



City of Berkley



**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

COMPREHENSIVE ANNUAL FINANCIAL REPORT



City of Berkley, Michigan
For the Fiscal Year Ended June 30, 2019
as prepared by the Finance Department

City Council

Daniel Terbrack – Mayor

Steven W. Baker, Mayor Pro-Tempore
John (Jack) Blanchard
Bridget Dean

Ross Gavin
Dennis S. Hennen
Eileen Steadman

City Manager

Matthew Baumgarten

Finance Director

Mark Pollock

City of Berkley, Michigan

**Comprehensive Annual Financial Report
with Supplemental Information
June 30, 2019**

Introductory Section

List of Principal Officials	i
Letter of Transmittal	ii-v
GFOA Certificate of Achievement	vi
Organization Chart	vii
Fund Organization Chart	viii

Financial Section

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-8

Basic Financial Statements

Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10-11
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	12
Reconciliation of the Balance Sheet to the Statement of Net Position	13
Statement of Revenue, Expenditures, and Changes in Fund Balances	14
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	15
Proprietary Funds:	
Statement of Net Position	16
Statement of Revenue, Expenses, and Changes in Net Position	17
Statement of Cash Flows	18-19
Fiduciary Funds:	
Statement of Fiduciary Net Position	20
Statement of Changes in Fiduciary Net Position - Public Safety Pension Trust Fund	21
Notes to Financial Statements	22-51

Required Supplemental Information 52

Budgetary Comparison Schedule - General Fund	53-54
Budgetary Comparison Schedules - Major Special Revenue Funds	55-57
Schedule of Pension Investment Returns - Public Safety Pension Plan	58
Schedule of Changes in the Net Pension Liability and Related Ratios - Public Safety Pension Plan	59
Schedule of Pension Contributions - Public Safety Pension Plan	60
Schedule of Changes in the Net Pension Liability and Related Ratios - Municipal Employees' Retirement System of Michigan	61
Schedule of Pension Contributions - Municipal Employees' Retirement System of Michigan	62
Schedule of Changes in the Net OPEB Liability and Related Ratios	63
Schedule of OPEB Contributions	64
Note to Required Supplemental Information	65

Other Supplemental Information	66
Nonmajor Governmental Funds:	
Fund Descriptions	67
Combining Balance Sheet	68
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	69
Budgetary Comparison Schedules - Nonmajor Governmental Funds	70-74
Fiduciary Funds - Schedule of Changes in Assets and Liabilities	75
<u>Statistical Section</u>	76
Financial Trend Information	
Net Position by Component	77-78
Changes in Governmental Activities Net Position	79-80
Changes in Business-type Net Position	81-82
Fund Balances, Governmental Funds	83-84
Changes in Fund Balances, Governmental Funds	85-86
Revenue Capacity Information	
Taxable Value and Estimated Actual Value of Taxable Property	87
Direct and Overlapping Property Tax Rates	88-89
Principal Property Tax Payers	90
Property Tax Levies and Collections	91
Debt Capacity Information	
Ratios of Outstanding Debt	92-93
Ratios of General Bonded Debt Outstanding	94
Direct and Overlapping Governmental Activities Debt	95
Legal Debt Margin	96-97
Pledged-Revenue Coverage	98
Demographic and Economic Information	
Demographic and Economic Statistics	99
Principal Employers	100
Operating Information	
Full-Time Equivalent Government Employees	101
Operating Indicators	102-103
Capital Asset Statistics	104-105

City of Berkley, Michigan
List of City Officials
June 30, 2019



City Manager

Matthew BaumGarten, City Manager
Stan Lisica, Information Technology Coordinator
Jay Grossman, Communications Coordinator
Daniel Hill, Administrative Assistant

City Clerk

Annette Boucher, City Clerk
Gina Cipriani, Deputy City Clerk

Department of Public Works

Derrick L. Schueller, Director
Shawn Young, Deputy Director
Janis Laity, Executive Assistant

Finance/Treasury Department

Mark 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

Timothy McLean, Community Development Director
Kimberly Anderson, Department Clerk

Public Safety

Matthew Koehn, Chief
Mary Staron, Executive Assistant

City of Berkley
3338 Coolidge Highway, Berkley, MI 48072



"We Care"

Department of Finance & Treasury
248-658-3340 - Finance
248-658-3310 - Treasury
248-658-2301 - Fax

LETTER OF TRANSMITTAL

November 15, 2019

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Berkley for the fiscal year ending June 30, 2019.

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 Berkley remain above state and national averages. The median household income in Berkley is just over \$77,772 per incomebyzipcode.com. The per capita income is just over \$40,009. The median home value in September 2019 according to zillow.com is \$223,200; the median gross rents are \$1,450/month. The average taxable value in the City as determined by the City Finance Department is \$77,264. 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 Berkley will maintain a level population of approximately 15,000 people through 2045. As of 2019, the population of the City of Berkley is estimated at 15,425. As of 6/30/2019, the unemployment level within the City according to Home Facts is 3.3% which is under the State unemployment rate of 3.8% and the National average of 3.9%.

The City and surrounding area have a very diverse business community that employs residents in the region. Specifically, the City has the SHW Group, a global engineering firm within the City limits, along with the City of Berkley, Westborn Market, the Vinsetta Garage restaurant, Crispelli's restaurant, the Berkley School District and satellite medical services from Beaumont Hospital. Regionally, the main campus of Beaumont Hospital is just outside the City limit.

The City's tax base declined 13.51% from July 1, 2009 through June 30, 2012 with the largest decline occurring in July 2010 at 6.8%. Tax-base constriction continued at a lesser extent, with a 2.38% decline in July 2012. In July 2013 the City saw its tax base rebound with a 2.23% overall taxable value increase. Since 2013, the City's taxable value has continued to increase 2.13%, 4.3%, 3%, 5.2%, and 6.6% respectively for 2014, 2015, 2016, 2017, and 2018 tax years. 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.

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 \$1.56 million for City operation net of tax increment capture for FY 2018/19. It is anticipated that State Shared Revenues now and into the future will remain steady and increase at a very slow rate.

The City's debt has decreased significantly over the years with only one governmental activities bond remaining. The outstanding balance on the debt is \$575,000. The business type activities debt outstanding are all obligations with Oakland County related to improvements with the George W Kuhn Drains.

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 closed certain non-union and public works employee pension divisions from new hires. New hires receive lower pension multiplier benefits in these new groups. All non-union and 7/1/2005 new hires at Public Works must contribute towards their 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.

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

This Comprehensive Annual 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 Plante and Moran, 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, MPA
City Manager


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 Comprehensive Annual
Financial Report
for the Fiscal Year Ended

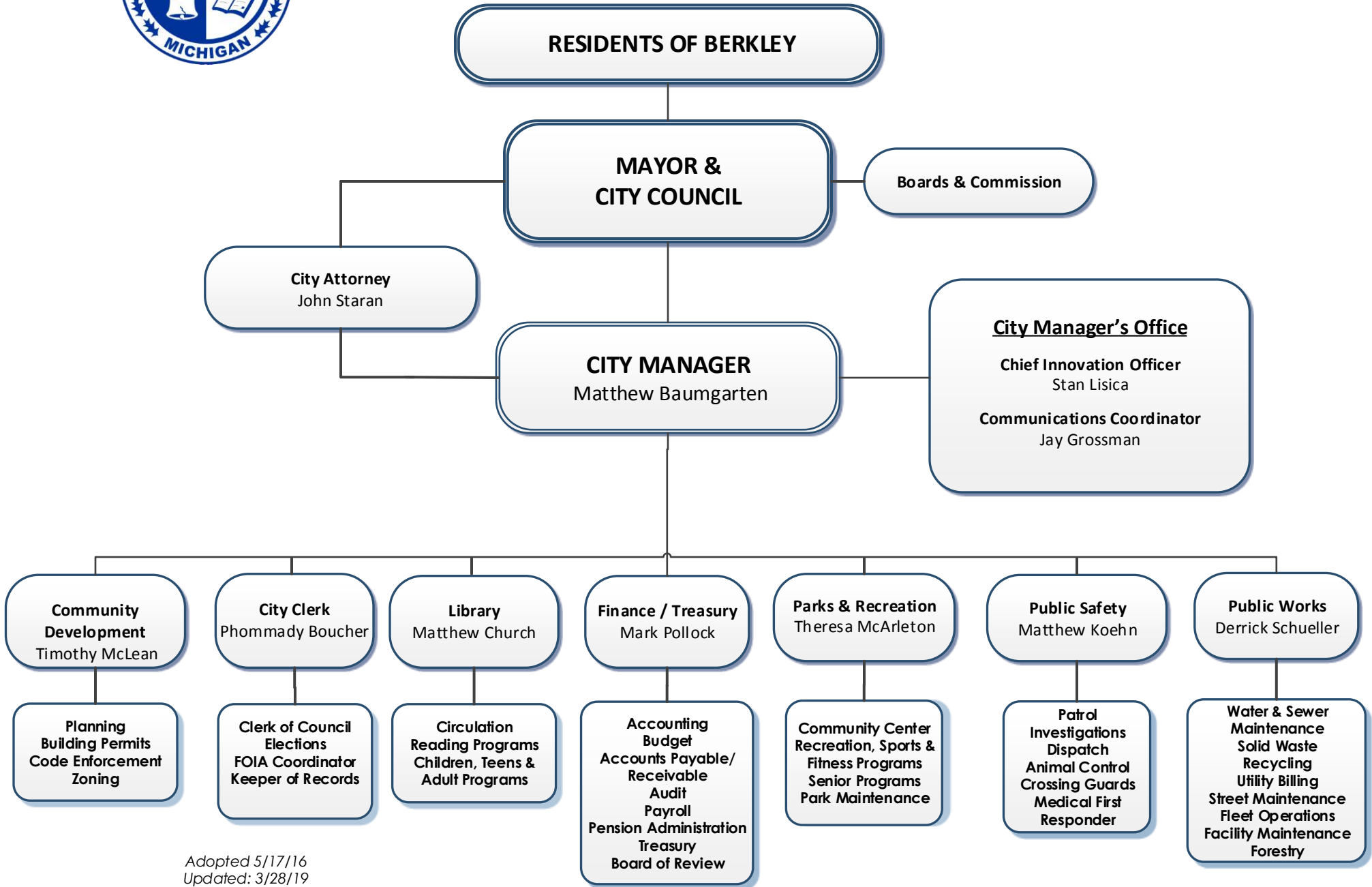
June 30, 2018

Christopher P. Morill

Executive Director/CEO



City of Berkeley



Adopted 5/17/16
Updated: 3/28/19

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

Debt Funds

2006 Eleven Mile Road Debt

Capital Projects

Capital Projects Fund

PROPRIETARY FUNDS

Ice Arena

Water and Sewer

Fringe Benefits/Compensated Absences

FIDUCIARY - PENSION TRUST FUND

Public Safety Pension System

FIDUCIARY - AGENCY FUNDS

General Agency - Trust Fund

General Agency - Tax Collection Fund

COMPONENT UNIT

Downtown Development Authority

Independent Auditor's Report

To the City Council
City of Berkley, Michigan

Report on the Financial Statements

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 (the "City") as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the City of Berkley, Michigan's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective net position 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 June 30, 2019 and the respective changes in its net position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the City Council
City of Berkley, Michigan

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Berkley, Michigan's basic financial statements. The other supplemental information, as identified in the table of contents, the introductory section, and the statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

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



November 15, 2019

As management of the City of Berkley, Michigan (the "City"), we offer readers this narrative overview and analysis of the financial activities for the year ended June 30, 2019.

Financial Highlights

- Property tax values increased (6.7 percent or \$35.6 million) for the July 1, 2018 tax collection season that funds fiscal year 2018-2019; however, this is offset by a Headlee reduction factor to many of the City's millages. This is the fifth straight year that the City has experienced an overall increase in its taxable value. Last fiscal year, taxable values increased 5.3 percent, or approximately \$27 million.
- Constitutional and city, village, and township (CVT) revenue-sharing payments, the City's second largest revenue source, increased by \$56,089, or 3.9 percent, in fiscal year 2018-2019, as compared to fiscal year 2017-2018.
- To offset the loss of revenue and to 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 \$2.8224 per thousand tax value for the July 2018 tax levy in accordance with the State's Headlee amendment. This tax levy generated approximately \$1.5 million (net of tax increment finance capture) for fiscal year 2018-2019.
- The City continued to maintain the structural integrity of its water mains and sewer system by investing approximately \$1.5 million in water and sewer improvements in fiscal year 2018-2019. Improvements included sewer lining, meters, and construction progress on the Harvard Street reconstruction project.
- The City also continued to invest in its general infrastructure with over \$1,993,000 worth of capital improvements performed in fiscal year 2018-2019. Improvements included major and local street improvements, department of public works equipment and police vehicles, and the Harvard Street reconstruction project.
- For the 19th consecutive year, the City invested in the library collection. The library purchased \$63,697 in new reading and rental materials.
- The City's estimated total other postemployment benefit (OPEB) liability as of June 30, 2019 is \$19,281,920. The City currently has \$5,403,052 of investments held in trust with Municipal Employees' Retirement System (MERS), which leaves a net unfunded OPEB liability of \$13,878,868, meaning the plan is 28.02 percent funded. The City paid \$878,125 on a pay-as-you-go basis, including an implicit rate subsidy 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, as well as 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, 2019 and 2018:

The City's Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current assets	\$ 13,074,901	\$ 11,653,733	\$ 4,676,999	\$ 4,622,401	\$ 17,751,900	\$ 16,276,134
Capital assets	13,620,304	13,816,485	18,064,886	17,229,941	31,685,190	31,046,426
Total assets	26,695,205	25,470,218	22,741,885	21,852,342	49,437,090	47,322,560
Deferred Outflows	2,428,846	538,244	314,086	41,702	2,742,932	579,946
Liabilities						
Current liabilities	1,171,441	578,100	748,143	443,862	1,919,584	1,021,962
Long-term liabilities	29,311,276	26,679,119	5,513,218	5,441,623	34,824,494	32,120,742
Total liabilities	30,482,717	27,257,219	6,261,361	5,885,485	36,744,078	33,142,704
Deferred Inflows	863,430	1,179,302	108,309	84,358	971,739	1,263,660
Net Position						
Net investment in capital assets	13,045,304	12,991,485	15,633,718	14,339,122	28,679,022	27,330,607
Restricted	3,618,304	3,022,602	-	-	3,618,304	3,022,602
Unrestricted	(18,885,704)	(18,442,146)	1,052,583	1,585,079	(17,833,121)	(16,857,067)
Total net position	\$ (2,222,096)	\$ (2,428,059)	\$ 16,686,301	\$ 15,924,201	\$ 14,464,205	\$ 13,496,142

The City's combined total net position increased 7.17 percent from a year ago - increasing from \$13.5 million to \$14.4 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) decreased 5.8 percent at June 30, 2019, from \$(16.9) million to \$(17.8) million. This decrease is due to the increase in noncurrent liabilities related to OPEB after the adoption of GASB Statement No. 75 in 2018.

The governmental activities unrestricted net position decreased by approximately \$443,000. Analyzing this further, this decrease is due to the increase in noncurrent liabilities related to OPEB after the adoption of GASB Statement No. 75 in 2018; however, the majority of the governmental funds experienced revenue exceeding expenses, which also attributed to an increase in the unrestricted fund balance.

The unrestricted net position for business-type activities saw a decrease of approximately \$532,000, and the investment in capital assets increased by approximately \$1.29 million.

In reviewing the City's net position of governmental activities, the net investment in capital assets increased approximately \$54,000 due to the recognition of approximately \$1.16 million in depreciation expense in 2019 that was partially offset by asset additions of approximately \$996,000.

City of Berkley, Michigan

Management's Discussion and Analysis (Continued)

The following table shows the changes in net position during the years ended June 30, 2019 and 2018:

The City's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenue						
Program revenue:						
Charges for services	\$ 3,079,982	\$ 2,845,944	\$ 6,717,244	\$ 6,676,848	\$ 9,797,226	\$ 9,522,792
Operating grants and contributions	1,726,321	1,621,962	-	21,332	1,726,321	1,643,294
Capital grants and contributions	1,343	73,692	-	-	1,343	73,692
General revenue:						
Property taxes	8,685,875	8,295,631	-	-	8,685,875	8,295,631
State-shared revenue	1,485,102	1,449,940	-	-	1,485,102	1,449,940
Unrestricted investment earnings	173,030	129,208	30,351	22,587	203,381	151,795
Other revenue:						
Franchise fees	323,983	343,945	-	-	323,983	343,945
Other revenue	222,163	467,675	-	-	222,163	467,675
Total revenue	15,697,799	15,227,997	6,747,595	6,720,767	22,445,394	21,948,764
Expenses						
General government	2,717,055	2,457,286	-	-	2,717,055	2,457,286
Public safety	6,153,144	5,502,213	-	-	6,153,144	5,502,213
Public works	4,307,344	4,169,167	-	-	4,307,344	4,169,167
Health and welfare	110,335	132,247	-	-	110,335	132,247
Recreation and culture	2,097,708	2,071,853	-	-	2,097,708	2,071,853
Interest on long-term debt	26,250	36,100	-	-	26,250	36,100
Water and Sewer	-	-	5,991,515	5,721,616	5,991,515	5,721,616
Arena	-	-	73,980	52,870	73,980	52,870
Total expenses	15,411,836	14,368,866	6,065,495	5,774,486	21,477,331	20,143,352
Transfers	(80,000)	(30,000)	80,000	30,000	-	-
Change in Net Position	205,963	829,131	762,100	976,281	968,063	1,805,412
Net Position - Beginning of year	(2,428,059)	(3,257,190)	15,924,201	14,947,920	13,496,142	11,690,730
Net Position - End of year	\$ (2,222,096)	\$ (2,428,059)	\$ 16,686,301	\$ 15,924,201	\$ 14,464,205	\$ 13,496,142

Governmental Activities

Overall, the net position for governmental activities increased by approximately \$206,000 in fiscal year 2018-2019 as compared to an increase of approximately \$829,000 in fiscal year 2017-2018. This is due to the adoption and implementation of GASB Statement No. 75 and the way in which the OPEB liability is measured. In the current fiscal year, the net OPEB liability decreased by \$159,000.

Business-type Activities

The City's business-type activities include water and sewer and ice arena 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. In prior years, the City also operated an ice arena; however, in October 2016 the arena became nonoperational due to severe building and equipment issues. Total net position for all business-type activities increased approximately \$762,000 in fiscal year 2018-2019. Activity remained relatively consistent with the prior year.

The City of Berkley, Michigan's Funds

The City of Berkley, Michigan's major fund financial statements are on pages 12 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, 2019 include the General Fund, Major Streets Fund, Local Streets fund, and the Solid Waste Service Fund.

The General Fund pays for most of the City's governmental services. The General Fund recorded \$10.9 million in expenses to provide city service and purchase capital equipment in fiscal year 2018-2019. When adding in operating transfers to other funds, the total General Fund expenditures for the fiscal year were approximately \$11.2 million. The most significant of these costs is public safety (police and fire), which incurred expenses of approximately \$5.2 million within the General Fund. Public safety expenses are 47.5 percent of the total General Fund expenses. The City ended the fiscal year with a surplus of approximately \$400,000, but a fire truck was purchased in advance of delivery for approximately \$998,000, and \$843,600 of capital that was not purchased during the fiscal year was carried forward and amended to the 2019-2020 budget year. The budgeted deficit for 2019-2020 is estimated to be \$1,258,000.

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). During the 2018-2019 fiscal year, expenditures recorded in the General Fund directly related to the public safety millages amounted to approximately \$2.25 million. The remaining cost of the police and fire protection is funded by other general revenue sources of the General Fund.

In the City's Solid Waste Service Fund, the City spent \$1.53 million to collect and dispose of the City's solid waste, recyclables, and leaves in fiscal year 2018-2019. In addition to property taxes collected of approximately \$977,000, the fund also recorded approximately \$402,000 in charges for service. This means that the City had to utilize over \$129,000 of the \$463,000 fund balance to balance the fiscal year. As of July 1, 2019, only \$334,000 remains in the Solid Waste Service fund balance.

The Recreation Revolving Fund recorded approximately \$953,200 in operating and capital expenses. Recreational program revenue received amounted to approximately \$597,000, and the fund received support of \$350,000 and \$100,000 from the General Fund and Seniors' Program Fund, respectively. This program revenue supported each individual recreation program offered throughout the fiscal year, as well as to pay for closure costs related to the ice arena. In turn, the fund balance of the Recreation Revolving Fund increased by approximately \$93,400 for the fiscal year.

General Fund Budgetary Highlights

Over the course of the year, the City amended various operating budgets to address unexpected operating events throughout the year. The total amount of revenue appropriation in the General Fund was amended up from the original budget of \$11.3 million to \$11.5 million, which was the final amended budget amount. When comparing the City's General Fund revenue appropriation to actual revenue received, the actual revenue received is 100.8 percent of the amended revenue appropriation, or \$11.6 million.

The General Fund expenditure appropriation adjustment was approximately a \$279,000 increase when comparing the City's General Fund original expenditure appropriation and the final amended expenditure appropriation. When comparing the City's General Fund amended expenditure appropriation to actual expenditures, the City spent 87.3 percent of the total appropriation, or \$10.8 million. This resulted in an operating surplus of \$417,000. Many capital items (including a fire truck that was prepaid for \$998,000) were carried forward to the next fiscal year and amended early in the 2019-2020 fiscal year. The City Council has committed to reducing OPEB liabilities whenever feasible with supplemental payments, so there were two large payments applied to the 2018-2019 fiscal year for retiree pension and retiree health care that were made after the fiscal year ended totaling \$480,000. Those amounts were unknown prior to the last budget amendments; therefore, they were not amended in the final budget, which made the benefits department exceed budget by \$464,000. The only other department that exceeded its appropriation was the building department, which had a significant change in inspection services and was extremely active with building permits. All other General Fund expenditures were under final budget appropriation.

Capital Assets and Debt Administration

At the end of fiscal year 2019, the City had a net book value of approximately \$31.7 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 various major and local streets throughout the City, new water meters, sidewalks, patrol cars, various public works equipment, 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.

The governmental activities long-term bond obligation is down to one road bond with an outstanding balance of \$575,000. The business-type debt all resides with the Water and Sewer Fund. Total bond obligations for the Water and Sewer Fund is down approximately \$460,000 from fiscal year 2017-2018 to approximately \$2,431,000 in fiscal year 2018-2019.

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 anticipates a 5.9 percent increase in property taxable value within the City of Berkley, Michigan for the July 2019 tax year (fiscal year 2019-2020). The effects of the Headlee reduction factor reduce the anticipated operating and public safety tax revenue from the taxable value increase of 5.9 percent down to an anticipated increase in property tax revenue of only 3.8 percent.

It is anticipated that the State of Michigan will not significantly decrease state-shared revenue payments to local governments. Finance department financial forecasts in this area project a 2.6 percent state-shared revenue decrease in fiscal year 2019-2020 from 2018-2019 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 \$2.8224 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 2018-2019 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 \$2.8224 per thousand taxable value to \$2.7614 per thousand taxable value in fiscal year 2019-2020.

The voters approved a Capital Improvement millage for road repair and replacement of up to 2 mills in November 2018. The millage was rolled back by Headlee to 1.9612 for the first levy in 2019. Beginning in the spring of 2020, the City will begin 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 63.7 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, Harvard Street reconstruction, and water and sewer improvements and lining. Capital is budgeted to be 10.4 percent of the General Fund budget.

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 intended to provide a general overview of the City's finances and demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the city manager or the city finance director.

June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 3)	\$ 10,724,240	\$ 1,836,385	\$ 12,560,625	\$ 222,225
Receivables:				
Taxes	36,876	-	36,876	8,939
Customers	169,118	2,840,614	3,009,732	-
Other governmental units	833,628	-	833,628	-
Inventories	84,373	-	84,373	-
Prepaid costs	1,226,666	-	1,226,666	-
Capital assets: (Note 4)				
Assets not subject to depreciation	604,750	13,795	618,545	-
Assets subject to depreciation - Net	13,015,554	18,051,091	31,066,645	-
Total assets	26,695,205	22,741,885	49,437,090	231,164
Deferred Outflows of Resources				
Deferred pension cost increases (Note 8)	2,404,293	313,063	2,717,356	-
Deferred OPEB cost increases (Note 9)	24,553	1,023	25,576	-
Total deferred outflows of resources	2,428,846	314,086	2,742,932	-
Liabilities				
Accounts payable	837,261	707,696	1,544,957	71,623
Due to other governmental units	-	1,104	1,104	-
Accrued liabilities and other	313,084	39,343	352,427	-
Unearned revenue	21,096	-	21,096	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 6)	182,971	64,470	247,441	-
Current portion of long-term debt (Note 6)	275,000	470,368	745,368	-
Due in more than one year:				
Compensated absences (Note 6)	531,349	-	531,349	-
Net pension liability (Note 8)	14,698,242	2,462,426	17,160,668	-
Net OPEB liability (Note 9)	13,323,714	555,154	13,878,868	-
Long-term debt - Net of current portion (Note 6)	300,000	1,960,800	2,260,800	-
Total liabilities	30,482,717	6,261,361	36,744,078	71,623
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 8)	229,729	81,904	311,633	-
Deferred OPEB cost reductions (Note 9)	633,701	26,405	660,106	-
Total deferred inflows of resources	863,430	108,309	971,739	-
Net Position				
Net investment in capital assets	13,045,304	15,633,718	28,679,022	-
Restricted:				
Streets	2,739,914	-	2,739,914	-
Public safety	282,322	-	282,322	-
Community development and promotion	89,409	-	89,409	-
Sanitation	415,005	-	415,005	-
Library	41,071	-	41,071	-
Debt service	50,583	-	50,583	-
Unrestricted	(18,885,704)	1,052,583	(17,833,121)	159,541
Total net position	\$ (2,222,096)	\$ 16,686,301	\$ 14,464,205	\$ 159,541

City of Berkley, Michigan

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,717,055	\$ 1,822,367	\$ 59,838	\$ -
Public safety	6,153,144	146,618	-	-
Public works	4,307,344	411,632	1,619,987	1,343
Health and welfare	110,335	-	7,857	-
Recreation and culture	2,097,708	699,365	38,639	-
Interest on long-term debt	26,250	-	-	-
Total governmental activities	15,411,836	3,079,982	1,726,321	1,343
Business-type activities:				
Water and Sewer	5,991,515	6,717,244	-	-
Arena	73,980	-	-	-
Total business-type activities	6,065,495	6,717,244	-	-
Total primary government	\$ 21,477,331	\$ 9,797,226	\$ 1,726,321	\$ 1,343
Component units - Downtown Development Authority	\$ 364,166	\$ -	\$ -	\$ -

General revenue:
 Property taxes
 Unrestricted state-shared revenue
 Unrestricted investment income
 Franchise fees
 Miscellaneous

Total general revenue

Transfers (Note 5)

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

Statement of Activities

Year Ended June 30, 2019

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (834,850)	\$ -	\$ (834,850)	\$ -
(6,006,526)	-	(6,006,526)	-
(2,274,382)	-	(2,274,382)	-
(102,478)	-	(102,478)	-
(1,359,704)	-	(1,359,704)	-
(26,250)	-	(26,250)	-
(10,604,190)	-	(10,604,190)	-
-	725,729	725,729	-
-	(73,980)	(73,980)	-
-	651,749	651,749	-
(10,604,190)	651,749	(9,952,441)	-
-	-	-	(364,166)
8,685,875	-	8,685,875	267,634
1,485,102	-	1,485,102	26,336
173,030	30,351	203,381	3,519
323,983	-	323,983	-
222,163	-	222,163	26,496
10,890,153	30,351	10,920,504	323,985
(80,000)	80,000	-	-
205,963	762,100	968,063	(40,181)
(2,428,059)	15,924,201	13,496,142	199,722
\$ (2,222,096)	\$ 16,686,301	\$ 14,464,205	\$ 159,541

Governmental Funds
Balance Sheet

June 30, 2019

	General Fund	Major Streets Fund	Local Streets Fund	Solid Waste Service Fund	Nonmajor Funds	Total Governmental Funds
Assets						
Cash and investments (Note 3)	\$ 5,716,307	\$ 1,559,920	\$ 1,000,720	\$ 287,474	\$ 1,718,348	\$ 10,282,769
Receivables:						
Taxes	6,731	-	-	27,303	2,842	36,876
Customers	24,947	-	-	144,171	-	169,118
Other governmental units	591,037	174,480	68,111	-	-	833,628
Inventories	76,115	-	-	8,258	-	84,373
Prepaid costs	1,226,666	-	-	-	-	1,226,666
Total assets	\$ 7,641,803	\$ 1,734,400	\$ 1,068,831	\$ 467,206	\$ 1,721,190	\$ 12,633,430
Liabilities						
Accounts payable	\$ 697,498	\$ 45,799	\$ 16,285	\$ 49,194	\$ 28,485	\$ 837,261
Accrued liabilities and other	287,305	1,201	32	3,007	15,789	307,334
Unearned revenue	1,086	-	-	-	20,010	21,096
Total liabilities	985,889	47,000	16,317	52,201	64,284	1,165,691
Deferred Inflows of Resources -						
Unavailable revenue	6,964	-	-	80,938	2,840	90,742
Fund Balances						
Nonspendable - Inventory and prepaid items	1,302,781	-	-	8,258	-	1,311,039
Restricted:						
Debt service	-	-	-	-	53,493	53,493
Streets	-	1,687,400	1,052,514	-	-	2,739,914
Community service	-	-	-	-	19,286	19,286
Solid waste service	-	-	-	325,809	-	325,809
Public safety	282,322	-	-	-	-	282,322
Library	41,071	-	-	-	-	41,071
Community promotion and development	70,123	-	-	-	-	70,123
Committed:						
Recreation	-	-	-	-	809,611	809,611
Seniors' program	-	-	-	-	99,783	99,783
Assigned:						
Subsequent year's budget	351,237	-	-	-	-	351,237
Capital improvement	-	-	-	-	671,893	671,893
Unassigned	4,601,416	-	-	-	-	4,601,416
Total fund balances	6,648,950	1,687,400	1,052,514	334,067	1,654,066	11,376,997
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,641,803	\$ 1,734,400	\$ 1,068,831	\$ 467,206	\$ 1,721,190	\$ 12,633,430

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2019

Fund Balances Reported in Governmental Funds	\$ 11,376,997
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	13,620,304
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	90,742
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(575,000)
Accrued interest is not due and payable in the current period and is not reported in the funds	(5,750)
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	(272,849)
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	(12,523,678)
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>(13,932,862)</u>
Net Position of Governmental Activities	<u><u>\$ (2,222,096)</u></u>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2019

	General Fund	Major Streets Fund	Local Streets Fund	Solid Waste Service Fund	Nonmajor Funds	Total Governmental Funds
Revenue						
Property taxes	\$ 7,432,243	\$ -	\$ -	\$ 977,001	\$ 276,631	\$ 8,685,875
Intergovernmental:						
Federal grants	3,235	-	-	-	7,857	11,092
State-shared revenue and grants	1,540,751	1,048,772	541,996	3,447	20,015	3,154,981
Charges for services	705,423	12,120	-	402,009	652,122	1,771,674
Fines and forfeitures	330,879	-	-	-	133	331,012
Licenses and permits	739,021	-	-	-	-	739,021
Investment earnings	112,361	16,953	11,187	7,181	20,033	167,715
Other revenue:						
Franchise fees	342,904	-	-	-	-	342,904
Other miscellaneous income	413,309	53,510	29,922	8,766	220	505,727
Total revenue	11,620,126	1,131,355	583,105	1,398,404	977,011	15,710,001
Expenditures						
Current services:						
General government	3,014,793	-	-	-	74	3,014,867
Public safety	5,156,993	-	-	-	-	5,156,993
Public works	1,021,656	472,914	663,962	1,527,284	-	3,685,816
Health and welfare	53,507	-	-	-	80,881	134,388
Recreation and culture	880,837	-	-	-	933,212	1,814,049
Capital outlay	725,256	-	-	-	-	725,256
Debt service	-	-	-	-	278,750	278,750
Total expenditures	10,853,042	472,914	663,962	1,527,284	1,292,917	14,810,119
Excess of Revenue Over (Under) Expenditures	767,084	658,441	(80,857)	(128,880)	(315,906)	899,882
Other Financing Sources (Uses)						
Transfers in (Note 5)	-	-	180,000	-	450,000	630,000
Transfers out (Note 5)	(350,000)	(180,000)	-	-	(180,000)	(710,000)
Total other financing (uses) sources	(350,000)	(180,000)	180,000	-	270,000	(80,000)
Net Change in Fund Balances	417,084	478,441	99,143	(128,880)	(45,906)	819,882
Fund Balances - Beginning of year	6,231,866	1,208,959	953,371	462,947	1,699,972	10,557,115
Fund Balances - End of year	\$ 6,648,950	\$ 1,687,400	\$ 1,052,514	\$ 334,067	\$ 1,654,066	\$ 11,376,997

Governmental Funds

**Reconciliation of the Statement of Revenue, Expenditures, and Changes in
Fund Balances to the Statement of Activities**

Year Ended June 30, 2019

Net Change in Fund Balances Reported in Governmental Funds	\$	819,882
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:</p>		
Capital outlay		995,920
Depreciation expense		(1,157,545)
Net book value of assets disposed of		(34,556)
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		3,273
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)		250,000
Interest expense is recognized in the government-wide statements as it accrues		2,500
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		(673,511)
Change in Net Position of Governmental Activities	\$	<u>205,963</u>

Proprietary Funds
Statement of Net Position

June 30, 2019

	Enterprise Funds			Governmental Activities
	Major Fund - Water and Sewer Fund	Nonmajor Fund - Arena Fund	Total	Internal Service Fund - Fringe Benefits Fund
Assets				
Current assets:				
Cash and investments (Note 3)	\$ 1,759,162	\$ 77,223	\$ 1,836,385	\$ 441,471
Receivables - Customer	2,840,614	-	2,840,614	-
Total current assets	4,599,776	77,223	4,676,999	441,471
Noncurrent assets -				
Capital assets: (Note 4)				
Assets not subject to depreciation	13,795	-	13,795	-
Assets subject to depreciation - Net	18,012,223	38,868	18,051,091	-
Total assets	22,625,794	116,091	22,741,885	441,471
Deferred Outflows of Resources				
Deferred pension cost increases (Note 8)	296,771	16,292	313,063	-
Deferred OPEB cost increases (Note 9)	1,023	-	1,023	-
Total deferred outflows of resources	297,794	16,292	314,086	-
Liabilities				
Current liabilities:				
Accounts payable	679,821	27,875	707,696	-
Due to other governmental units	1,104	-	1,104	-
Accrued liabilities and other	39,343	-	39,343	-
Compensated absences (Note 6)	64,470	-	64,470	182,971
Current portion of long-term debt (Note 6)	470,368	-	470,368	-
Total current liabilities	1,255,106	27,875	1,282,981	182,971
Noncurrent liabilities:				
Compensated absences (Note 6)	-	-	-	258,500
Net pension liability (Note 8)	2,363,615	98,811	2,462,426	-
Net OPEB liability (Note 9)	555,154	-	555,154	-
Long-term debt - Net of current portion (Note 6)	1,960,800	-	1,960,800	-
Total noncurrent liabilities	4,879,569	98,811	4,978,380	258,500
Total liabilities	6,134,675	126,686	6,261,361	441,471
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 8)	74,502	7,402	81,904	-
Deferred OPEB cost reductions (Note 9)	26,405	-	26,405	-
Total deferred inflows of resources	100,907	7,402	108,309	-
Net Position				
Net investment in capital assets	15,594,850	38,868	15,633,718	-
Unrestricted	1,093,156	(40,573)	1,052,583	-
Total net position	<u>\$ 16,688,006</u>	<u>\$ (1,705)</u>	<u>\$ 16,686,301</u>	<u>\$ -</u>

Proprietary Funds
Statement of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2019

	Enterprise Funds			Governmental Activities
	Major Fund - Water and Sewer Fund	Nonmajor Fund - Arena Fund	Total	Internal Service Fund - Fringe Benefits Fund
Operating Revenue				
Water and sewer charges	\$ 6,477,523	\$ -	\$ 6,477,523	\$ -
Property and equipment rental	24,324	-	24,324	-
Miscellaneous	215,397	-	215,397	-
Charges to other funds	-	-	-	15,206
Total operating revenue	6,717,244	-	6,717,244	15,206
Operating Expenses				
Water and sewer operations	5,105,290	-	5,105,290	-
Arena operations	-	58,812	58,812	-
Compensated absences	294,555	-	294,555	20,521
Depreciation	521,964	15,168	537,132	-
Total operating expenses	5,921,809	73,980	5,995,789	20,521
Operating Income (Loss)	795,435	(73,980)	721,455	(5,315)
Nonoperating Revenue (Expense)				
Investment income	30,140	211	30,351	5,315
Interest expense	(69,706)	-	(69,706)	-
Total nonoperating (expense) revenue	(39,566)	211	(39,355)	5,315
Transfers In (Note 5)	-	80,000	80,000	-
Change in Net Position	755,869	6,231	762,100	-
Net Position - Beginning of year	15,932,137	(7,936)	15,924,201	-
Net Position - End of year	\$ 16,688,006	\$ (1,705)	\$ 16,686,301	\$ -

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2019

	Enterprise Funds			Governmental Activities
	Major Fund - Water and Sewer Fund	Nonmajor Fund - Arena Fund	Total	Internal Service Fund - Fringe Benefits Fund
Cash Flows from Operating Activities				
Receipts from customers	\$ 6,630,985	\$ -	\$ 6,630,985	\$ -
Receipts from interfund services	-	-	-	15,206
Payments to suppliers	(4,169,754)	(36,881)	(4,206,635)	-
Payments to employees	(650,526)	-	(650,526)	(18,349)
Net cash provided by (used in) operating activities	1,810,705	(36,881)	1,773,824	(3,143)
Cash Flows Provided by Noncapital Financing Activities - Cash received from other funds	-	80,000	80,000	-
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(1,372,077)	-	(1,372,077)	-
Principal and interest paid on capital debt	(529,358)	-	(529,358)	-
Net cash used in capital and related financing activities	(1,901,435)	-	(1,901,435)	-
Cash Flows from Investing Activities				
Interest received on investments	30,140	211	30,351	5,315
Purchases of investment securities	(5,863)	-	(5,863)	-
Net cash provided by investing activities	24,277	211	24,488	5,315
Net (Decrease) Increase in Cash and Cash Equivalents	(66,453)	43,330	(23,123)	2,172
Cash and Cash Equivalents - Beginning of year	1,515,209	33,893	1,549,102	439,299
Cash and Cash Equivalents - End of year	\$ 1,448,756	\$ 77,223	\$ 1,525,979	\$ 441,471
Classification of Cash and Cash Equivalents				
Cash and investments	\$ 1,759,162	\$ 77,223	\$ 1,836,385	\$ 441,471
Investments	(310,406)	-	(310,406)	-
Total cash and cash equivalents	\$ 1,448,756	\$ 77,223	\$ 1,525,979	\$ 441,471

Proprietary Funds
Statement of Cash Flows (Continued)

Year Ended June 30, 2019

	Enterprise Funds			Governmental Activities
	Major Fund - Water and Sewer Fund	Nonmajor Fund - Arena Fund	Total	Internal Service Fund - Fringe Benefits Fund
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities				
Operating income (loss)	\$ 795,435	\$ (73,980)	\$ 721,455	\$ (5,315)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation and amortization	521,964	15,168	537,132	-
Changes in assets and liabilities:				
Receivables	(86,259)	-	(86,259)	-
Prepaid and other assets	11,555	-	11,555	-
Net pension and OPEB liabilities	(273,039)	(9,356)	(282,395)	-
Accounts payable	266,224	25,447	291,671	-
Accrued and other liabilities	574,825	5,840	580,665	2,172
Total adjustments	<u>1,015,270</u>	<u>37,099</u>	<u>1,052,369</u>	<u>2,172</u>
Net cash and cash equivalents provided by (used in) operating activities	<u>\$ 1,810,705</u>	<u>\$ (36,881)</u>	<u>\$ 1,773,824</u>	<u>\$ (3,143)</u>

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2019

	Public Safety Pension Trust Fund	Agency Fund
Assets		
Cash and investments (Note 3)	\$ 784,728	\$ 366,632
Investments: (Note 3)		
Municipal bonds	30,102	-
U.S. Treasury bonds	780,922	-
U.S government agency securities	1,300,113	-
Common and preferred stock	11,385,495	-
Corporate bonds	3,014,314	-
Mortgage-backed securities	148,727	-
Mutual funds - Fixed-income securities	1,370,612	-
Accrued interest	55,260	-
Total assets	18,870,273	\$ 366,632
Liabilities		
Accounts payable and other	44,566	\$ 2,315
Due to other governmental units	-	28,824
Cash bonds and deposits	-	335,493
Total liabilities	44,566	\$ 366,632
Net Position Restricted for Pensions	\$ 18,825,707	

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
Public Safety Pension Trust Fund

Year Ended June 30, 2019

Additions

Investment income (loss):	
Interest and dividends	\$ 593,617
Net increase in fair value of investments	473,327
Investment-related expenses	<u>(116,749)</u>
Net investment income	950,195
Contributions:	
Employer	774,630
Employee	<u>41,688</u>
Total contributions	<u>816,318</u>
Total additions	1,766,513

Deductions

Benefit payments	1,768,878
Administrative expenses	<u>65,541</u>
Total deductions	<u>1,834,419</u>

Net Decrease in Net Position

(67,906)

Net Position Restricted for Pensions - Beginning of year

18,893,613

Net Position Restricted for Pensions - End of year

\$ 18,825,707

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, 2019.

Discretely Presented Component Unit

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 to 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.

Accounting and Reporting Principles

The City follows accounting principles generally accepted in the United States of America (GAAP) 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 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 among 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.

Note 1 - Significant Accounting Policies (Continued)

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 as 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 healthcare-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 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.
- The Solid Waste Service Fund accounts for the activities of the City's sanitation system. Revenue in this fund is generated from a dedicated millage, as well as from charges to customers within the City for trash pickup.

Note 1 - Significant Accounting Policies (Continued)

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.

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 full 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 Trust Fund accumulates resources for pension benefit payments to qualified public safety employees.
- The agency fund accounts for assets held by the City in a trustee capacity or as an agent for individuals, organizations, or other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

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 at 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.

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.

Note 1 - Significant Accounting Policies (Continued)

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:

Capital Asset Class	Depreciable Life - Years
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

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 an "other financing source" 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 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 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.

Note 1 - Significant Accounting Policies (Continued)

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.

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 only exist 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 to either remove or revise a commitment.

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.

The City's 2018 property tax revenue was levied and collectible on July 1, 2018 and is recognized as revenue in the year ended June 30, 2019 when the proceeds of the levy are budgeted and available for the financing of operations. Uncollected (delinquent) personal property tax is recognized as a deferred inflow and is considered unavailable until collected. Delinquent personal property tax is recognized as revenue in the fiscal year of collection.

The 2018 taxable valuation of the City totaled \$571.4 million (a portion of which is captured by the DDA), on which taxes levied consisted of 10.3118 mills for operating and public safety purposes, 1.7421 mills for sanitation services, 0.0875 mills for community promotion, 2.2684 mills for public safety retirement benefits, and 0.4927 mills for debt service. This resulted in \$5.8 million for operating, \$1.0 million for sanitation services, \$49,000 for community promotion, \$1.3 million for public safety retirement benefits, and \$277,000 for debt service. These amounts are recognized in the respective General, special revenue, and debt service fund financial statements as tax revenue.

The DDA levied 1.9084 mills (a portion of which is captured by the DDA TIF), which resulted in approximately \$39,000 of tax revenue. The total tax increment finance capture from all eligible taxing units for the DDA amounted to approximately \$228,000, which is net of delinquent personal property taxes. These amounts are recorded as part of the DDA component unit.

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 pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from the pension plans' 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 healthcare 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 inflow 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 accumulate 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 the Water and Sewer Fund.

Note 1 - Significant Accounting Policies (Continued)

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 portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for these funds include the cost of sales or services, 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2020.

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2021.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement are effective for the City's financial statements for the June 30, 2021 fiscal year.

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, 2019 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 as adopted by the City Council is included in the required supplemental information.

During the year, the City incurred expenditures in the General Fund that were in excess of the amounts budgeted, as follows:

	Budget	Actual
General government - Inspection	\$ 521,978	\$ 554,974
General government - Insurance	430,088	893,666
Recreation and culture - Recreation	3,000	3,314

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:

Cumulative shortfall at July 1, 2018		\$ (1,264,671)
Current year permit revenue		370,866
Related expenses:		
Direct costs	\$ (554,973)	
Estimated indirect costs	(55,497)	(610,470)
Current year shortfall		(239,604)
Cumulative shortfall June 30, 2019		\$ (1,504,275)

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 loan 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 direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures not 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.

Note 3 - Deposits and Investments (Continued)

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 with Public Act 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 \$12,701,182 and \$222,225, 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.

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:

Investment	Fair Value	Weighted- average Maturity (Years)
Corporate bonds	\$ 3,014,314	5.78
Mutual funds - Fixed-income securities	1,370,612	6.86
Mortgage-backed securities	148,727	16.75
U.S. Treasury bonds	780,922	14.63
Municipal bonds	30,102	21.50
U.S. government agency securities	1,300,113	24.46
Oakland County Local Government Investment Pool	1,034,686	0.71
Total	\$ 7,679,476	

June 30, 2019

Note 3 - Deposits and Investments (Continued)

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, 2019, the credit quality ratings of debt securities are as follows:

	Fair Value	Rating	Rating Organization
U.S. government agency securities	\$ 1,300,113	Aaa	Moody's
Corporate bonds	262,032	A1	Moody's
Corporate bonds	597,628	A2	Moody's
Corporate bonds	1,061,773	A3	Moody's
Corporate bonds	66,167	Aa1	Moody's
Corporate bonds	52,459	Aa2	Moody's
Corporate bonds	40,845	Aa3	Moody's
Corporate bonds	143,093	Aaa	Moody's
Corporate bonds	30,326	Ba1	Moody's
Corporate bonds	540,710	Baa1	Moody's
Corporate bonds	190,088	Baa2	Moody's
Corporate bonds	29,193	Baa3	Moody's
Mortgage-backed securities	148,727	Aaa	Moody's
Municipal bonds	30,102	A2	Moody's
U.S. Treasury bonds	780,922	Aaa	Moody's
Total	<u>\$ 5,274,178</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; 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.

In instances whereby 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.

June 30, 2019

Note 3 - Deposits and Investments (Continued)

The City has the following recurring fair value measurements as of June 30, 2019:

	Assets Measured at Carrying Value on a Recurring Basis at June 30, 2019			
	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, 2018
U.S. government agency securities	\$ -	\$ 1,300,113	\$ -	\$ 1,300,113
Corporate bonds	-	3,014,314	-	3,014,314
ETF - Equity	2,513,131	-	-	2,513,131
Mortgage-backed securities	-	148,727	-	148,727
Municipal bonds	-	30,102	-	30,102
Mutual funds - Equity	1,081,884	-	-	1,081,884
Mutual funds - Fixed income	1,370,612	-	-	1,370,612
Mutual funds - Money market	409,441	-	-	409,441
Net pending trades	-	19,208	-	19,208
Stocks	7,771,272	-	-	7,771,272
U.S. Treasury bonds	780,922	-	-	780,922
Total investments by fair value level	\$ 13,927,262	\$ 4,512,464	\$ -	\$ 18,439,726

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, 2019 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.

Investments in Entities that Calculate Net Asset Value per Share

The City holds shares or interests in investment companies whereby 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, 2019, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Carrying Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Oakland County Local Government Investment Pool	\$ 1,034,686	\$ -	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.

June 30, 2019

Note 4 - Capital Assets

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

Governmental Activities

	Balance July 1, 2018	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2019
Capital assets not being depreciated:					
Land	\$ 573,611	\$ -	\$ -	\$ -	\$ 573,611
Construction in progress	159,029	(159,029)	31,139	-	31,139
Subtotal	732,640	(159,029)	31,139	-	604,750
Capital assets being depreciated:					
Roads and bridges	56,072,938	159,029	236,175	-	56,468,142
Buildings	6,878,816	-	-	-	6,878,816
Equipment and books	2,925,294	-	151,381	-	3,076,675
Vehicles	2,653,401	-	577,225	(129,533)	3,101,093
Subtotal	68,530,449	159,029	964,781	(129,533)	69,524,726
Accumulated depreciation:					
Roads and bridges	46,136,536	-	653,030	-	46,789,566
Buildings	5,246,514	-	151,086	-	5,397,600
Equipment and books	2,292,658	-	201,219	-	2,493,877
Vehicles	1,770,896	-	152,210	(94,977)	1,828,129
Subtotal	55,446,604	-	1,157,545	(94,977)	56,509,172
Net capital assets being depreciated	13,083,845	159,029	(192,764)	(34,556)	13,015,554
Net governmental activities capital assets	\$ 13,816,485	\$ -	\$ (161,625)	\$ (34,556)	\$ 13,620,304

June 30, 2019

Note 4 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2018	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2019
Capital assets not being depreciated:					
Land	\$ 13,795	\$ -	\$ -	\$ -	\$ 13,795
Construction in progress	15,793	(15,793)	-	-	-
Subtotal	29,588	(15,793)	-	-	13,795
Capital assets being depreciated:					
Water and sewer transmission lines	19,250,824	15,793	1,232,630	-	20,499,247
Buildings	1,027,090	-	-	-	1,027,090
Equipment	3,518,482	-	139,447	-	3,657,929
Land and building improvements	308,475	-	-	-	308,475
Subtotal	24,104,871	15,793	1,372,077	-	25,492,741
Accumulated depreciation:					
Water and sewer transmission lines	3,419,565	-	261,872	-	3,681,437
Buildings	981,559	-	4,194	-	985,753
Equipment	2,209,073	-	263,952	-	2,473,025
Land and building improvements	294,321	-	7,114	-	301,435
Subtotal	6,904,518	-	537,132	-	7,441,650
Net capital assets being depreciated	17,200,353	15,793	834,945	-	18,051,091
Net business-type activities capital assets	<u>\$ 17,229,941</u>	<u>\$ -</u>	<u>\$ 834,945</u>	<u>\$ -</u>	<u>\$ 18,064,886</u>

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

Governmental activities:	
General government	\$ 105,724
Public safety	155,340
Public works	745,300
Solid waste	12,188
Recreation and culture	138,993
Total governmental activities	<u>\$ 1,157,545</u>
Business-type activities:	
Water and sewer	\$ 521,964
Ice arena	15,168
Total business-type activities	<u>\$ 537,132</u>

June 30, 2019

Note 5 - Interfund Receivables, Payables, and Transfers

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor governmental fund	\$ 350,000
Major Streets Fund	Local Streets Fund	180,000
Nonmajor governmental fund	Nonmajor governmental fund	100,000
	Nonmajor enterprise fund	80,000
	Total nonmajor governmental fund	180,000
	Total	<u>\$ 710,000</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 Seniors' Program Fund (nonmajor governmental fund) to the Recreation Revolving Fund (nonmajor governmental fund) was approved by the City Council to support the activities of the receiving fund. The transfers from the Court Projects Fund and the Recreation Revolving Fund (nonmajor governmental funds) to the Arena Fund (nonmajor enterprise fund) was to fund predemolition work on the ice arena.

Note 6 - Long-term Debt

Long-term debt activity for the year ended June 30, 2019 can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
General obligation bonds - Other debt - 2006 General Obligation 11 Mile Road Bonds: Amount of issue - \$2,500,000 Maturing through 2021	4.00%	\$275,000 - \$300,000	\$ 825,000	\$ -	\$ (250,000)	\$ 575,000	\$ 275,000
Compensated absences			645,856	479,046	(410,582)	714,320	182,971
Total governmental activities long-term debt			<u>\$ 1,470,856</u>	<u>\$ 479,046</u>	<u>\$ (660,582)</u>	<u>\$ 1,289,320</u>	<u>\$ 457,971</u>

June 30, 2019

Note 6 - Long-term Debt (Continued)

Business-type Activities

	Interest Rate Ranges	Principal Maturity 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		\$67,072 -					
Maturing through 2022	2.50%	\$70,534	\$ 271,749	\$ -	\$ (65,498)	\$ 206,251	\$ 67,072
2001-C:							
Amount of issue - \$5,176,822		\$293,479 -					
Maturing through 2024	2.50%	\$324,025	1,828,893	-	(286,237)	1,542,656	293,480
2001-D:							
Amount of issue - \$199,641		\$7,872 -					
Maturing through 2024	2.50%	\$8,356	48,345	-	(7,557)	40,788	7,872
2000-B and 2001-E:							
Refinanced 2016							
Amount of issue - \$486,508	2.00% -	\$33,693 -					
Maturing through 2024	2.50%	\$67,702	338,510	-	(65,812)	272,698	66,757
2005-F:							
Amount of issue - \$103,573		\$4,798 -					
Maturing through 2026	1.625%	\$5,703	42,173	-	(4,798)	37,375	4,798
2006-G:							
Amount of issue - \$112,919		\$5,758 -					
Maturing through 2028	1.625%	\$6,398	61,099	-	(5,758)	55,341	5,758
2008-H:							
Amount of issue - \$491,662		\$24,631 -					
Maturing through 2029	2.50%	\$30,709	300,050	-	(23,991)	276,059	24,631
Total bond obligations			2,890,819	-	(459,651)	2,431,168	470,368
Compensated absences			55,301	64,814	(55,645)	64,470	64,470
Total business-type activities long-term debt			<u>\$ 2,946,120</u>	<u>\$ 64,814</u>	<u>\$ (515,296)</u>	<u>\$ 2,495,638</u>	<u>\$ 534,838</u>

General Obligation 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 both governmental and 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 the county are the result of the county issuance of bonds on the City's behalf. The City has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the obligations. Proceeds from the county bonds provided financing for the construction of the George G. Kuhn Drain. The remaining principal and interest to be paid on the bonds total \$2,629,913. During the current year, net revenue of the system was \$1,317,399 compared to the annual debt requirements of \$529,357.

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 and internal service funds. 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	Governmental Activities - Other Debt			Business-type Activities - Direct Borrowings and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 275,000	\$ 17,500	\$ 292,500	\$ 470,368	\$ 60,242	\$ 530,610
2021	300,000	6,000	306,000	481,089	48,948	530,037
2022	-	-	-	492,759	37,395	530,154
2023	-	-	-	398,933	25,564	424,497
2024	-	-	-	404,780	14,110	418,890
2025-2029	-	-	-	183,239	12,486	195,725
Total	\$ 575,000	\$ 23,500	\$ 598,500	\$ 2,431,168	\$ 198,745	\$ 2,629,913

Note 7 - 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.

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 (MERS) 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.

Note 8 - Pension Plans (Continued)

Public Safety Pension Plan

The City also administers the City of Berkley Public Safety Pension System (the "Public Safety Pension Plan"). This is a 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.

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 three 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, 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 three 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, 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.

Note 8 - Pension Plans (Continued)

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 three 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, age 60 with 6 years of service, or have a total of 25 years of service to obtain a pension benefit. This closed group pays 4 percent towards its pension benefit. There is a six-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 three 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 compensation. The member must be age 55 with 25 years of service or 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 three 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 three 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. The first officer hired on or after July 1, 2013 will be considered hired prior to July 1, 2013 for multiplier purposes only.

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.

Note 8 - Pension Plans (Continued)

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 the Option 1 election.

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	Public Safety Pension Plan
Date of member count	December 31, 2018	June 30, 2019
Inactive plan members or beneficiaries currently receiving benefits	74	50
Inactive plan members entitled to but not yet receiving benefits	43	2
Active plan members	39	28
Total employees covered by the plan	156	80

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.

Note 8 - Pension Plans (Continued)

For the year ended June 30, 2019, 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 40.35 percent of annual payroll and, for a nonunion eligible employee, it was 30.91 percent of annual payroll. Total contributions during the City's fiscal year were \$675,590.

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, 2019, the average active member contribution rate was 0.0 percent of annual pay, and the City's average contribution rate was 37.14 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, 2018	June 30, 2019
Based on a comprehensive actuarial valuation as of	December 31, 2018	June 30, 2018

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

General Employees' Defined Benefit Pension Plan

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2017	\$ 21,059,236	\$ 12,143,811	\$ 8,915,425
Changes for the year:			
Service cost	232,498	-	232,498
Interest	1,623,192	-	1,623,192
Differences between expected and actual experience	(388,478)	-	(388,478)
Contributions - Employer	-	437,618	(437,618)
Contributions - Employee	-	74,880	(74,880)
Net investment income	-	(429,097)	429,097
Benefit payments, including refunds	(1,771,161)	(1,771,161)	-
Administrative expenses	-	(22,404)	22,404
Net changes	(303,949)	(1,710,164)	1,406,215
Balance at December 31, 2018	\$ 20,755,287	\$ 10,433,647	\$ 10,321,640

The plan's fiduciary net position represents 50.3 percent of the total pension liability.

Note 8 - Pension Plans (Continued)

Public Safety Pension Plan

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at July 1, 2018	\$ 23,644,097	\$ 18,893,613	\$ 4,750,484
Changes for the year:			
Service cost	476,281	-	476,281
Interest	1,724,836	-	1,724,836
Differences between expected and actual experience	517,899	-	517,899
Changes in assumptions	1,070,500	-	1,070,500
Contributions - Employer	-	774,630	(774,630)
Contributions - Employee	-	41,690	(41,690)
Net investment income	-	946,900	(946,900)
Benefit payments, including refunds	(1,768,878)	(1,768,878)	-
Administrative expenses	-	(65,541)	65,541
Miscellaneous other charges	-	3,293	(3,293)
Net changes	2,020,638	(67,906)	2,088,544
Balance at June 30, 2019	\$ 25,664,735	\$ 18,825,707	\$ 6,839,028

The plan's fiduciary net position represents 73.4 percent of the total pension liability.

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

For the year ended June 30, 2019, the City recognized pension expense of \$1,084,373 related to the General Employees' Defined Benefit Pension Plan and \$1,681,563 related to the Public Safety Pension Plan.

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General Employees' Defined Benefit Pension Plan		Public Safety Pension Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 16,754	\$ 194,232	\$ 397,355	\$ 117,401
Changes in assumptions	-	-	802,781	-
Net difference between projected and actual earnings on pension plan investments	812,858	-	354,337	-
Employer contributions to the plan subsequent to the measurement date	333,271	-	-	-
Total	\$ 1,162,883	\$ 194,232	\$ 1,554,473	\$ 117,401

Note 8 - Pension Plans (Continued)

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 2020, rather than pension expense.

Years Ending June 30	General Employees' Defined Benefit Pension Plan	Public Safety Pension Plan
2020	\$ 135,057	\$ 580,738
2021	78,150	287,669
2022	152,295	482,251
2023	269,878	86,414

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%	2.25%
Salary increases	3.75% - 14.75%	3.50% - 7.50%
Investment rate of return	8.00%	7.00%
Mortality rates	RP-2014	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 50 percent male 50 percent female blend of the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105 percent; RP-2014 Employee Mortality Tables; and RP-2014 Juvenile Mortality Tables. For disabled plan members, rates were based on a blend of the 50 percent male 50 percent RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in the December 31, 2017 actuarial valuation date valuation were based on the results of an actuarial experience study for the period from January 1, 2009 through December 31, 2013.

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.

Note 8 - Pension Plans (Continued)

The investment rate of return decreased from 7.50 percent in the June 30, 2017 actuarial valuation to 7.00 percent in the June 30, 2018 actuarial valuation. The mortality assumptions were updated from the RP-2000 mortality tables in the June 30, 2017 actuarial valuation to the RP-2014 mortality tables in the June 30, 2018 actuarial valuation.

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.

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	8.00%	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	8.00%	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, 2018 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	55.50 %	6.15 %
Global fixed income	18.50	1.26
Real assets	13.50	7.22
Diversifying strategies	12.50	5.00

June 30, 2019

Note 8 - Pension Plans (Continued)

Public Safety Pension Plan

Best estimates of arithmetic real rates of return as of the June 30, 2019 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	32.00 %	4.75 %
Small-/Mid-cap equity	10.00	5.00
International equity	20.50	4.75
Domestic fixed income	29.50	1.50
Treasury inflation-protected securities	5.00	-
High-yield bonds	2.50	3.10
Cash or cash equivalents	0.50	0.25

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 8.00 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 Percent Decrease (7.0%)	Current Discount Rate (8.0%)	1 Percent Increase (9.0%)
Net pension liability of the General Employees' Defined Benefit Pension Plan	\$ 12,258,247	\$ 10,321,640	\$ 8,659,730

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 Percent Decrease (6.0%)	Current Discount Rate (7.0%)	1 Percent Increase (8.0%)
Net pension liability of the Public Safety Pension Plan	\$ 9,825,849	\$ 6,839,028	\$ 4,343,830

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.

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 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.

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 cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on the Public Safety Pension Plan's investments, net of pension plan investment expense, was 5.34 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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 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 throughout 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.

The balances of the reserve accounts at June 30, 2019 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	\$ 19,063,414	\$ 18,632,237
Employee reserve	193,470	193,470
Total	\$ 19,256,884	\$ 18,825,707

June 30, 2019

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; therefore, they are not included in a fiduciary fund of the City.

Benefits Provided

The plan provides healthcare, 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:

Date of member count	June 30, 2017
Inactive plan members or beneficiaries currently receiving benefits	100
Active plan members	<u>69</u>
Total plan members	<u><u>169</u></u>

Contributions

Retiree healthcare 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, 2019, the City made payments for postemployment health benefit premiums of \$878,125.

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, 2019 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, 2019 measurement date. The June 30, 2019 total OPEB liability was determined by an actuarial valuation performed as of June 30, 2017, which used updated procedures to roll forward the estimated liability to June 30, 2019.

June 30, 2019

Note 9 - Other Postemployment Benefit Plan (Continued)

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

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at July 1, 2018	\$ 19,045,830	\$ 5,007,973	\$ 14,037,857
Changes for the year:			
Service cost	190,339	-	190,339
Interest	1,122,116	-	1,122,116
Differences between expected and actual experience	(198,240)	-	(198,240)
Contributions - Employer	-	1,135,210	(1,135,210)
Net investment income	-	137,994	(137,994)
Benefit payments, including refunds	(878,125)	(878,125)	-
Net changes	236,090	395,079	(158,989)
Balance at June 30, 2019	<u>\$ 19,281,920</u>	<u>\$ 5,403,052</u>	<u>\$ 13,878,868</u>

The plan's fiduciary net position represents 28.0 percent of the total OPEB liability.

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$700,358.

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 660,106
Net difference between projected and actual earnings on OPEB plan investments	25,576	-
Total	<u>\$ 25,576</u>	<u>\$ 660,106</u>

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 June 30	Amount
2020	\$ (303,907)
2021	(303,907)
2022	(59,329)
2023	32,613

Note 9 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using an inflation assumption of 3.00 percent; assumed salary increases (including inflation) of between 3.30 percent and 16.00 percent depending on seniority and merit; an investment rate of return (net of investment expenses) of 6.00 percent; a healthcare cost trend rate of 9.00 percent for 2019, decreasing 0.50 percent or 0.75 percent per year to an ultimate rate of 3.00 percent for 2030 and later years; and using the RP-2000 Mortality Combined Health Tables Projected 20 years with U.S. Projection Scale BB. These assumptions were applied to all periods included in the measurement.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.00 percent. The projection of cash flows used to determine the discount rate assumed that 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

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.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	55.50 %	4.65 %
Global fixed income	18.50	-
Real assets	13.50	5.72
Diversifying strategies	12.50	3.50

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 6.00 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:

	1 Percent Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percent Increase (7.00%)
Net OPEB liability of the Merit System of Personnel Management	\$ 16,147,808	\$ 13,878,868	\$ 11,982,250

Note 9 - Other Postemployment Benefit Plan (Continued)

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

The following presents the net OPEB liability of the City, calculated using the healthcare cost trend rate of 9.00 percent, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (8.00%)	Current Healthcare Cost Trend Rate (9.00%)	1 Percent Increase (10.00%)
Net OPEB liability of the Merit System of Personnel Management	\$ 11,759,090	\$ 13,878,868	\$ 16,329,322

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 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.

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 member and two nonmember 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, 2019, the City expensed \$934,814 of payments made to the Water Authority. The City has no explicit and measurable equity interest 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, 2019, the City expensed \$1,071,620 of payments made to the Resource Recovery Authority. The City has no explicit and measurable equity interest in the joint venture. The Southeastern Oakland County Resource Recovery 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 Resource Recovery Authority can be obtained from the administrative offices at 3910 W. Webster Road, Royal Oak, MI 48073.

June 30, 2019

Note 11 - Contingent Liabilities

The City is involved in certain legal matters that have not progressed to a point where any liability can be determined. Settlement payments on certain cases, but potentially not all cases, would be covered by the insurance pool noted in Note 7. No liability has been reflected in these financial statements.

Required Supplemental Information

Required Supplemental Information
Budgetary Comparison Schedule
General Fund

Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 7,332,153	\$ 7,422,860	\$ 7,432,243	\$ 9,383
Intergovernmental:				
Federal grants	3,200	3,200	3,235	35
State-shared revenue and grants	1,493,920	1,493,920	1,540,751	46,831
Charges for services	663,070	738,070	705,423	(32,647)
Fines and forfeitures	267,000	321,300	330,879	9,579
Licenses and permits	720,700	720,700	739,021	18,321
Investment earnings	65,000	111,000	112,361	1,361
Other revenue:				
Franchise fees	310,000	341,000	342,904	1,904
Other miscellaneous income	447,206	375,206	413,309	38,103
Total revenue	11,302,249	11,527,256	11,620,126	92,870
Expenditures				
Current services:				
General government:				
City Council	16,119	18,119	16,106	2,013
Manager	297,695	330,803	297,648	33,155
Elections	195,475	228,475	200,536	27,939
Finance	448,075	507,366	503,493	3,873
Legal	91,600	105,000	97,859	7,141
Clerk/Treasurer	87,961	105,481	102,667	2,814
City hall	262,210	291,685	188,920	102,765
Planning	128,198	147,698	111,059	36,639
Inspection	358,178	521,978	554,974	(32,996)
Community promotion	49,494	54,494	47,865	6,629
Insurance	1,226,808	430,088	893,666	(463,578)
Public safety:				
Administration	195,844	208,844	196,182	12,662
Operations	4,277,744	4,199,026	4,160,222	38,804
Service aides	304,010	359,240	339,944	19,296
Pension administration	452,000	425,400	384,900	40,500
Animal control	65,957	78,957	75,745	3,212
Public works:				
Operations	425,820	830,377	661,909	168,468
Street programs	206,250	176,250	172,548	3,702
Garage	177,697	211,697	187,199	24,498
Health and welfare - Community development	88,264	62,045	53,507	8,538
Recreation and culture:				
Recreation	1,500	3,000	3,314	(314)
Library	620,072	662,259	639,483	22,776
WBRK	89,026	120,858	117,391	3,467
Communications coordinator	120,719	133,219	120,649	12,570
Capital outlay	1,972,705	2,225,677	725,256	1,500,421
Total expenditures	12,159,421	12,438,036	10,853,042	1,584,994
Excess of Revenue (Under) Over Expenditures	(857,172)	(910,780)	767,084	1,677,864

Required Supplemental Information
Budgetary Comparison Schedule
General Fund (Continued)

Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Other Financing Sources (Uses)				
Transfers in	\$ 30,000	\$ -	\$ -	\$ -
Transfers out	(366,188)	(350,000)	(350,000)	-
New debt issued	275,000	-	-	-
Total other financing uses	(61,188)	(350,000)	(350,000)	-
Net Change in Fund Balance	(918,360)	(1,260,780)	417,084	1,677,864
Fund Balance - Beginning of year	6,231,866	6,231,866	6,231,866	-
Fund Balance - End of year	<u>\$ 5,313,506</u>	<u>\$ 4,971,086</u>	<u>\$ 6,648,950</u>	<u>\$ 1,677,864</u>

Required Supplemental Information
 Budgetary Comparison Schedules - Major Special Revenue Funds
 Major Streets Fund

Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ 896,360	\$ 1,047,835	\$ 1,048,772	\$ 937
Charges for services	10,423	12,123	12,120	(3)
Investment income	9,500	16,500	16,953	453
Other revenue	43,300	54,300	53,510	(790)
Total revenue	959,583	1,130,758	1,131,355	597
Expenditures - Public works	565,132	645,082	472,914	172,168
Excess of Revenue Over Expenditures	394,451	485,676	658,441	172,765
Other Financing Uses - Transfers out	(180,000)	(180,000)	(180,000)	-
Net Change in Fund Balance	214,451	305,676	478,441	172,765
Fund Balance - Beginning of year	1,208,959	1,208,959	1,208,959	-
Fund Balance - End of year	<u><u>\$ 1,423,410</u></u>	<u><u>\$ 1,514,635</u></u>	<u><u>\$ 1,687,400</u></u>	<u><u>\$ 172,765</u></u>

City of Berkley, Michigan

Required Supplemental Information
 Budgetary Comparison Schedules - Major Special Revenue Funds
 (Continued)
 Local Streets Fund

Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ 365,796	\$ 543,155	\$ 541,996	\$ (1,159)
Investment income	5,800	9,800	11,187	1,387
Other revenue	11,500	32,900	29,922	(2,978)
Total revenue	383,096	585,855	583,105	(2,750)
Expenditures - Public works	606,419	737,187	663,962	73,225
Excess of Expenditures Over Revenue	(223,323)	(151,332)	(80,857)	70,475
Other Financing Sources - Transfers in	180,000	180,000	180,000	-
Net Change in Fund Balance	(43,323)	28,668	99,143	70,475
Fund Balance - Beginning of year	953,371	953,371	953,371	-
Fund Balance - End of year	\$ 910,048	\$ 982,039	\$ 1,052,514	\$ 70,475

City of Berkley, Michigan

Required Supplemental Information
Budgetary Comparison Schedules - Major Special Revenue Funds
(Continued)
Solid Waste Service Fund

Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 941,527	\$ 941,527	\$ 977,001	\$ 35,474
Intergovernmental	5,000	5,000	3,447	(1,553)
Charges for services	431,804	431,804	402,009	(29,795)
Investment earnings	5,300	5,300	7,181	1,881
Other revenue	4,400	4,400	8,766	4,366
	<u>1,388,031</u>	<u>1,388,031</u>	<u>1,398,404</u>	<u>10,373</u>
Total revenue				
Expenditures - Public works	<u>1,563,656</u>	<u>1,541,656</u>	<u>1,527,284</u>	<u>14,372</u>
Net Change in Fund Balance	(175,625)	(153,625)	(128,880)	24,745
Fund Balance - Beginning of year	<u>462,947</u>	<u>462,947</u>	<u>462,947</u>	<u>-</u>
Fund Balance - End of year	<u><u>\$ 287,322</u></u>	<u><u>\$ 309,322</u></u>	<u><u>\$ 334,067</u></u>	<u><u>\$ 24,745</u></u>

City of Berkley, Michigan

Required Supplemental Information Schedule of Pension Investment Returns Public Safety Pension Plan

	Last Nine Fiscal Years Years Ended June 30								
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual money-weighted rate of return - Net of investment expense	5.34 %	7.33 %	11.80 %	(0.40)%	1.80 %	16.20 %	10.80 %	(0.30)%	20.20 %

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

Required Supplemental Information
 Schedule of Changes in the Net Pension Liability and Related Ratios
 Public Safety Pension Plan

	Last Six Fiscal Years					
	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 476,281	\$ 427,320	\$ 387,896	\$ 369,308	\$ 348,830	\$ 376,217
Interest	1,724,836	1,711,781	1,683,319	1,646,655	1,623,409	1,600,549
Differences between expected and actual experience	517,899	(231,761)	38,612	189,536	15,829	-
Changes in assumptions	1,070,500	-	-	-	-	-
Benefit payments, including refunds	(1,768,878)	(1,752,501)	(1,742,208)	(1,703,842)	(1,678,258)	(1,638,281)
Net Change in Total Pension Liability	2,020,638	154,839	367,619	501,657	309,810	338,485
Total Pension Liability - Beginning of year	23,644,097	23,489,258	23,121,639	22,619,982	22,310,172	21,971,687
Total Pension Liability - End of year	\$ 25,664,735	\$ 23,644,097	\$ 23,489,258	\$ 23,121,639	\$ 22,619,982	\$ 22,310,172
Plan Fiduciary Net Position						
Contributions - Employer	\$ 774,630	\$ 743,241	\$ 713,669	\$ 660,531	\$ 726,568	\$ 780,105
Contributions - Member	41,690	118,413	-	-	-	90,169
Net investment income (loss)	946,900	1,341,200	1,984,577	(55,465)	357,995	2,752,802
Administrative expenses	(65,541)	(62,621)	(51,027)	(44,152)	(46,951)	(51,306)
Benefit payments, including refunds	(1,768,878)	(1,752,501)	(1,742,208)	(1,703,842)	(1,678,258)	(1,638,281)
Other	3,293	-	-	-	183	-
Net Change in Plan Fiduciary Net Position	(67,906)	387,732	905,011	(1,142,928)	(640,463)	1,933,489
Plan Fiduciary Net Position - Beginning of year	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	\$ 18,825,707	\$ 18,893,613	\$ 18,505,881	\$ 17,600,870	\$ 18,743,798	\$ 19,384,261
City's Net Pension Liability - Ending	\$ 6,839,028	\$ 4,750,484	\$ 4,983,377	\$ 5,520,769	\$ 3,876,184	\$ 2,925,911
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	73.35 %	79.91 %	78.78 %	76.12 %	82.86 %	86.89 %
Covered Payroll	\$ 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 Percentage of Covered Payroll	327.90 %	242.30 %	260.18 %	311.84 %	201.50 %	148.86 %

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

See note to required supplemental information.

Required Supplemental Information
 Schedule of Pension Contributions
 Public Safety Pension Plan

Last Ten Fiscal Years
 Years Ended June 30

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 774,630	\$ 743,054	\$ 713,669	\$ 660,531	\$ 726,568	\$ 780,105	\$ 770,451	\$ 780,942	\$ 719,836	\$ 452,531
Contributions in relation to the actuarially determined contribution	774,630	743,241	713,669	660,531	726,568	780,105	770,451	780,942	719,836	452,531
Contribution Excess	\$ -	\$ 187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 2,085,703	\$ 1,960,564	\$ 1,915,375	\$ 1,770,387	\$ 1,923,665	\$ 1,965,494	\$ 1,965,938	\$ 2,020,026	\$ 1,893,309	\$ 1,816,664
Contributions as a Percentage of Covered Payroll	37.14 %	37.91 %	37.26 %	37.31 %	37.77 %	39.69 %	39.19 %	38.66 %	38.02 %	24.91 %

Notes to Schedule of Pension Contributions - Public Safety Pension Plan

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 contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of pay
Remaining amortization period	17 years closed
Asset valuation method	Four-year smoothed market 80 percent/120 percent corridor
Inflation	2.75 percent
Salary increase	4.0 to 8.0 percent including inflation
Investment rate of return	7.5 percent net of investment and administrative expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Life Mortality Tables adjusted for mortality improvements to 2020 using projection scale BB for both males and females

Required Supplemental Information
 Schedule of Changes in the Net Pension Liability and Related Ratios
 Municipal Employees' Retirement System of Michigan

Last Five Years Ended December 31

	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 232,498	\$ 224,700	\$ 250,936	\$ 231,896	\$ 313,028
Interest	1,623,192	1,612,480	1,599,114	1,602,510	1,588,656
Differences between expected and actual experience	(388,478)	50,262	63,274	(432,248)	-
Changes in assumptions	-	-	-	868,163	-
Benefit payments, including refunds	(1,771,161)	(1,743,690)	(1,722,576)	(1,707,986)	(1,678,420)
Net Change in Total Pension Liability	(303,949)	143,752	190,748	562,335	223,264
Total Pension Liability - Beginning of year	21,059,236	20,915,484	20,724,736	20,162,401	19,939,137
Total Pension Liability - End of year	\$ 20,755,287	\$ 21,059,236	\$ 20,915,484	\$ 20,724,736	\$ 20,162,401
Plan Fiduciary Net Position					
Contributions - Employer	\$ 437,618	\$ 907,736	\$ 528,385	\$ 546,145	\$ 574,412
Contributions - Member	74,880	116,858	72,550	80,039	90,641
Net investment (loss) income	(429,097)	1,471,376	1,231,253	(176,950)	792,022
Administrative expenses	(22,404)	(23,315)	(24,362)	(26,595)	(28,852)
Benefit payments, including refunds	(1,771,161)	(1,743,690)	(1,722,576)	(1,707,986)	(1,678,420)
Net Change in Plan Fiduciary Net Position	(1,710,164)	728,965	85,250	(1,285,347)	(250,197)
Plan Fiduciary Net Position - Beginning of year	12,143,811	11,414,846	11,329,596	12,614,943	12,865,140
Plan Fiduciary Net Position - End of year	\$ 10,433,647	\$ 12,143,811	\$ 11,414,846	\$ 11,329,596	\$ 12,614,943
City's Net Pension Liability - Ending	\$ 10,321,640	\$ 8,915,425	\$ 9,500,638	\$ 9,395,140	\$ 7,547,458
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	50.27 %	57.67 %	54.58 %	54.67 %	62.57 %
Covered Payroll	\$ 1,918,830	\$ 2,001,189	\$ 2,014,906	\$ 1,679,482	\$ 1,679,482
City's Net Pension Liability as a Percentage of Covered Payroll	537.91 %	445.51 %	471.52 %	559.41 %	449.39 %

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

Required Supplemental Information
 Schedule of Pension Contributions
 Municipal Employees' Retirement System of Michigan

**Last Ten Fiscal Years
 Years Ended June 30**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 424,931	\$ 640,280	\$ 528,385	\$ 546,145	\$ 574,412	\$ 600,607	\$ 637,576	\$ 552,043	\$ 537,833	\$ 438,510
Contributions in relation to the actuarially determined contribution	675,590	907,736	528,385	546,145	574,412	600,607	637,576	552,043	537,833	438,510
Contribution Excess	\$ 250,659	\$ 267,456	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 2,404,170	\$ 2,001,189	\$ 2,001,644	\$ 2,222,306	\$ 2,253,166	\$ 2,225,644	\$ 2,194,904	\$ 2,540,930	\$ 2,360,645	\$ 2,412,962
Contributions as a Percentage of Covered Payroll	28.10 %	45.36 %	26.40 %	24.58 %	25.49 %	26.99 %	29.05 %	21.73 %	22.78 %	18.17 %

Notes to Schedule of Pension Contributions - Municipal Employees' Retirement System of Michigan

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates 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 5 - 20 years
 Asset valuation method 10-year smoothed market
 Inflation 2.50 percent
 Salary increase 2.50 percent
 Investment rate of return 7.75 percent
 Retirement age Experience-based tables of rates that are specific to the type of eligibility condition
 Mortality 50 percent male - 50 percent female blend of the RP-2014 Health Annuitant Mortality Tables, with rates multiplied by 105 percent; RP-2014 Employee Mortality Tables; and the RP-2014 Juvenile Mortality Tables

Required Supplemental Information
Schedule of Changes in the Net OPEB Liability and Related Ratios

	Last Two Fiscal Years	
	2019	2018
Total OPEB Liability		
Service cost	\$ 190,339	\$ 364,827
Interest	1,122,116	923,469
Differences between expected and actual experience	(198,240)	(1,014,834)
Benefit payments, including refunds	(878,125)	(1,036,188)
Net Change in Total OPEB Liability	236,090	(762,726)
Total OPEB Liability - Beginning of year	19,045,830	19,808,556
Total OPEB Liability - End of year	\$ 19,281,920	\$ 19,045,830
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,135,210	\$ 1,041,123
Net investment income	137,994	350,035
Benefit payments, including refunds	(878,125)	(1,036,188)
Net Change in Plan Fiduciary Net Position	395,079	354,970
Plan Fiduciary Net Position - Beginning of year	5,007,973	4,653,003
Plan Fiduciary Net Position - End of year	\$ 5,403,052	\$ 5,007,973
Net OPEB Liability - Ending	\$ 13,878,868	\$ 14,037,857
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	28.02 %	26.29 %
Covered Employee Payroll	\$ 3,652,907	\$ 3,722,725
Net OPEB Liability as a Percentage of Covered Employee Payroll	379.94 %	377.09 %

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

City of Berkley, Michigan

Required Supplemental Information Schedule of OPEB Contributions

	Last Ten Fiscal Years									
	Years Ended June 30									
	2019*	2018*	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ -	\$ -	\$ 2,512,485	\$ 2,531,410	\$ 2,603,419	\$ 1,802,766	\$ 1,822,159	\$ 1,867,490	\$ 2,148,743	\$ 2,114,221
Contributions in relation to the actuarially determined contribution	-	-	1,541,815	1,571,446	1,604,630	1,442,200	1,224,176	1,116,740	1,402,910	1,485,615
Contribution Deficiency	\$ -	\$ -	\$ (970,670)	\$ (959,964)	\$ (998,789)	\$ (360,566)	\$ (597,983)	\$ (750,750)	\$ (745,833)	\$ (628,606)
Covered Employee Payroll	\$ 3,652,907	\$ 3,722,725	\$ 2,635,197	\$ 2,635,197	\$ 2,635,197	\$ 3,344,839	\$ 3,344,839	\$ 3,344,839	\$ 3,651,406	\$ 3,651,406
Contributions as a Percentage of Covered Employee Payroll	- %	- %	58.51 %	59.63 %	60.89 %	43.12 %	36.60 %	33.39 %	38.42 %	40.69 %

*No actuarially determined employer contribution (ADC) was calculated in connection with the valuation of the plan for this year. Therefore, disclosure of both the ADC and contribution in relation to the ADC is not required by GASB 75.

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date: Actuarially determined contribution rates are calculated as of June 30 2017, one year prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry age normal
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	Market value
Inflation	3.00 percent
Healthcare cost trend rates	9.00 percent decreasing 0.50 or 0.75 percent per year to an ultimate rate of 3.00 percent after 12 years
Salary increase	3.30 to 16.00 percent, including inflation
Investment rate of return	6.00 percent
Retirement age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Mortality Combined Healthy Tables Projected 20 years with U.S. Projection Scale BB

June 30, 2019

Pension Information

Changes in Assumptions

For fiscal year 2019, the Public Safety Pension Plan investment rate of return decreased from 7.50 to 7.00 percent, and the mortality assumptions were updated from the RP-2000 mortality tables to the RP-2014 mortality tables.

For the Municipal Employees' Retirement System of Michigan, amounts reported in 2015 reflect a change in inflation rates from 3.0-4.0 percent to 3.25 percent. Assumed salary increases decreased from 4.5 to 3.75 percent. The assumed investment rate of return decreased from 8.25 to 8.0 percent. Lastly, the mortality assumption was updated to be based on the RP-2014 tables.

Other Supplemental Information

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources 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 within the community and those citizens who are also economically disadvantaged.

Seniors' Program

The Seniors' Program Fund accounts for all senior recreation revenue and expenses related 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 all revenue and expenditures associated with parks and recreation youth and adult recreation programs. This fund also accounts for all dream cruise revenue and expenditures for the City. User fees are the main revenue source for this fund.

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; and 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 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.

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2019

	Special Revenue Funds			Debt Service Fund	Capital Project Fund	Total Nonmajor Governmental Funds
	Community Development Block Grant	Seniors' Program	Recreation Revolving	Eleven Mile Road Project Debt Service	Court Projects	
Assets						
Cash and investments	\$ 19,676	\$ 100,900	\$ 872,388	\$ 53,491	\$ 671,893	\$ 1,718,348
Receivables - Other governmental units	-	-	-	2,842	-	2,842
Total assets	<u>\$ 19,676</u>	<u>\$ 100,900</u>	<u>\$ 872,388</u>	<u>\$ 56,333</u>	<u>\$ 671,893</u>	<u>\$ 1,721,190</u>
Liabilities						
Accounts payable	\$ 390	\$ 727	\$ 27,368	\$ -	\$ -	\$ 28,485
Accrued liabilities and other	-	390	15,399	-	-	15,789
Unearned revenue	-	-	20,010	-	-	20,010
Total liabilities	390	1,117	62,777	-	-	64,284
Deferred Inflows of Resources - Unavailable revenue	-	-	-	2,840	-	2,840
Fund Balances						
Restricted:						
Debt service	-	-	-	53,493	-	53,493
Community service	19,286	-	-	-	-	19,286
Committed:						
Recreation	-	-	809,611	-	-	809,611
Seniors' program	-	99,783	-	-	-	99,783
Assigned	-	-	-	-	671,893	671,893
Total fund balances	19,286	99,783	809,611	53,493	671,893	1,654,066
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,676</u>	<u>\$ 100,900</u>	<u>\$ 872,388</u>	<u>\$ 56,333</u>	<u>\$ 671,893</u>	<u>\$ 1,721,190</u>

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds

Year Ended June 30, 2019

	Special Revenue Funds			Debt Service Fund	Capital Project Fund	Total Nonmajor Governmental Funds
	Community Development Block Grant	Seniors' Program	Recreation Revolving	Eleven Mile Road Project Debt Service	Court Projects	
Revenue						
Property taxes	\$ -	\$ -	\$ -	\$ 276,631	\$ -	\$ 276,631
Intergovernmental:						
Federal grants	7,857	-	-	-	-	7,857
State-shared revenue and grants	-	19,061	-	954	-	20,015
Charges for services	-	62,860	589,262	-	-	652,122
Fines and forfeitures	-	-	-	-	133	133
Investment earnings	-	2,160	7,152	597	10,124	20,033
Other revenue	-	-	220	-	-	220
Total revenue	7,857	84,081	596,634	278,182	10,257	977,011
Expenditures						
Current services:						
General government	-	-	-	-	74	74
Health and welfare	6,588	74,293	-	-	-	80,881
Recreation and culture	-	-	933,212	-	-	933,212
Debt service	-	-	-	278,750	-	278,750
Total expenditures	6,588	74,293	933,212	278,750	74	1,292,917
Excess of Revenue Over (Under) Expenditures	1,269	9,788	(336,578)	(568)	10,183	(315,906)
Other Financing Sources (Uses)						
Transfers in	-	-	450,000	-	-	450,000
Transfers out	-	(100,000)	(20,000)	-	(60,000)	(180,000)
Total other financing (uses) sources	-	(100,000)	430,000	-	(60,000)	270,000
Net Change in Fund Balances	1,269	(90,212)	93,422	(568)	(49,817)	(45,906)
Fund Balances - Beginning of year	18,017	189,995	716,189	54,061	721,710	1,699,972
Fund Balances - End of year	\$ 19,286	\$ 99,783	\$ 809,611	\$ 53,493	\$ 671,893	\$ 1,654,066

City of Berkley, Michigan

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 Community Development Block Grant

Year Ended June 30, 2019

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue - Federal grants	\$ 43,375	\$ 43,375	\$ 7,857	\$ (35,518)
Expenditures - Health and welfare	43,375	43,375	6,588	36,787
Net Change in Fund Balance	-	-	1,269	1,269
Fund Balance - Beginning of year	18,017	18,017	18,017	-
Fund Balance - End of year	<u>\$ 18,017</u>	<u>\$ 18,017</u>	<u>\$ 19,286</u>	<u>\$ 1,269</u>

City of Berkley, Michigan

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 (Continued)
 Seniors' Program

Year Ended June 30, 2019

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
State-shared revenue and grants	\$ 22,880	\$ 22,880	\$ 19,061	\$ (3,819)
Charges for services	65,620	68,620	62,860	(5,760)
Investment earnings	1,950	1,950	2,160	210
Total revenue	90,450	93,450	84,081	(9,369)
Expenditures - Health and welfare	74,011	82,766	74,293	8,473
Excess of Revenue Over Expenditures	16,439	10,684	9,788	(896)
Other Financing Uses - Transfers out	(100,000)	(100,000)	(100,000)	-
Net Change in Fund Balance	(83,561)	(89,316)	(90,212)	(896)
Fund Balance - Beginning of year	189,995	189,995	189,995	-
Fund Balance - End of year	\$ 106,434	\$ 100,679	\$ 99,783	\$ (896)

City of Berkley, Michigan

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 (Continued)
 Recreation Revolving

Year Ended June 30, 2019

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Charges for services	\$ 551,300	\$ 561,300	\$ 589,262	\$ 27,962
Investment earnings	4,000	6,000	7,152	1,152
Other revenue	205,000	205,000	220	(204,780)
Total revenue	760,300	772,300	596,634	(175,666)
Expenditures				
Current services - Recreation and culture	917,442	996,542	933,212	63,330
Capital outlay	335,000	335,000	-	335,000
Total expenditures	1,252,442	1,331,542	933,212	398,330
Excess of Expenditures Over Revenue	(492,142)	(559,242)	(336,578)	222,664
Other Financing Sources - Transfers out	430,000	450,000	430,000	(20,000)
Net Change in Fund Balance	(62,142)	(109,242)	93,422	202,664
Fund Balance - Beginning of year	716,189	716,189	716,189	-
Fund Balance - End of year	<u>\$ 654,047</u>	<u>\$ 606,947</u>	<u>\$ 809,611</u>	<u>\$ 202,664</u>

City of Berkley, Michigan

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 (Continued)
 Eleven Mile Road Project Debt Service

Year Ended June 30, 2019

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Property taxes	\$ 274,200	\$ 274,200	\$ 276,631	\$ 2,431
State-shared revenue and grants	4,300	4,300	954	(3,346)
Investment earnings	375	375	597	222
Total revenue	278,875	278,875	278,182	(693)
Expenditures - Debt service	278,750	278,750	278,750	-
Net Change in Fund Balance	125	125	(568)	(693)
Fund Balance - Beginning of year	54,061	54,061	54,061	-
Fund Balance - End of year	<u><u>\$ 54,186</u></u>	<u><u>\$ 54,186</u></u>	<u><u>\$ 53,493</u></u>	<u><u>\$ (693)</u></u>

City of Berkley, Michigan

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 (Continued)
 Court Projects

Year Ended June 30, 2019

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Fines and forfeitures	\$ 1,500	\$ 1,500	\$ 133	\$ (1,367)
Investment earnings	3,500	9,500	10,124	624
Total revenue	5,000	11,000	10,257	(743)
Expenditures - General government	50	75	74	1
Excess of Revenue Over Expenditures	4,950	10,925	10,183	(742)
Other Financing Uses - Transfers out	-	(60,000)	(60,000)	-
Net Change in Fund Balance	4,950	(49,075)	(49,817)	(742)
Fund Balance - Beginning of year	721,710	721,710	721,710	-
Fund Balance - End of year	<u>\$ 726,660</u>	<u>\$ 672,635</u>	<u>\$ 671,893</u>	<u>\$ (742)</u>

City of Berkley, Michigan

**Other Supplemental Information
Schedule of Changes in Assets and Liabilities
Agency Fund**

Year Ended June 30, 2019

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2019</u>
Assets - Cash	<u>\$ 365,420</u>	<u>\$ 261,584</u>	<u>\$ (260,372)</u>	<u>\$ 366,632</u>
Liabilities				
Accounts payable	\$ 5,528	\$ 228,737	\$ (231,950)	\$ 2,315
Due to other governmental units	18,812	17,890	(7,878)	28,824
Cash bonds and deposits	<u>341,080</u>	<u>243,694</u>	<u>(249,281)</u>	<u>335,493</u>
Total liabilities	<u>\$ 365,420</u>	<u>\$ 490,321</u>	<u>\$ (489,109)</u>	<u>\$ 366,632</u>

Statistical Section

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

The statistical section is organized into the following main categories:

Financial trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt capacity

These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and economic information

These schedules help the reader understand the environment within which the government's financial activities take place.

Operating information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

City of Berkley, Michigan

	As of June 30,				
	2010	2011	2012	2013	2014
Governmental Activities:					
Net investment in capital assets	\$ 7,803,010	\$ 8,386,258	\$ 8,913,634	\$ 9,546,904	\$ 10,490,391
Restricted	3,483,147	2,740,980	2,498,530	2,297,100	2,489,255
Unrestricted	<u>2,433,875</u>	<u>2,197,612</u>	<u>1,864,274</u>	<u>1,605,022</u>	<u>1,571,278</u>
Total net position	<u>\$ 13,720,032</u>	<u>\$ 13,324,850</u>	<u>\$ 13,276,438</u>	<u>\$ 13,449,026</u>	<u>\$ 14,550,924</u>
Business-type Activities:					
Net investment in capital assets	\$ 8,794,109	\$ 8,912,363	\$ 9,349,182	\$ 10,048,279	\$ 10,469,046
Restricted	-	-	-	-	-
Unrestricted	<u>1,308,518</u>	<u>1,968,092</u>	<u>2,373,103</u>	<u>2,792,194</u>	<u>3,431,190</u>
Total net position	<u>\$ 10,102,627</u>	<u>\$ 10,880,455</u>	<u>\$ 11,722,285</u>	<u>\$ 12,840,473</u>	<u>\$ 13,900,236</u>
Primary government in total:					
Net investment in capital assets	\$ 16,597,119	\$ 17,298,621	\$ 18,262,816	\$ 19,595,183	\$ 20,959,437
Restricted	3,483,147	2,740,980	2,498,530	2,297,100	2,489,255
Unrestricted	<u>3,742,393</u>	<u>4,165,704</u>	<u>4,237,377</u>	<u>4,397,216</u>	<u>5,002,468</u>
Total net position	<u>\$ 23,822,659</u>	<u>\$ 24,205,305</u>	<u>\$ 24,998,723</u>	<u>\$ 26,289,499</u>	<u>\$ 28,451,160</u>

Net Position by Component

Last Ten Fiscal Years

As of June 30,				
2015	2016	2017	2018	2019
\$ 11,765,355	\$ 12,605,508	\$ 12,566,628	\$ 12,991,485	\$ 13,045,304
2,575,308	3,481,448	3,299,179	3,022,602	3,618,304
(7,387,648)	(8,329,077)	(10,002,030)	(18,442,146)	(18,885,704)
\$ 6,953,015	\$ 7,757,879	\$ 5,863,777	\$ (2,428,059)	\$ (2,222,096)
\$ 11,078,068	\$ 11,829,788	\$ 12,902,134	\$ 14,339,122	\$ 15,633,718
-	-	-	-	-
2,314,089	2,524,710	2,292,463	1,585,079	1,052,583
\$ 13,392,157	\$ 14,354,498	\$ 15,194,597	\$ 15,924,201	\$ 16,686,301
\$ 22,843,423	\$ 24,435,296	\$ 25,468,762	\$ 27,330,607	\$ 28,679,022
2,575,308	3,481,448	3,299,179	3,022,602	3,618,304
(5,073,559)	(5,804,367)	(7,709,567)	(16,857,067)	(17,833,121)
\$ 20,345,172	\$ 22,112,377	\$ 21,058,374	\$ 13,496,142	\$ 14,464,205

City of Berkley, Michigan

	As of June 30,			
	2010	2011	2012	2013
Expenses:				
General government	\$ 3,136,223	\$ 3,278,204	\$ 3,481,679	\$ 3,014,392
Public safety	4,648,256	4,771,634	4,621,263	4,693,881
Public works	2,956,123	2,995,491	3,003,907	3,033,044
Health and welfare	131,969	184,224	101,435	163,566
Recreation and culture	1,676,755	1,538,314	1,539,712	1,585,170
Interest on long-term debt	215,764	237,219	203,665	172,787
Total governmental activities expenses	13,203,070	12,765,090	13,005,086	12,662,840
Program revenues:				
Charges for services	2,666,889	2,688,763	3,033,244	2,837,661
Operating grants and contributions	1,035,713	1,132,307	1,132,650	1,171,642
Capital grants and contributions	5,388	309,306	147,306	420,556
Total governmental program revenue	3,707,990	4,130,376	4,313,200	4,429,859
Net governmental activities expense	(9,057,100)	(8,874,710)	(8,638,461)	(8,232,981)
General revenue:				
Property taxes	6,985,695	7,010,324	6,769,419	6,707,929
State-shared revenue	1,210,027	1,210,027	1,226,594	1,259,681
Unrestricted investment earnings	54,021	54,268	54,520	50,954
Other	624,376	458,965	635,772	387,005
Total governmental activities general revenues	8,874,119	8,733,584	8,686,305	8,405,569
Change in governmental activities net position	\$ (182,981)	\$ (141,126)	\$ 47,844	\$ 172,588

Changes in Governmental Activities Net Position

Last Ten Fiscal Years

As of June 30,					
2014	2015	2016	2017	2018	2019
\$ 3,259,836	\$ 3,713,410	\$ 2,960,882	\$ 3,253,442	\$ 2,457,584	\$ 2,717,055
4,824,914	5,108,392	5,827,300	6,537,971	5,502,213	6,153,144
3,303,767	3,710,743	3,263,194	3,961,969	4,169,167	4,307,344
159,649	166,478	119,477	212,793	132,247	110,335
1,709,925	1,828,480	1,887,724	2,070,940	2,071,555	2,097,708
139,890	104,750	68,928	46,083	36,100	26,250
<u>13,397,981</u>	<u>14,632,253</u>	<u>14,127,505</u>	<u>16,083,198</u>	<u>14,368,866</u>	<u>15,411,836</u>
3,062,151	3,057,180	2,367,271	2,599,640	2,845,944	3,079,982
1,264,242	1,612,680	1,850,630	1,385,111	1,621,962	1,726,321
199,272	249,360	240,677	30,933	73,692	1,343
<u>4,525,665</u>	<u>4,919,220</u>	<u>4,458,578</u>	<u>4,015,684</u>	<u>4,541,598</u>	<u>4,807,646</u>
<u>(8,872,316)</u>	<u>(9,713,033)</u>	<u>(9,668,927)</u>	<u>(12,067,514)</u>	<u>(9,827,268)</u>	<u>(10,604,190)</u>
8,253,315	8,477,367	8,544,699	8,236,436	8,295,631	8,685,875
1,293,237	1,316,074	1,314,979	1,429,058	1,449,940	1,485,102
37,413	55,102	60,242	77,244	129,208	173,030
<u>390,249</u>	<u>459,510</u>	<u>553,871</u>	<u>430,674</u>	<u>781,620</u>	<u>466,146</u>
<u>9,974,214</u>	<u>10,308,053</u>	<u>10,473,791</u>	<u>10,173,412</u>	<u>10,656,399</u>	<u>10,810,153</u>
<u>\$ 1,101,898</u>	<u>\$ 595,020</u>	<u>\$ 804,864</u>	<u>\$ (1,894,102)</u>	<u>\$ 829,131</u>	<u>\$ 205,963</u>

City of Berkley, Michigan

	As of June 30,			
	2010	2011	2012	2013
Operating Revenue:				
Charges for services - Water/Sewer	\$ 4,604,767	\$ 4,996,086	\$ 5,390,864	\$ 5,562,758
Charges for services - Arena	363,289	342,046	321,367	379,651
Total business-type operating revenue	<u>4,786,385</u>	<u>4,968,056</u>	<u>5,338,132</u>	<u>5,942,409</u>
Operating Expenses:				
Water/Sewer	3,883,589	4,425,206	4,586,983	4,503,819
Arena	485,033	391,151	382,335	398,498
Total business-type operating expenses	<u>4,132,346</u>	<u>4,368,622</u>	<u>4,816,357</u>	<u>4,902,317</u>
Net business-type operating income	<u>654,039</u>	<u>599,434</u>	<u>521,775</u>	<u>1,040,092</u>
Nonoperating Revenue:				
Unrestricted investment earnings	1,785	1,997	2,661	4,781
Other	-	-	-	-
Total business-type nonoperating revenue	<u>1,785</u>	<u>1,997</u>	<u>2,661</u>	<u>4,781</u>
Change in business-type net position	<u>601,219</u>	<u>523,772</u>	<u>745,574</u>	<u>1,118,188</u>
Change in net position, total primary government	<u>\$ 418,238</u>	<u>\$ 382,646</u>	<u>\$ 793,418</u>	<u>\$ 1,290,776</u>

Changes in Business-type Net Position

Last Ten Fiscal Years

As of June 30,					
2014	2015	2016	2017	2018	2019
\$ 5,592,326	\$ 5,729,719	\$ 6,285,422	\$ 6,296,971	\$ 6,683,811	\$ 6,717,244
368,805	340,729	237,581	275,454	14,369	-
<u>5,961,131</u>	<u>6,070,448</u>	<u>6,523,003</u>	<u>6,572,425</u>	<u>6,698,180</u>	<u>6,717,244</u>
4,568,046	4,874,414	5,214,208	5,762,885	5,721,616	5,991,515
388,811	392,804	387,124	138,126	52,870	73,980
<u>4,956,857</u>	<u>5,267,218</u>	<u>5,601,332</u>	<u>5,901,011</u>	<u>5,774,486</u>	<u>6,065,495</u>
<u>1,004,274</u>	<u>803,230</u>	<u>921,671</u>	<u>671,414</u>	<u>923,694</u>	<u>651,749</u>
4,489	10,097	13,670	18,685	22,587	30,351
-	275	-	150,000	30,000	80,000
<u>4,489</u>	<u>10,372</u>	<u>13,670</u>	<u>168,685</u>	<u>52,587</u>	<u>110,351</u>
<u>1,059,763</u>	<u>1,040,709</u>	<u>962,341</u>	<u>840,099</u>	<u>976,281</u>	<u>762,100</u>
<u>\$ 2,161,661</u>	<u>\$ 1,635,729</u>	<u>\$ 1,767,205</u>	<u>\$ (1,054,003)</u>	<u>\$ 1,805,412</u>	<u>\$ 968,063</u>

City of Berkley, Michigan

	As of June 30,			
	2010	2011	2012	2013
General Fund:				
Prior to adoption of GASB 54:				
Reserved	\$ 512,336	\$ -	\$ -	\$ -
Unreserved and undesignated	1,934,516	-	-	-
Subsequent to adoption of GASB 54:				
Nonspendable	-	368,673	315,502	284,329
Restricted	-	72,800	96,903	107,930
Assigned	-	220,000	220,000	325,000
Unassigned	-	1,992,303	2,452,971	2,438,647
Total general fund	<u>2,446,852</u>	<u>2,653,776</u>	<u>3,085,376</u>	<u>3,155,906</u>
All other governmental funds:				
Prior to adoption of GASB 54:				
Reserved	247,238	-	-	-
Unreserved, reported in:				
Special revenue funds	3,599,107	-	-	-
Capital project funds	407,774	-	-	-
Debt service funds	13,818	-	-	-
Nonmajor funds	24,644	-	-	-
Subsequent to adoption of GASB 54:				
Nonspendable	-	260,316	203,321	138,276
Restricted	-	2,686,079	2,421,348	2,188,290
Committed	-	348,215	422,592	526,423
Assigned	-	415,669	497,862	606,723
Unassigned	-	-	-	-
Total all other governmental funds	<u>4,292,581</u>	<u>3,710,279</u>	<u>3,545,123</u>	<u>3,459,712</u>
Total of all governmental funds	<u>\$ 6,739,433</u>	<u>\$ 6,364,055</u>	<u>\$ 6,630,499</u>	<u>\$ 6,615,618</u>

Fund Balances, Governmental Funds

Last Ten Fiscal Years

As of June 30,					
2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
317,474	291,749	327,691	305,101	203,072	1,302,781
120,355	129,814	142,012	166,408	257,678	393,516
5,000	-	-	-	1,791,139	351,237
<u>2,741,075</u>	<u>3,103,391</u>	<u>3,909,081</u>	<u>4,646,335</u>	<u>3,979,977</u>	<u>4,601,416</u>
<u>3,183,904</u>	<u>3,524,954</u>	<u>4,378,784</u>	<u>5,117,844</u>	<u>6,231,866</u>	<u>6,648,950</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
80,536	24,361	19,707	15,485	16,607	8,258
2,415,571	2,320,355	3,305,159	3,009,016	2,685,461	3,138,502
692,100	835,919	976,873	989,553	901,471	909,394
700,423	774,901	800,592	709,313	721,710	671,893
-	-	-	(29,971)	-	-
<u>3,888,630</u>	<u>3,955,536</u>	<u>5,102,331</u>	<u>4,693,396</u>	<u>4,325,249</u>	<u>4,728,047</u>
<u>\$ 7,072,534</u>	<u>\$ 7,480,490</u>	<u>\$ 9,481,115</u>	<u>\$ 9,811,240</u>	<u>\$ 10,557,115</u>	<u>\$ 11,376,997</u>

City of Berkley, Michigan

	As of June 30,			
	2010	2011	2012	2013
Revenue				
Local revenue	\$ 10,638,306	\$ 10,377,264	\$ 10,485,022	\$ 10,422,534
State revenue	2,111,858	2,116,821	2,155,369	93,077
Federal revenue	30,088	96,773	74,851	2,191,716
Total revenue	13,476,393	12,780,252	12,590,858	12,707,327
Expenditures				
Current:				
General government	2,935,158	2,525,147	2,392,049	2,560,152
Public safety	4,468,058	4,711,535	4,461,190	4,525,013
Public works	2,759,016	2,733,588	2,834,954	2,869,767
Health and welfare	155,901	222,609	141,613	207,514
Recreation and culture	1,430,559	1,334,890	1,306,839	1,377,854
Debt service:				
Principal	734,269	658,021	741,454	725,000
Interest	224,615	244,692	212,025	180,847
Capital outlay	363,542	281,698	262,418	202,906
Total expenditures	13,071,118	12,712,180	12,352,542	12,649,053
Excess of Revenue Over Expenditures	(290,866)	(121,322)	362,700	58,274
Other Financing Sources (Uses)				
Transfers in	203,021	378,266	158,332	155,963
Transfers out	(319,643)	(621,645)	(254,588)	(229,278)
Total other financing sources (uses)	(116,622)	(243,379)	(96,256)	(73,315)
Net change in fund balances	(407,488)	(364,701)	266,444	(15,041)
Fund Balances - Beginning of year	7,146,921	6,728,756	6,364,055	6,630,499
Fund Balances - End of year	<u>\$ 6,739,433</u>	<u>\$ 6,364,055</u>	<u>\$ 6,630,499</u>	<u>\$ 6,615,458</u>
Debt service as a percentage of noncapital expenditures	7.88%	7.54%	8.15%	7.54%

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

As of June 30,					
2014	2015	2016	2017	2018	2019
\$ 11,959,223	\$ 12,468,368	\$ 12,002,658	\$ 11,581,688	\$ 12,090,257	\$ 12,543,928
2,322,250	2,372,622	2,918,786	2,599,706	2,957,014	3,154,981
43,643	383,305	120,601	22,240	68,914	11,092
<u>14,325,116</u>	<u>15,224,295</u>	<u>15,042,045</u>	<u>14,203,634</u>	<u>15,116,185</u>	<u>15,710,001</u>
2,802,372	2,724,425	2,254,700	2,546,261	2,564,713	3,014,867
4,700,580	4,866,822	4,668,617	5,170,198	4,928,196	5,156,993
3,058,533	4,101,935	3,123,736	3,470,559	4,154,574	3,685,816
179,489	196,602	153,445	218,459	148,967	134,388
1,414,086	1,533,968	1,485,044	1,594,881	1,773,307	1,814,049
735,000	860,000	925,000	225,000	225,000	250,000
148,610	114,276	76,174	47,194	38,349	28,750
778,370	277,496	327,704	450,957	507,204	725,256
<u>13,817,040</u>	<u>14,675,524</u>	<u>13,014,420</u>	<u>13,723,509</u>	<u>14,340,310</u>	<u>14,810,119</u>
508,076	548,771	2,027,625	480,125	775,875	899,882
756,953	916,693	555,034	189,916	570,000	630,000
<u>(807,953)</u>	<u>(1,057,508)</u>	<u>(582,034)</u>	<u>(339,916)</u>	<u>(600,000)</u>	<u>(710,000)</u>
(51,000)	(140,815)	(27,000)	(150,000)	(30,000)	(80,000)
457,076	407,956	2,000,625	330,125	745,875	819,882
6,615,458	7,072,534	7,480,490	9,481,115	9,811,240	10,557,115
<u>\$ 7,072,534</u>	<u>\$ 7,480,490</u>	<u>\$ 9,481,115</u>	<u>\$ 9,811,240</u>	<u>\$ 10,557,115</u>	<u>\$ 11,376,997</u>
6.70%	6.77%	7.89%	2.09%	2.07%	2.06%

Taxable Value by Property Type										Estimated Actual	Taxable Value as a %
Tax Year	Fiscal year	Residential	Commercial	Industrial	Agricultural & other	Personal property	Total Value	Tax rate (mills)	Value	of Actual	
2009	2010	450,038,090	57,090,940	3,409,420	-	13,641,370	524,179,820	13.0779	595,450,680	88.03%	
2010	2011	417,703,030	53,212,790	3,708,310	-	14,026,180	488,650,310	14.0656	524,003,230	93.25%	
2011	2012	397,284,790	52,547,550	1,128,660	-	14,140,570	465,101,570	14.2990	480,072,565	96.88%	
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%	

Note: Under Michigan law, the revenue base is referred to as "Taxable Value". This amount represents Assessed value (50% of true cash value), 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

City of Berkley, Michigan

Millage Rates - City of Berkley								Overlapping Taxes	
								Berkley Schools	
Tax Year	City Operating	Public Safety	Sanitation	Community Promotions	Public Safety Pension	City Debt	Total direct taxes	Homestead	Non-Homestead
2010	6.3101	1.8927	1.8927	0.0950	1.6922	1.1952	13.0779	4.2167	22.2167
2011	6.3101	1.8927	1.8927	0.1023	2.4762	1.3916	14.0656	4.2167	22.2167
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

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

General operating	8.7590
Public safety	1.7806
Sanitation	1.7806
Community promotions	2.3743

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

Direct and Overlapping Property Tax Rates

Last Ten Tax Years

Overlapping Taxes

Royal Oak Schools									
		Oakland		Oakland County				Downtown	
Homestead	Non-Homestead	Oakland County	Intermediate Schools	Community College	Public Transportation Authority	State Education	HCMA	Zoo Authority	Development Authority
7.3521	22.7100	4.4315	3.3690	1.5844	0.5900	6.0000	2.1460	0.1000	1.9218
7.7312	22.7100	4.4315	3.3690	1.5844	0.5900	6.0000	0.2415	0.1000	1.9216
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

Principal Property Tax Payers

Current and Nine Years Ago

	Taxpayer	2019 Taxable Value	% of total	2010 Taxable Value	% of total	2010 Rank
1	Consumers Energy	\$ 4,862,810	0.85%	\$ 1,203,560	0.23%	7
2	DHS Management	2,957,890	0.52%	3,551,240	0.67%	1
3	DTE Electric	2,659,450	0.47%	3,210,620	0.60%	2
4	Northwood Medical Limited Ptnrs.	1,727,400	0.30%	1,798,300	0.34%	3
5	814 Berkley LLC	1,537,930	0.27%	1,369,270	0.26%	5
6	Essco of Berkley LLC	1,382,800	0.24%	-	0.00%	N/A
7	Anusbigian LLC	1,311,000	0.23%	1,383,370	0.26%	6
8	Capital Development Corp	1,042,080	0.18%	1,184,780	0.22%	8
9	Berkley Twelve Associates II	1,023,990	0.18%	1,698,150	0.32%	4
10	SD Investments	922,940	0.16%	-	0.00%	N/A
	Hartfield Realty & Leasing	-	0.00%	1,107,820	0.21%	9
	Berkley Holding, Inc.	-	0.00%	767,250	0.14%	10
	Total taxable value	\$ 19,428,290	3.40%	\$ 17,274,360	3.24%	

Source: Oakland County Equalization
City of Berkley Treasury Department

Property Tax Levies and Collections

Last Ten Fiscal Years

Tax Year	Year ended June 30,	Total levy	Current collections (1)	Percent collected	Delinquent collections (2)	Total tax collections	Percent of levy collected
2009	2010	7,692,971	7,677,824	99.80%	12,623	7,690,447	99.97%
2010	2011	7,765,387	7,739,802	99.67%	22,063	7,761,865	99.95%
2011	2012	7,522,328	7,508,678	99.82%	8,385	7,517,063	99.93%
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%	18,768	9,042,352	100.00%
2014	2015	9,231,605	9,225,574	99.93%	6,032	9,231,606	100.00%
2015	2016	9,279,449	9,265,679	99.85%	13,770	9,279,449	100.00%
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%

(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 Berkley, Michigan

	As of June 30,			
	2010	2011	2012	2013
Governmental Activities:				
General obligation bonds	\$ 4,994,475	\$ 4,436,454	\$ 3,825,000	\$ 3,250,000
Installment purchase agreements	<u>925,000</u>	<u>825,000</u>	<u>695,000</u>	<u>545,000</u>
Total governmental activities debt	5,919,475	5,261,454	4,520,000	3,795,000
Business Type Activities:				
General obligation bonds	6,178,439	5,805,463	5,423,665	5,030,519
Total debt of the government	<u>\$ 12,097,914</u>	<u>\$ 11,066,917</u>	<u>\$ 9,943,665</u>	<u>\$ 8,825,519</u>
Total taxable value (1)	\$ 524,179,820	\$ 488,650,310	\$ 465,101,570	\$ 454,037,820
Ratio of total debt to personal income	2.31%	2.26%	2.14%	1.94%
Total Population	14,970	15,067	15,067	15,253
Total debt per capita	\$ 808	\$ 735	\$ 660	\$ 579

(1) Personal income is not available

Population and personal income data obtained from:
 Population is from the United States Census
 Population estimation obtained from www.semco.org
 Taxable value obtained from Oakland County Equalization

Ratios of Outstanding Debt

Last Ten Fiscal Years

As of June 30,					
2014	2015	2016	2017	2018	2019
\$ 2,675,000	\$ 2,000,000	\$ 1,275,000	\$ 1,050,000	\$ 825,000	\$ 575,000
<u>385,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,060,000	2,200,000	1,275,000	1,050,000	825,000	575,000
4,627,609	4,214,602	3,798,436	3,341,323	2,890,818	2,431,167
<u>\$ 7,687,609</u>	<u>\$ 6,414,602</u>	<u>\$ 5,073,436</u>	<u>\$ 4,391,323</u>	<u>\$ 3,715,818</u>	<u>\$ 3,006,167</u>
\$ 463,919,680	\$ 473,817,278	\$ 494,027,840	\$ 508,946,490	\$ 535,721,820	\$ 571,391,430
1.66%	1.35%	1.03%	0.86%	0.69%	0.53%
15,253	15,089	15,135	15,272	15,239	15,269
\$ 504	\$ 425	\$ 335	\$ 288	\$ 244	\$ 197

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 value	Total General Bonded Debt as a Percentage of Taxable Value	Debt as a percentage of taxable value	Population	Debt per capita
2010	4,825,000	6,178,439	11,003,439	524,179,820	0.92%	2.10%	14,970	735
2011	4,350,000	5,805,463	10,155,463	488,650,310	0.89%	2.08%	15,067	674
2012	3,825,000	5,423,665	9,248,665	465,101,570	0.82%	1.99%	15,067	614
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

Source: SEMCOG
Tax value - Oakland County Equalization

City of Berkley, Michigan

Direct and Overlapping Governmental Activities Debt

June 30, 2019

Governmental unit	Debt outstanding	Estimated % applicable	Estimated share of overlapping debt
Berkley School District	\$ 53,860,000	53.00%	\$ 28,728,924
Royal Oak School District	35,340,000	0.45%	162,564
Oakland County	314,844,309	0.98%	3,148,443
Oakland County Intermediate School District	44,855,000	0.98%	438,550
Oakland County Community College	-	0.99%	-
Total overlapping debt			32,478,482
Direct City debt			825,000
Total direct and overlapping debt			\$ 33,303,482

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.

	As of June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Calculation of debt limit:										
State equalized valuation	\$ 595,450,680	\$ 524,003,230	\$ 480,072,565	\$ 460,925,460	\$ 473,399,655	\$ 521,957,503	\$ 591,165,960	\$ 634,050,220	\$ 683,000,240	\$ 772,186,870
10% of taxable value	59,545,068	52,400,323	48,007,257	46,092,546	47,339,966	52,195,750	59,116,596	63,405,022	68,300,024	72,218,687
Calculation of debt subject to limit:										
Total debt (1)	12,097,914	11,066,917	9,943,665	8,825,519	7,687,609	6,414,602	5,073,436	4,391,323	3,715,818	3,006,167
Less: debt not subject to limit:										
State qualified debt issuance	-	-	-	-	-	-	-	-	-	-
Net debt subject to limit	12,097,914	11,066,917	9,943,665	8,825,519	7,687,609	6,414,602	5,073,436	4,391,323	3,715,818	3,006,167
Legal debt margin	\$ 47,447,154	\$ 41,333,406	\$ 38,063,592	\$ 37,267,027	\$ 39,652,357	\$ 45,781,148	\$ 54,043,160	\$ 59,013,699	\$ 64,584,206	\$ 69,212,520
Net debt subject to limit as % of debt limit	20.32%	21.12%	20.71%	19.15%	16.24%	12.29%	8.58%	6.93%	5.44%	4.16%

Sources: Oakland County Equalization
City annual financial statements

(1) All debt including PA 99 installment debt

	As of June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Calculation of debt limit:										
Taxable value	\$ 524,179,820	\$ 488,650,310	\$ 465,101,570	\$ 454,037,820	\$ 463,919,680	\$ 473,817,278	\$ 494,027,840	\$ 508,946,490	\$ 535,721,820	\$ 571,391,430
1.25% of taxable value	6,552,248	6,108,129	5,813,770	5,675,473	5,798,996	5,922,716	6,175,348	6,361,831	6,696,523	7,142,393
Calculation of debt subject to limit:										
Total debt	1,094,475	911,454	695,000	545,000	385,000	200,000	-	-	-	-
Less: debt not subject to limit:										
State qualified debt issuance	-	-	-	-	-	-	-	-	-	-
Net debt subject to limit	1,094,475	911,454	695,000	545,000	385,000	200,000	200,000	-	-	-
Legal debt margin	\$ 5,457,773	\$ 5,196,675	\$ 5,118,770	\$ 5,130,473	\$ 5,413,996	\$ 5,722,716	\$ 6,175,348	\$ 6,361,831	\$ 6,696,523	\$ 7,142,393
Net debt subject to limit as % of debt limit	16.70%	14.92%	11.95%	9.60%	6.64%	3.38%	0.00%	0.00%	0.00%	0.00%

Sources: City annual financial statements

Pledged-Revenue Coverage

Last Ten Fiscal Years

Fiscal year (1)	Water and Sewer			Water and Sewer Debt Service			Coverage
	Fun Operating Revenue (2)	Less Operating Expenses	Net Revenue	Principal	Interest	Total	
2010	4,604,767	3,709,776	894,991	425,673	173,813	599,486	1.49
2011	4,996,086	4,265,636	730,450	372,976	159,570	532,546	1.37
2012	5,390,864	4,432,259	958,605	381,798	154,724	536,522	1.79
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)

Source: City of Berkley finance department

(1) Debt starts in fiscal year 2004

(2) Interest income is not included in operating revenue

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal year	Population	Median Household Income	Per Capita Personal Income	Unemployment Rate
2010	14,970	65,548	33,865	12.70%
2011	15,067	62,597	34,475	11.00%
2012	15,123	65,644	34,886	9.60%
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%

Sources: State of Michigan - Michigan Labor Market Information - DMB
 Oakland County Community Profile for Median Household Income
 Oakland County Economic Development & Community Affairs Department
 Southeast Michigan Council of Governments
 Homefacts.com
 City-data.com
 Areavibes.com

* Information not available

Principal Employers
Current and Nine Years Ago

Employer	2019 Employees	Percentage of total	2010 Employees	Percentage of total	2010 rank
1 Berkley School District	714	8.11%	652	15.34%	1
2 Vinsetta Garage	117	1.33%	-	0.00%	
3 Westborn Market	103	1.17%	93	2.19%	2
4 Crispelli's	85	0.97%	-	0.00%	
5 City of Berkley	71	0.81%	90	2.12%	3
6 Stantec	55	0.62%	-	0.00%	
7 Bagger Daves	33	0.37%	-	0.00%	
8 Durst Lumber	31	0.35%	32	0.75%	9
9 O'Mara's Restaurant	28	0.32%	-	0.00%	
10 Alex's Restaurant	19	0.22%	-	0.00%	
Sila's Pizzeria	-	0.00%	36	0.85%	8
NorthPointe Heart Center	-	0.00%	80	1.88%	4
Hartfield Lanes	-	0.00%	55	1.29%	5
Our Lady of LaSalette Parish	-	0.00%	43	1.01%	6
Associates in Medicine	-	0.00%	38	0.89%	7
Guaranteed Furniture	-	0.00%	30	0.71%	10
Total	1,256	14.27%	1,149	27.03%	

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

Full-Time Equivalent Government Employees

Last Ten Fiscal Years

Department	As of June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City Manager	1.60	1.60	1.60	1.60	1.60	1.60	2.60	3.00	2.00	2.00
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	0.75	0.75	0.75	1.00	1.00	1.00
City Clerk/Elections	1.60	1.60	1.60	1.60	1.60	1.60	1.60	2.00	2.00	2.00
Treasury	1.25	1.05	1.05	1.05	1.05	1.05	1.05	1.00	1.00	1.00
Finance	1.30	1.30	1.30	1.15	1.15	1.15	1.15	3.00	3.00	3.00
Public Safety	34.00	34.00	33.00	34.00	33.15	33.15	34.00	34.00	35.00	40.00
Building	2.00	0.95	0.95	0.95	0.95	0.95	0.95	2.00	3.00	3.00
Public Works (1)	6.68	6.22	6.15	5.98	6.15	5.83	5.73	12.00	12.00	7.00
Public Works Garage	0.46	0.15	0.15	0.52	0.15	0.56	0.60	1.00	2.00	1.00
Solid Waste	2.15	2.29	2.28	2.21	2.28	2.21	2.21	-	-	1.00
Water and Sewer	7.11	7.12	7.23	7.23	7.23	7.17	9.76	1.00	1.00	5.00
Parks and Recreation	4.45	3.45	3.45	3.70	3.45	4.70	4.05	-	-	-
Recreation Youth/Senior	-	-	-	-	-	-	-	5.00	5.00	5.00
Arena	1.55	1.55	1.55	1.30	1.55	1.30	0.95	-	-	-
Library	3.00	2.95	2.95	2.95	2.95	2.95	2.95	4.00	3.00	2.00
Court	7.00	8.00	6.00	6.00	6.00	-	-	-	-	-
Total	75.90	73.98	71.01	71.99	71.01	65.97	69.35	70.00	71.00	74.00

Source: Finance department budget record

(1) Public works includes Major and Local Streets

City of Berkley, Michigan

Function/ Program	As of June 30,				
	2010	2011	2012	2013	2014
General Government:					
Registered Voters	11,815	11,942	12,016	12,191	12,349
Voters at Polls	3,509	4,979	1,077	6,846	1,578
Absentee Ballots	908	1,395	729	2,373	797
Percent Voting	37.38%	53.37%	15.03%	76.00%	19.28%
Public Safety:					
Responses to Calls for Service	14,790	15,924	16,489	15,017	15,513
Motor Vehicle Accidents	405	454	412	367	410
Assaults	68	60	73	42	70
Burglary	23	39	30	26	21
Property Damage	45	54	49	43	30
Number of Arrests	784	824	857	849	829
Fire:					
Fire Incidents (1)	124	178	68	99	87
Fire Inspections Conducted	156	134	172	182	48
Medical Emergencies	799	842	823	766	890
Parks and Recreation:					
Youth Classes	72	77	112	90	94
Adult Classes	92	87	82	78	81
Youth Leagues	-	-	-	-	-
Adult Leagues	7	6	7	6	7
Summer Day Camp Participants	120	132	144	152	185
Senior Citizens Programs	16	19	20	23	25
Ice Arena:					
Number of Skaters enrolled	75	75	65	56	60
Hours of Ice Time Sold	2,370	2,190	2,130	1,880	1,624
Public Works:					
Water Purchased from SOCWA	55,648,500	56,527,800	58,265,600	50,361,900	48,465,200
Water Sold to Customers	51,444,500	50,941,500	50,911,300	51,600,700	49,783,200
Number of Meters	6,809	6,809	6,865	6,818	6,819
Library:					
Items Circulated	170,303	161,203	166,522	156,691	149,803
Circulation per Capita	11	11	11	10	10
Reference and Patron Assistance	14,258	14,058	14,159	12,779	13,687
Electronic Access	699	2,138	4,238	5,660	8,762
Registered Borrowers	8,033	8,081	8,109	8,063	7,960
Materials Borrowed - Non-Residents	56,766	54,496	54,827	48,653	44,714
Materials Borrowed - Berkley Resident	31,810	28,590	25,848	25,053	24,031
Number of Participants in Activities	4,319	3,198	3,988	4,017	4,189
Public Internet Sessions	34,318	32,250	30,719	31,231	30,530
Books Borrowed	136,329	130,113	136,452	128,686	106,455
Audio/Video/CD Borrowed	33,974	31,090	3,070	28,005	34,586
Library Visits*	-	-	-	-	-
Treasury:					
Summer Tax Bills Processed	3,974	3,881	3,888	3,858	3,592

*Category initiated FYE 2017

(1) Fire incident includes open burns and downed wires

Operating Indicators

Last Ten Fiscal Years

As of June 30,					
2015	2016	2017	2018	2019	
12,295	12,527	12,719	12,353	12,774	
3,214	1,664	7,383	2,318	6,598	
940	833	2,292	748	2,254	
33.79%	19.93%	76.07%	18.76%	69.30%	
16,910	16,308	15,654	17,029	16,992	
404	360	394	377	370	
80	45	43	45	36	
22	37	12	14	10	
45	25	27	45	17	
1,113	1,295	1,199	1,120	978	
183	120	186	154	180	
48	157	406	233	423	
894	849	838	842	879	
90	94	88	85	95	
80	79	78	82	120	
-	-	-	-	-	
5	5	4	4	4	
250	305	347	389	427	
25	27	24	28	45	
106	130	-	-	-	
1,470	1,500	-	-	-	
45,348,400	51,593,000	54,613,400	51,661,800	54,203,700	
46,240,200	46,216,000	47,797,400	47,124,100	44,495,600	
6,833	6,832	6,835	6,871	6,873	
145,770	146,573	147,623	150,004	157,256	
10	10	10	10	11	
14,440	14,351	13,769	12,839	12,710	
11,239	13,290	13,537	15,885	19,625	
7,991	7,826	7,454	7,396	6,368	
41,900	41,478	42,206	41,565	46,029	
19,816	19,038	17,687	19,745	19,471	
6,536	4,260	5,507	5,942	5,959	
32,111	31,264	19,763	16,906	16,108	
99,365	99,178	99,499	96,383	89,209	
45	40,902	39,428	36,219	29,439	
-	-	118,263	116,217	111,901	
3,564	3,495	3,423	3,360	3,360	

City of Berkley, Michigan

Function/ program	As of June 30,			
	2010	2011	2012	2013
General Government:				
Square footage of buildings:				
City Hall	17,481	17,481	17,481	17,481
Library	15,000	15,000	15,000	15,000
Parks and Recreation	8,200	8,200	8,200	8,200
Ice Arena	34,200	34,200	34,200	34,200
Public Safety	12,000	12,000	12,000	12,000
Public Works	2,475	2,475	2,475	2,475
Public Safety:				
Fire Vehicles	2	2	2	2
Police Vehicles	16	16	16	15
Stations	1	1	1	1
Public Works:				
Major Streets (miles)	16	16	16	16
Local Streets (miles)	36	36	36	36
Street Lights	718	718	750	750
Vehicles in City Fleet	45	39	41	41
Parks and Recreation:				
Parks	9	9	9	9
Park Land (Acres)	39	39	39	39
Baseball Fields	8	8	8	8
Ice Arena	1	1	1	1
Historical Museum	1	1	1	1
Water and Sewer:				
Water Mains (Miles)	53	53	53	53
Sanitary Sewers (Miles)	56	56	56	56
Fire Hydrants	500	500	500	500

Source: Berkley Building Department - Square Footage
 Berkley Public Safety - Capital Asset Information
 Berkley Public Works - Capital Asset Information Including Water/Sewer
 Berkley Parks and Recreation - Program Information
 Berkley Finance Department Fleet Information

Capital Asset Statistics

Last Ten Fiscal Years

As of June 30,					
2014	2015	2016	2017	2018	2019
17,481	17,481	17,481	17,481	17,481	17,481
15,000	15,000	15,000	15,000	15,000	15,000
8,200	8,200	8,200	8,200	8,200	8,200
34,200	34,200	34,200	34,200	34,200	34,200
12,000	12,000	12,000	12,000	12,000	12,000
2,475	2,475	2,475	2,475	2,475	2,475
2	2	2	2	2	2
15	15	15	15	16	16
1	1	1	1	1	1
16	16	16	16	16	16
36	36	36	36	36	36
720	720	720	720	720	720
41	40	40	40	40	40
9	9	9	9	9	9
39	42	42	42	42	42
8	8	8	8	8	8
1	1	1	1	1	1
1	1	1	1	1	1
53	53	53	53	53	53
56	56	56	69	69	69
500	500	500	500	500	500