



City of Berkley



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2015

COMPREHENSIVE ANNUAL FINANCIAL REPORT



City of Berkley, Michigan
For the Fiscal Year Ended June 30, 2015
as prepared by the Finance Department

City Council

Phil O'Dwyer – Mayor

Dan Terbrack, Mayor Pro-Tempore
John (Jack) Blanchard
Alan H. Kideckel

Steven W. Baker
Tina Edgar
Eileen Steadman

City Manager

Jane Bais-DiSessa

Finance Director/Treasurer

David L. Sabuda, CPA

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City of Berkley, Michigan

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City of Berkley, Michigan
List of City Officials
June 30, 2015



City Manager

Jane Bais-DiSessa, City Manager
Darchelle Strickland-Love, Assistant to the City Manager
Stan Lisica, Information Technology Coordinator

City Clerk

Annette Boucher, City Clerk
Lisa Vecchio, Deputy City Clerk

District Court

The Honorable James Wittenberg
Tami Bone, Court Administrator

Department of Public Works

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

Finance/Treasury Department

David L. Sabuda, CPA, Finance Director/Treasurer
Bryan Bemis, Deputy Treasurer
Laurie Fielder, Accountant
Susan Reddin, Accountant

Library

Matthew Church, Library Director
Karen Endres, Executive Assistant
Carol Stadther, Librarian

Parks and Recreation

Arthur Serafinski, Director
Theresa McArleton, Deputy Director
Scott Jennex, Programming

Planning

Amy Vansen, AICP, City Planner
Kimberly Anderson, Department Clerk

Public Safety

Richard M. Eshman, Chief
Robert North, Deputy Chief
Selena Frost, 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
248-658-3301 - Fax

LETTER OF TRANSMITTAL

November 24, 2015

The Honorable Mayor Phil O'Dwyer
Members of the City Council
Richard M. Eshman, Interim City Manager
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, 2015. This is the fourth Comprehensive Annual Financial Report to the Mayor and City Council.

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 government 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.

Reporting Changes

During the year-ended June 30, 2015, the City implemented the reporting changes required to be instituted in the financial statements of local units of government as established by Governmental Accounting Standards Board (GASB) Statement Number 68 *Accounting for Pensions by State and Local Government Employers*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. This statement also improves information provided by state and local governmental employers about financial support for pensions which are provided by the City. For the first time, the City recorded on the government wide financial statements and the financial statements of the two enterprise funds, the net pension liability and annual pension expense attributable to the City employees who are members of the Berkley Public Safety Pension System and the net pension liability and annual pension expense attributable to the City employees who are members of the Municipal Employees Retirement System. In years past, reporting the net pension liability was done in the footnotes of the financial statements.

Also in fiscal year 2014/15, GASB Statement number 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees* went into effect for governmental units. This statement requires a government that extends a non-exchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This accounting pronouncement did not have a material impact on the City's financial statements in the current year.

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/Treasurer 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 classification and line item. 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 May 2015. This rating places Berkley in a solid position as compared to other municipalities in Southeastern Michigan and the State.

According to Fitch's rating service, the City has strong financial management evidenced by its conservative budgeting and proactive cost cutting actions enabling the preservation of healthy reserve levels. This is done despite pressure from a moderate taxable value growth and a flat state shared revenue stream. The City's taxable value is almost back to its 2009 level. The City has moderate debt levels with very rapid amortization. Carrying costs for all long-term liabilities are considered manageable. Revenue flexibility has been achieved as a result of the voter-approved Headlee override which began to generate \$1.4 million in additional revenue commencing in fiscal year 2013/14.

Fitch also states that the City has preserved adequate unrestricted fund balance in order to insure fiscal soundness into the future to offset certain budgetary limitations.

Local Economy - Wealth levels within the City of Berkley remain above state and national averages. The median household income in Berkley is just over \$65,600. The per capita income is just over \$34,500. The median housing value calculated by the Southeast Michigan Council of Governments is \$165,600; the median gross rents are \$1,005/month. The average taxable value in the City as determined by the City Finance Department is \$60,390. In 2010, there are just over 6,400 single family homes and another 624 multi-unit residences. Within this amount 5,363 are owner occupied and another 1,231 are rented. Approximately 339 units are vacant and the rest of the housing is seasonally occupied.

The Southeast Michigan Council of Governments is also forecasting that the City of Berkley will maintain a level population of 15,000 people through 2035. As of 6/30/2015, the population of the City of Berkley is 15,089. As of 7/1/2015, the unemployment level within the City according to Home-Facts as of the same date is 5.7% which is under the State unemployment rate of 6.1% but higher than the National average of 5.3%.

The City and 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 taxable value has halted its downward moving trend. The city's tax base declined 13.51% from July 1, 2009 through June 30, 2012 with the largest decline incurring 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 tax value increase. In July 2014, the City saw its overall tax base increase another 2.13% and in July 2015 the tax value increased 4.3%. According to Oakland County Equalization, it is anticipated that the City's taxable value may increase by another 3.0% for the July 2016 tax collection (fiscal year 2016/17) and another 4.0% for the July 2017 tax collection (fiscal year 2017/18)

As stated earlier, to offset the tax base loss and to achieve revenue flexibility, the City was able to pass through a vote of the people a Headlee tax override of \$3.00/thousand taxable value on all real and personal property in the City. This vote occurred in August 2012. The tax override went into effect on the 7/1/2013 property tax billing. This additional tax levy added \$1.381 million for City operation net of tax increment capture for FY 2014/15. It is anticipated that State Shared Revenues now and into the future will remain steady and increase at a very slow rate. The City has seen its other post-employment (OPEB) long-term liability funding ratio decrease to 14.2% (from 18.5%) due to new required actuarial projections that determined a higher than expected unfunded accrued liability for other post-employment benefits. City labor contracts are currently being negotiated. Those labor contracts expired on June 30, 2015.

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 Treasurer. 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 Berkley 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 Berkley a certificate of excellence in budgetary reporting for fiscal years 2008/09 through 2014/15. The City also received a certificate of achievement for 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 fiscal year 2011/12 through 2013/14.

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 independent auditors Plante and Moran 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 along with retired City Manager Jane Bais-DiSessa, for their guidance and leadership dealing with financial matters of the City this past fiscal year.

Sincerely,

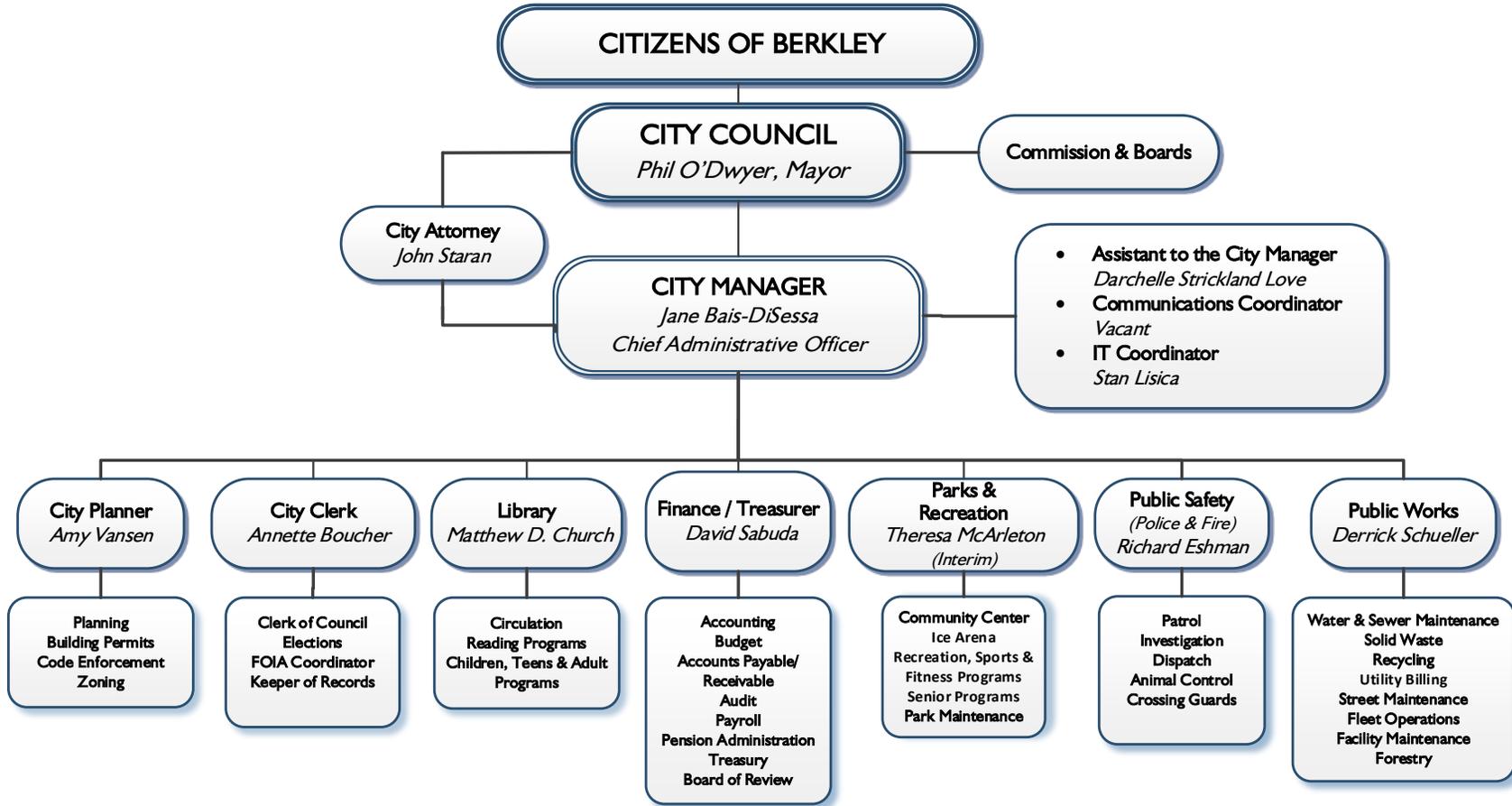


Laurie Fielder
Accountant



David L. Sabuda, CPA
Finance Director/Treasurer

City of Berkley



Approved 2012

updated 8/14/15

** The City Manager is responsible for Human Resources, Purchasing, Budget, Risk Management and administrative oversight for all City Departments.

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)

Drug Forfeiture

Recreation Revolving

Seniors Program

Debt Funds

2002 Installment Purchase

2006 Major and Local Street Debt

2006 Eleven Mile Road Debt

2006 Twelve Mile Road Debt

Capital Projects

District Court Building

Public Improvements

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

Downtown Development Authority TIF Capture



Government Finance Officers Association

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

Presented to

**City of Berkeley
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

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, 2015 and the related notes to the financial statements, which collectively comprise the 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 financial 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, 2015 and the respective changes in its financial 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

Emphasis of Matter

As discussed in Note 16 to the financial statements, during the year ended June 30, 2015, the City adopted the new accounting guidance of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of the governmental employers through pension plans. Our opinion is not modified with respect to this matter.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, OPEB system schedule, schedule of changes in the City net pension liability and related ratios, schedule of City contributions, schedule of investment returns, and the major fund budgetary comparison schedules, 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 opinions 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, and introductory section and statistical section schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplemental information, as identified in the table of contents, 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, as identified in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the City Council
City of Berkley, Michigan

The introductory section and statistical section schedules 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.

Plante & Moran, PLLC

November 24, 2015

City of Berkley, Michigan

Management's Discussion and Analysis

Our discussion and analysis of the City of Berkley, Michigan's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the City's financial statements.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended June 30, 2015:

- Property tax values increased (2.13 percent - \$9.897 million) for the July 1, 2014 tax collection season that funds fiscal year 2014-2015. This is the second straight year that the City has experienced an overall increase in its taxable value. Last fiscal year, taxable values increased 2.23 percent or approximately \$9.891 million.

State and national economies are continuing to rebound. Specifically contributing to the taxable value increase is better-than-expected home sales prices in the area. The City is anticipating that the upward trend in sales prices will continue into the future. Also contributing to the tax value increase is the downward trend in unemployment in Berkley and the surrounding region. According to Homefacts, the City of Berkley's unemployment rate at June 30, 2015 was 5.4 percent. This is a 3.1 percent decline in unemployment in Berkley as compared to last fiscal year.

- The City also saw an increase in new housing construction, home improvement permits, and license revenue in fiscal year 2014-2015. This revenue stream increased by 31 percent or \$91,683. This economic indicator also highlights that the housing market and local economy is continuing to turn around and the City will continue to see better property tax values in fiscal year 2015-2016.
- Constitutional and city, village, and township (CVT) revenue sharing payments, the second largest revenue source for the City, increased slightly (\$22,837 or 1.8 percent) in fiscal year 2014-2015 as compared to fiscal year 2013-2014. This is the fourth year the City has seen a slight increase in this revenue source. This is due to the City fulfilling the specific requirements of accountability and transparency rules of the state of Michigan, along with the State of Michigan increasing constitutional payments to local governments by 1.6 percent.
- To offset the loss of tax revenue and to increase infrastructure investments, the City sought in August 2012 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. This levy went into effect on July 1, 2013. This levy was rolled back to \$2.99 per thousand tax value for the July 2014 tax levy in accordance with the State Headlee amendment. This tax levy generated \$1.381 million net of tax increment finance capture for the City for fiscal year 2014-2015. The funds were utilized in the General Fund, Major and Local Street Funds, and the Solid Waste Fund to support operations.
- In fiscal year 2014-2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68. This accounting standard requires that the net pension liability for the two city pension groups be recognized on the government wide financial statements and the two enterprise funds of the City. The City recorded a one-time \$8.2 million reduction to the government wide unrestricted net position. The City also recorded a one-time \$1.5 million reduction to the business-type unrestricted net position. These amounts will be adjusted annually.

City of Berkley, Michigan

Management's Discussion and Analysis (Continued)

- In August 2014, the City incurred severe flood damage from a severe rain event. The City was declared a disaster area by the federal government due to this rain event. The City spent \$532,000 to clean disaster debris and to pickup household solid waste from damaged homes. The City received \$37,100 in federal disaster relief funds and general liability insurance proceeds to offset the cleanup costs in fiscal year 2014-2015. The City is expecting another \$404,500 from the federal government in fiscal year 2015-2016 to offset the disaster cleanup costs. The balance of funding for costs incurred due to the flood event was derived from unrestricted fund balance in the Solid Waste Fund, General Fund, and Arena Fund.
- The City continued to maintain the structural integrity of its water mains and sewer system. The City invested and capitalized just over \$248,700 in water and sewer improvements in fiscal year 2014-2015. The majority of these dollars were spent on the sewer system. The City relined sewer lines during the fiscal year with these funds. The City also invested an additional \$311,100 in building improvements and equipment for the Water/Sewer and Arena operating funds.
- The City continued to invest in the general infrastructure of the City. Over \$1.642 million worth of capital improvements were performed in fiscal year 2014-2015, with \$1.326 million spent on general city infrastructure (roads and buildings) and \$262,000 spent on replacing existing general city equipment within various departments.
- For the 16th consecutive year, the City invested in the library collection. The library purchased \$53,800 in new reading and rental materials. The Friends of the Library contributed over \$4,800 in funding for the library in fiscal year 2014-2015.
- The Planning Commission and the City Council approved an updated capital improvements program for the time period of fiscal year 2014-2015 through fiscal year 2020-2021. The total amount of the program is approximately \$28.0 million. This is a 24 percent increase from the previous plan.
- The City Council approved an updated capital equipment program for the time period of fiscal year 2014-2015 through fiscal year 2020-2021. The total amount of the program is approximately \$5,400,000. This is a 32 percent increase in our funding plan.
- The City determined in November 2014 that as of June 30, 2012, its GASB Statement No. 45 other postemployment benefit (OPEB) net unfunded liability is estimated to be \$25,440,490. This is a 53 percent increase in liability from our June 30, 2009 valuation. The increase in liability is due to partially funding the annual liability and also having to reduce our interest assumption rate from 7.0 percent to 5.5 percent due to this partial funding.

The annual calculated OPEB liability contribution for fiscal year 2014-2015 was \$2,506,200 including interest and adjustments. The City paid \$1,373,400 on a pay-as-you-go basis including an implicit rate subsidy contribution. The City then invested an additional \$231,200 toward the OPEB liability in fiscal year 2014-2015. These additional funds were transferred to the City's third-party trust for investing and safekeeping. The total payment made by the City in fiscal year 2014-2015 toward the yearly OPEB liability totaled \$1,604,600.

After these payments and adjustments, the City recorded an additional \$901,600 OPEB liability on its statement of net position as of June 30, 2015. The City recorded \$867,000 of the OPEB liability in the government-wide financial statements and \$34,600 of the OPEB liability in the Water and Sewer Fund.

City of Berkley, Michigan

Management's Discussion and Analysis (Continued)

The total four-year accumulated unfunded accrued OPEB liability recorded by the City as of June 30, 2015 is \$4,054,299. The Water and Sewer Fund has recorded \$162,946 of the cumulative OPEB liability and the government-wide financial statement has \$3,891,352 of the OPEB cumulative liability.

As of June 30, 2015, the City has \$3,615,853 set aside with MERS for future other postemployment employee benefits for certain retirees. These funds are accounted for on the Municipal Employees' Retirement System financial statements. At June 30, 2015, the City has funded 14.2 percent of its June 30, 2012 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 of Berkley, Michigan 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 determine if taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us 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.

City of Berkley, Michigan

Management's Discussion and Analysis (Continued)

The City of Berkley as a Whole

The following table shows, in a condensed format, the net position as of June 30, 2014 and 2015 (in millions of dollars):

	Governmental Activities		Business-type Activities		Total	
	2015*	2014	2015*	2014	2015*	2014
Assets						
Current assets	\$ 9.1	\$ 8.6	\$ 4.5	\$ 4.1	\$ 13.6	\$ 12.7
Capital assets	<u>14.0</u>	<u>13.6</u>	<u>15.3</u>	<u>15.1</u>	<u>29.3</u>	<u>28.7</u>
Total assets	23.1	22.2	19.8	19.2	42.9	41.4
Deferred Outflows	1.2	-	0.1	-	1.3	-
Liabilities						
Current liabilities	2.1	1.9	0.9	1.0	3.0	2.9
Long-term liabilities	<u>15.2</u>	<u>5.7</u>	<u>5.6</u>	<u>4.3</u>	<u>20.8</u>	<u>10.0</u>
Total liabilities	<u>17.3</u>	<u>7.6</u>	<u>6.5</u>	<u>5.3</u>	<u>23.8</u>	<u>12.9</u>
Net Position						
Net investment in capital assets	11.8	10.5	11.1	10.5	22.9	21.0
Restricted	2.6	2.5	-	-	2.6	2.5
Unrestricted	<u>(7.4)</u>	<u>1.6</u>	<u>2.3</u>	<u>3.4</u>	<u>(5.1)</u>	<u>5.0</u>
Total net position	<u>\$ 7.0</u>	<u>\$ 14.6</u>	<u>\$ 13.4</u>	<u>\$ 13.9</u>	<u>\$ 20.4</u>	<u>\$ 28.5</u>

*GASB Statement No. 68 was adopted by the City as of July 1, 2014

The City's combined total net position decreased 28.4 percent from a year ago - decreasing from \$28.5 million to \$20.4 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 202.0 percent at June 30, 2014, from \$5.0 million to (\$5.1) million. This reduction is due to the City adopting GASB Statement No. 68, which requires that the outstanding pension liability of the City be recorded in the unrestricted net position of the City's statement of net position in lieu of financial statement footnote presentation.

The governmental activities unrestricted net position declined \$9.0 million. Analyzing this further, \$8.2 million of the decline is attributed to the GASB Statement No. 68 net pension liability and another \$800,000 reduction of unrestricted net position being due to expenses exceeding revenue as applied to unrestricted fund balance.

The unrestricted net position for business-type activities saw a \$1.1 million dollar reduction. The unrestricted net position for business-type activities saw an increase in revenue over expenses as applied to unrestricted fund balance of \$400,000; however, the GASB Statement No. 68 first-year net pension liability of \$1.5 million was recorded within the unrestricted net position for business-type activities.

In reviewing the City's net position of business-type activities, the net position investment in capital assets increased 5.7 percent due to the addition of new business assets in the current year net of disposals. Specifically, the new assets acquired were placed into the City-wide water system, sewer lining, meter replacements, and equipment.

City of Berkley, Michigan

Management's Discussion and Analysis (Continued)

In reviewing the City's net position of government-type activities, the net position investment in capital assets increased approximately 12.4 percent due to the addition of new governmental assets net of disposals in the current year. A majority of the increase was spent in major and local roads as well as replacing operating equipment such as police cars, public works equipment, and completing a land purchase in the City for future recreational use.

The following table shows the changes in net position during the years ended June 30, 2014 and 2015 (in millions of dollars):

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue						
Program revenue:						
Charges for services	\$ 3.0	\$ 3.1	\$ 6.1	\$ 6.0	\$ 9.1	\$ 9.1
Operating grants and contributions	1.6	1.3	-	-	1.6	1.3
Capital grants and contributions	0.2	0.2	-	-	0.2	0.2
General revenue:						
Property taxes	8.5	8.3	-	-	8.5	8.3
State-shared revenue	1.3	1.3	-	-	1.3	1.3
Unrestricted investment earnings	0.1	-	-	-	0.1	-
Franchise fees	0.4	0.3	-	-	0.4	0.3
Other revenue	0.2	0.1	-	-	0.2	0.1
Total revenue	15.3	14.6	6.1	6.0	21.4	20.6
Program Expenses						
General government	3.7	3.3	-	-	3.7	3.3
Public safety	5.1	4.8	-	-	5.1	4.8
Public works	3.7	3.3	-	-	3.7	3.3
Health and welfare	0.2	0.2	-	-	0.2	0.2
Recreation and culture	1.8	1.7	-	-	1.8	1.7
Interest on long-term debt	0.1	0.1	-	-	0.1	0.1
Water and sewer	-	-	4.8	4.6	4.8	4.6
Arena	-	-	0.4	0.4	0.4	0.4
Total expenses	14.6	13.4	5.2	5.0	19.8	18.4
Income Before Transfers	0.7	1.2	0.9	1.0	1.6	2.2
Transfers	(0.1)	(0.1)	0.1	0.1	-	-
Increase in Net Position	<u>\$ 0.6</u>	<u>\$ 1.1</u>	<u>\$ 1.0</u>	<u>\$ 1.1</u>	<u>\$ 1.6</u>	<u>\$ 2.2</u>

City of Berkley, Michigan

Management's Discussion and Analysis (Continued)

Governmental Activities

Overall, the net position for governmental activities increased by \$600,000 in fiscal year 2014-2015 as compared to an increase of \$1,100,000 in fiscal year 2013-2014 due to the local economic effects as described below:

- The City's total governmental revenue increased \$700,000 due to an increase in taxable value, cable franchise fee revenues, and anticipated reimbursements from the federal government in relation to the declared flood disaster in the area in August 2014.
- Governmental activities program expenses increased approximately \$1.2 million, or 9 percent, from the prior fiscal year. This is due to the additional costs incurred by the City for a declared flood disaster in August 2014, the repair and resurface of Coolidge from Twelve Mile to Webster, and the recording of the annual pension expense for the fiscal year attributable to the new GASB Statement No. 68 accounting standard.

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 Detroit water and sewerage department and the Southeast Oakland County Water Authority. The City also operates an ice arena for approximately eight months of the fiscal year. Total net position for all business-type activities decreased \$100,000 in fiscal year 2014-2015. The decrease is attributable to a net increase in business-type expenses related to the first time recording of the annual pension expense due to the implementation of GASB Statement No. 68.

The City of Berkley, Michigan's Funds

The City of Berkley, Michigan's major funds are on pages 15 through 25, following the statement of net position and statement of activities financial statements. 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, 2015 include the General Fund, the Major and Local Streets Funds, the Solid Waste Service Fund, and the Recreation Revolving Fund.

The General Fund pays for most of the City's governmental services. The General Fund recorded \$9.8 million in expenses to provide City service and purchase capital equipment in fiscal year 2014-2015. The most significant of these costs are public safety (police and fire), which incurred expenses of approximately \$4,867,000 within the General Fund. Public safety expenses are 49 percent of the total General Fund expense.

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 2014-2015 fiscal year, expenditures recorded in the General Fund directly related to the public safety millages amounted to approximately \$2,141,700. The remaining cost of the police and fire protection is funded by other general revenue sources of the General Fund.

City of Berkley, Michigan

Management's Discussion and Analysis (Continued)

A combined \$1.7 million was spent in fiscal year 2014-2015 on major and local road repair and rehabilitation in 2014-2015. The Major Street Fund financed the rehabilitation and repaving of Coolidge from Twelve Mile to Webster, which was the largest street project in the City since fiscal year 2005-2006. This rehabilitation and repaving cost of Coolidge from Twelve Mile to Webster was approximately \$651,100.

In addition to gas tax revenue, both the Major Street Fund and Local Street Fund received an operating transfer from the General Fund. This operating transfer was revenue received by the General Fund from the voter-approved Headlee override tax revenue stream. The General Fund transferred \$532,500 to the Major Street Fund and \$150,000 to the Local Street Fund. These dollars in combination along with a portion of the Major Street Fund's fund balance funded the \$1.7 million in major and local road repair and rehabilitation.

In the City's Solid Waste Fund, the City spent \$1.7 million to collect and dispose of the City's solid waste, recyclables, and leaves in fiscal year 2014-2015. This includes \$532,000 to pick up and dispose of household solid waste and other disaster debris due to the August 2014 flood. To offset these costs, the City obtained \$441,600 in disaster relief proceeds from the federal government. In addition, this operating fund also received \$67,600 in voter-approved Headlee tax override dollars from the General Fund.

The Recreation Revolving Fund recorded \$338,000 in operating expenses and supported the Arena and General Fund through operating transfers out in the amount of another \$86,565. Recreational program revenues received amounted to \$479,000. These program revenues supported each individual recreation program offered throughout the fiscal year and supported the cost of one-half of a full-time city employee in addition to supporting the Ice Arena and General Fund Dream Cruise costs. In turn, the fund-balance of the Recreation Revolving Fund increased by \$54,000 for the fiscal year. These dollars will be utilized in the future to fund capital projects for the Recreation Department.

Budgetary Highlights - All Operating Funds

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 adjustments reflected a net increase of \$718,200 across all City operating funds. The General Fund accounted for \$147,089 of the overall revenue increase when comparing original revenue appropriation and the final amended revenue appropriation. When comparing the City's General Fund amended revenue appropriation to actual revenues received, the actual revenues received is 101.1 percent of the amended revenue appropriation, or \$10.97 million. The General Fund revenue appropriation and collection increases were reflected within all revenue classifications except for state-shared revenue and local donations. Those classifications did not meet approved appropriation amounts.

The total amount of expenditure appropriation adjustments amounted to a \$1,203,400 increase across all operating funds. The General Fund accounted for \$237,216 of the overall expenditure 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 94 percent of the total appropriation or \$10.4 million. All General Fund expenditures came within or under appropriation.

City of Berkley, Michigan

Management's Discussion and Analysis (Continued)

Capital Asset and Debt Administration

At the end of fiscal year 2015, the City had a net book value of approximately \$29,258,000 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, a sewer line relining program, as well as new water meters, sidewalks, patrol cars, various public works equipment, and reinvestment in various City facilities such as carpeting and painting of City Hall. Additional information regarding the City's capital assets and long-term debt can be found in Notes 4 and 6 within the financial statements.

In May 2015, Fitch rating services affirmed the City's bond rating as AA stable for the general obligation road bonds, Series 2006.

Economic Factors and Next Year's Budgets and Rates

Two major sources of unrestricted revenue for the City are property taxes from operating millages and state-shared revenue.

The Oakland County Assessor's Office anticipates a 4.3 percent increase in property taxable value within the City of Berkley for the July 2015 tax year (fiscal year 2015-2016). The City and County are also anticipating a county-wide 3.0 percent increase in tax value for the July 2016 tax levy. For the July 2017 fiscal year, the City and County are also forecasting an additional 4.0 percent taxable value increase.

It is anticipated that the State of Michigan will not significantly increase state-shared revenue payments to local governments. Finance Department financial forecasts in this area project a 2.7 percent state-shared revenue increase in fiscal year 2015-2016, an additional 1.0 percent state-shared revenue increase in fiscal year 2016-2017, and a 1.0 percent state-shared revenue increase in fiscal year 2017-2018.

As stated earlier in this discussion, the City sought and was able to pass, through a vote of the people, a Headlee tax override of \$3.00/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 2015-2016, fiscal year 2016-2017, and into the future to allow the City to balance all operating budgets and to invest in various infrastructure projects around the City.

On the expenditure side of operations, the City continues to carefully manage resources that are available for operations and improvements. Labor contracts expired on June 30, 2015 and are currently being negotiated. The City also continues to evaluate 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 payers meets program expenses.

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.

Contacting the City of Berkley's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City of Berkley, Michigan's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Interim City Manager or the City Finance Director/Treasurer.

City of Berkley, Michigan

Statement of Net Position June 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents (Note 3)	\$ 6,414,566	\$ 1,312,548	\$ 7,727,114	\$ 256,600
Investments (Note 3)	1,005,072	753,804	1,758,876	-
Receivables:				
Taxes	32,293	-	32,293	9,281
Customers	262,978	2,437,597	2,700,575	-
Other receivables	-	6,252	6,252	-
Other governmental units	1,066,273	-	1,066,273	-
Inventories	67,628	-	67,628	-
Prepaid costs	248,482	13,758	262,240	-
Capital assets (Note 4):				
Assets not subject to depreciation	869,080	13,795	882,875	-
Assets subject to depreciation	13,096,275	15,278,875	28,375,150	-
Total assets	23,062,647	19,816,629	42,879,276	265,881
Deferred Outflows of Resources -				
Deferred outflows related to pensions (Notes 8 and 12)	1,199,625	97,983	1,297,608	-
Liabilities				
Accounts payable	469,544	317,830	787,374	7,576
Due to other governmental units	3,771	-	3,771	-
Accrued liabilities and other	396,805	68,787	465,592	-
Unearned revenue	23,890	-	23,890	-
Noncurrent liabilities:				
Due within one year (Note 6):				
Compensated absences	247,393	25,497	272,890	-
Current portion of long-term debt (Note 6)	925,000	424,984	1,349,984	-
Due in more than one year:				
Compensated absences (Note 6)	338,302	47,351	385,653	-
Other postemployment benefit obligations (Note 13)	3,891,352	162,946	4,054,298	-
Net pension liability (Notes 8 and 12)	9,738,200	1,685,442	11,423,642	-
Long-term debt (Note 6)	1,275,000	3,789,618	5,064,618	-
Total liabilities	17,309,257	6,522,455	23,831,712	7,576
Net Position				
Net investment in capital assets	11,765,355	11,078,068	22,843,423	-
Restricted for:				
Streets	1,709,058	-	1,709,058	-
Public safety	42,045	-	42,045	-
Community development and promotion	79,912	-	79,912	-
Sanitation	659,913	-	659,913	-
Library	38,389	-	38,389	-
Debt service	45,991	-	45,991	-
Unrestricted	(7,387,648)	2,314,089	(5,073,559)	258,305
Total net position	\$ 6,953,015	\$ 13,392,157	\$ 20,345,172	\$ 258,305

The Notes to Financial Statements are an
Integral Part of This Statement.

City of Berkley, Michigan

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,713,410	\$ 1,854,859	\$ 379,608	\$ 185,000
Public safety	5,108,392	247,912	21,918	-
Public works	3,710,743	390,384	1,068,051	33,614
Health and welfare	166,478	-	65,252	-
Recreation and culture	1,828,480	544,005	77,851	30,746
Interest on long-term debt	104,750	20,020	-	-
Total governmental activities	14,632,253	3,057,180	1,612,680	249,360
Business-type activities:				
Water and sewer	4,874,414	5,729,719	86,292	-
Arena	392,804	341,004	-	-
Total business-type activities	5,267,218	6,070,723	86,292	-
Total primary government	<u>\$ 19,899,471</u>	<u>\$ 9,127,903</u>	<u>\$ 1,698,972</u>	<u>\$ 249,360</u>
Component unit - Downtown Development Authority	<u>\$ 280,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenue:				
Property taxes				
State-shared revenue				
Unrestricted investment earnings				
Franchise fees				
Miscellaneous				
Total general revenue				
Transfers (Note 5)				
Change in Net Position				
Net Position - Beginning of year (as restated) (Note 16)				
Net Position - End of year				

Statement of Activities
Year Ended June 30, 2015

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (1,293,943)	\$ -	\$ (1,293,943)	\$ -
(4,838,562)	-	(4,838,562)	-
(2,218,694)	-	(2,218,694)	-
(101,226)	-	(101,226)	-
(1,175,878)	-	(1,175,878)	-
(84,730)	-	(84,730)	-
(9,713,033)	-	(9,713,033)	-
-	941,597	941,597	-
-	(51,800)	(51,800)	-
-	889,797	889,797	-
(9,713,033)	889,797	(8,823,236)	-
-	-	-	(280,445)
8,477,367	-	8,477,367	254,214
1,316,074	-	1,316,074	-
55,105	10,097	65,202	2,097
363,800	-	363,800	-
236,522	-	236,522	1,100
10,448,868	10,097	10,458,965	257,411
(140,815)	140,815	-	-
595,020	1,040,709	1,635,729	(23,034)
6,357,995	12,351,448	18,709,443	281,339
\$ 6,953,015	\$ 13,392,157	\$ 20,345,172	\$ 258,305

City of Berkley, Michigan

	General Fund	Major Streets Fund	Local Streets Fund
Assets			
Cash and cash equivalents (Note 3)	\$ 2,141,189	\$ 982,743	\$ 751,327
Investments (Note 3)	1,005,072	-	-
Receivables:			
Taxes	9,987	-	-
Customers	185,962	-	-
Other governmental units	447,204	159,929	44,974
Inventories	53,855	-	-
Prepaid costs	237,894	4,979	4,809
	<u>\$ 4,081,163</u>	<u>\$ 1,147,651</u>	<u>\$ 801,110</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	\$ 183,170	\$ 206,734	\$ 22,153
Due to other governmental units	3,771	-	-
Accrued and other liabilities	339,581	10,816	-
Unearned revenue	-	-	-
	<u>526,522</u>	<u>217,550</u>	<u>22,153</u>
Deferred Inflows of Resources - Unavailable revenue	29,687	-	-
Fund Balances			
Nonspendable - Inventory and prepaid items	291,749	4,979	4,809
Restricted:			
Debt service	-	-	-
Streets	-	925,122	774,148
Solid waste service	-	-	-
Public safety	38,990	-	-
Library	38,389	-	-
Community promotion and development	52,435	-	-
Committed:			
Recreation	-	-	-
Seniors' program	-	-	-
Assigned - Capital improvement	-	-	-
Unassigned	3,103,391	-	-
	<u>3,524,954</u>	<u>930,101</u>	<u>778,957</u>
Total fund balances	<u>3,524,954</u>	<u>930,101</u>	<u>778,957</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,081,163</u>	<u>\$ 1,147,651</u>	<u>\$ 801,110</u>

**Governmental Funds
Balance Sheet
June 30, 2015**

Solid Waste Service Fund	Recreation Revolving Fund	Nonmajor Funds	Total
\$ 203,473	\$ 637,521	\$ 1,112,618	\$ 5,828,871
-	-	-	1,005,072
19,165	-	3,141	32,293
77,016	-	-	262,978
406,071	-	8,095	1,066,273
13,773	-	-	67,628
450	350	-	248,482
\$ 719,948	\$ 637,871	\$ 1,123,854	\$ 8,511,597

\$ 51,742	\$ 3,623	\$ 2,122	\$ 469,544
-	-	-	3,771
8,293	17,065	2,194	377,949
-	23,890	-	23,890
60,035	44,578	4,316	875,154
123,125	-	3,141	155,953
14,223	350	-	316,110
-	-	67,988	67,988
-	-	-	1,699,270
522,565	-	-	522,565
-	-	3,055	42,045
-	-	-	38,389
-	-	27,477	79,912
-	592,943	-	592,943
-	-	242,976	242,976
-	-	774,901	774,901
-	-	-	3,103,391
536,788	593,293	1,116,397	7,480,490
\$ 719,948	\$ 637,871	\$ 1,123,854	\$ 8,511,597

City of Berkley, Michigan

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position June 30, 2015

Fund Balance Reported in Governmental Funds	\$ 7,480,490
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	13,965,355
Revenue related to receivables is recorded in the statement of net position at the time it is earned without regard to timeliness of collection	155,953
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(2,200,000)
Accrued interest payable is not recorded in the funds	(18,856)
The cost of other postemployment benefits is not due and payable in the current period and is not reported in the funds	(3,891,352)
Net pension liability is not due and payable in the current period and is not reported in the funds	(9,738,200)
Deferred outflows related to pensions are not a financial resource and are not reported in the funds	<u>1,199,625</u>
Net Position of Governmental Activities	<u>\$ 6,953,015</u>

City of Berkley, Michigan

	General Fund	Major Streets Fund	Local Streets Fund
Revenue			
Property taxes	\$ 6,820,065	\$ -	\$ -
Licenses and permits	537,454	-	-
Federal grants	13,425	-	-
State-shared revenue and grants	1,344,885	739,176	266,237
Charges for services	481,892	4,828	-
Fines and forfeitures	981,889	-	-
Investment earnings	30,633	5,499	3,810
Franchise fees	363,800	-	-
Other miscellaneous income	398,371	28,714	20,316
Total revenue	<u>10,972,414</u>	<u>778,217</u>	<u>290,363</u>
Expenditures			
Current:			
General government	2,683,537	24,229	16,659
Public safety	4,866,822	-	-
Public works	747,821	1,179,386	495,932
Health and welfare	74,084	-	-
Recreation and culture	1,198,014	-	-
Capital outlay	266,869	-	-
Debt service	-	-	-
Total expenditures	<u>9,837,147</u>	<u>1,203,615</u>	<u>512,591</u>
Excess of Revenue Over (Under) Expenditures	1,135,267	(425,398)	(222,228)
Other Financing Sources (Uses)			
Transfers in (Note 5)	10,133	532,500	306,460
Transfers out (Note 5)	(804,350)	(156,460)	-
Total other financing (uses) sources	<u>(794,217)</u>	<u>376,040</u>	<u>306,460</u>
Net Change in Fund Balances	341,050	(49,358)	84,232
Fund Balances - Beginning of year	<u>3,183,904</u>	<u>979,459</u>	<u>694,725</u>
Fund Balances - End of year	<u>\$ 3,524,954</u>	<u>\$ 930,101</u>	<u>\$ 778,957</u>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2015

Solid Waste Service Fund	Recreation Revolving Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 878,945	\$ -	\$ 778,357	\$ 8,477,367
-	-	-	537,454
304,628	-	65,252	383,305
-	-	22,324	2,372,622
287,571	451,294	62,682	1,288,267
-	-	85,537	1,067,426
2,912	2,914	5,721	51,489
-	-	-	363,800
4,537	25,080	205,547	682,565
<u>1,478,593</u>	<u>479,288</u>	<u>1,225,420</u>	<u>15,224,295</u>
-	-	-	2,724,425
-	-	-	4,866,822
1,678,796	-	-	4,101,935
-	-	122,518	196,602
-	335,954	-	1,533,968
-	2,265	8,362	277,496
-	-	974,276	974,276
<u>1,678,796</u>	<u>338,219</u>	<u>1,105,156</u>	<u>14,675,524</u>
(200,203)	141,069	120,264	548,771
67,600	-	-	916,693
<u>-</u>	<u>(86,565)</u>	<u>(10,133)</u>	<u>(1,057,508)</u>
<u>67,600</u>	<u>(86,565)</u>	<u>(10,133)</u>	<u>(140,815)</u>
(132,603)	54,504	110,131	407,956
669,391	538,789	1,006,266	7,072,534
<u>\$ 536,788</u>	<u>\$ 593,293</u>	<u>\$ 1,116,397</u>	<u>\$ 7,480,490</u>

City of Berkley, Michigan

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ 407,956
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	1,425,804
Depreciation expense	(1,021,000)
Loss on disposal of assets	(14,704)
Revenue reported in the statement of activities that does not provide current financial resources is not reported as revenue in the governmental funds	106,563
Capital contributions are not reported as revenue in the governmental funds	33,614
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	860,000
Accrued interest is recorded on debt when incurred in the statement of activities	9,526
The annual required contribution for other postemployment benefits is recorded when incurred in the statement of activities	(867,093)
Increase in net pension expense reported in the statement of activities does not require the use of current resources and therefore is not reported in the fund until it becomes due for payment	(1,345,750)
Changes in deferred outflows related to pensions are reported in the statement of activities	<u>1,000,104</u>
Change in Net Position of Governmental Activities	<u>\$ 595,020</u>

City of Berkley, Michigan

Proprietary Funds Statement of Net Position June 30, 2015

	Enterprise Funds			Governmental Activities
	Major Fund - Water and Sewer Fund	Nonmajor Enterprise - Arena Fund	Total Enterprise Funds	Internal Service Fund - Fringe Benefits Fund
Assets				
Current assets:				
Cash and cash equivalents (Note 3)	\$ 1,197,099	\$ 115,449	\$ 1,312,548	\$ 585,695
Investments (Note 3)	753,804	-	753,804	-
Receivables - Customer	2,437,597	6,252	2,443,849	-
Prepaid costs	12,036	1,722	13,758	-
Total current assets	4,400,536	123,423	4,523,959	585,695
Noncurrent assets - Capital assets (Note 4):				
Assets not subject to depreciation	13,795	-	13,795	-
Assets subject to depreciation	15,148,777	130,098	15,278,875	-
Total assets	19,563,108	253,521	19,816,629	585,695
Deferred Outflows of Resources -				
Deferred outflows related to pension system (Notes 8 and 12)	83,814	14,169	97,983	-
Liabilities				
Current liabilities:				
Accounts payable	307,168	10,662	317,830	-
Accrued and other liabilities	59,125	9,662	68,787	-
Current portion of compensated absences (Note 6)	25,497	-	25,497	247,393
Current portion of long-term debt (Note 6)	424,984	-	424,984	-
Total current liabilities	816,774	20,324	837,098	247,393
Noncurrent liabilities:				
Compensated absences (Note 6)	47,351	-	47,351	338,302
Other postemployment benefit obligations (Note 13)	162,946	-	162,946	-
Net pension liability (Notes 8 and 12)	1,441,712	243,730	1,685,442	-
Long-term debt - Net of current portion (Note 6)	3,789,618	-	3,789,618	-
Total noncurrent liabilities	5,441,627	243,730	5,685,357	338,302
Total liabilities	6,258,401	264,054	6,522,455	585,695
Net Position				
Net investment in capital assets	10,947,970	130,098	11,078,068	-
Unrestricted	2,440,551	(126,462)	2,314,089	-
Total net position	<u>\$ 13,388,521</u>	<u>\$ 3,636</u>	<u>\$ 13,392,157</u>	<u>\$ -</u>

City of Berkley, Michigan

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended June 30, 2015

	Enterprise Funds			Governmental Activities
	Major Fund - Water and Sewer Fund	Nonmajor Enterprise - Arena Fund	Total Enterprise Funds	Internal Service Fund - Fringe Benefits Fund
Operating Revenue				
Water and sewer charges	\$ 5,506,155	\$ -	\$ 5,506,155	\$ -
Ice rental and related charges	-	341,004	341,004	-
Property and equipment rental	65,107	-	65,107	-
Miscellaneous	158,457	-	158,457	-
Operating grants	86,292	-	86,292	-
Total operating revenue	5,816,011	341,004	6,157,015	-
Operating Expenses				
Water and sewer operations	4,354,669	-	4,354,669	-
Arena operations	-	339,873	339,873	-
Compensated absences	24,269	-	24,269	3,616
Depreciation	373,348	52,931	426,279	-
Total operating expenses	4,752,286	392,804	5,145,090	3,616
Operating Income (Loss)	1,063,725	(51,800)	1,011,925	(3,616)
Nonoperating Revenue (Expenses)				
Investment income	9,701	396	10,097	3,616
Interest expense	(122,128)	-	(122,128)	-
Total nonoperating (expenses) revenue	(112,427)	396	(112,031)	3,616
Income (Loss) - Before transfers	951,298	(51,404)	899,894	-
Transfers In (Note 5)	-	140,815	140,815	-
Change in Net Position	951,298	89,411	1,040,709	-
Net Position - Beginning of year (as restated) (Note 16)	12,437,223	(85,775)	12,351,448	-
Net Position - End of year	\$ 13,388,521	\$ 3,636	\$ 13,392,157	\$ -

City of Berkley, Michigan

Proprietary Funds Statement of Cash Flows Year Ended June 30, 2015

	Enterprise Funds			Governmental Activities
	Major Fund - Water and Sewer Fund	Nonmajor Enterprise - Arena Fund	Total Enterprise Funds	Internal Service Fund - Fringe Benefits Fund
Cash Flows from Operating Activities				
Receipts from customers	\$ 5,824,216	\$ 355,053	\$ 6,179,269	\$ -
Payments to suppliers	(3,600,204)	(166,618)	(3,766,822)	-
Payments to employees	(795,626)	(152,416)	(948,042)	(77,191)
Net cash provided by operating activities	1,428,386	36,019	1,464,405	(77,191)
Cash Flows from Noncapital Financing Activities -				
Cash received from other funds	-	140,815	140,815	-
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(556,057)	(65,962)	(622,019)	-
Principal and interest paid on capital debt	(535,135)	-	(535,135)	-
Repayment of advances from other funds	-	(90,076)	(90,076)	-
Net cash used in capital and related financing activities	(1,091,192)	(156,038)	(1,247,230)	-
Cash Flows from Investing Activities				
Interest received on investments	9,701	396	10,097	3,616
Purchase of investment securities	(3,804)	-	(3,804)	-
Net cash provided by investing activities	5,897	396	6,293	3,616
Net Increase (Decrease) in Cash and Cash Equivalents	343,091	21,192	364,283	(73,575)
Cash and Cash Equivalents - Beginning of year	854,008	94,257	948,265	659,270
Cash and Cash Equivalents - End of year	\$ 1,197,099	\$ 115,449	\$ 1,312,548	\$ 585,695
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities				
Operating income (loss)	\$ 1,063,725	\$ (51,800)	\$ 1,011,925	\$ (3,616)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	373,348	52,931	426,279	-
Changes in assets and liabilities:				
Receivables	8,205	14,049	22,254	-
Prepaid and other assets	(5,259)	(7,219)	(12,478)	-
Accounts payable	(66,872)	2,272	(64,600)	-
Accrued and other liabilities	55,239	25,786	81,025	(73,575)
Net cash provided by operating activities	\$ 1,428,386	\$ 36,019	\$ 1,464,405	\$ (77,191)

The Notes to Financial Statements are an Integral Part of This Statement.

City of Berkley, Michigan

Fiduciary Funds Statement of Fiduciary Net Position June 30, 2015

	Public Safety Pension	Agency Fund
Assets		
Cash and cash equivalents (Note 3)	\$ 381,739	\$ 245,424
Investments (Note 3):		
Municipal bonds	26,865	-
U.S. Treasury bonds	511,326	-
U.S. government agency securities	1,471,405	-
Common and preferred stock	11,640,699	-
Corporate bonds	3,095,071	-
Mortgage-backed securities	270,076	-
Mutual funds - Fixed-income securities	1,300,068	-
Prepaid expenses and other assets	9,433	-
Accrued interest	62,446	-
Total assets	18,769,128	\$ 245,424
Liabilities		
Accounts payable and other	25,330	\$ 333
Due to other governmental units	-	5,286
Cash bonds and deposits	-	239,805
Total liabilities	25,330	\$ 245,424
Net Position Restricted for Pensions	\$ 18,743,798	

City of Berkley, Michigan

Fiduciary Funds Statement of Changes in Fiduciary Net Position Public Safety Pension Year Ended June 30, 2015

Additions

Investment income (loss):	
Interest and dividends	\$ 580,469
Net decrease in fair value of investments	(89,593)
Investment-related expenses	<u>(128,873)</u>
Net investment income	362,003
Contributions - Employer	<u>726,568</u>
Total additions	1,088,571

Deductions

Benefit payments	1,682,083
Administrative expenses	<u>46,951</u>
Total deductions	<u>1,729,034</u>

Net Decrease in Net Position Restricted for Pension	(640,463)
Net Position Restricted for Pensions - Beginning of year	<u>19,384,261</u>
Net Position Restricted for Pensions - End of year	<u>\$ 18,743,798</u>

Note I - Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used by the City of Berkley, Michigan (the "City").

Reporting Entity

The City of Berkley, Michigan 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 legal 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 Units - The City of Berkley, Michigan's Building Authority is governed by a three-member board that is appointed by the City Council. Although it is legally separate from the City, it 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, 2015.

Discretely Presented Component Units - The Downtown Development Authority (DDA or the "Authority") 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 at 3338 Coolidge, Berkley, Michigan 48072.

Accounting and Reporting Principles

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

Note I - Summary of Significant Accounting Policies (Continued)

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. 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 and other items not properly included among program revenue are reported instead as general revenue.

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Basis of Accounting

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

Note I - Summary of Significant Accounting Policies (Continued)

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.

Revenues are not recognized until they are collected, or collected soon enough after year end that they are available to pay for obligations outstanding at year end. 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, 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 we have spent certain resources - separate funds allow us to show the particular expenditures that specific revenues were used for. The various funds are aggregated into three broad fund types:

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes 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, which is the primary operating fund because it accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund.
- The Major Streets Fund, which accounts for the resources of state gas and weight tax revenue that are restricted for use on the City's major streets.
- The Local Streets Fund, which accounts for resources of state gas and weight tax revenue that are restricted for use on the City's local streets.

Note I - Summary of Significant Accounting Policies (Continued)

- The Solid Waste Service Fund, which 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.
- The Recreation Revolving Fund, which accounts for recreational services provided by the City. Revenue in this fund is generated from charges from customers for recreational activities.

Proprietary funds include enterprise funds, (which provide goods or services to users in exchange for charges or fees) and internal service funds (which account for the financing of the City's liability for employee compensated absences). The City reports the following fund as a "major" enterprise fund:

- The Water and Sewer Fund accounts for the distribution of water to customers, and the disposal 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 include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government's programs. Activities that are reported as fiduciary include:

- The Public Safety Pension Trust Fund, which accumulates resources for pension benefit payments to qualified public safety employees.
- The Agency Fund, which 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 government 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.

Note I - Summary of Significant Accounting Policies (Continued)

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

Bank Deposits 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. Pooled investment income from all funds is generally allocated to each fund using a weighted average.

Inventories and Prepaid Items - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds 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 using the consumption method.

Capital Assets - Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (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 \$500 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 fair market value at the date of donation.

Infrastructure, intangibles, buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

<u>Capital Asset Class</u>	<u>Lives</u>
Roads and bridges	15 to 20 years
Water and sewer lines	60 to 85 years
Land improvements	20 years
Buildings	15 to 50 years
Building improvements	7 to 20 years
Equipment and books	3 to 15 years
Vehicles	5 to 10 years

Note I - Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one item that qualifies for reporting in this category: the deferred outflows of resources related to pensions, which are created by differences between projected and actual investment earnings, differences between projected and actual plan experience, and changes in assumptions related to economic and demographic factors.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has one item that qualifies for reporting in this category: the deferred inflows of resources related to receivables collected beyond the City's period of availability, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues related to delinquent property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Sometimes, the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) 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 government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

Sometimes, the government will 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 government'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.

Note I - Summary of Significant Accounting Policies (Continued)

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 government 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 government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can commit fund balance. Commitments are made and can be rescinded only via resolution of the Honorable Mayor and City Council.

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 through the budgetary process of the City, 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.

Property Tax Revenue

Property taxes are levied and become a lien on each July 1 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 2014 tax is levied and collectible on July 1, 2014. All real property and collected personal property is recognized as revenue in the year ended June 30, 2015, 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

The 2014 taxable valuation of the City totaled \$473.1 million (a portion of which is abated and a portion of which is captured by the DDA TIF), on which taxes levied consisted of 11.1703 mills for operation and public safety purposes, 1.8872 mills for sanitation services, 0.1055 mills for community promotion, 2.7120 mills for public safety retirement benefits, and 1.6704 mills for debt service. This resulted in approximately \$5.2 million for operations and public safety, \$879,000 for sanitation services, \$49,000 for community promotion, \$1.3 million for public safety retirement benefits, and \$778,000 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 1.9217 mills (a portion of which is captured by the DDA TIF), which resulted in approximately \$40,000 of tax revenue. The total tax increment finance capture from all eligible taxing units for the DDA amounted to \$189,000, 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 liabilities calculated by the actuaries and the pension plans' fiduciary net position. For the purpose of measuring the net pension liabilities, 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 position 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 - Currently, all city retirees and certain active employees of the City (depending on date of hire) have defined other postemployment benefits from the City. The City receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the City reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amount, if any. Active employees who do not have defined other postemployment benefits from the City are included in a defined contribution retirement health benefit program.

Note 1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick Leave) - It is the City's policy to permit employees to accumulate earned but unused sick and annual leave pay benefits. All 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.

Proprietary Funds Operating Classification - Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund, Ice Arena Fund, and the Internal Service Fund are charged to customers or funds for sales and 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 enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 2 - Stewardship, Compliance, and Accountability and Construction Code Fees

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, 2015 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.

Note 2 - Stewardship, Compliance, and Accountability and Construction Code Fees (Continued)

Excess of Expenditures Over Appropriations in Budgeted Funds - During the year, the City incurred expenditures that were in excess of the amount budgeted as follows:

	<u>Budget</u>	<u>Actual</u>
Recreation Revolving Fund - Recreation and culture	\$ 335,324	\$ 335,954

The unfavorable variance within the Recreation Revolving Fund was due to an unanticipated increase in program supplies cost due to higher-than-expected participation in the Girls Teen Basketball Clinic program and to a very slight unanticipated increase in program supplies for the Dream Cruise event.

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 shortfall generated since January 1, 2000 is as follows:

Shortfall at July 1, 2014		\$ (1,022,259)
Current year permit revenue		216,259
Related expenses:		
Direct costs	\$ (281,128)	
Estimated indirect costs	<u>(28,113)</u>	<u>(309,241)</u>
Current year shortfall		<u>(92,982)</u>
Cumulative shortfall - June 30, 2015		<u>\$ (1,115,241)</u>

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and 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, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

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

The City has designated one bank for the deposit of its funds. The investment policy adopted by the City Council 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 investment policies 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 the Downtown Development Authority had \$9,704,964 and \$256,600, respectively, of bank deposits (checking and savings accounts and certificates of deposit) 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.

City of Berkley, Michigan

Notes to Financial Statements June 30, 2015

Note 3 - Deposits and Investments (Continued)

At year end, the City had the following investments:

Investment	Fair Value	Weighted Average Maturity (Years)
Corporate bonds	\$ 3,095,071	8.48
Mutual fund fixed-income	1,300,068	6.52
Mortgage-backed securities	270,076	24.02
U.S. Treasury bonds	511,326	18.88
Municipal bonds	26,865	26.53
U.S. government agency securities	1,471,405	27.27

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 year end, the credit quality ratings of debt securities (other than the U.S. government and certificates of deposit) are as follows:

Investment	Fair Value	Rating	Rating Organization
Corporate bonds	\$ 293,585	A1	Moody's
Corporate bonds	837,565	A2	Moody's
Corporate bonds	745,312	A3	Moody's
Corporate bonds	33,482	AA1	Moody's
Corporate bonds	245,860	AA2	Moody's
Corporate bonds	117,756	AA3	Moody's
Corporate bonds	605,563	BAA1	Moody's
Corporate bonds	152,346	BAA2	Moody's
Corporate bonds	63,603	BAA3	Moody's
Mortgage-backed securities	270,076	AAA	Moody's
Mutual fund	870,477	AAA	Moody's
Mutual fund	429,590	BBB- to A	Moody's

Note 4 - Capital Assets

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

	Balance July 1, 2014	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2015
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 568,308	\$ -	\$ 5,303	\$ -	\$ 573,611
Construction in progress	478,127	(478,127)	295,469	-	295,469
Subtotal	1,046,435	(478,127)	300,772	-	869,080
Capital assets being depreciated:					
Roads and bridges	52,798,629	478,127	730,662	-	54,007,418
Buildings	6,622,182	-	112,470	-	6,734,652
Equipment and books	2,530,006	-	229,512	(24,209)	2,735,309
Vehicles	2,132,655	-	86,002	(40,214)	2,178,443
Subtotal	64,083,472	478,127	1,158,646	(64,423)	65,655,822
Accumulated depreciation:					
Roads and bridges	43,833,792	-	510,743	-	44,344,535
Buildings	4,643,855	-	142,535	-	4,786,390
Equipment and books	1,760,616	-	224,154	(10,438)	1,974,332
Vehicles	1,341,253	-	143,568	(30,531)	1,454,290
Subtotal	51,579,516	-	1,021,000	(40,969)	52,559,547
Net capital assets being depreciated	12,503,956	478,127	137,646	(23,454)	13,096,275
Net capital assets	\$ 13,550,391	\$ -	\$ 438,418	\$ (23,454)	\$ 13,965,355
Business-type Activities					
Capital assets not being depreciated -					
Land	\$ 13,795	\$ -	\$ -	\$ -	\$ 13,795
Capital assets being depreciated:					
Water and sewer transmission lines	17,498,283	(736,199)	248,747	-	17,010,831
Buildings	1,012,180	-	10,550	-	1,022,730
Land and building improvements	289,290	-	24,767	(742)	313,315
Equipment	1,476,430	736,199	355,845	(79,353)	2,489,121
Subtotal	20,276,183	-	639,909	(80,095)	20,835,997
Accumulated depreciation:					
Water and sewer transmission lines	3,033,991	(681,494)	329,071	-	2,681,568
Buildings	944,667	-	24,221	-	968,888
Land and building improvements	251,744	-	16,732	(106)	268,370
Equipment	962,921	681,494	56,255	(62,374)	1,638,296
Subtotal	5,193,323	-	426,279	(62,480)	5,557,122
Net capital assets being depreciated	15,082,860	-	213,630	(17,615)	15,278,875
Net capital assets	\$ 15,096,655	\$ -	\$ 213,630	\$ (17,615)	\$ 15,292,670

City of Berkley, Michigan

Notes to Financial Statements June 30, 2015

Note 4 - Capital Assets (Continued)

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

Governmental activities:		
General government	\$	191,786
Public safety		159,136
Public works		585,739
Recreation and culture		84,339
Total governmental activities	\$	<u>1,021,000</u>
Business-type activities:		
Water and sewer	\$	373,348
Ice arena		52,931
Total business-type activities	\$	<u>426,279</u>

Note 5 - Interfund Receivables, Payables, and Transfers

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

<u>Fund Providing Resources</u>	<u>Fund Receiving Resources</u>	<u>Amount</u>
General Fund	Major Streets	\$ 532,500
	Local Streets	150,000
	Solid Waste	67,600
	Nonmajor Enterprise Fund	54,250
	Total General Fund	804,350
Recreation Revolving Fund	Nonmajor Enterprise Fund	86,565
Major Streets Fund	Local Streets Fund	156,460
Nonmajor Governmental Fund	General Fund	10,133
	Total	<u>\$ 1,057,508</u>

City of Berkley, Michigan

Notes to Financial Statements June 30, 2015

Note 5 - Interfund Receivables, Payables, and Transfers (Continued)

The transfer from the General Fund to the Major, Local Streets, and Solid Waste Funds was to disburse operating tax revenues. The transfer from the General Fund to the Arena Fund (nonmajor enterprise fund) was to fund operations at the City's Ice Arena. The transfer from the Recreation Revolving Fund to the Arena Fund (nonmajor enterprise fund) was to fund operations at the City's Ice Arena. The transfer from the Major Streets Fund to the Local Streets Fund was ACT 51 money first recorded in the Major Streets Fund and transferred to the Local Streets Fund in accordance with MCL 247.663(13)(6). The transfer from the Public Improvement Fund (nonmajor governmental fund) to the General Fund was to clear the fund balance in the Public Improvement Fund.

Note 6 - Long-term Debt

The City of Berkley, Michigan issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. County contractual agreements and installment purchase agreements are also general obligations of the City.

Long-term obligation activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
2006 General Obligation 12 Mile Road							
Bonds:							
Amount of issue: \$850,000	3.90% -	\$50,000-					
Maturing through 2016	4.25%	\$150,000	\$ 275,000	\$ -	\$ 125,000	\$ 150,000	\$ 150,000
2006 General Obligation 11 Mile Road							
Bonds:							
Amount of issue: \$2,500,000	3.90% -	\$100,000 -					
Maturing through 2021	4.25%	\$300,000	1,650,000	-	175,000	1,475,000	200,000
2006 General Obligation Other Road							
Bonds:							
Amount of issue: \$2,625,000	3.90% -	\$200,000 -					
Maturing through 2016	4.25%	\$375,000	750,000	-	375,000	375,000	375,000
Contractual obligations with Oakland County - 2002 Installment Purchase Agreement:							
Amount of issue: \$1,260,000	5.20%	\$50,000 -					
Maturing through 2016		\$200,000	385,000	-	185,000	200,000	200,000
Total bond obligations			3,060,000	-	860,000	2,200,000	925,000
Other long-term obligations:							
Compensated absences			659,270	38,170	111,745	585,695	247,393
Other postemployment benefits			3,024,259	2,369,571	1,502,478	3,891,352	-
Total governmental activities			\$ 6,743,529	\$ 2,407,741	\$ 2,474,223	\$ 6,677,047	\$ 1,172,393

Note 6 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities							
General Obligation Bond - Contractual obligations with Oakland County - George W. Kuhn Bonds:							
2000-A:							
Amount of issue: \$1,126,053	2.50%	\$47,549 -					
Maturing through 2022		\$70,354	\$ 517,996	\$ -	\$ 59,200	\$ 458,796	\$ 60,774
2001-C:							
Amount of issue: \$5,176,822	2.50%	\$207,829 -					
Maturing through 2024		\$324,025	2,906,453	-	259,470	2,646,983	266,084
2001-D:							
Amount of issue: \$199,641	2.50%	\$7,872 -					
Maturing through 2024		\$13,225	77,001	-	6,928	70,073	7,243
2001-E:							
Amount of issue: \$621,597	4.10% -	\$22,987 -					
Maturing through 2024	5.25%	\$71,480	591,365	-	55,421	535,944	58,255
2005-F:							
Amount of issue: \$103,572	1.625%	\$4,478 -					
Maturing through 2026		\$5,703	61,365	-	4,798	56,567	4,798
2006-G:							
Amount of issue: \$1,129,919	1.625%	\$4,798 -					
Maturing through 2028		\$6,398	82,851	-	5,438	77,413	5,438
2008-H:							
Amount of issue: \$491,662	2.50%	\$19,193 -					
Maturing through 2029		\$30,709	390,578	-	21,752	368,826	22,392
Total bond obligations			4,627,609	-	413,007	4,214,602	424,984
Other long-term obligations:							
Compensated absences			72,983	39,127	39,262	72,848	25,497
Other postemployment benefits			128,385	136,713	102,152	162,946	-
Total business-type activities			\$ 4,828,977	\$ 175,840	\$ 554,421	\$ 4,450,396	\$ 450,481

Years Ending June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 925,000	\$ 75,426	\$ 1,000,426	\$ 424,984	\$ 113,932	\$ 538,916
2017	225,000	46,444	271,444	436,644	102,378	539,022
2018	225,000	37,500	262,500	447,670	90,482	538,152
2019	250,000	28,000	278,000	458,393	78,267	536,660
2020	275,000	17,500	292,500	470,368	65,769	536,137
2021-2025	300,000	6,000	306,000	1,832,969	137,808	1,970,777
2026-2029	-	-	-	143,574	8,226	151,800
Total	\$ 2,200,000	\$ 210,870	\$ 2,410,870	\$ 4,214,602	\$ 596,862	\$ 4,811,464

Compensated absences attributable to the governmental activities will be liquidated primarily by the City's Fringe Benefits Internal Service Fund. That fund will finance the payment of those liabilities by charging the other funds based on management's calculation of the compensated absence liability attributed to employees of the individual funds. The net OPEB obligation will be liquidated from the funds from which the individual employee's salaries are paid, generally the General and Water and Sewer Funds.

Note 6 - Long-term Debt (Continued)

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 W. Kuhn Drain. The remaining principal and interest to be paid on the bonds total \$4,811,464. During the current year, net revenue of the system was \$977,433 compared to annual debt requirements of \$535,136.

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 - General Employees' Defined Benefit Pension Plan Description

Plan Description - The City participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS of Michigan) that covers substantially all employees of the City's merit system and all employees of the Department of Public Works. 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.mersofmichigan.com or in writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

Benefits Provided - The Pension Plan provides retirement, disability, duty, and non-duty death benefits for their members and their 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 their contributions plus any accumulated interest and forfeit their pension benefit. Berkley is a Public Act 88 of 1961 city.

Note 8 - General Employees' Defined Benefit Pension Plan Description (Continued)

Service or Deferred Retirement - Union Members Hired In Public Works Prior to 7/1/2004:

Retirement benefits for members are calculated as 2.5 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 towards their 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 7/1/2004:

Retirement benefits for members are calculated as 2.5 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 towards their 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 - Non-union Members Hired Prior to 7/1/2008:

Retirement benefits for members are calculated as 2.5 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 six years of service, or have a total of 25 years of service to obtain a pension benefit. This closed group pays 4 percent towards their 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.

**Note 8 - General Employees' Defined Benefit Pension Plan Description
(Continued)**

**Service or Deferred Retirement - Non-union Members Hired on or After
7/1/2008:**

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 their 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.

Employees Covered by Benefit Terms - At the December 31, 2014 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	74
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	<u>51</u>
Total employees covered by MERS	<u><u>135</u></u>

Contributions - 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, MERS retains an actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended December 31, 2014, 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 non-union eligible employees. The City's average contribution rate for a union public works employee was 36.74 percent of annual payroll and for a non-union eligible employee, it was 24.52 percent of annual payroll.

Note 8 - General Employees' Defined Benefit Pension Plan Description (Continued)

Net Pension Liability

The net pension liability reported at June 30, 2015 was determined using a measure of the total pension liability and the pension net position as of December 31, 2014. The December 31, 2014 total pension liability was determined by an actuarial valuation performed as of that date.

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2013	\$ 19,939,137	\$ 12,865,140	\$ 7,073,997
Service cost	313,028	-	313,028
Interest	1,588,656	-	1,588,656
Contributions - Employer	-	574,412	(574,412)
Contributions - Employee	-	90,641	(90,641)
Net investment income	-	792,022	(792,022)
Benefit payments, including refunds	(1,678,420)	(1,678,420)	-
Administrative expenses	-	(28,852)	28,852
Net changes	223,264	(250,197)	473,461
Balance at December 31, 2014	<u>\$ 20,162,401</u>	<u>\$ 12,614,943</u>	<u>\$ 7,547,458</u>

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

For the year ended June 30, 2015, the City recognized pension expense of \$868,786. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 181,088
Employer contributions to the plan subsequent to the measurement date	257,686
Total	<u>\$ 438,774</u>

Note 8 - General Employees' Defined Benefit Pension Plan Description (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (other than contributions made subsequent to the measurement date) will be recognized in pension expense as follows:

Years Ending June 30	Amount
2016	\$ 45,272
2017	45,272
2018	45,272
2019	45,272

Actuarial Assumptions - The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 %
Salary increases	4.5 % In the long term, 1 percent, 2 percent, and 3 percent for calendar years 2014, 2015, and 2016, respectively, including inflation
Investment rate of return	8.0 % Net of pension plan investment expense, including inflation

Mortality rates were based on the 1994 Group Annuity Mortality Table of a 50 percent Male and 50 percent Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study in 2008. The MERS retirement board is currently conducting an actuarial experience study covering the period from January 1, 2009 through December 31, 2013.

Note 8 - General Employees' Defined Benefit Pension Plan Description (Continued)

Discount Rate - The discount rate used to measure the total pension liability is 8.25 percent for 2014. The projection of cash flows used to determine the discount rate assumes that employer and employee contributes will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Projected Cash Flows

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. The target allocation and best estimates of arithmetic real rates of return 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	58 %	5.0 %
Global fixed income	20 %	2.2 %
Real assets	12 %	4.2 %
Diversifying strategies	10 %	6.6 %

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the City, calculated using the discount rate of 8.25 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.25 percent) or 1 percentage point higher (9.25 percent) than the current rate:

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
Net pension liability of the City	\$ 9,431,915	\$ 7,547,458	\$ 5,929,001

Note 8 - General Employees' Defined Benefit Pension Plan Description (Continued)

Pension Plan Fiduciary Net Position - Detailed information about the Plan's fiduciary net position is available in the separately issued financial report found at www.mersofmichigan.com. The plan's fiduciary net position has been determined on the same basis used 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 9 - Public Safety Pension Plan Description

Plan Description - The City of Berkley administers the City of Berkley Public Safety Pension System. 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 Berkley 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.

Employees Covered by Benefit Terms - At June 30, 2015, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	48
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>26</u>
Total employees covered by the plan	<u>77</u>

Benefits Provided - The pension plan provides retirement, disability, duty, and nonduty death benefits. A member must have 25 or more years of service or 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.

Note 9 - Public Safety Pension Plan Description (Continued)

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 which was effective July 1, 1975 or later. The spouse's pension equals 60 percent of the straight-life pension the deceased retiree was receiving. Deferred retirees are ineligible for this benefit.

Nonduty Death-in-service Survivor's Pension:

The benefit is payable to a surviving spouse upon the death of a member with 20 or more years of service. Accrued straight-life pension actuarially reduced in accordance with the Option I 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, 1.5 percent of average final compensation times years of service. At age 55, same benefit as a service retirement pension.

Note 9 - Public Safety Pension Plan Description (Continued)

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, 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.

Contributions - 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, 2015, the average active member contribution rate was zero percent of annual pay and the City's average contribution rate was 37.77 percent of annual payroll.

Note 10 - Public Safety Pension Plan Investments - Policy and Rate of Return

Investment Policy - The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the board by a majority vote of its members. It is the policy of the 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. The following was the board's adopted asset allocation policy as of June 30, 2015:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	42.0%
International equity	18.0%
Broad fixed income	34.5%
Alternative investments	5.0%
Cash or cash equivalents	0.5%

Concentrations - The pension system does not have a concentration of an investment greater than or equal to 5 percent of total assets.

Note 10 - Public Safety Pension Plan Investments - Policy and Rate of Return (Continued)

Rate of Return - For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.58 percent gross of fees and 1.83 percent net of fees.

Note 11 - Public Safety Pension Plan Reserves

In accordance with Public Act 345 as amended, and the actions of the Berkley 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, if any. The system 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, their balance is returned to them; for those who stay until retirement, the balance is transferred into the retiree reserve.

The employer reserve account is used to account 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, 2015 are as follows:

	<u>Required Reserve</u>	<u>Amount Funded</u>
Retiree reserve	\$ 16,573,613	\$ 16,573,613
Employee reserve	199,540	199,540
Employer reserve	-	1,970,645

Note 12 - Public Safety Pension Net Pension Liability

The components of the net pension liability of the City at June 30, 2015 were as follows:

Total pension liability	\$ 22,619,982
Plan fiduciary net position	<u>18,743,798</u>
City's net pension liability	<u>\$ 3,876,184</u>
Plan fiduciary net position as a percentage of the total pension liability	82.9 %

City of Berkley, Michigan

Notes to Financial Statements June 30, 2015

Note 12 - Public Safety Pension Net Pension Liability (Continued)

The City has chosen to use June 30, 2015 as its measurement date for the net pension liability. The June 30, 2015 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of June 30, 2015. The June 30, 2015 total pension liability was determined by an actuarial valuation performed as of June 30, 2014, which used updated procedures to roll forward the estimated liability to June 30, 2015.

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at June 30, 2014	\$ 22,310,172	\$ 19,384,261	\$ 2,925,911
Service cost	348,830	-	348,830
Interest	1,623,409	-	1,623,409
Differences between expected and actual experience	15,829	-	15,829
Contributions - Employer	-	726,568	(726,568)
Net investment income	-	357,995	(357,995)
Benefit payments, including refunds	(1,678,258)	(1,678,258)	-
Administrative expenses	-	(46,951)	46,951
Miscellaneous other charges	-	183	(183)
Net changes	309,810	(640,463)	950,273
Balance at June 30, 2015	<u>\$ 22,619,982</u>	<u>\$ 18,743,798</u>	<u>\$ 3,876,184</u>

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

For the year ended June 30, 2015, the City recognized pension expense of \$818,006. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 12,130
Net difference between projected and actual earnings on pension plan investments	846,705
Total	<u>\$ 858,835</u>

Note 12 - Public Safety Pension Net Pension Liability (Continued)

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

Years Ending June 30	Amount
2016	\$ 215,375
2017	215,375
2018	215,375
2019	212,710

Actuarial Assumptions - The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 %
Salary increases	5.0-9.0 % Average, including inflation
Investment rate of return	7.5 % Net of pension plan investment expense, including inflation

Mortality rates are an experience-based table of rates that are specific to the type of eligibility condition. The mortality table used was RP-2000 combined healthy life mortality with improvements to 2020 using projection scale BB for both males and females.

Discount Rate - A single discount rate of 7.50 percent was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.50 percent. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates.

Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2115. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2115.

Note 12 - Public Safety Pension Net Pension Liability (Continued)

Projected Cash Flows

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. Best estimates of arithmetic real rates of return as of June 30, 2015 for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.0 %	5.0 %
Broad fixed income	34.5 %	2.2 %
Alternative investments	5.0 %	6.6 %
Cash or cash equivalents	0.5 %	(1.5)%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the City, calculated using the discount rate of 7.5 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability of the City	\$ 6,404,517	\$ 3,876,184	\$ 1,753,928

Pension Plan Fiduciary Net Position - For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows or resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction 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 13 - Other Postemployment Benefits

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 non-union and court retirees. As of June 30, 2015, a total of 91 retirees and 65 beneficiaries are eligible for postemployment health and life benefits. This includes pre-Medicare retirees as well as Medicare-eligible 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.

Funding Policy - Currently, the City pays the full pay-as-you-go monthly cost of health and life benefit coverage for the retiree and his or her beneficiary only. Retirees can purchase at their option health benefit coverage for their dependents or for their spouse if eligible, at the City's current monthly group rate. A retiree can only purchase health care coverage for a dependent through the dependent's 27th year of birth. Eligible retirees can also elect and purchase master medical health coverage for themselves and their beneficiary at the City's current monthly group rate.

The City has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis). However, at June 30, 2015, the City has assets totaling \$3,615,853 invested with the Municipal Employees' Retirement System of Michigan. These funds are intended to be used in the future toward the other postemployment liability costs for these eligible retiree health and life benefits.

City of Berkley, Michigan

Notes to Financial Statements June 30, 2015

Note 13 - Other Postemployment Benefits (Continued)

For the year ended June 30, 2015, the City has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of June 30, 2012. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 2,603,419
Interest on the prior year's net OPEB obligation	173,396
Less adjustment to the annual required contribution	<u>(270,530)</u>
Annual OPEB cost	2,506,285
Amounts contributed:	
Payments of current premiums	(1,373,430)
Employer contributions	<u>(231,200)</u>
Increase in net OPEB obligation	901,655
OPEB obligation - Beginning of year	<u>3,152,643</u>
OPEB obligation - End of year	<u>\$ 4,054,298</u>

Employer contributions and annual OPEB cost data for the current and two preceding years were as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual OPEB Costs	Percentage OPEB Costs Contributed	Net OPEB Obligation
6/30/13	6/30/09	\$ 1,658,683	73.8	\$ 2,833,334
6/30/14	6/30/09	1,761,510	81.9	3,152,643
6/30/15	6/30/12	2,506,285	64.0	4,054,298

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
6/30/06	\$ 100,000	\$ 21,807,213	\$ 21,707,213	0.5	\$ 3,651,406	594.5
6/30/09	1,035,664	17,655,852	16,620,188	5.9	3,344,839	496.9
6/30/12	2,223,325	27,663,815	25,440,490	8.0	2,635,197	965.4

Note 13 - Other Postemployment Benefits (Continued)

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented above, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2012 actuarial valuation, the most recent actuarial valuation date, the entry age actuarial cost method was used. The actuarial assumptions include a 5.5 percent investment rate of return net of administrative expenses including wage inflation. A level dollar amortization method is used along with a closed 24-year amortization period. Market value of assets is the asset valuation method utilized by the actuary. Salaries are projected to increase between 4.8 percent and 12.9 percent including wage inflation. Rate of inflation for medical benefits utilized is 9.0 percent grading down to 4.5 percent 10 years after the valuation. The rate of inflation for dental and vision benefits is 4.5 percent for all years.

Note 14 - 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 non-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, 2015, the City expensed \$655,738 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. The Southeastern Oakland County Water Authority had a debt issue which was paid off as of June 30, 2015. Complete financial statements of the Southeastern Oakland County Water Authority can be obtained from the administrative offices at 3910 Webster Road, Royal Oak, Michigan 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, 2015, the City expensed \$1,286,848 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, Michigan 48073.

Note 15 - Contingent Liabilities

The City is involved in certain legal matters that have not progressed to a point where any ultimate 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.

Note 16 - Change in Accounting

During the current year, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. As a result, the government-wide statements and the proprietary funds now include a liability for our unfunded pension costs. Some of the changes in this net pension liability will be recognized immediately as part of the pension expense measurement, and part will be deferred and recognized over future years. Refer to the pension footnote for further details. This change also affected opening net positions/fund balances as follows:

	Governmental Activities	Business-type Activities	Water and Sewer Fund	Nonmajor Enterprise Fund
Net Position - June 30, 2014 - As previously reported	\$ 14,550,924	\$ 13,900,236	\$ 13,770,852	\$ 129,384
Adjustment for GASB Statement No. 68	<u>(8,192,929)</u>	<u>(1,548,788)</u>	<u>(1,333,629)</u>	<u>(215,159)</u>
Net Position - June 30, 2014 - As restated	<u>\$ 6,357,995</u>	<u>\$ 12,351,448</u>	<u>\$ 12,437,223</u>	<u>\$ (85,775)</u>

Note 17 - Upcoming Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The City is currently evaluating the impact this standard will have on the financial statements when adopted, during the City's 2015-2016 fiscal year.

Note 17 - Upcoming Accounting Pronouncements (Continued)

In June 2015, the GASB issued two new standards addressing accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans, whereas GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. Along with the currently required statement of fiduciary net position and statement of changes in fiduciary net position, OPEB plans will now be required to include in the financial statement more extensive footnote disclosures and required supplemental information related to the measurement of the OPEB liabilities for which assets have been accumulated. In addition, the City will, after adoption of GASB Statement No. 75, recognize on the face of the financial statements its net OPEB liability. The City is currently evaluating the impact these standards will have on the financial statements when adopted. GASB Statement No. 74 is effective for fiscal years beginning after June 15, 2016, whereas GASB Statement No. 75 is effective one year later.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This Statement will require governments to disclose in their financial statements information related to tax abatement agreements. The City is currently evaluating the impact this standard will have on the financial statements when adopted, during the 2016-2017 fiscal year.

Required Supplemental Information

City of Berkley, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 6,817,353	\$ 6,817,353	\$ 6,820,065	\$ 2,712
Licenses and permits	438,870	524,570	537,454	12,884
Federal grants	10,600	10,600	13,425	2,825
State-shared revenue and grants	1,391,154	1,367,204	1,344,885	(22,319)
Charges for services	428,040	438,790	481,892	43,102
Fines and forfeitures	1,044,224	940,274	981,889	41,615
Investment earnings	20,085	29,100	30,633	1,533
Franchise fees	327,871	327,871	363,800	35,929
Other revenue:				
Local donations	4,525	10,305	8,479	(1,826)
Other	226,632	390,376	389,892	(484)
Total revenue	10,709,354	10,856,443	10,972,414	115,971
Expenditures				
Current:				
General government:				
City Council	18,109	18,109	12,949	5,160
District Court	696,762	696,341	573,727	122,614
Manager	224,453	223,541	200,802	22,739
Elections	176,833	174,927	143,561	31,366
Finance	288,709	299,928	283,692	16,236
Legal	95,500	95,500	91,010	4,490
Clerk/Treasurer	100,500	100,426	97,289	3,137
City hall	253,435	269,098	201,781	67,317
Planning	73,169	73,169	65,061	8,108
Inspection	248,715	302,952	281,011	21,941
Insurance	741,130	738,382	738,380	2
Community promotion	60,835	63,710	43,449	20,261
Total general government	2,978,150	3,056,083	2,732,712	323,371
Public safety:				
Administration	171,497	171,427	170,505	922
Service aides	332,296	334,257	309,238	25,019
Operations	3,611,905	3,658,586	3,614,242	44,344
Insurance	93,362	93,362	93,362	-
Pension administration	613,065	614,625	610,257	4,368
Building inspections and related	543	1,100	1,048	52
Animal control	74,982	74,912	68,170	6,742
Total public safety	4,897,650	4,948,269	4,866,822	81,447

City of Berkley, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Expenditures (Continued)				
Current (Continued):				
Public works:				
Operations	\$ 279,780	\$ 292,920	\$ 284,474	\$ 8,446
Garage	129,528	196,262	193,483	2,779
Street programs	295,353	275,550	269,864	5,686
Total public works	704,661	764,732	747,821	16,911
Health and welfare - Community development	74,872	74,872	74,084	788
Recreation and culture:				
Recreation	416,863	425,773	402,014	23,759
Library	652,512	669,748	660,773	8,975
WBRK	71,732	72,931	61,650	11,281
Communications coordinator	82,739	84,719	73,577	11,142
Total recreation and culture	1,223,846	1,253,171	1,198,014	55,157
Capital outlay	360,735	380,003	266,869	113,134
Total expenditures	10,239,914	10,477,130	9,886,322	590,808
Excess of Revenue Over Expenditures	469,440	379,313	1,086,092	706,779
Other Financing Sources (Uses)				
Transfers in	22,000	33,880	59,308	25,428
Transfers out	(906,617)	(929,617)	(804,350)	(125,267)
Total other financing uses	(884,617)	(895,737)	(745,042)	(99,839)
Net Change in Fund Balance	(415,177)	(516,424)	341,050	606,940
Fund Balance - Beginning of year	3,183,904	3,183,904	3,183,904	-
Fund Balance - End of year	\$ 2,768,727	\$ 2,667,480	\$ 3,524,954	\$ 857,474

City of Berkley, Michigan

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Major Streets Fund Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ 647,667	\$ 690,503	\$ 739,176	\$ 48,673
Charges for services	9,108	9,108	4,828	(4,280)
Investment income	2,395	2,395	5,499	3,104
Other	34,150	34,150	28,714	(5,436)
Total revenue	693,320	736,156	778,217	42,061
Expenditures				
Administrative	24,510	24,477	24,229	248
Field operations	1,370,637	1,497,071	1,179,386	317,685
Total expenditures	1,395,147	1,521,548	1,203,615	317,933
Excess of Revenue (Under) Over Expenditures	(701,827)	(785,392)	(425,398)	359,994
Other Financing Sources (Uses)				
Transfers in	532,500	532,500	532,500	-
Transfers out	(156,810)	(156,810)	(156,460)	(350)
Total other financing sources	375,690	375,690	376,040	(350)
Net Change in Fund Balance	(326,137)	(409,702)	(49,358)	359,644
Fund Balance - Beginning of year	979,459	979,459	979,459	-
Fund Balance - End of year	\$ 653,322	\$ 569,757	\$ 930,101	\$ 360,344

City of Berkley, Michigan

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Local Streets Fund Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ 236,951	\$ 252,795	\$ 266,237	\$ 13,442
Investment earnings	1,901	1,901	3,810	1,909
Other	7,850	7,850	20,316	12,466
Total revenue	246,702	262,546	290,363	27,817
Expenditures				
Administrative	16,802	16,793	16,659	134
Field operations	551,713	586,650	495,932	90,718
Total expenditures	568,515	603,443	512,591	90,852
Excess of Expenditures Over Revenue	(321,813)	(340,897)	(222,228)	118,669
Other Financing Sources (Uses)				
Transfers in	306,460	306,460	306,460	-
Transfers out	(282)	(282)	-	(282)
Total other financing sources	306,178	306,178	306,460	(282)
Net Change in Fund Balance	(15,635)	(34,719)	84,232	118,387
Fund Balance - Beginning of year	694,725	694,725	694,725	-
Fund Balance - End of year	\$ 679,090	\$ 660,006	\$ 778,957	\$ 118,951

City of Berkley, Michigan

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Solid Waste Service Fund Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 879,120	\$ 879,120	\$ 878,945	\$ (175)
Federal grants	-	406,613	304,628	(101,985)
Charges for services	312,003	312,003	287,571	(24,432)
Investment income	2,706	2,706	2,912	206
Other	4,815	4,815	4,537	(278)
Total revenue	1,198,644	1,605,257	1,478,593	(126,664)
Expenditures - Operations	1,264,751	1,736,396	1,678,796	57,600
Excess of Expenditures Over Revenue	(66,107)	(131,139)	(200,203)	(69,064)
Other Financing Sources (Uses)				
Transfers in	67,600	67,600	67,600	-
Transfers out	(325)	(6,730)	-	(6,730)
Total other financing sources	67,275	60,870	67,600	(6,730)
Net Change in Fund Balance	1,168	(70,269)	(132,603)	(75,794)
Fund Balance - Beginning of year	669,391	669,391	669,391	-
Fund Balance - End of year	\$ 670,559	\$ 599,122	\$ 536,788	\$ (62,334)

City of Berkley, Michigan

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Recreation Revolving Fund Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Charges for services	\$ 391,590	\$ 442,790	\$ 451,294	\$ 8,504
Investment income	1,461	1,461	2,914	1,453
Other revenue	25,100	25,100	25,080	(20)
Total revenue	418,151	469,351	479,288	9,937
Expenditures				
Recreation and culture	296,780	335,324	335,954	(630)
Capital outlay	23,900	26,075	2,265	23,810
Total expenditures	320,680	361,399	338,219	23,180
Other Financing Uses - Transfers out	(77,058)	(108,623)	(86,565)	22,058
Net Change in Fund Balance	20,413	(671)	54,504	55,175
Fund Balance - Beginning of year	538,789	538,789	538,789	-
Fund Balance - End of year	\$ 559,202	\$ 538,118	\$ 593,293	\$ 55,175

City of Berkley, Michigan

Required Supplemental Information Public Safety Pension Trust Schedule of Investment Returns Last Five Fiscal Years

	<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	1.8 %	16.2 %	10.8 %	(0.3)%	20.2 %

City of Berkley, Michigan

Required Supplemental Information Public Safety Pension Trust Schedule of Changes in the City Net Pension Liability and Related Ratio Last Two Fiscal Years

	2015	2014
Total Pension Liability		
Service cost	\$ 348,830	\$ 376,217
Interest	1,623,409	1,600,549
Differences between expected and actual experience	15,829	-
Benefit payments, including refunds	(1,678,258)	(1,638,281)
Net Change in Total Pension Liability	309,810	338,485
Total Pension Liability - Beginning of year	22,310,172	21,971,687
Total Pension Liability - End of year	\$ 22,619,982	\$ 22,310,172
Plan Fiduciary Net Position		
Contributions - Employer	\$ 726,568	\$ 780,105
Contributions - Member	-	90,169
Net investment income	357,995	2,752,802
Administrative expenses	(46,951)	(51,306)
Benefit payments, including refunds	(1,678,258)	(1,638,281)
Other	183	-
Net Change in Plan Fiduciary Net Position	(640,463)	1,933,489
Plan Fiduciary Net Position - Beginning of year	19,384,261	17,450,772
Plan Fiduciary Net Position - End of year	\$ 18,743,798	\$ 19,384,261
City's Net Pension Liability - Ending	\$ 3,876,184	\$ 2,925,911
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.86 %	86.89 %
Covered Employee Payroll	\$ 1,923,665	\$ 1,965,494
City's Net Pension Liability as a Percentage of Covered Employee Payroll	201.50 %	148.9 %

City of Berkley, Michigan

Required Supplemental Information Public Safety Pension Trust Schedule of City Contributions Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 726,568	\$ 780,105	\$ 770,451	\$ 780,942	\$ 719,836	\$ 452,531	\$ 499,877	\$ 506,423	\$ 419,560	\$ 377,256
Contributions in relation to the actuarially determined contribution	726,568	780,105	770,451	780,942	719,836	452,531	499,877	506,423	419,560	377,256
Contribution Deficiency	\$ -									
Covered Employee Payroll	\$ 1,923,665	\$ 1,965,494	\$ 1,965,938	\$ 2,020,026	\$ 1,893,309	\$ 1,816,664	\$ 2,004,318	\$ 1,969,751	\$ 1,911,435	\$ 1,868,529
Contributions as a Percentage of Covered Employee Payroll	37.8 %	39.7 %	39.2 %	38.7 %	38.0 %	24.9 %	24.9 %	25.7 %	22.0 %	20.2 %

Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution amounts are calculated as of 6/30 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	20 years closed
Asset valuation method	4-year smoothed market 80 percent/120 percent corridor
Inflation	3.0 percent
Salary increases	5.0 percent to 9.0 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	1983 GAM (85% of the rates) for both males and females

City of Berkley, Michigan

Required Supplemental Information Schedule of Changes in the City Net Pension Liability and Related Ratios Municipal Employees' Retirement System of Michigan Year Ended June 30, 2015

	2015
Total Pension Liability	
Service cost	\$ 313,028
Interest	1,588,656
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments, including refunds	(1,678,420)
Net Change in Total Pension Liability	223,264
Total Pension Liability - Beginning of year	19,939,137
Total Pension Liability - End of year	\$ 20,162,401
Plan Fiduciary Net Position	
Contributions - Employer	\$ 574,412
Contributions - Member	90,641
Net investment income	792,022
Administrative expenses	(28,852)
Benefit payments, including refunds	(1,678,420)
Other	-
Net Change in Plan Fiduciary Net Position	(250,197)
Plan Fiduciary Net Position - Beginning of year	12,865,140
Plan Fiduciary Net Position - End of year	\$ 12,614,943
City's Net Pension Liability - Ending	\$ 7,547,458
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	62.57 %
Covered Employee Payroll	\$ 1,679,482
City's Net Pension Liability as a Percentage of Covered Employee Payroll	449.4 %

City of Berkley, Michigan

Required Supplemental Information Schedule of City Contributions Municipal Employees' Retirement System of Michigan Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 574,412	\$ 600,607	\$ 637,576	\$ 552,043	\$ 537,833	\$ 438,510	\$ 453,506	\$ 452,215	\$ 407,355	\$ 374,454
Contributions in relation to the actuarially determined contribution	574,412	600,607	637,576	552,043	537,833	438,510	453,506	452,215	407,355	374,454
Contribution Deficiency	\$ -									
Covered Employee Payroll	\$ 2,253,166	\$ 2,225,644	\$ 2,194,904	\$ 2,540,930	\$ 2,360,645	\$ 2,412,962	\$ 2,414,979	\$ 2,252,412	\$ 2,261,456	\$ 2,007,763
Contributions as a Percentage of Covered Employee Payroll	25.5 %	27.0 %	29.0 %	21.7 %	22.8 %	18.2 %	18.8 %	20.1 %	18.0 %	18.7 %

Notes to Schedule of City Contributions

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 - 24 years
Asset valuation method	10-year smoothed market
Inflation	3 - 4%
Salary increases	4.5%, including inflation
Investment rate of return	8.0%
Retirement age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	50% Male - 50% Female blend of the 1994 Group Annuity Mortality Table
Other information	None

City of Berkley, Michigan

Required Supplemental Information OPEB System Schedule Year Ended June 30, 2015

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
6/30/06	\$ 100,000	\$ 21,807,213	\$ 21,707,213	0.5	\$ 3,651,406	594.5
6/30/09	1,035,664	17,655,852	16,620,188	5.9	3,344,839	496.9
6/30/12	2,223,325	27,663,815	25,440,490	8.0	2,635,197	965.4

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
6/30/12	6/30/09	\$ 1,975,310	56.5
6/30/13	6/30/09	1,658,683	73.8
6/30/14	6/30/09	1,761,510	81.9

* The required contribution is expressed to the City as a percentage of payroll.

Other Supplemental Information

City of Berkley, Michigan

	Special Revenue Funds			Debt Service Funds		
	Community Development Block Grant	Drug Forfeiture Fund	Seniors' Program Fund	2002 Installment Loan	Major and Local Street Projects	Eleven Mile Road Project
Assets						
Cash and cash equivalents	\$ 25,708	\$ 3,055	\$ 246,953	\$ 3,404	\$ 14,950	\$ 26,930
Receivables:						
Taxes	-	-	-	-	2,752	189
Other governmental units	2,108	-	-	-	-	-
Total assets	\$ 27,816	\$ 3,055	\$ 246,953	\$ 3,404	\$ 17,702	\$ 27,119
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts payable	\$ 339	\$ -	\$ 1,783	\$ -	\$ -	\$ -
Accrued and other liabilities	-	-	2,194	-	-	-
Total liabilities	339	-	3,977	-	-	-
Deferred Inflows of Resources - Unavailable revenue	-	-	-	-	2,752	189
Fund Balances						
Restricted:						
Debt service	-	-	-	3,404	14,950	26,930
Public safety	-	3,055	-	-	-	-
Community development	27,477	-	-	-	-	-
Committed - Seniors' program	-	-	242,976	-	-	-
Assigned - Capital improvement	-	-	-	-	-	-
Total fund balances	27,477	3,055	242,976	3,404	14,950	26,930
Total liabilities, deferred inflows of resources, and fund balances	\$ 27,816	\$ 3,055	\$ 246,953	\$ 3,404	\$ 17,702	\$ 27,119

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015**

Debt Service Funds	Capital Projects Funds		Total
Twelve Mile Road Project	Capital Projects Fund	Public Improvements	Nonmajor Governmental Funds
\$ 22,704	\$ 768,914	\$ -	\$ 1,112,618
200	-	-	3,141
-	5,987	-	8,095
\$ 22,904	\$ 774,901	\$ -	\$ 1,123,854
-	-	-	2,122
-	-	-	2,194
-	-	-	4,316
200	-	-	3,141
22,704	-	-	67,988
-	-	-	3,055
-	-	-	27,477
-	-	-	242,976
-	774,901	-	774,901
22,704	774,901	-	1,116,397
\$ 22,904	\$ 774,901	\$ -	\$ 1,123,854

City of Berkley, Michigan

	Special Revenue Funds			Debt Service Funds	
	Community				
	Development Block Grant	Drug Forfeiture Fund	Seniors' Program Fund	2002 Installment Loan	Major and Local Streets Projects
Revenue					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 401,260
Federal grants	65,252	-	-	-	-
State-shared revenue and grants	-	-	22,324	-	-
Charges for services	-	-	62,682	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	-	43	1,288	11	51
Other	-	-	527	205,020	-
Total revenue	65,252	43	86,821	205,031	401,311
Expenditures - Current					
Health and welfare	51,977	-	70,541	-	-
Capital outlay	276	6,500	-	-	-
Debt service	-	-	-	205,020	398,344
Total expenditures	52,253	6,500	70,541	205,020	398,344
Excess of Revenue Over (Under)					
Expenditures	12,999	(6,457)	16,280	11	2,967
Other Financing Uses - Transfers out	-	-	-	-	-
Net Change in Fund Balances	12,999	(6,457)	16,280	11	2,967
Fund Balances - Beginning of year	14,478	9,512	226,696	3,393	11,983
Fund Balances - End of year	\$ 27,477	\$ 3,055	\$ 242,976	\$ 3,404	\$ 14,950

**Other Supplemental Information
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2015**

Debt Service Funds		Capital Projects Fund		Total Nonmajor Governmental Funds
Eleven Mile Road Project	Twelve Mile Road Project	Capital Projects Fund	Public Improvements	
\$ 240,505	\$ 136,592	\$ -	\$ -	\$ 778,357
-	-	-	-	65,252
-	-	-	-	22,324
-	-	-	-	62,682
-	-	85,537	-	85,537
173	102	4,020	33	5,721
-	-	-	-	205,547
<u>240,678</u>	<u>136,694</u>	<u>89,557</u>	<u>33</u>	<u>1,225,420</u>
-	-	-	-	122,518
-	-	1,586	-	8,362
<u>237,406</u>	<u>133,506</u>	<u>-</u>	<u>-</u>	<u>974,276</u>
<u>237,406</u>	<u>133,506</u>	<u>1,586</u>	<u>-</u>	<u>1,105,156</u>
3,272	3,188	87,971	33	120,264
-	-	-	(10,133)	(10,133)
<u>3,272</u>	<u>3,188</u>	<u>87,971</u>	<u>(10,100)</u>	<u>110,131</u>
<u>23,658</u>	<u>19,516</u>	<u>686,930</u>	<u>10,100</u>	<u>1,006,266</u>
<u>\$ 26,930</u>	<u>\$ 22,704</u>	<u>\$ 774,901</u>	<u>\$ -</u>	<u>\$ 1,116,397</u>

City of Berkley, Michigan

Other Supplemental Information Nonmajor Governmental Fund Community Development Block Grant Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue - Federal grants	\$ 89,324	\$ 100,801	\$ 65,252	\$ (35,549)
Expenditures				
Health and welfare	60,809	60,809	51,977	8,832
Capital outlay	-	-	276	(276)
Total expenditures	<u>60,809</u>	<u>60,809</u>	<u>52,253</u>	<u>8,556</u>
Net Change in Fund Balance	28,515	39,992	12,999	(26,993)
Fund Balance - Beginning of year	<u>14,478</u>	<u>14,478</u>	<u>14,478</u>	<u>-</u>
Fund Balance - End of year	<u><u>\$ 42,993</u></u>	<u><u>\$ 54,470</u></u>	<u><u>\$ 27,477</u></u>	<u><u>\$ (26,993)</u></u>

City of Berkley, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Drug Forfeiture Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue - Investment earnings	\$ 50	\$ 50	\$ 43	\$ (7)
Expenditures - Capital outlay	-	6,500	6,500	-
Net Change in Fund Balance	50	(6,450)	(6,457)	(7)
Fund Balance - Beginning of year	9,512	9,512	9,512	-
Fund Balance - End of year	<u>\$ 9,562</u>	<u>\$ 3,062</u>	<u>\$ 3,055</u>	<u>\$ (7)</u>

City of Berkley, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Seniors' Program Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ 21,785	\$ 21,785	\$ 22,324	\$ 539
Charges for services	83,949	83,949	62,682	(21,267)
Investment earnings	751	751	1,288	537
Other	400	400	527	127
Total revenue	106,885	106,885	86,821	(20,064)
Expenditures - Health and welfare	100,192	100,692	70,541	30,151
Net Change in Fund Balance	6,693	6,193	16,280	10,087
Fund Balance - Beginning of year	226,696	226,696	226,696	-
Fund Balance - End of year	\$ 233,389	\$ 232,889	\$ 242,976	\$ 10,087

City of Berkley, Michigan

Other Supplemental Information Nonmajor Governmental Fund - 2002 Installment Loan Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue - Other revenue	\$ 205,020	\$ 205,020	\$ 205,031	\$ 11
Expenditures - Debt service	205,020	205,020	205,020	-
Net Change in Fund Balance	-	-	11	11
Fund Balance - Beginning of year	3,393	3,393	3,393	-
Fund Balance - End of year	\$ 3,393	\$ 3,393	\$ 3,404	\$ 11

City of Berkley, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Major and Local Streets Projects Debt Service Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 401,369	\$ 401,369	\$ 401,260	\$ (109)
Investment earnings	-	-	51	51
Total revenue	401,369	401,369	401,311	(58)
Expenditures - Debt service	398,344	398,344	398,344	-
Net Change in Fund Balance	3,025	3,025	2,967	(58)
Fund Balance - Beginning of year	11,983	11,983	11,983	-
Fund Balance - End of year	<u>\$ 15,008</u>	<u>\$ 15,008</u>	<u>\$ 14,950</u>	<u>\$ (58)</u>

City of Berkley, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Eleven Mile Road Project Debt Service Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 240,625	\$ 240,625	\$ 240,505	\$ (120)
Investment earnings	-	-	173	173
Total revenue	240,625	240,625	240,678	53
Expenditures - Debt service	237,407	237,407	237,406	1
Net Change in Fund Balance	3,218	3,218	3,272	54
Fund Balance - Beginning of year	23,658	23,658	23,658	-
Fund Balance - End of year	\$ 26,876	\$ 26,876	\$ 26,930	\$ 54

City of Berkley, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Twelve Mile Road Project Debt Service Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 136,166	\$ 136,166	\$ 136,592	\$ 426
Investment earnings	-	-	102	102
Total revenue	136,166	136,166	136,694	528
Expenditures - Debt service	133,507	133,507	133,506	1
Net Change in Fund Balance	2,659	2,659	3,188	529
Fund Balance - Beginning of year	19,516	19,516	19,516	-
Fund Balance - End of year	\$ 22,175	\$ 22,175	\$ 22,704	\$ 529

City of Berkley, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Capital Projects Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Fines and forfeitures	\$ 95,000	\$ 95,000	\$ 85,537	\$ (9,463)
Investment earnings	2,568	2,568	4,020	1,452
Total revenue	97,568	97,568	89,557	(8,011)
Expenditures - Capital outlay	4,600	4,600	1,586	3,014
Net Change in Fund Balance	92,968	92,968	87,971	(4,997)
Fund Balance - Beginning of year	686,930	686,930	686,930	-
Fund Balance - End of year	\$ 779,898	\$ 779,898	\$ 774,901	\$ (4,997)

City of Berkley, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Public Improvements Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Investment earnings	\$ -	\$ -	\$ 33	\$ 33
Transfers out	-	-	(10,133)	(10,133)
Net Change in Fund Balance	-	-	(10,100)	(10,100)
Fund Balance - Beginning of year	10,100	10,100	10,100	-
Fund Balance - End of year	\$ 10,100	\$ 10,100	\$ -	\$ (10,100)

City of Berkley, Michigan

Other Supplemental Information Downtown Development Authority Division Balance Sheet June 30, 2015

	<u>DDA</u>	<u>DDA-TIF</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 165,599	\$ 91,001	\$ 256,600
Property taxes receivable	-	9,281	9,281
Total assets	<u>\$ 165,599</u>	<u>\$ 100,282</u>	<u>\$ 265,881</u>
Liabilities and Net Position			
Liabilities - Accounts payable	\$ 2,834	\$ 4,742	\$ 7,576
Net Position - Unrestricted	<u>162,765</u>	<u>95,540</u>	<u>258,305</u>
Total liabilities and net position	<u>\$ 165,599</u>	<u>\$ 100,282</u>	<u>\$ 265,881</u>

City of Berkley, Michigan

Other Supplemental Information Downtown Development Authority Division Schedule of Revenue, Expenditures, and Changes in Fund Balances Year Ended June 30, 2015

	<u>DDA</u>	<u>DDA-TIF</u>	<u>Total</u>
Revenue			
Property taxes	\$ 39,678	\$ 214,536	\$ 254,214
Investment income	983	1,114	2,097
Other revenue	1,100	-	1,100
Total revenue	<u>41,761</u>	<u>215,650</u>	<u>257,411</u>
Expenditures - Current			
Operations	52,557	206,756	259,313
Capital outlay	-	21,132	21,132
Total expenditures	<u>52,557</u>	<u>227,888</u>	<u>280,445</u>
Net Change in Net Position	(10,796)	(12,238)	(23,034)
Net Position - Beginning of year	<u>173,561</u>	<u>107,778</u>	<u>281,339</u>
Net Position - End of year	<u>\$ 162,765</u>	<u>\$ 95,540</u>	<u>\$ 258,305</u>

City of Berkley, Michigan

Other Supplemental Information Schedule of Changes in Assets and Liabilities Agency Fund Year Ended June 30, 2015

	Balance at July 1, 2014	Additions	Reductions	Balance at June 30, 2015
Assets - Cash	\$ 311,649	\$ 475,641	\$ (541,866)	\$ 245,424
Liabilities				
Accounts payable	\$ 24,658	\$ 467,997	\$ (492,322)	\$ 333
Due to other governmental units	23,230	269,427	(287,371)	5,286
Cash bonds and deposits	263,761	206,603	(230,559)	239,805
Total liabilities	\$ 311,649	\$ 944,027	\$ (1,010,252)	\$ 245,424

Statistical Section

Statistical Information

Statistical information contained herein relates to the physical, economic, social, and political characteristics of the City. It is designed to provide a broader and more complete understanding of the City and its financial affairs than is possible from the financial statements, notes, and supporting schedules presented in the financial section.

1. Financial Trend Information

These schedules contain certain trend information to help the reader understand how the City's financial position and performance have changed over time.

Net Position by Component	94-95
Changes in Net Position	96-97
Fund Balances of Governmental Funds	98-99
Changes in Fund Balances of Governmental Funds	100-101

2. Revenue Capacity Information

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its main income source - property taxes.

Property Tax Levies and Collections	102
Assessed Value and Actual Value of Taxable Property	103
Direct and Overlapping Property Tax Rates	104-105
Principal Property Taxpayers (Major Taxpayers)	106

3. Debt Capacity Information

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

Ratios of Outstanding Debt by Type	107-108
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Ratios of General Bonded Debt Outstanding	110
Direct and Overlapping Governmental Activities Debt	111
Legal Debt Margin	112-113
Legal Debt Margin - P.A. 99 Debt	114-115

4. Demographic and Economic Information

These schedules present various demographic and economic indicators for the reader to understand the environment within the City that affects the City's financial statements.

Demographic and Economic Statistics	116
Principal Employers	117

5. Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Full-time Equivalent Government Employees by Function	118
Operating Indicators by Function	119-120
Capital Asset Statistics by Function	121

City of Berkley, Michigan

Source: City annual financial statements

	As of June 30				
	2006	2007	2008	2009	2010
Governmental Activities					
Net investment in capital assets	\$ 3,966,796	\$ 5,511,233	\$ 6,248,911	\$ 7,060,516	\$ 7,803,010
Restricted	3,583,265	5,323,191	4,094,643	3,544,810	3,483,147
Unrestricted	<u>2,812,709</u>	<u>1,564,927</u>	<u>3,797,532</u>	<u>3,414,309</u>	<u>2,433,875</u>
Total net position	10,362,770	12,399,351	14,141,086	14,019,635	13,720,032
Business-type Activities					
Net investment in capital assets	2,921,114	5,239,890	6,617,232	8,142,849	8,794,109
Restricted	-	-	-	-	-
Unrestricted	<u>3,677,691</u>	<u>2,544,495</u>	<u>2,013,068</u>	<u>1,241,937</u>	<u>1,308,518</u>
Total net position	6,598,805	7,784,385	8,630,300	9,384,786	10,102,627
Primary Government in Total					
Net investment in capital assets	6,887,910	10,751,123	12,866,143	15,203,365	16,597,119
Restricted	3,583,265	5,323,191	4,094,643	3,544,810	3,483,147
Unrestricted	<u>6,490,400</u>	<u>4,109,422</u>	<u>5,810,600</u>	<u>4,656,246</u>	<u>3,742,393</u>
Total net position	<u>\$ 16,961,575</u>	<u>\$ 20,183,736</u>	<u>\$ 22,771,386</u>	<u>\$ 23,404,421</u>	<u>\$ 23,822,659</u>

**Financial Trend Information
Net Position by Component
Last Ten Fiscal Years**

As of June 30				
2011	2012	2013	2014	2015
\$ 8,386,258	\$ 8,913,634	\$ 9,546,904	10,490,391	11,765,355
2,740,980	2,498,530	2,297,100	2,536,277	2,575,308
<u>2,197,612</u>	<u>1,864,274</u>	<u>1,605,022</u>	<u>1,524,256</u>	<u>(7,387,648)</u>
13,324,850	13,276,438	13,449,026	14,550,924	6,953,015
8,912,363	9,349,182	10,048,279	10,469,046	11,078,068
-	-	-	-	-
<u>1,968,092</u>	<u>2,373,103</u>	<u>2,792,194</u>	<u>3,431,190</u>	<u>2,314,089</u>
10,880,455	11,722,285	12,840,473	13,900,236	13,392,157
17,298,621	18,262,816	19,595,183	20,959,437	22,843,423
2,740,980	2,498,530	2,297,100	2,536,277	2,575,308
<u>4,165,704</u>	<u>4,237,377</u>	<u>4,397,216</u>	<u>4,955,446</u>	<u>(5,073,559)</u>
<u>\$ 24,205,305</u>	<u>\$ 24,998,723</u>	<u>\$ 26,289,499</u>	<u>\$ 28,451,160</u>	<u>\$ 20,345,172</u>

City of Berkley, Michigan

	As of June 30				
	2006	2007	2008	2009	2010
Expenses					
Governmental Activities					
General government	\$ 2,465,003	\$ 2,434,482	\$ 2,485,624	\$ 3,364,289	\$ 3,136,223
Public safety	3,984,638	4,238,500	4,319,548	4,880,904	4,648,256
Public works	2,380,517	2,759,903	2,805,318	2,652,054	2,956,123
Health and welfare	121,006	154,857	233,320	290,150	131,969
Recreation and culture	1,681,961	1,637,638	1,720,748	1,732,343	1,676,755
Interest on long-term debt	266,936	312,159	304,824	283,330	215,764
Unallocated depreciation	-	-	-	-	-
Total primary governmental activities	10,900,061	11,537,539	11,869,382	13,203,070	12,765,090
Business Type Activities					
Water/Sewer	2,942,099	3,483,903	3,404,673	3,673,284	3,883,589
Arena	528,272	524,566	457,502	459,062	485,033
Total business-type activities	3,470,371	4,008,469	3,862,175	4,132,346	4,368,622
Total Primary Government Expenses	14,370,432	15,546,008	15,731,557	17,335,416	17,133,712
Program Revenue					
Government Activities					
Charges for services	2,316,403	2,541,112	2,727,253	2,819,447	2,666,889
Operating grants and contributions	1,137,380	1,136,724	1,168,098	1,226,338	1,035,713
Capital grants and contributions	74,459	885,505	70,840	20,419	5,388
Total government activities program revenue	3,528,242	4,563,341	3,966,191	4,066,204	3,707,990
Business Type Activities					
Charges for services - Water/Sewer	3,990,896	4,172,699	4,219,273	4,460,704	4,604,767
Charges for services - Arena	472,655	472,227	445,109	325,681	363,289
Operating grants and contributions	-	-	-	-	-
Total Business-type Activities Program Revenues	4,463,551	4,644,926	4,664,382	4,786,385	4,968,056
Total Primary Government Program Revenues	7,991,793	9,208,267	8,630,573	8,852,589	8,676,046
Net (Expense)/Revenue					
Governmental activities	(7,371,819)	(6,974,198)	(7,903,191)	(9,136,866)	(9,057,100)
Business-type activities	993,180	636,457	802,207	654,039	599,434
Total Primary Government Net Expenses	(6,378,639)	(6,337,741)	(7,100,984)	(8,482,827)	(8,457,666)
General Revenue and Other Changes in Net Assets					
Governmental activities					
Property taxes	6,199,398	6,740,174	7,081,734	7,091,901	6,985,695
State-shared revenue	1,465,184	1,425,872	1,418,217	1,360,499	1,210,027
Unrestricted investment earnings	405,303	684,030	584,484	220,526	54,021
Other	539,499	864,490	560,491	432,374	624,376
Total general government revenue	8,609,384	9,714,566	9,644,926	9,105,300	8,874,119
Business-type Activities					
Unrestricted investment earnings	84,484	102,912	43,708	10,562	1,785
Other	-	-	-	-	-
Total general business-type revenues	84,484	102,912	43,708	10,562	1,785
Total primary government program revenues					
Change in Net Assets					
Governmental activities	1,237,565	2,740,368	1,741,735	(31,566)	(182,981)
Business-type activities	1,077,664	739,369	845,915	664,601	601,219
Total primary government	\$ 2,315,229	\$ 3,479,737	\$ 2,587,650	\$ 633,035	\$ 418,238

Financial Trend Information Changes in Net Position Last Ten Fiscal Years

		As of June 30							
		2011	2012	2013	2014	2015			
\$	3,278,204	\$	3,481,679	\$	3,014,392	\$	3,259,836	\$	3,713,410
	4,771,634		4,621,263		4,693,881		4,824,914		5,108,392
	2,995,491		3,003,907		3,033,044		3,303,767		3,710,743
	184,224		101,435		163,566		159,649		166,478
	1,538,314		1,539,712		1,585,170		1,709,925		1,828,480
	237,219		203,665		172,787		139,890		104,750
	-		-		-		-		-
	13,005,086		12,951,661		12,662,840		13,397,981		14,632,253
	4,425,206		4,586,983		4,503,819		4,568,046		4,874,414
	391,151		382,335		398,498		388,811		392,804
	4,816,357		4,969,318		4,902,317		4,956,857		5,267,218
	17,821,443		17,920,979		17,565,157		18,354,838		19,899,471
	2,688,763		3,033,244		2,837,661		3,062,151		3,057,180
	1,132,307		1,132,650		1,171,642		1,264,242		1,612,680
	309,306		147,306		420,556		199,272		249,360
	4,130,376		4,313,200		4,429,859		4,525,665		4,919,220
	4,996,086		5,390,864		5,562,758		5,592,326		5,729,719
	342,046		321,367		379,651		368,805		340,729
	-		-		-		-		86,292
	5,338,132		5,712,231		5,942,409		5,961,131		6,156,740
	9,468,508		10,025,431		10,372,268		10,486,796		11,075,960
	(8,874,710)		(8,638,461)		(8,232,981)		(8,872,316)		(9,713,033)
	521,775		742,913		1,040,092		1,004,274		889,522
	(8,352,935)		(7,895,548)		(7,192,889)		(7,868,042)		(8,823,511)
	7,010,324		6,769,419		6,707,929		8,253,315		8,477,367
	1,210,027		1,226,594		1,259,681		1,293,237		1,316,074
	54,268		54,520		50,954		37,413		55,105
	458,965		635,772		460,320		441,249		600,322
	8,733,584		8,686,305		8,478,884		10,025,214		10,448,868
	1,997		2,661		4,781		4,489		10,097
	-		-		-		-		275
	1,997		2,661		4,781		4,489		10,372
			8,688,966		8,483,665		10,029,703		10,459,240
	(141,126)		47,844		172,588		1,101,898		595,020
	523,772		745,574		1,118,188		1,059,763		1,040,709
\$	382,646	\$	793,418	\$	1,290,776	\$	2,161,661	\$	1,635,729

City of Berkley, Michigan

	As of June 30				
	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 634,603	\$ 1,529,212	\$ 348,637	\$ 418,208	\$ 512,336
Unreserved	1,786,515	1,427,161	3,419,573	2,425,253	1,934,516
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 2,421,118</u>	<u>\$ 2,956,373</u>	<u>\$ 3,768,210</u>	<u>\$ 2,843,461</u>	<u>\$ 2,446,852</u>
All Other Governmental Funds					
Reserved	\$ -	\$ 202,050	\$ 211,738	\$ 247,238	\$ 247,238
Unreserved, reported in:					
Special revenue funds	3,617,071	2,876,105	3,426,490	3,633,578	3,599,107
Capital project funds	4,517,324	2,675,389	1,038,880	401,995	407,774
Debt service funds	26,745	29,085	40,886	20,649	13,818
Nonmajor funds	-	-	-	-	24,644
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 8,161,140</u>	<u>\$ 5,782,629</u>	<u>\$ 4,717,994</u>	<u>\$ 4,303,460</u>	<u>\$ 4,292,581</u>

Source: City annual financial statements

* Fund balance classifications were changed as a result of implementation of GASB Statement No. 54.

**Financial Trend Information
Fund Balances of Governmental Funds
Last Ten Fiscal Years**

As of June 30				
2011*	2012	2013	2014	2015
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
368,673	315,502	284,329	317,474	291,749
72,800	96,903	107,930	120,355	129,814
220,000	220,000	325,000	5,000	-
1,992,303	2,452,971	2,438,647	2,741,075	3,103,391
<u>\$ 2,653,776</u>	<u>\$ 3,085,376</u>	<u>\$ 3,155,906</u>	<u>\$ 3,183,904</u>	<u>\$ 3,524,954</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
260,316	203,321	138,276	21,327	24,361
2,686,079	2,421,348	2,188,290	2,418,964	2,320,355
348,215	422,592	526,423	751,309	835,919
415,669	497,862	606,723	697,030	774,901
<u>\$ 3,710,279</u>	<u>\$ 3,545,123</u>	<u>\$ 3,459,712</u>	<u>\$ 3,888,630</u>	<u>\$ 3,955,536</u>

City of Berkley, Michigan

	As of June 30				
	2006	2007	2008	2009	2010
Revenue					
Local revenue	\$ 9,612,213	\$ 12,274,950	\$ 11,470,866	\$ 11,079,457	\$ 10,638,306
State revenue	2,413,963	2,367,806	2,387,701	2,299,879	2,111,858
Federal revenue	19,686	57,634	51,321	97,057	30,088
Total revenue	12,045,862	14,700,390	13,909,888	13,476,393	12,780,252
Expenditures					
Current:					
General government	2,555,528	2,774,250	2,682,839	3,329,203	2,935,158
Public safety	4,105,804	4,137,720	4,223,792	4,733,586	4,468,058
Public works	2,266,613	2,532,356	2,341,172	2,526,019	2,759,016
Health and welfare	201,658	221,794	310,444	372,347	155,901
Recreation and culture	1,472,163	1,344,085	1,388,873	1,470,635	1,430,559
Debt service					
Principal	740,971	483,624	511,826	560,189	734,269
Interest	289,918	296,993	306,665	290,286	224,615
Capital outlay	1,607,199	4,825,905	2,648,769	1,443,524	363,542
Total expenditures	13,239,854	16,616,727	14,414,380	14,725,789	13,071,118
Excess of Revenue (Under) Over Expenditures	(1,193,992)	(1,916,337)	(504,492)	(1,249,396)	(290,866)
Other Financing Sources (Uses)					
Proceeds from long-term debt	5,975,000	152,273	251,694	-	-
Transfers in	778,125	1,308,752	251,199	258,615	203,021
Transfers out	(275,138)	(1,387,944)	(251,199)	(348,500)	(319,643)
Debt defeasance	-	-	-	-	-
Total other financing sources (uses)	6,477,987	73,081	251,694	(89,885)	(116,622)
Net Change in Fund Balances	5,283,995	(1,843,256)	(252,798)	(1,339,281)	(407,488)
Fund Balances - Beginning of year	5,298,263	10,582,258	8,739,002	8,486,202	7,146,921
Fund Balances - End of year	\$ 10,582,258	\$ 8,739,002	\$ 8,486,204	\$ 7,146,921	\$ 6,739,433
Debt service as a percentage of noncapital expenditures	0.0942	0.0658	0.0691	0.0655	0.0788

Source: City annual financial statements.

Financial Trend Information
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

As of June 30				
2011	2012	2013	2014	2015
\$ 10,377,264	\$10,485,022	\$10,422,534	\$11,959,223	\$12,468,368
2,116,821	2,155,369	93,077	2,322,250	2,372,622
96,773	74,851	2,191,716	43,643	383,305
12,590,858	12,715,242	12,707,327	14,325,116	15,224,295
2,525,147	2,392,049	2,560,152	2,802,372	2,724,425
4,711,535	4,461,190	4,525,013	4,700,580	4,866,822
2,733,588	2,834,954	2,869,767	3,058,533	4,101,935
222,609	141,613	207,514	179,489	196,602
1,334,890	1,306,839	1,377,854	1,414,086	1,533,968
658,021	741,454	725,000	735,000	860,000
244,692	212,025	180,847	148,610	114,276
281,698	262,418	202,906	778,370	277,496
12,712,180	12,352,542	12,649,053	13,817,040	14,675,524
(121,322)	362,700	58,274	508,076	548,771
-	-	-	-	-
378,266	158,332	155,963	756,953	916,693
(621,645)	(254,588)	(229,278)	(807,953)	(1,057,508)
-	-	-	-	-
(243,379)	(96,256)	(73,315)	(51,000)	(140,815)
(364,701)	266,444	(15,041)	457,076	407,956
6,728,756	6,364,055	6,630,499	6,615,458	7,072,534
\$ 6,364,055	\$ 6,630,499	\$ 6,615,458	\$ 7,072,534	\$ 7,480,490
0.0754	0.0815	0.0754	0.0670	0.0735

City of Berkley, Michigan

Revenue Capacity Information Property Tax Levies and Collections Ten-year Comparison

Tax Year	Fiscal Year Ended June 30	Total Levy	Levy Year Collections	Percent Collected	Delinquent Collections	Total Tax Collections	Percent of Levy Collected
2005	2006	6,673,949	6,657,022	99.75%	15,038	6,672,060	99.97%
2006	2007	7,299,030	7,272,214	99.63%	22,431	7,294,645	99.94%
2007	2008	7,665,402	7,647,248	99.76%	17,164	7,664,412	99.99%
2008	2009	7,788,425	7,767,792	99.74%	17,376	7,785,168	99.96%
2009	2010	7,692,971	7,677,824	99.80%	12,616	7,690,440	99.97%
2010	2011	7,765,387	7,739,802	99.67%	21,747	7,761,549	99.95%
2011	2012	7,522,328	7,508,678	99.82%	9,319	7,517,997	99.94%
2012	2013	7,470,715	7,457,808	99.83%	10,192	7,468,000	99.96%
2013	2014	9,042,351	9,023,584	99.79%	5,906	9,029,489	99.86%
2014	2015	9,231,605	9,225,574	99.93%	2,469	9,228,043	99.96%

Source: Oakland County Settlement Document
City of Berkley Accounting Records

City of Berkley, Michigan

Revenue Capacity Information Assessed Value and Actual Value of Taxable Property Last Ten Years

Taxable Value by Property Type (1)								
Real Property						City Tax Rate (Mills)	State Equalized Value (SEV) (2)	Taxable Value as a Percent of SEV
Tax Year (3)	Residential	Commercial	Industrial	Personal	Total Value			
2006	440,032,740	49,592,780	3,767,130	13,435,660	506,828,310	12.8132	682,636,910	74.25%
2007	462,885,080	52,258,100	3,709,970	13,561,450	532,414,600	12.9732	694,893,290	76.62%
2008	463,377,838	53,865,200	3,731,790	13,433,110	534,407,938	12.9957	658,680,808	81.13%
2009	450,038,090	57,090,940	3,409,420	13,641,370	524,179,820	13.0779	595,450,680	88.03%
2010	417,703,030	53,212,790	3,708,310	14,026,180	488,650,310	14.0656	524,003,230	93.25%
2011	397,284,790	52,547,550	1,128,660	14,140,570	465,101,570	14.2990	480,072,565	96.88%
2012	388,105,590	51,050,170	889,120	13,992,940	454,037,820	14.4917	460,925,460	98.51%
2013	397,730,420	50,439,440	849,760	14,900,060	463,919,680	17.5074	473,399,655	98.00%
2014	410,885,648	50,207,950	816,550	11,907,130	473,817,278	17.5454	521,957,503	90.78%
2015	429,367,950	51,202,520	831,010	12,626,360	494,027,840	16.9791	591,165,960	83.57%

(1) Under Michigan law, the revenue base is taxable value.

(2) In the State of Michigan, state equalized value is meant to reflect 50 percent of the true value of the property.

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

Source: Oakland County Equalization
City of Berkley - State Form L-4029

City of Berkley, Michigan

Millage Rates - City of Berkley

Overlapping Taxes

Berkley Schools

Tax Year	Fiscal Year Ended June 30	City						Total City Tax Rates	Overlapping Taxes	
		Operating	Public Safety	Sanitation	Community Promotions	Public Safety Pension	City Debt		Berkley Schools Homestead	Non- Homestead
2006	2007	6.3329	1.8996	1.8996	0.0986	1.5017	1.2845	13.0169	4.4967	22.4967
2007	2008	6.3101	1.8927	1.8927	0.0939	1.6359	1.1479	12.9732	4.3467	22.3467
2008	2009	6.3101	1.8927	1.8927	0.0940	1.6471	1.1591	12.9957	4.2167	22.2167
2009	2010	6.3101	1.8927	1.8927	0.0950	1.6922	1.1952	13.0779	4.2167	22.2167
2010	2011	6.3101	1.8927	1.8927	0.1023	2.4762	1.3916	14.0656	4.2167	22.2167
2011	2012	6.3101	1.8927	1.8927	0.1075	2.5479	1.5481	14.2990	4.6967	22.6967
2012	2013	6.3101	1.8927	1.8927	0.1101	2.6430	1.6431	14.4917	4.7167	22.7167
2013	2014	9.3101	1.8927	1.8927	0.1078	2.7435	1.5606	17.5074	4.7367	22.7367
2014	2015	9.2831	1.8872	1.8872	0.1055	2.7120	1.6704	17.5454	4.7353	22.7353
2015	2016	9.1456	1.8592	1.8592	0.1012	2.4290	1.5849	16.9791	7.7269	25.7269

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

General operating	9.1456
Public safety	1.8592
Sanitation	1.8592
Community promotions	2.4791

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

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

**Revenue Capacity Information
Direct and Overlapping Property Tax Rates
Last Ten Years**

Overlapping Taxes

Royal Oak Schools									
Homestead	Non-Homestead	Oakland County	Oakland Intermediate Schools	Oakland Community College	Oakland County Public Transportation Authority	State Education	HCMA	Zoo Authority	Downtown Development Authority
7.7030	22.7100	4.4315	3.3690	1.5844	0.5900	6.0000	0.2146	-	1.9262
7.6057	22.7100	4.4315	3.3690	1.5844	0.5900	6.0000	0.2146	-	1.9262
7.4095	22.7100	4.4315	3.3690	1.5844	0.5900	6.0000	0.2146	0.1000	1.9262
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

City of Berkley, Michigan

Revenue Capacity Information Principal Property Taxpayers (Major Taxpayers) Last Ten Years

Taxpayers	2015 Taxable Value	Percentage of Total City Value	2015 Rank	2005 Taxable Value	Percentage of Total City Value	2005 Rank
Consumers Energy	\$ 3,062,520	0.66%	1	\$ 1,164,170	0.23%	6
DHS Management	2,795,550	0.60%	2	3,346,010	0.66%	1
DTE Electric	2,484,840	0.54%	3	2,855,880	0.56%	2
Northwood Medical Limited Pttrs.	1,703,220	0.37%	4	1,678,750	0.33%	3
Dynex Commercial Services	1,509,120	0.33%	5	1,278,240	0.25%	5
Essco of Berkley LLC	1,395,490	0.30%	6	-	-	N/A
Capital Development Corp	1,253,860	0.27%	7	1,106,020	0.22%	7
Berkley Twelve Associates II	1,220,400	0.26%	8	1,585,260	0.31%	4
Anusbigian LLC	1,187,560	0.26%	9	-	-	N/A
SD Investments	877,910	0.19%	10	-	-	N/A
Hartfield Realty & Leasing	-	-	N/A	1,060,460	0.21%	8
Gabriel and Associates	-	-	N/A	895,720	0.18%	9
Berkley Holding, Inc.	-	-	N/A	746,950	0.15%	10
Total taxable value	<u>\$ 17,490,470</u>			<u>\$ 15,717,460</u>		

Source: Oakland County Equalization
City of Berkley Treasury Department

City of Berkley, Michigan

	2006	2007*	2008*	2009	2010
Governmental Activities					
General obligation bonds	\$ 13,446,365	\$ 6,334,065	\$ 6,123,933	\$ 5,638,744	\$ 4,994,475
Installment purchase agreements	1,190,000	1,140,000	1,090,000	1,015,000	925,000
Total	14,636,365	7,474,065	7,213,933	6,653,744	5,919,475
Business-type Activities					
General obligation bonds	325,000	6,672,214	6,449,843	6,604,112	6,178,439
Total debt of the government	14,961,365	14,146,279	13,663,776	13,257,856	12,097,914
Total taxable value (1)	506,828,310	532,414,600	534,407,938	524,179,820	488,650,310
Ratio of total debt to taxable value	2.95%	2.66%	2.56%	2.53%	2.48%
Total population	15,531	15,531	15,531	15,531	14,970
Total debt per capita	\$ 963	\$ 911	\$ 880	\$ 854	\$ 808

(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

* Subsequent to 2006, certain debt was reclassified from governmental activities to business-type activities.

** Building Authority Debt was combined in the governmental activities for 2003 and 2004.

**Debt Capacity Information
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years**

	2011	2012	2013	2014	2015
\$	4,436,454	\$ 3,825,000	3,250,000	2,675,000	2,000,000
	<u>825,000</u>	<u>695,000</u>	<u>545,000</u>	<u>385,000</u>	<u>200,000</u>
	5,261,454	4,520,000	3,795,000	3,060,000	2,200,000
	<u>5,805,463</u>	<u>5,423,665</u>	<u>5,030,519</u>	<u>4,627,609</u>	<u>4,214,602</u>
	11,066,917	9,943,665	8,825,519	7,687,609	6,414,602
	465,101,570	454,037,820	463,919,680	473,817,278	494,027,840
	2.38%	2.19%	1.90%	1.62%	1.30%
	15,067	15,067	15,253	15,253	15,089
\$	735	\$ 660	\$ 579	\$ 504	\$ 425

City of Berkley, Michigan

Debt Capacity Information Pledged-revenue Coverage Last Ten Fiscal Years

Fiscal Year	Water Fund	Less	Net Revenue	Water and Sewer Debt Service			Coverage
	Operating Revenue (1)	Operating Expenses		Principal	Interest	Total	
2006	3,990,896	2,942,099	1,048,797	307,334	206,476	513,810	2.04
2007	4,172,699	3,248,185	924,514	312,373	235,718	548,091	1.69
2008	4,219,273	3,235,563	983,710	335,290	169,110	504,400	1.95
2009	4,460,704	3,499,968	960,736	337,393	173,316	510,709	1.88
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

Source: City of Berkley finance department

(1) Interest income is not included in operating revenue

City of Berkley, Michigan

Debt Capacity Information Ratios of General Bonded Debt Outstanding Last Ten 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 Debt as a Percentage of		Total Debt per Capita
					Taxable Value	Population	
2006	6,375,000	6,830,949	13,205,949	506,828,310	2.606%	15,531	850.30
2007	5,975,000	6,672,214	12,647,214	532,414,600	2.375%	15,531	814.32
2008	5,625,000	6,449,843	12,074,843	534,407,938	2.259%	15,531	777.47
2009	5,250,000	6,604,112	11,854,112	524,179,820	2.261%	15,531	763.25
2010	4,825,000	6,178,439	11,003,439	488,650,310	2.252%	14,970	735.03
2011	4,350,000	5,805,463	10,155,463	465,101,570	2.183%	15,067	674.02
2012	3,825,000	5,423,665	9,248,665	454,037,820	2.037%	15,067	613.84
2013	3,250,000	5,030,519	8,280,519	463,919,680	1.785%	15,253	542.88
2014	3,060,000	4,627,609	7,687,609	473,817,278	1.622%	15,253	504.01
2015	2,200,000	4,214,602	6,414,602	494,027,840	1.298%	15,089	425.12

Source: SEMCOG
Tax value - Oakland County Equalization

City of Berkley, Michigan

Debt Capacity Information Direct and Overlapping Governmental Activities Debt June 30, 2015

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
Berkley School District	\$ 68,065,000	52.01%	\$ 35,400,607
Royal Oak School District	40,765,000	0.47%	191,596
Oakland County	426,396,226	0.95%	4,050,764
Oakland County Intermediate School District	54,540,000	0.95%	518,130
Oakland County Community College	2,355,000	0.95%	<u>22,373</u>
Total overlapping debt			\$ 40,183,470
Direct city debt			<u>2,200,000</u>
Total direct and overlapping debt			<u><u>\$ 42,383,470</u></u>

Source: Percentages obtained from Municipal Advisory Council of Michigan

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

City of Berkley, Michigan

	2006	2007	2008	2009	2010
Calculation of Debt Limit					
State equalized valuation (SEV)	\$ 682,636,910	\$ 694,893,290	\$ 658,680,808	\$ 595,450,680	\$ 524,003,230
Debt limit (10% of SEV)	68,263,691	69,489,329	65,868,081	59,545,068	52,400,323
Calculation of Debt Subject to Limit					
Total debt (1)	14,961,365	14,146,279	13,663,776	13,257,856	12,097,914
Less Debt Not Subject to Limit:					
State qualified debt issuance	-	-	-	-	-
Net debt subject to limit	<u>14,961,365</u>	<u>14,146,279</u>	<u>13,663,776</u>	<u>13,257,856</u>	<u>12,097,914</u>
Legal debt margin	<u>\$ 53,302,326</u>	<u>\$ 55,343,050</u>	<u>\$ 52,204,305</u>	<u>\$ 46,287,212</u>	<u>\$ 40,302,409</u>
Net debt subject to limit as percentage of debt limit	21.92%	20.36%	20.74%	22.27%	23.09%

Sources: Oakland County Equalization
City annual financial statements

(1) All debt including PA 99 installment debt

**Debt Capacity Information
Legal Debt Margin
Last Ten Fiscal Years**

2011	2012	2013	2014	2015
\$ 480,072,565	\$ 460,925,460	\$ 473,399,655	521,957,503	591,165,960
48,007,257	46,092,546	47,339,966	52,195,750	59,116,596
11,066,917	9,943,665	8,825,519	7,687,609	6,414,602
-	-	-	-	-
11,066,917	9,943,665	8,825,519	7,687,609	6,414,602
\$ 36,940,340	\$ 36,148,881	\$ 38,514,447	\$ 44,508,141	\$ 52,701,994
23.05%	21.57%	18.64%	14.73%	10.85%

City of Berkley, Michigan

	2006	2007	2008	2009	2010
Calculation of Debt Limit					
Taxable value (TV)	\$ 506,828,310	\$ 532,414,600	\$ 534,407,938	\$ 524,179,820	\$ 488,650,310
Debt limit (1.25% of TV)	6,335,354	6,655,183	6,680,099	6,552,248	6,108,129
Calculation of Debt Subject to Limit					
Total debt	1,430,416	1,499,065	1,588,933	1,403,744	1,094,475
Less Debt Not Subject to Limit:					
State qualified debt issuance	-	-	-	-	-
Net debt subject to limit	1,430,416	1,499,065	1,588,933	1,403,744	1,094,475
Legal debt margin	\$ 4,904,938	\$ 5,156,118	\$ 5,091,166	\$ 5,148,504	\$ 5,013,654
Net debt subject to limit as % of debt limit	22.58%	22.52%	23.79%	21.42%	17.92%

Sources: City annual financial statements

**Debt Capacity Information
Legal Debt Margin - P.A. 99 Debt
Last Ten Fiscal Years**

2011	2012	2013	2014	2015
\$ 465,101,570	\$ 454,037,820	\$ 463,919,680	\$ 473,817,278	\$ 494,027,840
5,813,770	5,675,473	5,798,996	5,922,716	6,175,348
911,454	695,000	545,000	385,000	200,000
-	-	-	-	-
911,454	695,000	545,000	385,000	200,000
\$ 4,902,316	\$ 4,980,473	\$ 5,253,996	\$ 5,537,716	\$ 5,975,348
15.68%	12.25%	9.40%	6.50%	3.24%

City of Berkley, Michigan

Demographic and Economic Information Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population	Median Household Income	Per Capita Personal Income	Unemployment Rate
2006	15,531	\$ 64,984	*	6.1%
2007	15,531	64,758	*	6.6%
2008	15,531	66,094	*	7.2%
2009	15,531	67,475	33,805	13.8%
2010	14,970	65,548	33,865	12.7%
2011	15,067	62,597	34,475	11.0%
2012	15,123	65,644	34,886	9.6%
2013	15,253	*	35,635	9.0%
2014	15,253	*	*	8.4%
2015	15,089	70,023	*	5.4%

Sources: State of Michigan - Michigan Labor Market Information - DMB

Oakland County Community Profile for Median Household Income

Oakland County Economic Development and Community Affairs Department

Southeast Michigan Council of Governments

Homefacts.com

City-data.com

* Information not available

City of Berkley, Michigan

Demographic and Economic Information Principal Employers

Employer	Number of Employees	Percentage of		Number of Employees	Percentage of	
		2015	Total City Employment		2006	Total City Employment
Berkley School District	605	1	17.51%	652	1	15.34%
Westborn Market	115	2	3.33%	93	2	2.19%
Vinsetta Garage	110	3	3.18%	-	-	- %
Crispelli's	81	4	2.34%	-	-	- %
SHW Group	80	5	2.32%	-	-	- %
City of Berkley	66	6	1.91%	90	3	2.12%
The Doll Hospital & Toy Soldier Shop*	31	7	0.90%	-	-	- %
O'Mara's Restaurant	30	8	0.87%	32	9	0.75%
Sila's Pizzeria	30	9	0.87%	36	8	0.85%
Durst Lumber	25	10	0.72%	-	-	- %
NorthPointe Heart Center	-	-	-	80	4	1.88%
Hartfield Lanes	-	-	-	55	5	1.29%
Our Lady of LaSalette Parish	-	-	-	43	6	1.01%
Associates in Medicine	-	-	-	38	7	0.89%
Guaranteed Furniture	-	-	-	30	10	0.71%
Total	1,173			1,149		
Total of all employees	3,455			4,251		

*During holidays they employ up to 50 people

Source: Berkley Finance Department
Southeast Michigan Council of Governments

City of Berkley, Michigan

Operating Information Full-time Equivalent Government Employees by Function Last Ten Fiscal Years (1)

Department	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City Manager	2.00	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Communications	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Information Technology	1.00	1.00	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Elections	1.00	1.24	1.24	-	-	-	-	-	-	-
City Clerk/Elections (2)	-	-	-	1.90	1.60	1.60	1.60	1.60	1.60	1.60
City Clerk/Treasury	2.00	1.29	1.29	-	-	-	-	-	-	-
Treasury	-	-	-	1.00	1.25	1.05	1.05	1.05	1.05	1.05
Finance	3.00	2.07	2.07	1.65	1.30	1.30	1.30	1.15	1.15	1.15
Public Safety	34.00	34.00	34.00	34.00	34.00	34.00	33.00	34.00	33.15	33.15
Building	2.00	2.00	2.00	2.00	2.00	0.95	0.95	0.95	0.95	0.95
Public Works (3)	11.00	6.85	6.94	6.77	6.68	6.22	6.15	5.98	6.15	5.83
Public Works Garage	1.00	0.56	0.57	0.57	0.46	0.15	0.15	0.52	0.15	0.56
Solid Waste	-	1.68	1.37	1.62	2.15	2.29	2.28	2.21	2.28	2.21
Water and Sewer	-	6.71	6.22	5.82	7.11	7.12	7.23	7.23	7.23	7.17
Parks and Recreation	4.00	4.95	4.95	4.95	4.45	3.45	3.45	3.70	3.45	4.70
Arena	-	2.05	1.05	1.05	1.55	1.55	1.55	1.30	1.55	1.30
Library	3.00	3.00	3.00	3.00	3.00	2.95	2.95	2.95	2.95	2.95
Court	-	9.00	9.00	8.00	7.00	8.00	6.00	6.00	6.00	-
Total	65.00	79.00	77.05	75.68	75.90	73.98	71.01	71.99	71.01	65.97

Source: Finance department budget record

(1) Prior to 2007 - Full-time employees were only tracked for the General Fund

(2) In fiscal year 2008, the Treasury and City Clerk position split into two separate positions. During that year, the City Clerk and elections departments combined.

(3) Public works includes Major and Local Streets

City of Berkley, Michigan

Program Function	2006	2007	2008	2009	2010
General Government					
Registered Voters	11,955	11,916	11,682	12,108	11,815
Voters at Polls	2,978	5,726	3,019	6,852	3,509
Absentee Ballots	1,103	1,560	1,144	2,633	908
Percent Voting	34.14%	61.14%	35.64%	78.34%	37.38%
Public Safety					
Responses to Calls for Service	*	10,185	11,524	15,193	14,790
Motor Vehicle Accidents	*	455	487	500	405
Assaults	*	69	64	65	68
Burglary	*	41	26	34	23
Property Damage	*	60	57	61	45
Number of Arrests	*	699	527	790	784
Fire:					
Fire Incidents (1)	*	238	228	179	124
Fire Inspections Conducted	*	143	142	148	156
Medical Emergencies	*	783	777	857	799
Parks and Recreation					
Youth Classes	*	60	70	77	72
Adult Classes	*	28	55	55	92
Youth Leagues	*	1	-	-	-
Adult Leagues	*	9	7	6	7
Summer Day Camp Participants	124	139	139	120	120
Senior Citizens Programs	*	8	10	12	16
Ice Arena:					
Number of Skaters enrolled	*	*	*	85	75
Hours of Ice Time Sold	*	*	*	2,250	2,370
Public Works					
Water Purchased from SOCWA	58,705,700	56,860,400	55,389,600	57,035,900	55,648,500
Water Sold to Customers	60,792,300	55,998,600	57,048,000	53,083,500	51,444,500
Number of Meters	6,795	6,805	6,800	6,800	6,809
Library					
Items Circulated	195,852	163,622	168,065	170,632	170,303
Circulation per Capita	13	11	11	11	11
Reference and Patron Assistance	14,558	13,446	13,211	12,970	14,258
Electronic Access	-	-	-	789	699
Registered Borrowers	8,331	8,292	8,220	7,909	8,033
Materials Borrowed - Non-Residents	99,652	62,338	63,058	60,569	56,766
Materials Borrowed - Berkley Residents at Other Libraries	28,016	26,699	33,907	42,828	31,810
Number of Participants in Activities	3,776	3,680	4,380	4,253	4,319
Public Internet Sessions	18,899	22,437	33,690	35,145	34,318
Books Borrowed	152,006	126,012	132,783	135,250	136,329
Audio/Video/CD Borrowed	43,846	37,610	35,282	35,382	33,974
Treasury					
Summer Tax Bills Processed	4,383	4,180	4,074	3,961	3,974

Source: The police department changed systems in 2007. Information before that year is not available.

Parks and recreation implemented a new system in 2007. Information before that year is not available.

* Information not available

(1) Fire incident includes open burns and downed wires

Operating Information
Operating Indicators by Function
Last Ten Fiscal Years

2011	2012	2013	2014	2015
11,942	12,016	12,191	12,349	12,295
4,979	1,077	6,846	1,578	3,214
1,395	729	2,373	797	940
53.37%	15.03%	76%	19.28%	33.79%
15,924	16,489	15,017	15,513	16,910
454	412	367	410	404
60	73	42	70	80
39	30	26	21	22
54	49	43	30	45
824	857	849	829	1,113
178	68	99	87	183
134	172	182	48	48
842	823	766	890	894
77	112	90	94	90
87	82	78	81	80
-	-	-	0	0
6	7	6	7	5
132	144	152	185	250
19	20	23	25	25
75	65	56	60	106
2,190	2,130	1,880	1,624	1,470
56,527,800	58,265,600	50,361,900	48,465,200	45,348,400
50,941,500	50,911,300	51,600,700	49,783,200	46,240,200
6,809	6,865	6,818	6,819	6,833
161,203	166,522	156,691	149,803	145,770
11	11	10	10	10
14,058	14,159	12,779	13,687	14,440
2,138	4,238	5,660	8,762	11,239
8,081	8,109	8,063	7,960	7,991
54,496	54,827	48,653	44,714	41,900
28,590	25,848	25,053	24,031	19,816
3,198	3,988	4,017	4,189	6,536
32,250	30,719	31,231	30,530	32,111
130,113	136,452	128,686	106,455	99,365
31,090	3,070	28,005	34,586	44,689
3,881	3,888	3,858	3,592	3,564

City of Berkley, Michigan

Operating Information Capital Asset Statistics by Function Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government:										
Square footage of buildings:										
City Hall	17,481	17,481	17,481	17,481	17,481	17,481	17,481	17,481	17,481	17,481
Library	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Parks and Recreation	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200
Ice Arena	34,200	34,200	34,200	34,200	34,200	34,200	34,200	34,200	34,200	34,200
Public Safety	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Public Works	2,475	2,475	2,475	2,475	2,475	2,475	2,475	2,475	2,475	2,475
Public Safety:										
Fire Vehicles	2	2	2	2	2	2	2	2	2	2
Police Vehicles	14	16	14	14	16	16	16	15	15	15
Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Major Streets (miles)	15.63	15.63	15.63	15.63	15.63	15.63	15.63	15.63	15.63	15.63
Local Streets (miles)	35.95	35.95	35.95	35.95	35.95	35.95	35.95	35.95	35.95	35.95
Street Lights	716	716	716	716	718	718	750	750	720	720
Vehicles in City Fleet	41	42	45	42	45	39	41	41	41	40
Parks and Recreation:										
Parks	9	9	9	9	9	9	9	9	9	9
Park Land (Acres)	39	39	39	39	39	39	39	39	39	42
Baseball Fields	8	8	8	8	8	8	8	8	8	8
Ice Arena	1	1	1	1	1	1	1	1	1	1
Historical Museum	1	1	1	1	1	1	1	1	1	1
Water and Sewer:										
Water Mains (Miles)	53	53	53	53	53	53	53	53	53	53
Sanitary Sewers (Miles)	56	56	56	56	56	56	56	56	56	56
Fire Hydrants	500	500	500	500	500	500	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