estimated share of overlapping debt
Overlapping Debt:			
Berkley School District	\$ 47,345,000	54.32%	\$ 25,717,804
Royal Oak School District	41,955,000	44.00%	184,602
Oakland County	220,654,700	1.02%	2,250,678
Oakland Intermediate School District	41,070,000	1.02%	418,914
Oakland Intermediate School District	-	- %	-
Total Overlapping Debt			28,571,998
Direct City debt			-
Total Direct and Overlapping Debt			\$ 28,571,998

Source: Percentages obtained from Municipal Advisory Council of Michigan

The percentage of overlapping bonded debt applicable to each governmental unit is estimated using the taxable valuation of assessed property. Applicable percentages were estimated by determining the portion of each governmental unit's taxable property located within the boundaries of the City of Berkley and dividing it by that governmental unit's total taxable value.

City of Berkeley
 Legal Debt Margin
 Last Ten Fiscal Years

	As of June 30, 2022									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Calculation of debt limit:										
State equalized valuation	\$ 460,925,460	\$ 473,399,655	\$ 521,957,503	\$ 591,165,960	\$ 634,050,220	\$ 683,000,240	\$ 772,186,870	\$ 787,137,440	\$ 838,198,290	\$ 875,290,290
10% of taxable value	46,092,546	47,339,966	52,195,750	59,116,596	63,405,022	68,300,024	72,218,687	78,713,744	83,819,829	87,529,029
Calculation of debt subject to limit:										
Total debt (1)	8,825,519	7,687,609	6,414,602	5,073,436	4,391,323	3,715,818	3,006,167	2,260,800	1,479,711	986,953
Less: debt not subject to limit	-	-	-	-	-	-	-	-	-	-
State qualified debt issuance	-	-	-	-	-	-	-	-	-	-
Net debt subject to limit	8,825,519	7,687,609	6,414,602	5,073,436	4,391,323	3,715,818	3,006,167	2,260,800	1,479,711	986,953
Legal Debt Margin	\$ 37,267,027	\$ 39,652,357	\$ 45,781,148	\$ 54,043,160	\$ 59,013,699	\$ 64,584,206	\$ 69,212,520	\$ 76,452,944	\$ 82,340,118	\$ 86,542,076
Net debt subject to limit as % of debt limit	19.15%	16.24%	12.29%	8.58%	6.93%	5.44%	4.16%	2.87%	1.77%	1.13%

Source: Oakland County Equalization
 City annual financial statements

(1) All debt including PA 99 installment debt

City of Berkeley
 Legal Debt Margin
 PA 99 Debt Only
 Last Ten Fiscal Years

	As of June 30, 2022									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Calculation of debt limit:										
State equalized valuation	\$ 454,037,820	\$ 463,919,680	\$ 473,817,278	\$ 494,027,840	\$ 508,946,490	\$ 535,721,820	\$ 571,391,430	\$ 605,258,850	\$ 636,482,900	\$ 667,528,410
10% of taxable value	5,675,473	5,798,996	5,922,716	6,175,348	6,361,831	6,696,523	7,142,393	7,565,736	7,956,036	8,344,105
Calculation of debt subject to limit:										
Total debt	545,000	385,000	200,000	-	-	-	-	-	-	-
Less: debt not subject to limit	-	-	-	-	-	-	-	-	-	-
State qualified debt issuance	-	-	-	-	-	-	-	-	-	-
Net debt subject to limit	545,000	385,000	200,000	-	-	-	-	-	-	-
Legal Debt Margin	\$ 5,130,473	\$ 5,413,996	\$ 5,722,716	\$ 6,175,348	\$ 6,361,831	\$ 6,696,523	\$ 7,142,393	\$ 7,565,736	\$ 7,956,036	\$ 8,344,105
Net debt subject to limit as % of debt limit	9.60%	6.64%	3.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: City annual financial statements

City of Berkley
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year (1)	Water and Sewer		Net Revenue	Water and Sewer Debt Service			Coverage
	Fund Operating Revenue (2)	Less: Operating Expenses		Principal	Interest	Total	
2013	\$ 5,562,758	\$ 4,375,930	\$ 1,186,828	\$ 393,145	146,762	\$ 539,907	2.20%
2014	5,592,326	4,436,732	1,155,594	402,911	136,074	538,985	2.14%
2015	5,816,011	4,752,286	1,063,725	413,008	125,137	538,145	1.98%
2016	6,197,517	5,099,352	1,098,165	424,983	90,968	515,951	2.13%
2017	6,429,612	5,493,331	936,281	439,794	92,664	532,458	1.76%
2018	6,196,595	6,337,214	(140,619)	450,505	79,271	529,776	-0.27%
2019	6,170,042	5,485,593	(315,551)	459,651	69,706	529,357	-0.60%
2020	6,915,755	5,888,960	1,026,795	470,368	55,869	526,237	1.95%
2021	7,146,772	5,658,086	1,488,686	481,089	47,303	528,392	2.82%
2022	7,333,257	6,233,151	1,100,106	492,760	35,709	528,469	2.08%

Source: City of Berkley finance department.

(1) Debt starts in fiscal year 2004.

(2) Interest income is not included in operating revenue

City of Berkley
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ending Fiscal Year	Population	Median Household Income	Per Capita Personal Income	Unemployment Rate
2013	15,253	\$ 71,740	\$ 36,042	9.00%
2014	15,253	70,625	36,539	8.40%
2015	15,089	75,856	38,872	5.40%
2016	15,135	*	*	4.70%
2017	15,272	*	*	4.40%
2018	15,239	74,172	38,667	2.90%
2019	15,269	77,772	40,009	3.70%
2020	15,513	82,095	38,667	14.90%
2021	15,194	74,172	38,667	3.60%
2022	15,238	93,038	47,840	2.10%

Sources: Census
Homefacts.com
City-data.com
Areavibes.com
World Population Review
Incomebyzipcode.com

* Information not available

City of Berkley
Principal Employers
Current Year and Nine years Ago

Employer	Year Ended June 30, 2022			Year Ended June 30, 2013		
	Employees	Rank	Percentage of total (1)	Employees	Rank	Percentage of total
Berkley School District	720	1		567	1	15.03%
Westborn Market	170	2		100	4	2.65%
City of Berkley	78	3		69	5	1.83%
Crispelli's	80	4		57	6	1.51%
Green Lantern	75	5		-	-	-
Stantec	45	6		-	-	-
Vinsetta Garage	56	7		132	2	3.50%
Durst Lumber	29	8		27	9	0.72%
Berkley Common	24	9		-	-	-
24 Seconds	19	10		-	-	-
SHW Group	-	-		102	3	2.70%
The Doll Hospital & Toy Soldier Shop	-	-		50	7	1.33%
O'Mara's Restaurant	-	-		33	8	0.87%
Sila's Pizzeria	-	-		25	10	0.66%
Farina's Banquet Center	-	-		25	10	0.66%
NorthPointe Heart Center	-	-		25	10	0.66%
Total	<u>1,296</u>			<u>1,212</u>		

(1) Total number of all employees not available

Source: Berkley Finance Department
Southeast Michigan Council of Governments
(U.S. Census Bureau - Community Data)

City of Berkeley
Full-time Equivalent City Government Employees
Last Ten Fiscal Years

Department	As of June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City Manager	1.60	1.60	1.60	2.60	3.00	2.00	2.00	2.00	2.00	4.00
Communications	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Information Technology	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
City Clerk/Elections	1.60	1.60	1.60	1.60	2.00	2.00	2.00	2.00	2.00	2.00
Treasury	1.05	1.05	1.05	1.05	1.00	1.00	1.00	1.00	1.00	1.00
Finance	1.15	1.15	1.15	1.15	3.00	3.00	3.00	3.00	3.00	3.00
Public Safety	34.00	33.15	33.15	34.00	34.00	35.00	40.00	40.00	40.00	40.00
Building	0.95	0.95	0.95	0.95	2.00	3.00	3.00	3.00	3.00	3.00
Public Works (1)	5.98	6.15	5.83	5.73	12.00	12.00	8.00	8.00	8.00	8.00
Public Works Garage	0.52	0.15	0.56	0.60	1.00	2.00	1.00	1.00	1.00	1.00
Solid Waste	2.21	2.28	2.21	2.21	-	-	1.00	1.00	1.00	1.00
Water and Sewer	7.23	7.23	7.17	9.76	1.00	1.00	5.00	5.00	5.00	5.00
Parks and Recreation	3.70	3.45	4.70	4.05	5.00	5.00	5.00	5.00	5.00	5.00
Arena	1.30	1.55	1.30	0.95	-	-	-	-	-	-
Library	2.95	2.95	2.95	2.95	4.00	3.00	2.00	2.00	3.00	3.00
Court	6.00	6.00	-	-	-	-	-	-	-	-
Total	71.99	71.01	65.97	69.35	70.00	71.00	75.00	75.00	76.00	78.00

Source: City of Berkeley Finance department budget record

(1) Public works includes Major and Local Streets

City of Berkeley
Operating Indicators
Last Ten Fiscal Years

	As of June 30, 2022									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government:										
Registered Voters	12,191	12,349	12,295	12,527	12,719	12,353	12,774	13,182	13,268	13,259
Voters at Polls	6,846	1,578	3,214	1,664	7,383	2,318	6,598	3,555	2,441	1,850
Absentee Ballots	2,373	797	940	833	2,292	748	2,254	4,576	5,626	1,844
Percent Voting	76.00%	19.28%	33.79%	19.93%	76.07%	18.76%	69.30%	62.00%	60.80%	27.86%
Public Safety:										
Responses to Calls for Service	15,017	15,513	16,910	16,308	15,654	17,029	16,992	15,982	11,275	12,757
Motor Vehicle Accidents	367	410	404	360	394	377	370	385	233	292
Assaults	42	70	80	45	43	45	36	29	36	49
Burglary	26	21	22	37	12	14	10	4	3	9
Property Damage	43	30	45	25	27	45	17	43	17	10
Number of Arrests	849	829	1,113	1,295	1,199	1,120	978	498	450	655
Fire:										
Fire Incidents (1)	99	87	183	120	186	154	180	157	167	260
Fire Inspections Conducted	182	48	48	157	406	233	423	484	576	784
Medical Emergencies	766	890	894	849	838	842	879	912	850	929
Parks and Recreation:										
Youth Classes	90	94	90	94	88	85	95	24	52	68
Adult Classes	78	81	80	79	78	82	120	24	53	56
Youth Leagues	-	-	-	-	-	-	-	-	-	-
Adult Leagues	6	7	5	5	4	4	4	1	3	3
Summer Day Camp Participants	152	185	250	305	347	389	427	-	146	300
Senior Citizens Programs	23	25	25	27	24	28	45	10	10	42
Ice Arena:										
Number of Skaters enrolled	56	60	106	130	-	-	-	-	-	-
Hours of Ice Time Sold	1,880	1,624	1,470	1,500	-	-	-	-	-	-
Public Works:										
Water Purchased from SOCWA	50,361,900	48,465,200	45,348,400	51,593,000	54,613,400	51,661,800	54,203,700	47,761,000	47,488,300	48,486,404
Water Sold to Customers	51,600,700	49,783,200	46,240,200	46,216,000	47,797,400	47,124,100	44,495,600	42,367,500	44,670,200	41,913,600
Number of Meters	6,818	6,819	6,833	6,832	6,835	6,871	6,873	6,871	6,887	6,896
Library:										
Items Circulated	156,691	149,803	145,770	146,573	147,623	150,004	157,256	136,610	132,093	185,403
Circulation per Capita	10	10	10	10	10	10	11	9	9	12
Reference and Patron Assistance	12,779	13,687	14,440	14,351	13,769	12,839	12,710	8,174	10,500	5,106
Electronic Access	5,660	8,762	11,239	13,290	13,537	15,885	19,625	27,191	35,043	30,540
Registered Borrowers	8,063	7,960	7,991	7,826	7,454	7,396	6,368	6,475	6,541	6,178

City of Berkeley
Operating Indicators
Last Ten Fiscal Years

	As of June 30, 2022									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Materials Borrowed-Non-Residents	48,653	44,714	41,900	41,478	42,206	41,565	46,029	37,804	21,250	54,606
Materials Borrowed-Berkeley Resident	25,053	24,031	19,816	19,038	17,687	19,745	19,471	11,115	11,340	9,351
Number of Participants in Activities	4,017	4,189	6,536	4,260	5,507	5,942	5,959	4,425	2,546	2,836
Public Internet Sessions	31,231	30,530	32,111	31,264	19,763	16,906	16,108	11,573	47	6,018
Books Borrowed	128,686	106,455	99,365	99,178	99,499	96,383	89,209	70,692	53,907	124,317
Audio/Video/CD Borrowed	28,005	34,586	45	40,902	39,428	36,219	29,439	21,576	9,645	39,842
Library Visits*	-	-	-	-	118,263	116,217	111,901	75,323	2,947	65,247
Treasury:										
Summer Tax Bills Processed	3,858	3,592	3,564	3,495	3,423	3,360	3,360	3,355	3,378	3,378

*Category initiated FYE 2017

(1) Fire incident includes open burns and downed wires

City of Berkeley
Capital Asset Statistics
Last Ten Fiscal Years

Function/program	As of June 30, 2022									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government:										
Square footage of buildings:										
City Hall	17,481	17,481	17,481	17,481	17,481	17,481	17,481	17,481	17,481	17,481
Library	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Parks and Recreation	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200
Ice Arena	34,200	34,200	34,200	34,200	34,200	34,200	34,200	-	-	-
Public Safety	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Public Works	2,475	2,475	2,475	2,475	2,475	2,475	2,475	2,475	2,475	2,475
Public Safety:										
Fire Vehicles	2	2	2	2	2	2	2	2	3	3
Police Vehicles	15	15	15	15	15	16	16	17	17	22
Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Major Streets (miles)	16	16	16	16	16	16	16	16	16	18
Local Streets (miles)	36	36	36	36	36	36	36	36	36	36
Street Lights	750	750	720	720	720	720	720	720	720	723
Vehicles in City Fleet	41	41	41	40	40	40	40	40	40	40
Parks and Recreation:										
Parks	9	9	9	9	9	9	9	9	9	9
Park Land (Acres)	39	39	42	42	42	42	42	42	42	42
Baseball Fields	8	8	8	8	8	8	8	8	8	8
Ice Arena	1	1	1	1	1	1	1	-	-	-
Historical Museum	1	1	1	1	1	1	1	1	1	1
Tennis Courts	-	-	-	-	-	-	-	10	10	10
Water & Sewer										
Water Mains (Miles)	53	53	53	53	53	53	53	53	53	53
Sanitary Sewers (Miles)	56	56	56	56	69	69	69	69	69	71
Fire Hydrants	500	500	500	500	500	500	500	500	500	522

Sources: Berkeley Building Department - Square Footage
 Berkeley Public Safety - Capital Asset Information
 Berkeley Public Works - Capital Asset Information including Water/Sewer
 Berkeley Parks and Recreation - Program Information
 Berkeley Finance Department Fleet Information

