



City of Berkley



**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020**

COMPREHENSIVE ANNUAL FINANCIAL REPORT



City of Berkley, Michigan
For the Fiscal Year Ended June 30, 2020
as prepared by the Finance Department

City Council

Daniel Terbrack – Mayor
Bridget Dean, Mayor Pro-Tempore Ross Gavin
John (Jack) Blanchard Dennis S. Hennen
Steven W. Baker Natalie Price

City Manager

Matthew Baumgarten

Finance Director

Mark Pollock

City of Berkley, Michigan

**Comprehensive Annual Financial Report
with Supplemental Information
June 30, 2020**

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City of Berkley, Michigan
List of City Officials
June 30, 2020



City Manager

Matthew Baumgarten, City Manager
Stan Lisica, Information Technology Coordinator
Torri Mathes, Communications Coordinator
Daniel Hill, Administrative Assistant

City Clerk

Victoria Mitchell, City Clerk
Gina Harold, Deputy City Clerk

Department of Public Works

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

Finance/Treasury Department

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

Library

Matthew Church, Library Director
Karen Endres, Executive Assistant

Parks and Recreation

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

Planning

Erin Schlutow, Community Development Director
Kimberly Anderson, Department Clerk

Public Safety

Matthew Koehn, Chief
Mary Staron, Executive Assistant

City of Berkley
3338 Coolidge Highway, Berkley, MI 48072



"We Care"

Department of Finance & Treasury
248-668-3340 - Finance
248-668-3310 - Treasury
248-668-3301 - Fax

LETTER OF TRANSMITTAL

November 17, 2020

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Berkley for the fiscal year ending June 30, 2020.

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

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the detailed MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

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

Profile of the Local Government

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

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

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

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

Factors Affecting Financial Condition

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

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

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

Local Economy - Wealth levels within the City of Berkley remain above state and national averages. The median household income in Berkley is just over \$82,095 per incomebyzipcode.com. The per capita income is \$42,259. The median home value in September 2020 according to zillow.com is \$243,546; the median gross rents are \$1,500/month. The average taxable value in the City as determined by the City Finance Department is \$79,920. Per the 2010 census, there are just over 6,400 single family homes and another 624 multi-unit residences. Within this amount 5,363 were owner occupied and another 1,231 are rented.

The Southeast Michigan Council of Governments is also forecasting that the City of Berkley will maintain a level population of approximately 15,000 people through 2045. As of 2020, the population of the City of Berkley is estimated at 15,513. As of 9/30/2020, due to COVID-19, the unemployment level within the City according to the Bureau of Labor Statistics is 4.1% which is well under the State unemployment rate of 8.5% and the current National average of 6.9%.

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

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

In August 2012, the City was able to pass through a vote of the people a Headlee tax override of \$3.00 per thousand taxable value on all real and personal property in the City to offset the tax base loss and to achieve revenue flexibility. The tax override went into effect on the 7/1/2013 property tax billing. This additional tax levy added \$1.61 million for City operation net of tax increment capture for FY 2019/20. It is anticipated that State Shared Revenues will drop in 2020/2021 due to COVID-19 and then will remain steady and increase at a very slow rate.

The City's debt has decreased significantly over the years with only one governmental activities bond remaining. The outstanding balance on the debt is \$300,000. The business type activities debt outstanding are all obligations with Oakland County related to improvements with the George W Kuhn Drains.

Employee Pensions and Other Post-Employment Benefits - The City has two pension systems. The Public Safety Officers have their pension benefits overseen by a board appointed by the Mayor and approved by City Council along with union membership representation and the City Finance Director. All other employees participate in the Municipal Employee Retirement System (MERS). Internally, the City Finance Department administers the pension benefits of the public safety officers with Board oversight. MERS administers the pension benefits of all other eligible employees. The Finance Department coordinates all pension issues with MERS locally. The City's annual required contribution is determined by an independent actuary engaged by the Board for the public safety officers and MERS for all other eligible employees. The City of Berkeley fully funds the annual required contribution recommended by the actuary for pensions. To reduce future pension liabilities, the City has closed certain non-union and public works employee pension divisions from new hires. New hires receive lower pension multiplier benefits in these new groups. All non-union and 7/1/2005 new hires at Public Works must contribute towards their pension benefit. All public safety, non-union and public works employees hired on or after 7/1/2005 or 7/1/2008 no longer receive a defined benefit health care plan at retirement. The City requires contributions to a third party administrator and matches contributions as defined by contract or policy.

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

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

Sincerely,



Matthew Baumgarten, MPA
City Manager



Mark W Pollock, BBA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Berkley
Michigan**

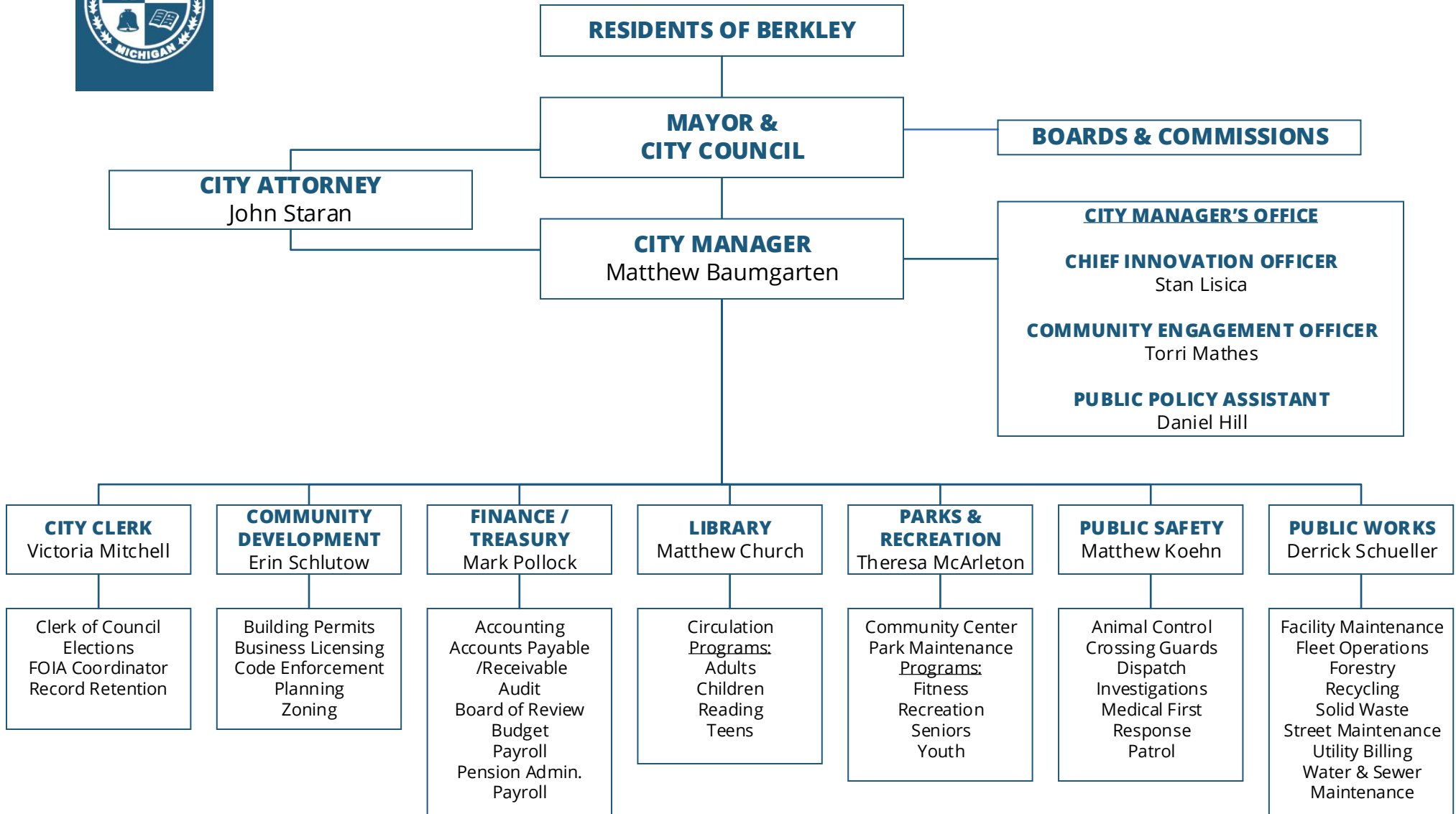
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF BERKLEY ORGANIZATIONAL CHART



City of Berkley, Michigan Fund Organization Chart



GOVERNMENTAL FUNDS

General Fund

Special Revenue Funds

Major Street

Local Street

Solid Waste

Community Development Block Grant (CDGB)

Recreation Revolving

Seniors Program

Debt Funds

2006 Eleven Mile Road Debt

Capital Projects

Court Building Fund

Road Millage Fund

Sidewalk Fund

PROPRIETARY FUNDS

Ice Arena

Water and Sewer

Fringe Benefits/Compensated Absences

FIDUCIARY - PENSION TRUST FUND

Public Safety Pension System

FIDUCIARY - AGENCY FUNDS

General Agency - Trust Fund

General Agency - Tax Collection Fund

COMPONENT UNIT

Downtown Development Authority

Independent Auditor's Report

To the City Council
City of Berkley, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Berkley, Michigan (the "City") as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the City of Berkley, Michigan's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective net position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Berkley, Michigan as of June 30, 2020 and the respective changes in its net position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the City Council
City of Berkley, Michigan

Other Matters

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming 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; the introductory section; and the statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

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



November 17, 2020

As management of the City of Berkley, Michigan (the "City"), we offer readers this narrative overview and analysis of the financial activities for the year ended June 30, 2020.

Financial Highlights

- COVID-19 caused revenue to be significantly reduced in the final three months of the fiscal year. The closure of buildings and activities caused reduced revenue in building, recreation, and library operations.
- Property tax values increased (5.93 percent or \$33.9 million) for the July 1, 2019 tax collection season that funds fiscal year 2019-2020; however, this is offset by a Headlee reduction factor to many of the City's millages. This is the sixth straight year that the City has experienced an overall increase in its taxable value. Last fiscal year, taxable values increased 6.7 percent, or approximately \$35.6 million.
- Constitutional and city, village, and township (CVT) revenue-sharing payments, the City's second largest revenue source, decreased by approximately \$29,000, or 2 percent, in fiscal year 2019-2020, as compared to fiscal year 2018-2019.
- To offset the loss of revenue and to increase infrastructure investments, the City sought a \$3.00 per thousand Headlee tax override. This levy was overwhelmingly passed with almost 70 percent of the voters approving the Headlee property tax override in August 2012. This levy went into effect on July 1, 2013. The levy was rolled back to \$2.7078 per thousand tax value for the July 2019 tax levy in accordance with the State's Headlee amendment. This tax levy generated approximately \$1.61 million (net of tax increment finance capture) for fiscal year 2019-2020.
- The City continued to maintain the structural integrity of its water mains and sewer system by investing approximately \$882,000 in water and sewer improvements in fiscal year 2019-2020. Improvements included sewer lining, meters, and cement work to complete construction on the Harvard Street reconstruction project.
- The City also continued to invest in its general infrastructure with approximately \$2.25 million worth of capital improvements performed in fiscal year 2019-2020. Improvements included major and local street improvements, department of public works equipment and police vehicles, and a home purchase for a later project.
- For the 20th consecutive year, the City invested in the library collection. The library purchased \$43,903 in new reading and rental materials.
- The City's estimated total other postemployment benefit (OPEB) liability as of June 30, 2020 is \$17,755,925. The City currently has \$5,528,578 of investments held in trust with the Municipal Employees' Retirement System (MERS), which leaves a net unfunded OPEB liability of \$12,227,347, meaning the plan is 31.14 percent funded. The City paid \$1,028,555 on a pay-as-you-go basis, including an implicit rate subsidy contribution toward the calculated OPEB liability. The City has continued to make a conscious effort to set aside some level of funding for its OPEB liability.

Using This Annual Report

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

The fund financial statements present a short-term view; they tell the reader how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the City's operations in more detail than the government-wide financial statements by providing information about the City's most significant funds. The fiduciary fund statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Government-wide Overall Financial Analysis

The following table shows, in a condensed format, the net position as of June 30, 2020 and 2019:

The City's Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current assets	\$ 13,346,951	\$ 13,074,901	\$ 4,748,000	\$ 4,676,999	\$ 18,094,951	\$ 17,751,900
Capital assets	14,670,876	13,620,304	18,431,652	18,064,886	33,102,528	31,685,190
Total assets	28,017,827	26,695,205	23,179,652	22,741,885	51,197,479	49,437,090
Deferred Outflows	2,493,904	2,428,846	202,189	314,086	2,696,093	2,742,932
Liabilities						
Current liabilities	856,013	1,171,441	812,930	748,143	1,668,943	1,919,584
Long-term liabilities	28,485,527	29,311,276	4,797,059	5,513,218	33,282,586	34,824,494
Total liabilities	29,341,540	30,482,717	5,609,989	6,261,361	34,951,529	36,744,078
Deferred Inflows	1,755,748	863,430	89,239	108,309	1,844,987	971,739
Net Position (Deficit)						
Net investment in capital assets	14,370,876	13,045,304	16,470,852	15,633,718	30,841,728	28,679,022
Restricted	5,298,444	3,618,304	-	-	5,298,444	3,618,304
Unrestricted	(20,254,877)	(18,885,704)	1,211,761	1,052,583	(19,043,116)	(17,833,121)
Total net position (deficit)	\$ (585,557)	\$ (2,222,096)	\$ 17,682,613	\$ 16,686,301	\$ 17,097,056	\$ 14,464,205

The City's combined total net position increased 18.2 percent from a year ago - increasing from \$14.5 million to \$17.1 million. Unrestricted net position of the governmental activities and the business-type activities (the part of net position used to finance day-to-day operations) decreased 6.8 percent at June 30, 2020, from \$(17.8) million to \$(19.0) million. This decrease is due to the increased investment in capital assets using unrestricted resources.

The governmental activities unrestricted net position decreased by approximately \$1,369,000. Analyzing this further, this decrease is due to the increases in both net position restricted for public safety and capital assets. On the other hand, the majority of the governmental funds experienced revenue exceeding expenses, which also attributed to an increase in restricted fund balance and net position.

The unrestricted net position for business-type activities saw an increase of approximately \$159,000, and the investment in capital assets increased by approximately \$837,000.

In reviewing the City's net position of governmental activities, the net investment in capital assets increased approximately \$1.3 million due to the recognition of approximately \$1.2 million in depreciation expense in 2020 that was partially offset by asset additions of approximately \$2.2 million.

City of Berkley, Michigan

Management's Discussion and Analysis (Continued)

The following table shows the changes in net position during the years ended June 30, 2020 and 2019:

The City's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue						
Program revenue:						
Charges for services	\$ 2,660,224	\$ 3,079,982	\$ 6,915,755	\$ 6,717,244	\$ 9,575,979	\$ 9,797,226
Operating grants and contributions	1,702,719	1,726,321	-	-	1,702,719	1,726,321
Capital grants and contributions	-	1,343	-	-	-	1,343
General revenue:						
Property taxes	10,351,643	8,685,875	-	-	10,351,643	8,685,875
State-shared revenue	1,456,465	1,485,102	-	-	1,456,465	1,485,102
Unrestricted investment earnings	147,103	173,030	23,681	30,351	170,784	203,381
Other revenue:						
Franchise fees	300,837	323,983	-	-	300,837	323,983
Sale of capital assets	108,506	28,174	(38,868)	-	69,638	28,174
Other revenue	227,464	193,989	-	-	227,464	193,989
Total revenue	16,954,961	15,697,799	6,900,568	6,747,595	23,855,529	22,445,394
Expenses						
General government	2,796,098	2,717,055	-	-	2,796,098	2,717,055
Public safety	5,883,336	6,153,144	-	-	5,883,336	6,153,144
Public works	4,327,550	4,307,344	-	-	4,327,550	4,307,344
Health and welfare	102,322	110,335	-	-	102,322	110,335
Recreation and culture	1,992,930	2,097,708	-	-	1,992,930	2,097,708
Interest on long-term debt	18,500	26,250	-	-	18,500	26,250
Water and Sewer	-	-	5,944,829	5,991,515	5,944,829	5,991,515
Arena	-	-	157,113	73,980	157,113	73,980
Total expenses	15,120,736	15,411,836	6,101,942	6,065,495	21,222,678	21,477,331
Transfers	(197,686)	(80,000)	197,686	80,000	-	-
Change in Net Position	1,636,539	205,963	996,312	762,100	2,632,851	968,063
Net Position - Beginning of year	(2,222,096)	(2,428,059)	16,686,301	15,924,201	14,464,205	13,496,142
Net Position - End of year	\$ (585,557)	\$ (2,222,096)	\$ 17,682,613	\$ 16,686,301	\$ 17,097,056	\$ 14,464,205

Governmental Activities

Overall, the net position for governmental activities increased by approximately \$1.6 million in fiscal year 2019-2020 as compared to an increase of approximately \$206,000 in fiscal year 2018-2019. This is due to the revenue that significantly exceeded total expenses and additional contributions to the OPEB trust. In the current fiscal year, the net OPEB liability decreased by \$1,651,521.

Business-type Activities

The City's business-type activities include water and sewer enterprise operations. The City provides water and sewer services to residents through contracts or consortiums with the Great Lakes Water Authority and the Southeastern Oakland County Water Authority. In prior years, the City also operated an ice arena; however, in October 2016 the arena became nonoperational due to severe building and equipment issues. During the 2019-2020 fiscal year, the City demolished the ice arena and disposed of all of the assets in that former business-type fund. Total net position for all business-type activities increased approximately \$996,000 in fiscal year 2019-2020. Activity remained relatively consistent with the prior year.

The City of Berkley, Michigan's Funds

The City of Berkley, Michigan's major fund financial statements are on pages 12 through 19, following the statement of net position and statement of activities. The fund financial statements provide detailed information about the most significant funds, not the City as a whole.

The City's major funds for the year ended June 30, 2020 include the General Fund, Major Streets Fund, and Local Streets Fund.

The General Fund pays for most of the City's governmental services. The General Fund recorded \$11.8 million in expenses to provide city service and purchase capital equipment in fiscal year 2019-2020. When adding in operating transfers to other funds, the total General Fund expenditures for the fiscal year were approximately \$12.2 million. The most significant of these costs is public safety (police and fire), which incurred expenses of approximately \$5.3 million within the General Fund. Public safety expenses are 45 percent of the total General Fund expenses. The City ended the fiscal year with a use of fund balance of approximately \$188,000, which includes a fire truck purchased in advance of delivery for approximately \$998,000 and \$530,000 of capital not purchased during the fiscal year that was carried forward and amended to the 2020-2021 budget year. With the carryover capital items, the budgeted deficit for 2020-2021 is estimated to be \$(2,258,000). The City has applied for and received State of Michigan and Oakland County, Michigan CARES grant funds to offset some of the costs incurred due to the COVID-19 pandemic. All grant funds received would help to offset some of the budgeted deficit for the 2020-2021 fiscal year.

Public safety services are partially supported by two special public safety millages, which are recorded in the General Fund. The first millage is for operations and the second millage is for retirement contribution and legacy costs (PA 345 levy). Revenue generated by these two millage rates was approximately \$2.5 million. During the 2019-2020 fiscal year, expenditures recorded in the General Fund directly related to public safety amounted to approximately \$5.34 million. The remaining cost of the police and fire protection is funded by other general revenue sources of the General Fund.

The City has chosen to move Solid Waste Service Fund to the nonmajor fund category of the financial statements. The City spent \$1.55 million to collect and dispose of the City's solid waste, recyclables, and leaves in fiscal year 2019-2020. In addition to property taxes collected of approximately \$1,014,000, the fund also recorded approximately \$380,000 in charges for service. This means that the City had to utilize over \$142,000 of the \$334,067 fund balance to balance the expenses during the fiscal year. As of July 1, 2020, only \$191,824 remains in the Solid Waste Service Fund balance.

The Recreation Revolving Fund recorded approximately \$894,000 in operating and capital expenses. Recreational program revenue received amounted to approximately \$340,000, and the fund received support of \$350,000 and \$100,000 from the General Fund and Seniors' Program Fund, respectively. This program revenue supported each individual recreation program offered throughout the fiscal year and paid for final closure costs related to the ice arena. In turn, the fund balance of the Recreation Revolving Fund decreased by approximately \$104,000 for the fiscal year.

General Fund Budgetary Highlights

As mentioned earlier in this analysis, the COVID-19 pandemic wreaked havoc on everyone over the last three months of the fiscal year. Our required building closures had a large negative impact on program revenue since those programs had to be canceled. Under normal circumstances, the City amends budgeted line items due to unexpected events during the course of the fiscal year. Due to the cancellation of many programs due to COVID-19, the City amended various operating budgets to address these unexpected operating revenue losses and some corresponding expenditure decreases at the end of the fiscal year in June 2020. The total amount of revenue appropriation in the General Fund was amended down from the original budget of \$12.29 million to \$11.78 million, which was the final amended budget amount. When comparing the City's original General Fund revenue appropriation to the final actual revenue received, the actual revenue received is 97.98 percent of the original appropriation, or \$12,040,461.

The General Fund expenditure appropriation adjustment was an increase of approximately \$83,000 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 96.11 percent of the total appropriation, or \$12,228,440. This resulted in an operating deficit of \$187,979. Many capital items (including a fire truck that was prepaid for \$998,000) were carried forward to the next fiscal year and amended early in the 2020-2021 fiscal year. The City Council has committed to reducing OPEB liabilities whenever feasible with supplemental payments, so there were two large payments applied to the 2019-2020 fiscal year for retiree pension and retiree health care that were made after the fiscal year ended totaling \$244,000. The only departments that exceeded their appropriation were the COVID-19 expenditures, which were difficult to predict and for which the City will be applying for grant fund reimbursement; the active dental expenses, which were higher than average at the end of the fiscal year; and the unbudgeted transfers to the Sidewalk Fund to cover engineering costs to start that program in 2020-2021. All other General Fund expenditures were under final budget appropriation.

Capital Assets and Debt Administration

At the end of fiscal year 2020, the City had a net book value of approximately \$33.1 million invested in a broad range of capital assets, including buildings, police and fire equipment, and water and sewer lines. In addition, the City invested significantly in its major and local road system.

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

The governmental activities long-term bond obligation is down to one road bond with an outstanding balance of \$300,000. The business-type debt all resides with the Water and Sewer Fund. Total bond obligations for the Water and Sewer Fund are down approximately \$470,000 from fiscal year 2018-2019 to \$1,960,800 in fiscal year 2019-2020.

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

Economic Factors and Next Year's Budgets and Rates

The Oakland County Assessor's Office anticipates a 5.63 percent increase in property taxable value within the City of Berkley, Michigan for the July 2020 tax year (fiscal year 2020-2021). The effects of the Headlee reduction factor reduce the anticipated operating and public safety tax revenue from the taxable value increase of 5.16 percent down to an anticipated increase in property tax revenue of only 3.34 percent.

It is anticipated that the State of Michigan will decrease state-shared revenue payments to local governments due to loss in collected state income and sales tax because of business closures from COVID-19. Finance department financial forecasts in this area project a 20 percent state-shared revenue decrease in fiscal year 2020-2021 from 2019-2020 funding levels.

As stated earlier in this discussion, the City sought and was able to pass, through a vote of the people, a Headlee tax override of \$3.00 per thousand taxable value on all real and personal property in the City. It is anticipated that the City will continue to levy this voter-approved tax increase in fiscal year 2020-2021 and into the future to allow the City to balance all operating budgets and to invest in various infrastructure projects around the City. The levy has been reduced from \$2.7078 per thousand taxable value to \$2.6563 per thousand taxable value in fiscal year 2020-2021.

The voters approved a capital improvement millage for road repair and replacement of up to 2 mills in November 2018. The millage was rolled back by Headlee again to 1.9239 for the second levy in 2020. After a delay due to COVID-19 work restrictions, work began in the fall of 2020 on this capital project. The City began repair and replacement of the worst condition roads over a 10-year program utilizing this millage and supplementing with Major Streets and Local Streets funds.

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

Salaries and fringes continue to be the largest expenditures, making up approximately 69.47 percent of the General Fund budget. The City will also continue to make investments in its capital structure, such as police vehicles, department of public works equipment, various street repair projects, a sidewalk program, and water and sewer improvements and lining. After carry-forward budget amendments, capital is budgeted to be 15.02 percent of the General Fund budget.

Through the use of long-term planning, the City will continue to evaluate and monitor its budgets. Other adjustments will be made to address changes in economic conditions and other events as they present themselves.

Requests for Further Information

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

June 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 3)	\$ 11,145,348	\$ 1,819,693	\$ 12,965,041	\$ 326,897
Receivables:				
Taxes	12,058	-	12,058	8,913
Customers	213,846	2,928,307	3,142,153	-
Other governmental units	729,150	-	729,150	-
Inventories	89,587	-	89,587	-
Prepaid costs	1,156,962	-	1,156,962	-
Capital assets: (Note 4)				
Assets not subject to depreciation	1,037,564	13,795	1,051,359	-
Assets subject to depreciation - Net	13,633,312	18,417,857	32,051,169	-
Total assets	28,017,827	23,179,652	51,197,479	335,810
Deferred Outflows of Resources				
Deferred pension cost increases (Note 8)	2,234,456	188,534	2,422,990	-
Deferred OPEB cost increases (Note 9)	259,448	13,655	273,103	-
Total deferred outflows of resources	2,493,904	202,189	2,696,093	-
Liabilities				
Accounts payable	525,150	764,829	1,289,979	10,292
Due to other governmental units	-	1,104	1,104	-
Accrued liabilities and other	330,217	46,997	377,214	127
Unearned revenue	646	-	646	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 6)	163,020	69,340	232,360	-
Current portion of long-term debt (Note 6)	300,000	481,089	781,089	-
Due in more than one year:				
Compensated absences (Note 6)	653,654	-	653,654	-
Net pension liability (Note 8)	15,752,873	2,155,552	17,908,425	-
Net OPEB liability (Note 9)	11,615,980	611,367	12,227,347	-
Long-term debt - Net of current portion (Note 6)	-	1,479,711	1,479,711	-
Total liabilities	29,341,540	5,609,989	34,951,529	10,419
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 8)	60,222	-	60,222	-
Deferred OPEB cost reductions (Note 9)	1,695,526	89,239	1,784,765	-
Total deferred inflows of resources	1,755,748	89,239	1,844,987	-
Net Position (Deficit)				
Net investment in capital assets	14,370,876	16,470,852	30,841,728	-
Restricted:				
Streets	4,097,986	-	4,097,986	-
Public safety	705,430	-	705,430	-
Community development and promotion	89,634	-	89,634	-
Sanitation	321,492	-	321,492	-
Library	51,928	-	51,928	-
Debt service	31,974	-	31,974	-
Unrestricted	(20,254,877)	1,211,761	(19,043,116)	325,391
Total net position (deficit)	\$ (585,557)	\$ 17,682,613	\$ 17,097,056	\$ 325,391

City of Berkley, Michigan

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary government:				
Governmental activities:				
General government	\$ 2,796,098	\$ 1,679,405	\$ 55,109	\$ -
Public safety	5,883,336	144,334	-	-
Public works	4,327,550	450,250	1,569,524	-
Health and welfare	102,322	-	51,307	-
Recreation and culture	1,992,930	386,235	26,779	-
Interest on long-term debt	18,500	-	-	-
Total governmental activities	15,120,736	2,660,224	1,702,719	-
Business-type activities:				
Water and Sewer	5,944,829	6,915,755	-	-
Arena	157,113	-	-	-
Total business-type activities	6,101,942	6,915,755	-	-
Total primary government	\$ 21,222,678	\$ 9,575,979	\$ 1,702,719	\$ -
Component units - Downtown Development Authority	\$ 167,743	\$ -	\$ -	\$ -

General revenue:
 Property taxes
 Unrestricted state-shared revenue
 Unrestricted investment income
 Franchise fees
 Gain (loss) on sale of capital assets
 Miscellaneous

Total general revenue

Transfers (Note 5)

Change in Net Position

Net Position (Deficit) - Beginning of year

Net Position (Deficit) - End of year

Statement of Activities

Year Ended June 30, 2020

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (1,061,584)	\$ -	\$ (1,061,584)	\$ -
(5,739,002)	-	(5,739,002)	-
(2,307,776)	-	(2,307,776)	-
(51,015)	-	(51,015)	-
(1,579,916)	-	(1,579,916)	-
(18,500)	-	(18,500)	-
(10,757,793)	-	(10,757,793)	-
-	970,926	970,926	-
-	(157,113)	(157,113)	-
-	813,813	813,813	-
(10,757,793)	813,813	(9,943,980)	-
-	-	-	(167,743)
10,351,643	-	10,351,643	318,153
1,456,465	-	1,456,465	12,353
147,103	23,681	170,784	2,837
300,837	-	300,837	-
108,506	(38,868)	69,638	-
227,464	-	227,464	250
12,592,018	(15,187)	12,576,831	333,593
(197,686)	197,686	-	-
1,636,539	996,312	2,632,851	165,850
(2,222,096)	16,686,301	14,464,205	159,541
\$ (585,557)	\$ 17,682,613	\$ 17,097,056	\$ 325,391

Governmental Funds
Balance Sheet

June 30, 2020

	General Fund	Major Streets Fund	Local Streets Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments (Note 3)	\$ 5,414,061	\$ 1,826,070	\$ 973,895	\$ 2,502,756	\$ 10,716,782
Receivables:					
Taxes	7,781	-	-	4,277	12,058
Customers	13,767	-	-	200,079	213,846
Other governmental units	527,077	146,172	55,901	-	729,150
Inventories	89,351	-	-	236	89,587
Prepaid costs	1,156,962	-	-	-	1,156,962
Total assets	\$ 7,208,999	\$ 1,972,242	\$ 1,029,796	\$ 2,707,348	\$ 12,918,385
Liabilities					
Accounts payable	\$ 439,480	\$ 11,483	\$ 16,176	\$ 58,011	\$ 525,150
Accrued liabilities and other	301,794	4,602	1,419	16,402	324,217
Unearned revenue	-	-	-	646	646
Total liabilities	741,274	16,085	17,595	75,059	850,013
Deferred Inflows of Resources -					
Unavailable revenue	6,754	-	-	132,702	139,456
Fund Balances					
Nonspendable - Inventory and prepaid items	1,246,313	-	-	236	1,246,549
Restricted:					
Debt service	-	-	-	34,940	34,940
Streets	-	1,956,157	1,012,201	1,129,628	4,097,986
Community service	-	-	-	20,093	20,093
Solid waste service	-	-	-	191,588	191,588
Public safety	705,430	-	-	-	705,430
Library	51,928	-	-	-	51,928
Community promotion and development	69,541	-	-	-	69,541
Committed:					
Recreation	-	-	-	705,512	705,512
Seniors' program	-	-	-	17,352	17,352
Assigned:					
Subsequent year's budget	447,244	-	-	-	447,244
Capital improvement	-	-	-	400,238	400,238
Unassigned	3,940,515	-	-	-	3,940,515
Total fund balances	6,460,971	1,956,157	1,012,201	2,499,587	11,928,916
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,208,999	\$ 1,972,242	\$ 1,029,796	\$ 2,707,348	\$ 12,918,385

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2020

Fund Balances Reported in Governmental Funds	\$ 11,928,916
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	14,670,876
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	139,456
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(300,000)
Accrued interest is not due and payable in the current period and is not reported in the funds	(6,000)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(388,108)
Net pension liability and related deferred inflows of resources and deferred outflows of resources are not due and payable in the current period and are not reported in the funds	(13,578,639)
Net OPEB liability and related deferred inflows of resources and deferred outflows of resources are not due and payable in the current period and are not reported in the funds	<u>(13,052,058)</u>
Net Position of Governmental Activities	<u><u>\$ (585,557)</u></u>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2020

	General Fund	Major Streets Fund	Local Streets Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Property taxes	\$ 7,899,663	\$ -	\$ -	\$ 2,451,980	\$ 10,351,643
Intergovernmental:					
Federal grants	2,040	-	-	51,307	53,347
State-shared revenue and grants	1,509,534	1,145,862	396,493	17,382	3,069,271
Charges for services	663,828	12,386	-	743,976	1,420,190
Fines and forfeitures	289,818	-	-	-	289,818
Licenses and permits	675,876	-	-	-	675,876
Investment earnings	90,983	15,575	8,066	28,657	143,281
Other revenue:					
Franchise fees	315,099	-	-	-	315,099
Other miscellaneous income	395,193	34,604	22,837	32,585	485,219
Total revenue	11,842,034	1,208,427	427,396	3,325,887	16,803,744
Expenditures					
Current services:					
General government	3,518,249	-	-	76	3,518,325
Public safety	5,313,236	-	-	-	5,313,236
Public works	833,302	759,670	647,709	1,575,020	3,815,701
Health and welfare	-	-	-	102,556	102,556
Recreation and culture	766,027	-	-	825,791	1,591,818
Capital outlay	1,417,626	-	-	110,133	1,527,759
Debt service	-	-	-	293,250	293,250
Total expenditures	11,848,440	759,670	647,709	2,906,826	16,162,645
Excess of Revenue (Under) Over Expenditures	(6,406)	448,757	(220,313)	419,061	641,099
Other Financing Sources (Uses)					
Transfers in (Note 5)	89,921	-	180,000	480,000	749,921
Transfers out (Note 5)	(380,000)	(180,000)	-	(387,607)	(947,607)
Sale of capital assets	25,551	-	-	-	25,551
Insurance recoveries	82,955	-	-	-	82,955
Total other financing (uses) sources	(181,573)	(180,000)	180,000	92,393	(89,180)
Net Change in Fund Balances	(187,979)	268,757	(40,313)	511,454	551,919
Fund Balances - Beginning of year	6,648,950	1,687,400	1,052,514	1,988,133	11,376,997
Fund Balances - End of year	<u>\$ 6,460,971</u>	<u>\$ 1,956,157</u>	<u>\$ 1,012,201</u>	<u>\$ 2,499,587</u>	<u>\$ 11,928,916</u>

Governmental Funds

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

Year Ended June 30, 2020

Net Change in Fund Balances Reported in Governmental Funds	\$ 551,919
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	2,246,281
Depreciation expense	(1,195,709)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	48,714
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	275,000
Interest expense is recognized in the government-wide statements as it accrues	(250)
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(289,416)
Change in Net Position of Governmental Activities	<u>\$ 1,636,539</u>

Proprietary Funds
Statement of Net Position

June 30, 2020

	Enterprise Funds			Governmental Activities
	Major Fund - Water and Sewer Fund	Nonmajor Fund - Arena Fund	Total	Internal Service Fund - Fringe Benefits Fund
Assets				
Current assets:				
Cash and investments (Note 3)	\$ 1,819,693	\$ -	\$ 1,819,693	\$ 428,566
Receivables - Customer	2,928,307	-	2,928,307	-
Total current assets	4,748,000	-	4,748,000	428,566
Noncurrent assets -				
Capital assets: (Note 4)				
Assets not subject to depreciation	13,795	-	13,795	-
Assets subject to depreciation - Net	18,417,857	-	18,417,857	-
Total assets	23,179,652	-	23,179,652	428,566
Deferred Outflows of Resources				
Deferred pension cost increases (Note 8)	188,534	-	188,534	-
Deferred OPEB cost increases (Note 9)	13,655	-	13,655	-
Total deferred outflows of resources	202,189	-	202,189	-
Liabilities				
Current liabilities:				
Accounts payable	764,829	-	764,829	-
Due to other governmental units	1,104	-	1,104	-
Accrued liabilities and other	46,997	-	46,997	-
Compensated absences (Note 6)	69,340	-	69,340	163,020
Current portion of long-term debt (Note 6)	481,089	-	481,089	-
Total current liabilities	1,363,359	-	1,363,359	163,020
Noncurrent liabilities:				
Compensated absences (Note 6)	-	-	-	265,546
Net pension liability (Note 8)	2,155,552	-	2,155,552	-
Net OPEB liability (Note 9)	611,367	-	611,367	-
Long-term debt - Net of current portion (Note 6)	1,479,711	-	1,479,711	-
Total noncurrent liabilities	4,246,630	-	4,246,630	265,546
Total liabilities	5,609,989	-	5,609,989	428,566
Deferred Inflows of Resources - Deferred OPEB cost reductions (Note 9)				
	89,239	-	89,239	-
Net Position				
Net investment in capital assets	16,470,852	-	16,470,852	-
Unrestricted	1,211,761	-	1,211,761	-
Total net position	\$ 17,682,613	\$ -	\$ 17,682,613	\$ -

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

Year Ended June 30, 2020

	Enterprise Funds			Governmental Activities
	Major Fund - Water and Sewer Fund	Nonmajor Fund - Arena Fund	Total	Internal Service Fund - Fringe Benefits Fund
Operating Revenue				
Water and sewer charges	\$ 6,749,719	\$ -	\$ 6,749,719	\$ -
Property and equipment rental	27,410	-	27,410	-
Miscellaneous	138,626	-	138,626	-
Charges to other funds	-	-	-	2,269
Total operating revenue	6,915,755	-	6,915,755	2,269
Operating Expenses				
Water and sewer operations	5,412,540	-	5,412,540	-
Arena operations	-	157,113	157,113	-
Compensated absences	-	-	-	6,091
Depreciation	476,420	-	476,420	-
Total operating expenses	5,888,960	157,113	6,046,073	6,091
Operating Income (Loss)	1,026,795	(157,113)	869,682	(3,822)
Nonoperating Revenue (Expense)				
Investment income	23,681	-	23,681	3,822
Interest expense	(55,869)	-	(55,869)	-
Loss on sale of assets	-	(38,868)	(38,868)	-
Total nonoperating (expense) revenue	(32,188)	(38,868)	(71,056)	3,822
Transfers In (Note 5)	-	287,607	287,607	-
Transfers Out	-	(89,921)	(89,921)	-
Change in Net Position	994,607	1,705	996,312	-
Net Position - Beginning of year	16,688,006	(1,705)	16,686,301	-
Net Position - End of year	\$ 17,682,613	\$ -	\$ 17,682,613	\$ -

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2020

	Enterprise Funds			Governmental
	Major Fund - Water and Sewer Fund	Nonmajor Fund - Arena Fund	Total	Internal Service Fund - Fringe Benefits Fund
Cash Flows from Operating Activities				
Receipts from customers	\$ 6,828,062	\$ -	\$ 6,828,062	\$ -
Receipts from interfund services	-	-	-	2,269
Payments to suppliers	(4,640,272)	(274,909)	(4,915,181)	-
Payments to employees	(739,882)	-	(739,882)	(18,996)
Net cash provided by (used in) operating activities	1,447,908	(274,909)	1,172,999	(16,727)
Cash Flows from Noncapital Financing Activities				
Transfers from other funds	-	287,607	287,607	-
Transfers to other funds	-	(89,921)	(89,921)	-
Net cash and cash equivalents provided by noncapital financing activities	-	197,686	197,686	-
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(882,054)	-	(882,054)	-
Principal and interest paid on capital debt	(529,004)	-	(529,004)	-
Net cash used in capital and related financing activities	(1,411,058)	-	(1,411,058)	-
Cash Flows from Investing Activities				
Interest received on investments	23,681	-	23,681	3,822
Purchases of investment securities	(7,171)	-	(7,171)	-
Net cash provided by investing activities	16,510	-	16,510	3,822
Net Increase (Decrease) in Cash and Cash Equivalents	53,360	(77,223)	(23,863)	(12,905)
Cash and Cash Equivalents - Beginning of year	1,448,756	77,223	1,525,979	441,471
Cash and Cash Equivalents - End of year	\$ 1,502,116	\$ -	\$ 1,502,116	\$ 428,566
Classification of Cash and Cash Equivalents				
Cash and investments	\$ 1,819,693	\$ -	\$ 1,819,693	\$ 428,566
Investments	(317,577)	-	(317,577)	-
Total cash and cash equivalents	\$ 1,502,116	\$ -	\$ 1,502,116	\$ 428,566

Proprietary Funds
Statement of Cash Flows (Continued)

Year Ended June 30, 2020

	Enterprise Funds			Governmental Activities
	Major Fund - Water and Sewer Fund	Nonmajor Fund - Arena Fund	Total	Internal Service Fund - Fringe Benefits Fund
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities				
Operating income (loss)	\$ 1,026,795	\$ (157,113)	\$ 869,682	\$ (3,822)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	476,420	-	476,420	-
Changes in assets and liabilities:				
Receivables	(87,693)	-	(87,693)	-
Net pension and OPEB liabilities	163,094	16,292	179,386	-
Accounts payable	85,008	(27,875)	57,133	-
Accrued and other liabilities	(215,716)	(106,213)	(321,929)	(12,905)
Total adjustments	<u>421,113</u>	<u>(117,796)</u>	<u>303,317</u>	<u>(12,905)</u>
Net cash and cash equivalents provided by (used in) operating activities	<u><u>\$ 1,447,908</u></u>	<u><u>\$ (274,909)</u></u>	<u><u>\$ 1,172,999</u></u>	<u><u>\$ (16,727)</u></u>

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2020

	Public Safety Pension Trust Fund	Agency Fund
Assets		
Cash and investments (Note 3)	\$ 15,678	\$ 347,900
Investments: (Note 3)		
Municipal bonds	33,044	-
U.S. Treasury bonds	406,323	-
U.S. government agency securities	1,422,022	-
Common and preferred stock	12,122,520	-
Corporate bonds	3,004,472	-
Mortgage-backed securities	149,862	-
Mutual funds - Fixed-income securities	1,593,698	-
Accrued interest	51,599	-
Total assets	18,799,218	\$ 347,900
Liabilities		
Accounts payable and other	27,025	\$ 2,090
Due to other governmental units	-	18,542
Cash bonds and deposits	-	327,268
Total liabilities	27,025	\$ 347,900
Net Position Restricted for Pensions	\$ 18,772,193	

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

Year Ended June 30, 2020

Additions

Investment income (loss):	
Interest and dividends	\$ 495,346
Net increase in fair value of investments	380,164
Investment-related expenses	<u>(117,444)</u>
Net investment income	758,066
Contributions:	
Employer	1,013,557
Employee	<u>6,718</u>
Total contributions	<u>1,020,275</u>
Total additions	1,778,341

Deductions

Benefit payments	1,763,153
Administrative expenses	<u>68,702</u>
Total deductions	<u>1,831,855</u>

Net Decrease in Net Position

Net Position Restricted for Pensions - Beginning of year	<u>18,825,707</u>
Net Position Restricted for Pensions - End of year	<u>\$ 18,772,193</u>

Note 1 - Significant Accounting Policies

Reporting Entity

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

Blended Component Unit

The City's building authority is governed by a three-member board appointed by the City Council. Although it is legally separate from the City, the building authority is reported as if it were part of the primary government because its primary purpose is to acquire, furnish, equip, own, improve, enlarge, operate, and maintain the ice arena and horseshoe pit for the use or benefit of the City. The building authority was inactive during the year ended June 30, 2020.

Discretely Presented Component Unit

Downtown Development Authority

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

Accounting and Reporting Principles

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

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

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

Note 1 - Significant Accounting Policies (Continued)

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

Basis of Accounting

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

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

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, district court fines, and interest associated with the current fiscal period. Conversely, for certain amounts due from businesses and residents collected after the period of availability, receivables have been recorded for these, along with a deferred inflow.

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

Fund Accounting

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

Governmental Funds

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Major Streets Fund accounts for the resources of the state gas and weight tax revenue that are restricted for use on the City's major streets.
- The Local Streets Fund accounts for resources of the state gas and weight tax revenue that are restricted for use on the City's local streets.

Note 1 - Significant Accounting Policies (Continued)

Proprietary Funds

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

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

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

Fiduciary Funds

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

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

Interfund Activity

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

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

Specific Balances and Transactions

Cash and Investments

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

Note 1 - Significant Accounting Policies (Continued)

Inventories and Prepaid Items

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

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

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

Long-term Obligations

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

Deferred Outflows/Inflows of Resources

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

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

Note 1 - Significant Accounting Policies (Continued)

Net Position

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

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

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

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

Note 1 - Significant Accounting Policies (Continued)

Property Tax Revenue

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

The City's 2019 property tax revenue was levied and collectible on July 1, 2019 and is recognized as revenue in the year ended June 30, 2020 when the proceeds of the levy are budgeted and available for the financing of operations. Uncollected (delinquent) personal property tax is recognized as a deferred inflow and is considered unavailable until collected. Delinquent personal property tax is recognized as revenue in the fiscal year of collection.

The 2019 taxable valuation of the City totaled \$605.3 million (a portion of which is captured by the DDA), on which taxes levied consisted of 10.1117 mills for operating and public safety purposes, 1.7083 mills for sanitation services, 0.0826 mills for community promotion, 2.4975 mills for public safety retirement benefits, 0.4625 mills for debt service, and 1.9612 mills for capital improvements. This resulted in \$6.0 million for operating, \$1.0 million for sanitation services, \$50,000 for community promotion, \$1.5 million for public safety retirement benefits, \$270,000 for debt service, and \$1.2 million for capital improvements. These amounts are recognized in the respective General, special revenue, and debt service fund financial statements as tax revenue.

The DDA levied 1.8776 mills (a portion of which is captured by the DDA TIF), which resulted in approximately \$39,000 of tax revenue. The total tax increment finance capture from all eligible taxing units for the DDA amounted to approximately \$280,000, which is net of delinquent personal property taxes. These amounts are recorded as part of the DDA component unit.

Pension

The City offers defined benefit pension benefits to its employees. The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from the pension plans' fiduciary net positions have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Costs

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

Note 1 - 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 vacation pay benefits. Most annual leave and sick pay related to governmental activities and the ice arena is accrued when incurred in the internal service fund. Annual leave and sick pay related to the Water and Sewer Fund is accrued when incurred in the Water and Sewer Fund.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of proprietary funds is charges to customers for sales or services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for these funds include the cost of sales or services and administrative expenses and may include depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the City's financial statements for the year ended June 30, 2020 but were extended to June 30, 2021 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the City's financial statements for the year ending June 30, 2021 but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

Note 1 - Significant Accounting Policies (Continued)

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement were originally effective for the City's financial statements for the year ending June 30, 2021 but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The City does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments, deferred inflows of resources, and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets and, when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2023.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

The City is subject to the budgetary control requirements of the Uniform Budgeting Act (P.A. 621 of 1978, as amended). The annual budget is prepared by the city manager and adopted by the City Council; subsequent amendments are approved by the City Council. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at June 30, 2020 has not been calculated.

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

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

June 30, 2020

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

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

	Budget	Actual
Coronavirus expenditures	\$ 35,000	\$ 43,335
Active employee benefits	722,449	733,309

Construction Code Fees

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

Cumulative shortfall at July 1, 2019		\$ (1,504,275)
Current year permit revenue		237,942
Related expenses:		
Direct costs	\$ (424,116)	
Estimated indirect costs	(42,412)	(466,528)
Current year shortfall		(228,586)
Cumulative shortfall June 30, 2020		\$ (1,732,861)

Note 3 - Deposits and Investments

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

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

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

Note 3 - Deposits and Investments (Continued)

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City and Downtown Development Authority had \$11,677,301 and \$326,897, respectively, of bank deposits that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest Rate Risk

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

At year end, the City had the following investments:

Investment	Fair Value	Weighted- average Maturity (Years)
Corporate bonds	\$ 3,004,472	7.75
Mutual funds - Fixed-income securities	1,593,698	5.67
Mortgage-backed securities	149,862	15.62
U.S. Treasury bonds	406,323	27.48
Municipal bonds	33,044	20.50
U.S. government agency securities	1,422,022	24.84
Oakland County Local Government Investment Pool	1,058,590	1.38
Total	<u>\$ 7,668,011</u>	

Note 3 - Deposits and Investments (Continued)

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of June 30, 2020, the credit quality ratings of debt securities are as follows:

	Fair Value	Rating	Rating Organization
U.S. government agency securities	\$ 1,422,022	Aaa	Moody's
Corporate bonds	283,194	A1	Moody's
Corporate bonds	448,144	A2	Moody's
Corporate bonds	739,358	A3	Moody's
Corporate bonds	16,801	Aa1	Moody's
Corporate bonds	55,391	Aa2	Moody's
Corporate bonds	26,376	Aa3	Moody's
Corporate bonds	48,062	Aaa	Moody's
Corporate bonds	31,602	Ba1	Moody's
Corporate bonds	383,465	Baa1	Moody's
Corporate bonds	113,360	Baa2	Moody's
Corporate bonds	858,719	Not rated	N/A
Mortgage-backed securities	149,862	Aaa	Moody's
Municipal bonds	33,044	A2	Moody's
U.S. Treasury bonds	406,323	Aaa	Moody's
Total	\$ 5,015,723		

Fair Value Measurements

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

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

June 30, 2020

Note 3 - Deposits and Investments (Continued)

The City has the following recurring fair value measurements as of June 30, 2020:

	Assets Measured at Carrying Value on a Recurring Basis at June 30, 2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Other Significant Unobservable Inputs (Level 3)	Balance at June 30, 2020
U.S. government agency securities	\$ -	\$ 1,422,022	\$ -	\$ 1,422,022
Corporate bonds	-	3,004,472	-	3,004,472
ETF - Equity	2,637,630	-	-	2,637,630
Mortgage-backed securities	-	149,862	-	149,862
Municipal bonds	-	33,044	-	33,044
Mutual funds - Equity	1,066,724	-	-	1,066,724
Mutual funds - Fixed income	1,593,698	-	-	1,593,698
Mutual funds - Money market	463,234	-	-	463,234
Net pending trades	-	1,767	-	1,767
Stocks	8,416,379	21	-	8,416,400
U.S. Treasury bonds	406,323	-	-	406,323
Total investments by fair value level	\$ 14,583,988	\$ 4,611,188	\$ -	\$ 19,195,176

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

The fair value of certain assets at June 30, 2020 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

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

Investments in Entities that Calculate Net Asset Value per Share

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

At June 30, 2020, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Carrying Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Oakland County Local Government Investment Pool	\$ 1,058,590	\$ -	None	None

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

June 30, 2020

Note 4 - Capital Assets

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

Governmental Activities

	Balance July 1, 2019	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2020
Capital assets not being depreciated:					
Land	\$ 573,611	\$ -	\$ 165,008	\$ -	\$ 738,619
Construction in progress	31,139	(31,139)	298,945	-	298,945
Subtotal	604,750	(31,139)	463,953	-	1,037,564
Capital assets being depreciated:					
Roads and bridges	56,468,142	17,266	386,397	-	56,871,805
Buildings	6,878,816	13,873	342,885	-	7,235,574
Equipment and books	3,076,675	-	341,869	-	3,418,544
Vehicles	3,101,093	-	711,177	(90,634)	3,721,636
Subtotal	69,524,726	31,139	1,782,328	(90,634)	71,247,559
Accumulated depreciation:					
Roads and bridges	46,789,566	-	663,292	-	47,452,858
Buildings	5,397,600	-	142,496	-	5,540,096
Equipment and books	2,493,877	-	209,187	-	2,703,064
Vehicles	1,828,129	-	180,734	(90,634)	1,918,229
Subtotal	56,509,172	-	1,195,709	(90,634)	57,614,247
Net capital assets being depreciated	13,015,554	31,139	586,619	-	13,633,312
Net governmental activities capital assets	<u>\$ 13,620,304</u>	<u>\$ -</u>	<u>\$ 1,050,572</u>	<u>\$ -</u>	<u>\$ 14,670,876</u>

June 30, 2020

Note 4 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2019	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2020
Capital assets not being depreciated - Land	\$ 13,795	\$ -	\$ -	\$ -	\$ 13,795
Capital assets being depreciated:					
Water and sewer transmission lines	20,499,246	-	553,975	-	21,053,221
Buildings	1,027,090	-	-	(903,232)	123,858
Equipment	3,657,929	-	328,079	(373,644)	3,612,364
Land and building improvements	308,478	-	-	(308,478)	-
Subtotal	25,492,743	-	882,054	(1,585,354)	24,789,443
Accumulated depreciation:					
Water and sewer transmission lines	3,681,437	-	284,422	-	3,965,859
Buildings	985,753	-	2,686	(898,296)	90,143
Equipment	2,473,027	-	189,312	(346,755)	2,315,584
Land and building improvements	301,435	-	-	(301,435)	-
Subtotal	7,441,652	-	476,420	(1,546,486)	6,371,586
Net capital assets being depreciated	18,051,091	-	405,634	(38,868)	18,417,857
Net business-type activities capital assets	<u>\$ 18,064,886</u>	<u>\$ -</u>	<u>\$ 405,634</u>	<u>\$ (38,868)</u>	<u>\$ 18,431,652</u>

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

Governmental activities:	
General government	\$ 87,629
Public safety	170,068
Public works	811,355
Recreation and culture	126,657
Total governmental activities	<u>\$ 1,195,709</u>
Business-type activities - Water and sewer	<u>\$ 476,420</u>

Note 5 - Interfund Receivables, Payables, and Transfers

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor governmental funds	\$ 380,000
Major Streets Fund	Local Streets Fund	180,000
Nonmajor governmental funds	Nonmajor governmental funds	100,000
	Nonmajor enterprise fund	287,607
	Total nonmajor governmental funds	387,607
Nonmajor enterprise fund	General Fund	89,921
	Total	<u>\$ 1,037,528</u>

The transfer from the General Fund to the Recreation Revolving Fund (nonmajor governmental fund) was to fund operating expenses during the year. The transfer from the General Fund to the Sidewalk Fund was to fund engineering costs. The transfer from the Major Streets Fund to the Local Streets Fund represents the sharing of gas and weight tax revenue in accordance with Act 51. The transfer from the Seniors' Program Fund (nonmajor governmental fund) to the Recreation Revolving Fund (nonmajor governmental fund) was approved by the City Council to support the activities of the receiving fund. The transfers from the Court Projects Fund (nonmajor governmental fund) to the Arena Fund (nonmajor enterprise fund) were to fund demolition work on the ice arena. The transfer from the Arena Fund to the General Fund was to close out activity in the Arena Fund.

Note 6 - Long-term Debt

Long-term debt activity for the year ended June 30, 2020 can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
General obligation bonds - Other debt - 2006 General Obligation 11 Mile Road Bonds:							
Amount of issue - \$2,500,000		\$275,000-					
Maturing through 2021	4.00%	\$300,000	\$ 575,000	\$ -	\$ (275,000)	\$ 300,000	\$ 300,000
Compensated absences			714,320	478,163	(375,809)	816,674	163,020
Total governmental activities long-term debt			<u>\$ 1,289,320</u>	<u>\$ 478,163</u>	<u>\$ (650,809)</u>	<u>\$ 1,116,674</u>	<u>\$ 463,020</u>

June 30, 2020

Note 6 - Long-term Debt (Continued)

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
General obligation bonds - Direct borrowings and direct placements - Contractual obligations with Oakland County, Michigan - George W. Kuhn Bonds:							
2000-A:							
Amount of issue - \$1,126,053		\$47,549-					
Maturing through 2022	2.50%	\$70,354	\$ 206,251	\$ -	\$ (67,072)	\$ 139,179	\$ 68,646
2001-C:							
Amount of issue - \$5,176,822		\$207,829-					
Maturing through 2024	2.50%	\$324,025	1,542,656	-	(293,480)	1,249,176	300,722
2001-D:							
Amount of issue - \$199,641		\$7,872-					
Maturing through 2024	2.50%	\$13,225	40,788	-	(7,872)	32,916	7,872
2000-B and 2001-E: Refinanced 2016							
Amount of issue - \$486,508	2.00%-	\$33,693-					
Maturing through 2024	2.50%	\$67,702	272,698	-	(66,757)	205,941	67,702
2005-F:							
Amount of issue - \$103,573		\$4,478-					
Maturing through 2026	1.625%	\$5,703	37,375	-	(4,798)	32,577	5,118
2006-G:							
Amount of issue - \$112,919		\$4,798-					
Maturing through 2028	1.625%	\$6,398	55,341	-	(5,758)	49,583	5,758
2008-H:							
Amount of issue - \$491,662		\$19,193-					
Maturing through 2029	2.50%	\$30,709	276,059	-	(24,631)	251,428	25,271
Total bond obligations			2,431,168	-	(470,368)	1,960,800	481,089
Compensated absences			64,470	60,173	(55,303)	69,340	69,340
Total business-type activities long-term debt			<u>\$ 2,495,638</u>	<u>\$ 60,173</u>	<u>\$ (525,671)</u>	<u>\$ 2,030,140</u>	<u>\$ 550,429</u>

General Obligation Bonds and Contracts

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

By statute, the City's general obligation debt is restricted to 10 percent of the equalized value of all property in the City. At June 30, 2020, the City's general obligation debt margin amounted to approximately \$78.7 million.

Note 6 - Long-term Debt (Continued)

County Contractual Obligations

The above contractual obligations to Oakland County, Michigan (the "County") are the result of the issuance of bonds by the County on the City's behalf. The City has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the obligations. Proceeds from the bonds provided financing for the construction of the George G. Kuhn Drain. The remaining principal and interest to be paid on the bonds total \$2,094,145. During the current year, net revenue of the system was \$1,838,215 compared to the annual debt requirements of \$526,237.

Other Long-term Liabilities

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

Debt Service Requirements to Maturity

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

Years Ending June 30	Governmental Activities - Other Debt			Business-type Activities - Direct Borrowings and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 300,000	\$ 6,000	\$ 306,000	\$ 481,089	\$ 47,272	\$ 528,361
2022	-	-	-	492,759	35,677	528,436
2023	-	-	-	398,933	23,800	422,733
2024	-	-	-	404,780	14,110	418,890
2025	-	-	-	39,666	4,260	43,926
2026-2029	-	-	-	143,573	8,226	151,799
Total	\$ 300,000	\$ 6,000	\$ 306,000	\$ 1,960,800	\$ 133,345	\$ 2,094,145

Note 7 - Risk Management

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

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

Note 8 - Pension Plans

Plan Description

General Employees' Defined Benefit Pension Plan

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

Public Safety Pension Plan

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

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

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

Benefits Provided

General Employees' Defined Benefit Pension Plan

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

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

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

Note 8 - Pension Plans (Continued)

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

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

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

Retirement benefits for members are calculated as 2.50 percent of the member's best 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, be age 60 with 6 years of service, or have a total of 25 years of service to obtain a pension benefit. This closed group pays 4 percent towards its pension benefit. There is a six-year vesting requirement for this group. Compensation is defined as all wages, including earned overtime. Severance at retirement may or may not be included in compensation. If severance is included, sick leave payment will not be part of compensation.

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

Retirement benefits for members are calculated as 2.25 percent of the member's best three years of compensation while employed with the City. This sum is then multiplied by the number of years of service to obtain a pension benefit. The maximum benefit allowed is 80 percent of compensation. The member must be age 55 with 25 years of service or age 60 with 10 years of service to obtain a pension benefit. This closed group pays 4 percent toward its pension benefit. There is a 10-year vesting requirement for this group. Compensation is defined as all wages, including overtime. Severance at retirement may or may not be included in compensation. If severance is included, sick leave payment will not be part of compensation.

Public Safety Pension Plan

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

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

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

Note 8 - Pension Plans (Continued)

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

Retirement benefits for members are calculated as 2.5 percent of the member’s best three consecutive years of the last 10 years of a member’s average final compensation for the first 25 years of service, plus 1 percent of average final compensation times years of service in excess of 25 years. The maximum benefit allowed is 85 percent of base wages. Base wages are defined as the final rate of pay at retirement, multiplied by 2,080 hours, multiplied by 85 percent. The first officer hired on or after July 1, 2013 will be considered hired prior to July 1, 2013 for multiplier purposes only.

Death after Retirement - Survivor Pension

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

Nonduty Death-in-service Survivor’s Pension

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

Duty Death-in-service Survivor’s Pension

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

Nonduty Disability

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

Duty Disability

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

Annuity Withdrawals

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

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	General Employees' Defined Benefit Pension Plan	Public Safety Pension Plan
Date of member count	December 31, 2019	June 30, 2019
Inactive plan members or beneficiaries currently receiving benefits	76	50
Inactive plan members entitled to but not yet receiving benefits	12	2
Active plan members	41	27
Total employees covered by the plan	129	79

Note 8 - Pension Plans (Continued)

Contributions

General Employees' Defined Benefit Pension Plan

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

For the year ended June 30, 2020, the average active employee contribution rate was 0.0 percent of annual pay for a union public works member hired prior to July 1, 2004; 4.0 percent of annual pay for a union public works member hired on or after July 1, 2004; and 4.0 percent for all nonunion eligible employees. The City's average contribution rate for a union public works employee was 37.08 percent of annual payroll and, for a nonunion eligible employee, it was 57.94 percent of annual payroll. Total contributions during the City's fiscal year were \$1,360,613.

Public Safety Pension Plan

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the pension board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the board in accordance with the city charter, union contracts, and plan provisions. For the year ended June 30, 2020, the average active member contribution rate was 0.0 percent of annual pay, and the City's average contribution rate was 45.68 percent of annual payroll.

Net Pension Liability

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

	<u>General Employees' Defined Benefit Pension Plan</u>	<u>Public Safety Pension Plan</u>
Measurement date used for the City's net pension liability	December 31, 2019	June 30, 2020
Based on a comprehensive actuarial valuation as of	December 31, 2019	June 30, 2019

Note 8 - Pension Plans (Continued)

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

General Employees' Defined Benefit Pension Plan

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2018	\$ 20,755,287	\$ 10,433,647	\$ 10,321,640
Changes for the year:			
Service cost	253,811	-	253,811
Interest	1,600,556	-	1,600,556
Differences between expected and actual experience	171,132	-	171,132
Changes in assumptions	621,435	-	621,435
Contributions - Employer	-	1,232,770	(1,232,770)
Contributions - Employee	-	96,041	(96,041)
Net investment income	-	1,390,885	(1,390,885)
Benefit payments, including refunds	(1,750,488)	(1,750,488)	-
Administrative expenses	-	(23,897)	23,897
Net changes	896,446	945,311	(48,865)
Balance at December 31, 2019	\$ 21,651,733	\$ 11,378,958	\$ 10,272,775

The plan's fiduciary net position represents 52.6 percent of the total pension liability.

Public Safety Pension Plan

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at July 1, 2019	\$ 25,664,735	\$ 18,825,707	\$ 6,839,028
Changes for the year:			
Service cost	502,638	-	502,638
Interest	1,752,414	-	1,752,414
Differences between expected and actual experience	251,209	-	251,209
Contributions - Employer	-	1,013,557	(1,013,557)
Contributions - Employee	-	6,718	(6,718)
Net investment income	-	758,066	(758,066)
Benefit payments, including refunds	(1,763,153)	(1,763,153)	-
Administrative expenses	-	(68,702)	68,702
Net changes	743,108	(53,514)	796,622
Balance at June 30, 2020	\$ 26,407,843	\$ 18,772,193	\$ 7,635,650

The plan's fiduciary net position represents 71.1 percent of the total pension liability.

June 30, 2020

Note 8 - Pension Plans (Continued)

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

For the year ended June 30, 2020, the City recognized pension expense of \$1,381,891 related to the General Employees' Defined Benefit Pension Plan and \$1,782,978 related to the Public Safety Pension Plan for a total of \$3,164,869.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General Employees' Defined Benefit Pension Plan		Public Safety Pension Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 85,566	\$ -	\$ 441,732	\$ 60,222
Changes in assumptions	310,718	-	535,063	-
Net difference between projected and actual earnings on pension plan investments	41,101	-	547,696	-
Employer contributions to the plan subsequent to the measurement date	461,114	-	-	-
Total	\$ 898,499	\$ -	\$ 1,524,491	\$ 60,222

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date, which will impact the net pension liability in fiscal year 2021, rather than pension expense.

Years Ending June 30	General Employees' Defined Benefit Pension Plan	Public Safety Pension Plan
2021	\$ 359,630	\$ 462,271
2022	37,491	656,852
2023	155,068	238,880
2024	(114,804)	106,266

Actuarial Assumptions

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

	General Employees' Defined Benefit Pension Plan	Public Safety Pension Plan
Inflation	2.50%	2.25%
Salary increases	3.00%-14.00%	4.50%-7.50%
Investment rate of return	7.60%	7.00%
Mortality rates	RP-2014	RP-2014

Note 8 - Pension Plans (Continued)

General Employees' Defined Benefit Pension Plan

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

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

Mortality rates were based on 50 percent male/50 percent female blend of the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105 percent; RP-2014 Employee Mortality Tables; and RP-2014 Juvenile Mortality Tables. For disabled plan members, rates were based on a blend of the 50 percent male 50 percent RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in the December 31, 2019 actuarial valuation date valuation were based on the results of an actuarial experience study for the period from January 1, 2009 through December 31, 2013.

Public Safety Pension Plan

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

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

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

Discount Rate

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

	<u>General Employees' Defined Benefit Pension Plan</u>	<u>Public Safety Pension Plan</u>
Assumed investment rate of return	7.60%	7.00%
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	Yes	Yes
Discount rate used to measure total pension liability	7.60%	7.00%

Note 8 - Pension Plans (Continued)

Investment Rate of Return

General Employees' Defined Benefit Pension Plan

Best estimates of arithmetic real rates of return as of the December 31, 2019 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	6.15 %
Global fixed income	20.00	1.26
Private investments	20.00	6.56

Public Safety Pension Plan

Best estimates of arithmetic real rates of return as of the June 30, 2019 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large-cap equity	29.40 %	7.00 %
Small-/Mid-cap equity	12.60	7.25
International equity	20.50	7.00
Domestic fixed income	29.50	2.75
Treasury inflation-protected securities	5.00	2.40
High-yield bonds	2.50	4.65
Cash or cash equivalents	0.50	2.25

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

General Employees' Defined Benefit Pension Plan

The following presents the net pension liability of the City, calculated using the discount rate of 7.60 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.6%)	Current Discount Rate (7.6%)	1 Percentage Point Increase (8.6%)
Net pension liability of the General Employees' Defined Benefit Pension Plan	\$ 12,332,638	\$ 10,272,775	\$ 8,507,779

Public Safety Pension Plan

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

	1 Percentage Point Decrease (6.0%)	Current Discount Rate (7.0%)	1 Percentage Point Increase (8.0%)
Net pension liability of the Public Safety Pension Plan	\$ 10,700,221	\$ 7,635,650	\$ 5,072,586

Note 8 - Pension Plans (Continued)

Pension Plan Fiduciary Net Position

General Employees' Defined Benefit Pension Plan

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

Public Safety Pension Plan

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

Assumption Changes

Since the previous measurement date, the General Employees' Defined Benefit Pension Plan reduced the assumed investment rate of return from 8.0 to 7.6 percent and reduced assumed salary increases from 3.75 to 3.0 percent.

Investment Policy

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

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on the Public Safety Pension Plan's investments, net of pension plan investment expense, was 4.36 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Plan Reserves

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

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

June 30, 2020

Note 8 - Pension Plans (Continued)

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

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

The balances of the reserve accounts at June 30, 2020 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	\$ 18,739,827	\$ 18,568,137
Employee reserve	204,056	204,056
Total	\$ 18,943,883	\$ 18,772,193

Note 9 - Other Postemployment Benefit Plan

Plan Description

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

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

Benefits Provided

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

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	June 30, 2019
Date of member count	
Inactive plan members or beneficiaries currently receiving benefits	97
Active plan members	71
Total plan members	168

Contributions

Retiree health care costs are paid by the City on a pay-as-you-go basis. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment; however, the City does make discretionary contributions to the trust. For the fiscal year ended June 30, 2020, the City made payments for postemployment health benefit premiums of \$706,785.

June 30, 2020

Note 9 - Other Postemployment Benefit Plan (Continued)

Net OPEB Liability

The City has chosen to use the June 30 measurement date as its measurement date for the net OPEB liability. The June 30, 2020 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2020 measurement date. The June 30, 2020 total OPEB liability was determined by an actuarial valuation performed as of June 30, 2019, which used update procedures to roll forward the estimated liability to June 30, 2020.

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

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at July 1, 2019	\$ 19,281,920	\$ 5,403,052	\$ 13,878,868
Changes for the year:			
Service cost	156,989	-	156,989
Interest	1,130,768	-	1,130,768
Differences between expected and actual experience	(1,894,582)	-	(1,894,582)
Changes in assumptions	109,385	-	109,385
Contributions - Employer	-	1,032,759	(1,032,759)
Net investment income	-	121,322	(121,322)
Benefit payments, including refunds	(1,028,555)	(1,028,555)	-
Net changes	(1,525,995)	125,526	(1,651,521)
Balance at June 30, 2020	<u>\$ 17,755,925</u>	<u>\$ 5,528,578</u>	<u>\$ 12,227,347</u>

The plan's fiduciary net position represents 31.1 percent of the total OPEB liability.

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$258,367.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,784,765
Changes in assumptions	82,316	-
Net difference between projected and actual earnings on OPEB plan investments	190,787	-
Total	<u>\$ 273,103</u>	<u>\$ 1,784,765</u>

Note 9 - Other Postemployment Benefit Plan (Continued)

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

Years Ending June 30	Amount
2021	\$ (705,080)
2022	(460,503)
2023	(368,561)
2024	22,482

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using an inflation assumption of 3.00 percent; assumed salary increases (including inflation) of between 3.50 percent and 10.20 percent depending on seniority and merit; an investment rate of return (net of investment expenses) of 6.50 percent; a health care cost trend rate of 8.25 percent for 2020, decreasing 0.50 percent or 0.75 percent per year to an ultimate rate of 3.50 percent for 2031 and later years; and the RP-2014 Employee, Healthy Annuitant, and Disabled Annuitant Mortality Tables adjust for mortality improvements to 2025 using scale MP-2018 from 2006. These assumptions were applied to all periods included in the measurement.

Discount Rate

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

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

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	6.15 %
Global fixed income	20.00	1.26
Private investments	20.00	6.56

Note 9 - Other Postemployment Benefit Plan (Continued)

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 6.50 percent, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.50%)	Current Discount Rate (6.50%)	1 Percentage Point Increase (7.50%)
Net OPEB liability of the Merit System of Personnel Management	\$ 14,236,547	\$ 12,227,347	\$ 10,540,226

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

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

	1 Percentage Point Decrease (7.25%)	Current Health Care Cost Trend Rate (8.25%)	1 Percentage Point Increase (9.25%)
Net OPEB liability of the Merit System of Personnel Management	\$ 10,376,976	\$ 12,227,347	\$ 14,396,808

OPEB Plan Fiduciary Net Position

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

Assumption Changes

During fiscal year 2020, the OPEB plan increased the investment rate of return from 6.0 to 6.5 percent. The health care cost trend rate changed from an initial rate of 9.0 percent decreasing to 3.0 percent to an initial rate of 8.25 percent decreasing to an ultimate rate of 3.5 percent. Mortality assumptions were updated from the RP-2000 tables to the RP-2014 tables. Assumed salary increases were changed from a range of 3.3 to 16.0 percent to a range of 3.5 to 10.2 percent.

Note 10 - Joint Ventures

Southeastern Oakland County Water Authority

The City is a member of the Southeastern Oakland County Water Authority (the “Water Authority”), which provides a water supply system serving 11 member and 2 nonmember municipalities in Oakland County. The City appoints one member of the joint venture’s governing board, which approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2020, the City expensed \$827,448 of payments made to the Water Authority. The City has no explicit and measurable equity interest in the joint venture. The Southeastern Oakland County Water Authority’s operations are financially independent of the City. The City is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future. Complete financial statements of the Southeastern Oakland County Water Authority can be obtained from the administrative offices at 3910 Webster Road, Royal Oak, MI 48073.

Southeastern Oakland County Resource Recovery Authority

The City is a member of the Southeastern Oakland County Resource Recovery Authority (the “Resource Recovery Authority”), which collects, processes, and disposes of the municipal solid waste, yard waste, and recyclables accumulated within the City. The Resource Recovery Authority provides services to 12 member municipalities in Oakland County. The City appoints one member of the joint venture’s governing board, which approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2020, the City expensed \$1,101,466 of payments made to the Resource Recovery Authority. The City has no explicit and measurable equity interest in the joint venture. The Southeastern Oakland County Resource Recovery Authority’s operations are financially independent of the City. The City is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future. Complete financial statements of the Southeastern Oakland County Resource Recovery Authority can be obtained from the administrative offices at 3910 W. Webster Road, Royal Oak, MI 48073.

Note 11 - Contingent Liabilities

The City is subject to various legal proceedings and claims that arise in the ordinary course of its business. One legal proceeding, in particular, has progressed to the point that the City has determined a loss is probable, so an estimated liability of \$335,000 has been recorded in the Water and Sewer Fund.

Required Supplemental Information

Required Supplemental Information
Budgetary Comparison Schedule
General Fund

Year Ended June 30, 2020

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 7,860,149	\$ 7,878,849	\$ 7,899,663	\$ 20,814
Intergovernmental:				
Federal grants	800	800	2,040	1,240
State-shared revenue and grants	1,574,891	1,552,891	1,509,534	(43,357)
Charges for services	685,567	672,567	663,828	(8,739)
Fines and forfeitures	260,500	272,475	289,818	17,343
Licenses and permits	731,550	506,550	675,876	169,326
Investment earnings	92,000	92,000	90,983	(1,017)
Other revenue:				
Franchise fees	350,000	364,260	315,099	(49,161)
Other miscellaneous income	443,214	430,489	395,193	(35,296)
Total revenue	11,998,671	11,770,881	11,842,034	71,153
Expenditures				
Current services:				
General government:				
City Council	16,799	14,964	10,513	4,451
Manager	156,261	182,665	176,675	5,990
Elections	168,405	158,675	151,390	7,285
Finance	413,481	412,992	404,912	8,080
Legal	107,000	115,000	106,534	8,466
Clerk/Treasurer	79,557	82,707	78,801	3,906
City hall	246,764	175,715	153,765	21,950
Planning	136,922	146,483	124,752	21,731
Inspection	582,650	436,675	424,116	12,559
Community promotion	60,179	60,179	51,313	8,866
Insurance	1,029,220	1,094,190	1,058,834	35,356
Active employee benefits	554,449	722,449	733,309	(10,860)
Coronavirus expenditures	-	35,000	43,335	(8,335)
Public safety:				
Administration	218,990	220,500	186,202	34,298
Operations	3,276,806	3,315,256	3,221,684	93,572
Service aides	610,306	451,806	417,075	34,731
Pension administration	1,589,257	1,455,257	1,434,708	20,549
Animal control	69,899	61,159	53,567	7,592
Public works:				
Operations	493,374	500,874	453,368	47,506
Street programs	183,300	187,300	186,847	453
Garage	176,406	195,906	193,087	2,819
Recreation and culture:				
Recreation	1,500	1,500	617	883
Library	575,907	571,607	552,636	18,971
WBRK	106,514	119,436	108,576	10,860
Communications coordinator	93,272	106,927	104,198	2,729
Capital outlay	1,052,690	1,547,290	1,417,626	129,664
Total expenditures	11,999,908	12,372,512	11,848,440	524,072
Excess of Expenditures Over Revenue	(1,237)	(601,631)	(6,406)	595,225

Required Supplemental Information
Budgetary Comparison Schedule
General Fund (Continued)

Year Ended June 30, 2020

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Other Financing Sources (Uses)				
Transfers in	\$ 290,000	\$ -	\$ 89,921	\$ 89,921
Transfers out	(640,000)	(350,000)	(380,000)	(30,000)
Sale of capital assets	-	11,850	25,551	13,701
Insurance recoveries	-	-	82,955	82,955
Total other financing uses	(350,000)	(338,150)	(181,573)	156,577
Net Change in Fund Balance	(351,237)	(939,781)	(187,979)	751,802
Fund Balance - Beginning of year	6,648,950	6,648,950	6,648,950	-
Fund Balance - End of year	<u><u>\$ 6,297,713</u></u>	<u><u>\$ 5,709,169</u></u>	<u><u>\$ 6,460,971</u></u>	<u><u>\$ 751,802</u></u>

City of Berkley, Michigan

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

Year Ended June 30, 2020

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ 1,094,488	\$ 1,081,968	\$ 1,145,862	\$ 63,894
Charges for services	10,423	12,393	12,386	(7)
Investment income	14,000	14,000	15,575	1,575
Other revenue	27,100	40,650	34,604	(6,046)
Total revenue	1,146,011	1,149,011	1,208,427	59,416
Expenditures - Public works	771,573	881,973	759,670	122,303
Excess of Revenue Over Expenditures	374,438	267,038	448,757	181,719
Other Financing Uses - Transfers out	(180,000)	(180,000)	(180,000)	-
Net Change in Fund Balance	194,438	87,038	268,757	181,719
Fund Balance - Beginning of year	1,687,400	1,687,400	1,687,400	-
Fund Balance - End of year	<u>\$ 1,881,838</u>	<u>\$ 1,774,438</u>	<u>\$ 1,956,157</u>	<u>\$ 181,719</u>

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

Year Ended June 30, 2020

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ 420,000	\$ 390,000	\$ 396,493	\$ 6,493
Investment income	10,000	10,000	8,066	(1,934)
Other revenue	23,000	27,500	22,837	(4,663)
Total revenue	453,000	427,500	427,396	(104)
Expenditures - Public works	746,320	776,420	647,709	128,711
Excess of Expenditures Over Revenue	(293,320)	(348,920)	(220,313)	128,607
Other Financing Sources - Transfers in	180,000	180,000	180,000	-
Net Change in Fund Balance	(113,320)	(168,920)	(40,313)	128,607
Fund Balance - Beginning of year	1,052,514	1,052,514	1,052,514	-
Fund Balance - End of year	<u>\$ 939,194</u>	<u>\$ 883,594</u>	<u>\$ 1,012,201</u>	<u>\$ 128,607</u>

City of Berkley, Michigan

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

	Last Ten Fiscal Years Years Ended June 30									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual money-weighted rate of return - Net of investment expense	4.36 %	5.34 %	7.33 %	11.80 %	(0.40)%	1.80 %	16.20 %	10.80 %	(0.30)%	20.20 %

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

	Last Seven Fiscal Years						
	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 502,638	\$ 476,281	\$ 427,320	\$ 387,896	\$ 369,308	\$ 348,830	\$ 376,217
Interest	1,752,414	1,724,836	1,711,781	1,683,319	1,646,655	1,623,409	1,600,549
Differences between expected and actual experience	251,209	517,899	(231,761)	38,612	189,536	15,829	-
Changes in assumptions	-	1,070,500	-	-	-	-	-
Benefit payments, including refunds	(1,763,153)	(1,768,878)	(1,752,501)	(1,742,208)	(1,703,842)	(1,678,258)	(1,638,281)
Net Change in Total Pension Liability	743,108	2,020,638	154,839	367,619	501,657	309,810	338,485
Total Pension Liability - Beginning of year	25,664,735	23,644,097	23,489,258	23,121,639	22,619,982	22,310,172	21,971,687
Total Pension Liability - End of year	\$ 26,407,843	\$ 25,664,735	\$ 23,644,097	\$ 23,489,258	\$ 23,121,639	\$ 22,619,982	\$ 22,310,172
Plan Fiduciary Net Position							
Contributions - Employer	\$ 1,013,557	\$ 774,630	\$ 743,241	\$ 713,669	\$ 660,531	\$ 726,568	\$ 780,105
Contributions - Member	6,718	41,690	118,413	-	-	-	90,169
Net investment income (loss)	758,066	946,900	1,341,200	1,984,577	(55,465)	357,995	2,752,802
Administrative expenses	(68,702)	(65,541)	(62,621)	(51,027)	(44,152)	(46,951)	(51,306)
Benefit payments, including refunds	(1,763,153)	(1,768,878)	(1,752,501)	(1,742,208)	(1,703,842)	(1,678,258)	(1,638,281)
Other	-	3,293	-	-	-	183	-
Net Change in Plan Fiduciary Net Position	(53,514)	(67,906)	387,732	905,011	(1,142,928)	(640,463)	1,933,489
Plan Fiduciary Net Position - Beginning of year	18,825,707	18,893,613	18,505,881	17,600,870	18,743,798	19,384,261	17,450,772
Plan Fiduciary Net Position - End of year	\$ 18,772,193	\$ 18,825,707	\$ 18,893,613	\$ 18,505,881	\$ 17,600,870	\$ 18,743,798	\$ 19,384,261
City's Net Pension Liability - Ending	\$ 7,635,650	\$ 6,839,028	\$ 4,750,484	\$ 4,983,377	\$ 5,520,769	\$ 3,876,184	\$ 2,925,911
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	71.09 %	73.35 %	79.91 %	78.78 %	76.12 %	82.86 %	86.89 %
Covered Payroll	\$ 2,218,820	\$ 2,085,703	\$ 1,960,564	\$ 1,915,375	\$ 1,770,387	\$ 1,923,665	\$ 1,965,494
City's Net Pension Liability as a Percentage of Covered Payroll	344.13 %	327.90 %	242.30 %	260.18 %	311.84 %	201.50 %	148.86 %

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

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

Last Six Years Ended December 31

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 253,811	\$ 232,498	\$ 224,700	\$ 250,936	\$ 231,896	\$ 313,028
Interest	1,600,556	1,623,192	1,612,480	1,599,114	1,602,510	1,588,656
Differences between expected and actual experience	171,132	(388,478)	50,262	63,274	(432,248)	-
Changes in assumptions	621,435	-	-	-	868,163	-
Benefit payments, including refunds	(1,750,488)	(1,771,161)	(1,743,690)	(1,722,576)	(1,707,986)	(1,678,420)
Net Change in Total Pension Liability	896,446	(303,949)	143,752	190,748	562,335	223,264
Total Pension Liability - Beginning of year	20,755,287	21,059,236	20,915,484	20,724,736	20,162,401	19,939,137
Total Pension Liability - End of year	\$ 21,651,733	\$ 20,755,287	\$ 21,059,236	\$ 20,915,484	\$ 20,724,736	\$ 20,162,401
Plan Fiduciary Net Position						
Contributions - Employer	\$ 1,232,770	\$ 437,618	\$ 907,736	\$ 528,385	\$ 546,145	\$ 574,412
Contributions - Member	96,041	74,880	116,858	72,550	80,039	90,641
Net investment income (loss)	1,390,885	(429,097)	1,471,376	1,231,253	(176,950)	792,022
Administrative expenses	(23,897)	(22,404)	(23,315)	(24,362)	(26,595)	(28,852)
Benefit payments, including refunds	(1,750,488)	(1,771,161)	(1,743,690)	(1,722,576)	(1,707,986)	(1,678,420)
Net Change in Plan Fiduciary Net Position	945,311	(1,710,164)	728,965	85,250	(1,285,347)	(250,197)
Plan Fiduciary Net Position - Beginning of year	10,433,647	12,143,811	11,414,846	11,329,596	12,614,943	12,865,140
Plan Fiduciary Net Position - End of year	\$ 11,378,958	\$ 10,433,647	\$ 12,143,811	\$ 11,414,846	\$ 11,329,596	\$ 12,614,943
City's Net Pension Liability - Ending	\$ 10,272,775	\$ 10,321,640	\$ 8,915,425	\$ 9,500,638	\$ 9,395,140	\$ 7,547,458
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	52.55 %	50.27 %	57.67 %	54.58 %	54.67 %	62.57 %
Covered Payroll	\$ 2,101,331	\$ 1,918,830	\$ 2,001,189	\$ 2,014,906	\$ 1,679,482	\$ 1,679,482
City's Net Pension Liability as a Percentage of Covered Payroll	488.87 %	537.91 %	445.51 %	471.52 %	559.41 %	449.39 %

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

See notes to required supplemental information.

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

	Last Three Fiscal Years		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 156,989	\$ 190,339	\$ 364,827
Interest	1,130,768	1,122,116	923,469
Differences between expected and actual experience	(1,894,582)	(198,240)	(1,014,834)
Changes in assumptions	109,385	-	-
Benefit payments, including refunds	<u>(1,028,555)</u>	<u>(878,125)</u>	<u>(1,036,188)</u>
Net Change in Total OPEB Liability	(1,525,995)	236,090	(762,726)
Total OPEB Liability - Beginning of year	<u>19,281,920</u>	<u>19,045,830</u>	<u>19,808,556</u>
Total OPEB Liability - End of year	<u>\$ 17,755,925</u>	<u>\$ 19,281,920</u>	<u>\$ 19,045,830</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,032,759	\$ 1,135,210	\$ 1,041,123
Net investment income	121,322	137,994	350,035
Benefit payments, including refunds	<u>(1,028,555)</u>	<u>(878,125)</u>	<u>(1,036,188)</u>
Net Change in Plan Fiduciary Net Position	125,526	395,079	354,970
Plan Fiduciary Net Position - Beginning of year	<u>5,403,052</u>	<u>5,007,973</u>	<u>4,653,003</u>
Plan Fiduciary Net Position - End of year	<u>\$ 5,528,578</u>	<u>\$ 5,403,052</u>	<u>\$ 5,007,973</u>
Net OPEB Liability - Ending	<u>\$ 12,227,347</u>	<u>\$ 13,878,868</u>	<u>\$ 14,037,857</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	31.14 %	28.02 %	26.29 %
Covered-employee Payroll	\$ 4,913,491	\$ 3,652,907	\$ 3,722,725
Net OPEB Liability as a Percentage of Covered-employee Payroll	248.85 %	379.94 %	377.09 %

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

Required Supplemental Information
Schedule of OPEB Contributions

	Last Ten Fiscal Years									
	Years Ended June 30									
	2020	2019*	2018*	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 1,074,788	\$ -	\$ -	\$ 2,512,485	\$ 2,531,410	\$ 2,603,419	\$ 1,802,766	\$ 1,822,159	\$ 1,867,490	\$ 2,148,743
Contributions in relation to the actuarially determined contribution	1,032,759	-	-	1,541,815	1,571,446	1,604,630	1,442,200	1,224,176	1,116,740	1,402,910
Contribution Deficiency	\$ (42,029)	\$ -	\$ -	\$ (970,670)	\$ (959,964)	\$ (998,789)	\$ (360,566)	\$ (597,983)	\$ (750,750)	\$ (745,833)
Covered-employee Payroll	\$ 4,913,491	\$ 3,652,907	\$ 3,722,725	\$ 2,635,197	\$ 2,635,197	\$ 2,635,197	\$ 3,344,839	\$ 3,344,839	\$ 3,344,839	\$ 3,651,406
Contributions as a Percentage of Covered-employee Payroll	21.02 %	- %	- %	58.51 %	59.63 %	60.89 %	43.12 %	36.60 %	33.39 %	38.42 %

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

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry age normal
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	Market value
Inflation	3.00 percent
Health care cost trend rates	8.25 percent decreasing 0.50 or 0.75 percent per year to an ultimate rate of 3.50 percent after 10 years
Salary increase	3.50 to 10.20 percent, including inflation
Investment rate of return	6.50 percent
Retirement age	Experience-based tables of rates that are specific to the type of eligibility conditions
Mortality	RP-2014 Employee, Healthy Annuitant, and Disabled Annuitant Mortality Tables adjust for mortality improvements to 2025 using scale MP-2018 from 2006

Pension Information

Changes in Assumptions

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

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

In 2019, the MERS plan reduced the assumed investment rate of return from 8.0 to 7.6 percent and reduced assumed salary increases from 3.75 to 3.0 percent.

OPEB Information

Changes in Assumptions

During fiscal year 2020, the OPEB plan increased the investment rate or return from 6.0 to 6.5 percent. The health care cost trend rate changed from an initial rate of 9.0 percent decreasing to 3.0 percent to an initial rate of 8.25 percent decreasing to an ultimate rate of 3.5 percent. Mortality assumptions were updated from the RP-2000 tables to the RP-2014 tables. Assumed salary increases were changed from a range of 3.3 to 16.0 percent to a range of 3.5 to 10.2 percent.

Other Supplemental Information

Special Revenue Funds

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

Community Development Block Grant

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

Seniors' Program

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

Recreation Revolving

The Recreation Revolving Fund accounts for all revenue and expenditures associated with parks and recreation youth and adult recreation programs. This fund also accounts for all dream cruise revenue and expenditures for the City. User fees are the main revenue source for this fund.

Solid Waste Service

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

Debt Service Funds

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

Eleven Mile Road Project Debt Service

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

Capital Project Funds

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

Court Projects

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

Sidewalk

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

Road Millage

In November 2018, the Berkley voters approved a ballot proposal for capital improvement projects for road improvements. The ballot proposal approved up to 2 mills to be levied for capital improvement projects beginning with summer tax collection in July 2019. The plan is still to complete engineering work on the roads that will be repaired and replaced, and road work will begin at the end of the spring of 2020. The City will also be getting an updated PASER rating of road conditions that will help decide which roads are in the worst condition and will need to be repaired and/or replaced first.

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2020

	Special Revenue Funds				Debt Service Fund	Capital Project Fund			Total Nonmajor Governmental Funds
	Community Development Block Grant	Seniors' Program	Recreation Revolving	Solid Waste Service	Eleven Mile Road Project Debt Service	Court Projects	Road Millage	Sidewalk	
Assets									
Cash and investments	\$ 20,093	\$ 17,954	\$ 725,245	\$ 174,264	\$ 35,139	\$ 393,398	\$ 1,129,683	\$ 6,980	\$ 2,502,756
Receivables - Other governmental units:									
Taxes	-	-	-	851	2,835	-	591	-	4,277
Customers	-	-	-	200,079	-	-	-	-	200,079
Inventories	-	-	-	236	-	-	-	-	236
Total assets	\$ 20,093	\$ 17,954	\$ 725,245	\$ 375,430	\$ 37,974	\$ 393,398	\$ 1,130,274	\$ 6,980	\$ 2,707,348
Liabilities									
Accounts payable	\$ -	\$ 38	\$ 8,183	\$ 49,650	\$ -	\$ -	\$ -	\$ 140	\$ 58,011
Accrued liabilities and other	-	564	11,550	4,288	-	-	-	-	16,402
Unearned revenue	-	-	-	-	-	-	646	-	646
Total liabilities	-	602	19,733	53,938	-	-	646	140	75,059
Deferred Inflows of Resources -									
Unavailable revenue	-	-	-	129,668	3,034	-	-	-	132,702
Fund Balances									
Nonspendable - Inventories	-	-	-	236	-	-	-	-	236
Restricted:									
Debt service	-	-	-	-	34,940	-	-	-	34,940
Streets	-	-	-	-	-	-	1,129,628	-	1,129,628
Community service	20,093	-	-	-	-	-	-	-	20,093
Solid waste service	-	-	-	191,588	-	-	-	-	191,588
Committed:									
Recreation	-	-	705,512	-	-	-	-	-	705,512
Seniors' program	-	17,352	-	-	-	-	-	-	17,352
Assigned - Capital improvement	-	-	-	-	-	393,398	-	6,840	400,238
Total fund balances	20,093	17,352	705,512	191,824	34,940	393,398	1,129,628	6,840	2,499,587
Total liabilities, deferred inflows of resources, and fund balances	\$ 20,093	\$ 17,954	\$ 725,245	\$ 375,430	\$ 37,974	\$ 393,398	\$ 1,130,274	\$ 6,980	\$ 2,707,348

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

Year Ended June 30, 2020

	Special Revenue Funds				Debt Service Fund	Capital Project Fund			Total Nonmajor Governmental Funds
	Community Development Block Grant	Seniors' Program	Recreation Revolving	Solid Waste Service	Eleven Mile Road Project Debt Service	Court Projects	Road Millage	Sidewalk	
Revenue									
Property taxes	\$ -	\$ -	\$ -	\$ 1,013,709	\$ 274,401	\$ -	\$ 1,163,870	\$ -	\$ 2,451,980
Intergovernmental:									
Federal grants	51,307	-	-	-	-	-	-	-	51,307
State-shared revenue and grants	-	13,931	-	3,451	-	-	-	-	17,382
Charges for services	-	54,895	308,961	380,120	-	-	-	-	743,976
Investment earnings	-	799	6,117	5,042	296	9,188	7,215	-	28,657
Other revenue	-	-	25,290	7,295	-	-	-	-	32,585
Total revenue	51,307	69,625	340,368	1,409,617	274,697	9,188	1,171,085	-	3,325,887
Expenditures									
Current services:									
General government	-	-	-	-	-	76	-	-	76
Public works	-	-	-	1,551,860	-	-	-	23,160	1,575,020
Health and welfare	50,500	52,056	-	-	-	-	-	-	102,556
Recreation and culture	-	-	825,791	-	-	-	-	-	825,791
Capital outlay	-	-	68,676	-	-	-	41,457	-	110,133
Debt service	-	-	-	-	293,250	-	-	-	293,250
Total expenditures	50,500	52,056	894,467	1,551,860	293,250	76	41,457	23,160	2,906,826
Excess of Revenue Over (Under) Expenditures	807	17,569	(554,099)	(142,243)	(18,553)	9,112	1,129,628	(23,160)	419,061
Other Financing Sources (Uses)									
Transfers in	-	-	450,000	-	-	-	-	30,000	480,000
Transfers out	-	(100,000)	-	-	-	(287,607)	-	-	(387,607)
Total other financing (uses) sources	-	(100,000)	450,000	-	-	(287,607)	-	30,000	92,393
Net Change in Fund Balances	807	(82,431)	(104,099)	(142,243)	(18,553)	(278,495)	1,129,628	6,840	511,454
Fund Balances - Beginning of year	19,286	99,783	809,611	334,067	53,493	671,893	-	-	1,988,133
Fund Balances - End of year	\$ 20,093	\$ 17,352	\$ 705,512	\$ 191,824	\$ 34,940	\$ 393,398	\$ 1,129,628	\$ 6,840	\$ 2,499,587

City of Berkley, Michigan

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

Year Ended June 30, 2020

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue - Federal grants	\$ 103,420	\$ 103,420	\$ 51,307	\$ (52,113)
Expenditures - Health and welfare	78,340	78,340	50,500	27,840
Net Change in Fund Balance	25,080	25,080	807	(24,273)
Fund Balance - Beginning of year	19,286	19,286	19,286	-
Fund Balance - End of year	<u><u>\$ 44,366</u></u>	<u><u>\$ 44,366</u></u>	<u><u>\$ 20,093</u></u>	<u><u>\$ (24,273)</u></u>

City of Berkley, Michigan

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

Year Ended June 30, 2020

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
State-shared revenue and grants	\$ 22,880	\$ 22,880	\$ 13,931	\$ (8,949)
Charges for services	61,206	55,806	54,895	(911)
Investment earnings	2,000	1,500	799	(701)
Total revenue	86,086	80,186	69,625	(10,561)
Expenditures - Health and welfare	75,230	66,630	52,056	14,574
Excess of Revenue Over Expenditures	10,856	13,556	17,569	4,013
Other Financing Uses - Transfers out	(100,000)	(100,000)	(100,000)	-
Net Change in Fund Balance	(89,144)	(86,444)	(82,431)	4,013
Fund Balance - Beginning of year	99,783	99,783	99,783	-
Fund Balance - End of year	<u>\$ 10,639</u>	<u>\$ 13,339</u>	<u>\$ 17,352</u>	<u>\$ 4,013</u>

City of Berkley, Michigan

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

Year Ended June 30, 2020

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Charges for services	\$ 543,850	\$ 299,320	\$ 308,961	\$ 9,641
Investment earnings	4,100	5,600	6,117	517
Other revenue	205,000	25,290	25,290	-
Total revenue	752,950	330,210	340,368	10,158
Expenditures				
Current services - Recreation and culture	933,052	843,619	825,791	17,828
Capital outlay	650,400	119,600	68,676	50,924
Total expenditures	1,583,452	963,219	894,467	68,752
Excess of Expenditures Over Revenue	(830,502)	(633,009)	(554,099)	78,910
Other Financing Sources - Transfers out	450,000	450,000	450,000	-
Net Change in Fund Balance	(380,502)	(183,009)	(104,099)	78,910
Fund Balance - Beginning of year	809,611	809,611	809,611	-
Fund Balance - End of year	<u>\$ 429,109</u>	<u>\$ 626,602</u>	<u>\$ 705,512</u>	<u>\$ 78,910</u>

City of Berkley, Michigan

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

Year Ended June 30, 2020

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Property taxes	\$ 273,833	\$ 273,833	\$ 274,401	\$ 568
Investment earnings	400	400	296	(104)
Total revenue	274,233	274,233	274,697	464
Expenditures - Debt service	293,250	293,250	293,250	-
Net Change in Fund Balance	(19,017)	(19,017)	(18,553)	464
Fund Balance - Beginning of year	53,493	53,493	53,493	-
Fund Balance - End of year	<u>\$ 34,476</u>	<u>\$ 34,476</u>	<u>\$ 34,940</u>	<u>\$ 464</u>

City of Berkley, Michigan

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

Year Ended June 30, 2020

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue - Investment earnings	\$ 6,700	\$ 6,700	\$ 9,188	\$ 2,488
Expenditures - General government	75	75	76	(1)
Excess of Revenue Over Expenditures	6,625	6,625	9,112	2,487
Other Financing Uses - Transfers out	(300,000)	(300,000)	(287,607)	12,393
Net Change in Fund Balance	(293,375)	(293,375)	(278,495)	14,880
Fund Balance - Beginning of year	671,893	671,893	671,893	-
Fund Balance - End of year	<u><u>\$ 378,518</u></u>	<u><u>\$ 378,518</u></u>	<u><u>\$ 393,398</u></u>	<u><u>\$ 14,880</u></u>

City of Berkley, Michigan

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Road Millage

Year Ended June 30, 2020

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 1,165,409	\$ 1,165,409	\$ 1,163,870	\$ (1,539)
Investment earnings	-	-	7,215	7,215
Total revenue	1,165,409	1,165,409	1,171,085	5,676
Expenditures - Capital outlay	1,140,000	1,140,000	41,457	1,098,543
Net Change in Fund Balance	25,409	25,409	1,129,628	1,104,219
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	\$ 25,409	\$ 25,409	\$ 1,129,628	\$ 1,104,219

City of Berkley, Michigan

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Solid Waste Service

Year Ended June 30, 2020

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 1,015,128	\$ 1,015,128	\$ 1,013,709	\$ (1,419)
Intergovernmental	3,500	3,500	3,451	(49)
Charges for services	424,180	424,180	380,120	(44,060)
Investment earnings	5,400	5,400	5,042	(358)
Other revenue	10,000	10,000	7,295	(2,705)
Total revenue	1,458,208	1,458,208	1,409,617	(48,591)
Expenditures - Public works	1,586,145	1,597,690	1,551,860	45,830
Net Change in Fund Balance	(127,937)	(139,482)	(142,243)	(2,761)
Fund Balance - Beginning of year	334,067	334,067	334,067	-
Fund Balance - End of year	<u>\$ 206,130</u>	<u>\$ 194,585</u>	<u>\$ 191,824</u>	<u>\$ (2,761)</u>

City of Berkley, Michigan

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Governmental Funds
 (Continued)
 Sidewalk

Year Ended June 30, 2020

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue - Property taxes	\$ 290,000	\$ 290,000	\$ -	\$ (290,000)
Expenditures				
Current services - Public works	40,000	40,000	23,160	16,840
Capital outlay	250,000	250,000	-	250,000
Total expenditures	290,000	290,000	23,160	266,840
Excess of Expenditures Over Revenue	-	-	(23,160)	(23,160)
Other Financing Sources (Uses)				
Transfers in	-	-	30,000	30,000
Transfers out	(290,000)	(290,000)	-	290,000
New debt issued	290,000	290,000	-	(290,000)
Total other financing sources	-	-	30,000	30,000
Net Change in Fund Balance	-	-	6,840	6,840
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,840</u>	<u>\$ 6,840</u>

City of Berkley, Michigan

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

Year Ended June 30, 2020

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2020</u>
Assets - Cash	<u>\$ 366,632</u>	<u>\$ 224,343</u>	<u>\$ (243,075)</u>	<u>\$ 347,900</u>
Liabilities				
Accounts payable	\$ 2,315	\$ 239,020	\$ (239,245)	\$ 2,090
Due to other governmental units	28,824	50,066	(60,348)	18,542
Cash bonds and deposits	<u>335,493</u>	<u>168,200</u>	<u>(176,425)</u>	<u>327,268</u>
Total liabilities	<u>\$ 366,632</u>	<u>\$ 457,286</u>	<u>\$ (476,018)</u>	<u>\$ 347,900</u>

Statistical Section

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

The statistical section is organized into the following main categories:

Financial trends

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

Revenue capacity

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

Debt capacity

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

Demographic and economic information

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

Operating information

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

City of Berkley, Michigan

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

Net Position by Component

Last Ten Fiscal Years

As of June 30,					
2015	2016	2017	2018	2019	2020
\$ 11,765,355	\$ 12,605,508	\$ 12,566,628	\$ 12,991,485	\$ 13,045,304	\$ 14,370,876
2,575,308	3,481,448	3,299,179	3,022,602	3,618,304	5,298,444
<u>(7,387,648)</u>	<u>(8,329,077)</u>	<u>(10,002,030)</u>	<u>(18,442,146)</u>	<u>(18,885,704)</u>	<u>(20,254,877)</u>
<u>\$ 6,953,015</u>	<u>\$ 7,757,879</u>	<u>\$ 5,863,777</u>	<u>\$ (2,428,059)</u>	<u>\$ (2,222,096)</u>	<u>\$ (585,557)</u>
\$ 11,078,068	\$ 11,829,788	\$ 12,902,134	\$ 14,339,122	\$ 15,633,718	\$ 16,470,852
-	-	-	-	-	-
<u>2,314,089</u>	<u>2,524,710</u>	<u>2,292,463</u>	<u>1,585,079</u>	<u>1,052,583</u>	<u>1,211,761</u>
<u>\$ 13,392,157</u>	<u>\$ 14,354,498</u>	<u>\$ 15,194,597</u>	<u>\$ 15,924,201</u>	<u>\$ 16,686,301</u>	<u>\$ 17,682,613</u>
\$ 22,843,423	\$ 24,435,296	\$ 25,468,762	\$ 27,330,607	\$ 28,679,022	\$ 30,841,728
2,575,308	3,481,448	3,299,179	3,022,602	3,618,304	5,298,444
<u>(5,073,559)</u>	<u>(5,804,367)</u>	<u>(7,709,567)</u>	<u>(16,857,067)</u>	<u>(17,833,121)</u>	<u>(19,043,116)</u>
<u>\$ 20,345,172</u>	<u>\$ 22,112,377</u>	<u>\$ 21,058,374</u>	<u>\$ 13,496,142</u>	<u>\$ 14,464,205</u>	<u>\$ 17,097,056</u>

City of Berkley, Michigan

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

Changes in Governmental Activities Net Position

Last Ten Fiscal Years

As of June 30,							
2014	2015	2016	2017	2018	2019	2020	
\$ 3,259,836	\$ 3,713,410	\$ 2,960,882	\$ 3,253,442	\$ 2,457,584	\$ 2,717,055	\$ 2,796,098	
4,824,914	5,108,392	5,827,300	6,537,971	5,502,213	6,153,144	5,883,336	
3,303,767	3,710,743	3,263,194	3,961,969	4,169,167	4,307,344	4,327,550	
159,649	166,478	119,477	212,793	132,247	110,335	102,322	
1,709,925	1,828,480	1,887,724	2,070,940	2,071,555	2,097,708	1,992,930	
139,890	104,750	68,928	46,083	36,100	26,250	18,500	
<u>13,397,981</u>	<u>14,632,253</u>	<u>14,127,505</u>	<u>16,083,198</u>	<u>14,368,866</u>	<u>15,411,836</u>	<u>15,120,736</u>	
3,062,151	3,057,180	2,367,271	2,599,640	2,845,944	3,079,982	2,660,224	
1,264,242	1,612,680	1,850,630	1,385,111	1,621,962	1,726,321	1,702,719	
199,272	249,360	240,677	30,933	73,692	1,343	-	
<u>4,525,665</u>	<u>4,919,220</u>	<u>4,458,578</u>	<u>4,015,684</u>	<u>4,541,598</u>	<u>4,807,646</u>	<u>4,362,943</u>	
<u>(8,872,316)</u>	<u>(9,713,033)</u>	<u>(9,668,927)</u>	<u>(12,067,514)</u>	<u>(9,827,268)</u>	<u>(10,604,190)</u>	<u>(10,757,793)</u>	
8,253,315	8,477,367	8,544,699	8,236,436	8,295,631	8,685,875	10,351,643	
1,293,237	1,316,074	1,314,979	1,429,058	1,449,940	1,485,102	1,456,465	
37,413	55,102	60,242	77,244	129,208	173,030	147,103	
390,249	459,510	553,871	430,674	781,620	466,146	439,121	
<u>9,974,214</u>	<u>10,308,053</u>	<u>10,473,791</u>	<u>10,173,412</u>	<u>10,656,399</u>	<u>10,810,153</u>	<u>12,394,332</u>	
<u>\$ 1,101,898</u>	<u>\$ 595,020</u>	<u>\$ 804,864</u>	<u>\$ (1,894,102)</u>	<u>\$ 829,131</u>	<u>\$ 205,963</u>	<u>\$ 1,636,539</u>	

City of Berkley, Michigan

	As of June 30,			
	2011	2012	2013	2014
Operating Revenue:				
Charges for services - Water/Sewer	\$ 4,996,086	\$ 5,390,864	\$ 5,562,758	\$ 5,592,326
Charges for services - Arena	342,046	321,367	379,651	368,805
Total business-type operating revenue	4,968,056	5,338,132	5,942,409	5,961,131
Operating Expenses:				
Water/Sewer	4,425,206	4,586,983	4,503,819	4,568,046
Arena	391,151	382,335	398,498	388,811
Total business-type operating expenses	4,368,622	4,816,357	4,902,317	4,956,857
Net business-type operating income	599,434	521,775	1,040,092	1,004,274
Nonoperating Revenue:				
Unrestricted investment earnings	1,997	2,661	4,781	4,489
Other	-	-	-	-
Total business-type nonoperating revenue	1,997	2,661	4,781	4,489
Change in business-type net position	523,772	745,574	1,118,188	1,059,763
Change in net position, total primary government	<u>\$ 382,646</u>	<u>\$ 793,418</u>	<u>\$ 1,290,776</u>	<u>\$ 2,161,661</u>

Changes in Business-type Net Position

Last Ten Fiscal Years

As of June 30,					
2015	2016	2017	2018	2019	2020
\$ 5,729,719	\$ 6,285,422	\$ 6,296,971	\$ 6,683,811	\$ 6,717,244	\$ 6,915,755
340,729	237,581	275,454	14,369	-	-
6,070,448	6,523,003	6,572,425	6,698,180	6,717,244	6,915,755
4,874,414	5,214,208	5,762,885	5,721,616	5,991,515	5,944,829
392,804	387,124	138,126	52,870	73,980	157,113
5,267,218	5,601,332	5,901,011	5,774,486	6,065,495	6,101,942
803,230	921,671	671,414	923,694	651,749	813,813
10,097	13,670	18,685	22,587	30,351	23,681
275	-	150,000	30,000	80,000	158,818
10,372	13,670	168,685	52,587	110,351	182,499
1,040,709	962,341	840,099	976,281	762,100	996,312
\$ 1,635,729	\$ 1,767,205	\$ (1,054,003)	\$ 1,805,412	\$ 968,063	\$ 2,632,851

City of Berkley, Michigan

	As of June 30,			
	2011	2012	2013	2014
General Fund:				
Nonspendable	\$ 368,673	\$ 315,502	\$ 284,329	\$ 317,474
Restricted	72,800	96,903	107,930	120,355
Assigned	220,000	220,000	325,000	5,000
Unassigned	<u>1,992,303</u>	<u>2,452,971</u>	<u>2,438,647</u>	<u>2,741,075</u>
Total general fund	<u>2,653,776</u>	<u>3,085,376</u>	<u>3,155,906</u>	<u>3,183,904</u>
All other governmental funds:				
Nonspendable	260,316	203,321	138,276	80,536
Restricted	2,686,079	2,421,348	2,188,290	2,415,571
Committed	348,215	422,592	526,423	692,100
Assigned	415,669	497,862	606,723	700,423
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>3,710,279</u>	<u>3,545,123</u>	<u>3,459,712</u>	<u>3,888,630</u>
Total of all governmental funds	<u>\$ 6,364,055</u>	<u>\$ 6,630,499</u>	<u>\$ 6,615,618</u>	<u>\$ 7,072,534</u>

Fund Balances, Governmental Funds

Last Ten Fiscal Years

As of June 30,					
2015	2016	2017	2018	2019	2020
\$ 291,749	\$ 327,691	\$ 305,101	\$ 203,072	\$ 1,302,781	\$ 1,246,313
129,814	142,012	166,408	257,678	393,516	826,899
-	-	-	1,791,139	351,237	447,244
3,103,391	3,909,081	4,646,335	3,979,977	4,601,416	3,940,515
3,524,954	4,378,784	5,117,844	6,231,866	6,648,950	6,460,971
24,361	19,707	15,485	16,607	8,258	236
2,320,355	3,305,159	3,009,016	2,685,461	3,138,502	4,344,607
835,919	976,873	989,553	901,471	909,394	722,864
774,901	800,592	709,313	721,710	671,893	400,238
-	-	(29,971)	-	-	-
3,955,536	5,102,331	4,693,396	4,325,249	4,728,047	5,467,945
\$ 7,480,490	\$ 9,481,115	\$ 9,811,240	\$ 10,557,115	\$ 11,376,997	\$ 11,928,916

City of Berkley, Michigan

	As of June 30,			
	2011	2012	2013	2014
Revenue				
Local revenue	\$ 10,377,264	\$ 10,485,022	\$ 10,422,534	\$ 11,959,223
State revenue	2,116,821	2,155,369	93,077	2,322,250
Federal revenue	96,773	74,851	2,191,716	43,643
Total revenue	12,780,252	12,590,858	12,707,327	14,325,116
Expenditures				
Current:				
General government	2,525,147	2,392,049	2,560,152	2,802,372
Public safety	4,711,535	4,461,190	4,525,013	4,700,580
Public works	2,733,588	2,834,954	2,869,767	3,058,533
Health and welfare	222,609	141,613	207,514	179,489
Recreation and culture	1,334,890	1,306,839	1,377,854	1,414,086
Debt service:				
Principal	658,021	741,454	725,000	735,000
Interest	244,692	212,025	180,847	148,610
Capital outlay	281,698	262,418	202,906	778,370
Total expenditures	12,712,180	12,352,542	12,649,053	13,817,040
Excess of Revenue Over Expenditures	(121,322)	362,700	58,274	508,076
Other Financing Sources (Uses)				
Transfers in	378,266	158,332	155,963	756,953
Transfers out	(621,645)	(254,588)	(229,278)	(807,953)
Other	-	-	-	-
Total other financing sources (uses)	(243,379)	(96,256)	(73,315)	(51,000)
Net change in fund balances	(364,701)	266,444	(15,041)	457,076
Fund Balances - Beginning of year	6,728,756	6,364,055	6,630,499	6,615,458
Fund Balances - End of year	<u>\$ 6,364,055</u>	<u>\$ 6,630,499</u>	<u>\$ 6,615,458</u>	<u>\$ 7,072,534</u>
Debt service as a percentage of noncapital expenditures	7.54%	8.15%	7.54%	6.70%

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

As of June 30,					
2015	2016	2017	2018	2019	2020
\$ 12,468,368	\$ 12,002,658	\$ 11,581,688	\$ 12,090,257	\$ 12,543,928	\$ 13,681,126
2,372,622	2,918,786	2,599,706	2,957,014	3,154,981	3,069,271
383,305	120,601	22,240	68,914	11,092	53,347
15,224,295	15,042,045	14,203,634	15,116,185	15,710,001	16,803,744
2,724,425	2,254,700	2,546,261	2,564,713	3,014,867	3,518,325
4,866,822	4,668,617	5,170,198	4,928,196	5,156,993	5,313,236
4,101,935	3,123,736	3,470,559	4,154,574	3,685,816	3,815,701
196,602	153,445	218,459	148,967	134,388	102,556
1,533,968	1,485,044	1,594,881	1,773,307	1,814,049	1,591,818
860,000	925,000	225,000	225,000	250,000	275,000
114,276	76,174	47,194	38,349	28,750	18,250
277,496	327,704	450,957	507,204	725,256	1,527,759
14,675,524	13,014,420	13,723,509	14,340,310	14,810,119	16,162,645
548,771	2,027,625	480,125	775,875	899,882	641,099
916,693	555,034	189,916	570,000	630,000	749,921
(1,057,508)	(582,034)	(339,916)	(600,000)	(710,000)	(947,607)
-	-	-	-	-	108,506
(140,815)	(27,000)	(150,000)	(30,000)	(80,000)	(89,180)
407,956	2,000,625	330,125	745,875	819,882	551,919
7,072,534	7,480,490	9,481,115	9,811,240	10,557,115	11,376,997
\$ 7,480,490	\$ 9,481,115	\$ 9,811,240	\$ 10,557,115	\$ 11,376,997	\$ 11,928,916
6.77%	7.89%	2.09%	2.07%	2.06%	2.15%

Taxable Value and Estimated Actual Value of Taxable Property

Last Ten Tax Years

Tax Year	Fiscal year	Taxable Value by Property Type					Total Value	Tax rate (mills)	Estimated Actual Value	Taxable Value as a % of Actual
		Residential	Commercial	Industrial	Personal property					
2010	2011	417,703,030	53,212,790	3,708,310	14,026,180	488,650,310	14.0656	524,003,230	93.25%	
2011	2012	397,284,790	52,547,550	1,128,660	14,140,570	465,101,570	14.2990	480,072,565	96.88%	
2012	2013	388,105,590	51,050,170	889,120	13,992,940	454,037,820	14.4917	460,925,460	98.51%	
2013	2014	397,730,420	50,439,440	849,760	14,900,060	463,919,680	17.5074	473,399,655	98.00%	
2014	2015	410,885,648	50,207,950	816,550	11,907,130	473,817,278	17.5454	521,957,503	90.78%	
2015	2016	429,367,950	51,202,520	831,010	12,626,360	494,027,840	16.9791	591,165,960	83.57%	
2016	2017	444,824,760	51,074,430	795,420	12,251,880	508,946,490	15.8215	634,050,220	80.27%	
2017	2018	470,165,800	51,766,210	817,790	12,972,020	535,721,820	15.1746	683,000,240	78.44%	
2018	2019	503,477,610	53,456,860	707,960	13,749,000	571,391,430	14.9025	722,186,870	79.12%	
2019	2020	534,781,150	55,499,230	828,050	14,150,420	605,258,850	16.8238	787,137,440	76.89%	

Note: Under Michigan law, the revenue base is referred to as "Taxable Value". This amount represents Assessed value (50% of true cash value), limited for each property by the lower of 5% or inflation.

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

City of Berkley, Michigan

Millage Rates - City of Berkley

Overlapping Taxes

Berkley Schools

Tax Year	City Operating	Public Safety	Sanitation	Community Promotions	Public Safety Pension	City Debt	Capital Projects (Roads)	Total direct taxes	Homestead	Non-Homestead
2011	6.3101	1.8927	1.8927	0.1023	2.4762	1.3916	-	14.0656	4.2167	22.2167
2012	6.3101	1.8927	1.8927	0.1075	2.5479	1.5481	-	14.2990	4.6967	22.6967
2013	6.3101	1.8927	1.8927	0.1101	2.6430	1.6431	-	14.4917	4.7167	22.7167
2014	9.3101	1.8927	1.8927	0.1078	2.7435	1.5606	-	17.5074	4.7367	22.7367
2015	9.2831	1.8872	1.8872	0.1055	2.7120	1.6704	-	17.5454	4.7353	22.7353
2016	9.1456	1.8592	1.8592	0.1012	2.4290	1.5849	-	16.9791	7.7269	25.7269
2017	8.9818	1.8259	1.8259	0.0982	2.5445	0.5452	-	15.8215	7.7148	25.7148
2018	8.7590	1.7806	1.7806	0.0933	2.2684	0.4927	-	15.1746	7.6993	25.6993
2019	8.5697	1.7421	1.7421	0.0875	2.2684	0.4927	-	14.9025	7.6843	25.3465
2020	8.4034	1.7083	1.7083	0.0826	2.4975	0.4625	1.9612	16.8238	6.6517	24.0366

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

General operating	8.4034
Public safety	1.7083
Sanitation	1.7083
Community promotions	2.2778

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

Direct and Overlapping Property Tax Rates

Last Ten Tax Years

Overlapping Taxes

Royal Oak Schools									
Homestead	Non-Homestead	Oakland County	Oakland Intermediate Schools	Oakland Community College	Oakland County Public Transportation Authority	State Education	HCMA	Zoo Authority	Downtown Development Authority
7.7312	22.7100	4.4315	3.3690	1.5844	0.5900	6.0000	0.2415	0.1000	1.9216
7.7300	22.7100	4.4315	3.3690	1.5844	0.5900	6.0000	0.2146	0.1000	1.9217
7.7300	22.7100	4.1900	3.3690	1.5844	0.5900	6.0000	0.2146	0.1000	1.9217
7.7300	25.7300	4.1900	3.3690	1.5844	0.5900	6.0000	0.2146	0.1000	1.9217
7.1928	25.1928	4.1900	3.3690	1.5844	1.0000	6.0000	0.2146	0.1000	1.9217
7.3842	22.7466	4.3310	3.3633	1.5819	0.9998	6.0000	0.2146	0.0998	1.9217
7.2911	22.5797	4.0900	3.3633	1.5819	0.9998	6.0000	0.2146	0.0998	1.9217
6.6965	22.2263	4.0400	3.1113	1.5555	0.9863	6.0000	0.2140	0.0998	1.9217
6.6245	22.2160	4.0400	3.0863	1.5431	1.0000	6.0000	0.2129	0.0982	1.9084
6.0511	24.0511	4.0400	3.0605	1.5303	0.9927	6.0000	0.2117	0.0973	1.8776

Principal Property Tax Payers

Current and Ten Years Ago

	Taxpayer	2020 Taxable Value	% of total	2011 Taxable Value	% of total	2011 Rank
1	Consumers Energy	\$ 5,264,380	0.87%	\$ 1,203,560	0.23%	7
2	DTE Electric	3,442,570	0.57%	3,210,620	0.67%	1
3	DHS Management	3,014,080	0.50%	3,551,240	0.60%	2
4	814 Berkley LLC	2,014,800	0.33%	1,369,270	0.26%	5
5	Northwood Medical Limited Ptnrs	1,760,220	0.29%	1,798,300	0.34%	3
6	Essco of Berkley LLC	1,409,060	0.23%	-	0.00%	N/A
7	Monarch Acquisition LLC	1,439,570	0.24%	-	0.00%	N/A
8	Anusbigian LLC	1,428,590	0.24%	1,383,370	0.26%	6
9	Capital Development Corp	1,061,870	0.18%	1,184,780	0.22%	8
10	SD Investments	939,270	0.16%	-	0.00%	N/A
	Berkley Twelve Associates II	-	0.00%	1,698,150	0.32%	4
	Hartfield Realty & Leasing	-	0.00%	1,107,820	0.21%	9
	Berkley Holding, Inc.	-	0.00%	767,250	0.14%	10
	Total taxable value	<u>\$ 21,774,410</u>	<u>3.60%</u>	<u>\$ 17,274,360</u>	<u>3.24%</u>	

Source: Oakland County Equalization
City of Berkley Treasury Department

Property Tax Levies and Collections

Last Ten Fiscal Years

Tax Year	Year ended June 30,	Total levy	Current collections (1)	Percent collected	Delinquent collections (2)	Total tax collections	Percent of levy collected
2010	2011	7,765,387	7,739,802	99.67%	22,063	7,761,865	99.95%
2011	2012	7,522,328	7,508,678	99.82%	8,385	7,517,063	99.93%
2012	2013	7,470,715	7,457,808	99.83%	11,657	7,469,465	99.98%
2013	2014	9,042,351	9,023,584	99.79%	18,768	9,042,352	100.00%
2014	2015	9,231,605	9,225,574	99.93%	6,032	9,231,606	100.00%
2015	2016	9,279,449	9,265,679	99.85%	13,770	9,279,449	100.00%
2016	2017	8,962,059	8,950,100	99.87%	11,959	8,962,059	100.00%
2017	2018	9,042,743	9,033,469	99.90%	9,274	9,042,743	100.00%
2018	2019	9,138,215	9,122,750	99.83%	15,465	9,138,215	100.00%
2019	2020	10,340,646	10,318,128	99.78%	22,518	10,340,646	100.00%

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

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

City of Berkley, Michigan

	As of June 30, 2020			
	2011	2012	2013	2014
Governmental Activities:				
General obligation bonds	\$ 4,436,454	\$ 3,825,000	\$ 3,250,000	\$ 2,675,000
Installment purchase agreements	825,000	695,000	545,000	385,000
Total governmental activities debt	5,261,454	4,520,000	3,795,000	3,060,000
Business Type Activities:				
General obligation bonds	5,805,463	5,423,665	5,030,519	4,627,609
Total debt of the government	\$ 11,066,917	\$ 9,943,665	\$ 8,825,519	\$ 7,687,609
Total taxable value (1)	\$ 488,650,310	\$ 465,101,570	\$ 454,037,820	\$ 463,919,680
Ratio of total debt to personal income	2.26%	2.14%	1.94%	1.66%
Total Population	15,067	15,067	15,253	15,253
Total debt per capita	\$ 735	\$ 660	\$ 579	\$ 504

(1) Personal income is not available

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

Ratios of Outstanding Debt

Last Ten Fiscal Years

As of June 30, 2020						
2015	2016	2017	2018	2019	2020	
\$ 2,000,000	\$ 1,275,000	\$ 1,050,000	\$ 825,000	\$ 575,000	\$ 300,000	
200,000	-	-	-	-	-	
<u>2,200,000</u>	<u>1,275,000</u>	<u>1,050,000</u>	<u>825,000</u>	<u>575,000</u>	<u>300,000</u>	
4,214,602	3,798,436	3,341,323	2,890,818	2,431,167	1,960,800	
<u>\$ 6,414,602</u>	<u>\$ 5,073,436</u>	<u>\$ 4,391,323</u>	<u>\$ 3,715,818</u>	<u>\$ 3,006,167</u>	<u>\$ 2,260,800</u>	
\$ 473,817,278	\$ 494,027,840	\$ 508,946,490	\$ 535,721,820	\$ 571,391,430	\$ 605,258,850	
1.35%	1.03%	0.86%	0.69%	0.53%	0.37%	
15,089	15,135	15,272	15,239	15,269	15,513	
\$ 425	\$ 335	\$ 288	\$ 244	\$ 197	\$ 146	

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	UTGO City General Obligation Bonds	General Obligation Bonds Issued by County on Behalf of the City	Total General Obligation Debt	Taxable value	Total General Bonded Debt as a Percentage of Taxable Value	Debt as a percentage of taxable value	Population	Debt per capita
2011	4,350,000	5,805,463	10,155,463	488,650,310	0.89%	2.08%	15,067	674
2012	3,825,000	5,423,665	9,248,665	465,101,570	0.82%	1.99%	15,067	614
2013	3,250,000	5,030,519	8,280,519	454,037,820	0.72%	1.82%	15,253	543
2014	2,675,000	4,627,609	7,302,609	463,919,680	0.58%	1.57%	15,253	479
2015	2,000,000	4,214,602	6,214,602	473,817,278	0.42%	1.31%	15,089	412
2016	1,275,000	3,798,436	5,073,436	494,027,840	0.26%	1.03%	15,135	335
2017	1,050,000	3,341,323	4,391,323	508,946,490	0.21%	0.86%	15,272	288
2018	825,000	2,890,818	3,715,818	535,721,820	0.15%	0.69%	15,239	244
2019	575,000	2,431,167	3,006,167	571,391,430	0.10%	0.53%	15,269	197
2020	300,000	1,960,800	2,260,800	605,258,850	0.05%	0.37%	15,513	146

Source: SEMCOG
Tax value - Oakland County Equalization

City of Berkley, Michigan

Direct and Overlapping Governmental Activities Debt

June 30, 2020

Governmental unit	Debt outstanding	Estimated % applicable	Estimated share of overlapping debt
Berkley School District	\$ 50,635,000	53.74%	\$ 27,211,249
Royal Oak School District	55,470,000	0.45%	249,615
Oakland County	307,015,768	1.00%	3,170,158
Oakland County Intermediate School District	42,970,000	1.01%	433,997
Oakland County Community College	-	99.00%	-
Total overlapping debt			31,065,019
Direct City debt			300,000
Total direct and overlapping debt			\$ 31,365,019

Source: Percentages obtained from Municipal Advisory Council of Michigan

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

	As of June 30, 2020									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Calculation of debt limit:										
State equalized valuation	\$ 524,003,230	\$ 480,072,565	\$ 460,925,460	\$ 473,399,655	\$ 521,957,503	\$ 591,165,960	\$ 634,050,220	\$ 683,000,240	\$ 772,186,870	\$ 787,137,440
10% of taxable value	52,400,323	48,007,257	46,092,546	47,339,966	52,195,750	59,116,596	63,405,022	68,300,024	72,218,687	78,713,744
Calculation of debt subject to limit:										
Total debt (1)	11,066,917	9,943,665	8,825,519	7,687,609	6,414,602	5,073,436	4,391,323	3,715,818	3,006,167	2,260,800
Less: debt not subject to limit:										
State qualified debt issuance	-	-	-	-	-	-	-	-	-	-
Net debt subject to limit	11,066,917	9,943,665	8,825,519	7,687,609	6,414,602	5,073,436	4,391,323	3,715,818	3,006,167	2,260,800
Legal debt margin	\$ 41,333,406	\$ 38,063,592	\$ 37,267,027	\$ 39,652,357	\$ 45,781,148	\$ 54,043,160	\$ 59,013,699	\$ 64,584,206	\$ 69,212,520	\$ 76,452,945
Net debt subject to limit as % of debt limit	21.12%	20.71%	19.15%	16.24%	12.29%	8.58%	6.93%	5.44%	4.16%	2.96%

Sources: Oakland County Equalization
City annual financial statements

(1) All debt including PA 99 installment debt

	As of June 30, 2020									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Calculation of debt limit:										
Taxable value	\$ 488,650,310	\$ 465,101,570	\$ 454,037,820	\$ 463,919,680	\$ 473,817,278	\$ 494,027,840	\$ 508,946,490	\$ 535,721,820	\$ 571,391,430	\$ 605,258,850
1.25% of taxable value	6,108,129	5,813,770	5,675,473	5,798,996	5,922,716	6,175,348	6,361,831	6,696,523	7,142,393	7,565,736
Calculation of debt subject to limit:										
Total debt	911,454	695,000	545,000	385,000	200,000	-	-	-	-	-
Less: debt not subject to limit:										
State qualified debt issuance	-	-	-	-	-	-	-	-	-	-
Net debt subject to limit	911,454	695,000	545,000	385,000	200,000	200,000	-	-	-	-
Legal debt margin	\$ 5,196,675	\$ 5,118,770	\$ 5,130,473	\$ 5,413,996	\$ 5,722,716	\$ 6,175,348	\$ 6,361,831	\$ 6,696,523	\$ 7,142,393	\$ 7,565,736
Net debt subject to limit as % of debt limit	14.92%	11.95%	9.60%	6.64%	3.38%	0.00%	0.00%	0.00%	0.00%	0.00%

Sources: City annual financial statements

Pledged-Revenue Coverage

Last Ten Fiscal Years

Fiscal Year (1)	Water and Sewer		Net Revenue	Water and Sewer Debt Service			Coverage
	Fund Operating Revenue (2)	Less Operating Expenses		Principal	Interest	Total	
2011	4,996,086	4,265,636	730,450	372,976	159,570	532,546	1.37
2012	5,390,864	4,432,259	958,605	381,798	154,724	536,522	1.79
2013	5,562,758	4,375,930	1,186,828	393,145	146,762	539,907	2.20
2014	5,592,326	4,436,732	1,155,594	402,911	136,074	538,985	2.14
2015	5,816,011	4,752,286	1,063,725	413,008	125,137	538,145	1.98
2016	6,197,517	5,099,352	1,098,165	424,983	90,968	515,951	2.13
2017	6,429,612	5,493,331	936,281	439,794	92,664	532,458	1.76
2018	6,196,595	6,337,214	(140,619)	450,505	79,271	529,776	(0.27)
2019	6,170,042	5,485,593	(315,551)	459,651	69,706	529,357	(0.60)
2020	6,915,755	5,888,960	1,026,795	470,368	55,869	526,237	1.95

Source: City of Berkley finance department

(1) Debt starts in fiscal year 2004

(2) Interest income is not included in operating revenue

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal year	Population	Median Household Income	Per Capita Personal Income	Unemployment Rate
2011	15,067	62,597	34,475	11.00%
2012	15,123	65,644	34,886	9.60%
2013	15,253	71,740	36,042	9.00%
2014	15,253	70,625	36,539	8.40%
2015	15,089	75,856	38,872	5.40%
2016	15,135	*	*	4.70%
2017	15,272	*	*	4.40%
2018	15,239	74,172	38,667	2.90%
2019	15,269	77,772	40,009	3.70%
2020	15,513	82,095	38,667	14.90%

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

* Information not available

Principal Employers

Current and Nine Years Ago

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

*Due to the rise in unemployment due to pandemic, City continues to present 2019 figures

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

Full-Time Equivalent Government Employees

Last Ten Fiscal Years

Department	As of June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
City Manager	1.60	1.60	1.60	1.60	1.60	2.60	3.00	2.00	2.00	2.00
Communications	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Information Technology	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00
City Clerk/Elections	1.60	1.60	1.60	1.60	1.60	1.60	2.00	2.00	2.00	2.00
Treasury	1.05	1.05	1.05	1.05	1.05	1.05	1.00	1.00	1.00	1.00
Finance	1.30	1.30	1.15	1.15	1.15	1.15	3.00	3.00	3.00	3.00
Public Safety	34.00	33.00	34.00	33.15	33.15	34.00	34.00	35.00	40.00	40.00
Building	0.95	0.95	0.95	0.95	0.95	0.95	2.00	3.00	3.00	3.00
Public Works (1)	6.22	6.15	5.98	6.15	5.83	5.73	12.00	12.00	8.00	8.00
Public Works Garage	0.15	0.15	0.52	0.15	0.56	0.60	1.00	2.00	1.00	1.00
Solid Waste	2.29	2.28	2.21	2.28	2.21	2.21	-	-	1.00	1.00
Water and Sewer	7.12	7.23	7.23	7.23	7.17	9.76	1.00	1.00	5.00	5.00
Parks and Recreation	3.45	3.45	3.70	3.45	4.70	4.05	-	-	-	-
Recreation Youth/Senior	-	-	-	-	-	-	5.00	5.00	5.00	5.00
Arena	1.55	1.55	1.30	1.55	1.30	0.95	-	-	-	-
Library	2.95	2.95	2.95	2.95	2.95	2.95	4.00	3.00	2.00	2.00
Court	8.00	6.00	6.00	6.00	-	-	-	-	-	-
Total	73.98	71.01	71.99	71.01	65.97	69.35	70.00	71.00	75.00	75.00

Source: Finance department budget record

(1) Public works includes Major and Local Streets

City of Berkley, Michigan

Function/ Program	As of June 30, 2020			
	2011	2012	2013	2014
General Government:				
Registered Voters	11,942	12,016	12,191	12,349
Voters at Polls	4,979	1,077	6,846	1,578
Absentee Ballots	1,395	729	2,373	797
Percent Voting	53.37%	15.03%	76.00%	19.28%
Public Safety:				
Responses to Calls for Service	15,924	16,489	15,017	15,513
Motor Vehicle Accidents	454	412	367	410
Assaults	60	73	42	70
Burglary	39	30	26	21
Property Damage	54	49	43	30
Number of Arrests	824	857	849	829
Fire:				
Fire Incidents (1)	178	68	99	87
Fire Inspections Conducted	134	172	182	48
Medical Emergencies	842	823	766	890
Parks and Recreation:				
Youth Classes	77	112	90	94
Adult Classes	87	82	78	81
Youth Leagues	-	-	-	-
Adult Leagues	6	7	6	7
Summer Day Camp Participants	132	144	152	185
Senior Citizens Programs	19	20	23	25
Ice Arena:				
Number of Skaters enrolled	75	65	56	60
Hours of Ice Time Sold	2,190	2,130	1,880	1,624
Public Works:				
Water Purchased from SOCWA	56,527,800	58,265,600	50,361,900	48,465,200
Water Sold to Customers	50,941,500	50,911,300	51,600,700	49,783,200
Number of Meters	6,809	6,865	6,818	6,819
Library:				
Items Circulated	161,203	166,522	156,691	149,803
Circulation per Capita	11	11	10	10
Reference and Patron Assistance	14,058	14,159	12,779	13,687
Electronic Access	2,138	4,238	5,660	8,762
Registered Borrowers	8,081	8,109	8,063	7,960
Materials Borrowed - Non-Residents	54,496	54,827	48,653	44,714
Materials Borrowed - Berkley Residents at Other Libraries	28,590	25,848	25,053	24,031
Number of Participants in Activities	3,198	3,988	4,017	4,189
Public Internet Sessions	32,250	30,719	31,231	30,530
Books Borrowed	130,113	136,452	128,686	106,455
Audio/Video/CD Borrowed	31,090	3,070	28,005	34,586
Library Visits*	-	-	-	-
Treasury:				
Summer Tax Bills Processed	3,881	3,888	3,858	3,592

*Category initiated FYE 2017

(1) Fire incident includes open burns and downed wires

Operating Indicators

Last Ten Fiscal Years

As of June 30, 2020						
2015	2016	2017	2018	2019	2020	
12,295	12,527	12,719	12,353	12,774	13,182	
3,214	1,664	7,383	2,318	6,598	3,555	
940	833	2,292	748	2,254	4,576	
33.79%	19.93%	76.07%	18.76%	69.30%	62.00%	
16,910	16,308	15,654	17,029	16,992	15,982	
404	360	394	377	370	385	
80	45	43	45	36	29	
22	37	12	14	10	4	
45	25	27	45	17	43	
1,113	1,295	1,199	1,120	978	498	
183	120	186	154	180	157	
48	157	406	233	423	484	
894	849	838	842	879	912	
90	94	88	85	95	24	
80	79	78	82	120	24	
-	-	-	-	-	-	
5	5	4	4	4	1	
250	305	347	389	427	-	
25	27	24	28	45	10	
106	130	-	-	-	-	
1,470	1,500	-	-	-	-	
45,348,400	51,593,000	54,613,400	51,661,800	54,203,700	47,761,000	
46,240,200	46,216,000	47,797,400	47,124,100	44,495,600	42,367,500	
6,833	6,832	6,835	6,871	6,873	6,871	
145,770	146,573	147,623	150,004	157,256	136,610	
10	10	10	10	11	9	
14,440	14,351	13,769	12,839	12,710	8,174	
11,239	13,290	13,537	15,885	19,625	27,191	
7,991	7,826	7,454	7,396	6,368	6,475	
41,900	41,478	42,206	41,565	46,029	37,804	
19,816	19,038	17,687	19,745	19,471	11,115	
6,536	4,260	5,507	5,942	5,959	4,425	
32,111	31,264	19,763	16,906	16,108	11,573	
99,365	99,178	99,499	96,383	89,209	70,692	
45	40,902	39,428	36,219	29,439	21,576	
-	-	118,263	116,217	111,901	75,323	
3,564	3,495	3,423	3,360	3,360	3,355	

City of Berkley, Michigan

Function/ program	As of June 30, 2020			
	2011	2012	2013	2014
General Government:				
Square footage of buildings:				
City Hall	17,481	17,481	17,481	17,481
Library	15,000	15,000	15,000	15,000
Parks and Recreation	8,200	8,200	8,200	8,200
Ice Arena	34,200	34,200	34,200	34,200
Public Safety	12,000	12,000	12,000	12,000
Public Works	2,475	2,475	2,475	2,475
Public Safety:				
Fire Vehicles	2	2	2	2
Police Vehicles	16	16	15	15
Stations	1	1	1	1
Public Works:				
Major Streets (miles)	16	16	16	16
Local Streets (miles)	36	36	36	36
Street Lights	718	750	750	720
Vehicles in City Fleet	39	41	41	41
Parks and Recreation:				
Parks	9	9	9	9
Park Land (Acres)	39	39	39	39
Baseball Fields	8	8	8	8
Ice Arena	1	1	1	1
Historical Museum	1	1	1	1
Tennis Courts	-	-	-	-
Water and Sewer:				
Water Mains (Miles)	53	53	53	53
Sanitary Sewers (Miles)	56	56	56	56
Fire Hydrants	500	500	500	500

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

Capital Asset Statistics

Last Ten Fiscal Years

As of June 30, 2020					
2015	2016	2017	2018	2019	2020
17,481	17,481	17,481	17,481	17,481	17,481
15,000	15,000	15,000	15,000	15,000	15,000
8,200	8,200	8,200	8,200	8,200	8,200
34,200	34,200	34,200	34,200	34,200	-
12,000	12,000	12,000	12,000	12,000	12,600
2,475	2,475	2,475	2,475	2,475	2,475
2	2	2	2	2	2
15	15	15	16	16	17
1	1	1	1	1	1
16	16	16	16	16	16
36	36	36	36	36	36
720	720	720	720	720	720
40	40	40	40	40	40
9	9	9	9	9	9
42	42	42	42	42	42
8	8	8	8	8	8
1	1	1	1	1	-
1	1	1	1	1	1
-	-	-	-	-	10
53	53	53	53	53	53
56	56	69	69	69	69
500	500	500	500	500	500