Michigan Dept. of Teasury, Loval Autit & Finance Division
496 (3-98), Formerly L-3147

AUDITING PROCEDURES REPORT

Issued under P.A.2 of 1968, as amended. Filing is mandatory.

Local Government Type	Local Government Name	County
☒City ? Township ? Village ? Other	City of Oak Park, Michigan	Oakland

Audit Date	Opinion Date	Date Accountant Report Submitted to State:
June 30, 2004	October 24, 2004	December 21, 2004

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government* in *Michigan* as revised,

2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

? yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.

? yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (PA. 275 of 1980).

☒ yes ? no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).

? yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.

? yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).

? yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.

? yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).

? yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).

? yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) Rehmann Robson			
Street Address 5750 New King Street, Suite 100	City Troy	State MI	Zip 48098

Thomas E. Darling, CPA

Accountant Signature Thomas Darling, CPA

CITY OF OAK PARK

MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2004

CITY OF OAK PARK, MICHIGAN

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE YEAR ENDING

JUNE 30, 2004

SUBMITTED TO THE

2004 CITY COUNCIL

Gerald E. Naftaly, Mayor

Arthur Frohlich, Mayor Pro Tem

Willie Horton, Councilman

Michael M. Seligson, Councilman

Kirk Yousif, Councilman

Prepared By:

The Department of Finance and
Administrative Services

"The Family City"

Fiscal Year July 1, 2003
through June 30, 2004

Comprehensive Annual Financial Report

CITY OF OAK PARK, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Oak Park, Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

"The Family City"

Fiscal Year July 1, 2003
through June 30, 2004

Comprehensive Annual Financial Report

CITY OF OAK PARK

"The Family City"

James Ghedotte
Director of Finance and Administrative Services

Mayor
Gerald E. Naftaly

Mayor Pro Tem
Arthur Frohlich

Councilmember
Willie Horton
Michael M. Seligson
Kirk Yousif

October 24, 2004

To the Honorable Mayor, members of the City Council, City Manager, and the Citizens of the City of Oak Park:

The comprehensive annual financial report (CAFR) of the City of Oak Park for the year ended June 30, 2004, is hereby submitted as mandated by the City Charter, Section 9.8, and State Statute, Public Act 101. The City Charter and state statute require that the City of Oak Park issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The financial statements and supplemental schedules contained herein have been audited by Rehman Robson, Certified Public Accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City of Oak Park. All disclosures necessary to enable the reader to gain an understanding of the City of Oak Park activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section, which is unaudited, includes this letter of transmittal, an organizational chart and a list of the City of Oak Park's principal appointed officials. The Basic Financial Statements section includes the entity-wide financial statements, fund financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The required supplemental section includes management's discussion and analysis and information on the pension plan. Other supplementary information includes combining and individual fund financial statements. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

Generally accepted accounting principles 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 compliment MD&A and should be read in conjunction with it. The City of Oak Park's MD&A can be found immediately following the report of the independent auditor.

The Reporting Entity and Services Provided

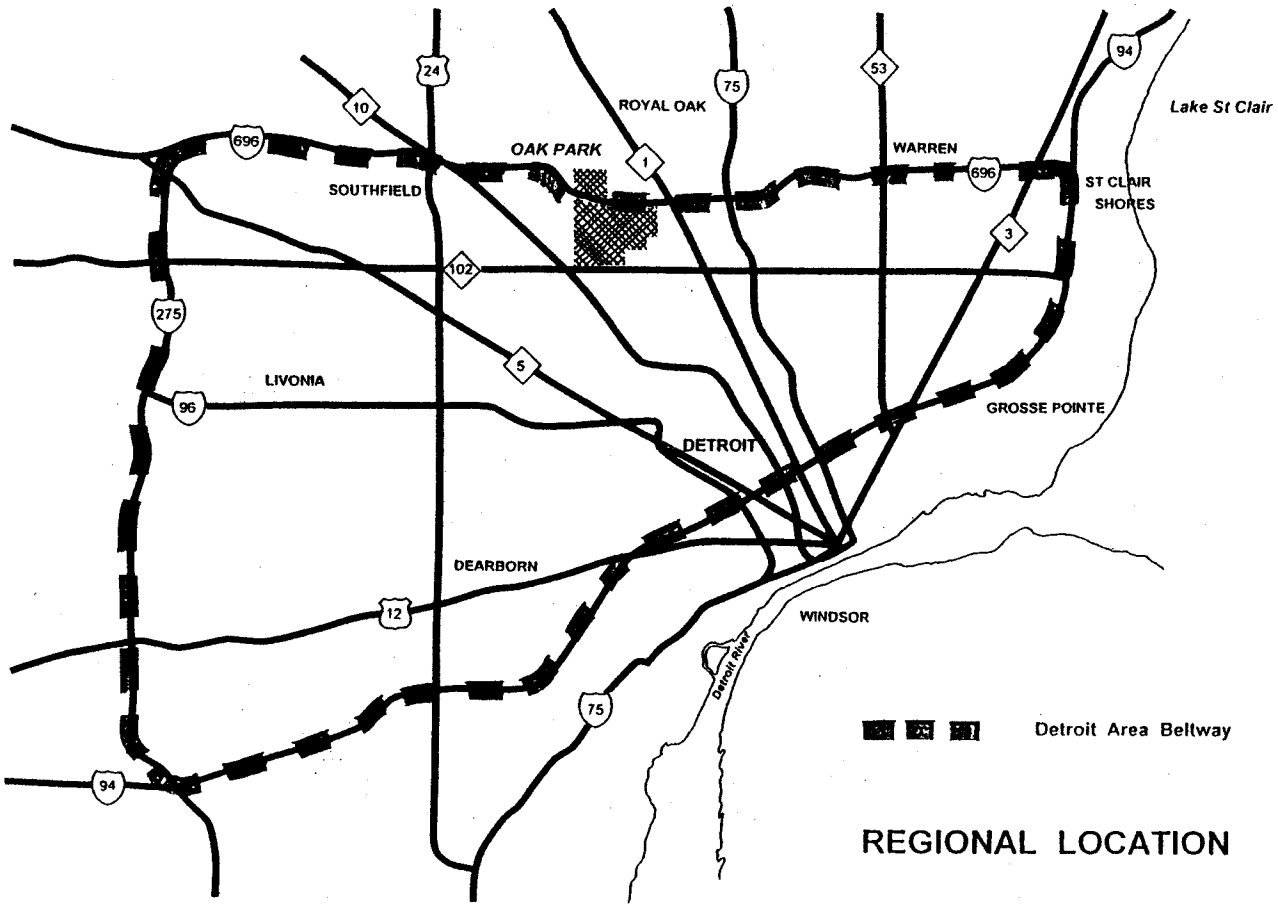
The City of Oak Park has defined its financial reporting entity in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). The City of Oak Park includes all the funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Mayor and City Council. Based on these criteria, the Municipal Building Authority and the Economic Development Corporation have been included in this report.

13600 Oak Park Boulevard, Oak Park, MI 48237 Telephone: (248) 691-7546 Fax: (248) 691-7157

The City of Oak Park provides a full range of services including police and fire protection; sanitation services; the construction and maintenance of highways, streets and infrastructure; planning and zoning; library services; recreational activities and cultural events. In addition, water and sewer services are provided under an Enterprise Fund concept, with user charges set by City Council to ensure adequate coverage of operating expenses and payments on outstanding debt.

Local Economy and Governmental Structure

The City of Oak Park is located near the southeast corner of Oakland County, Southeast Michigan, approximately 3.5 miles from Macomb County and adjacent to the northern boundary of the City of Detroit. The City contains approximately 5.5 square miles with a population of 30,865 persons as reported by the U.S. Bureau of Census for 2000 and amended in 2004. The City currently has a 5.6 percent unemployment rate as compared to a statewide rate of 6.2 percent and a national average of 5.1 percent.



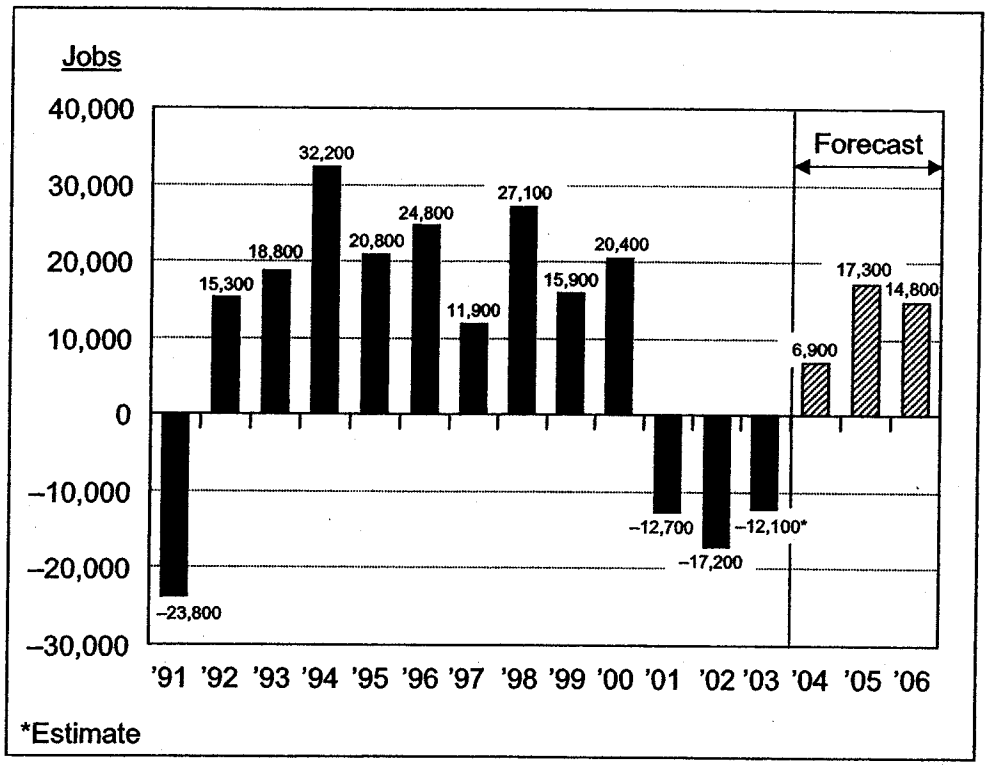
The City operates under the Council-Manager form of government as established in its Charter adopted October 29, 1945. The City Council is comprised of a Mayor, elected at-large every two years, and four Councilmembers, two elected at-large every four years. The City Council is responsible for enacting ordinances, resolutions and regulations governing the City.

City Council also appoints the members of various statutory and advisory boards and commissions, the City Manager, and the City Attorney. The City Manager is responsible for enforcement of laws and ordinances established by City Council. The City Manager also appoints and supervises the heads of departments of the City organization.

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

The 2004-2005 *Oakland County Economic Outlook* prepared by the Institute of Labor and Industrial Relations, University of Michigan, measures economic performance in Oakland County in terms of employment. It forecasts that employment in Oakland County will have modest job gains of 6,900 during 2004 followed by moderate job gains of 17,300 during 2005.

Private Sector Job Growth in Oakland County, 1991-2005



The *Oakland County Economic Outlook* was prepared in April of 2004 and predicts moderate recovery from the employment losses of the prior three years. The slow economic recovery affects all governmental agencies, as the cost of government rises while revenues tighten. In April the forecast unemployment rate for 2004 was 5.3%. As mentioned above the actual rate was 6.2%. Other economic factors such as declining state shared revenues and the stock market will also affect the City's ability to fund operations.

There is no question the next fiscal year will be challenging as revenue is reduced and expenses increase. It will be management's goal to maintain high quality services during economic uncertainty. The City has adopted prudent financial policies, which will help guide us through the upcoming years. The City has a strong property tax base and management believes it can meet the challenges confronting us in the near future.

Major Initiatives

The following were among those many diverse activities and accomplishments to which both the elected officials and staff devoted their energies in Fiscal Year 2003-2004:

1) A Certificate of Achievement for Excellence in Financial Reporting was received for the City's Comprehensive Annual Financial Report from the Government Finance Officers Association (GFOA) for the Fiscal Year July 1, 2002 through June 30, 2003. This award has been received for ten consecutive years.

2) A Distinguished Budget Presentation Award was received from the GFOA for the Fiscal Year 2004-2005 budget document. This award has been received for ten consecutive years.

3) An Award for Outstanding Achievement in Popular Annual Financial Reporting was received from the GFOA for the Fiscal Year 2002-2003. This award was received for the first time and made Oak Park one of five governments to receive the three financial reporting awards offered by the GFOA.

4) The City received a grant from the Federal Emergency Management Agency in the amount of $58,500. This is a federal grant to assist local fire fighting agencies. The City allocated the funds to help purchase replacement protective fire clothing.

5) In November 2002 the voters gave approval to borrow $22.5 million for renovation of the City's roads and municipal parking lots. The City borrowed $11.5 million in May 2002 to finance the first phase of construction. It is expected that it will take three years to complete the first phase and the planned improvements. The remaining $11 million of approved borrowing is expected to be made in 2006 or 2007.

Infrastructure and Major Equipment

6) The City expended $1,727,942 in FY 2003-2004 to convert five undeveloped or underdeveloped streets to poured concrete. Construction was paid from bond proceeds approved by the voters in 2002.

7) Purchased a 2004 Elgin Street Sweeper $101,000.

8) An amount of $82,988 was spent on four police cars. In addition, 11 in-car video systems were purchased for $74,719.

Some of the Major Initiatives for July 1, 2004 and after are as follows:

1) The City's sewage is handled by the Twelve Towns Drain system. Storm water and sewage enter the City's sewers, which is carried to the Twelve Towns treatment facility and released into Lake Sinclair. Pollution in Lake Sinclair has led the Michigan Department of

Environmental Quality to issue violations, which will require improvements to the facility. It is estimated that these improvements will cost $130 million of which $17.3 million will be the City's share. These improvements will cost every user of the system in Oak Park $5.65 to $8.00 per month. This will have a significant impact on the citizen's water and sewer bills as the improvements will have to be paid by increased charges. The City will continue to work with the Southeastern Oakland County Sewage Disposal District to clear up any violations and to embark on a plan that will not only benefit the environment but keep costs within a reasonable range. Five separate bonds were sold in FY 2001-2002 in the amount of $95,240,000. The City's share of this debt is $15.6 million. The Oakland County Drain Commission, which is overseeing this project, indicates there may be one more bond issue to complete this project.

2) The City adopted a balanced FY 2004-2005 General Fund Budget but had to eliminate three full time positions and most capital spending. The slowdown in the economy and the expected increases in expenditures for insurance and security will seriously affect future budgets.

3) The largest tract of undeveloped land in the City is a 72 acre parcel formerly owned by the State of Michigan. An abandoned armory, formerly occupied by the U.S. Government, covers much of this land. The State sold this property to a private developer. The developer and the City are currently in negotiations over providing some tax relief under the Brownfield Redevelopment Act.

4) Several residential and commercial parcels that are part of Royal Oak Township, which borders the City, have been annexed to the City. This was achieved by holding an election, which approved the annexation. The Township and the City have been in negotiations to annex a larger tract of land. This would be accomplished under a agreement to transfer the land to Oak Park in exchange for some revenue sharing.

Financial Information

Management of the City is responsible for establishing and maintaining internal control designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principals. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

A large parcel of property owned by the State of Michigan, which formerly housed the Eight Mile Armory, has stood vacant for many years. The State has sold this parcel for commercial development. This project will stimulate development in this area and provide additional tax dollars to fund future development.

As the City faces a slower economy additional funding sources will have to be found to fund large capital projects. This may include additional taxes, which can only be raised by a vote of the people. Other sources of revenue may include grants or raising fees. These challenges will be met using the financial policies above.

Federal Financial Assistance. As a recipient of federal financial assistance, the City is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control systems are evaluated periodically by management to achieve these objectives. The City is not required to have a Single Audit in FY 2003-2004 to test these controls because it received less than $500,000 ($298,430) in federal assistance as required by the Federal Office of Management and Budget (OMB) Circular 133.

Budgeting Controls. In accordance with state law, the City's budget is prepared on the modified accrual basis for governmental type funds, and its accounting records are also maintained on that basis. Under modified accrual accounting, revenues are recorded when they are both measurable and available. Expenditures are recorded when a liability is incurred, except for interest on long-term debt and accrued vacation benefits. Governmental fund types, such as the City's General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds are reported on the modified accrual basis. The City's Enterprise Fund, Internal Service Funds and Pension Trust Fund are reported on the full accrual basis, under which revenues are recorded when earned and expenses are recorded when incurred.

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level for the General Fund, Special Revenue Funds and certain Debt Service Funds. However, for internal accounting purposes, budgetary control is maintained by object class (line account) for all funds. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Purchase orders that would create an over encumbrance are not written until additional appropriations are available. Encumbered accounts lapse at year-end. However, any encumbrances outstanding at June 30, 2004, are reported as reservations of fund balances.

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

Pension and other postemployment benefits. The City has a Pension Trust Fund to finance the Employee's Retirement System created by City Charter on July 1, 1951. An actuarial study determines the funding required by the City to meet its future benefit obligations. In the most recent Actuarial Report for the period ending June 30, 2003, the total estimated Actuarial Accrued Liabilities was $77,575,969. One method of assessing the financial strength of a pension fund is to compute the percentage of liabilities that has been funded. This percentage at June 30, 2003, was 92.0 percent, down from 103 percent at June 30, 2002.

The City also provides postretirement health and dental care benefits for retirees and their dependents. As of the end of the current year there were 207 retired employees or their dependents receiving these benefits, which are financed on a pay-as-you-go basis. GAAP do not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

Cash Management. It is the policy of the City of Oak Park to invest public funds in a manner which will provide maximum security with the highest investment return while meeting the daily cash flow demands of the City and conforming to all State statutes and local ordinances governing the investment of public funds.

Cash temporarily idle during the year was invested in demand deposits, certificates of deposits and mutual funds investing in obligations of the U.S. government. The City earned interest revenue of $352,087 on all investments (excluding the City of Oak Park Employees Retirement Fund) for the year ended June 30, 2004.

Risk Management. The City supplies workers compensation insurance through the Michigan Municipal Worker's Compensation Fund. The City experienced an average amount of claims as evidenced by an experience modification factor of 1.21, for July 1, 2003 to June 30, 2004.

General liability and property damage insurance coverage is purchased from the Michigan Municipal Liability and Property Pool. Major policies and their limits of coverage include: public officials and public safety officers liability ($10 million), vehicle liability ($1 million), Employee Dishonesty ($500,000), City Treasurer ($200,000), Deputy Treasurer ($200,000), City Clerk ($100,000), District Judges ($100,000) and City Magistrate ($20,000).

Other Information

Independent Audit. State statute requires an annual audit by independent certified public accountants. The accounting firm of Rehmann Robson, CPAs, was selected by the City Council. The auditor's report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The City of Oak Park for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2003. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR's must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Oak Park has received a Certificate of Achievement for the last ten consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

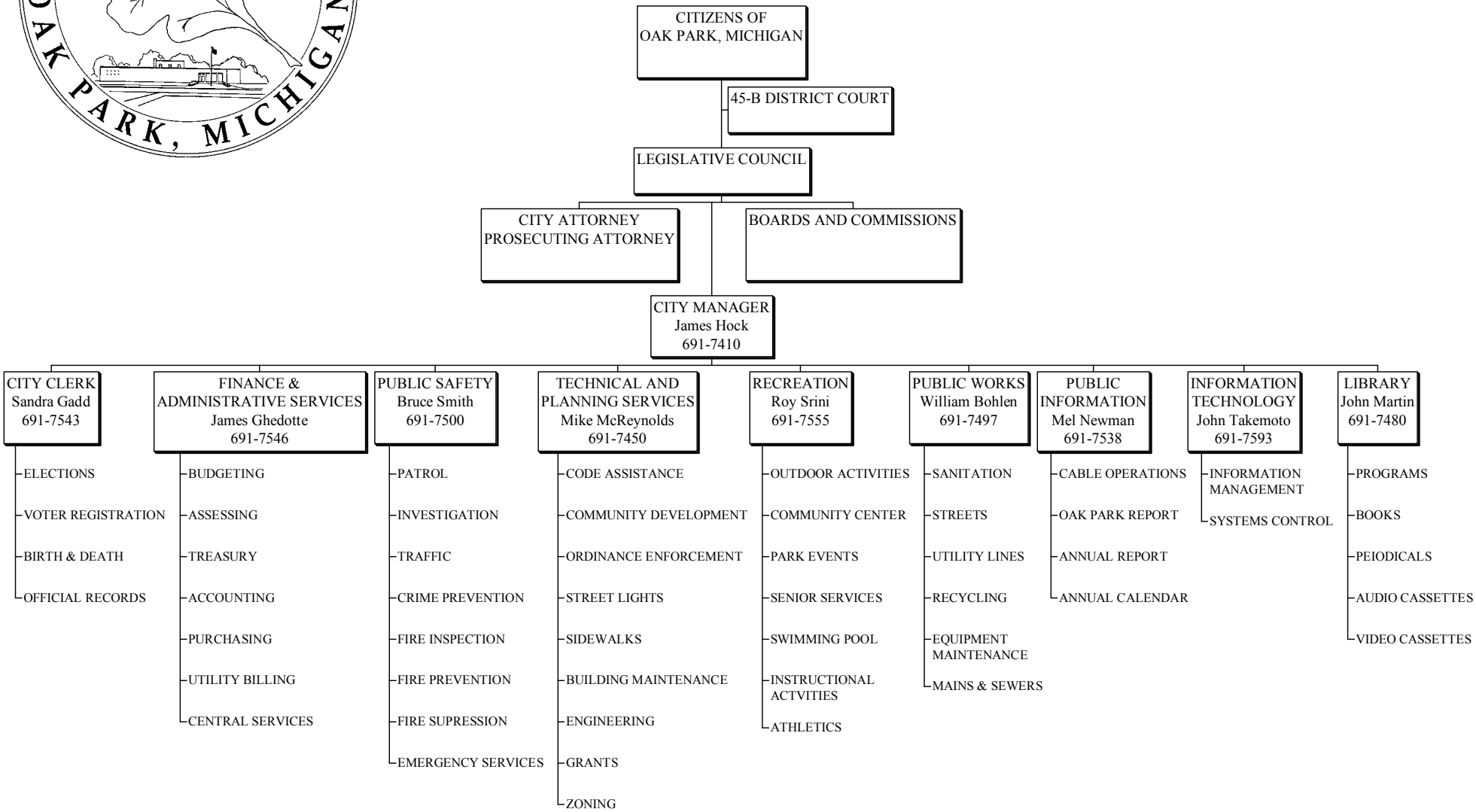
Acknowledgments. The preparation of the comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the Department of Finance and Administrative Services, Department of Technical and Planning Services and our independent auditors Rehmann Robson, CPAs. Each of them has our sincere thanks.

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

Sincerely

James Ghedotte
Director of Finance and Administrative Services

City of Oak Park



CITY OF OAK PARK
2004
PRINCIPAL OFFICIALS

TITLE	NAME OF OFFICIAL
City Manager	James Hock
Administrative Assistant to the City Manager	Vacant
City Clerk	Sandra Gadd
Director of Finance and Administrative Services	James Ghedotte
City Attorney	John Carlson
Library Director	John Martin
Director of Public Information	Melvyn Newman
Director of Technical and Planning Services	Michael McReynolds
Director of Public Works	William Bohlen
Director of Public Safety	Bruce Smith
Director of Recreation	Roy Srini
Director of Information Technology	John Takemoto
Deputy City Clerk	Angela Y. Brunke
Deputy Treasurer	Michaline Cole
Municipal Accountant	Saundra Crawford
City Assessor	Aaron Powers
City Engineer	Kevin Yee
Water Supervisor	Eugene Czewski
Deputy Director of Technical and Planning Services/ City Planner	Kevin Rulkowski
Building Division Supervisor	Eric McDonald
General Foreman	Ray Krajewski
General Foreman	Roco Fortura
Deputy Director of Recreation	Roy Vultaggio
Senior Services Coordinator	Rhoda Horner

INDEPENDENT AUDITORS' REPORT

October 24, 2004

To the Honorable Mayor and City Council
City of Oak Park
Oakland County, Michigan

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 Oak Park, Michigan***, as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the ***City of Oak Park, Michigan's*** management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the ***City of Oak Park, Michigan***, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Major Streets, and Solid Waste Governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2004, on our consideration of the ***City of Oak Park, Michigan's*** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis listed in the table of contents on Pages 19 through 31 and the Schedule of Funding Progress on Page 31 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the ***City of Oak Park, Michigan's*** basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables, as listed in the table of contents, 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 on them.

Rehmann Robson

CITY OF OAK PARK

"The Family City"

James Ghedotte
Director of Finance and Administrative Services

Mayor
Gerald E. Naftaly

Mayor Pro Tem
Arthur Frohlich

Councilmember
Willie Horton
Michael M. Seligson
Kirk Yousif

MANAGEMENT DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Oak Park's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2004. Please read it in conjunction with the transmittal letter on pages 7-14 and the City's financial statements, which begin on page 33.

FINANCIAL HIGHLIGHTS

- The City's net assets increased as a result of this year's operations. Net assets of our business-type activities increased by $484,828, or 5.56 percent; net assets of our governmental activities increased by $582,653, or 3.46 percent.
- During the year, the City had revenues in Governmental Funds that were $1.69 million less than the $28.26 million in expenditures.
- In the City's business-type activities, revenues were $7.974 million while expenses were $7.489 million.
- Total cost of all of the City's programs were $31.31 million.
- The General Fund reported expenditures in excess of revenues of $103,308.
- The resources available for appropriation were $25,133 less than budgeted in the General Fund. Expenditures were $455,459 less than budgeted. The General Fund used $103,308 of undesignated fund balance instead of using $533,634 as projected in the final budget.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 33 and 34) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 35. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

13600 Oak Park Boulevard, Oak Park, MI 48237 Telephone: (248) 691-7546 Fax: (248) 691-7157

Reporting the City as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the City as a whole begins on page 33. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in them. You can think of the City's net assets—the difference between assets and liabilities—as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into three kinds of activities:

· Governmental activities—Most of the City's basic services are reported here, including public safety, public works, recreation, and general administration. Property taxes, franchise fees, and state grants finance most of these activities.

· Business-type activities—The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system is reported here.

· Component units—The City includes one separate legal entity in its report—the Economic Development Corporation. Although legally separate, this "component unit" is important because the City is financially accountable for it.

Reporting the City's Most Significant Funds

Fund Financial Statements

Our analysis of the City's major funds begins on page 24. The fund financial statements begin on page 35 and provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes (like the Municipal Building Construction Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the U.S. Department of Housing and Urban Development). The City's two kinds of funds—governmental and proprietary—use different accounting approaches.

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

· Proprietary funds—When the City charges customers for the services it provides—whether to outside customers or to other units of the City—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise fund (a component of proprietary funds) is the same as the

business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities—such as the City's Motor Pool Fund.

The City as Trustee

Reporting the City's Fiduciary Responsibilities

The City is the trustee, or fiduciary, for its employees' pension plan. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 45 and 46. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE CITY AS A WHOLE

The City's combined net assets were increased from a year ago— from $25.6 million to $26.6 million. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities.

Table 1
Net Assets
(In Thousands)

	Governmental Activities		Business- type Activities		Total Primary Government	
	2003	2004	2003	2004	2003	2004
Current and other assets	$19,378,288	$17,543,509	$5,898,859	$5,022,326	$25,277,147	$22,565,835
Capital Assets	24,540,203	25,333,851	17,152,671	21,399,793	41,692,874	46,733,644
Total Assets	43,918,491	42,877,360	23,051,530	26,422,119	$66,970,021	$69,299,479
Long-term debt outstanding	23,375,000	21,775,000	13,050,171	16,475,815	36,425,171	38,250,815
Other liabilities	3,687,168	3,663,384	1,292,575	753,102	4,979,743	4,416,486
Total Liabilities	27,062,168	25,438,384	14,342,746	17,228,917	41,404,914	42,667,301
Net Assets:						
Invested in capital assets, net of debt	1,165,203	3,558,851	4,102,500	4,923,978	5,267,703	8,482,829
Restricted	11,399,846	9,133,267	0	0	11,399,846	9,133,267
Unrestricted	4,291,274	4,746,858	4,606,284	4,269,224	8,897,558	9,016,082
Total Net Assets	$16,856,323	$17,438,976	$8,708,784	$9,193,202	$25,565,107	$26,632,178

Net assets of the City's governmental activities increased by 3.46 percent, $16.86 million compared to $17.44 million. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—changed from $4.3 million at June 30, 2003 to $4.7 million at the end of this year.

This increase in governmental net assets arose primarily because of two factors. First, the City retired $1.6 million in outstanding bonds from taxes collected. Second, depreciation of $1,551,542 was $821,186 below amounts charged for capital assets ($2,372,728). This increases net assets by $821,186.

The net assets of our business-type activities increased by 5.56 percent ($8.71 million compared to $9.19 million) in 2004. This increase was due to revenues exceeding expenses. This trend is expected to change as the City begins replacing its infrastructure (water and sewer mains).

Table 2
Changes in Net Assets
(In Thousands)

	Governmental Activities		Business- type Activities		Total Primary Government	
	2003	**2004**	**2003**	**2004**	**2003**	**2004**
Revenues						
Program Revenues:						
Charges for Services	$4,202,118	$3,580,287	$8,112,778	$7,881,527	$12,314,896	$11,461,814
Federal Grants	298,381	299,316	0	0	298,381	299,316
State Grants	1,703,948	1,835,520	0	0	1,703,948	1,835,520
Other	1,502	0	0	0	1,502	0
General Revenues:						
Property Taxes	18,128,805	18,088,249	0	0	18,128,805	18,088,249
Other Taxes	336,312	424,167	0	0	336,312	424,167
Investment Earnings	272,233	228,538	138,659	42,498	410,892	271,036
Total Revenues	24,943,299	24,456,077	8,251,437	7,924,025	33,194,736	32,380,102
Program Expenses:						
General Government	4,768,500	4,777,118	0	0	4,768,500	4,777,118
Judicial	2,064,387	1,985,825	0	0	2,064,387	1,985,825
Public Safety	7,702,056	8,103,198	0	0	7,702,056	8,103,198
Road Maintenance	2,771,996	2,202,260	0	0	2,771,996	2,202,260
Public Works	1,317,853	1,391,348	0	0	1,317,853	1,391,348
Health & Sanitation	1,729,437	1,901,589	0	0	1,729,437	1,901,589
Culture & Recreation	1,373,338	1,336,795	0	0	1,373,338	1,336,795
Library	763,799	845,802	0	0	763,799	845,802
Community Development	563,495	386,063	0	0	563,495	386,063
Interest on Long-term Debt	1,034,325	893,426	500,068	581,348	1,534,393	1,474,774
Water & Sewer	0	0	6,855,292	6,907,849	6,855,292	6,907,849
Total Expenses	24,089,186	23,823,424	7,355,360	7,489,197	31,444,546	31,312,621
Excess before Transfers	854,113	632,653	896,077	434,828	1,750,190	1,067,481
Transfers	(50,000)	(50,000)	50,000	50,000	0	0
Increase in Net Assets	$ 804,113	$ 582,653	$ 946,077	$ 484,828	$1,750,190	$1,067,481

The City's total revenues for all programs decreased by 2.45 percent ($814,634). The total cost of all programs and services was decreased 0.42 percent ($131,925).

Governmental Activities

Revenues for the City's governmental activities decreased by 1.95 percent ($487,222), while total expenses decreased 1.1 percent ($265,762).

Table 3 presents the cost of each of the City's six largest programs—judicial, public safety, road maintenance, public works, health & sanitation, and recreation—as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Table 3
Governmental Activities
(In Thousands)

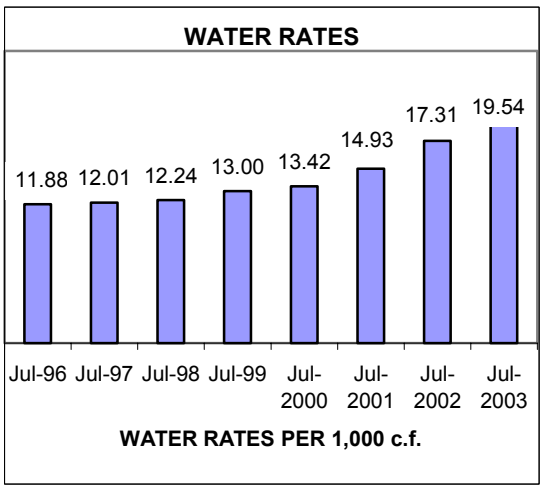
	Total Cost of Services		Net Cost of Services	
	2003	**2004**	**2003**	**2004**
Judicial	$ 2,064,387	$ 1,985,825	(1,214,471)	(1,289,580)
Public Safety	7,702,056	8,103,198	(6,232,950)	(6,803,034)
Road Maintenance & Repair	2,771,996	2,202,260	(1,072,632)	(523,723)
Public Works	1,317,853	1,391,348	(1,125,602)	(1,271,825)
Health & Sanitation	1,729,437	1,901,589	(1,155,257)	(1,360,849)
Recreation	1,373,338	1,336,795	(863,949)	(884,105)
All others	6,095,794	6,008,983	(5,184,051)	(5,081,759)
Interest on long-term debt	1,034,325	893,426	(1,034,325)	(893,426)
Totals	$ 24,089,186	$ 23,823,424	(17,883,237)	(18,108,301)

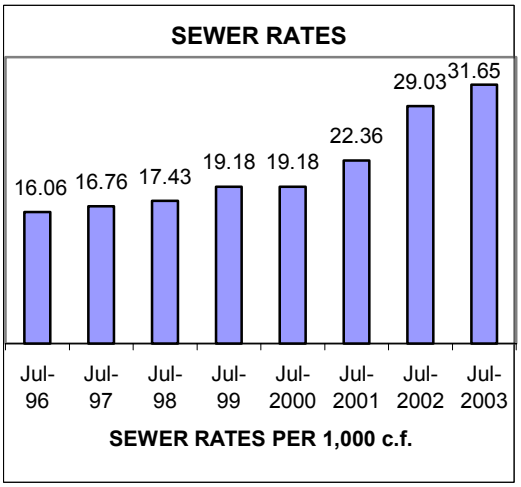
Business-type Activities

The City has one business-type activity: the water and sewer system. Revenues of the City's Water and Sewer Fund (see Table 2) decreased by 3.97 percent ($8.25 million in FY 2002-2003 compared to $7.92 million in FY 2003-2004) and expenses increased by 1.82 percent ($7.355 million in FY 2002-2003 compared to $7.489 million in FY 2003-2004). The City experienced a net income of $484,828 in its Water and Sewer Fund. The factors driving these results include:

The City's water and sewer system is old and aging. The City has posted a net income in each of the last five fiscal years, which has led to the general overall health of this fund. It is expected that infrastructure improvements in the near future will be funded from reserves. The City operates one enterprise fund, which accounts for the activities of the Water and Sewer System. Continuing improvements in the water and sewer system should provide its users with quality services through the end of this century.

Water rates were increased from $17.31 per 1,000 cubic feet to $19.54 per 1,000 cubic feet. This increase reflected the increase to purchase water from the City of Detroit. Sewer rates increased from $29.03 to $31.65 per 1,000 cubic feet. This was a decrease from FY 2002-2003 income of $946,077. A recent history of the City's water and sewer rates follows:





The Water and Sewer Fund experienced lower than expected revenue because of lower usage of water due to the summer weather being wetter than in prior years.

THE CITY'S FUNDS

As the City completed the year, its governmental funds (as presented in the balance sheet on page 35) reported a combined fund balance of $13.436 million, which is below last year's total of $15.126 million. Included in this year's total change in fund balance is a decrease of $103,308 in the City's General Fund. In addition, these other changes in fund balances should be noted:

The City was allowed by State law to increase its property tax by 1.5% (the raw rate of inflation). The assessed value of property in the City increased considerably more (8.28%) however because of property tax limitation laws tax revenue was limited. State shared revenue decreased in the General Fund by 10.12 percent ($453,693). The State of Michigan collects sales tax and redistributes a portion of these collections to local jurisdictions. The City received decreased amounts because of an unfavorable economy. These two factors required the General Fund to use $103,308 of fund balance.

The City spent $`2,431,208 in the last fiscal year in the 2003 Street Improvement Fund that contributed to the decrease in fund balance.

The City borrowed $11.5 million in FY 2002-2003 for the reconstruction of roads that was placed in a Capital Projects Fund. This is a three-year construction program that began last year. An amount of $8.682 million remains in the 2003 Street Improvement fund balance. The City used fund balance in many of its governmental funds due to several factors:

The City's Major Street Fund increased fund balance $667,327. In FY 2001-2002 $1,918,931 was paid for the reconstruction of three major roads. This construction was paid for with current reserves (cash) rather than borrowing. The negative fund balance of $105,945 on June 30, 2003 in this fund was eliminated in FY 2003-2004.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved as projects and contracts were competitively bid and come in higher than originally budgeted. The

second included Council approved increases in appropriations when the FY 2004-2005 budget was passed. These appropriations were to adjust the original budget when departments submitted estimated year-end figures that exceeded current budgeted amounts. Finally, the budget was amended at the last City Council meeting of the Fiscal Year to prevent budget overruns.

Even with these adjustments, the actual charges to appropriations (expenditures) were $455,459 below the final budget amounts in the General Fund. The most significant positive variances were with the Recreation Department ($102,738) and Department of Technical & Planning Services ($62,225), which were both under budget because of positions that were not filled until the end of the fiscal year.

Resources available for appropriation were $25,133 below the final budgeted amount. Charges for Services, which were lower than expected, accounted for the majority of this variance.

General Fund Revenue. The following paragraphs analyze the activities of the City's major funds. General Fund revenues totaled $17,323,247, a decrease of 1.53 percent from the prior year. Revenues by source were as follows:

General Fund Revenue:

Revenue	FY 2002-2003 Amount	FY 2003-2004 Amount	Percent of Total	Increase (Decrease)	Percent Increase (Decrease) from FY 2002-2003
Property Taxes	$9,908,191	$10,059,530	58.07%	$151,339	1.53%
Licenses & Permits	289,526	342,338	1.98	52,812	18.24
Charges for Services	519,892	492,019	2.84	(27,873)	(5.36)
Fines and Forfeits	1,562,784	1,404,621	8.11	(158,163)	(10.12)
Intergovernmental	4,583,801	4,109,669	23.72	(474,132)	(10.34)
Interest Income	98,969	59,286	.34	(39,683)	(40.10)
Miscellaneous	628,566	855,784	4.94	227,218	36.15
Totals	$17,591,729	$17,323,247	100%	$(268,482)	(1.53%)

Ad Valorem taxes provide the City's primary source of revenue. Current collections remain high at 98.67 percent, and the City's total tax rate of 23.5377 per $1,000 of taxable value is at the state's legal limit as provided for by the Headlee Amendment and the Truth in Taxation Act.

Assessed values in the City rose an average of 8.28% (See Table IV of Statistical Section), led by an increase of 8.52% in Real Property values. Property tax revenue was limited to an increase of 1.53%. The tax rate for operating purposes decreased slightly from 17.0843 mills in Fiscal Year 2002 – 2003 to 16.7443 in Fiscal Year 2003 - 2004.

Licenses and permits increased by 18.24%. The number of permits increased by 27 permits and the total value of new construction increased $4,324,362 in FY 2003 - 2004 compared to FY 2002 - 2003 (See Table XIII in Statistical Section). This increase is an indication of investments made by individuals in their personal residence returning to a normal level after a record low year in FY 2002-2003.

Charges for Services decreased 5.36% indicating lower usage of recreation programs in FY 2003 – 2004 and the elimination of some programs due to budget cuts.

Ordinance Fines levied by the 45-B District Court account for a decrease of 10.12% in Fines and Forfeits. The decrease is due to less tickets issued by the Department of Public Safety and reflects a reduction in the work force (5 officers eliminated from budget).

Intergovernmental Revenues decreased 10.34% due to the fact that the State of Michigan continues to reduce revenue sharing despite more sales tax collections, which are passed on to Michigan cities.

Interest income decreased 40.10%, which is attributable the General Fund having lower cash balances in FY 2003 – 2004 and short term interest rates declining from the prior year.

Miscellaneous Income increased 36.15% or $227,218 in FY 2003 - 2004. The majority of this increase ($77,878) was due to increased revenues for cable franchise fees. The City also received $55,042 more in right-of-way fees than in FY 2002-2003.

General Fund Expenditures. General Fund expenditures were $16,143,360, a decrease of .60 percent from the preceding year. Broken down by major function, expenditures were as follows:

Expenditure	FY 2002-2003 Amount	FY 2003-2004 Amount	Percent of Total	Increase (Decrease)	Percent Increase (Decrease)
General Government	$4,110,182	$4,088,575	25.33%	($21,607)	(0.53%)
Public Safety	7,207,020	7,262,106	44.98	55,086	0.76
Public Works	1,037,819	1,031,209	6.39	(6,610)	(0.64)
Recreation	1,257,417	1,199,297	7.43	(58,120)	(4.62)
Library	688,841	765,011	4.74	76,170	11.06
Community Enrichment And Development	102,323	0	0.00	(102,323)	(100.00)
Capital Outlay	145,672	20,831	.13	(124,841)	(85.70)
Other Non-departmental	1,690,825	1,776,331	11.00	85,506	5.06
Totals	16,240,099	16,143,360	100%	$(96,739)	(0.60%)

General Fund expenditures decreased $96,739 or .60%.

General Government expenditures decreased $21,607 in FY 2003-2004. The majority of this decrease is due to a reduction in the City Managers expenditures due to not filling the Assistant City Managers position.

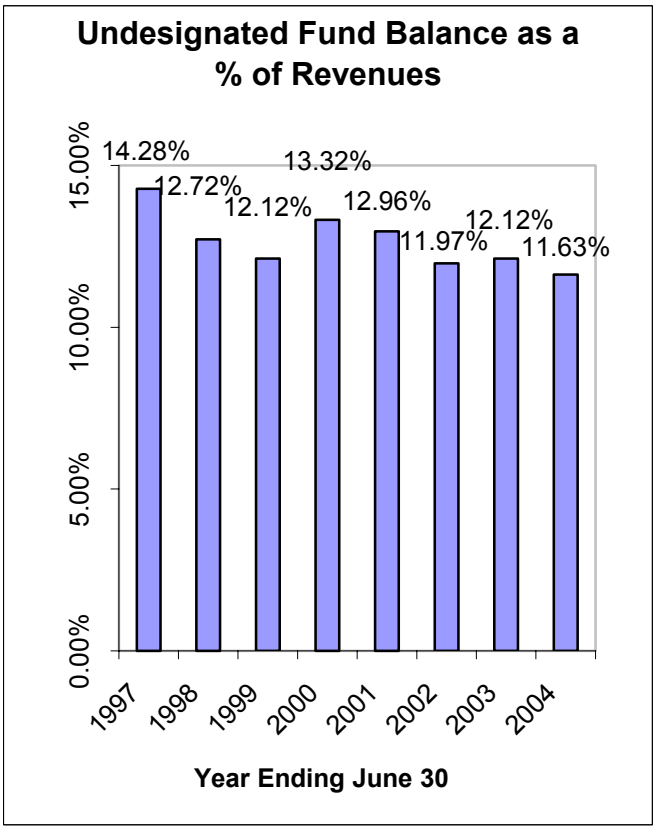
The Public Works Department decreased $6,610, or .64%. This modest decrease was due to holding the line on services and cost compared to last year.

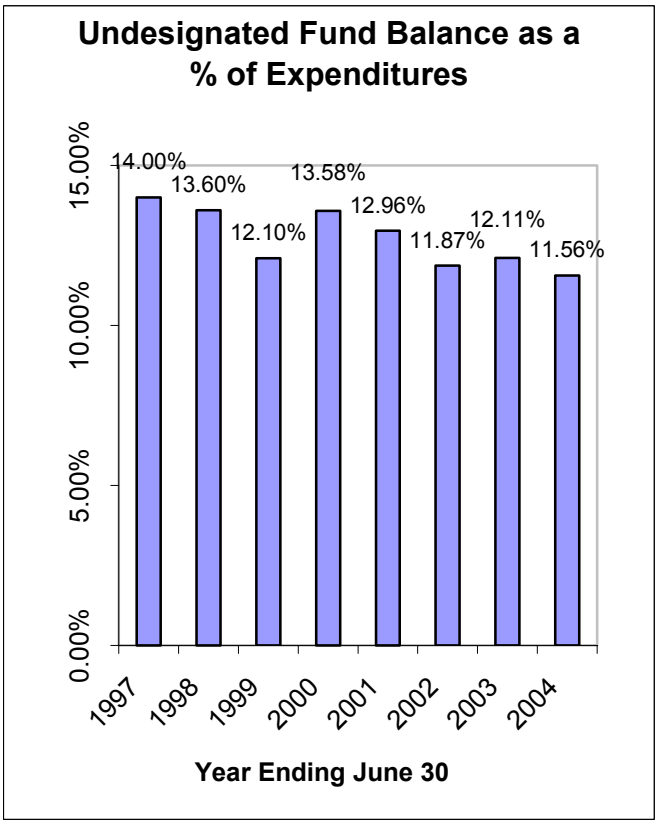
The Recreation Department decreased $58,120, or 4.62%. In the FY 2003-2004 the City eliminated several programs (day care for example) to balance the budget which led to the decrease.

Community development decreased $102,323 due to the elimination of the Community Services Department because of budget constraints.

Capital Outlay decreased $124,841 or 85.70%. This was due to the City removing most capital purchases from budget requests.

General Fund Balance. General Fund Balance at June 30, 2004 was decreased by 4.31 percent or $103,308 from June 30, 2003. The unreserved-available for appropriation portion of fund balance decreased by $118,715 for a total of $2,044,775, which provides the City with 42.21 working days of expenditures, and is equivalent to 11.56 percent of annual expenditures. Our goal is to maintain this percentage at 8.33 to 16.67 percent (one to two months expenditures), a level considered adequate to meet any unforeseen events and avoid cash shortfalls during periods of low tax collections. An additional goal is to maintain fund balance at 10 to 15 percent of revenues. Undesignated Fund Balance can be graphically demonstrated as follows:





Special Revenue Funds. Special Revenue Funds account for revenue from specific revenue sources which are legally restricted for specified purposes. The City operates 11 separate special revenue funds as follows: (1) The Major Street Fund is used to finance the maintenance and construction of the City's major thorough-fares. (2) The Local Street Fund is used to finance the maintenance and construction of the City's minor thorough-fares. (3) The Narcotic Forfeiture Fund is used for the accounting of funds forfeited in drug arrests. (4) The Criminal Justice Training Fund is used for training in the Public Safety Department and is financed by fines levied at the District Court. (5) The Disaster Contingency Fund was established in prior years for the accounting and financing of natural disasters occurring within the City limits. (6) The Community Development Block Grant Fund is financed by grants received from the federal government and is restricted for use by the economically disadvantaged citizens of the City. (7) The P.U.S.H. Program was established to account for grants received to counsel "at risk" youths. (8) The Solid Waste Fund is used to finance the collection, recycling and disposal of the City's garbage and refuse. It is funded by a tax levy and collection fee on property. (9) The Justice Assistance Grant Fund is

used to account for the expenditures of the Public Safety Department which were submitted to the Federal Bureau of Justice Assistance to facilitate municipalities in reducing crime. (10) The Caseflow Assistance Fund is used to fund a portion of the cost of processing drunk drivers. (11) The District Court 45-B Fund is financed by a General Fund transfer-in and its uses are restricted to the operations of the District Court 45-B.

Capital Project Funds. The City had activity in three Capital Project Funds: Sidewalk Program, City Owned Property, and 2003 Street Improvement Fund.

The Sidewalk Program Fund had a fund balance at June 30, 2004 of $40,913. This fund is used for the construction of sidewalks, which are billed to the property owner.

The City Owned Property Fund had a –0- fund balance at June 30, 2004. This fund is used for expenditures made on tax reverted property. The City took possession of three properties and returned them to the tax rolls by selling or transferring the property to private ownership.

The 2003 Street Improvement Fund had a fund balance at June 30, 2004 of $8,682,381. This fund received $11.5 million from proceeds of the sale of bonds. It is anticipated that the roads will be completed in two years.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2004, the City had $46.7 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, and water and sewer lines. (See Table 4 below.)

Table 4
Capital Assets at Year-end
(Net of Depreciation)

	Governmental Activities		Business- type Activities		Total Primary Government	
	2003	2004	2003	2004	2003	2004
Land	$1,579,345	$1,579,345	$ 11,502	$ 11,502	$ 1,590,847	$ 1,590,847
Rights-of-way	600,818	600,818	0	0	600,818	600,818
Infrastructure - roads	15,309,683	16,412,082	0	0	15,309,683	16,412,082
Infrastructure – sidewalks	2,489,778	2,279,974	0	0	2,489,778	2,279,974
Infrastructure – water & sewer system	0	0	8,082,803	8,423,553	8,082,803	8,423,553
Buildings	714,501	671,444	43,816	40,139	758,317	711,583
Public Improvements	1,753,333	1,676,042	0	0	1,753,333	1,676,042
Library collection	102,322	73,946	0	0	102,322	73,946
Equipment - General	387,639	310,843	283,385	189,611	671,024	500,454
Equipment – Motor Pool	1,166,283	1,140,402	0	0	1,166,283	1,140,402
Work in Progress	436,501	588,955	8,731,165	12,734,988	9,167,666	13,323,943
Totals	$24,540,203	$25,333,851	$17,152,671	$21,399,793	$41,692,874	$46,733,644

This year's major additions included:

Recreation Registration Software	$ 20,831
Reconstruct Undeveloped Roads	2,316,897
Video Surveillance System – Public Safety	35,000
Replaced Five Police Vehicles	103,735
Street Sweeper in Motor Pool	129,742

The City's Fiscal Year 2004-2005 capital budget calls for it to spend another $3,960,060 for capital projects, principally for the continuation of its road reconstruction program, improvements to the city parks, acquisition of replacement vehicles, and replacement water mains. The City has no plans to issue additional debt to finance these projects. Rather, we will use current reserves to finance these projects. More detailed information about the City's capital assets is presented in Notes 1, 6 and 7 to the financial statements.

Debt

Under current State Statutes, the City's net debt may not exceed 10% of the total assessed value of real and personal property as certified by the City Assessor. The City's net debt of $21,492,672 (See Table VII in Statistical Section) is 2.46% of assessed value, and provides a legal debt margin of $65,790,997. Net bonded debt per capita equaled $696.34.

The long-term debt obligations of the City consist of general obligation bonds outstanding of $21,775,000.

The general obligation bonds are being retired with revenues from a millage levied on all personal and real property in the City. The City levied 4.2819 mills per $1,000 of state taxable value in Fiscal Year 2003-2004 for the retirement of debt. At year-end, the City had $38,250,815 in bonds outstanding versus $36,425,171 last year—an increase of 5.01 percent—as shown in Table 5.

Table 5
Outstanding Debt, at Year-end

	Governmental Activities		Business- type Activities		Totals	
	2003	2004	2003	2004	2003	2004
General Obligation Bonds (backed by the City)	$23,375,000	$21,775,000	$ -0-	$ -0-	$23,375,000	$21,775,000
Revenue Bonds (backed by specific fee revenues)	-0-	-0-	13,050,171	16,475,815	13,050,171	16,475,815
Totals	$23,375,000	$21,775,000	$13,050,171	$16,475,815	$36,425,171	$38,250,815

In FY 2003-2004 the City closed the 1990 Street Improvement Bonds ($104,021), the 1991 Street Improvement Bonds ($21,169) and the 1993 Street Refunding Bonds ($84,756) and transferred the balances to the 2003 Street Improvement Bond Fund.

The City received approval from the voters in November of 2002 to borrow $22.5 million for the repair of roads and municipal parking lots. The City sold $11.5 million in General Obligation Bonds on May 1, 2003. It is expected that the remaining $11 million of approved debt will be borrowed in FY 2006-2007.

At June 30, 2004 the 2003 Street Improvement Bond Fund and the 2003 Street Refunding Bond Fund were the only outstanding GO bonds. These bonds are paid by a tax levied on all taxpayers separate from operating millage. A mill represents 1 dollar paid for every $1,000 of taxable value of real and personal property. The city's debt service levy in FY 2003-2004 was 4.2819 mills. Requirements for general obligation bonds will decrease until all bonds are paid off in May of 2028.

On June 30, 2003 the City had $3.175 million of outstanding debt from the 1992 Refunding Bonds. In March of 2004 these bonds were redeemed to take advantage of favorable interest rates. The 2004 Refunding Bonds in the amount of $2.945 million were issued to replace these bonds.

The City belongs to a consortium of cities known as the Twelve Towns Drain District. This district was formed to collect and treat sewage and storm water for 14 communities. In 1998 the Michigan Department of Environmental Quality ordered the district to upgrade its retention facility and decrease its excess flows into Lake Sinclair. The total estimated cost of these improvements is $130 million, of which the City of Oak Park is responsible for 12.8161%. This project began in FY 2000-2001. The District issued it two bonds in September of 2000, which obligates the City to pay $3,203,809. At June 30, 2004 $2,895,347 of these bonds are outstanding. Debt payments on these bonds continue until 2022, ranging from $50,000 to $230,000. The City has increased sewer rates to pay this debt.

The District is borrowing funds through construction draw downs to complete this project. As of June 30, 2004 the City is obligated to pay $10,635,468. Due to the nature of draw downs the exact obligation will be unknown until the project is complete or no other draw downs are made. Payments on these obligations continue until 2024, ranging from $ 0 to $794,726. The City will increase sewer rates to pay this debt.

The City's general obligation Moody's Investor Service underlying bond rating continues to be A3 with outstanding debt having the highest rating due to bond insurance purchased at the time of issuance. The State limits the amount of general obligation debt that cities can issue to 10 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is significantly below this $87.3 million state-imposed limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 16 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Oak Park (population 30,865) is primarily a residential community located in southeastern Oakland County, Michigan. The City's proximity to the downtown Detroit metropolitan area and several major roadways, including Interstate Highway 696, have helped spur considerable residential redevelopment. The local tax base has exhibited growth averaging 5.46% per year from fiscal 1999-2004 to a current market value of $1.7 billion, despite developmental restrictions (only 1% of total City land area is vacant). Some commercial and light industrial property development is also expected over the next few years. Income levels, as measured by per capita effective buying income, are on par with both state and national levels. Unemployment is 5.6% in September 2004.

In FY 2003-2004, the general fund posted a decrease in fund balance of $103,308. The current unreserved fund balance of $2.045 million is 11.56% of operating expenditures. Management's fiscal policy is to maintain reserves between 8%-16% of annual expenditures. The City, which relies heavily on property taxes (55.86% of total revenue), is operating at the state-authorized tax rate limit. The City has adopted a balanced budget for FY 2004-2005.

Overall net general bonded debt is moderate, at $696 per capita and 2.46% of assessed value.

The City's elected and appointed officials considered many factors when setting the Fiscal Year 2004-2005 budget, tax rates, and fees to be charged for the business-type activities. One of those factors is the economy. Unemployment in the City now stands at 5.6 percent versus 6.0 percent a year ago. This compares with the State's unemployment rate of 6.2 percent and the national rate of 5.1 percent.

Inflation in the metropolitan area has leveled off and was lower than the increase in the national Consumer Price Index (CPI). The Detroit areas CPI increase was 2.0 percent for 2003 compared with the average U.S. city with population less than 50,000 rate of 2.0 percent and the national rate of 2.3 percent.

These indicators were taken into account when adopting the General Fund budget for Fiscal Year 2004-2005. The FY 2004-2005 budget was adopted in May of 2004 during the economic downturn that is affecting municipalities throughout the country. Amounts available for appropriation in the General Fund budget are $19.56 million, an increase of 6.89 percent over the final FY 2003-2004 budget of $18.30 million. Property tax revenue increased 13% due to an increase of one mill on property tax. This increase was levied to help fund the City of Oak Park Library. Other revenue sources are expected to increase slightly or remain flat. Budgeted expenditures are expected to increase 6.98 percent, to $19.56 million from $18.28 million in FY 2003-2004. Increased premiums of 11.26 percent for health care for current employees and retirees, and increased retirement costs due to losses in the employees retirement system required the City to reduce its work force by three full-time positions and eliminate most of its capital expenditures to balance its budget. The City has added no major new programs or initiatives to the FY 2004-2005 budget.

As for the City's Water & Sewer Fund, we expect that the FY 2004-2005 to be a year in which service is improved because of two ongoing programs:

· The installation of radio read meters will be in its fifth of a five-year program. These radio reads will allow our meter readers to read meters from a remote location without having to approach every user of water.

· The televising of the City's sewers will allow us to develop a preventative program to improve our infrastructure in the most needed areas before a breakdown occurs.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance and Administrative Services' Office, at the City of Oak Park, 13600 Oak Park Blvd., Oak Park, MI, 48237.

"The Family City"

Fiscal Year July 1, 2003
through June 30, 2004

Comprehensive Annual Financial Report

CITY OF OAK PARK, MICHIGAN
STATEMENT OF NET ASSETS
JUNE 30, 2004

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 7,200,371	$ 20,895	$ 7,221,266	$ 11,659
Restricted cash and cash equivalents	80,273	-	80,273	-
Investments	7,231,658	21,506	7,253,164	-
Receivables (net)	2,675,922	4,968,250	7,644,172	-
Prepaid expenses	355,285	11,675	366,960	-
Total current assets	17,543,509	5,022,326	22,565,835	11,659
Noncurrent assets:				
Capital assets, net of depreciation (note 6)	22,564,733	8,653,303	31,218,036	-
Land	1,579,345	11,502	1,590,847	-
Rights-of-way	600,818	-	600,818	-
Work in progress	588,955	12,734,988	13,323,943	-
Total noncurrent assets	25,333,851	21,399,793	46,733,644	-
Total assets	$ 42,877,360	$ 26,422,119	$ 69,299,479	$ 11,659
LIABILITIES				
Current liabilities:				
Accounts payable, accrued and other liabilities	$ 1,690,877	$ 709,010	$ 2,399,887	$ -
Deferred revenue	142,273	-	142,273	-
Current portion of accumulated compensated absences	77,562	8,905	86,467	-
Current portion of long-term obligations (Note 16)	1,845,000	879,968	2,724,968	-
Total current liabilities	3,755,712	1,597,883	5,353,595	-
Noncurrent liabilities:				
Accumulated compensated absences	1,752,672	35,187	1,787,859	-
Noncurrent portion of long-term obligations (Note 16)	19,930,000	15,595,847	35,525,847	-
Total liabilities	25,438,384	17,228,917	42,667,301	-
NET ASSETS				
Invested in capital assets, net of related debt	3,558,851	4,923,978	8,482,829	-
Restricted for:				
Capital projects	8,850,939	-	8,850,939	-
Debt service	282,328	-	282,328	-
Unrestricted	4,746,858	4,269,224	9,016,082	11,659
Total net assets	17,438,976	9,193,202	26,632,178	11,659
Total liabilities and net assets	$ 42,877,360	$ 26,422,119	$ 69,299,479	$ 11,659

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit
Primary Government								
Governmental Activities:								
General government	$ 4,777,118	$ 527,537			$ (4,249,581)	$ -	$ (4,249,581)	$ -
Judicial	1,985,825	582,471	113,774		(1,289,580)	-	(1,289,580)	-
Public safety	8,103,198	1,232,209	67,955		(6,803,034)	-	(6,803,034)	-
Road maintenance and repair	2,202,260	1,850	1,676,687		(523,723)	-	(523,723)	-
Public works	1,391,348	119,523			(1,271,825)	-	(1,271,825)	-
Health and sanitation	1,901,589	540,740			(1,360,849)	-	(1,360,849)	-
Culture and recreation	1,336,795	452,690			(884,105)	-	(884,105)	-
Library	845,802	70,360	31,035		(744,407)	-	(744,407)	-
Community development	386,063	52,907	245,385		(87,771)	-	(87,771)	-
Interest on long-term debt	893,426				(893,426)	-	(893,426)	-
Total governmental activities	23,823,424	3,580,287	2,134,836	-	(18,108,301)	-	(18,108,301)	-
Business-type Activities:								
Water and sewer	7,489,197	7,881,527	-		-	392,330	392,330	-
Total primary government	$ 31,312,621	$ 11,461,814	$ 2,134,836	$ -	(18,108,301)	392,330	(17,715,971)	-
Component unit: Economic Development Corporation								-
General revenues:								
Taxes:								
Property taxes, levied for general purposes					15,602,814	-	15,602,814	-
Property taxes, levied for debt services					2,485,435	-	2,485,435	-
Franchise taxes					424,167	-	424,167	-
Investment earnings					228,538	42,498	271,036	56
Transfers					(50,000)	50,000	-	-
Total general revenues and transfers					18,690,954	92,498	18,783,452	56
Change in net assets					582,653	484,828	1,067,481	56
Net assets-beginning					16,856,323	8,708,374	25,564,697	11,603
Net assets-ending					$ 17,438,976	$ 9,193,202	$ 26,632,178	$ 11,659

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004

	GENERAL	MAJOR STREET	SOLID WASTE	2003 STREET IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and cash equivalents	$ 836,075	$ 176,575	$ 423,868	$ 4,374,382	$ 686,134	$ 6,497,034
Investments	578,482	185,285	444,777	4,590,177	425,709	6,224,430
Receivables:						
Taxes	360,045	-	45,219	-	78,727	483,991
Customers, billed	277,066	122,765	173,148	211	79,484	652,674
Special assessments	5,764	-	-	-	7,102	12,866
Accrued interest	4,142	1,144	2,217	22,880	2,036	32,419
Due from other governmental units	-	-	-	-	58,371	58,371
Due from State	1,292,180	203,924	-	-	80,235	1,576,339
Due from other funds	46,732	-	-	-	-	46,732
Restricted assets:						
Cash and cash equivalents	-	-	-	-	80,273	80,273
Prepaid expenditures	248,672	3,457	4,329	1,691	26,038	284,187
TOTAL ASSETS	$ 3,649,158	$ 693,150	$ 1,093,558	$ 8,989,341	$ 1,524,109	$ 15,949,316
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 214,990	$ 2,495	$ 121,799	$ 297,164	$ 240,918	$ 877,366
Accounts payable from restricted assets	-	-	-	-	80,273	80,273
Accrued and other liabilities	506,401	6,509	11,744	9,796	58,168	592,618
Due to other funds	-	-	-	-	46,732	46,732
Deferred revenue	634,320	122,764	51,928	-	107,096	916,108
TOTAL LIABILITIES	1,355,711	131,768	185,471	306,960	533,187	2,513,097
FUND BALANCES						
Reserved for:						
Debt service	-	-	-	-	282,328	282,328
Capital projects	-	-	-	8,680,690	168,558	8,849,248
Prepaid expenditures	248,672	3,457	4,329	1,691	26,038	284,187
Unreserved, reported in:						
General Fund	2,044,775	-	-	-	-	2,044,775
Special Revenue Funds	-	557,925	903,758	-	513,998	1,975,681
TOTAL FUND BALANCES	2,293,447	561,382	908,087	8,682,381	990,922	13,436,219
TOTAL LIABILITIES AND FUND BALANCES	$ 3,649,158	$ 693,150	$ 1,093,558	$ 8,989,341	$ 1,524,109	$ 15,949,316

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET and
STATEMENT OF NET ASSETS
JUNE 30, 2004

	Modified Accrual Basis	Reconciling Items				Full Accrual Basis
	TOTAL GOVERNMENTAL FUNDS	CAPITAL ASSETS & LONG TERM DEBT	COMPENSATED ABSENCES	DEFERRED REVENUES	INTERNAL SERVICE FUNDS	TOTAL
ASSETS						
Cash and cash equivalents	$ 6,497,034	$ -	$ -	$ -	$ 703,337	$ 7,200,371
Investments	6,224,430	-	-	-	1,007,228	7,231,658
Receivables:						
Taxes	483,991	-	-	-	-	483,991
Customers, billed	652,463	-	-	(144,412)	-	508,051
Special assessments	13,077	-	-	-	-	13,077
Accrued interest	32,419	-	-	-	3,674	36,093
Due from other governmental units	58,371	-	-	-	-	58,371
Due from State	1,576,339	-	-	-	-	1,576,339
Due from other funds	46,732	-	-	-	-	46,732
Prepaid expenditures	284,187	-	-	-	71,098	355,285
Total Current Assets	15,869,043	-	-	(144,412)	1,785,337	17,509,968
Restricted assets:						
Cash and cash equivalents	80,273	-	-	-	-	80,273
Capital Assets:						
Land	-	1,579,345	-	-	-	1,579,345
Rights-of-way	-	600,818	-	-	-	600,818
Work in progress	-	588,955	-	-	-	588,955
Infrastructure - roads, net	-	16,412,082	-	-	-	16,412,082
Infrastructure - sidewalks, net	-	2,279,974	-	-	-	2,279,974
Depreciable buildings, net	-	671,444	-	-	-	671,444
Depreciable public improvements, net	-	1,676,042	-	-	-	1,676,042
Library Collection	-	73,946	-	-	-	73,946
Equipment, net	-	304,217	-	-	-	304,217
Equipment, net - Motor Pool	-	-	-	-	1,140,402	1,140,402
Equipment, net - Central Services	-	-	-	-	6,626	6,626
Total Non-current assets	80,273	24,186,823	-	-	1,147,028	25,414,124
TOTAL ASSETS	$ 15,949,316	$ 24,186,823	$ -	$ (144,412)	$ 2,932,365	$ 42,924,092
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 877,366	$ -	$ -	$ -	$ 39,488	$ 916,854
Accounts payable from restricted assets	80,273	-	-	-	-	80,273
Accrued and other liabilities	592,618	-	-	-	101,132	693,750
Due to other funds	46,732	-	-	-	-	46,732
Bonds payable - current	-	1,845,000	-	-	-	1,845,000
Deferred revenue	916,108	-	-	(773,835)	-	142,273
Accumulated compensated absences	-	-	1,830,234	-	-	1,830,234
Bonds payable - net of current portion and bond discount	-	19,930,000	-	-	-	19,930,000
TOTAL LIABILITIES	2,513,097	21,775,000	1,830,234	(773,835)	140,620	25,485,116
FUND BALANCES						
Reserved for:						
Debt service	282,328	-	-	-	-	282,328
Capital projects	8,849,248	-	-	-	-	8,849,248
Self insurance payable	-	-	-	-	241,678	241,678
Retiree Health Care	-	-	-	-	749,397	749,397
Prepaid expenditures	284,187	-	-	-	-	284,187
Unreserved Fund Balance	4,020,456	2,411,823	(1,830,234)	629,423	1,800,670	7,032,138
TOTAL FUND BALANCES/NET ASSETS	13,436,219	2,411,823	(1,830,234)	629,423	2,791,745	17,438,976
TOTAL LIABILITIES AND FUND BALANCES	$ 15,949,316	$ 24,186,823	$ -	$ (144,412)	$ 2,932,365	$ 42,924,092

The notes to the financial statements are an integral part of this statement (See Note 8 on page 66).

CITY OF OAK PARK, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	GENERAL	MAJOR STREET	SOLID WASTE	2003 STREET IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Property taxes	$ 10,059,530	$ -	$ 1,458,211	$ -	$ 2,485,435	$ 14,003,176
Special assessments	-	15,345	-	-	17,689	33,034
Licenses and permits	342,338	-	-	-	-	342,338
Intergovernmental revenue:						
Federal grants	-	-	-	-	298,430	298,430
State grants	4,109,669	1,200,648	-	-	577,381	5,887,698
Other grants	-	-	-	-	22,083	22,083
Charges for services	492,019	-	525,384	-	231,163	1,248,566
Fines and forfeitures	1,404,621	-	-	-	73,338	1,477,959
Interest	59,286	3,031	15,356	96,576	22,906	197,155
Other	855,784	-	-	-	52,843	908,627
TOTAL REVENUES	17,323,247	1,219,024	1,998,951	96,576	3,781,268	24,419,066
EXPENDITURES						
Current:						
Judicial	-	-	-	-	1,827,938	1,827,938
General government	4,088,575	-	-	-	-	4,088,575
Public safety	7,262,106	-	-	-	158,099	7,420,205
Road maintenance and repair	-	401,697	-	114,311	389,021	905,029
Public works	1,031,209	-	1,853,665	-	12,769	2,897,643
Recreation and culture	1,199,297	-	-	-	-	1,199,297
Library	765,011	-	-	-	-	765,011
Community enrichment and development	-	-	-	-	312,309	312,309
Other non-departmental	1,776,331	-	-	-	-	1,776,331
Debt service:						
Principal	-	-	-	-	1,600,000	1,600,000
Interest	-	-	-	-	892,765	892,765
Prior year tax refunds	-	-	-	-	661	661
Capital outlay and construction	20,831	-	-	2,316,897	35,000	2,372,728
TOTAL EXPENDITURES	16,143,360	401,697	1,853,665	2,431,208	5,228,562	26,058,492
REVENUES OVER (UNDER) EXPENDITURES	1,179,887	817,327	145,286	(2,334,632)	(1,447,294)	(1,639,426)
OTHER FINANCING SOURCES (USES)						
Transfers in	255,000	-	-	-	1,898,141	2,153,141
Transfers (out)	(1,538,195)	(150,000)	(305,000)	-	(209,946)	(2,203,141)
TOTAL OTHER FINANCING SOURCES (USES)	(1,283,195)	(150,000)	(305,000)	-	1,688,195	(50,000)
NET CHANGE IN FUND BALANCES	(103,308)	667,327	(159,714)	(2,334,632)	240,901	(1,689,426)
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	2,396,755	(105,945)	1,067,801	11,017,013	750,021	15,125,645
FUND BALANCES , END OF YEAR	$ 2,293,447	$ 561,382	$ 908,087	$ 8,682,381	$ 990,922	$ 13,436,219

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, and
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

Net change in fund balances - total governmental funds	$ (1,689,426)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	821,186
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Long-term debt for capital assets is a reduction of net assets however, a reduction of the debt increases net assets. This is the amount of principal paid on long-term debt.	1,600,000
Revenues in the statement of activities that do not provide financial resources are not reported as revenues in the funds. The amount of deferred revenues (mainly delinquent personal property tax) recognized as revenue in the statement of activities is presented here.	(18,010)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The amount of expenditures for accumulated compensated absences is reported here.	(38,499)
Internal Service funds are used by management to charge the costs of certain activities, such as insurance, motor pool, central services, and retirees health care, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	(92,598)
Change in net assets of governmental activities.	$ 582,653

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ 1,519,308	$ 2,396,755	$ 2,396,755	$ -
Resources (inflows):				
Taxes, Penalties & Interest	10,146,178	10,060,709	10,059,530	(1,179)
Licences & Permits	226,750	272,750	342,338	69,588
Federal Grants	30,000	-	-	-
State Grants	4,428,695	4,134,005	4,109,669	(24,336)
Interest Income	150,000	100,000	59,286	(40,714)
Service Charges	534,295	545,370	492,019	(53,351)
Contributions - Other Funds	255,000	255,000	255,000	-
Fines and Forfeits	1,630,000	1,380,000	1,404,621	24,621
Miscellaneous Income	631,655	855,546	855,784	238
Amounts available for appropriation	19,551,881	20,000,135	19,975,002	(25,133)
Charges to apprpriation (outflows):				
General government:				
City Council	122,435	122,435	107,815	14,620
City Manager	456,843	499,843	499,214	629
Information Technology	223,568	217,568	194,440	23,128
City Attorney	120,000	312,566	288,244	24,322
Prosecuting Attorney	91,137	93,813	89,658	4,155
City Clerk	374,665	379,165	373,900	5,265
Finance & Administrative Services	568,590	602,020	567,083	34,937
Technical and Planning Services	2,043,566	2,030,446	1,968,221	62,225
Public Safety	7,245,057	7,245,057	7,262,106	(17,049)
Public Works	980,826	1,075,826	1,052,040	23,786
Recreation	1,275,035	1,302,035	1,199,297	102,738
Library	753,776	753,776	765,011	(11,235)
Nondepartmental	2,161,197	1,964,269	1,776,331	187,938
Transfers Out	1,602,878	1,538,195	1,538,195	-
Total Charges To Appropriations	18,019,573	18,137,014	17,681,555	455,459
Budgetary fund balance, June 30	$ 1,532,308	$ 1,863,121	$ 2,293,447	$ 430,326

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MAJOR STREET FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ (395,760)	$ (105,945)	$ (105,945)	$ -
Resources (inflows):				
State Grants - Streets	1,034,773	1,034,773	1,200,648	165,875
Special Assessments	12,000	15,500	15,345	(155)
Interest Income & Other	10,500	10,500	3,031	(7,469)
Amounts available for appropriatior	661,513	954,828	1,113,079	158,251
Charges to apprpriation (outflows):				
Road Maintenance & Repair	519,092	422,026	401,697	20,329
Transfers Out	100,000	150,000	150,000	-
Total Charges To Appropriations	619,092	572,026	551,697	20,329
Budgetary fund balance, June 30	$ 42,421	$ 382,802	$ 561,382	$ 178,580

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SOLID WASTE FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ 946,900	$ 1,067,801	$ 1,067,801	$ -
Resources (inflows):				
Property Taxes	1,465,304	1,465,304	1,458,211	(7,093)
Miscellaneous Fees	480,000	480,000	525,384	45,384
Interest Income	22,000	22,000	15,356	(6,644)
Amounts available for appropriation	2,914,204	3,035,105	3,066,752	31,647
Charges to apprpriation (outflows):				
Public Works - Sanitation	1,924,238	1,924,238	1,853,665	70,573
Transfers Out	305,000	305,000	305,000	-
Total Charges To Appropriations	2,229,238	2,229,238	2,158,665	70,573
Budgetary fund balance, June 30	$ 684,966	$ 805,867	$ 908,087	$ 102,220

CITY OF OAK PARK, MICHIGAN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2004

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Funds
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 20,895	$ 703,337
Investments	21,506	1,007,228
Receivables (net)	2,688,722	3,674
Due from other units of government	2,279,528	-
Prepaid expenses	11,675	71,098
Total current assets	5,022,326	1,785,337
Noncurrent assets:		
Depreciable Net Assets	21,399,793	1,147,028
Total assets	$ 26,422,119	$ 2,932,365
LIABILITIES		
Current liabilities:		
Accounts payable	$ 709,010	$ 39,488
Accrued and other liabilities		101,132
Current portion of long-term obligations (Note 16)	879,968	-
Total current liabilities	1,588,978	140,620
Noncurrent liabilities:		
Accumulated Compensated Absences	44,092	-
Noncurrent portion of long-term obligations (Note 16)	15,595,847	-
Total liabilities	17,228,917	140,620
NET ASSETS		
Invested in capital assets, net of related debt	4,923,978	1,147,028
Unrestricted	4,269,224	1,644,717
Total net assets	9,193,202	2,791,745
Total liabilities and net assets	$ 26,422,119	$ 2,932,365

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
STATEMENT OF REVENUES, EXPENSES, and CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Funds
Operating revenues:		
Charges for services	$ 7,879,912	$ 1,245,701
Fines and forfeitures	-	51,274
Miscellaneous	1,615	85,488
Total operating revenues	7,881,527	1,382,463
Operating expenses:		
Gas purchases	-	88,857
Professional services	-	57,331
Supplies	-	167,447
Postage	-	54,971
Water purchases	992,308	-
Sewage treatment	2,914,324	-
Transmission and distribution	1,330,132	-
Maintenance and operation	608,072	-
Customer accounting and collection	409,232	-
General and administration	387,474	-
Depreciation	266,307	239,356
Wages and benefits	-	169,598
Claims	-	48,183
Insurance payments	-	704,339
Total operating expenses	6,907,849	1,530,082
Operating income (loss)	973,678	(147,619)
Nonoperating revenues (expenses):		
Interest and investment revenues	42,498	15,291
Gain on investments	-	42,780
Interest expense	(581,348)	-
Loss on disposal of fixed assets	-	(3,050)
Total nonoperating revenues (expenses):	(538,850)	55,021
Income (loss) before transfers	434,828	(92,598)
Transfers in	50,000	-
Change in net assets	484,828	(92,598)
Total net assets - beginning	8,708,374	2,884,343
Total net assets - ending	$ 9,193,202	$ 2,791,745

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 7,672,005	$ -
Receipts from interfund services provided	-	1,245,701
Payments to suppliers	(6,251,558)	(1,048,562)
Payments to employees	(930,984)	(169,598)
Claims paid	-	(48,183)
Other receipts (payments)	-	137,608
Net cash provided by operating activities	489,463	116,966
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating subsidies and transfers from other funds	50,000	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from disposal of capital assets	-	-
Purchases of capital assets	(4,513,429)	(214,868)
Capital debt issued	6,720,541	-
Capital debt retired	(3,294,897)	-
Interest paid on capital debt	(581,348)	-
Net cash (used) by capital and related financing activities	(1,669,133)	(214,868)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	575,290	67,137
Interest and dividends	42,498	15,291
Net cash provided (used) by investing activities	617,788	82,428
Net increase (decrease) in cash and cash equivalents	(511,882)	(15,474)
Balances - beginning of year	532,777	718,811
Balances - end of year	$ 20,895	$ 703,337
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	$ 973,678	$ (147,619)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	266,307	239,356
Change in assets and liabilities:		
Receivables, net	(211,049)	-
Inventories	-	-
Accounts and other payables	(539,473)	32,631
Accrued expenses	-	(7,402)
Net cash provided (used) by operating activities	$ 489,463	$ 116,966

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2004

	Employee Retirement Plan	Agency Funds
ASSETS		
Cash and cash equivalents	$ 506,528	$ 109,056
Receivables:		
Interest and dividends	377,152	-
Prepaid expenses	78,556	-
Total receivables	455,708	-
Investments, at cost:		
U.S. government obligations	-	81,460
Investments, at fair value:		
U.S. government obligations	3,198,322	-
Mortgage backed securities	5,553,588	-
Corporate bonds	16,810,330	-
Corporate stocks	33,722,145	-
Total investments	59,284,385	81,460
Total assets	60,246,621	$ 190,516
LIABILITIES		
Accounts payable	10,892	190,516
Refunds payable and others	422,555	-
Total liabilities	433,447	$ 190,516
NET ASSETS		
Held in trust for pension benefits and other purposes	$ 59,813,174	

The notes to the financial statements are an integral part of this statement.

CITY OF OAK PARK, MICHIGAN
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	Employee Retirement Plan
ADDITIONS	
Contributions:	
Employer	$ 1,263,907
Plan members	265,462
Total contributions	1,529,369
Investment earnings	
Net increase in fair value of investments	3,046,436
Interest	1,382,156
Dividends	629,161
Total investment earnings	5,057,753
Less investment expense	(118,622)
Net investment earnings	4,939,131
Total additions	6,468,500
DEDUCTIONS	
Benefits	5,031,830
Health insurance	901,045
Refunds, rebates, and miscellaneous	33,099
Total deductions	5,965,974
Change in net assets	502,526
Net assets - beginning of year	59,310,648
Net assets - end of year	$ 59,813,174

The notes to the financial statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies of the ***City of Oak Park*** conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

REPORTING ENTITY

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City and its component units. The component units discussed below are included in the City's reporting entity because they are entities for which the City is considered to be financially accountable.

Blended Component Unit

The City of Oak Park Municipal Building Authority is a municipal, non-profit, non-stock corporation organized under the laws of the State of Michigan for the purpose of acquiring and owning facilities for the use of the ***City of Oak Park***. The Building Authority is governed by a Board that is appointed by the City Council. The City also has accountability for fiscal matters of the Authority. Statement on Michigan Governmental Accounting and Auditing Number 5 requires that the Authority be reported as a blended component unit. Complete financial statements of the Municipal Building Authority can be obtained from the ***City of Oak Park, Michigan***.

Discrete Component Unit

The City of Oak Park Economic Development Corporation is a municipal, non-profit, non-stock corporation organized under the laws of the State of Michigan for the purpose of promoting development in the City. The Economic Development Corporation is governed by a Board that is appointed by the City Council. The City has the ability to significantly influence the daily operations of the Corporation. Statement on Michigan Governmental Accounting and Auditing Number 5 requires that the Special Revenue Fund, in which all the Corporation's activity is recorded, be included in the financial statements as a discrete component unit. Complete financial statements of the Corporation can be obtained from the ***City of Oak Park, Michigan***.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION - GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the Governmental Accounting Standards Board Statement 33.

The statement of net assets and the statement of activities display information about the City as a whole. The statements include all funds of the primary government and its component unit, except for its fiduciary funds. Those funds are reported in the statements of fiduciary net assets and changes in fiduciary net assets.

The statement of net assets and the statement of activities are presented to distinguish between governmental and business type activities of the City. Governmental activities are financed through taxes, intergovernmental revenues and other non-exchange revenues. These activities are reported in governmental and internal service funds. Business type activities are financed by fees charged to external parties for goods or services. These activities are reported in the City's enterprise funds.

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City’s water and sewer fund and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Capital assets are reported in the government wide statements at historical cost. Capital assets include land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, library collection, infrastructure and all other tangible or intangible assets that are used in operations and have initial useful lives beyond a single reporting period and an individual cost of more than $5,000. Infrastructure assets are long-lived capital assets that normally can be preserved for a significantly greater number of years than most capital assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets that are being depreciated are reported net of accumulated depreciation in the statement of net assets. Capital assets that are not being depreciated, such as land, are reported separately.

Capital assets are depreciated over their estimated useful lives. Depreciation expense is reported in the statement of activities by allocating the net cost over the estimated useful life of the asset. Assets are depreciated on an individual basis for equipment and buildings. Roads are depreciated as a class with each class containing items based on their date of construction or reconstruction. Sidewalks are depreciated by class with each class containing items based on the year of construction.

BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types, broad fund categories and account groups as follows:

GOVERNMENTAL FUNDS

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Major Street Fund - The Major Street Fund is a special revenue fund used to account for the repair, maintenance and construction of the City's major streets as identified by the State of Michigan Department of Transportation.

Solid Waste Fund - The Solid Waste Fund is used to account for the collection and disposal of the City's solid waste.

2003 Street Improvement Fund - The 2003 Street Improvement Fund is used to account for the construction of streets funded by the 2003 Street Improvement General Obligation Bonds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition the City reports on the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust funds).

PROPRIETARY FUNDS

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

The City reports the following major proprietary fund:

Water and Sewer Fund - The Water and Sewer Fund is an Enterprise Fund. The City operates one Enterprise Fund, which accounts for the operation of the Water and Sewer Systems. The fund is financed and operated in a manner similar to a private enterprise. The intent is that costs (expenses, including depreciation) of providing water and sewer services to the general public are recovered through user charges.

Additionally, the City reports the following fund type:

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City reports on five internal service funds 1) The Risk Management Fund is used to accumulate resources from other funds, which utilize labor, and to pay workers compensation premiums to the

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUNDS (Continued)

Michigan Municipal League's Workers Compensation Pool. It is also used for the City's property and liability insurance. 2) The Central Services Fund is used to account for Printing, Duplicating, and Mail services performed for the City's departments. 3) The Motor Pool Fund is used for the purchase and maintenance of the City's fleet. Its revenues come from rental charges for equipment to other funds. 4) The Retiree's Health Care Fund - Court is used for the accumulation of assets to fund retiree's health care for District court employees and 5) The Retiree's Health Care Fund – General is used for the accumulation of assets to fund retiree's health care for city employees.

FIDUCIARY FUNDS

Trust and Agency Funds - Trust Funds are used to account for assets held by the City in a trustee capacity for individuals, private organizations, other governments, and/or other funds. The City has a Pension Trust Fund, which accounts for assets, liabilities, revenues and expenses in essentially the same manner as Proprietary Funds since capital maintenance is critical.

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has a Payroll Agency Fund used to account for payment of employee's payroll. It also uses an Escrow Agency Fund used to hold assets belonging to another person or entity, such as bond deposits.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected within 60 days after year end to pay liabilities of the current period. Significant revenues susceptible to accrual include reimbursement grants, state shared revenues and charges for services.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred provided the liability normally would be liquidated with expendable available financial resources. The major exception to this

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF ACCOUNTING (Continued)

general rule is principal and interest on general long-term debt which is recognized when due.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus. This means that generally only current assets and current liabilities are included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available, spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

All proprietary funds, pension trust funds and agency funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unbilled Water and Sewer Fund utility service receivables are recorded at year-end.

All proprietary funds and the pension trust funds are accounted for on a cost of services or "economic resources" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary funds and the pension trust funds report fund equity as net assets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

BUDGETARY DATA

Budgets are adopted on the modified accrual basis consistent with generally accepted accounting principles except that operating transfers are reported as revenue and expenditures. Annual appropriated budgets are adopted for the General, Special Revenue, and Capital Project Funds and the following Debt Service Funds - 1990 Street Improvement Bond, 1991 Street Improvement Bond, 1993 Street Refunding Bond, 2003 Street Improvement Fund and the 2003 Refunding Bond Fund. Annual budgets lapse at year-end. A budget is not adopted for the Municipal Building Authority Debt Service Fund.

The level of budgetary control (the level at which expenditures may not legally exceed appropriations) is at the department (activity) level for the General Fund and the activity level for Special Revenue and Debt Service Funds.

The governing body must approve budget amendments at the activity level and supplemental appropriations, which affect total fund expenditures. Department Directors or the City Manager can transfer appropriations between line items within a department or

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

activity without governing body approval. Supplemental appropriations were necessary during the year, which increased total expenditures.

ENCUMBRANCES

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

CASH AND INVESTMENTS

Deposits are carried at cost and consist of cash on hand, checking accounts, and investments in short-term investments, generally pooled investment funds. The carrying value of deposits, which includes certificates of deposit with an original maturity of three months or less, is separately displayed on the balance sheet as "cash and cash equivalents".

For purposes of the Statement of Cash Flows, the City considers cash deposits and certificates of deposits with a maturity of three months or less when purchased to be cash equivalents.

Investments are stated at fair value, based on quoted market prices.

INTERFUND RECEIVABLES/PAYABLES

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

RECEIVABLES AND /PAYABLES

The City reported the following receivables as of June 30, 2004:

	Taxes	Accounts	Special Assessments	Accrued Interest	Due From Other Governments	Due From Other Funds	Total Receivables
Governmental Activities:							
General	$ 360,045	$ 277,066	$ 5,764	$ 4,142	$ 1,292,180	$ 46,732	$ 1,985,929
Special Revenue	45,219	365,936	-	4,969	342,530	-	758,654
Debt Service	78,727	-	-	-	-	-	78,727
Capital Projects	-	9,672	7,102	23,308	-	-	40,082
Internal Service	-	-	-	3,674	-	-	3,674
Total - Governmental Activities	$ 483,991	$ 652,674	$ 12,866	$ 36,093	$ 1,634,710	$ 46,732	$ 2,867,066
Business-Type Activities							
Water and Sewer	$ -	$ 2,584,231	$ 104,353	$ 138	$ 2,279,528	$ -	$ 4,968,250

Special Assessments are the only receivables not expected to be collected within one year.

The City reported the following payables as of June 30, 2004:

	Accounts	Accrued Wages	Due To Other Funds	Total
Governmental Activities				
General	$ 214,990	$ 506,401	$ -	$ 721,391
Special Revenue	442,955	76,421	46,732	566,108
Capital Projects	299,694	9,796	-	309,490
Internal Service	39,488	101,132	-	140,620
Total - Governmental Activities	$997,127	$ 693,750	$ 46,732	$ 1,737,609
Business-Type Activities				
Water and Sewer	$ 642,393	$ 66,617	$ -	$ 709,010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

CAPITAL ASSETS

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their fair market value on the date donated.

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

The estimated useful lives are as follows:

Water and sewer system	20 to 100 years
Roads	25 years
Sidewalks	20 years
Vehicles	3 to 10 years
Machinery and equipment	3 to 30 years
Buildings and improvements	10 to 50 years
Library Books	5 years

DEFERRED REVENUES

Deferred revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City has reported as deferred revenues $634,320 related to the personal property taxes, assessments receivable, and cellular antennae franchise fees and certain accounts receivable within the General Fund; $122,764 for assessments receivable in the Major Street Fund, $71,882 related to solid waste taxes and federal grants received but not expended in the Special Revenue Funds; $73,602 for taxes receivable within the Debt Service Funds; and $13,540 for assessments and other receivables within the Capital Project Funds.

LONG-TERM OBLIGATIONS

Long-term debt is recognized as a liability of a governmental fund when due, or when

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LONG-TERM OBLIGATIONS (Continued)

resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Assets. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and net of any deferred charges on bond refundings. Issuance costs are reported as deferred charges.

FUND EQUITY

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designations represent equity designated by the City for specific future uses.

PENSION PLANS

The provision for pension cost is recorded on an accrual basis, and the City's policy is to fund pension costs as they accrue.

PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of December 31 each year. City taxes are levied and immediately due on the following July 1, are collected without penalty through September 15, and with penalty thereafter. City property tax revenues are recognized as revenues in the fiscal year levied to the extent that they are measurable and available, and collected within sixty days after year-end. The City bills and collects its own property taxes as well as taxes for the County, three school districts and a community college within its jurisdiction. Collections and remittances of the County and school taxes are accounted for in the Current Tax Agency Fund.

SPECIAL ASSESSMENTS

Special assessments are recorded as revenues when due, not when levied. Estimated annual installments not yet available are reflected as deferred revenue. Special assessments are billed annually on June 1 and are due and payable August 1.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMPENSATED ABSENCES

Effective July 1, 1993, the City adopted Governmental Accounting Standards Board Statement No. 16, "Accounting for Compensated Absences" including Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.” Sick pay and vacation hours earned are recognized in the governmental financial statements when they are paid.

The long-term portion of compensated absences related to the governmental funds is a liability recorded in the Statement of Net Assets. This liability is composed of: 1) employees who vest in the retirement system and are paid for fifty percent of unused sick days upon termination of employment and 2) Unused vacation paid upon termination of employment.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 20

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

2. EXPENDITURES OVER BUDGET

Compliance with Amended Budget and Michigan Public Act (P.A.) 2 of 1968 and Other Budgeting Matters:

P.A. 2 of 1968 as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated in budget resolutions of the governing body.

In the body of the financial statements, the City's actual expenditures and budgeted

2. EXPENDITURES OVER BUDGET (Continued)

expenditures for the budgetary funds have been shown on a functional basis, with the approved budgets of the City of those budgetary funds being adopted at the activity or department level. A comparison of the original budget adopted by City Council and budget amendments can be examined at City Hall, 13600 Oak Park Blvd., Oak Park, Michigan.

During the year ended June 30, 2004, the City incurred expenditures in certain budgetary funds, which were in excess of amounts appropriated, as follows:

	Budget	Actual	Actual Over Budget
General Fund			
Department of Public Safety	$7,245,057	$ 7,262,106	($17,049)
Library	$ 753,776	$ 765,011	($11,235)
Criminal Justice Training Fund	$ 14,500	$ 18,827	($4,327)
Justice Assistance Grant Fund	$ 53,210	$ 62,780	($9,570)

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

3. BUILDING PERMITS AND RELATED COSTS

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

	Prior Years	FY 2003 – 2004	Total
Building permit revenue	$528,701	$ 151,321	$ 680,022
Less: Expenditures	(868,383)	(289,605)	(1,157,988)
Shortfall at June 30	($339,682)	($138,284)	($ 477,966)

4. DEPOSITS AND INVESTMENTS

Cash and cash equivalents per:	
Statement of Net Assets	$ 7,232,925
Statement of Fiduciary Net Assets	615,584
Investments per:	
Statement of Net Assets	7,253,164
Statement of Fiduciary Net Assets	59,365,845
Restricted cash and cash equivalents per Statement of Net Assets	80,273
Total Deposits and Investments	$74,547,791

4. DEPOSITS AND INVESTMENTS (Continued)

Restricted Cash:

The amount of $80,273 in restricted cash represents bonds posted by individuals who have pending court cases in the 45B District Court Fund. These bonds must be returned to the individuals and therefore are restricted.

Deposits:

The carrying amount of deposits at June 30, 2004 was $7,308,784. The bank balance was as follows:

Insured (FDIC)	$ 295,727
Uninsured, uncollateralized	8,248,114
	$ 8,543,841

To the extent that cash from various funds have been pooled, related investment income is allocated to each fund based on relative participation in the pool, except that Agency Funds investment earnings are allocated to the General Fund.

Investments:

State statues govern the City's investment policies. General City funds must be deposited in government insured bank accounts in banks, savings and loans, and credit unions, provided the latter two meet State Filing requirements and its lending practices are not discriminatory. Permissible investments include obligations of the U.S. Treasury and Agencies, domestic certificates of deposit, and commercial paper with prescribed obligation repurchase agreements. Pension trust fund investments must conform to the limits and standards set forth in Michigan Public Act 55 of the Public Acts of 1982, as amended, and Public Act 252 of 1988.

The term of investments and financial institutions used for investment purposes are determined based on City needs. The City Treasurer periodically assesses the financial strength and services provided by financial institutions to help ensure that integrity of principal and City investment needs are met.

For the purposes of providing an indication of the assumed levels of risk, investments are categorized as follows:

Category 1 Investments that are insured or registered or for which the securities are held by the City or its agent in the City's name.

4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued):

Category 2 Uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name.

Category 3 Uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name.

The City's investments at June 30, 2004 are summarized as follows:

		Classification
At Fair Value:		
Government Securities	$ 4,552,690	Category 2
S&P 500 Mutual Fund	269,194	N/A
Commercial Paper	1,258,350	Category 2
Certificates of Deposit	1,251,878	Category 2
Employees' Retirement System:		
Mutual Funds	$ 13,943	N/A
Bank investment pools	622,510	N/A
Government Securities	3,184,379	Category 2
Corporate Bonds	15,018,460	Category 2
Common Stock	33,722,145	Category 2
Preferred Stocks	1,791,870	Category 2
Mortgage Backed Securities	5,553,588	Category 2
	$ 59,906,895	
Total	$ 67,239,007	

Pension trust investments are subject to a number of restrictions as to the type, quality, and concentration of investments made, including the limiting of equity investments.

Included in the City's investments at June 30, 2004 are the following:

a) Approximately $13,943 of securities issued by the Government National Mortgage Association (GNMA) and $3,577,768 issued by the Federal National Mortgage Association (FNMA). These investments are backed by the full faith and credit of the U. S. government. The yields provided by these mortgage-related securities historically have exceeded yields on other types of U.S. government securities with comparable maturities, in large measure due to the potential for prepayment.

4. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments (Continued):

Prepayment could result in difficulty in reinvesting the prepaid amounts in investments with comparable yields.

b) Approximately $5,159,664 of collateralized mortgage obligations (or obligations of the Federal National Mortgage Association or Government National Mortgage Association). These investments are usually not backed by the full faith and credit of the U. S. government, but are generally considered to offer modest credit risks. The yields provided by these mortgage-related securities historically have exceeded yields on other types of U. S. government securities with comparable maturities, in large measure due to the potential for prepayment. Prepayment could result in difficulty in reinvesting the prepaid amounts in investments with comparable yields.

c) Variable rate instruments (floaters) of approximately $535. These securities are based on cash flows from interest and principal payments in underlying securities. These variable rate debt instruments are tied to prevailing short-term interest rates and are relatively insensitive to interest rate changes. There is no prepayment risk associated with these instruments.

The mutual funds are registered with the SEC. The Michigan Banking Act regulates the bank investment pools. The fair value of the position in the bank investment pools is the same as the value of the pool shares. The bank investment pools and mutual funds are not categorized because they are not evidenced by securities that exist in physical or book entry form. Management believes that the investments in these funds comply with the investment authority noted above.

5. PROPERTY TAXES

Property taxes are levied based on taxable values of property located in the City. Taxable values are established annually. The taxable property values for the 2003 tax levy are as follows:

	Taxable Value
Real property	$532,313,890
Personal property	46,983,030
Total	$579,296,920

5. PROPERTY TAXES (Continued)

The City is permitted by City Charter to levy up to a maximum of $20.00 (20 mills) per $1,000 of Taxable Value for operations that is reduced by the Headlee Act and the Truth in Taxation Act. Additionally, state law allows the City to levy taxes for solid waste collection and disposal. It is also permitted to levy unlimited amounts for repayment of existing general long-term debt obligations. As of July 1, 2003, 16.7443 mills were levied for general governmental services, 2.5115 mills were levied for solid waste and 4.2819 mills were levied for long-term debt retirement.

6. CAPITAL ASSETS

The City adopted a Capitalization Policy that identified Capital Assets as those items having a value of $5,000 or more as of June 30, 2000. This was a change from past practice, which recognized equipment with a value of $500 as a Capital Asset. In conjunction with this policy an appraisal of all Capital Assets as of June 30, 2000 was conducted by an independent appraisal firm. In the appraisal process costing techniques used were in compliance with Generally Accepted Accounting Principals (GAAP). Original cost and acquisition date was used for property inventoried when invoices and accurate records were available. Standard costing and normal costing techniques were used when original records were not available.

In standard costing, inventoried property units/groups not reconciled to a historical record received an estimated cost, were possible, based on a standard cost - a known average installed cost for a like unit at the estimated acquisition date, The unit's age is estimated based on observed condition, manufacturer's name, model, serial number, age of the facility, and other factors.

In normal costing, where the preceding technique cannot be employed to apply historical cost, cost is estimated based on a present cost reproduction new indexed by a reciprocal factor of the price increase from the estimated date acquired to the appraisal date.

General Capital Assets are reported as of June 30, 2004 based on this appraisal report. Deletion amounts reported as of June 30, 2004 are based on this appraisal report. Additions are based on actual activity during the fiscal year.

6. CAPITAL ASSETS (Continued)

	Primary Government			
	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
Governmental Activities:				
Nondepreciable Assets				
Land	$1,579,345	0	0	$1,579,345
Rights-of-way	600,818	0	0	600,818
Work in progress	436,501	588,955	(436,501)	588,955
Depreciable Assets				
Infrastructure – roads	84,065,833	2,164,443	(447,801)	85,782,475
Infrastructure – sidewalks	4,364,392	0	(168,300)	4,196,092
Buildings	3,264,924	0	0	3,264,924
Improvements – other	2,194,861	0	0	2,194,861
Library collection	141,883	0	0	141,883
Vehicles and equipment	2,787,579	285,172	(236,648)	2,836,103
Miscellaneous equipment	1,383,015	55,831	0	1,438,846
Subtotal - Depreciable Assets	98,202,487	2,505,446	(852,749)	99,855,184
Total at historical cost	100,819,151	3,094,401	(1,289,250)	102,624,302
Less accumulated depreciation for:				
Infrastructure – roads	(68,756,150)	(1,062,044)	447,801	(69,370,393)
Infrastructure - sidewalks	(1,874,614)	(209,804)	168,300	(1,916,118)
Buildings	(2,550,423)	(43,057)	0	(2,593,480)
Improvements – other	(441,528)	(77,291)	0	(518,819)
Library collection	(39,561)	(28,736)	0	(67,937)
Vehicles and equipment	(1,621,296)	(237,699)	163,294	(1,695,701)
Equipment - general	(995,376)	(132,627)	0	(1,128,003)
Total accumulated depreciation	(76,278,948)	(1,790,898)	779,395	(77,290,451)
Subtotal - Depreciable Assets	21,923,539	714,548	(73,354)	22,564,733
Governmental activities capital assets, net	$24,540,203	$1,303,503	$(509,855)	$25,333,851

6. CAPITAL ASSETS (Continued)

Primary Government

Business-type Activities:

Nondepreciable Assets	Balance June 30, 2003	Additions	Deletions	Balance June 30, 2004
Land	11,502	0	0	11,502
Work in Progress	8,731,165	4,003,823	0	12,734,988
Depreciable Assets				
Buildings	233,624	0	0	233,624
Garage	24,564	0	0	24,564
Equipment – other	27,223	5,514	0	32,737
Vehicles and Equipment	1,006,735	0	0	1,006,735
Water System	9,093,028	205,407	0	9,298,435
Water – Hydrants	560,836	0	0	560,836
Water – Tanks	166,833	0	0	166,833
Water – Pump Station	1,054,921	0	0	1,054,921
Water – Master Meter	27,514	0	0	27,514
Water – Reservoir	500,706	0	0	500,706
Water – Reservoir Pump	413,457	0	0	413,457
Sewer System	943,202	298,685	0	1,241,887
Subtotal - Depreciable Assets	14,052,643	509,606	0	14,562,249
Total at historical cost	$22,795,310	$4,513,429	0	$27,308,739
Less accumulated depreciation for:				
Buildings	(189,807)	(3,678)	0	(193,485)
Garage	(24,563)	0	0	(24,563)
Equipment – other	(21,984)	(1,777)	0	(23,761)
Vehicles and Equipment	(728,590)	(64,029)	(33,482)	(826,101)
Water System	(2,821,628)	(112,086)	0	(2,933,714)
Water – Hydrants	(342,208)	(9,342)	0	(351,550)
Water – Tanks	(132,905)	(5,769)	0	(138,674)
Water – Pump Station	(651,683)	(31,158)	0	(682,841)
Water – Master Meter	(17,541)	(344)	0	(17,885)
Water – Reservoir	(399,176)	(10,550)	0	(409,726)
Water – Reservoir Pump	(179,240)	(9,394)	0	(188,634)
Sewer System	(133,314)	(18,101)	33,482	(118,012)
Total accumulated depreciation	(5,642,639)	(266,307)	0	(5,908,946)
Subtotal - Depreciable Assets	8,410,004	243,299	0	8,653,303
Business-type activities capital assets, net	$17,152,671	$4,247,122	0	$21,399,793

6. CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

General Government	$ 66,323
Judicial	1,212
Public Safety	33,659
Road Maintenance & Repair	1,271,850
Public Works	89,634
Culture and Recreation	56,587
Library	32,277
Sub-Total: Governmental Activities	1,551,542
In addition, depreciation on capital assets held by the City's internal service fund is charged to the various functions based on their usage of the assets	239,356
Total depreciation expense	$ 1,790,898

7. SUMMARY OF PROPRIETARY TYPE FUNDS CAPITAL ASSETS

Proprietary type funds capital assets at June 30, 2004 are summarized as follows:

	Enterprise	Internal Service
Land	$ 11,502	$ -
Buildings	258,188	-
Vehicles	1,006,735	2,836,103
Equipment	32,737	11,596
Water transmission and distribution mains	9,298,435	-
Fire hydrants	560,836	-
Water Tank	166,833	-
Water Pumping Station	1,054,921	
Water Master Meter	27,514	
Water Reservoir	500,706	
Water Reservoir Pumping Station	413,457	
Sewer System	1,241,887	
Work in Progress	12,734,988	-
Total Undepreciated cost	27,308,739	2,847,699
Less: accumulated depreciation	(5,908,946)	(1,700,671)
Total proprietary fund types property and equipment, net of accumulated depreciation	$21,399,793	$1,147,028

8. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSET

"Total fund balances" of the City's governmental funds ($13,436,219) on the Governmental Funds Balance Sheet differs from "net assets" of governmental activities ($17,438,976) reported in the statement of net assets. The difference primarily results from the long-term economic focus of the statement of net assets versus the current resources focus of the governmental fund balance sheets. The following is a description of each difference found on the reconciliation of government funds balance sheet and statement of net assets:

1. When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However the statement of net assets includes those assets among the assets of the City as a whole.

Cost of capital assets	$102,624,302
Accumulated depreciation	(77,290,451)
	$ 25,333,851

2. Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets. The balance of bonds payable as of June 30, 2004 is $21,775,000 and is recognized as a liability on the statement of net assets but not on the governmental funds balance sheet.

3. The City provides employees with sick, vacation, and personal leave, which can be accumulated and redeemed for compensation at retirement. This leave is referred to as accumulated compensated absences. Leave not used at the end of the fiscal year is not payable from current resources and is not recognized on the governmental funds balance sheet. The amount of $1,830,234 is recognized as a long-term liability on the statement of net assets. The amount payable by fund is as follows:

General Fund	$ 1,689,699
Major Streets	24,106
Local Streets	3,153
District Court	113,276
	$ 1,830,234

4. Some revenues will not be collected for several months after the City's fiscal year ends and are not considered "available" revenues in governmental funds. These revenues are presented as "deferred revenues" with a corresponding accounts receivable on the governmental funds balance sheet. These revenues are recognized as revenues in the period which they were earned, with a corresponding estimate of uncollectible amounts, on the statement of net assets. These amounts are as follows:

8. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSET (Continued)

		Estimated Allowance for Uncollectible Accounts		
	Total	Percent	Amount	Revenue
Delinquent personal property tax	$ 451,869	20.43	$ 92,317	$ 359,552
Emergency Service Billings	186,335	27.96	52,095	134,240
Special Assessments	135,631	0	0	135,631
Total	$ 773,835		$ 144,412	$ 629,423

The City levies a tax on personal property of commercial and industrial businesses. Taxes that remain unpaid at the end of the tax year are collected by Oakland County under a contractual agreement with the City. The uncollectible amount is estimated using past experience of canceled accounts.

Emergency Service Billings represent amounts charged to persons convicted of drunk driving and are charged for time and materials used in their arrests. Uncollectible amounts were estimated using past experience of amounts written off by the City's collection agency.

Special Assessments are levied on properties that have services performed for them by the City, such as weed mowing. These amounts are put on a taxpayer’s property tax bill and are paid 100% by the Oakland County as part of the tax settlement.

5. Internal service funds are used by management to charge the costs of certain activities, such as risk management and motor pool, to individual funds. The balance of assets, liabilities, and fund equity at year-end are accounted for on the statement of net assets but not on the governmental balance sheet.

9. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES

The "net change in fund balances" for governmental funds ($ 1,689,426 decrease) on the Statement of Revenues, Expenditures and Changes in Fund Balance differs from the "change in net assets" for governmental activities ($ 582,653) reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The following is a description of each difference found on the reconciliation of statement of revenues, expenditures and changes in fund balance to the statement of activities:

9. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES (continued)

1. Capital outlays are reported as an expenditure in the statement of revenues, expenditures and changes in fund balance. The costs of these outlays are spread over the estimated useful lives of the assets (depreciation) in the statement of activities. The difference is illustrated below:

Total additions:		$3,094,401
Less: Work in progress from prior year		(436,501)
Internal Service Funds capital purchases		(285,172)
Capital outlays as expenditures in FY 2003-2004		2,372,728
Total depreciation:	$1,790,898	
Less: Internal Service Funds depreciation	(239,356)	(1,551,542)
		$ 821,186

2. Principal on long-term debt was reduced in FY 2003-2004 by $1,600,000. The debt was originally issued to purchase capital assets and the outstanding liability is reported as reduction of net assets. Reducing the liability increases net assets.

3. Deferred revenue is estimated as explained in footnote 8(4) above. The estimate of revenue earned in FY 2003-2004 by program is as follows:

General Government	$ (34,166)
Public Safety	(32,455)
Road Maintenance & Repair	(15,345)
Public Works	6,234
General Tax Revenue	57,722
	$ (18,010)

4. The change in the long-term expense for accumulated compensated absences reported in the statement of activities and not the statement of revenues, expenditures and changes in fund balance is as follows:

General Fund	$ 57,349
Major Streets	1,837
Local Streets	146
District Court	(20,833)
	$38,499

9. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES (continued)

These expenses were charged to the following programs on the Statement of Activities:

General Government	$ 1,351
Judicial	(20,833)
Public Safety	39,505
Road Maintenance & Repair	1,983
Public Works	12,720
Culture and Recreation	462
Library	3,311
	$ 38,499

5. Internal service funds are used by management to charge the costs of certain activities, such as risk management, motor pool, central services, and retiree's health care to individual funds. The change in net assets of Internal Service Funds in FY 2003-2004 were included in the following programs on the Statement of Activities:

General Government	$ (16,625)
Judicial	(79,416)
Public Safety	(29,342)
Road Maintenance & Repair	(3,953)
Public Works	(777)
Health and Sanitation	(8,097)
Culture and Recreation	(4,149)
Library	(3,500)
Community Development	(1,760)
General Interest, Loss and Contribution	55,021
	$ (92,598)

The City's policy for eliminating the activity in the Risk Management Fund is to spread the income or loss to each activity based on direct expenditures of each activity before internal activity is eliminated.

The City's policy for eliminating the activity in the Motor Pool Fund is to spread the income or loss to each activity based on the number of vehicles used.

The City's policy for eliminating the activity in the Central Services Fund is to spread the income or loss to each activity based on direct expenditures of each activity before internal activity is eliminated.

9. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES (continued)

The City's policy for eliminating the activity in the Retirees Health Care Fund is to spread the income or loss to each activity based on the number of retirees receiving health insurance.

10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of the Michigan Municipal League sponsored self-insurance/public entity risk pools. The City pays annual premiums to the respective pools for general liability, property and workers' compensation insurance coverage and carries commercial insurance for other risks of loss. The agreements for the formation of the Michigan Municipal Liability and Property Fund and the Michigan Municipal Workers Compensation Fund provide that the pools will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of limitations imposed by the pool.

General Liability and Property

The City's Risk Management Fund is used to account for and finance the expenditures of the general liability and property plan. The Michigan Municipal Liability and Property Fund provides various levels of coverage, depending on which policy covers the claim. The City has numerous policies but the major policy limits are as follows: public officials and public safety officers claims are covered up to $10 million per occurrence, vehicle liability claims are covered up to $1 million per occurrence, and employee dishonesty claims are covered up to $500,000. For claims that are in excess of policy limitations, reinsurance with commercial companies has been provided.

Workers' Compensation

The Risk Management Internal Service Fund is also used to account for and finance the expenditures of the workers' compensation plan. The Risk Management Fund charges other City of Oak Park funds amounts that will provide for future expected and unexpected losses. The Risk Management Fund allocates the cost of providing claim servicing and claim payments by charging a "premium" to each fund, based on a percentage of each fund's estimated current year payroll. The plan has been approved by the State of Michigan under the Michigan Workers' Disability Compensation Act.

Workers compensation claims are covered by the Michigan Municipal Worker's Compensation Self-Insurer's Fund. Under the terms of the agreement, the Fund will pay

10. RISK MANAGEMENT (Continued):

all claims incurred, up to a maximum of $500,000 per occurrence. The City's liabilities for claims are recorded in the Risk Management Fund when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an estimated amount for claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claim liability does not necessarily result in an exact amount. Claim liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

The City's estimated claims payable at June 30, 2004 is $74,000.

Changes in the fund's claims liability amount are as follows:

Fiscal year ended June 30:	Beginning of year liability	Current year claims	Claim payments and changes in estimates	End of Year Liability
2000	$ 74,000	$ 32,536	$ 32,536	$ 74,000
2001	74,000	58,397	58,397	74,000
2002	74,000	71,722	71,722	74,000
2003	74,000	53,103	53,103	74,000
2004	74,000	48,183	48,183	74,000

Insurance settlements have not exceeded insurance coverage in any of the past three years.

The Michigan Municipal Liability and Property Fund and the Michigan Municipal Workers Compensation Fund have published their own financial reports, which can be obtained by contacting the management of each pool.

Health Insurance

The City provides health care benefits for substantially all of its employees and certain retirees under a commercial insurance policy. The policy utilizes an experience rating system, whereby insurance premium rates are affected by the actual claims reported. A settlement is performed annually covering the policy period, ending in March. If actual and estimated claims are in excess of the premiums paid during the policy period, the excess is recovered through subsequent premium increases, not to exceed thirty percent of the excess claims. If claims are less than premiums paid, then fifty percent of the excess premiums may be used to offset future premiums or refunded at the option of the City.

11. DEFINED BENEFIT PENSION PLAN

Plan Description and Contribution Information

The following brief description of the City of Oak Park Employee's Retirement Plan and Trust (Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

General

The Plan, established by Chapter 15 of the City of Oak Park, Michigan Charter, is a single-employer defined benefit pension plan covering substantially all employees of the City of Oak Park. The City of Oak Park is the administrator of the Plan. Administrative costs of the Plan are financed through investment earnings. The Plan is included as a pension trust fund in the City's primary government financial statements and a stand-alone financial report of the Plan has not been issued.

Membership of the plan consisted of the following at June 30, 2003, the date of the latest actuarial valuation:

	Retirees and Beneficiaries Currently Receiving Benefits	Inactive Employees entitled to Benefits but Not Receiving them
General	128	12
Public Safety	79	5
Total	207	17

	Active Employees		
	Vested	Non-Vested	Total
General	29	84	113
Public Safety	25	39	64
Total	54	123	177

11. DEFINED BENEFIT PENSION PLAN (Continued)

Eligibility

Employees retiring with ten or more years of service are entitled to annual pension benefits. General employees may retire at age 55, with retirement mandatory at age 70 without the employer's consent to continue. General non-union employees may retire after 25 years of service, regardless of age. Public safety employees may retire at age 50, with retirement mandatory at age 60 without the employer's consent to continue. Public Safety employees may retire after 25 years of service, regardless of age.

Vested employees receive a retirement benefit based on a formula established by a Negotiated Union Contract or City Ordinance. Employees can also receive a benefit based on a disability that occurred on the job (Duty Disability), a disability that occurred outside employment (Non-Duty Disability), or Death (paid to surviving spouse or dependent). Benefits can be amended by City Ordinance (voted on by a majority of City Council) or a negotiated contract with union groups.

Contributions

Employee Contributions

Eligible general employees are required to contribute 1.0% to 1.9% of their annual compensation to the Plan. Eligible public safety employees are required to contribute 5.55% of their annual compensation to the Plan in fiscal year 2003-2004. Such aggregate contributions amounted to $265,462 (before refunds) for the year ended June 30, 2004.

Employer Contributions

The City also makes contributions to the Plan, at annual actuarially determined amounts, to provide assets sufficient to meet the benefits to be paid to plan members. The current rate paid by the City is 9.07% of annual covered payroll for General members and 19.94% of annual covered payroll for Public Safety members.

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

Summary of Significant Accounting Policies

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due.

11. DEFINED BENEFIT PENSION PLAN (Continued)

The City's contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The plan uses the entry age actuarial cost method and a 4-year smoothed market method to value assets.

Method Used to Value Investments

The Plan's investments are reported at fair value which is determined using selected bases as follows: securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; investments that do not have established market values are reported at estimated fair value; and cash deposits are reported at carrying amounts which reasonably estimates market value.

Annual Pension Cost and Net Pension Obligation

The City's annual pension cost and net pension obligation to the City of Oak Park Employee's Retirement Plan and Trust for the current year were as follows:

Annual required contribution/pension cost	$1,236,907
Contribution made	(1,236,907)
Increase (decrease) in net pension obligation	-
Net pension obligation, beginning of year	-
Net pension obligation, end of year	$ -

The annual required contribution for the current year was determined as part of a June 30, 2002 actuarial valuation using the level contribution method. The actuarial assumptions included (a) 7.5% investment rate of return on the investment, which includes 4% attributable to inflation, compounded annually, (b) projected salary increases of 4% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0% to 4.0% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will not increase after retirement. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded, actuarial accrued liability is being amortized as a level percentage of projected payroll with 13 years remaining from a 40-year schedule, as of June 30, 2003.

Reserves - As of June 30, 2004 the plan's reserves have been fully funded as follows:

Legally required reserves:	
Reserves for employees' contributions	$ 3,034,582
Reserves for retired benefit payments	54,623,779
Additional reserves - Reserve for employer contributions	2,155,178
Total Reserves	$ 59,813,539

11. DEFINED BENEFIT PENSION PLAN (Continued)

The amortization period is closed - a specific number of years is counted from one date and, therefore, declines to zero with the passage of time.

Trend Information

Three Year Trend Information

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2002	$ 689,620	100%	$ -
6/30/2003	830,950	100%	-
6/30/2004	1,263,907	100%	-

12. 45B DISTRICT COURT MONEY PURCHASE PENSION PLAN

The 45B District Court Money Purchase Pension Plan is held in trust and covers 24 employees of the District Court. The plan is available to employees upon their first day of employment and benefits are fully vested upon the seventh year of service. The third party administrator for this plan is Charles Schwabb. In the money purchase pension plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The money purchase pension plan cost to the 45B District Court for the fiscal year ended June 30, 2004 was $124,815. The defined contribution pension cost to the employees was $0. Contributions to the plan are recognized when due and payable. Plan provisions and contribution rates are established and may be amended by resolution of the City Council. Unvested benefits forfeited by employees who leave employment early are redistributed to active participants. Assets of the plan are valued at $1,427,745.

13. POST RETIREMENT HEALTH BENEFITS

The City provides a post retirement, group hospitalization plan for its general employees and group hospitalization, dental and optical plans for its public safety employees. These plans were established through the employees' union contracts and employees not covered by union contracts will receive the same benefits that general employees receive.

The general employees' post retirement benefits and the public safety employees' coverage passes to the surviving spouse upon death of the retiree.

Currently 128 general retiree and 79 public safety retirees and surviving spouses are receiving benefits. The City pays 100% of the benefits for all public safety and general current retirees. A co-pay at the percentage indicated below will be required by retirees who were hired after January 18, 1993 for Public Safety Officers and July 1, 1992 for Public Safety Command Officers.

13. POST RETIREMENT HEALTH BENEFITS (Continued)

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

Expenditures for the premiums are paid and recognized as they become due. During the year ended June 30, 2004, expenditures for general employees of $1,078,296 and for public safety employees of $723,795 were recognized for retiree health insurance premiums.

There is the added stipulation in the union contracts that once retirees and dependents reach age 65, they shall be converted to Medicare Complimentary Coverage.

The City has created a Retiree's Health Care Fund in anticipation of pre-funding retiree's health care in the future. The funds set aside are not held in trust for employees.

14. JOINT VENTURES

The City is a member of the Southeastern Oakland County Resource Recovery Authority (the "Authority) which consists of 12 municipalities in Oakland County and provides refuse disposal services for the benefit of member municipalities. The City appoints one member of the joint venture's governing board and controls six of sixty-nine votes. The governing board approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2004, the last available audited financial statements, the Authority reported a reduction in net assets in the amount of $1,119,139 resulting in ending net assets in the amount of $6,966,199. During the year ended June 30, 2004, the City expended $494,340 of payments made to the Authority. Complete financial statements for the Southeastern Oakland County Resource Recovery Authority can be obtained from the administrative offices at 3910 Webster Road, Royal Oak, Michigan, 48073.

15. LEASES

The City of Oak Park has an agreement with HoneyBaked Hockey Club for the operation of the City ice rink. HoneyBaked will pay rent of $2,500 each month, which is to be paid in advance by the tenth of the month. The City may terminate the contract only if HoneyBaked fails to perform the terms and conditions of the contract. The City received $30,000 from HoneyBaked for the fiscal year ended June 30, 2004.

16. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2004:

	Business-Type Activities - Enterprise Fund	Governmental Activities -General Obligation		
		Bonds	Accumulated Compensated Absences	Total
Long-term debt payable at July 1, 2003 (net of any bond discount)	$13,050,171	$23,375,000	$1,791,735	$ 25,166,735
Debt issued or increases	6,696,202	0	103,322	103,322
Amortized bond discount	24,339	-	-	-
Debt retired	(3,294,897)	(1,600,000)	(64,823)	(1,664,823)
Long-term debt at June 30, 2004	16,475,815	$21,775,000	$1,830,234	$23,605,234
Accumulated compensated Absences				
June 30, 2003: $ 51,468				
Additions 9,384				
Subtractions (16,760)	44,092			
Total - June 30, 2004	$ 16,519,907			

Significant details regarding the types of debt are presented as follows:

GENERAL OBLIGATION DEBT

Bonds and Contracts Payable	Fund Servicing Debt	Final Payment Due	Interest Rate or Range	Annual Principal Payment Varies Between	Outstanding Balance June 30, 2004
Street Improvement - 2003 Series	Debt	May 1, 2028	3.0-5.0%	$275,000-$760,000	$ 11,400,000
Street Improvement - Refunding Bond 2003 Series	Debt	May 1, 2012	1.75%-3.5%	$865,000-$1,570,000	10,375,000
Total General Obligation Debt					$ 21,775,000

16. LONG-TERM DEBT (Continued)

The following amounts are due within one year:

Street Improvement - 2003 Series	$ 275,000
Street Improvement – Refunding Bond - 2003 Series	1,570,000
Sub-Total	1,845,000
Accumulated Compensated Absences	77,562
Total	$ 1,922,562

Debt service requirements:

Year Ended	Total	Principal	Interest
6/30/05	$ 2,584,272	$ 1,845,000	$ 739,272
6/30/06	2,578,548	1,875,000	703,548
6/30/07	2,242,248	1,580,000	662,248
6/30/08	2,222,717	1,595,000	627,717
6/30/09	2,132,067	1,545,000	587,067
6/30/10 to 6/30/2014	6,927,820	4,600,000	2,327,820
6/30/15 to 6/30/2019	4,299,575	2,560,000	1,739,575
6/30/20 to 6/30/2024	4,333,115	3,200,000	1,133,115
6/30/25 to 6/30/2028	3,313,175	2,975,000	338,175
	$ 30,633,537	$ 21,775,000	$ 8,858,537

All general obligation contract and bonded debt is supported by the City's full faith and credit.

Interest is payable on all obligations semi-annually. Principal is paid on an annual basis.

In Fiscal Year 2002-2003 the City issued two general obligation bonds totaling $23,375,000 for the construction of streets and refunding of 1993 refunding bonds.

In November of 2002 the voters approved a millage for the construction of streets and parking lots allowing the City to issue debt in the amount of $22.5 million. In May of 2003 the City borrowed $11.5 million as the first phase of a six-year rebuilding program. It is expected that the remaining $11 million of authorized debt will be issued in 2006.

On June 30, 2002 the City had $12.915 million outstanding debt from the 1993 Refunding Bonds. In May of 2003 these bonds were redeemed to take advantage of favorable interest rates. The 2003 Refunding Bonds in the amount of $11.875 million were issued to replace these bonds.

16. LONG-TERM DEBT (Continued)

REVENUE BONDS

Bonds, Contracts and Notes Payable	Fund Servicing Debt	Final Payment Due	Interest Rate or Range	Annual Principal Payment Varies Between	Outstanding Balance June 30, 2004
Water revenue bonds	Water	May 1, 2013	2.00% - 5.00%	$270,000-$385,000	$ 2,945,000
LIMITED TAX GENERAL OBLIGATION BONDS					
George W. Kuhn Drain Bonds	Water	April 1, 2024	2.5% -5.375%	$609,968-$966,383	13,530,815
Total Revenue Bond Debt					$16,475,815

The following amounts are due within one year:

1988 Water Revenue Bonds	$ 270,000
George W. Kuhn Drain – Series A	96,311
George W. Kuhn Drain – Series B	29,483
George W. Kuhn Drain – Series C	421,933
George W. Kuhn Drain – Series D	16,379
George W. Kuhn Drain – Series E	45,862
Accumulated Compensated Absences	8,905
Total	$ 888,873

Year Ended	Total	Principal	Interest
6/30/05	$ 405,282	$ 270,000	$ 135,282
6/30/06	407,075	300,000	107,075
6/30/07	406,075	305,000	101,075
6/30/08	404,975	310,000	94,975
6/30/09	408,000	320,000	88,000
6/30/10 to 6/30/2013	1,624,250	1,440,000	184,250
Subtotal	3,655,657	2,945,000	710,657
George W. Kuhn Drain	13,530,815	13,530,815	Not Available
	$17,186,472	$16,475,815	$ 710,657

16. LONG-TERM DEBT (Continued)

The City is a participating community in the George W. Kuhn drain project. The project is administered by the Oakland County Drain Commission and financed through sale of drain bonds, draw downs from the State of Michigan revolving fund, Federal and State of Michigan grants and contributions from Oakland County, Michigan. The City along with thirteen other local communities are obligated for payment of principal and interest of the outstanding debt. It is currently anticipated that the City's total obligation at the end of construction will be approximately $15.6 million with an interest rate ranging from 2.5% to 5.375%. As of June 30, 2004 the City's obligation is $13.53 million and incurred interest expense of $320,287 for the year then ended. Due to the current construction of the project, the sale of drain bonds and draws from the State of Michigan revolving fund are being incurred on as an as needed basis and thus an accurate schedule of principal and interest payments cannot be determined at this time.

The water revenue bonds are not a general obligation or indebtedness of the City but are payable solely from the net revenues of the Water Supply System Fund. As additional security, the City has signed a Revenue Sharing Pledge Agreement.

On June 30, 2003 the city had $3.175 million outstanding debt from the 1992 Refunding Bonds. In March of 2004 these bonds were redeemed to take advantage of favorable interest rates. The 2004 Refunding Bonds in the amount of $2.945 million were issued to replace these bonds.

17. DEFEASANCE OF DEBT

During the Fiscal Year ended June 30, 2003 the City issued $11,875,000 of general obligation bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purposes of generating resources for all future debt service payments on $12,230,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. This advanced refunding was undertaken to reduce total debt service payments by $1,276,703, which resulted in an economic gain of $1,028,752. On June 30, 2004 $10,375,000 remained outstanding.

During the Fiscal Year ended June 30, 2004 the City issued $2,945,000 of revenue bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purposes of generating resources for all future debt service payments on $3,175,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Statement of Net Assets. This advanced refunding was undertaken to reduce total debt service payments by $505,186 which resulted in an economic gain of $430,028. On June 30, 2004 $2,945,000 remained outstanding.

18. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS IN AND OUT

Individual fund receivable and payable balances at June 30, 2004 are shown below:

	Interfund Receivables	Interfund Payables
General Fund	$ 46,732	$ -
Non-major Governmental Funds	-	46,732
Total	$ 46,732	$ 46,732

The interfund balance is due to the CDBG Fund. Community Development Block Grant is a reimbursement type grant where funds must be expended before they are reimbursed, creating an interfund balance.

Interfund transfers for the year ended June 30, 2004 include:

	Transfer In	Transfer Out
General Fund	$ 255,000	$ 1,538,195
Major Street Fund	-	150,000
Solid Waste Fund	-	305,000
Non-Major Governmental Funds	1,898,141	209,946
Enterprise Funds:		
Water & Sewer Fund	50,000	-
Total	$2,203,141	$2,203,141

Interfund transfers were made from the General Fund to the Justice Assistance Grant Fund ($1,653) and Anti-Drug Grant - PUSH Fund ($17,297) to account for the City's match to receive grants. An amount was transferred from the General Fund ($1,519,245) to the District Court Fund to cover expenditures in the court above those funded by revenues. The City is allowed to transfer up to 25% of funds received under Act 51 in the Major Street Fund to the Local Street Fund. An amount was transferred from the Major Street Fund ($150,000) to the Local Street Fund to cover expenditures. An amount was transferred from the Solid Waste Fund ($305,000) to reimburse the General Fund ($255,000) and Water & Sewer Fund ($50,000) for services rendered. In FY 2003-2004 the City closed the 1990 Street Improvement Bonds ($104,021), the 1991 Street Improvement Bonds ($21,169) and the 1993 Street Refunding Bonds ($84,756) and transferred the balances to the 2003 Street Improvement Bond Fund ($209,946).

19. FUND BALANCE

A detailed listing of fund balances for reserved and unreserved balances is as follows:

	General	Special Revenue	Debt Service	Capital Projects	Totals
Reserved:					
Reserved for Debt Service	$ -	$ -	$ 282,328	$ -	$ 282,328
Reserved for Future Capital Improvements	-	-	-	8,849,248	8,849,248
Reserved for Prepaid Expenditures	248,672	33,824	-	1,691	284,187
Total reserved	$ 248,672	$ 33,824	$ 282,328	$ 8,850,939	$ 9,415,763
Unreserved:					
Undesignated	2,044,775	1,975,681	-	-	4,020,456
TOTAL FUND BALANCE	$2,293,447	$2,009,505	$ 282,328	$8,850,939	$13,436,219

20. SUMMARY OF DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

Pursuant to the General Property Tax Laws of the State of Michigan, the City receives revenues from property taxes levied against real and personal property located in the City. A number of entities owning property within the City have appealed their assessments to the Michigan Tax Tribunal. Although a reduction by the Tax Tribunal of any such assessments would result in a liability for the City to refund some taxes which have been collected, management believes a contingent liability for such refunds would be immaterial to the financial statements.

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

Labor Negotiations

The labor contract with Public Safety Officers expired on June 30, 2001. The union and management have agreed to binding arbitration. Hearings will begin in late 2004. The amount of the settlement cannot be measured and therefore is not presented in these financial statements.

CITY OF OAK PARK

REQUIRED SUPPLMENTARY INFORMATION (UNAUDITED)

FOR THE YEAR ENDED JUNE 30, 2004

DEFINED BENEFIT PENSION PLAN

Trend Information

Schedule of Funding Progress ($ in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Level Fund	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
06/30/2003	$ 71,367	$ 77,576	$ 6,209	92.0%	$ 8,872	70%
06/30/2002	77,078	74,827	(2,251)	103.0%	9,146	-
06/30/2001	81,235	73,646	(7,589)	110.3%	9,282	-
06/30/2000	78,887	69,488	(9,399)	113.5	8,745	-
06/30/1999	71,044	66,986	(4,058)	106.1	9,039	-
06/30/1998	63,684	61,489	(2,195)	103.6	8,652	-

Schedule of Employer Contributions ($ in thousands)

Fiscal Year	Contribution Rates as % of Valuation Payroll	Annual Required Contribution	Actual Annual Contribution	Percent of Required Contribution
06/30/2004	14.48%	$ 1,264	$ 1,264	100
06/30/2003	14.50	831	831	100
06/30/2002	7.88	690	690	100
06/30/2001	12.27	1,139	1,139	100
06/30/2000	16.57	1,449	1,449	100
06/30/1999	16.93	1,530	1,530	100
06/30/1998	20.80	1,800	1,800	100

"The Family City"

Fiscal Year July 1, 2003 through June 30, 2004

Comprehensive Annual Financial Report

CITY OF OAK PARK, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2004

ASSETS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	TOTAL
Cash and cash equivalents	$ 327,648	$ 276,685	$ 81,801	$ 686,134
Investments	339,355	518	85,836	425,709
Taxes receivable	-	78,727	-	78,727
Special assessments receivable	-	-	7,102	7,102
Accounts receivable	70,023	-	9,461	79,484
Accrued interest receivable	1,608	-	428	2,036
Due from other governmental units	58,371	-	-	58,371
Due from State	80,235	-	-	80,235
Prepaid expenditures	26,038	-	-	26,038
Restricted assets:				
Cash and cash equivalents	80,273	-	-	80,273
TOTAL ASSETS	$ 983,551	$ 355,930	184,628	$ 1,524,109
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 238,388	$ -	$ 2,530	$ 240,918
Accounts payable from restricted assets	80,273	-	-	80,273
Accrued and other liabilities	58,168	-	-	58,168
Due to other funds	46,732	-	-	46,732
Deferred revenue	19,954	73,602	13,540	107,096
TOTAL LIABILITIES	443,515	73,602	16,070	533,187
FUND BALANCES				
Reserved for debt service	-	282,328	-	282,328
Resrerved for capital projects	-	-	168,558	168,558
Reserved for prepaid expenditures	26,038	-	-	26,038
Unreserved	513,998	-	-	513,998
TOTAL FUND BALANCES	540,036	282,328	168,558	990,922
TOTAL LIABILITIES AND FUND BALANCES	$ 983,551	$ 355,930	$ 184,628	$ 1,524,109

CITY OF OAK PARK, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2004

	LOCAL STREET	NARCOTICS FORFEITURE	CRIMINAL JUSTICE TRAINING	DISASTER CONTINGENCY
ASSETS				
Cash and cash equivalents	$ 142,907	$ 66,864	$ 7,603	$ 1,437
Investments	149,957	70,162	7,977	1,507
Accounts receivable	-	-	-	-
Accrued interest receivable	527	350	47	8
Due from other governmental units	-	-	-	-
Due from State	80,235	-	-	-
Prepaid expenditures	914	-	-	-
Restricted assets:				
Cash and cash equivalents	-	-	-	-
TOTAL ASSETS	$ 374,540	$ 137,376	$ 15,627	$ 2,952
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 6,230	$ 56,409	$ 50	$ -
Accounts payable from restricted assets	-	-	-	-
Accrued and other liabilities	5,462	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	5,079	-	-
TOTAL LIABILITIES	11,692	61,488	50	-
FUND BALANCES				
Reserved:				
Prepaid expenditures	914	-	-	-
Unreserved	361,934	75,888	15,577	2,952
TOTAL FUND BALANCES	362,848	75,888	15,577	2,952
TOTAL LIABILITIES AND FUND BALANCES	$ 374,540	$ 137,376	$ 15,627	$ 2,952

COMMUNITY DEVELOPMENT BLOCK GRANT	P.U.S.H. PROGRAM	JUSTICE ASSISTANCE GRANT	CASEFLOW ASSISTANCE FUND	45-B DISTRICT COURT	TOTAL
$ -	$ 3,945	$ 20,245	$ 10,867	$ 73,780	$ 327,648
-	4,140	21,244	11,403	72,965	339,355
-	-	-	-	70,023	70,023
-	21	106	56	493	1,608
55,465	2,906	-	-	-	58,371
-	-	-	-	-	80,235
1,642	-	-	-	23,482	26,038
-	-	-	-	80,273	80,273
$ 57,107	$ 11,012	$ 41,595	$ 22,326	$ 321,016	$ 983,551

$ 6,882	$ 5,812	$ 24,957	$ -	$ 138,048	$ 238,388
-	-	-	-	80,273	80,273
3,493	-	-	-	49,213	58,168
46,732	-	-	-	-	46,732
-	-	14,875	-	-	19,954
57,107	5,812	39,832	-	267,534	443,515
1,642	-	-	-	23,482	26,038
(1,642)	5,200	1,763	22,326	30,000	513,998
-	5,200	1,763	22,326	53,482	540,036
$ 57,107	$ 11,012	$ 41,595	$ 22,326	$ 321,016	$ 983,551

CITY OF OAK PARK, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DEBT SERVICE FUNDS
JUNE 30, 2004

	1990 STREET IMPROVEMENT BOND	1991 STREET IMPROVEMENT BOND	1993 STREET REFUNDING BOND
ASSETS			
Cash and cash equivalents	$ -	$ -	$ -
Investments	-	-	-
Taxes receivable	-	-	-
TOTAL ASSETS	$ -	$ -	$ -
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Deferred revenue	$ -	$ -	$ -
FUND BALANCES			
Reserved for Debt Service	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ -	$ -

2003 STREET IMPROVEMENT BOND	2003 STREET REFUNDING BOND	MUNICIPAL BUILDING AUTHORITY	TOTAL
$ 250,001	$ 18,356	$ 8,328	$ 276,685
260	258	-	518
57,994	20,733	-	78,727
$ 308,255	$ 39,347	$ 8,328	$ 355,930
$ 56,340	$ 17,262	$ -	$ 73,602
251,915	22,085	8,328	282,328
$ 308,255	$ 39,347	$ 8,328	$ 355,930

CITY OF OAK PARK, MICHIGAN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECT FUNDS
JUNE 30, 2004

	PUBLIC IMPROVEMENT	CITY OWNED PROPERTY	SIDEWALK PROGRAM	MUNICIPAL BUILDING CONSTRUCTION	TOTAL
ASSETS					
Cash and cash equivalents	$ 21,729	$ -	$ 19,673	$ 40,399	$ 81,801
Investments	22,800	-	20,644	42,392	85,836
Special assessments receivable	-	-	7,102	-	7,102
Accounts receivable	-	-	9,461	-	9,461
Accrued interest receivable	114	-	103	211	428
TOTAL ASSETS	$ 44,643	$ -	$ 56,983	$ 83,002	$ 184,628
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ 2,530	$ -	$ 2,530
Deferred revenue	-	-	13,540	-	13,540
TOTAL LIABILITIES	-	-	16,070	-	16,070
FUND BALANCES					
Reserved for capital improvements	44,643	-	40,913	83,002	168,558
TOTAL LIABILITIES AND FUND BALANCES	$ 44,643	$ -	$ 56,983	$ 83,002	$ 184,628

CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES
and CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	TOTAL
REVENUES				
Property taxes	$ -	$ 2,485,261	$ -	$ 2,485,261
Special assessments	-	-	17,689	17,689
Intergovernmental revenue:				
Federal grants	298,430	-	-	298,430
State grants	577,381	-	-	577,381
Other grants	22,083	-	-	22,083
Charges for services	231,163	-	-	231,163
Fines and forfeitures	22,064	-	51,274	73,338
Other Income	-	-	52,843	52,843
Interest	5,251	15,572	2,257	23,080
TOTAL REVENUE	1,156,372	2,500,833	124,063	3,781,268
EXPENDITURES				
Current:				
Judicial	1,827,938	-	-	1,827,938
Public safety	158,099	-	-	158,099
Road maintenance and repair	389,021	-	-	389,021
Public works	-	-	12,769	12,769
Community enrichment and development	261,661	-	50,648	312,309
Debt service:				
Principal	-	1,600,000	-	1,600,000
Interest	-	892,765	-	892,765
Prior year tax refunds	-	661	-	661
Capital outlay	35,000	-	-	35,000
TOTAL EXPENDITURES	2,671,719	2,493,426	63,417	5,228,562
REVENUES OVER (UNDER) EXPENDITURES	(1,515,347)	7,407	60,646	(1,447,294)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,688,195	209,946	-	1,898,141
Transfers (out)	-	(209,946)	-	(209,946)
TOTAL OTHER FINANCING SOURCES (USES)	1,688,195	-	-	1,688,195
Net change in fund balances	172,848	7,407	60,646	240,901
FUND BALANCES, BEGINNING OF YEAR	367,188	274,921	107,912	750,021
FUND BALANCES, END OF YEAR	$ 540,036	$ 282,328	$ 168,558	$ 990,922

CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	LOCAL STREET	NARCOTICS FORFEITURE	CRIMINAL JUSTICE TRAINING	DISASTER CONTINGENCY
REVENUES				
Intergovernmental revenue:				
Federal grants	$ -	$ -	$ -	$ -
State grants	472,107	-	13,826	-
Other grants	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	22,064	-	-
Interest	901	1,026	198	49
TOTAL REVENUE	473,008	23,090	14,024	49
EXPENDITURES				
Current:				
Judicial	-	-	-	-
Public safety	-	76,492	18,827	-
Road maintenance and repair	389,021	-	-	-
Community enrichment and development	-	-	-	-
Capital Outlay	-	35,000	-	-
TOTAL EXPENDITURES	389,021	111,492	18,827	-
REVENUES OVER (UNDER) EXPENDITURES	83,987	(88,402)	(4,803)	49
OTHER FINANCING SOURCES				
Transfers in	150,000	-	-	-
NET CHANGE IN FUND BALANCES	233,987	(88,402)	(4,803)	49
FUND BALANCES, BEGINNING OF YEAR	128,861	164,290	20,380	2,903
FUND BALANCES, END OF YEAR	$ 362,848	$ 75,888	$ 15,577	$ 2,952

COMMUNITY DEVELOPMENT BLOCK GRANT	P.U.S.H. PROGRAM	JUSTICE ASSISTANCE GRANT	CASEFLOW ASSISTANCE FUND	45-B DISTRICT COURT	TOTAL
$ 226,688	$ 18,172	$ 53,570	$ -	$ -	$ 298,430
-	-	-	-	91,448	577,381
-	-	-	22,083	-	22,083
64	-	-	-	231,099	231,163
-	-	-	-	-	22,064
-	525	361	243	1,948	5,251
226,752	18,697	53,931	22,326	324,495	1,156,372
-	-	-	-	1,827,938	1,827,938
-	-	62,780	-	-	158,099
-	-	-	-	-	389,021
226,752	34,909	-	-	-	261,661
-	-	-	-	-	35,000
226,752	34,909	62,780	-	1,827,938	2,671,719
-	(16,212)	(8,849)	22,326	(1,503,443)	(1,515,347)
-	17,297	1,653	-	1,519,245	1,688,195
-	1,085	(7,196)	22,326	15,802	172,848
-	4,115	8,959	-	37,680	367,188
$ -	$ 5,200	$ 1,763	$ 22,326	$ 53,482	$ 540,036

CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	1990 STREET IMPROVEMENT BOND	1991 STREET IMPROVEMENT BOND	1993 STREET REFUNDING BOND
REVENUES			
Property taxes	$ 4	$ 4	$ 174
Interest income	99	20	80
TOTAL REVENUES	103	24	254
EXPENDITURES			
Debt service:			
Principal	-	-	-
Interest and charges	7	5	18
Prior year tax refund	-	-	-
TOTAL EXPENDITURES	7	5	18
REVENUES OVER (UNDER) EXPENDITURES	96	19	236
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	(104,021)	(21,169)	(84,756)
TOTAL OTHER FINANCING SOURCES (USES)	(104,021)	(21,169)	(84,756)
NET CHANGE IN FUND BALANCES	(103,925)	(21,150)	(84,520)
FUND BALANCES, BEGINNING OF YEAR	103,925	21,150	84,520
FUND BALANCES, END OF YEAR	$ -	$ -	$ -

2003 STREET IMPROVEMENT BOND	2003 STREET REFUNDING BOND	MUNICIPAL BUILDING AUTHORITY	TOTAL
$ 666,485	$ 1,818,768	$ -	$ 2,485,435
2,978	12,171	50	15,398
669,463	1,830,939	50	2,500,833
100,000	1,500,000	-	1,600,000
563,435	329,300	-	892,765
661	-	-	661
664,096	1,829,300	-	2,493,426
5,367	1,639	50	7,407
209,946	-	-	209,946
-	-	-	(209,946)
209,946	-	-	-
215,313	1,639	50	7,407
36,602	20,446	8,278	274,921
$ 251,915	$ 22,085	$ 8,328	$ 282,328

CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	PUBLIC IMPROVEMENT	CITY OWNED PROPERTY	SIDEWALK PROGRAM	MUNICIPAL BUILDING CONSTRUCTION	TOTAL
REVENUE					
Special assessments	$ -	$ -	$ 17,689	$ -	$ 17,689
Other Income	-	52,843	-	-	52,843
Fines and forfeitures	-	-	-	51,274	51,274
Interest income	479	-	1,016	762	2,257
TOTAL REVENUES	479	52,843	18,705	52,036	124,063
EXPENDITURES					
Public works	-	-	12,769	-	12,769
Community development	-	50,648	-	-	50,648
TOTAL EXPENDITURES	-	50,648	12,769	-	63,417
NET CHANGE IN FUND BALANCE	479	2,195	5,936	52,036	60,646
FUND BALANCES, BEGINNING OF YEAR	44,164	(2,195)	34,977	30,966	107,912
FUND BALANCES (DEFICIT), END OF YEAR	$ 44,643	$ -	$ 40,913	$ 83,002	$ 168,558

CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2004

	RISK MANAGEMENT	CENTRAL SERVICES	MOTOR POOL	RETIREES HEALTH CARE COURT	RETIREES HEALTH CARE GENERAL	TOTAL
ASSETS						
Current Assets:						
Cash and Cash Equivalents	$ 127,085	$ 15,967	$ 331,879	$ 171,707	$ 56,699	$ 703,337
Investments	133,354	16,755	348,251	180,177	328,691	1,007,228
Receivables (net)	715	84	1,680	898	297	3,674
Prepaid expenses	58,227	-	1,943	10,928	-	71,098
Total current assets	319,381	32,806	683,753	363,710	385,687	1,785,337
Noncurrent assets:						
Capital assets:						
Depreciable buildings, property, and equipment, net	-	6,626	1,140,402	-	-	1,147,028
Total assets	$ 319,381	$ 39,432	$ 1,824,155	$ 363,710	$ 385,687	$ 2,932,365
LIABILITIES						
Current liabilities:						
Accounts payable	$ 3,703	$ 821	$ 34,964	$ -	$ -	$ 39,488
Accrued and other liabilities	74,000	-	27,132	-	-	101,132
Total liabilities	77,703	821	62,096	-	-	140,620
NET ASSETS						
Invested in capital assets, net of related debt	-	6,626	1,140,402	-	-	1,147,028
Unrestricted	241,678	31,985	621,657	363,710	385,687	1,644,717
Total net assets	241,678	38,611	1,762,059	363,710	385,687	2,791,745
Total liabilities and net assets	$ 319,381	$ 39,432	$ 1,824,155	$ 363,710	$ 385,687	$ 2,932,365

CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	RISK MANAGEMENT	CENTRAL SERVICES	MOTOR POOL	RETIREES HEALTH CARE COURT	RETIREES HEALTH CARE GENERAL	TOTAL
Operating revenues:						
Charges for services	$ 481,760	$ 94,000	$ 669,941	$ -	$ -	$ 1,245,701
Fines and forfeits	-	-	-	51,274	-	51,274
Miscellaneous	67,287	-	18,201	-	-	85,488
Total operating revenues	549,047	94,000	688,142	51,274	-	1,382,463
Operating expenses:						
Gas purchases	-	-	88,857	-	-	88,857
Professional services	1,206	19,219	18,470	12,686	5,750	57,331
Supplies	-	7,989	159,458	-	-	167,447
Postage	-	54,971	-	-	-	54,971
Depreciation	-	1,657	237,699	-	-	239,356
Wages and benefits	-	-	169,598	-	-	169,598
Claims	48,183	-	-	-	-	48,183
Insurance payments	594,636	-	-	109,703	-	704,339
Total operating expenses	644,025	83,836	674,082	122,389	5,750	1,530,082
Operating income (loss)	(94,978)	10,164	14,060	(71,115)	(5,750)	(147,619)
Nonoperating revenues (expenses):						
Interest and investment revenues	2,007	376	7,242	4,001	1,665	15,291
Unrealized gain on investments	-	-	-	-	42,780	42,780
Loss on disposal of capital assets	-	-	(3,050)	-	-	(3,050)
Total nonoperating revenues (expenses):	2,007	376	4,192	4,001	44,445	55,021
Income (loss)	(92,971)	10,540	18,252	(67,114)	38,695	(92,598)
Total net assets - beginning	334,649	28,071	1,743,807	430,824	346,992	2,884,343
Total net assets - ending	$ 241,678	$ 38,611	$ 1,762,059	$ 363,710	$ 385,687	$ 2,791,745

CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	RISK MANAGEMENT	CENTRAL SERVICES	MOTOR POOL	RETIREES HEALTH CARE COURT	RETIREES HEALTH CARE GENERAL	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from interfund services provided	$ 481,760	$ 94,000	$ 669,941	$ -	$ -	$ 1,245,701
Payments to suppliers	(598,381)	(82,094)	(236,891)	(125,446)	(5,750)	(1,048,562)
Payments to employees		-	(169,598)	-	-	(169,598)
Claims paid	(48,183)	-	-	-	-	(48,183)
Other receipts (payments)	67,728	(60)	18,490	51,747	(297)	137,608
Net cash provided (used) by operating activities	(97,076)	11,846	281,942	(73,699)	(6,047)	116,966
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	-	-	(214,868)	-	-	(214,868)
Net cash (used) by capital and related financing activities	-	-	(214,868)	-	-	(214,868)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	54,473	(5,924)	(28,180)	42,559	4,209	67,137
Interest and dividends	2,007	376	7,242	4,001	1,665	15,291
Net cash provided (used) by investing activities	56,480	(5,548)	(20,938)	46,560	5,874	82,428
Net increase (decrease) in cash and cash equivalents	(40,596)	6,298	46,136	(27,139)	(173)	(15,474)
Balances - beginning of year	167,681	9,669	285,743	198,846	56,872	718,811
Balances - end of year	$ 127,085	$ 15,967	$ 331,879	$ 171,707	$ 56,699	$ 703,337
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	$ (94,978)	$ 10,164	$ 14,060	$ (71,115)	$ (5,750)	$ (147,619)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	-	1,657	237,699	-	-	239,356
Change in assets and liabilities:						
Accounts and other payables	2,703	85	29,843	-	-	32,631
Accrued expenses	(4,801)	(60)	340	(2,584)	(297)	(7,402)
Net cash provided by operating activities	$ (97,076)	$ 11,846	$ 281,942	$ (73,699)	$ (6,047)	$ 116,966

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LOCAL STREET FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ 78,384	$ 128,861	$ 128,861	$ -
Resources (inflows):				
State Grants - Streets	420,346	420,346	472,107	51,761
Interest Income & Other	11,000	1,680	901	(779)
Transfer-In	100,000	150,000	150,000	-
Amounts available for appropriation	609,730	700,887	751,869	50,982
Charges to apprpriation (outflows):				
Road Maintenance & Repair	553,544	577,477	389,021	188,456
Total Charges To Appropriations	553,544	577,477	389,021	188,456
Budgetary fund balance, June 30	$ 56,186	$ 123,410	$ 362,848	$ 239,438

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - NARCOTICS FORFEITURE FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ 168,857	$ 164,290	$ 164,290	$ -
Resources (inflows):				
Fines and Forfeitures	105,000	75,000	22,064	(52,936)
Interest Income & Other	2,060	1,510	1,026	(484)
Amounts available for appropriation	275,917	240,800	187,380	(53,420)
Charges to apprpriation (outflows):				
Public Safety	84,650	96,319	76,492	19,827
Capital Outlay	-	35,000	35,000	-
Total Charges To Appropriations	84,650	131,319	111,492	19,827
Budgetary fund balance, June 30	$ 191,267	$ 109,481	$ 75,888	$ (33,593)

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CRIMINAL JUSTICE TRAINING FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ 24,877	$ 20,380	$ 20,380	$ -
Resources (inflows):				
State Grants	33,859	28,500	13,826	(14,674)
Interest Income	275	108	198	90
Amounts available for appropriation	59,011	48,988	34,404	(14,584)
Charges to apprpriation (outflows):				
Public Safety	20,757	14,500	18,827	(4,327)
Budgetary fund balance, June 30	$ 38,254	$ 34,488	$ 15,577	$ (18,911)

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DISASTER CONTINGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ 2,903	$ 2,903	$ 2,903	$ -
Resources (inflows):				
Interest Income	55	48	49	1
Amounts available for appropriation	2,958	2,951	2,952	1
Charges to apprpriation (outflows):				
Miscellaneous	-	-	-	-
Budgetary fund balance, June 30	$ 2,958	$ 2,951	$ 2,952	$ 1

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ -	$ -	$ -	$ -
Resources (inflows):				
Federal Grants	195,418	191,197	226,688	35,491
Charges for Services	65	70	64	(6)
Amounts available for appropriation	195,483	191,267	226,752	35,485
Charges to apprpriation (outflows):				
Community Enrichment and Development	195,483	232,267	226,752	5,515
Budgetary fund balance, June 30	$ -	$ (41,000)	$ -	$ 41,000

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - P.U.S.H. PROGRAM GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ -	$ 4,115	$ 4,115	$ -
Resources (inflows):				
Federal Grants	29,893	15,385	18,172	2,787
Interest Income & Other	7,400	185	525	340
Transfer In	25,207	17,297	17,297	-
Amounts available for appropriation	62,500	36,982	40,109	3,127
Charges to apprpriation (outflows):				
Community Enrichment and Development	62,500	35,784	34,909	875
Budgetary fund balance, June 30	$ -	$ 1,198	$ 5,200	$ 4,002

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - JUSTICE ASSISTANCE GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ -	$ 8,960	$ 8,959	$ (1)
Resources (inflows):				
Federal Grants	41,947	42,262	53,570	11,308
Interest Income & Other	1,240	335	361	26
Transfer In	8,000	1,653	1,653	-
Amounts available for appropriation	51,187	53,210	64,543	11,333
Charges to apprpriation (outflows):				
Public Safety	51,187	53,210	62,780	(9,570)
Budgetary fund balance, June 30	$ -	$ -	$ 1,763	$ 1,763

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASEFLOW ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ -	$ -	$ -	$ -
Resources (inflows):				
State Grants	25,000	26,000	22,083	(3,917)
Interest Income	50	48	243	195
Amounts available for appropriatior	25,050	26,048	22,326	(3,722)
Charges to apprpriation (outflows):				
Judicial	-	-	-	-
Budgetary fund balance, June 30	$ 25,050	$ 26,048	$ 22,326	$ (3,722)

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DISTRICT COURT 45B FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ 15,000	$ 15,000	$ 37,680	$ 22,680
Resources (inflows):				
State Grants	$ 91,448	$ 91,448	$ 91,448	$ -
Charges for services	368,000	368,000	231,099	(136,901)
Interest and other	4,000	4,000	1,948	(2,052)
Amounts available for appropriation	478,448	478,448	362,175	(116,273)
Charges to apprpriation (outflows):				
Judicial services	2,018,119	1,891,149	1,827,938	63,211
REVENUES UNDER EXPENDITURES	(1,539,671)	(1,412,701)	(1,465,763)	(53,062)
OTHER FINANCING SOURCES				
Transfers in	1,569,671	1,442,701	1,519,245	76,544
Budgetary fund balance, June 30	$ 30,000	$ 30,000	$ 53,482	$ 23,482

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - 1990 ST. IMPROVEMENT DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ 109,891	$ 103,925	$ 103,925	$ -
Resources (inflows):				
Property taxes	-	4	4	-
Interest income	-	99	99	-
Amounts available for appropriation	109,891	104,028	104,028	-
Charges to apprpriation (outflows):				
Prior year tax refunds	-	7	7	-
Transfer to other funds	109,891	104,021	104,021	-
Total Charges To Appropriations	109,891	104,028	104,028	-
Budgetary fund balance, June 30	$ -	$ -	$ -	$ -

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - 1991 ST. IMPROVEMENT DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ 24,407	$ 21,150	$ 21,150	$ -
Resources (inflows):				
Property taxes	-	4	4	-
Interest income	-	20	20	-
Amounts available for appropriation	24,407	21,174	21,174	-
Charges to apprpriation (outflows):				
Prior year tax refunds	-	5	5	-
Transfer to other funds	24,407	21,169	21,169	-
Total Charges To Appropriations	24,407	21,174	21,174	-
Budgetary fund balance, June 30	$ -	$ -	$ -	$ -

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - 1993 ST. REFUNDING DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ 77,773	$ 84,520	$ 84,520	$ -
Resources (inflows):				
Property taxes	-	175	174	(1)
Interest income	-	80	80	-
Amounts available for appropriation	77,773	84,775	84,774	(1)
Charges to apprpriation (outflows):				
Prior year tax refunds	10,000	10,000	18	9,982
Transfer out	77,773	84,756	84,756	-
Total Charges To Appropriations	87,773	94,756	84,774	9,982
Budgetary fund balance, June 30	$ (10,000)	$ (9,981)	$ -	$ 9,981

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - 2003 ST. IMPROVEMENT DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ -	$ 36,602	$ 36,602	$ -
Resources (inflows):				
Property taxes	663,185	670,846	666,485	(4,361)
Interest income	1,000	2,500	2,978	478
Transfer From Other Funds	133,488	209,946	209,946	-
Amounts available for appropriation	797,673	919,894	916,011	(3,883)
Charges to apprpriation (outflows):				
Principal	100,000	100,000	100,000	-
Interest and Other	564,185	566,685	564,096	2,589
Total Charges To Appropriations	664,185	666,685	664,096	2,589
Budgetary fund balance, June 30	$ 133,488	$ 253,209	$ 251,915	$ (1,294)

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - 2003 ST. REFUNDING DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ -	$ 20,446	$ 20,446	$ -
Resources (inflows):				
Property taxes	1,835,029	1,836,825	1,818,768	(18,057)
Interest income	5,020	4,940	12,171	7,231
Amounts available for appropriation	1,840,049	1,862,211	1,851,385	(10,826)
Charges to apprpriation (outflows):				
Principal	1,500,000	1,500,000	1,500,000	-
Interest and Other	340,049	330,049	329,300	749
Total Charges To Appropriations	1,840,049	1,830,049	1,829,300	749
Budgetary fund balance, June 30	$ -	$ 32,162	$ 22,085	$ (10,077)

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PUBLIC IMPROVEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ 44,770	$ 44,164	$ 44,164	$ -
Resources (inflows):				
Interest income	-	-	479	479
Amounts available for appropriation	44,770	44,164	44,643	479
Budgetary fund balance, June 30	$ 44,770	$ 44,164	$ 44,643	$ 479

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CITY OWNED PROPERTY
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ -	$ (2,195)	$ (2,195)	$ -
Resources (inflows):				
Sale of Property	-	52,844	52,843	(1)
Amounts available for appropriation	-	50,649	50,648	(1)
Charges to apprpriation (outflows):				
Community Enrichment and Development	-	2,062	2,121	(59)
Proceeds from Sale	-	-	-	-
Purchase of Property	-	48,587	48,527	60
Total Charges To Appropriations	-	50,649	50,648	1
Budgetary fund balance, June 30	$ -	$ -	$ -	$ -

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SIDEWALK PROGRAM
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ 24,478	$34,977	$ 34,977	$ -
Resources (inflows):				
Charges for Services	-	25,000	17,689	(7,311)
Interest income	-	2,000	1,016	(984)
Amounts available for appropriation	24,478	61,977	53,682	(8,295)
Charges to apprpriation (outflows):				
Public Works	-	15,000	12,769	2,231
Budgetary fund balance, June 30	$ 24,478	$46,977	$ 40,913	$ (6,064)

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MUNICIPAL BUILDING CONSTRUCTION FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ 35,004	$ 30,966	$ 30,966	$ -
Resources (inflows):				
Ordinance Fines	75,000	50,000	51,274	1,274
Interest income	1,500	975	762	(213)
Amounts available for appropriation	111,504	81,941	83,002	1,061
Budgetary fund balance, June 30	$ 111,504	$ 81,941	$ 83,002	$ 1,061

CITY OF OAK PARK, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, and CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - 2003 STREET IMPROVEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary fund balance, July 1	$ 11,249,542	$ 11,017,013	$ 11,017,013	$ -
Resources (inflows):				
Interest income	120,000	120,000	96,576	(23,424)
Amounts available for appropriation	11,369,542	11,137,013	11,113,589	(23,424)
Charges to apprpriation (outflows):				
Road Maintenance & Repair	2,911,053	2,956,501	114,311	2,842,190
Capital Outlay - Roads	250,000	110,000	2,316,897	(2,206,897)
Total Charges To Appropriations	3,161,053	3,066,501	2,431,208	635,293
Budgetary fund balance, June 30	$ 8,208,489	$ 8,070,512	$ 8,682,381	$ (658,717)

CITY OF OAK PARK, MICHIGAN
STATEMENT OF CHANGES IN AGENCY FUND
ASSETS AND LIABILITIES
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

ESCROW FUND

	BALANCE June 30, 2003	Additions	Deductions	BALANCE June 30, 2004
ASSETS				
Cash and cash equivalents	$ 60,042	$ 793,372	$ 780,690	$ 72,724
Investments at cost:				
US government obligations	67,255	14,205	-	81,460
Accounts receivable	1,300	28,454	29,754	-
TOTAL ASSETS	$ 128,597	$ 836,031	$ 810,444	$ 154,184
LIABILITIES				
Accounts payable	$ 128,597	$ 1,103,469	$ 1,077,882	$ 154,184
TOTAL LIABILITIES	$ 128,597	$ 1,103,469	$ 1,077,882	$ 154,184

PAYROLL FUND

	BALANCE June 30, 2003	Additions	Deductions	BALANCE June 30, 2004
ASSETS				
Cash and cash equivalents	$ 32,828	$ 21,259,586	$ 21,256,082	$ 36,332
TOTAL ASSETS	$ 32,828	$ 21,259,586	$ 21,256,082	$ 36,332
LIABILITIES				
Accounts payable	$ 32,828	$ 447,238	$ 443,734	$ 36,332
TOTAL LIABILITIES	$ 32,828	$ 447,238	$ 443,734	$ 36,332

COMBINED ESCROW AND PAYROLL FUNDS

	BALANCE June 30, 2003	Additions	Deductions	BALANCE June 30, 2004
ASSETS				
Cash and cash equivalents	$ 92,870	$ 22,052,958	$ 22,036,772	$ 109,056
Investments at cost:				
US government obligations	67,255	14,205	-	81,460
Accounts receivable	1,300	28,454	29,754	-
TOTAL ASSETS	$ 161,425	$ 22,095,617	$ 22,066,526	$ 190,516
LIABILITIES				
Accounts payable	$ 161,425	$ 1,550,707	$ 1,521,616	$ 190,516
TOTAL LIABILITIES	$ 161,425	$ 1,550,707	$ 1,521,616	$ 190,516

CITY OF OAK PARK, MICHIGAN
COMBINING STATEMENT OF NET ASSETS
AGENCY FUNDS
JUNE 30, 2004

	Payroll Fund	Escrow Fund	Total Agency Funds
ASSETS			
Cash and cash equivalents	$ 36,332	$ 72,724	$ 109,056
Investments, at cost:			
U.S. government obligations	-	81,460	81,460
Total assets	$ 36,332	$ 154,184	$ 190,516
LIABILITIES			
Accounts payable	$ 36,332	$ 154,184	$ 190,516

TABLE I
CITY OF OAK PARK
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (a)
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30	Total Expenditures	Judicial Services	General Government	Public Safety	Road Maintenance and Repair	Public Works	Solid Waste	Recreation and Culture	Library	Community Enrichment and Development	Non-Departmental	Debt Service	Capital Projects
1995	$ 20,933,173	$ 1,304,767	$ 3,948,803 (b)	$ 6,252,785	$ 1,153,297	$ 820,182	$ 1,512,678	$ 1,165,521	$ 645,817	$ 281,256	$ 1,041,214	$ 2,366,440	$ 440,413
1996	22,350,728	1,377,042	4,062,562	6,411,162	1,273,138	781,233	1,637,238	1,288,301	699,192	357,304	1,056,017	2,480,068	927,471
1997	22,895,917	1,582,607	3,850,197	6,948,688	1,300,130	954,176	1,736,998	1,448,555	784,445	357,459	908,728	2,550,437	473,497
1998	22,698,232	1,625,312	3,752,246	7,935,881	1,215,228	823,853	1,412,026	1,127,110	749,836	253,462	951,841	2,607,866	243,571
1999	23,342,890	1,654,765	3,952,318	7,485,622	1,583,170	904,735	1,472,166	1,131,518	711,269	306,293	1,119,975	2,641,337	379,722
2000	24,216,953	1,807,921	4,052,020	7,595,002	1,769,127	1,004,312	1,473,454	1,153,574	765,538	379,636	1,341,230	2,674,818	200,321
2001	26,717,618	1,827,591	4,523,698	7,348,466	1,254,798	1,084,113	1,508,543	1,240,268	757,635	520,634	1,542,989	2,581,967	2,526,916
2002	26,541,793	2,035,751	4,198,722	7,240,699	1,015,522	1,293,131	1,593,511	1,388,372	776,387	277,227	1,691,998	2,611,107	2,419,366
2003	25,255,038	1,990,428	4,110,182	7,255,487	1,362,110	1,047,631	1,711,068	1,257,417	688,841	491,329	1,690,825	2,924,325	725,395
2004	26,058,492	1,827,938	4,088,575	7,420,205	905,029	1,043,978	1,853,665	1,199,297	765,011	312,309	1,776,331	2,493,426	2,372,728

(a) Includes General, Special Revenue , Capital Project and Debt Service Funds

(b) Due to a city-wide reorganization the Department of Technical and Planning Services was created and assumed duties from other departments. Expenditures for this department ($2,118,825 in FY 94-95) are reported as General Government.

TABLE II
CITY OF OAK PARK
GENERAL REVENUES BY SOURCE (a)
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30	Total Revenues	Property Taxes	Licenses and Permits	Inter-governmental	Charges for Services	Fines and Forfeits	Interest Income	Miscellaneous
1995	$21,392,502	$11,622,071	$436,367	$ 5,606,825	$1,406,630	$1,625,143	$547,670	$ 147,796
1996	21,783,485	11,612,505	449,543	6,004,661	1,403,637	1,644,966	515,216	152,957
1997	22,432,663	11,825,299	477,609	6,063,603	1,604,456	1,856,476	460,930	144,290
1998	23,233,899	12,270,825	313,737	6,451,194	1,330,682	1,797,835	512,493	557,133
1999	23,568,606	12,552,798	441,340	6,467,323	1,252,900	1,724,698	567,224	562,323
2000	24,481,379	12,774,154	404,363	6,972,817	1,307,964	1,780,463	566,902	674,716
2001	26,114,853	13,537,179	376,984	7,677,160	1,303,315	1,798,745	796,698	624,772
2002	24,949,520	13,419,356	323,316	6,680,862	1,445,627	1,979,089	372,423	728,847
2003	24,693,602	13,581,507	289,526	6,505,693	1,665,956	1,717,428	303,428	630,064
2004	24,419,066	14,003,002	342,338	6,208,211	1,284,631	1,477,959	194,298	908,627

(a) Includes General, Special Revenue , Capital Project and Debt Service Funds

TABLE III
CITY OF OAK PARK
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30	Total Tax Levy	Current Tax Collections	Percent of Levied Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections As Percent Of Current Levy
1995	$ 11,155,159	$ 11,004,745	98.65%	$ 92,688	$ 11,097,433	99.48%
1996	11,601,811	11,017,866	94.97%	53,263	11,071,129	95.43%
1997	11,882,202	11,730,994	98.73%	78,241	11,809,235	99.39%
1998	12,278,929	12,175,162	99.15%	121,174	12,296,336	100.14%
1999	12,753,551	12,622,098	98.97%	112,450	12,734,548	99.85%
2000	12,941,243	12,822,558	99.08%	82,214	12,904,772	99.72%
2001	13,178,024	13,033,664	98.90%	125,042	13,158,706	99.85%
2002	13,575,518	13,385,035	98.60%	95,246	13,480,281	99.30%
2003	13,562,840	13,353,379	98.46%	110,803	13,464,182	99.27%
2004	14,081,644	13,894,283	98.67%	93,827	13,988,110	99.34%

TABLE IV
CITY OF OAK PARK
ASSESSED VALUE AND ESTIMATED MARKET VALUE OF ALL TAXABLE PROPERTY
YEARS 1995 THROUGH 2004

Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value	Total Estimated Market Value	Percent Change In Market Value	Ratio of Total Assessed to Total Estimated Actual Value
1995	$ 384,763,350	$ 38,216,450	$ 422,979,800	$ 845,959,600	2.30%	0.50
1996	407,623,890	38,215,900	445,839,790	891,679,580	5.40%	0.50
1997	446,262,930	38,536,700	484,799,630	969,599,260	8.74%	0.50
1998	488,844,400	46,768,100	535,612,500	1,071,225,000	10.48%	0.50
1999	538,495,980	48,363,200	586,859,180	1,173,718,360	9.57%	0.50
2000	599,817,980	53,035,530	652,853,510	1,305,707,020	11.25%	0.50
2001	660,639,800	54,108,580	714,748,380	1,429,496,760	9.48%	0.50
2002	708,824,060	51,800,440	760,624,500	1,521,249,000	6.42%	0.50
2003	759,126,800	46,986,030	806,112,830	1,612,225,660	5.98%	0.50
2004	823,831,100	49,005,590	872,836,690	1,745,673,380	8.28%	0.50

Property Values provided by the City of Oak Park Assessor.

TABLE V
CITY OF OAK PARK
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
(Per $1,000 of Assessed Value)
LAST TEN FISCAL YEARS

Fiscal Year	City	School Districts: Oak Park	School Districts: Ferndale	School Districts: Berkley	Community College	County	Total Rates for Residents Residing In: Oak Park School District	Total Rates for Residents Residing In: Ferndale School District	Total Rates for Residents Residing In: Berkley School District
1995: Homestead (1)	26.7839	14.3714	7.6380	6.5325	0.8564	7.1127	49.1244	42.3910	41.2855
1995: Non-Homestead	26.7839	32.4614	25.7280	24.6225	0.8564	7.1127	67.2144	60.4810	59.3755
1996: Homestead (1)	26.8019	14.6074	13.2879	10.6488	1.6604	7.3438	50.4135	49.0940	46.4549
1996: Non-Homestead	26.8019	32.8783	31.5588	28.9197	1.6604	7.3438	68.6844	67.3649	64.7258
1997: Homestead (1)	26.7959	14.6071	13.2876	10.6485	1.6604	7.3136	50.3770	49.0575	46.4184
1997: Non-Homestead	26.7959	32.8780	31.5585	28.9194	1.6604	7.3136	68.6479	67.3284	64.6893
1998: Homestead (1)	26.4886	14.5529	13.2197	10.5937	1.6500	7.1180	49.8095	48.4763	45.8503
1998: Non-Homestead	26.4886	32.7329	31.3997	28.7737	1.6500	7.1180	67.9895	66.6563	64.0303
1999: Homestead (1)	26.0212	14.5410	13.2189	10.0576	1.6300	7.0792	49.2714	47.9493	44.7880
1999: Non-Homestead	26.0212	32.7101	31.3989	28.2376	1.6300	7.0792	67.4405	66.1293	62.9680
2000: Homestead (1)	25.1873	14.5085	13.2165	10.0552	1.6109	7.0466	48.3533	47.0613	43.9000
2000: Non-Homestead	25.1873	32.6666	31.3965	28.2352	1.6109	7.0466	66.5114	65.2413	62.0800
2001: Homestead (1)	24.6245	14.4444	13.2300	10.5737	1.5952	8.4171	49.0812	47.8668	45.2105
2001: Non-Homestead	24.6245	32.5126	31.4100	28.7537	1.5952	8.4171	67.1494	66.0468	63.3905
2002: Homestead (1)	23.6344	14.4173	13.2328	10.5765	1.6090	8.6747	48.3354	47.1509	44.4946
2002: Non-Homestead	23.6344	32.5754	31.4128	28.7565	1.6090	8.6747	66.4935	65.3309	62.6746
2003: Homestead (1)	23.5377	12.5350	12.2223	9.5660	1.5983	8.6462	46.3172	46.0045	43.3482
2003: Non-Homestead	23.5377	30.6184	30.4023	27.7460	1.5983	8.6462	64.4006	64.1845	61.5282
2004: Homestead (1)	24.1194	13.4731	13.4733	11.5745	1.5889	8.6227	47.8041	47.8043	45.9055
2004: Non-Homestead	24.1194	31.6531	31.6533	29.7545	1.5889	8.6227	65.9841	65.9843	64.0855

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

TABLE VI
CITY OF OAK PARK, MICHIGAN
SPECIAL ASSESSMENT COLLECTIONS
Last Ten Years
(Unaudited)

Fiscal Year Ending June 30	Current Assessments Due	Total Assessments Collected	Ratio of Collections of Amount Due (%)	Total Outstanding Assessments *
1995	$ 90,104	$ 36,983	41.04%	$ 68,888
1996	54,916	16,967	30.90%	43,065
1997	43,072	44,728	103.84%	6,907
1998	209,698	65,123	31.06%	203,234
1999	133,805	185,580	138.69%	153,890
2000	330,894	417,979	126.32%	66,805
2001	450,122	426,803	94.82%	90,124
2002	10,670	90,566	848.79%	10,228
2003	330,621	122,323	37.00%	218,526
2004	163,532	104,329	63.80%	277,729

** Includes General, Capital Project, and Enterprise Funds.*

TABLE VII
CITY OF OAK PARK
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2004

Assessed Value		$872,836,690
Legal Debt Limit (10% of Assessed Value)		$87,283,669
Gross Indebtedness	$21,775,000	
Less: Amount Available In Debt Service Fund	282,328	
Net Bonded Debt		21,492,672
Legal Debt Margin		$65,790,997
Net Bonded Debt as a Percentage of Assessed Value		2.46%

TABLE VIII
CITY OF OAK PARK
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30	Population *	Assessed Value For Operations **	Gross Bonded Debt	Amount Available in Debt Service Fund	Net Bonded Debt	Net Bonded Debt To Assessed Value ***	Net Bonded Debt Per Capita
1995	30,468	$ 422,979,800	$ 23,797,835	$ 697,957	$ 23,099,878	5.46	$ 758.17
1996	30,468	445,839,790	22,717,923	634,574	22,083,349	4.95	724.80
1997	30,468	484,799,630	21,617,753	608,931	21,008,822	4.33	689.54
1998	30,468	535,219,300	20,214,959	614,517	19,600,442	3.66	643.31
1999	30,468	586,859,180	18,794,446	676,487	18,117,959	3.09	594.66
2000	30,468	652,853,510	17,095,000	736,274	16,358,726	2.51	536.91
2001	29,793	714,748,380	15,495,000	932,779	14,562,221	2.04	488.78
2002	29,793	760,624,500	13,765,000	873,971	12,891,029	1.69	432.69
2003	29,793	806,112,830	23,375,000	274,921	23,100,079	2.87	775.35
2004	30,865	872,836,690	21,775,000	282,328	21,492,672	2.46	696.34

** Population estimates per U.S. Census Bureau*

*** Per Table IV*

**** Includes General Obligation Debt*

TABLE IX
CITY OF OAK PARK
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service	Total General Expenditures (a)	Ratio of Debt Service to General Expenditures (%)
1995	$ 974,912	$ 1,384,744	$ 2,359,656	$ 20,933,173	11.27%
1996	1,079,912	1,327,883	2,407,795	22,350,728	10.77%
1997	1,223,231	1,264,491	2,487,722	22,895,917	10.87%
1998	1,353,231	1,192,428	2,545,659	22,698,232	11.22%
1999	1,458,231	1,112,145	2,570,376	23,342,890	11.01%
2000	1,588,231	1,025,058	2,613,289	24,216,953	10.79%
2001	1,633,385	948,582	2,581,967	26,717,618	9.66%
2002	1,753,147	857,960	2,611,107	26,541,793	9.84%
2003	1,890,000	1,034,325	2,924,325	25,255,038	11.58%
2004	1,600,000	892,765	2,492,765	26,058,492	9.57%

(a) Includes General, Special Revenue , Capital Project and Debt Service Funds

TABLE X
CITY OF OAK PARK
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2004

Jurisdiction	Net Debt Outstanding	Percentage Debt Applicable To City *	City's Share Of Debt
City of Oak Park	$21,775,000	100.00%	$21,775,000
Berkley School District	38,130,000	12.76%	4,865,388
Ferndale School District	41,276,335	16.01%	6,608,341
Oak Park School District	9,700,000	72.16%	6,999,520
Oakland County at Large	73,460,291	1.09%	800,717
Oakland Intermediate School District	11,200,000	1.09%	122,080
Oakland Community College	12,325,000	1.10%	135,575
	$207,866,626		$41,306,621

** Amounts supplied by Municipal Advisory Council of Michigan.*

TABLE XI
REVENUE BOND COVERAGE
WATER AND SEWER BONDS
Last Ten Fiscal Years

Fiscal Year Ending June 30	Gross Revenue	Expenses, Net of Depreciation and Interest	Net Revenue Available for Debt Service	Total Debt Service Requirements			Debt Service Coverage
				Principal	Interest	Total	
1995	$ 4,746,528	$ 4,371,117	375,411	$ 100,000	$ 342,718	$ 442,718	0.85
1996	4,838,674	3,904,250	934,424	125,000	335,620	460,620	2.03
1997	4,982,808	4,084,576	898,232	125,000	322,908	447,908	2.01
1998	5,058,103	4,219,763	838,340	125,000	317,770	442,770	1.89
1999	5,535,565	4,442,613	1,092,952	150,000	307,183	457,183	2.39
2000	5,388,672	4,659,722	728,950	150,000	298,888	448,888	1.62
2001	5,431,897	4,863,072	568,825	175,000	314,098	489,098	1.16
2002	6,209,587	5,372,679	836,908	200,000	391,560	591,560	1.41
2003	8,301,437	6,574,923	1,726,514	314,480	500,068	814,548	2.12
2004	7,974,025	6,641,542	1,332,483	469,897	581,348	1,051,245	1.27

TABLE XII
CITY OF OAK PARK
DEMOGRAPHIC STATISTICS

Population

Year	Number	% Increase (Decrease)
1930	1,079	---
1940	1,169	8.00%
1950	5,267	351.00%
1960	36,632	596.00%
1970	36,762	0.00%
1980	31,561	-14.00%
1990	30,468	-3.00%
1992	30,359	0.00%
1996	30,193	-1.00%
2000	29,793	-1.00%
2004	30,865	4.00%

Oak Park was part of Royal Oak Township prior to 1930.

Population and Households *

Ethnicity

Total Population	30,865
White	13,989
Black or African American	13,690
American Indian	52
Asian	648
Other	2,486

Age

Under 5	2,022
18 and over	21,402
21 and over	20,346
15 - 19	2,127
20 - 24	1,661
25 - 44	8,887
45 - 54	4,185
55 - 59	1,379
60 - 64	932
62 and over	4,175
65 and over	3,626
85 and over	401
Median Age	34.6

Household Income

Total Households	11,104
Less than $10,000	823
$10,000 to $14,999	632
$15,000 to $24,999	1,025
$25,000 to $34,999	1,342
$35,000 to $49,999	1,883
$50,000 to $74,999	2,623
$75,000 to $99,999	1,408
$100,000 to $149,999	1,041
$150,000 or more	327
1989 Median Household Income	$36,090
1999 Median Household Income	$48,697
% Change 1989 - 1999	35.00%

Density

		Persons Per
Square Kilometers	13.0	2,374.2
Square Miles	5.5	5,611.8

** Statistics from 2000 Census and the Southeastern Michigan Coalition of Governments (SEMCOG) Center for Urban Studies*

TABLE XIII
CITY OF OAK PARK
SCHEDULE OF BUILDING PERMITS AND VALUATIONS (1)
LAST TEN FISCAL YEARS

FISCAL YEAR	COMMERCIAL		INDUSTRIAL		RESIDENTIAL		TOTAL	
	Number	Value	Number	Value	Number	Value	Number	Value
1994/95	57	$ 3,480,908	7	$ 226,606	769	$ 3,092,657	833	$ 6,800,171
1995/96	40	2,571,316	4	62,550	802	3,422,435	846	6,056,301
1996/97	43	4,596,389	1	110,000	970	4,749,147	1014	9,455,536
1997/98	40	3,527,825	2	66,577	854	6,148,262	896	9,742,664
1998/99	13	5,471,054	7	2,956,500	909	11,773,179	929	20,200,733
1999/2000	27	965,965	10	841,200	868	5,279,316	905	7,086,481
2000/2001	24	3,006,508	9	4,516,044	839	5,194,183	872	12,716,735
2001/2002	16	2,412,958	9	334,818	913	6,354,166	938	9,101,942
2002/2003	22	2,580,175	6	123,330	758	3,681,347	786	6,384,852
2003/2004	25	5,614,220	3	140,000	785	4,954,994	813	10,709,214

(1) Data provided by the Department of Technical & Planning Services.

TABLE XIV
SCHEDULE OF TRUE CASH VALUE - ALL REAL & PERSONAL PROPERTY (1)
AND BANK DEPOSITS (2)
LAST TEN FISCAL YEARS

FISCAL YEAR	COMMERCIAL REAL PROPERTY	INDUSTRIAL REAL PROPERTY	RESIDENTIAL REAL PROPERTY	UTILITY	PERSONAL PROPERTY	TOTAL	BANK $(000)
1994/95	$ 116,441,260	$ 79,077,760	$ 562,024,780	$ 11,982,900	$ 76,432,900	$845,959,600	$ 171,187
1995/96	120,112,120	79,295,360	603,548,000	12,292,300	76,431,800	891,679,580	169,983
1996/97	125,629,000	82,378,260	671,686,200	12,832,400	77,073,400	969,599,260	159,806
1997/98	130,128,600	83,834,800	763,725,400	13,843,900	79,692,300	1,071,225,000	165,926
1998/99	132,591,600	92,576,600	851,823,760	14,805,200	81,921,200	1,173,718,360	107,374
1999/2000	138,108,200	100,316,200	961,211,560	16,195,540	89,875,520	1,305,707,020	146,575
2000/2001	145,527,200	105,841,600	1,069,910,800	16,268,900	91,948,260	1,429,496,760	147,777
2001/2002	152,304,800	111,177,600	1,154,165,720	15,576,100	88,004,380	1,521,228,600	147,839
2002/2003	164,805,600	117,118,600	1,236,329,400	15,857,560	78,108,500	1,612,219,660	147,202
2003/2004	214,098,000	125,404,800	1,308,159,400	18,213,600	79,797,580	1,745,673,380	140,528

(1) Cash Value of property provided by the City of Oak Park Assessor.
(2) Bank Deposits were provided by Federal Deposit Insurance Corporation (FDIC).

TABLE XV
CITY OF OAK PARK
2004 TWENTY LARGEST TAXPAYERS

Taxpayer	Type of Business	Taxable Valuation	Percentage of Total Taxable Valuation
Jewish Federation Apts.	Apartment Complex	$10,236,660	1.62%
Lincoln Towers Apts, LLP	Apartment Complex	$6,496,050	1.03%
Detroit Edison Co.	Utility	6,320,760	1.00%
Crown Pointe Office	Commercial Lease	5,706,350	0.91%
Huntington Gardens Village Green Manage	Apartment Complex	5,618,510	0.89%
Sub-total		34,378,330	5.45%
GTN Industries, Inc.	Studio	5,004,820	0.79%
CBS, Inc.	Television Network	4,434,480	0.70%
Parkwood Plaza Limited	Shopping Center	4,369,900	0.69%
Home Properties of New York	Apartment Complex	4,166,680	0.66%
Oakmont Properties	Industrial Lease	3,846,470	0.61%
Sub-total		21,822,350	3.45%
Cincinnati Milacron/Valenite	Manufacturer	3,731,740	0.59%
Lincoln Center	Shopping Center	3,106,500	0.49%
Consumers Energy Co.	Utility	2,708,750	0.43%
Northland Plaza Associates	Shopping Center	2,652,650	0.42%
Kmart Corporation	Shopping Center	2,426,050	0.38%
Sub-total		14,625,690	2.31%
ASC / Raine Ventures, LLC	Manufacturer	2,328,160	0.37%
Eaton Steel / Goodman Bldg Co.	Steel Warehouse	2,326,950	0.37%
Public Storage/PS Euro Part X III Ltd.	Office/Storage	2,287,280	0.36%
Lincoln Briar Apts.	Apartment Complex	2,140,920	0.34%
P & P Real Estate Investment	Shopping Center	2,000,360	0.32%
Sub-total		11,083,670	1.76%
GrandTotal		$81,910,040	12.97%

TABLE XVI
CITY OF OAK PARK
MISCELLANEOUS STATISTICS
June 30, 2004

City Charter Adopted		October 29, 1945
Form of Government		Council / Manager
Number of full-time employees		171
Exempt	11	
Supervisory	13	
Administrative	6	
Command Officers	14	
Public Safety Officers	50	
Dispatch	6	
AFSCME	71	
Area in Square Miles		5.5
City of Oak Park facilities and services:		
Miles of Major Streets		19.27
Miles of Local Streets		65.33
Number of Street Lights		1,534
Culture and Recreation:		
Community Center		1
City Parks		10
Park Acreage		109.8
Swimming Pool		1
Tennis Courts		10
Sewerage System:		
Miles of Sanitary Sewers		80.64
Miles of Storm Sewers		80.64
Number of Service Connections		10,400
Water System:		
Miles of Water Mains		115
Number of Service Connections		10,484
Number of Fire Hydrants		967
Daily Average Consumption in Gallons		3.6 million
Education:		
Elementary Schools		7
Middle Schools		3
High Schools		1
Education Centers		2
Labor Market:		
Total Labor Force		17,250
Total Employed		16,275
Total Unemployed		975
Percent Unemployment		5.6%

Source: Michigan Department of Carreer Development - Sept., 2004
Employment Service Agency, Labor Maket Analysis Section

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

October 24, 2004

To the Honorable Mayor and City Council
City of Oak Park
Oakland County, Michigan

We have audited the 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 ***City of Oak Park, Michigan*** as of and for the year ended June 30, 2004, which collectively comprise the ***City of Oak Park, Michigan's*** basic financial statements and have issued our report thereon dated October 24, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered ***City of Oak Park, Michigan's*** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Mayor and City Council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rehmann Lohan