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Comprehensive Annual Financial Report City of Huntington Woods, Michigan Fiscal Year Ended June 30, 2014

**Comprehensive Annual
Financial Report**

City of Huntington Woods, Michigan

**Prepared by the
Finance Department**

Fiscal Year Ended June 30, 2014

City Commission

Ronald F. Gillham, Mayor
Jeffrey Jenks, Mayor Pro-Tem
Jules Olsman, Commissioner
Robert Paul, Commissioner
Mary White, Commissioner

Introductory Section

City of Huntington Woods, Michigan

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City of Huntington Woods, Michigan

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A D M I N I S T R A T I V E O F F I C E S

Mayor Ronald F. Gillham
Mayor Pro-Tem Jeffrey Jenks
City Manager Amy Sullivan

Commissioner Jules Olsman
Commissioner Robert Paul
Commissioner Mary White

November 24, 2014

Honorable Mayor, City Commission
City of Huntington Woods, Michigan

Preface

The City of Huntington Woods Finance Department is pleased to present to you the annual Comprehensive Annual Financial Report (CAFR). This report is designed to give the reader a clear and comprehensive view of the financial health and strength of the City as of the fiscal year ended June 30, 2014. The City Charter, as well as the State Statute mandates that the City prepare a report outlining the financial position of the City and that the report be audited by an independent licensed firm of certified public accountants. In doing so, the report is prepared according to the regulations as set forth by the Governmental Accounting Standards Board (GASB) and the State of Michigan Department of Treasury.

All the schedules, data, text and descriptions contained herein are solely the responsibility of the City of Huntington Woods Finance Officials and Management. To the greatest extent possible the City must rely upon its policies and procedures to define roles, responsibilities and segregation of duties of its financial management staff. To the best of our knowledge and belief this data is accurate in all material respects and is reported in a manner that is fair and consistent. The report includes all disclosures and charts required to enable the reader to understand the City financial structure from a historical, operating and administrative perspective.

This will be the tenth year that the City has prepared a Comprehensive Annual Financial Report. The Finance staff will continue to make the changes that are necessary to present the data to the reader in the clearest most concise form possible.

Report Organization

The Comprehensive Annual Financial Report was prepared to meet the needs of a broad spectrum of financial statement readers and is divided into the following major sections:

Introductory Section - This section introduces the reader to the City of Huntington Woods and various aspects of this report including; continuing disclosure reporting enhancements, organizational chart, and a list of principal officials.

Financial Section - The independent Auditor's report, Management's Discussion and Analysis Report, government-wide financial statements, fund based financial statements, required supplemental information and the notes to the financial statements are included here. These are the City's basic financial statements and provide an overview for readers who require less detailed information than is contained in the balance of this report.

Statistical Section - Although this section contains substantial financial data, these schedules differ from financial statements in that they present some non-accounting data, cover more than the current year and are designed to reflect social and economic data, financial trends and the fiscal capabilities of the City.

Audit Requirement

The City Charter IX § 7, and State Statute require an annual audit of financial records and transactions of public sector units of government to be completed by independent certified public accountants at the close of each fiscal year. Huntington Woods is in full compliance with this requirement and has recently received an "unqualified opinion" from PSLZ, LLP for the fiscal year ended June 2014. This status lets the reader know that the examination of the financial records of the City disclosed no conditions that cause the auditors to believe that the financial statements are not fairly stated in all material respects.

Reporting Entity and Services Provided

The City of Huntington Woods has defined its financial reporting entity in accordance with the pronouncements of the Governmental Accounting Standards Board. The City of Huntington Woods (the "City") is defined as; all funds, agencies, commissions, boards and authorities that are controlled and managed by the Elected Mayor and City Commission. As of this writing, the City does not contain any component units of government as per current pronouncements.

The City of Huntington Woods was incorporated as a village in 1926 and remained so until 1932 when it became a city under the home-rule City Act 279 of 1909. The City has developed into a well respected full service municipality operating in Southeast Oakland County. This report covers the operations of the City as it relates to all departments and municipal services in its governmental fund structure, including a full range of public safety services; sanitation services; recycling services; highway, streets and sidewalks maintenance/Rights-of-way; Planning, Zoning and building code enforcement services; Recreational Services and cultural events; and library. Water and Sewage services are administered through the use of an Enterprise fund which requires the City Commission to set fees for its operations on an annual basis through user fees.

GENERAL

FUND TYPES AND PURPOSES

PURPOSE - The General fund is the primary operating fund in the local unit of Government and is used to account for all revenues and expenditures and activities not specifically or statutorily provided for in other funds.

RECREATION

PURPOSE - The Recreation fund accounts for the operation and maintenance of City parks as well as the operation of the Recreation Department and related programs.

SANITATION

PURPOSE - The Sanitation fund accounts for the operation of the solid waste collection disposal and recycling functions of the City.

MAJOR AND LOCAL ROAD

PURPOSE - The Major and Local Road funds are used (1) to receive all street funds paid to cities and villages by the state, (2) to account for construction, maintenance, traffic services and snow and ice control on all streets classified as Local Streets within the local unit of government (this includes construction done from money raised by special assessing property owners for street improvements), (3) to account for revenue from special assessment taxes levied for street purposes as provided by Act 51 of the Public Acts of 1951, as amended, and (4) to account for money received from General Fund contributions.

RACKHAM DEFENSE

PURPOSE - The Rackham Defense fund was established to provide a method of segregating the legal costs of the property development of Rackham Golf Course. In addition, the City levied a three year .50 mill per year mileage to pay for the legal fees associated with the property. This fund is combined with the General Fund as of year ending June 30, 2013 for financial statement purposes.

BUDGET STABILIZATION

PURPOSE - This fund was established for the sole purpose of setting aside funds to be used for budget stabilization per State Act 1978 P.A. 30. This fund is combined with the General Fund as of year ending June 30, 2013 for financial statements purposes.

GENERAL OBLIGATION DEBT

PURPOSE - These funds are used to record the payment of interest and principal on long term general obligation debt other than that payable from special assessments and debt issued for and serviced primarily by an Enterprise or Construction Fund.

WATER AND SEWER

PURPOSE - This fund is used to record the operations of the combined water and sewer system, and is considered an Enterprise Fund.

**EQUIPMENT, POST RETIREMENT
HEALTH CARE BENEFIT**

PURPOSE - These funds are used to support the activities of other funds, such as the equipment fund which is used as a motor pool to record the rental, and the subsequent depreciation of equipment, as well as the recording the cost of retiree health care.

CAPITAL PROJECTS

PURPOSE - These funds are used to account for activity associated with construction related activities and for other special projects not associated with business-type funds. This fund is combined with the Capital Planning fund as of year ending June 30, 2013 for financial statement purposes.

Accounting System and Budgetary Controls

Due to the nature of the operations and legal requirements, the accounting of transactions within the reporting entity is organized on a "fund basis." This accounting approach assures compliance with statutory requirements and enables adequate separations between distinct governmental functions. Each fund is a distinct, self-balancing accounting entity.

The budget is annually presented to the City Commission each May as required by City Charter. This document has been prepared in compliance with the regulations set forth under the Uniform Budget Act, State of Michigan P.A. 621 of 1978. The act requires that the City of Huntington Woods adopt a balanced categorical budget where appropriations do not exceed budget revenue. The appropriation/rate resolution as adopted by the City Commission gives the City Manager and/or the Finance Director the authority to create new funds and activities in order to maintain adequate financial control, and to make changes between budgetary categories only. All funds with the exception of the General Fund are adopted on a categorical basis by the City Commission. Budget changes in all funds therefore are made by line item only.

Historical Overview

The City of Huntington Woods is almost exclusively residential. In fact, 97.89% of the State Equalized Value (SEV) of the City is comprised of residential properties. The lack of diversity in its tax base has left the City with no major industrial or commercial property to share the tax burden of providing the full range of city services. Despite a relatively high millage rate, the City was unable to provide for all capital and service needs from its annual budget. The City founders had left a significant amount of undeveloped public property surrounding the perimeter of the City. It truly was intended to be the "City in the Woods." The City, however, began selling the undeveloped property shortly after World War II, to finance needed facilities and satisfy outstanding debt.

In the 1960's and the early part of the 1970's, the State and Federal Government began to play a role in municipal operations by providing revenues to equalize tax base inequities. The State Revenue Sharing program was approved by the State of Michigan, both constitutionally, in 1964, and statutorily, in 1967, earmarking a share of State taxes for cities. In 1974, the U.S. Congress enacted Federal Revenue Sharing, returning a portion of the income taxes paid by Huntington Woods' residents directly to the City. From 1970 through 1975, despite receiving additional dollars from the state and Federal governments, the City experienced operational deficits and was forced to borrow funds on three occasions to meet annual budget obligations. The City population, which was the basis for calculating revenue received from the state and federal governments, peaked in the 1960 census. The City population has declined for the next fifty years up until the 2010 census where the City reversed this trend slightly. Despite the fact that the City was fully developed by 1970, thereby resulting in a stagnant tax base, annual increases in State Equalized Value (SEV) provided sufficient annual revenue growth. In 1978, though, the Headlee Amendment to the Michigan Constitution began to limit the annual increase in property taxes received by the City to the rate of inflation or Consumer Price Index (CPI). Shortly thereafter, City revenue was further reduced by a significant population loss identified in the 1980 census. The City had no cash reserves and experienced operating deficits from 1980 to 1983. In 1984, the City modified its fiscal year by changing the date of tax collections. This led to a one-time infusion of approximately one million dollars (\$1,000,000) and took the City from a deficit to a surplus position based upon the six-month fiscal year and accelerated tax collections.

In 1986, the Federal government, facing its own deficits, eliminated Federal Revenue Sharing. From 1970 to 1990, the City experienced a budget surplus in only seven fiscal years. An analysis of overall financial health of the City, completed in 1990, indicated that the City faced the following problems:

- There were no capital reserves to replace an aging infrastructure including water mains, storm and sanitary sewers and roads, most of which were installed in the 1920's.
- Employee post retirement benefits were in large part unfunded.
- State Revenue Sharing reductions due to a decline in population of 7.5% in the 1990 census.
- Deficits existed in the City's three major operating funds.
- Solid Waste disposal cost increases due to a perceived reduction in landfill capacity projected to peak in 2005, however the capacity issue was largely unsubstantiated and the cost of disposal on a per capital basis stabilized in the 1990's.

In 1991, the City adopted a fiscal rebuilding plan. The plan included a voter approved 1.85 millage increase. The 1.85 millage request to voters was a compromise by the City Commission in response to a recommendation by the administration that the City needed a 3.5 mill increase to sustain operations. The City Manager believed a higher increase was necessary to operate the City with the same level of services and meet long-term unfunded obligations. The compromise was meant to provide a stable revenue source for city operations, yet required additional attempts to reduce operating costs. One such attempt was a Public Safety Consolidation Study completed in cooperation with the City of Berkley in 1994. While the consolidation of the two cities' police and fire departments would have saved in excess of one million dollars (\$1,000,000) per year, the consolidation did not occur as both cities found it politically unacceptable.

Also, in 1994, the state government froze property tax assessments to allow an opportunity to resolve complex school financing issues. Inequities in school financing had created extraordinary gaps in per-pupil spending between school districts with wealthy tax bases and districts with low per-pupil tax bases. That same year, Michigan voters approved Proposal A, which cut school property taxes and shifted the burden to the sales tax.

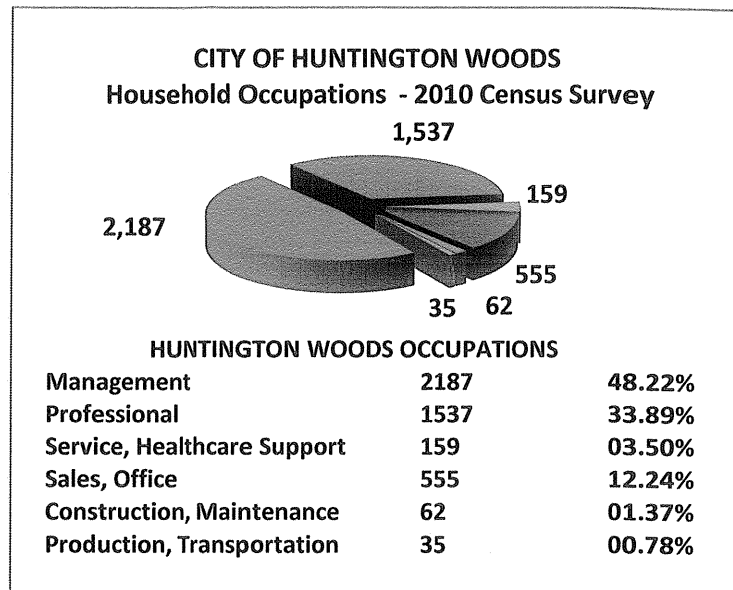
Proposal A, however, also implemented changes in the property tax system including reduced annual tax revenue limits for cities. This statute caused the taxable value of a home to be annually capped at the rate of inflation, Consumer Price Index (CPI) or 5%, whichever is less. The cap remains in effect until the home changes ownership at which time the value for taxable purposes reverts to the State Equalized Value (SEV), which is 50% of true cash value. The City receives absolutely no increased revenue from the property's transfer of ownership. This is because state law limits aggregate property tax revenue from the existing tax base to the CPI. The City is required to annually reduce the millage to certify that property tax collections do not exceed inflation. This complex system becomes more problematic if the rate of inflation exceeds 5%, or there is a large reduction in the value of properties that would cause the (SEV) to dip below the taxable value (TV) level. This situation began to occur in 2008 and continued through early 2012.

In 1996, the state legislature modified the formula used to distribute state revenue sharing. The legislature believed that the City of Detroit was receiving more than its fair share of state revenue under the formula. Because political power had shifted from urbanized southeastern Michigan to western Michigan and out-state areas, the Senate and House of Representatives enacted changes in revenue sharing distribution. These changes favor rural areas. The new revenue sharing formula reduced appropriations to older, fully developed cities with high tax rates and redistributed the funds to growing and rural townships of the State with generally low local tax efforts. The new formula was scheduled to sunset in 2007. Given the importance of state shared revenue to the City, legislative actions will continue to be closely monitored. The loss of this revenue source could have significant effects upon the fiscal health of all cities within the State. The City is looking at alternatives as revenue sharing has become a larger problem given the economic downturn that began in 2008.

The new formula that has been phased in over a ten-year period has adversely impacted the City and reduced the amount of revenues received from the State. This was compounded by population losses in the 2000 census. Recent census results in 2010 will curtail any additional state shared revenue loss as our population showed a minor increase. The State has been slow to address the implications of a slow economy and increased state deficits. This has reduced the amount of money allocated to the state revenue sharing distribution formula. This has continued through the present year, and continues to be a burden on the General fund budget. The combination of a slow economy, a new formula for distribution, and fewer dollars allocated to the formula, has reduced state revenue sharing payments, although in 2011 there had been some positive signs of growth which will cause an increase in revenue sharing payments. In the 1990's, the City met the financial goals and objectives it adopted in 1991. It began rebuilding an aging infra-structure, adequately funding post retirement reserves, and moving from a general fund deficit in 1990 to an unassigned fund balance of \$1.4 million dollars in 2014, including reserves in the Budget Stabilization fund. These balances will allow the City to weather the recent economic downturn, and also give the City more cash flow leverage. These efforts to increase the fund balance and the amount available in the Budget Stabilization fund are timely as we believe that the changes to Proposition A, revenue sharing and now housing values are structural in nature and will cause some permanent

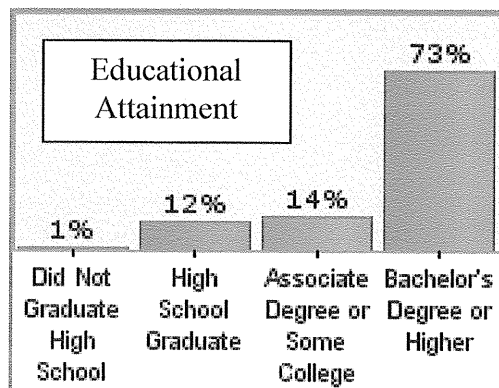
revenue reductions. Now that the State has limited property taxes to the rate of inflation, Huntington Woods, a small community with a residential tax base, and a small population will continue to have a difficult time maintaining the current level of services in the current financial environment.

Federal and state policies of the past two decades have required cities to become increasingly dependent on local property taxes, and fee based services. Beginning in 2009, the mortgage and banking collapse and subsequent recession has caused a major decrease in our taxable values. This major change is significant and is arguably the most precipitous drop in housing values in the last 60 years. The taxable value in 2014 began to rise by 1.88% to \$298,907,820. This is a significant change and will increase the amount of expected tax income by \$97,351 in 2013-14. Oakland County has data indicating that values are still on the rise for calendar 2014.



Demographics and Local Government Structure

The City of Huntington Woods was incorporated in 1926 as a full service municipality located in the S.E. Corner of Oakland County, Michigan. The City is approximately 1.5 square miles with a 2010 census population of 6,238. The City has no industrial or light industrial base. Oakland County Assessing department placed the City's (SEV) State Equalized Value as of December 31, 2013 at \$321,494,850 and the (TV) Taxable Value at \$298,907,820. The City Charter requires the establishment of a Commission-Manager form of government. The City Commission is comprised of 5 members whom are elected at large for four year staggered terms. They are responsible for the appointment of the City Manager, Attorney and Chief of Police, and for approving of the appointment of the City Treasurer and City Clerk. The Commission is also responsible for enacting a set of ordinances and resolutions that govern the operation of the City. The City Manager is appointed by the City Commission and works at their pleasure. The Manager may hire department personnel at his discretion in order for effective operation of all city departments.



The City of Huntington Woods is entirely developed. Less than 1/2 of 1% of the urban lots in Huntington Woods remains undeveloped. The vast majority of the housing stock in Huntington Woods is comprised of single-family residential properties. The City has for the last two decades been in a no growth condition, with the exception of the current propensity for the redevelopment of residential single-family structures.

The City of Huntington Woods is comprised of single-family residential properties. The City has for the last two decades been in a no growth condition, with the exception of the current propensity for the redevelopment of residential single-family structures.

The City of Huntington Woods, like other municipalities, has its own unique demographics, culture and municipal service mix. The City has remained, for several decades, an extremely desirable residential community within the greater Detroit metropolitan area. The City boasts a relatively high population of residents employed in management, professional and related occupations. Moreover, the City's estimated 2012 median household income of \$108,661 ranks among the highest in Oakland County. Individual income ranked #6 in the state at \$54,395 according to census bureau statistics.

Other Oakland County communities also have populations that are generally affluent and educated, but Huntington Woods differs from these in some important respects. The City is not typical of the new, burgeoning suburban communities that comprise much of Oakland County. In contrast, much of the east side of the City was developed in the 1920s, and the west side in the 1940s. The housing stock ranges from large tudor and brick colonial homes to smaller bungalows and ranches. Moreover, the City is physically small in size so most central City amenities are within easy reach of most households. Service levels are very high and include significant investment in community-related cultural and activity-based services. Community involvement is also high with significant participation in committee work pertaining to municipal governance and policymaking. A large number of residents embrace the City for the unique sense of community, and related values that have developed

CURRENT CENSUS STATISTICS HUNTINGTON WOODS	
Total Housing units, 2012	2,429
Homeownership rate, 2012	95.60%
Renter occupied, percent, 2012	4.40%
Median value of owner-occupied housing units, 2008-2012	\$270,000
Owner occupied Housing units 2012	2,211
Persons per household, 2007-2011	2.69
Per capita money income in past 12 months 2007-2011	\$52,329
Median household income 2007-2011	\$109,946
People of all ages in poverty - percent, 2010	2.30%

Not unexpectedly, service demand in Huntington Woods is extremely high. As later detailed in this report, residents enjoy a number of services that are unknown or infrequently provided in other communities. Other more common services are provided at a much higher level in Huntington Woods. It is highly likely that these services tend to make Huntington Woods more desirable to prospective property owners, thus providing a residual value to existing owners. Property values are relatively high, and most listed properties sell within a fairly short time period. The general downturn in the housing market regionally which began in 2008 has impacted Huntington Woods for the first time in recent memory; however the turn-around has begun. This downward trend has subsided this year and the City has experienced some improvement in housing values due to higher demand and lower availability.

Current Projects and Major Initiatives

The City has 1.3737 mills still remaining under the millage cap voted in 2003. The Chart below illustrates the impact of the millage increase which has caused the City's fund equity to increase in the last eight years. The reduction in revenue caused by the declining home values during the recession forced the City to use millage it otherwise would not levy. The City is currently reviewing its needs, and has reviewed its equity goals and determined to place any additional unassigned fund balance equal to 20% of revenues in committed fund balance into an OPEB trust for purposes of reducing long-term legacy costs, which most likely will be our single biggest challenge in the next few years.

**ACTUAL GENERAL FUND - FUND BALANCE
SURPLUS (DEFICITS) FISCAL YEARS 2005-2014**

FISCAL YEAR	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
REVENUE (INFLOWS)	5,975,516	6,462,079	6,577,533	6,687,686	6,436,674	6,432,865	6,875,966	7,245,404
EXPENDITURE (OUTFLOWS)	5,864,513	6,287,102	6,430,089	6,455,650	6,097,335	6,312,244	6,548,964	6,671,310
FUND BALANCE ACTUAL	589,467	764,444	911,888	1,143,934	2,088,432	2,209,053	2,536,055	3,110,149
ACTUAL SURPLUS (DEFICIT)	111,003	174,977	147,444	232,046	339,339	120,621	327,002	574,094

The Rackham Golf Course has occupied much of our southern border for over eighty years. The course has a stunning history in the region, and is considered one of the finest public golf courses in the nation. In 2006 the City entered into a protracted legal battle with the City of Detroit for the right to preserve the Golf Course for public use, as deed restricted by the Rackham family. In 2007 Huntington Woods residents approved a three year .50 mill levy to pay for legal costs associated with the Rackham issue. After three years of legal battles over its use the case was remanded to the Michigan Supreme Court in 2008. Finally, in February 2009 the Michigan Supreme Court upheld the ruling in the Appellate Court to maintain the use of the property as parkland. In total, the City spent \$426,500 to fight the legal battle to preserve the land for park use. As of June 30, 2014 there have been no new initiatives regarding the ownership of the Rackham Golf Course, however the bankruptcy filing by the City of Detroit may change significantly the questions surrounding the ownership of the facility, and its availability to the City of Huntington Woods.

Certificate of Achievement

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 Huntington Woods, Michigan for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the ninth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we will seek to submit the report to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The City of Huntington Woods is proud to be recognized for comprehensive reporting and recordkeeping. The service the residents receive is unmatched in the region for a unit of government our size. The City has maintained a AA+ risk rating for the issuance of debt by Standard and Poor's Rating Agency even during the recessionary period in 2007-2009, and is still the case as of June 30, 2014. The rating is a measure of our financial management and health, and allows the City to issue debt for a low cost to our residents. The maintenance of this rating will continue to be our goal.

It is easy to underestimate the effort involved in the preparation of a document of this nature. Throughout the year additional work must be done to ready ourselves for the task. Our finance staff should be given the accolades for a job well done. Without their efforts this document would not be possible. The finance department is interested in keeping this document as readable as possible, given the complex nature of its contents. Please do not hesitate to comment by sending us a note or contacting us in person. Lastly, recognition of our Boards Commissions and Committees must be given, as their efforts continue to ensure that the City can offer the finest living environment in Southeastern Michigan.

Respectfully Transmitted,
Richard T. Lehmann
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

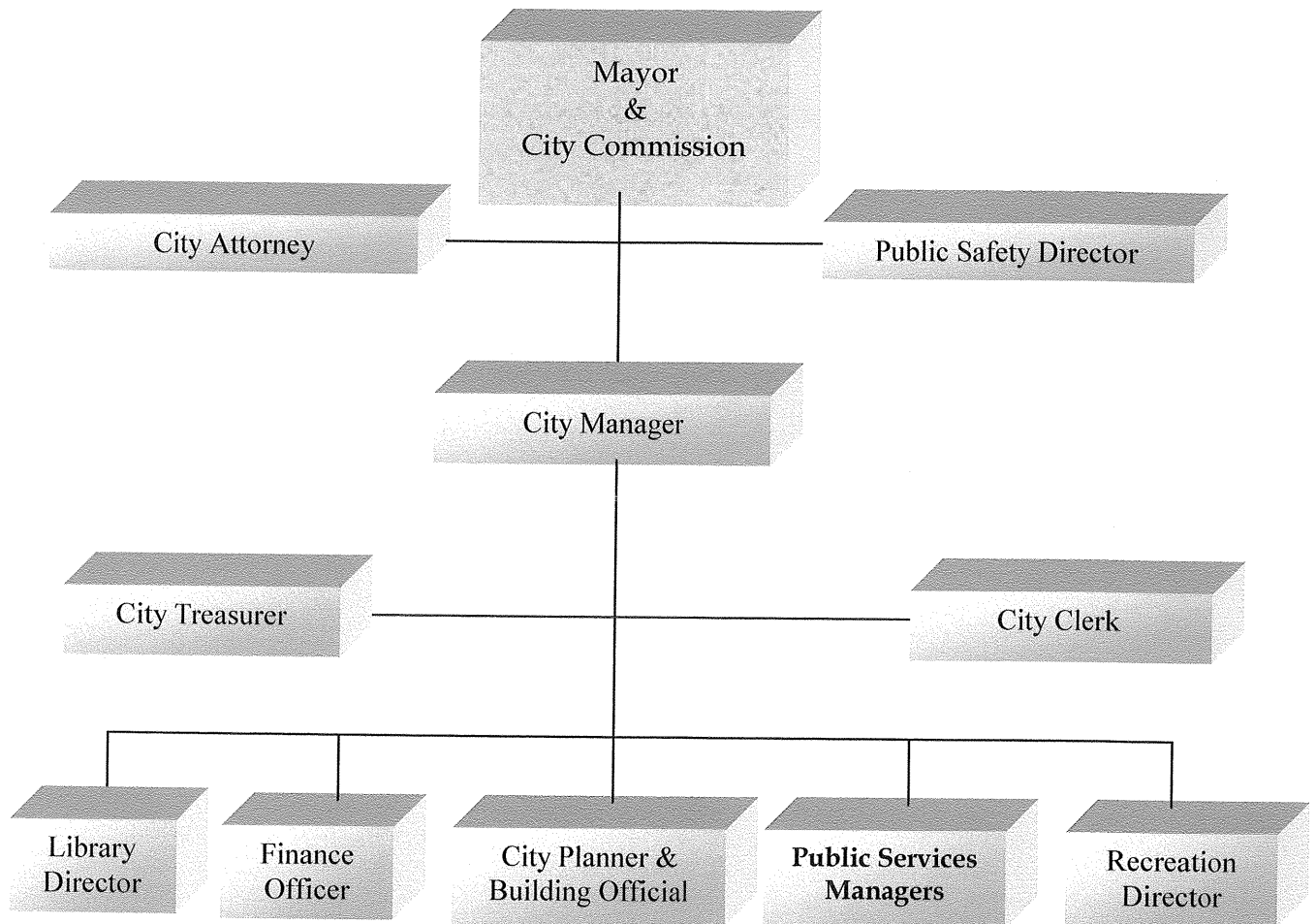
City of Huntington Woods
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

ORGANIZATIONAL CHART



City Attorney, City Manager, Public Safety Director are appointed by the City Commission
City Treasurer and City Clerk are appointed by the City Manager, with the approval of the City Commission

City of Huntington Woods, Michigan
Principal Officials

Principal Officials - June 2014

Mayor	Ronald Gillham
Mayor Pro-Tem	Jeffrey Jenks
Commissioners	Jules Olsman Robert Paul Mary White
City Attorneys	Carol Rosati Christopher Johnson
City Manager	Amy Sullivan
City Treasurer/City Clerk	Joy Solanskey
Deputy Finance Director/Deputy Treasurer	Richelle Scott-Heroux
Finance Director	Richard Lehmann
Public Safety Director	Steve Fairman
Library Director	Anne Hage
Recreation Director	Nancy Waldmann
DPS Managers	Claire Galed Jay Mader
Planning Official	Bonnie Cook

City of Huntington Woods, Michigan

Fund Organization Chart

Governmental Funds

General* - including Rackham and Budget Stabilization Funds

Special Revenue

Major Streets
Local Streets
Recreation*
Sanitation**

Debt Service

Street Debt Service*
GWK Drain Debt Service
11 Mile Rd G.O. Debt Service
2010 Street G.O. Debt
2012 Street G.O. Debt
2014 Street G.O. Debt

Capital Projects* - including Capital Planning

Proprietary Funds

Enterprise

Water and Sewer*

Internal Service

Equipment
Retirement Benefits

Fiduciary Funds

Agency

Agency

* Major funds under GASB Number 34.

** Presented as a major fund at the City's discretion.

Financial Section

PSLZ LLP
Certified Public Accountants

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Jane F. Wang, C.P.A.
Rana M. Emmons, C.P.A.
Jennifer A. Galofaro, C.P.A., C.V.A.
Susan H. Bertram, C.P.A.

BLOOMFIELD HILLS

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Deborah M. Cox, C.P.A.

Independent Auditor's Report

November 24, 2014

To the Honorable Mayor and
Members of the City Commission
City of Huntington Woods, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Huntington Woods, Michigan, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Honorable Mayor and
Members of the City Commission
City of Huntington Woods, Michigan

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, each major fund, and the aggregate remaining fund information of the City of Huntington Woods, Michigan, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Huntington Woods, Michigan's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Respectfully,

A handwritten signature in black ink, appearing to read "PSLZ LLP", is written over the printed name.

PSLZ LLP
Certified Public Accountants

Management's Discussion and Analysis

City of Huntington Woods, Michigan

Management's Discussion and Analysis

The City of Huntington Woods, Michigan's (the "City's") management discussion and analysis (MD&A) is required by the Government Accounting Standards Board, and designed to provide an objective and easy to read analysis of the City's financial activities based on current information and facts. The MD&A is intended to serve as an introduction to the City's basic financial statements. This information is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), identify significant variances from the approved budget, and identify individual fund issues.

Overview of the Financial Statements

The City's annual report follows a prescribed format in accordance with the requirements of all Governmental Accounting Standards Board Statements, as well as Generally Accepted Accounting Principles.

Within the financial section of this comprehensive annual financial report are four major parts: (1) management's discussion and analysis, (2) the basic financial statements, (3) required supplemental information, and (4) other supplemental information that presents combining statements for non-major governmental, internal service and agency funds. The basic financial statements include two kinds of statements that present different views of the City. The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial condition. Other statements are presented on a fund level basis that focus on individual funds and report operations in more detail than the government-wide statements.

The information contained within this MD&A is only a component of the entire financial statements. Readers are encouraged to review the remaining statements thoroughly for a comprehensive understanding of the City's financial health.

Government-wide Statements

The government-wide statements report information about the City as a whole, using accounting methods similar to those used by private sector, and are therefore prepared using the accrual basis of accounting. These statements provide a longer-term view of the City's finances and whether taxpayers have funded the full cost of providing governmental services. The first two statements are government-wide financial statements and include the following:

- The statement of net position presents information pertaining to all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position will serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The statement of activities accounts for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflow or outflow in future fiscal periods. The primary purpose of this statement is to highlight the relative cost of providing services to the City's residents and the net impact of these services on the total net position.

Both of the government-wide financial statements distinguish functions of the City that are primarily supported by taxes and intergovernmental revenues (governmental activities) or from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include legislative, general government, public safety, public works, library, building and planning, culture and recreation. The business-type activity of the City includes the water distribution and sewer-disposal system.

City of Huntington Woods, Michigan

Management's Discussion and Analysis, continued

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund level financial statements report the City's operations in more detail than the Government-wide financial statements. The City uses fund accounting to comply with finance-related legal requirements. The City's fund financial statements include the following:

- Governmental funds - Most of the City's basic services are included in governmental funds, which focus on how revenues and other financial assets can readily be converted to cash flow and the fund balances remaining at year end that are available for spending. The government fund statements provide a detailed short-term view that helps the reader determine the amount of financial resources that can be spent in the near future to finance the City's programs. The City maintains five major individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Sanitation, Recreation, Street Debt Service, and the Capital Projects funds. The City's non-major governmental funds are combined into a single statement, individual fund data for each of these funds is provided as combining statements in the section entitled "Other Supplemental Information." The non-major governmental funds include Major Street, Local Street, GWK Debt, Eleven Mile G.O. Debt, 2010, 2012, and 2014 Street G.O. Debt funds.
- Proprietary funds - Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long-term and short-term financial information. The City uses two types of proprietary funds: the Water and Sewer fund is an enterprise fund, which charges residents usage fees. The other proprietary fund type is internal service funds, of which the City has two, which are used to report activities that provide services to the other City funds and activities, typically covered by charges to other City departments. Individual internal service financial statements are presented for each fund in the section entitled "Other Supplemental Information." The activities of the internal service funds are eliminated in the government-wide statements to avoid duplicate reporting of revenues and expenses. The internal service funds include the Equipment fund, and the Retirement Benefits fund.
- Fiduciary funds - Agency funds are used to account for assets held by the City as an agent for the City's citizen groups and organizations, as well as for building bonds and related activities. These funds are custodial in nature (assets equals liabilities) and do not involve measurement of results of operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. These activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information. This information includes budgetary comparisons for the City's General, Sanitation, Recreation, and Street Debt Service funds. Following the required supplemental information is a section containing other supplemental information. This includes combining statements for the City's non-major governmental funds, internal service funds and fiduciary funds. Immediately following the supplemental information is a statistical section, which provides certain information pertaining to general government revenues, expenditures, tax revenues and collections, demographic, and other statistical information.

City of Huntington Woods, Michigan

Management's Discussion and Analysis, continued

Budgetary Basis of Recording: General Fund

As of June 30, 2014 the City's General fund posted an increase in fund balance of \$574,094. This increase in unassigned fund balance is the result of the improving economy that lead to increases in building permit activity and increases in State Revenue Sharing distributions. Staff reductions, and a lower payroll cost also played a significant role. Generally, the city has maintained its posture of controlled spending which was put in place in 2008-09. The increase representing 8.4% of our operating budget which is the highest in years, and represents a complete reversal of the trend just five years prior. The City has not allocated fund balance in any of the recessionary years. The City's General fund finished the fiscal year with 105.60% of all budgeted revenues collected equal to \$7,195,404 including transfers into general fund of \$193,627. The City is now recovering quickly from the recession based upon the increase in property values. As of June 30, 2014 the City has received information from the Oakland County Assessor's office indicating that the recovery in the housing market is continuing, and that we can expect to see an increase in revenue from tax collections as well in 2014. The City did not budget any additional over-ride millage in 2013 and will not do so next budget year.

Budgetary Basis of Recording: Other Governmental Funds

The City was able to set aside \$57,328 in the Budget Stabilization fund, established after the 2003 millage vote. The amount currently available for budget stabilization purposes is \$848,663, this amount is included in the General Fund committed fund balance. The City has not utilized any monies from the stabilization fund since its inception. The City is determined through its budget process to continue its goal of maintaining contributions into the budget stabilization fund in order to have a source of revenue during poor economic times.

The City invests idle funds as per statutory regulations allow into various investment vehicles to maximize interest yield to the highest extent possible. The stated maturities we maintain have been kept relatively short in order to reduce market risk in the low interest environment. We utilize a third party investment management consultant when needed to assist in assessing the investment marketplace and risk. No changes have been made to the investment policy in recent years', however we continue to review the credit risk of banks and other risk-adverse investments in the portfolio. The credit risk analysis goes well beyond the requirements of P.A. 20 of 1967 which provides the basis for public sector investment in the State. The current policy is working well, however interest rates are still at historic lows, and interest earnings have fallen sharply from their highs in the late 80's. This fiscal year the City earned a modest \$73,612 which is reduced from previous years' earnings. This significant decline can be tied directly to the weak market for fixed income instrumentalities, and not due to a reduction in investment activity by the finance office. Permit revenues have continued to rise in the last fiscal year to a healthy \$235,615 which is substantially higher than what was collected just 4 years ago.

Huntington Woods housing values have increased at a rate higher than many cities in our area. Primarily, this is due to the fact that the community is residential in nature, has a valuable housing stock, and is centrally located along the I-696 corridor in south Oakland County. Factors such as these have cushioned the economic blow during the recent national economic collapse. Statewide, property valuations have been slowly returning to post recession levels, although the rebound to date has been slow. Now that the dust has settled, it appears as if the City overall lost 9.8% of its value; substantially less than some other southeast Oakland County communities where the loss was 30% or more. The loss of \$32,326,520 of taxable value reduced our tax revenue at the height of the recession by \$609,322. The drop in taxable value and subsequent tax revenue had a large impact on the General fund budget at a time when we were rebuilding our fund equity. As a result of the recession the city was forced to utilize 1.50 mills of the over-ride millage in order to maintain its services leaving only 1.3737 mills remaining under the statutory millage cap. Lastly, State of Michigan Revenue Sharing (SSR) payments to cities have been increasing steadily and, although still low, are increasing and look good for the next fiscal year. As of the end of June 30, 2014 revenue sharing constituted 7.80% of all operating revenues in the General fund. In 1999 (SSR) comprised 26.80% of all General fund revenues.

City of Huntington Woods, Michigan

Management's Discussion and Analysis, continued

The General fund posted expenditures and transfers out that were \$222,292 less than budgeted or 2.5%. This was due largely to a general reduction in expenditures rather than from any one cause. Transfers from General fund equaled \$1,652,309 in fiscal 2013-14. Operational transfers amounted to \$711,373, and 52% or \$776,476 was placed into the Capital Improvement Fund, Budget Stabilization and Post Retirement Benefits Fund. General fund transfers to the Recreation fund for operational purposes remained unchanged at \$800,000. Overall, the Recreation fund collected 98.33% of all anticipated revenues including transfers from other funds, higher than in the last few years. On the expenditure side the Recreation Center spent 90.74% of appropriations equal to \$1,737,648 compared to \$1,663,101 in 2012-13.

Other funds had mixed results from operations. The Major and Local Road funds receive very little in the way of State Shared Revenue from the State of Michigan. It is becoming increasingly difficult to maintain fund balance levels with the current level of expenditures required to maintain our right-of-way. Gas taxes have not kept up with costs for repair. The lack of equity in these funds will likely continue into the future. The City has continued its aggressive road replacement program paid by debt millage. If the City desires to keep debt millage at a moderate level, it will be difficult to complete all 24+ miles of roadway. The City will continue to press the legislature to make an adjustment in the formula for Act 51 monies to lessen the burden on the City. If this does not occur, more and more costs will fall on bonded debt, and the General Fund. Lastly, the Major and Local Road funds are the major source of funding for a portion of the 11 Mile Road bond, and continue to fund this bond repayment through 2027. Lastly in recent years the City has been implementing aggressive programs to manage our tree inventory on our roadways. This will be the last year of a three year campaign to trim trees via a matching grant from a community group. Once trimming of street trees is complete the City will maintain a five year trimming schedule for all City trees. Some of our recent policies for reducing costs are the following:

1. Eliminate all overtime completely for patching, and road maintenance.
2. Eliminate all snow removal from Major and Local City streets on weekends, except in declared emergency situations.
3. Eliminate all sidewalk snow removal both on an overtime basis and on weekends.
4. Reduce the rental costs, by adjusting the amount of monies that are transferred to the Equipment fund for future purchases.

The City will continue to review the equity position in our street funds and take additional steps if necessary to balance the budget in 2014-15.

A. PARK PRESERVATION INITIATIVES

The Rackham Golf Course represents 13% of the City's land mass, and therefore is very important to the future of the City. The Golf Course represents a large green-space where no development can occur. With the Rackham lawsuit resolved the City will look at its options pertaining to the future of the Golf Course and the management of the facility. The City Commission has just begun the review of the ownership issue again this year. Many of the decisions regarding the land will not be settled until further action is taken on behalf of the City of Detroit and the federal courts in dealing with the ongoing bankruptcy issue. The goal will be to maintain a high quality recreational facility for the region to enjoy.

City of Huntington Woods, Michigan

Management's Discussion and Analysis, continued

B. OTHER POST EMPLOYMENT BENEFITS REQUIREMENTS

The City is required to disclose information pertaining to post retirement benefits and the level of unfunded liability. The City has calculated (based upon a actuarial template) the amount of money that is required in present day dollars (present value) to fund the cost of retirement health care in the future for the current retirees and the present city employees. The City has determined that the 2014 UAAL is \$11,754,597. The ARC is \$1,140,963 based upon our current employee census and health care data. The UAAL has been reduced slightly from previous years and the ARC increased slightly from the values that were posted in 2013. The City paid current health care premiums of \$401,978 and made a one-time contribution to the OPEB Trust of \$63,908. The unfunded portion of the AAL is 95%. The City has continued its contract with the Municipal Employees Retirement System to maintain an OPEB Trust for the purpose of administering and investing retiree health care dollars.

Financial Position Statement

The City maintains an extensive investment portfolio and is aggressive in keeping money invested as per statutory regulations. The Investment policy, as adopted, focuses on safety of principal, quality of investments and low risk. The credit risk associated with the financial portfolio at year end is once again small. The preponderance of the portfolio includes either municipal bond issues of varying maturities or other instrumentalities of the Federal Government which bear a lower credit risk than other certificates of deposit or commercial paper. The low interest environment has caused the finance department to reduce the average length maturities in the portfolio. The goal will be to have a maximum maturity length no greater than (3) three years to reduce any market risk that may accrue with the sale of a position prior to its stated maturity date. The median length of maturity as of June 30, 2014 is 3.34 years. In addition, the investment policy provides for a credit review of all CD's and Commercial paper purchased after 2008. This section of the policy goes well beyond the requirements of State of Michigan P.A. 20 of 1943, as amended, which does not require such an assessment.

In 2014 the City made moderate gains in its General Fund equity position. Partly due to the additional millage levied as per the 2003 over-ride vote, but more importantly due to revenues associated with a general turn-around in the economy. Again, this year the building department has been busy, and the resulting revenue has been steadily increasing. Other Governmental funds as a whole did very well with the exception of the Sanitation Fund which posted negative income for the year. Unfortunately as stated earlier in this report, the City has only 1.3737 mills remaining in its full over-ride vote. This margin is small. The administration understands this situation and will continue to monitor the health of the General Fund. With rising property values in 2014 we are hoping that no further erosion of this value will be necessary in the next few years. Currently, the City has fund equity equal to 47% of annual expenditures and transfers out. This level of fund balance is very healthy and well above un-adopted standards for local governmental units. The rapid erosion of our taxing ability during the 2008 recession was not expected and has caused a drop in the amount of millage we have remaining under the statutory cap. Therefore, the City will reach the over-ride maximum far sooner than originally anticipated. Once this cap is reached, there will be no room, under the current tax law to increase millage rates. The reduction of legacy costs for health care and pension is critical to our continued recovery. Moving ahead, further consolidation of services will play a significant role as well. Failure to carefully review these large ticket items could lead to further reduction of current services in an effort to pay for past debt.

Data from Oakland County Equalization shows a moderate increase in taxable value for the second consecutive year. The City has experienced an increase in building activity which we believe will continue into 2014. State revenue Sharing distributions are improving, and the reductions in revenues sharing may not be as deep as originally envisioned. The City Commission will continue to be faced with making very tough choices between service consolidations and providing services on our own as has been the case in the past.

The City has not levied any additional millage last year primarily due to the increase in housing values. Most likely the City will not need to levy an additional .50 mill increase if home values continue to rise. Based upon the over-ride language adopted by voters, the City can continue increasing the millage levy at the discretion of the City Commission until the new millage equals the declining Headlee tax millage limit. At that point, the City may not levy additional millage. Due to the dynamics of the Headlee formula the City will not be able to levy the 20 mill charter limit depending upon the rise of values over and above the rate of inflation. The chart below illustrates this dynamic. Please note that the decline in the maximum allowable rate stopped declining during the 2008 recession.

City of Huntington Woods, Michigan
Management's Discussion and Analysis, continued

Fiscal Year Ending	Millage as Reduced by Headlee	Maximum Over-ride Allowed	Maximum Millage Allowed	Levied	Over-ride Millage Remaining
2005	13.3153	6.0561	19.3714	13.3153	6.0561
2006	13.0556	5.9380	18.9936	14.0556	4.9380
2007	12.9145	5.8737	18.7882	14.4145	4.3737
2008	12.9145	5.8737	18.7882	14.9145	3.8737
2009	12.9145	5.8737	18.7882	15.4145	3.3737
2010	12.9145	5.8737	18.7882	15.9145	2.8737
2011	12.9145	5.8737	18.7882	16.4145	2.3737
2012	12.9145	5.8737	18.7882	16.9145	1.8737
2013	12.9145	5.8737	18.7882	17.4145	1.3737
2014	12.9145	5.8737	18.7882	17.4145	1.3737

The City of Huntington Woods as a Whole

The City's combined total of net position for the fiscal year ended June 30, 2014 is approximately \$29 million. Comparative analysis of government-wide data is being presented for fiscal years 2013 and 2014.

Combined unrestricted net position, the part of net position that can be used to finance day-to-day operations are reported as \$5.3 million in fiscal year ended 2014. Of this amount, \$3.8 million is unrestricted net position reported for the City's governmental activities. The information below shows total assets, total liabilities and total net position as of June 30, 2013 and 2014, in a condensed format.

	Governmental Activities 2014	Business-Type Activities 2014	Total	Governmental Activities 2013	Business-Type Activities 2013	Total
Current Assets	\$ 10,623,302	\$ 1,475,431	\$ 12,098,733	\$ 7,188,925	\$ 1,512,686	\$ 8,701,611
Non-Current Assets	32,701,143	3,796,684	36,497,827	32,198,148	3,888,654	36,086,802
Total assets	43,324,445	5,272,115	48,596,560	39,387,073	5,401,340	44,788,413
Long-Term Debt	15,750,471	-	15,750,471	13,973,002	-	13,973,002
Other Liabilities	3,434,379	62,306	3,496,685	3,081,386	150,059	3,231,445
Total liabilities	19,184,850	62,306	19,247,156	17,054,388	150,059	17,204,447
Deferred Inflows of Resources	314,584	-	314,584	-	-	-
Net Position						
Net Investment in Capital Assets	18,807,744	3,796,684	22,604,428	17,680,106	3,888,654	21,568,760
Restricted	1,118,423	-	1,118,423	1,121,696	-	1,121,696
Unrestricted	3,898,844	1,413,125	5,311,969	3,530,883	1,362,627	4,893,510
Total Net Position	\$ 23,825,011	\$ 5,209,809	\$ 29,034,820	\$ 22,332,685	\$ 5,251,281	\$ 27,583,966

City of Huntington Woods, Michigan

Management's Discussion and Analysis, continued

The following shows the change in net position as of June 30, 2014 and 2013, in a condensed format.

	Governmental Activities 2014	Business-Type Activities 2014	Total	Governmental Activities 2013	Business-Type Activities 2013	Total
Program Revenues:						
Charges for services	\$ 1,746,766	\$ 2,299,856	\$ 4,046,622	\$ 1,717,017	\$ 2,417,538	\$ 4,134,555
Operating grants and contributions	4,749	-	4,749	4,275	-	4,275
Capital grants and contributions	10,003	-	10,003	12,361	-	12,361
General Revenues:						
Property taxes	7,998,555	-	7,998,555	7,721,690	-	7,721,690
State-shared revenues	539,886	-	539,886	526,067	-	526,067
Interest earnings	67,846	5,766	73,612	22,040	101	22,141
Other revenue	1,100,473	-	1,100,473	1,258,737	-	1,258,737
Total revenues	11,468,278	2,305,622	13,773,900	11,262,187	2,417,639	13,679,826
Program Expenses:						
General government	\$ 3,219,263	-	3,219,263	\$ 4,073,818	-	4,073,818
Public safety	3,183,604	-	3,183,604	3,155,832	-	3,155,832
Public works	379,958	-	379,958	450,535	-	450,535
Library	470,974	-	470,974	442,154	-	442,154
Maintenance	326,637	-	326,637	264,268	-	264,268
Traffic services	79,920	-	79,920	30,563	-	30,563
Snow and ice removal	56,208	-	56,208	28,275	-	28,275
Administrative	111,359	-	111,359	105,676	-	105,676
Aquatic Club	230,363	-	230,363	251,506	-	251,506
Recreation	1,724,383	-	1,724,383	1,639,479	-	1,639,479
Capital outlay	-	-	-	-	-	-
Interest expense	448,602	-	448,602	482,619	-	482,619
Water	-	2,091,775	2,091,775	-	2,124,635	2,124,635
Total program expenses	10,231,271	2,091,775	12,323,046	10,924,725	2,124,635	13,049,360
Excess (Deficiency) Before Transfers	1,237,007	213,847	1,450,854	337,462	293,004	630,466
Transfers	255,319	(255,319)	-	262,425	(262,425)	-
Other Financing Sources	-	-	-	-	-	-
Increase (Decrease) in Net Position	1,492,326	(41,472)	1,450,854	599,887	30,579	630,466
Cumulative Effect of Accounting Change	-	-	-	-	-	-
Net Position - Beginning of Year	22,332,685	5,251,281	27,583,966	21,732,798	5,220,702	26,953,500
Net Position - End of Year	\$ 23,825,011	\$ 5,209,809	\$ 29,034,820	\$ 22,332,685	\$ 5,251,281	\$ 27,583,966

The City's net position increased significantly by \$1,492,326. This is attributable to increased revenues, reduction in staffing, and savings in operational costs. The City's long-term debt increased in fiscal 2013-14 due to the issuance of a new series of road improvement bonds May 2014. The long-term debt picture shows a total of \$15,750,470 (note 4) in total obligations, including debt for Eleven Mile road improvements and three road bonds in 2010, 2012 and 2014. Long term debt for the GWK Drain has been restructured and now includes seven separate issues amounting to \$2,301,372. As of June 30, 2014 there were no new drain bonds levied and the principal balance on outstanding obligations has been reduced by principal payments (Note 4, Page 34). The City can levy the amount of the millage in any given year equal to the amount needed to pay its current year bonded debt obligations. The amount of millage needed to pay this debt in 2013-14 was 7.4775 mills, which includes overlapping debt for the Oakland County GWK Drain. The statutory limit on the debt levy for the City equals 10% of the State Equalized Value or \$29.8 million. The City currently has debt outstanding equal to 5.27% of taxable value.

The City restructured 2009 UTGO debt will be paid completely in October 2015.

City of Huntington Woods, Michigan

Management's Discussion and Analysis, continued

The City recently has hired a new City Manager that replaces the former manager of 24 years. Early next year the City will look at our capital needs under this new leadership. Other initiatives such as the updated master-plan and the new Bus Rapid Transit System (BART) scheduled to be constructed in the next few years will require the City Manager and Commission to review new zoning and capital needs that may be needed on Woodward Avenue. The City is still struggling from the loss of the Coolidge highway litigation in 2013. The monies that were lost in the appeal were scheduled to replace dollars available in the road improvement fund. In the final analysis, the City will move ahead on the issuance of more debt earlier than was anticipated. At this point, the City will need to reduce significantly its road improvement project for the next few years pending the sale of another bond in 2016. The City has no alternative to repairing its old infrastructure through bond debt due to lack of funding available from the State through the antiquated formulas in the Act 51 road funding program.

As of June 30, 2014 all required GASB pronouncements have been implemented. The Finance Department will implement GASB 67 and 68 in 2014-15. The administration is very mindful about the level of unfunded liabilities in both the pension system, and Other Post Employment Benefit Costs (OPEB). All three union employee contracts are scheduled for renewal in the coming year. The ability to reduce these long term costs and lessen the impact on the balance sheet will be a central theme to the negotiations. Currently, the City has a funding ratio of only 53% for its defined benefit program, leaving an unfunded liability of 11,118,642 as of December 31, 2013. The inability to reduce the amount of the liability we own is the largest financial issue we face. As of the end of the fiscal year ending June 30, 2014 the City paid \$1,284,314 in pension payments, or an amount equal to 4.29 mills. This level of pension funding is difficult to sustain. The City must review new policies and procedures available through the Michigan Employee Retirement System (MERS) to both reduce the current liability and to stop the accrual of new liability in the future. The recent bankruptcy of the City of Detroit and the resulting negotiations that took place on the pension funding issue are significant, and will change the way these liabilities are viewed by the State and court system. Failure to meet the obligation or delay the implementation of new policies to lower these liabilities will be very detrimental to the future of the City. GASB pronouncements aimed at pension requirements will be required to be included in the data presented in the CAFR next fiscal year and will significantly show a reduction on our net value immediately, and could cause lasting harm to our debt rating. Lastly, the City has continued its efforts to place all unassigned fund balance over 20% of the current year revenues into General Fund for OPEB Trust funding purposes.

Transfers out of the General fund increased slightly in 2014 to \$1,652,309, primarily due to OPEB funding requirements. The General fund subsidized the Recreation fund by \$800,000 and the Post Retirement fund by \$543,184. These two transfers alone represent 4.49 mills. The City has continued to fund the Budget Stabilization Fund in 2013-14 by \$50,000. It is anticipated that this funding level will continue in 2014-15. Very few budget adjustments were required at the end of the fiscal year. All Act 621 violations were reviewed, and the City had adequate fund balance to cover any of these issues.

SUMMARY

To a large extent, the City has recovered from the 2008 recession. The housing values have now risen for three years in a row, and there are indications that the values are still on the rise. Although this is very good news, the housing values have been very slow to bounce back. The loss of nearly 10% of the value of the City has changed the many aspects of our governance. This cannot be overstated, and is being suffered by a large number of municipalities. Any loss in value becomes permanent under the Headlee amendment and the calculations used in the 1994 proposal "A" language. The result is that the City will have a permanent reduction of an estimated \$500,000 in tax revenue annually. The City will need to work with less employees and work harder to maintain the level of service for our citizens as we are forced to tighten our belts on into the future. The resulting financial impact in the fixed income markets will ultimately change the way governments do business in Michigan. The reduction of revenues has been across the board and is evident in almost all revenue categories. Investment income has suffered the most as historically low interest rates have continued to be the norm. Recently changes in health care policies and requirements have further caused the City to rethink what may be possible in offering services on our own. There is no question that the City will need to rethink its long term strategy, and work tirelessly to combine as many services as possible with neighboring communities. It is entirely possible that more services will be combined in a regional effort to offer services at a lower cost. The 1.3737 cushion under the 2003 Headlee over-ride millage is very thin. With the increases in the taxable values continuing we are hoping to delay as long as possible the implementation of any additional millage.

City of Huntington Woods, Michigan

Management's Discussion and Analysis, continued

The recent headlines regarding the City of Detroit bankruptcy are onerous. Fortunately, we believe that the resulting changes that will occur will be good for Southeast Michigan and will give Detroit a "jump-start" into a new era of governance. As inevitable as this may have been, the ramifications in doing business in the region will be impacted greatly. Specifically we are continuing to monitor the impact on our debt and any new debt issuance in the future. The City still operates with a AA+ S&P rating and will be looking at the issuance of new debt in the next fiscal year. There may be a situation where the issues in Detroit spill over into Oakland County and impact these ratings. A downgrade in rating will cost the city in the long term in higher interest costs to pay the bond debt. The State has already been faced with numerous situations where emergency managers have been hired to assist municipalities in becoming financially stable. Fortunately, we are far removed from such a fate. That said, Huntington Woods needs to be aware that our size, limited tax base, and cost of offering a full complement of services leaves us vulnerable if there is another recessionary cycle. A consideration of consolidation of services needs to be part of planning its agenda for the future.

The City remains committed to balancing the budget with limited use of fund balance re-appropriation and will do what is necessary to balance the budget both in the short term and long term. The City administration believes that the changes at the Federal, State and local level are permanent, and that most likely we will never fully recover from the standpoint of offering the level of services our residents have received in the last several decades.

The State has seen a significant turn-around in its fiscal stability. This will help to stabilize numerous revenue sharing payments which statutorily are due the City on an annual basis. Recently the legislature enacted a series of bills on personal property tax reform that would reduce the tax burden on small businesses. Fortunately, Huntington Woods has only a small fraction (1.2%) of our annual tax bill that would be impacted by the loss of personal property tax payments. Lastly, The City has been diligent in preparing all documents required to maintain our statutory revenue sharing payments under the new EVIP Statute and will continue to do so in the future. Post recession, the City Commission and Administration will work harder and smarter, combine service where reasonable and redouble our efforts to the tradition of offering the highest level of service we can afford for our residents.

This report is intended to provide the citizens, taxpayers, customers and investors with a general overview of the City's financial position. Care has been taken to clearly and accurately describe the financial state of the City as of June 30, 2014. We always welcome comments or questions on its content, presentation, or any other aspect of this report either in person, on line, or by personally contacting the City Administrative offices.

Basic Financial Statements

CITY OF HUNTINGTON WOODS, MICHIGAN
STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents (note 1)	\$ 394,764	\$ 482	\$ 395,246
Investments (note 2)	9,786,368	737,584	10,523,952
Receivables			
Accounts receivable	265,551	674,044	939,595
Contracts	4,033	-	4,033
Prepaid items	87,856	-	87,856
Inventories	84,730	63,321	148,051
Total current assets	10,623,302	1,475,431	12,098,733
Noncurrent assets			
Net Pension Asset (note 5)	1,626,554	-	1,626,554
Capital assets, net (note 3)			
Assets not depreciated	89,802	1,000	90,802
Assets being depreciated	30,984,787	3,795,684	34,780,471
Total noncurrent assets	32,701,143	3,796,684	36,497,827
Total assets	43,324,445	5,272,115	48,596,560
Liabilities			
Accounts payable and contract retainages	134,379	4,724	139,103
Accrued expenses	378,247	9,192	387,439
Other liabilities	7,138	17,135	24,273
Current portion of long-term obligations (note 4)	2,092,948	-	2,092,948
Total current liabilities	2,612,712	31,051	2,643,763
Noncurrent liabilities			
Other liabilities	586,545	31,255	617,800
Net retiree healthcare obligation (note 10)	2,328,070	-	2,328,070
Noncurrent portion of long-term obligations (note 4)	13,657,523	-	13,657,523
Total noncurrent liabilities	16,572,138	31,255	16,603,393
Total liabilities	19,184,850	62,306	19,247,156
Deferred Inflows of Resources			
Unavailable revenue - recreation fees	314,584	-	314,584
Net Position			
Net Investment in capital assets	18,807,744	3,796,684	22,604,428
Restricted for:			
Sanitation	40,574	-	40,574
Streets	1,077,849	-	1,077,849
Unrestricted	3,898,844	1,413,125	5,311,969
Total net position	\$ 23,825,011	\$ 5,209,809	\$ 29,034,820

See accompanying notes to financial statements

CITY OF HUNTINGTON WOODS, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities							
General government	\$ 3,219,263	\$ 592,498	\$ -	\$ 8,609	\$ (2,618,156)	\$ -	\$ (2,618,156)
Public safety	3,183,604	168,001	-	1,394	(3,014,209)	-	(3,014,209)
Public works	379,958	-	-	-	(379,958)	-	(379,958)
Library	470,974	59,014	4,749	-	(407,211)	-	(407,211)
Maintenance	326,637	-	-	-	(326,637)	-	(326,637)
Traffic services	79,920	-	-	-	(79,920)	-	(79,920)
Snow and ice removal	56,208	-	-	-	(56,208)	-	(56,208)
Administrative	111,359	-	-	-	(111,359)	-	(111,359)
Aquatic Club	230,363	178,911	-	-	(51,452)	-	(51,452)
Recreation	1,724,383	748,342	-	-	(976,041)	-	(976,041)
Interest on long-term debt	448,602	-	-	-	(448,602)	-	(448,602)
Total governmental activities	10,231,271	1,746,766	4,749	10,003	(8,469,753)	-	(8,469,753)
Business-type activities							
Water & sewer	2,091,775	2,299,856	-	-	-	208,081	208,081
Total primary government	\$ 12,323,046	\$ 4,046,622	\$ 4,749	\$ 10,003	(8,469,753)	208,081	(8,261,672)
General revenues and transfers							
Property taxes, levied for general purposes					5,769,462	-	5,769,462
Property taxes, levied for debt service purposes					2,229,093	-	2,229,093
State-shared revenues, unrestricted					539,886	-	539,886
Interest and investment earnings					67,846	5,766	73,612
Other					1,100,473	-	1,100,473
Transfers					255,319	(255,319)	-
Total general revenues and transfers					9,962,079	(249,553)	9,712,526
Changes in net position					1,492,326	(41,472)	1,450,854
Net Position - July 1, 2013					22,332,685	5,251,281	27,583,966
Net Positon - June 30, 2014					\$ 23,825,011	\$ 5,209,809	\$ 29,034,820

See accompanying notes to financial statements

CITY OF HUNTINGTON WOODS, MICHIGAN
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014

	Major Funds					Other	Total
	General Fund	Sanitation Fund	Recreation Fund	Capital Projects	Street Debt Service Fund	Nonmajor Governmental Funds	Governmental Funds
Assets							
Cash and cash equivalents	\$ 126,370	\$ 1,374	\$ 17,485	\$ 48,478	\$ 75,003	\$ 86,608	\$ 355,318
Investments	2,800,702	57,756	852,184	4,187,703	189,397	672,838	8,760,580
Receivables							
Accounts receivable	203,351	-	-	-	866	61,334	265,551
Taxes	3,630	359	44	-	-	-	4,033
Inventories	84,730	-	-	-	-	-	84,730
Prepaid items	58,538	-	-	-	-	-	58,538
Total assets	\$ 3,277,321	\$ 59,489	\$ 869,713	\$ 4,236,181	\$ 265,266	\$ 820,780	\$ 9,528,750
Liabilities							
Accounts payable	\$ 72,832	\$ 15,063	\$ 28,726	\$ 9,373	\$ -	\$ 5,319	\$ 131,313
Accrued and other liabilities	87,202	3,852	76,433	100,559	-	2,878	270,924
Other liabilities	7,138	-	-	-	-	-	7,138
Total liabilities	167,172	18,915	105,159	109,932	-	8,197	409,375
Deferred Inflows of Resources							
Unavailable revenue - recreation fees	-	-	314,584	-	-	-	314,584
Fund Balances							
NonSpendable	143,268	-	-	-	-	-	143,268
Restricted	-	40,574	-	3,585,431	265,266	812,583	4,703,854
Committed	1,356,823	-	-	-	-	-	1,356,823
Assigned	208,232	-	449,970	-	-	-	658,202
Capital Projects	-	-	-	540,818	-	-	540,818
Unassigned	1,401,826	-	-	-	-	-	1,401,826
Total fund balances	3,110,149	40,574	449,970	4,126,249	265,266	812,583	8,804,791
Total liabilities, deferred inflows of resources and fund balance	\$ 3,277,321	\$ 59,489	\$ 869,713	\$ 4,236,181	\$ 265,266	\$ 820,780	\$ 9,528,750

See accompanying notes to financial statements

CITY OF HUNTINGTON WOODS, MICHIGAN
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
AND STATEMENT OF NET POSITION
JUNE 30, 2014

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances for governmental funds	\$	8,804,791	
Net Pension Asset contributed above annual required contribution		1,626,554	
Net health care obligations are not due and payable in the current period and are not reported in the funds		(2,328,070)	
Capital assets used in governmental activities are not financial resources and are not reported in the funds			
Add: capital assets not being depreciated		89,802	
Add: capital assets being depreciated		45,258,961	
Deduct: accumulated depreciation		<u>(15,135,300)</u>	
			30,213,463
Long-term liabilities are not due and payable in the current period and are not reported in the funds - bonds payable			
Long-term debt		15,414,500	
Accrued interest on long-term debt		<u>106,634</u>	
			(15,521,134)
Internal Service Funds are included as part of governmental activities			1,038,736
Compensated absences are included as a liability in governmental activities			<u>(9,329)</u>
Net Position of governmental activities	\$	<u><u>23,825,011</u></u>	

See accompanying notes to financial statements

CITY OF HUNTINGTON WOODS, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Major Funds					Other Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Sanitation Fund	Recreation Fund	Capital Projects	Street Debt Service Fund		
Revenues							
Property taxes and special assessments	\$ 5,192,850	\$ 513,491	\$ 63,121	\$ -	\$ 1,364,411	\$ 864,683	\$ 7,998,556
Licenses and permits	335,440	-	-	-	-	-	335,440
Intergovernmental	554,638	-	-	-	-	408,711	963,349
Charges for services	69,723	-	-	-	-	-	69,723
Aquatic Club charges	-	-	178,911	-	-	-	178,911
Program fees	-	-	748,342	-	-	-	748,342
Fines and forfeits	264,246	-	-	-	-	-	264,246
Interest	32,240	572	7,602	10,094	1,877	5,891	58,276
Other	552,640	22,359	462	8,452	-	92,670	676,583
Total revenues	7,001,777	536,422	998,438	18,546	1,366,288	1,371,955	11,293,426
Expenditures							
Current							
General government	1,000,303	-	-	-	-	-	1,000,303
Public safety	3,158,098	-	-	-	-	-	3,158,098
Public works	375,631	-	-	-	-	-	375,631
Library	434,969	-	-	-	-	-	434,969
Maintenance	-	-	-	-	-	326,637	326,637
Traffic services	-	-	-	-	-	79,920	79,920
Snow and ice removal	-	-	-	-	-	56,208	56,208
Administrative	-	95,621	-	-	-	15,738	111,359
Aquatic Club	-	-	230,363	-	-	-	230,363
Recreation	-	-	1,507,285	-	-	-	1,507,285
Employee benefits	-	57,036	-	-	-	-	57,036
Professional services	-	385,362	-	-	-	-	385,362
Capital outlay	-	-	-	1,231,650	-	-	1,231,650
Debt service							
Principal	-	-	-	-	1,290,000	650,373	1,940,373
Interest and other charges	-	-	-	-	70,676	423,559	494,235
Total expenditures	4,969,001	538,019	1,737,648	1,231,650	1,360,676	1,552,435	11,389,429
Excess of Revenues Over (Under)							
Expenditures	2,032,776	(1,597)	(739,210)	(1,213,104)	5,612	(180,480)	(96,003)
Other Financing Sources (Uses)							
Proceeds from long-term debt	\$ -	\$ -	\$ -	\$ 3,769,328	\$ -	\$ -	\$ 3,769,328
Debt defeasement/Underwriter Discount	-	-	-	-	-	-	-
Transfers - in	193,627	-	800,000	183,291	-	316,653	1,493,571
Transfers - out	(1,652,309)	-	-	-	-	(147,961)	(1,800,270)
Total other financing sources (uses)	(1,458,682)	-	800,000	3,952,619	-	168,692	3,462,629
Net Change in Fund Balances	574,094	(1,597)	60,790	2,739,515	5,612	(11,788)	3,366,626
Fund Balances - July 1, 2013	2,536,055	42,171	389,180	1,386,734	259,654	824,371	5,438,165
Fund Balances - June 30, 2014	\$ 3,110,149	\$ 40,574	\$ 449,970	\$ 4,126,249	\$ 265,266	\$ 812,583	\$ 8,804,791

See accompanying notes to financial statements

CITY OF HUNTINGTON WOODS, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds	\$ 3,366,626
Amounts reported for governmental activities in the statement of activities are different because:	
Additional contributions to pension above annual required contribution, amount is reported as a Net Pension Asset	310,167
Net healthcare obligations are not due and payable in the current period and are not reported in the funds	(689,883)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period	157,425
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities, where it reduces long-term debt	(1,752,610)
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 government funds	40
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net expenses of the Internal Service Funds is reported with governmental activities	<u>100,561</u>
Change in net position of governmental activities	<u>\$ 1,492,326</u>

See accompanying notes to financial statements

CITY OF HUNTINGTON WOODS, MICHIGAN
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2014

	Business-Type Activities Water Fund	Governmental Activities Internal Service Funds
Assets		
Current Assets		
Cash and cash equivalents	\$ 482	\$ 39,446
Investments	737,584	1,025,788
Receivables	674,044	-
Prepaid expense	-	29,318
Inventories	63,321	-
Total current assets	1,475,431	1,094,552
Noncurrent Assets		
Capital assets, net		
Assets not depreciated	1,000	-
Assets being depreciated	3,795,684	861,126
Total noncurrent assets	3,796,684	861,126
Total assets	<u>\$ 5,272,115</u>	<u>\$ 1,955,678</u>
Liabilities		
Current Liabilities		
Accounts payable and contract	\$ 4,724	\$ 3,066
Accrued expenses	9,192	689
Deposits and other	17,135	-
Current portion of long-term obligations	-	64,272
Total current liabilities	31,051	68,027
Noncurrent liabilities		
Due to employees	31,255	586,545
Noncurrent portion of long-term obligations	-	262,370
Total liabilities	62,306	916,942
Net Position		
Net investment in capital assets	3,796,684	534,484
Unrestricted	1,413,125	504,252
Total net position	5,209,809	1,038,736
Total liabilities and net position	<u>\$ 5,272,115</u>	<u>\$ 1,955,678</u>

See accompanying notes to financial statements

CITY OF HUNTINGTON WOODS, MICHIGAN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities Water Fund	Governmental Activities Internal Service Funds
Operating Revenues		
Charges for sales and services	\$ 2,268,940	\$ -
Penalties	24,993	-
Charges to other funds of the City	-	198,890
Other	5,923	3,271
Total operating revenues	2,299,856	202,161
Operating Expenses		
Sewage disposal costs	990,122	-
Water purchases	340,868	-
Payroll and benefits	367,558	-
Depreciation	110,103	77,908
Loss on sale of fixed asset	-	36,879
Rebates & Other	283,124	558,401
Total operating expenses	2,091,775	673,188
Operating Income (Loss)	208,081	(471,027)
Nonoperating Revenues		
Interest income	5,766	9,570
Total nonoperating revenues (expenses)	5,766	9,570
Transfers - In (Out)	(255,319)	562,018
Change in Net Position	(41,472)	100,561
Net Position - July 1, 2013	5,251,281	938,175
Net Position - June 30, 2014	\$ 5,209,809	\$ 1,038,736

See accompanying notes to financial statements

CITY OF HUNTINGTON WOODS, MICHIGAN
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities	Governmental Activities
	Water Fund	Internal Service Funds
Cash Flows From Operating Activities:		
Receipts from customers	\$ 2,358,010	\$ 198,890
Payments for goods and services	(1,701,866)	(96,861)
Payments to employees for services	(367,558)	(502,121)
Other receipts (payments)	-	25
Net cash provided from (used in) operating activities	288,586	(400,067)
Cash Flows From Noncapital Financing Activities:		
Interfund transfers	(255,319)	562,018
Net cash provided from (used in) noncapital financing activities	(255,319)	562,018
Cash Flows From Capital and Related Financing Activities:		
Acquisition of property, plant and equipment	(18,133)	(181,511)
Proceeds from sale of capital assets	-	31,322
Proceeds from long-term debt	-	95,862
Payments of long-term debt	-	(57,271)
Net cash used in capital and related financing activities	(18,133)	(111,598)
Cash Flows From Investing Activities:		
Investment purchases and redemptions	(161,551)	(69,711)
Interest received	5,766	9,570
Net cash flows from investing activities	(155,785)	(60,141)
Net Increase (Decrease) in Cash and Cash Equivalents	(140,651)	(9,788)
Cash and Cash Equivalents - July 1, 2013	141,133	49,234
Cash and Cash Equivalents - June 30, 2014	\$ 482	\$ 39,446
Reconciliation of operating income (loss) to net cash used in operating activities:		
Operating income (loss)	\$ 208,081	\$ (471,027)
Depreciation	110,103	77,908
(Gain) loss on sale of capital assets	-	36,879
Adjustments to reconcile operating income (loss) to net cash provided from (used in) operating activities:		
Decrease in receivables	58,154	-
Decrease in prepaids	-	7,910
Decrease in inventories	1	-
Increase (decrease) in accounts payable and contract	(87,229)	693
Increase (decrease) in other liabilities	(524)	(52,430)
Total adjustments	(29,598)	(43,827)
Net cash provided from (used in) in operating activities	\$ 288,586	\$ (400,067)

See accompanying notes to financial statements

CITY OF HUNTINGTON WOODS, MICHIGAN
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2014

	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	\$ 19,692
Investments	460,000
Receivable	<u>12</u>
Total assets	<u><u>\$ 479,704</u></u>
 Liabilities	
Accounts Payable	\$ 621
Accrued and other liabilities	170,506
Performance deposits	<u>308,577</u>
Total liabilities	<u><u>\$ 479,704</u></u>

See accompanying notes to financial statements

City of Huntington Woods, Michigan
Notes to Financial Statements
June 30, 2014

Note 1 - Significant Accounting Policies

The accounting policies of the City of Huntington Woods, Michigan (the "City") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the City of Huntington Woods, Michigan:

Reporting Entity

The City has adopted the position of the Governmental Accounting Standards Board (GASB) as outlined in its Statement 1 regarding the definition of a reporting entity. The City of Huntington Woods, Michigan is governed by an elected mayor and a four-member commission. A full-time City Manager is appointed by this body to carry out the policies that are established. The City has no component units, or entities for which the City is considered financially accountable.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. 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 activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not included among program revenues are reported as general revenue.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund. Revenue is recorded when earned, and expenses recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 1 - Significant Accounting Policies - Continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensating absences, and claims and judgments are recorded only when payment is due.

The City reports the following major governmental funds:

General fund - The General fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues sources are property taxes, license and permits, fines and state shared revenue.

Sanitation fund - The Sanitation fund accounts for the operation of the solid waste collection, disposal and recycling functions of the City. The main revenue source is property taxes.

Recreation fund - The Recreation fund accounts for the operation and maintenance of city parks, as well as the operation of all recreation programs and leisure activities, including the operation of the City pool. Revenue sources are property taxes and program fees.

Capital Projects fund - The Capital Projects fund accounts for special projects not associated with business-type funds. The revenue source is bond proceeds.

Street Debt Service fund - The Street Debt Service fund accounts for the payment of interest and principal on long term general obligation debt. The revenue source is property taxes.

The City reports the following major proprietary fund:

Water and Sewer fund - The Water and Sewer fund accounts for the operation and maintenance of the water supply system, as well as the City sewage disposal infrastructure. It is financed primarily through user charges.

Additionally, the City reports the following fund types:

Internal Service fund - Internal Service funds account for major machinery and equipment purchases and maintenance, as well as risk management services provided to other departments of the City on a cost reimbursement basis. They also account for accumulated sick and vacation, health care benefits provided to qualified employees during retirement, as well as payments to a trust with MERS for health care benefits.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 1 - Significant Accounting Policies - Continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Agency fund - The Agency fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations. The fund is used to account for assets held by the City as an agent for the City's citizen groups and organizations. The City is responsible for ensuring that the assets reported in this fund are used for their intended purposes. The City cannot use these assets to finance its operations.

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

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with the proprietary fund's principal ongoing activities. The principal operating revenue of our proprietary fund relates to charges to customers for water sales and services and sewage disposal. Operating expenses for proprietary funds include the cost of water, sewer disposal, operations and maintenance, general and administrative expenses, and depreciation of capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

The City applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private sector guidance.

Property Tax Revenue

Property taxes are levied on each July 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed. Any real property taxes not paid by March 1st, following the due date, are purchased by the County and paid to the City. The County Treasurer takes over collection responsibility at that date. Delinquent personal property taxes are less certain as to ultimate collection and, therefore, are paid to the City upon collection.

The City's 2013-14 tax is levied and collectible on July 1, 2013, and is recognized as revenue in the year ended June 30, 2014, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2013-2014 taxable valuation of the City totaled \$298,907,820. Total tax levies for general, sanitation and debt service purposes equaled 26.8265 mills. This resulted in \$8,018,650 for general and debt service purposes, exclusive of any Michigan Tax Tribunal or Board of Review adjustments. These amounts are recognized in the respective General, Special Revenue and Debt Service funds financial statements as tax revenue.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 1 - Significant Accounting Policies - Continued

Assets, Liabilities and Net Position or Equity

Cash and Investments - Cash and cash equivalents include cash on hand and demand deposits. Investments include all short-term instruments of less than three months when acquired, as well as investment instruments as allowed by P.A. 20 of 1943 as amended and the City's investment policy. Investments are stated at fair value. To the extent that cash from various funds has been pooled, investment income is generally allocated to each fund using a weighted average cash balance per fund. This pooling procedure may at times create a bank overdraft in individual funds, but as a whole the pooled cash is not in a bank overdraft situation. At June 30, 2014, cash balances were in excess of the FDIC insurance limit of \$250,000 by \$341,060.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." All trade and property tax receivables are shown net of allowance for uncollectible accounts.

Inventories and Prepaid Items - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in the financial statements.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

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

Buildings	40 years
Building improvements	40 years
Infrastructure	60 years
Machinery and equipment	7 - 15 years
Office equipment/furniture	5 - 10 years
Vehicles	3-7 years

Compensated Absences (Vacation and Sick Time) - It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary financial statements, accrued compensated absences are paid upon employee termination.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund-type statement of net position. Bond premiums and discounts, 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 discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs are reported as expenditures.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 1 - Significant Accounting Policies - Continued

Assets, Liabilities and Net Position or Equity - Continued

Fund Equity - In March 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated and unreserved/undesignated were replaced with five new classifications - nonspendable, restricted, committed, assigned and unassigned.

In the fund financial statements, governmental funds report the following components of fund balance:

Nonspendable - Amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts that are legally restricted by outside parties, constitutional provisions or enabling legislation for use for a specific purpose.

Committed - Amounts that have been formally set aside by the City Commission for use for specific purposes. Commitments are made and can be rescinded only via resolution of the City Commission.

Assigned - Amounts intended to spend on specific purposes expressed by the City Commission or City Manager and Finance Director, who are authorized by the City Commission to make assignments. All current year assignments have been made by the City Manager and Finance Director.

Unassigned - Amounts that are the residual classification for the general fund and includes all amounts not contained in the other classifications.

The City Commission has allocated an amount in unassigned fund balance over 20% of revenues to committed fund balance for OPEB trust funding.

When an expense is incurred for purposes for which both restricted and unrestricted net assets or fund balance are available, the City's policy is to first apply restricted resources. When an expense is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the City's policy to spend funds in this order: committed, assigned and unassigned.

Pension and Other Postemployment Benefit Costs - The City offers both pension and retiree healthcare benefits to retirees. The City has elected to compute the annual required contribution necessary to fund the other postemployment benefit cost (OPEB) obligation over the remaining amortization period using the alternative measurement method (permitted for employers in plans with fewer than 100 total plan members). In the governmental funds, pension and OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the City reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of the year underpaid amount, if any.

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

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 1 - Significant Accounting Policies - Continued

Budgetary Information

The City is legally subject to the budgetary control requirements of the State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act). The following is a summary of the requirements of this Act according to the State Treasurer's "Bulletin for Audits of Local Units of Government in Michigan" dated April 1984:

- Budgets must be adopted for the General fund, Special Revenue funds. The City also adopts a budget for Debt Service funds and Capital Projects.
- Budgeted expenditures cannot exceed budgeted revenues and fund balance.
- The budgets must be amended when necessary.
- Public hearings must be held before budget adoptions.
- Expenditures cannot exceed budget appropriations.
- Expenditures must be authorized by a budget before being incurred.

Budgeted amounts of the revenues and expenditures presented for the governmental funds are a summarization of the budgeted amounts as originally adopted, or as amended by the City Commission. Individual amendments were not material in relation to the original appropriations that were adopted for the general, special revenue, or debt service funds. Budget appropriations lapse at year-end and encumbrances are not included as expenditures. A comparison of the budget with statements of actual revenues and expenditures, including budget variances, for the above funds, is included as required supplemental information. Budgets have been prepared on a basis consistent with generally accepted accounting principles, except that operating transfers have been included in the "revenue" and "expenditure" categories, rather than as "other financing sources and uses".

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 1 - Significant Accounting Policies - Continued

Budget Compliance

P.A. 621 of 1978, Section 18 (1), as amended, provides that a local unit of government shall not incur expenditures in excess of the amount appropriated. The General fund's amended fund balance appropriation as of June 30, 2013 was zero. The actual June 30, 2014 fund balance was increased by \$574,094. The General fund finished the year with 98% of all appropriations spent in aggregate; however for the year ended June 30, 2014, the following accounts incurred excess expenditures over the amount appropriated:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Percentage</u>
General fund:				
General government	991,212	1,000,303	9,091	1%
Sanitation fund:				
Administrative	75,948	95,621	19,673	21%
Employee benefits	43,570	57,036	13,466	24%
Major Street fund:				
Administrative	8,436	8,587	151	2%
Local Street fund:				
Maintenance	179,964	185,233	5,269	3%
Snow & ice removal	27,722	28,328	606	2%
Capital Projects fund:				
Capital outlay	1,036,850	1,231,650	194,800	16%

The funds had adequate fund balance to cover the expenditures in excess of amounts appropriated.

Note 2 - Deposits and Investments

Michigan Compiled Laws, Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. To the extent that cash from various funds has been pooled in an investment, related investment income is allocated to each fund based on relative participation in the pool.

The City has designated one bank for the deposit of its funds. Each financial intermediary, broker, or dealer that holds the City's funds is required to comply with the provisions of the City investment policy. The investment policy adopted by the commission in accordance with Public Act 196 of 1997 has delineates what securities may be purchased under P.A. 20 as amended. The City's deposits and investment policy are in accordance with statutory authority.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 2 - Deposits and Investments - Continued

Deposits

The deposits of the City as of June 30, 2014 amounted to approximately \$591,060 in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) of which \$250,000 was covered by federal depository insurance. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. The goal is to maximize the investment potential of the City by limiting, to the extent possible all monies that are in non-investment vehicles such as checking or savings accounts. The City continues to adjust the investment policies and review bank rating data to reduce risk associated with commercial banking. This is accomplished through the review of bank rating reports supplied to the City through its investment advisors, Ambassador Capital Management. As of June 30, 2014 marketable securities were kept in safekeeping at Comerica Bank, Detroit Michigan, and in book entry form at Huntington Bank,

Investments

As of June 30, 2014, the City had the following investments and maturities:

Governmental, Debt, Enterprise, Special Revenue, Capital Projects and Fiduciary funds:

As of June 30, 2014		INVESTMENT MATURITIES IN YEARS						
<u>Investment Type</u>	<u>TOTAL INVESTED 6/30/2014</u>	<u>less than 3 months</u>	<u>3-6 months</u>	<u>6-12 months</u>	<u>12-24 months</u>	<u>24-36 months</u>	<u>36-60 months</u>	<u>60+months</u>
Money Market Funds	6,703,430	6,703,513						
Federal Home Loan Bank	100,023		-			100,023		
Federal Home Loan Mortgage Corp	300,500						150,255	150,245
FICO Series Bonds (various)								
Certificates of Deposit	999,301		399,990	149,982		100,108		349,221
Federal National Mortgage Assoc	443,299		-				194,734	248,565
Municipal Bond	1,987,195				25,026	753,252	1,103,399	105,519
Federal Farm Credit Bureau	450,290					150,081	300,209	
TOTAL	10,984,120	6,703,513	399,990	149,982	25,026	1,103,464	1,748,596	853,549

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 2-Deposits and Investments - Continued

The investments presented on the Statement of Net Position from the primary government and agency fund includes accrued interest of \$13,898.56 as of June 30, 2014.

Interest Rate Risk. Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. State law limits the allowable investments and the maturities of some of the allowable investments. The City's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the City's policy to limit its investments in these investment types to the top rating issued by NRSROs, either A1 by Standard and Poor's and P1 by Moody's Investors Service. . As of June 30, 2014, the City did not own any investment positions in commercial paper. Section IX(b) of the City investment policy allows the to invest in CD's only where the rating is above a 125 point score as determined by the independent rating agency IDC publishing Inc. or a rating of B- by Ambassador Capital Management. Due to changes in the regulations pertaining to Federal Deposit Insurance Corporations (FDIC) limits on individual deposits the City has finished the year with no uninsured credit risk associated with its investments in CD's.

Diversification. The City's investment policy suggests that the City "diversify by security type and institution," and that no more than 50% of the portfolio is in a single financial institution. The current portfolio is well diversified to an average in any one instrumentality of 2.63%. The average duration in the portfolio is 3.22 years, which is lower than was the case in the previous year, with the exception of money market (pooled bank) trusts where the monies invested by the City are immediately available.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require a policy for investment custodial credit risk, however, the current City Investment Policy limits the custodial risk, by measuring the health of custodial banks. At year end, none of the City's investments were subject to custodial credit risk due to one of the following:

- Investments were book-entry only in the name of the City and were fully insured.
- Investments were part of a mutual fund.
- Investments were held by an agent in the City's name.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

JUNE 2014 HUNTINGTON WOODS INVESTMENT SUMMARY

CUSIP #	PAR	INVESTMENT	COUPON		DURATION	PREVAILING	S & P/ IDC		PURCHASE	MATURITY	PERCENT	AVERAGE
			STATED	VALUE			MARKET	OF				
			RATE	30-Jun			RISK	RATING			DATE	DATE
	AMOUNT	VEHICLE			MONTHS							YEARS
---	200,000	CD - FIFTH THIRD BANK	0.050%	200,000.00	3.51	Credit	N/R	4/10/2014	19-Jul-14	1.82%	0.28	
316777UP4	200,000	CD - FIFTEH THIRD BANK	0.400%	199,990.00	9	Credit	N/R	11/6/2013	06-Aug-14	1.82%	0.76	
07370V5F1	150,000	CD - BEAL BANK USA	0.350%	149,982.00	12.13	Credit	N/R	10/23/2013	10/22/2014	1.37%	1.01	
987834ND6	25,000	YPSILANTI MI WATER SUPPLY	0.550%	25,026.00	20.23	Market	AA	8/2/2013	01-Apr-15	0.23%	1.69	
3313EA6W3	150,000	FFCB	0.270%	150,081.00	24.3	Market	AA+	11/6/2012	11/5/2014	1.37%	2.03	
07370V6J2	100,000	CD - BEAL BANK USA	0.550%	100,108.00	24.73	Credit	N/R	10/23/2013	11/4/2015	0.91%	2.06	
946099LT3	125,000	WAYNE COUNTY MI CTAN	4.500%	128,165.00	25.63	Market	Sp2	8/23/2013	01-Oct-15	1.17%	2.14	
3130A0KW9	100,000	FHLB STEP-UP	0.400%	100,023.00	36	Market	AAA	3/1/2012	01-May-14	0.91%	2.20	
646734CY7	50,000	NEW LOTHROP MICH AREA PUB SCHOOLS	4.000%	51,986.50	26.43	Market	Aa2	8/30/2013	01-Nov-15	0.47%	2.20	
510336PV6	100,000	LAKE ORION MI REFI	4.000%	103,133.00	29.97	Market	AA-	11/13/2012	01-May-15	0.94%	2.50	
944488RJ6	150,000	WAYNE COUNTY MI CTAN	4.100%	149,832.00	30.83	Market	Sp1	5/21/2014	01-Dec-16	1.36%	2.57	
278065YS0	100,000	EATON COUNTY MUNICIPAL BLDG	4.250%	104,329.00	31.07	Market	Aa3 AA-	2/11/2013	01-Sep-15	0.95%	2.59	
182252SJ6	60,000	CLARKSTON MI	4.750%	62,845.80	31.83	Market	Aa2	9/19/2013	01-May-16	0.57%	2.65	
642101HW2	95,000	NEW BALTIMORE MI-REF UTGO	2.000%	96,759.40	33.83	Market	AA+	12/20/2012	10/1/2015	0.88%	2.82	
604552BY4	180,000	Mio Ausable Mich Sch	2.000%	182,037.60	34.63	Market	Aa2/A3	6/27/2013	01-May-16	1.66%	2.89	
020668AC3	55,000	ALPENA MICH REGIONAL MEDICAL CNR	2.000%	56,201.20	36.1	Market	A1	11/13/2012	01-Nov-15	0.51%	3.01	
3313EA6K9	150,000	FFCB	0.410%	150,237.00	36.5	Market	AA+	10/29/2012	10/29/2015	1.37%	3.04	
3136G0TA9	200,000	FNMA MEDIUM TIER DTD	1.010%	194,734.00	38.43	Market	AA+	8/27/2012	24-Oct-15	1.77%	3.20	
594636TX0	150,000	MICHIGAN STATE REF	5.000%	165,955.50	39.20	Market	AA+	8/27/2013	15-Nov-16	1.51%	3.27	
242595MZ6	120,000	DEARBORN MI REFUNDING BOND	5.000%	124,648.80	39.97	Market	Aa2/Aa3 AA-	1/18/2012	01-May-15	1.13%	3.33	
3134G4FD5	150,000	FHLMC	1.125%	150,255.00	42.57	Market	AA+	9/10/2013	3/10/2017	1.37%	3.55	
729459CS4	100,000	PLYMOUTH CHARTER TWP	3.000%	104,651.00	42.83	Market	AA	12/24/2012	01-Jul-16	0.95%	3.57	
3133EA2P2	150,000	FFCB	0.590%	149,971.50	43.8	Market	AA+	9/26/2012	5/2/2016	1.37%	3.65	
672423SN1	70,000	OAKLAND COUNTY MI	2.500%	72,073.40	46.2	Market	Aaa / AAA	1/15/2012	01-Nov-15	0.66%	3.85	
516228PZ0	100,000	LANCSE CRUISE MI PUB SCH	4.000%	106,411.00	48.23	Market	AA	5/15/2012	01-May-16	0.97%	4.02	
935324R47	100,000	WARREN MI CAP IMP BOND	2.000%	101,915.00	48.27	Market	AA	6/14/2012	01-Jun-16	0.93%	4.02	
571494HF3	100,000	MARQUETTE MI	3.000%	104,314.00	56.13	Market	AA	2/21/2012	01-Oct-16	0.95%	4.68	
060167FB4	135,000	BANGOR MICH PUBLIC SCHOOLS	3.000%	141,392.25	57.57	Market	Aa2	8/8/2012	01-May-17	1.29%	4.80	
032114VAX	150,000	CD - FIRST NATIONAL BANK MI	0.950%	148,006.50	60.87	Credit	N/R	9/26/2012	9/26/2017	1.43%	5.07	
58740XY53	200,000	CD - MERCHANTILE BANK	1.550%	201,214.00	60.87	Credit	N/R	8/7/2013	8/7/2018	1.55%	5.07	
418420EF8	50,000	HASTINGS MI AREA SCHOOLS	3.500%	53,513.00	60.87	Market	AA-	5/1/2013	01-May-18	0.49%	5.07	
3134G4KV9	150,000	FHLMC	0.875%	150,244.50	60.87	Market	AA+	11/26/2013	11/26/2018	1.37%	5.07	
3136G0VX6	250,000	FNMA MEDIUM TIER DTD	0.500%	248,565.00	72.83	Market	AA+	8/27/2012	21-Aug-18	2.26%	6.07	
838736TC0	50,000	SOUTH LYON MI	5.000%	52,005.50	105.4	Market	AA	9/3/2013	01-May-22	0.47%	8.78	
---	---	MM FUND - MBIA	0.010%	26,565.77	---	Market	NOT RATED	N/A	Liquid	0.24%	---	
---	---	MM FUND - COMERICA J - 4438	0.050%	810,602.78	---	Market	NOT RATED	N/A	Liquid	7.38%	---	
---	---	OAKLAND COUNTY POOL FUND - 7761	0.060%	1,301,573.42	---	Market	NOT RATED	N/A	Liquid	11.85%	---	
---	---	COMERCIAL CHECKING COMERICA - 4819	0.020%	586,463.47	---	Market	NOT RATED	N/A	Liquid	5.34%	---	
---	---	COMERCIAL CHECKING COMERICA - 2672	0.020%	3,283,449.05	---	Market	NOT RATED	N/A	Liquid	29.89%	---	
---	---	MM FUND - MORGAN STANLEY	0.025%	504,610.01	---	Market	NOT RATED	N/A	Liquid	4.59%	---	
---	---	MM FUND - CITIBANK	0.010%	53,075.93	---	Market	NOT RATED	N/A	Liquid	0.48%	---	
---	---	COMMERCIAL CHECKING - CHASE	0.030%	16,019.71	---	Market	NOT RATED	N/A	Liquid	0.15%	---	
---	---	HUNTINGTON BANK MM FUND	0.050%	107,255.03	---	Market	NOT RATED	N/A	Liquid	0.98%	---	
---	---	ACCRUED INTEREST HOLDINGS 6/30/13	---	13,898.56	---	Market	NOT RATED	N/A	Liquid	0.13%	---	
TOTAL			1.80%	10,984,120.18	40.34							3.34

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 3 - Capital Assets

Capital assets activity of the primary government's governmental and business-type activities was as follows:

	Balance			Balance
	July 1, 2013	Additions	Reductions	June 30, 2014
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 89,802	\$ -	\$ -	\$ 89,802
Construction-in-progress	-	-	-	-
Total capital assets, not being depreciated	\$ 89,802	\$ -	\$ -	\$ 89,802
Capital assets, being depreciated:				
Infrastructure - roads and sidewalks	\$ 31,871,784	\$ 842,961	\$ -	\$ 32,714,745
Vehicles	16,014	-	-	16,014
Office equipment and furniture	634,532	19,036	-	653,568
Library books and fine arts	949,173	23,722	-	972,895
Machinery and equipment	3,114,842	239,435	357,928	2,996,349
Land improvements	439,410	-	-	439,410
Buildings and improvements	9,456,134	68,945	-	9,525,079
Total at historical cost	\$ 46,481,889	\$ 1,194,099	\$ 357,928	\$ 47,318,060
Accumulated depreciation:				
Infrastructure - roads and sidewalks	\$ 7,637,174	\$ 506,637	\$ -	\$ 8,143,811
Vehicles	2,386	2,002	-	4,388
Office equipment and furniture	585,233	37,629	-	622,862
Library books and fine arts	796,227	27,099	-	823,326
Machinery and equipment	1,996,192	91,207	289,729	1,797,670
Land improvements	398,750	34,835	-	433,585
Buildings and improvements	4,273,968	233,663	-	4,507,631
Total accumulated depreciation	\$ 15,689,930	\$ 933,072	\$ 289,729	\$ 16,333,273
Total capital assets, being depreciated, net	\$ 30,791,959	\$ 261,027	\$ 68,199	\$ 30,984,787
Total Governmental Activities				
Capital Assets, net	\$ 30,881,761	\$ 261,027	\$ 68,199	\$ 31,074,589

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 3 - Capital Assets

Depreciation included in the determination of operating income is computed on the straight-line basis over estimated useful lives ranging from 5 years to 60 years. Land is a non-depreciable asset. Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government	\$ 626,414
Public Safety	25,506
Public works	4,327
Library	59,727
Recreation	<u>217,098</u>

Total depreciation expense-governmental activities \$ 933,072

	July 1, 2013	Additions	Reductions	June 30, 2014
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,000	\$ -	\$ -	\$ 1,000
Capital assets, being depreciated:				
Buildings and improvements	\$ 7,499	\$ -	\$ -	\$ 7,499
Machinery and equipment	439,063	-	19,397	419,666
Water and sewer mains	5,234,021	18,133	-	5,252,154
Water meters	241,351	-	-	241,351
Total capital assets	5,921,934	18,133	19,397	5,920,670
Accumulated depreciation:				
Building and improvements	7,499	-	-	7,499
Machinery and equipment	338,987	3,164	19,397	322,754
Water and sewer mains	1,525,019	100,905	-	1,625,924
Water meters	162,775	6,034	-	168,809
Total accumulated depreciation	2,034,280	110,103	19,397	2,124,986
Net capital assets	<u>\$ 3,888,654</u>	<u>\$ (91,970)</u>	<u>\$ -</u>	<u>\$ 3,796,684</u>

Depreciation included in the determination of operating income is computed on the straight-line basis over estimated useful lives ranging from 5 years to 60 years. Land is a non-depreciable asset. Depreciation expense at June 30, 2014 amounted to:

Water Fund \$ 110,103

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 4 - Long-Term Debt

A summary of changes in long-term debt is as follows:

	Balance			Balance	Due Within
	July 1, 2013	Additions	Reductions	June 30, 2014	One Year
Government Activities:					
Compensatory time	\$ 9,369		40	\$ 9,329	\$ -
2009 Refunding Street Bonds	3,100,000	-	1,290,000	1,810,000	1,325,000
George W. Kuhn Drain					
Bonds 2000-A	286,420	-	28,814	257,606	29,441
George W. Kuhn Drain					
Bonds 2002-C	1,571,322	-	125,906	1,445,416	129,038
George W. Kuhn Drain					
Bonds 2002-D	41,739	-	3,445	38,294	3,445
George W. Kuhn Drain					
Bonds 2005	32,744	-	2,227	30,517	2,386
George W. Kuhn Drain					
Bonds 2007	321,030	-	26,935	294,095	27,562
George W. Kuhn Drain					
Bonds 2007G	43,748	-	2,545	41,203	2,704
George W. Kuhn Drain					
Bonds 2008H	204,740	-	10,499	194,241	10,818
Capital Improvement Bonds (11 Mile)	1,300,000	-	50,000	1,250,000	50,000
Capital Improvement Bonds 2010	3,600,000	-	325,000	3,275,000	325,000
Capital Improvement Bonds 2012	3,050,000	-	75,000	2,975,000	100,000
Capital Improvement Bonds 2014	-	3,710,000	-	3,710,000	-
Michigan Suburbs Alliance-solar panel	75,600	-	18,749	56,851	14,213
Michigan Suburbs Alliance-Library	48,240	-	11,963	36,277	9,069
Fire Truck Installment Loan	288,050	-	39,921	248,129	40,835
Public Safety Vehicle Installment Loan	-	95,862	17,350	78,512	23,437
	13,973,002	3,805,862	2,028,394	15,750,470	2,092,948
Business-Type Activities:					
No activity	-	-	-	-	-
	<u>\$ 13,973,002</u>	<u>\$ 3,805,862</u>	<u>\$ 2,028,394</u>	<u>\$ 15,750,470</u>	<u>\$ 2,092,948</u>

The City did not estimate the amount of Compensatory time that is due within one year due to the fact that we do not anticipate any Public Safety personnel that will be leaving within one year. The Compensatory time is paid out to the Public Safety personnel when they leave the employ of the City per the union contract, from the General fund.

The reduction for the Michigan Suburbs Alliance loans includes a \$7,430 debt discount given to the City in 2013-2014.

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, is obligated for payment of principal and interest of the outstanding debt. Due to the current construction of the project, the sale of drain bonds and draws from the State of Michigan revolving fund being incurred on an as needed basis, the following schedules of principal and interest payments are amounts due on each bond at June 30, 2014 and are subject to change with additional distributions.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 4 - Long-Term Debt - Continued

At June 30, 2014, long-term obligations consisted of:

Governmental Activities:

Compensatory time - Public Safety	\$	9,329
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2009 Refunding Street/Recreation Bonds dated October 1, 2009; annual principal payments \$485,000 to \$1,325,000, due serially to October 1, 2015; interest rates 2% to 3% (original issue totaled \$6,255,000)		1,810,000
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George W. Kuhn Drain Bonds 2000-A dated April 1, 2001; annual principal payments of \$21,000 to \$36,000, due beginning April 2003 serially to April 1, 2022; interest rate at 2.5% (original issue totaled \$560,001). These represent the City's portion of the total bonds issued by Oakland County		257,606
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George W. Kuhn Drain Bonds 2002-C dated April 1, 2002; annual principal payments of \$100,850 to \$161,142, due beginning April 2005 serially to April 1, 2024; interest rate at 2.5% (original issue totaled \$2,574,502). These represent the City's portion of the total bonds issued by Oakland County		1,445,416
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George W. Kuhn Drain Bonds 2002-D dated April 1, 2002; annual principal payments of \$3,915 to \$6,264, due beginning April 2005 serially to April 1, 2024; interest rate at 2.5% (original issue totaled \$99,284). These represent the City's portion of the total bonds issued by Oakland County		<u>38,294</u>
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Total this page		3,560,645
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City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 4 - Long-Term Debt - Continued

Governmental Activities - Continued:

Total - from previous page	\$ 3,560,645
George W. Kuhn Drain Bonds 2005 dated September 22, 2005; annual principal payments of \$2,192 to \$2,975, due beginning April 2007 serially to April 1, 2023; interest rate of 1.625% (original issue totaled \$42,295). These represent the City's portion of the total bonds issued by Oakland County	30,517
George W. Kuhn Drain Bonds 2007 dated July 1, 2007; annual principal payments of \$7,360 to \$19,732, due beginning April 2008 serially to April 1, 2024; interest rate of 3.123% (original issue totaled \$381,534). These represent the City's portion of the total bonds issued by Oakland County	294,095
George W. Kuhn Drain Bonds 2007G dated September 20, 2007; annual principal payments of \$2,386 to \$2,840, due beginning April 2009 serially to April 1, 2028; interest rate of 1.625% (original issue totaled \$55,814). These represent the City's portion of the total bonds issued by Oakland County	41,203
George W. Kuhn Drain Bonds 2008H dated September 22, 2008; annual principal payments of \$9,545 to \$13,204, due beginning April 2010 serially to April 1, 2024; interest rate of 2.5% (original issue totaled \$165,460). These represent the City's portion of the total bonds issued by Oakland County	194,241
2007 Capital Improvements Bonds (11 Mile Rd. G.O.) dated July 1, 2007; annual principal payments of \$50,000 to \$150,000, due beginning October 2009 serially to October 2027; interest rate of 4.3% to 4.625% (original issue totaled \$1,500,000)	<u>1,250,000</u>
Total this page	5,370,701

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 4 - Long-Term Debt - Continued

Governmental Activities - Continued:

Total - from previous page	\$ 5,370,701
2010 Capital Improvements Bonds (Roads) dated June 2, 2010; annual principal payments of \$250,000 to \$425,000, due beginning October 2011 serially to October 2024; interest rate of 1.45% to 6.00% (original issue totaled \$4,450,000)	3,275,000
2012 Capital Improvements Bonds (Roads) dated June 28, 2012; annual principal payments of \$75,000 to \$250,000, due beginning October 2012 serially to October 2026; interest rate of 2.00% to 2.75% (original issue totaled \$3,050,000)	2,975,000
2014 Capital Improvements Bonds (Roads) dated May 13, 2014; annual principal payments of \$10,000 to \$500,000, due beginning October 2015 serially to October 2028; interest rate of 2.00% to 3.00% (original issue totaled \$3,710,00)	3,710,000
Michigan Suburbs Alliance Loan-Solar Panels dated March 8, 2012; principal payments of \$14,213 due August 2013 to August 2017, interest free	56,851
Michigan Suburbs Alliance Loan-Library Windows dated March 8, 2012; principal payments of \$9,069 due August 2013 to August 2017, interest free	36,277
Fire Truck Installment Loan dated March 14, 2013; monthly principal and interest payments of \$3,843, interest rate 2.30%	248,129
Public Safety Vehicle Installment Loan dated October 18, 2013; monthly principal and interest payments of \$2,098, interest rate 2.50%	<u>78,512</u>
Total long-term debt	<u>\$ 15,750,470</u>

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 4 - Long-Term Debt - Continued

The following is a summary of annual debt service requirements to maturity for the above bonds only, followed by the detailed bond payments:

Governmental Activities

	Principal	Interest	Interest Subsidy	Net Interest	Total-Net
2015	\$ 2,005,394	\$ 460,493	\$ (72,880)	\$ 387,613	\$ 2,393,007
2016	1,206,350	423,193	(68,349)	354,844	1,561,194
2017	1,217,148	388,570	(63,765)	324,805	1,541,953
2018	1,072,632	356,362	(58,562)	297,800	1,370,432
2019	952,964	325,847	(53,049)	272,798	1,225,762
2020-2024	5,350,754	1,100,415	(151,259)	949,156	6,299,910
2025-2029	3,516,130	253,835	(4,388)	249,448	3,765,578
	<u>\$ 15,321,372</u>	<u>\$ 3,308,715</u>	<u>\$ (472,251)</u>	<u>\$ 2,836,464</u>	<u>\$ 18,157,836</u>

During fiscal year 2010, the City issued Direct Payment Build America Bonds. In accordance with this program, the City will be reimbursed a portion of interest expense incurred (shown above as the interest subsidy).

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
2009 Street/Recreation Refunding Bonds					
7/1/09	\$ 6,255,000	3.00%	10/1/14	1,325,000	34,425
		3.00	10/1/15	485,000	7,275
				<u>\$ 1,810,000</u>	<u>\$ 41,700</u>

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
George W. Kuhn Drain Bonds 2000-A					
4/1/01	\$ 560,001	2.5%	4/1/2015	29,441	6,440
		2.5	4/1/2016	30,224	5,704
		2.5	4/1/2017	31,007	4,948
		2.5	4/1/2018	31,790	4,174
		2.5	4/1/2019	32,573	3,378
		2.5	4/1/2020	33,356	2,564
		2.5	4/1/2021	34,139	1,730
		2.5	4/1/2022	35,076	876
				<u>\$ 257,606</u>	<u>\$ 29,814</u>

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 4 - Long-Term Debt - Continued

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
George W. Kuhn Drain Bonds 2002-C					
4/1/02	\$ 2,574,502	2.5%	4/1/2015	129,038	36,136
		2.5	4/1/2016	132,327	32,910
		2.5	4/1/2017	135,615	29,602
		2.5	4/1/2018	138,904	26,210
		2.5	4/1/2019	142,349	22,738
		2.5	4/1/2020	145,951	19,180
		2.5	4/1/2021	149,553	15,530
		2.5	4/1/2022	153,311	11,792
		2.5	4/1/2023	157,226	7,960
		2.5	4/1/2024	<u>161,142</u>	<u>4,028</u>
				<u>\$ 1,445,416</u>	<u>\$ 206,086</u>

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
George W. Kuhn Drain Bonds 2002-D					
4/1/02	\$ 99,284	2.5%	4/1/2015	3,445	957
		2.5	4/1/2016	3,602	871
		2.5	4/1/2017	3,602	781
		2.5	4/1/2018	3,602	691
		2.5	4/1/2019	3,758	601
		2.5	4/1/2020	3,915	507
		2.5	4/1/2021	3,915	409
		2.5	4/1/2022	4,072	311
		2.5	4/1/2023	4,228	210
		2.5	4/1/2024	<u>4,155</u>	<u>104</u>
				<u>\$ 38,294</u>	<u>\$ 5,442</u>

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 4 - Long-Term Debt - Continued

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
George W. Kuhn Drain Bonds 2005					
9/22/05	\$ 42,295	1.625%	4/1/2015	2,386	496
		1.625	4/1/2016	2,386	457
		1.625	4/1/2017	2,386	418
		1.625	4/1/2018	2,386	380
		1.625	4/1/2019	2,386	341
		1.625	4/1/2020	2,386	302
		1.625	4/1/2021	2,545	263
		1.625	4/1/2022	2,704	222
		1.625	4/1/2023	2,704	178
		1.625	4/1/2024	2,704	134
		1.625	4/1/2025	2,704	90
		1.625	4/1/2026	2,840	46
				<u>\$ 30,517</u>	<u>\$ 3,327</u>

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
George W. Kuhn Drain Bonds 2007					
7/1/07	\$ 390,248	3.123%	4/1/2015	27,562	12,678
		3.123	4/1/2016	28,971	11,507
		3.123	4/1/2017	30,380	10,276
		3.123	4/1/2018	31,633	8,985
		3.123	4/1/2019	32,103	7,640
		3.123	4/1/2020	33,199	6,276
		3.123	4/1/2021	34,452	4,823
		3.123	4/1/2022	35,548	3,316
		3.123	4/1/2023	20,515	1,761
		3.123	4/1/2024	19,732	863
				<u>\$ 294,095</u>	<u>\$ 68,125</u>

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 4 - Long-Term Debt - Continued

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
George W. Kuhn Drain Bonds 2007G					
9/20/07	\$ 55,814	1.625%	4/1/2015	2,704	670
		1.625	4/1/2016	2,704	626
		1.625	4/1/2017	2,704	582
		1.625	4/1/2018	2,704	538
		1.625	4/1/2019	2,864	494
		1.625	4/1/2020	2,864	447
		1.625	4/1/2021	2,864	401
		1.625	4/1/2022	3,023	354
		1.625	4/1/2023	3,023	305
		1.625	4/1/2024	3,023	256
		1.625	4/1/2025	3,182	207
		1.625	4/1/2026	3,182	155
		1.625	4/1/2027	3,182	103
		1.625	4/1/2028	3,180	52
				<u>\$ 41,203</u>	<u>\$ 5,190</u>
<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
George W. Kuhn Drain Bonds 2008H					
9/22/08	\$ 165,460	2.5%	4/1/2015	10,818	4,856
		2.5	4/1/2016	11,136	4,586
		2.5	4/1/2017	11,454	4,307
		2.5	4/1/2018	11,613	4,021
		2.5	4/1/2019	11,931	3,730
		2.5	4/1/2020	12,249	3,432
		2.5	4/1/2021	12,568	3,126
		2.5	4/1/2022	12,886	2,812
		2.5	4/1/2023	13,204	2,490
		2.5	4/1/2024	13,522	2,160
		2.5	4/1/2025	13,840	1,822
		2.5	4/1/2026	14,158	1,476
		2.5	4/1/2027	14,636	1,122
		2.5	4/1/2028	14,954	756
		2.5	4/1/2029	15,272	382
				<u>\$ 194,241</u>	<u>\$ 41,078</u>

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 4 - Long-Term Debt - Continued

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
Capital Improvement Bonds (11 Mile Rd.) 2007					
7/1/07	\$ 1,500,000	4.625%	10/1/2014	50,000	54,331
		4.625	10/1/2015	50,000	52,019
		4.625	10/1/2016	50,000	49,706
		4.300	10/1/2017	50,000	47,475
		4.300	10/1/2018	75,000	44,787
		4.350	10/1/2019	75,000	41,544
		4.350	10/1/2020	75,000	38,281
		4.350	10/1/2021	100,000	34,475
		4.400	10/1/2022	100,000	30,100
		4.400	10/1/2023	100,000	25,700
		4.450	10/1/2024	125,000	20,719
		4.450	10/1/2025	125,000	15,156
		4.500	10/1/2026	125,000	9,562
		1.625	10/1/2027	150,000	3,375
				<u>\$ 1,250,000</u>	<u>\$ 467,230</u>

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
Capital Improvement Bonds 2010					
6/2/10	\$ 4,450,000	3.350%	10/1/2014	325,000	161,956
		3.700	10/1/2015	250,000	151,888
		4.450	10/1/2016	250,000	141,700
		4.800	10/1/2017	250,000	130,138
		5.000	10/1/2018	250,000	117,888
		5.100	10/1/2019	325,000	103,350
		5.250	10/1/2020	325,000	86,531
		6.000	10/1/2021	325,000	68,250
		6.000	10/1/2022	325,000	48,750
		6.000	10/1/2023	325,000	29,250
		6.000	10/1/2024	325,000	9,750
				<u>\$ 3,275,000</u>	<u>\$ 1,049,451</u>

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 4 - Long-Term Debt - Continued

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
Capital Improvement Bonds 2012					
7/1/07	\$ 3,050,000	2.000%	10/1/2014	100,000	65,000
		2.000	10/1/2015	200,000	62,000
		2.000	10/1/2016	200,000	58,000
		2.000	10/1/2017	225,000	53,750
		2.000	10/1/2018	250,000	49,000
		2.000	10/1/2019	250,000	44,000
		2.000	10/1/2020	250,000	39,000
		2.050	10/1/2021	250,000	33,937
		2.200	10/1/2022	250,000	28,625
		2.400	10/1/2023	250,000	22,875
		2.550	10/1/2024	250,000	16,687
		2.650	10/1/2025	250,000	10,187
		2.750	10/1/2026	250,000	3,438
				<u>\$ 2,975,000</u>	<u>\$ 486,499</u>

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Payments</u>	<u>Interest Payable</u>
Capital Improvement Bonds 2014					
5/13/14	\$ 3,710,000	2.000%	10/1/2014	-	82,548
		2.000	10/1/2015	10,000	93,350
		2.000	10/1/2016	500,000	88,250
		2.000	10/1/2017	325,000	80,000
		2.000	10/1/2018	150,000	75,250
		2.000	10/1/2019	150,000	72,250
		2.000	10/1/2020	150,000	69,250
		2.000	10/1/2021	150,000	66,250
		2.500	10/1/2022	200,000	62,250
		2.500	10/1/2023	250,000	56,625
		2.500	10/1/2024	250,000	50,375
		3.000	10/1/2025	250,000	43,500
		3.000	10/1/2026	325,000	34,875
		3.000	10/1/2027	500,000	22,500
		3.000	10/1/2028	500,000	7,500
				<u>\$ 3,710,000</u>	<u>\$ 904,773</u>

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 5 - Pension Plans - Defined Benefit Pension Plan

Plan Description

The City participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer defined benefit pension plan that covers virtually all of the full-time employees of the City. The MERS provides retirement, death and disability benefits to employees that were employed by the City prior to July 1, 1998. Public Act 220 of 1996 assigns the authority to establish and amend the benefit provisions of the MERS plan document. The MERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the MERS at 7150 Harris Drive, P.O. Box 30171, Lansing, Michigan 48909-7671 or by calling (989) 322-5103.

Funding Policy

The City is required to contribute at an actuarial determined rate the current rate is between 0.00% and 54.373% of covered payroll for individual employee groups. A retirement contribution rate of 5% of payroll is required by all full time non-union and unionized employees covered under MERS for employees hired prior to 1997. The rates are established by the City through collective bargaining and may be changed or amended by the MERS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2014, the City's annual required contribution (ARC) was \$1,016,340. The annual required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age normal actuarial cost method. Significant actuarial assumptions used included: (a) an 8.0% investment rate of return, (b) projected salary increases of 4.50%, plus a percentage based upon an age related scale to reflect merit, longevity and promotional salary increases of between 0.00% and 8.40%, (c) the assumption that benefits will not increase after retirement and (d) the inflation rate is 3%-4%. Based on the smoothed Actuarial Value of Assets the recognized rate of investment return for MERS overall was 4.73% (less than the 8% actuarial assumption). The required annual contribution for fiscal year 2014-15 is expected to be \$1,140,744 per the December 31, 2013 actuarial valuation.

The City contributed additional amounts over and above the annual required contribution as stated below, as a result the City recorded a Net Pension Asset recognizing the additional contributions.

Annual required contribution (recommended)	\$1,016,340
Net Pension Asset - Beginning of year	1,316,387
Additional contributions	<u>310,167</u>
Net Pension Asset - End of year	<u>\$ 1,626,554</u>

The actuarial value of assets is determined on the basis of a method that calculates expected income at the valuation rate of return and adds a portion of the difference between the expected investment income and the actual investment income earned on a market value basis. The difference in investment income between expected return and market return is recognized over a 10-year period at a rate of 10% a year. This asset valuation method was first adopted for the December 31, 2005 valuation and is applied in the present valuation period. In calculating the annual required contribution (ARC) for reporting and disclosure purposes under Statement 25 and 27 of the Governmental Accounting Standards Board, the following amortization methods are used:

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 5 - Pension Plans - Defined Benefit Pension Plan - Continued

- A level percentage of payroll amortization is used based upon the assumption that payroll increases 4.5% a year.
 - For divisions that are less than 100% funded and are closed to new hires (and new hires are not covered by MERS defined benefit or hybrid provisions in a linked division), a 30-year level dollar amortization is used if it results in a higher amortization payment. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis for the non-union and public works divisions and on an open basis for public safety and command officers divisions.

The standard amortization period is 27 years for positive unfunded liabilities, and will be used for the 2009 valuation, and then will be reduced by one year in each of the next eight annual valuations, reaching 20 years in the 2017 valuation. Beginning with the 2018 valuation the 20 year period will be reestablished with each annual valuation.

Five Year Trend Information for MERS and Funding Progress

<u>Fiscal Year Ended</u>	<u>Annual Pension Costs (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Additional Annual Contributed</u>	<u>Unfunded Annual Contribution</u>
6/30/10	585,852	158%	345,606	-
6/30/11	675,516	151%	345,602	-
6/30/12	703,728	145%	316,840	-
6/30/13	785,820	139%	308,339	-
6/30/14	1,016,340	131%	310,167	-

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liabilities (AAL) Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12-31-09	11,450,440	20,242,313	8,791,873	57%	2,239,156	393%
12-31-10	11,752,110	21,439,037	9,686,927	55%	2,031,439	476%
12-31-11	11,765,991	22,720,433	10,754,442	53%	2,026,562	531%
12-31-12	12,053,206	22,867,014	10,813,808	53%	1,866,593	579%
12-31-13	12,380,123	23,498,765	11,118,642	53%	1,909,448	582%

Beginning on July 1, 2009 the City increased its contribution into the Defined Benefit program in an effort to reach a projected funding level of 80+% in 10 years.

Note 6 - Defined Contribution Plan

The City offers an IRS §401(a) defined contribution plan where the contribution rate for the City is between 8% and 10% of gross payroll. This contribution rate is established by contractual agreement and Commission resolution, and may be changed from time-to-time. Under the terms of the plan the employee may contribute to the plan on a voluntary basis. The decision to contribute on the part of the employee may effect the contribution provided by the City. Plan documentation and regulations have been filed with the MERS Board of Trustees and the International City Management Association (ICMA) which administers the plan. The City's annual employer contributions amounted to \$73,170 for the fiscal year ended June 30, 2014.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 7 - Changes in General Fund - Fund Balance

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2014</u>
Assigned				
Property tax refunds	\$ 73,194	\$ -	\$ -	\$ 73,194
Gallery	19,754	2,207	1,539	20,422
Crime	14,949	-	-	14,949
Library	98,777	19,039	18,149	99,667
Subtotal	206,674	21,246	19,688	208,232
Unassigned, before committed and nonspendable reclassifications				
General	1,506,201	515,185	-	2,021,386
Rackham	31,845	23	-	31,868
Budget Stabilization	791,335	57,328	-	848,663
Subtotal	2,329,381	572,536	-	2,901,917
Totals	<u>\$ 2,536,055</u>	<u>\$ 593,782</u>	<u>\$ 19,688</u>	<u>\$ 3,110,149</u>

The Gallery, Crime, and Library assigned balances may be appropriated to the Capital Planning fund for use at the discretion of the City Commission. The Property tax refund balance is assigned for Michigan Tax Tribunal Matters. For financial statement purposes per GASB 54, a portion of the unassigned fund balance has been allocated to committed fund balance in the amount of \$1,356,823, which includes the \$848,663 in the Budget Stabilization fund and nonspendable fund balance in the amount of \$143,268.

Note 8 - Net Position/Fund Balance Restricted, Committed and Assigned

The Capital Projects fund was combined with the Capital Planning fund for financial statement purposes per GASB 54. The total fund balance is \$4,126,249 consisting of the Capital Projects fund with a restricted fund balance of \$3,574,966 for bond proceeds received for Road Construction and is included in Net Position, Invested in capital assets, net of related debt. The Capital Planning fund portion of the Capital Projects fund balance is \$551,283 and a portion of that fund balance is allocated as follows:

Reserved Parks and Recreation	\$ 100,165
Reserved Interstate 696	31,350

The City operates thirteen acres of park land to which no revenues are received. \$100,165 had been reserved for projects relating to the parks and recreation master plan, however these were not completed. These monies may be reallocated once a new master plan has been adopted. Contract documents with the State of Michigan indicate the entire maintenance of the perimeter wall and berm area of Interstate 696 are the City's responsibility to maintain, therefore, the City has allocated \$31,350 for maintenance of this area.

The Recreation fund has an assigned fund balance of \$449,970 which includes \$43,772 in gift donations from residents for use at the Recreation Center.

Restricted Net Position includes restricted fund balances in Sanitation, Major & Local Roads and Debt Funds.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 9 - Inter-fund Transfers

	Transfers	
	In	Out
General	\$ 243,627	\$ 1,681,476
Major Street	-	42,461
Local Street	105,000	-
Capital Projects	183,291	-
Sanitation	-	-
Recreation	800,000	-
Water	-	255,319
2010 & 2012 Street Debt Services	54,500	-
2014 Street Debt Services	-	54,500
11 Mile Rd. debt	106,153	-
Retirement Benefit	543,185	2,000
Health Insurance	-	-
Total	<u>\$ 2,035,756</u>	<u>\$ 2,035,756</u>

Transfers between the various funds represent payment from one fund to another without an equivalent return of goods or services to fund operations, capital improvements or debt service expenditures accounted for in the respective funds.

Note 10 - Other Postemployment Benefits

Plan Description

The City has an obligation to cover all former full-time retired employees and spouses for hospitalization insurance and pay their full premium for employees in the defined benefit plan and a portion of the premium for those in the defined contribution plan. The City pays the retiree health premiums on a pay-as-you-go basis from the Post retirement benefits fund and has established a trust with Michigan Municipal Employees' Retirement System (MERS) for future funding.

Funding Policy

The City has no obligation to make contributions in advance of when the insurance premiums are due for payment. The City has historically paid this obligation on a pay-as-you-go basis. However, the City made contributions to advance fund these benefits.

Funding Progress

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB 45 for employers in plans with fewer than 100 total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The City's computed contribution and actual funding are summarized as follows:

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 10 - Other Postemployment Benefits - continued

	2014	2013	2012	2011	2010
Annual required contribution (recommended)	\$ 1,140,963	\$ 1,103,310	\$ 1,074,157	\$ 746,372	\$ 668,131
Interest on the prior year's net OPEB obligation	131,055	82,572	32,550	25,797	-
Less Adjustments to the annual required contribution	(116,249)	(72,060)	(27,977)	(21,860)	-
Annual OPEB costs	1,155,769	1,113,822	1,078,730	750,309	668,131
Amounts contributed:					
Payments of current premiums	(401,978)	(443,961)	(389,553)	(347,394)	(345,667)
Advance funding	(63,908)	(63,822)	(63,908)	(318,500)	-
Increase in net OPEB obligation	689,883	606,039	625,269	84,415	322,464
OPEB obligation - Beginning of year	1,638,187	1,032,148	406,879	322,464	-
OPEB obligation - End of year	\$ 2,328,070	\$ 1,638,187	\$ 1,032,148	\$ 406,879	\$ 322,464
The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the current year was as follows:					
Annual OPEB costs	\$ 1,155,769	\$ 1,113,822	\$ 1,078,730	\$ 750,309	\$ 668,131
Percentage contributed	40%	46%	42%	89%	52%
The funding progress of the plan as of the most recent valuation date is as follows:					
Actuarial value of assets	\$ 643,557	\$ 503,812	\$ 391,560	\$ 327,476	\$ -
Actuarial accrued liability (AAL)	\$ 12,398,154	\$ 12,561,069	\$ 12,337,460	\$ 8,892,474	\$ 8,691,782
Unfunded AAL (UAAL)	\$ 11,754,597	\$ 12,169,509	\$ 11,945,900	\$ 8,564,998	\$ 8,691,782
Funded ratio	5%	4%	3%	4%	0%
Annual covered payroll	\$ 1,909,448	\$ 1,866,593	\$ 2,026,562	\$ 2,031,439	\$ 2,239,156
Ratio of UAAL to covered payroll	616%	652%	589%	421%	388%

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 10 – Other Postemployment Benefits - continued

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the actuarial valuation, a simplified version of the entry age actuarial cost method was used. The actuarial assumptions include an assumed retirement age of 56 for beginning in 2012, an 8 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 7 percent. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2014 was 26 years.

Note 11 - Federal Funding

The City received Federal funds through the Oakland County Community Development Block Grant Program. The City of Huntington Woods, Michigan received \$8,609 in grant allocations in fiscal year 2013-14 and utilized \$5,239 for minor home repair and senior transportation programs. The remaining balance will be carried over to the next fiscal year.

Note 12 - Risk Management

The City has entered into a joint powers agreement with other Michigan units of government for its general liability, property damage insurance including auto and public official's liability, contractor's equipment and workers' compensation. The City's maximum deductibles are as follows: property \$250, liability \$-0-, and property and crime \$250. Under the regulations of the state pool there is no yearly stop loss limit provided.

The City accounts for transactions related to these risks in accordance with GASB No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," which states that a liability for claims must be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss that can be reasonably estimated. No settlements have exceeded insurance coverage during the last three years. The City has made no significant reductions in insurance coverage during the year. The City has received no indication that any significant losses exist at June 30, 2013, and thus no liability has been recorded.

Note 13 - Individual Fund Deficit

No funds were in a deficit position as of June 30, 2014.

City of Huntington Woods, Michigan
Notes to Financial Statements, continued
June 30, 2014

Note 14 – Joint Venture

The City is a member of Southeastern Oakland County Resource Recovery Authority ("SOCRRA"), which consists of 12 municipalities in Oakland County. SOCRRA provides refuse disposal services for the benefit of member municipalities. The City appoints one member to the joint venture's governing board, which approves the annual budget. The participating communities provide annual funding for its operations. During the current year, the City expensed approximately \$333,582 related to payments to SOCRRA. The City is unaware of any circumstances that would cause any significant additional financial benefit or burden to the participating governments in the near future. Complete financial statements for SOCRRA can be obtained from the administrative offices at 3910 Webster, Royal Oak, MI 48073.

The City is a member of Southeastern Oakland County Water Authority ("SOCWA"), which consists of 11 municipalities in Oakland County. The City purchases water from SOCWA. The City appoints one member to the joint venture's governing board, which approves the annual budget. The participating communities provide annual funding for its operations. During the current year, the City expensed approximately \$333,627 related to payments to SOCWA. The City is unaware of any circumstances that would cause any significant additional financial benefit or burden to the participating governments in the near future. Complete financial statements for SOCWA can be obtained from the administrative offices at 3910 Webster, Royal Oak, MI 48073.

Note 15 – Upcoming Pronouncements

In June 2012, the GASB issued Statement No. 67, Financial Reporting for Pension Plans and Statement No. 68, Accounting and Financial Reporting for Pensions. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide and proprietary statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for financial statements for the 2014-2015 fiscal year.

Note 16 – Subsequent Events

On August 11, 2014 a regional rain storm overwhelmed the George W. Kuhn/Clinton River watershed sewage disposal facilities in south Oakland County. This led to a significant regional flooding event, which flooded the basements of thousands of homes and businesses in Huntington Woods and other surrounding cities. The state and federal government declared the event was a regional disaster paving the way for FEMA assistance. Several City buildings were impacted, however we believe our property insurance coverage policies will handle most of the cost.

Required Supplemental Information

CITY OF HUNTINGTON WOODS, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary Fund Balance - July 1, 2013	\$ 2,536,055	\$ 2,536,055	\$ 2,536,055	\$ -
Resources (Inflows)				
Property taxes	5,205,330	5,205,330	5,192,850	(12,480)
Licenses and permits	272,950	272,950	335,440	62,490
Intergovernmental	542,348	542,348	554,638	12,290
Charges for services	74,200	74,200	69,723	(4,477)
Fines and forfeits	274,000	274,000	264,246	(9,754)
Interest income	34,200	34,200	32,240	(1,960)
Transfers - in	193,627	193,627	193,627	-
Other	216,195	216,195	552,640	336,445
Additional amounts available for appropriation	6,812,850	6,812,850	7,195,404	382,554
Charges to Appropriations (Outflows)				
General government	991,212	991,212	1,000,303	(9,091)
Public safety	3,253,983	3,253,983	3,158,098	95,885
Public works	407,584	407,584	375,631	31,953
Library	484,347	484,347	434,969	49,378
Transfers - out	1,606,476	1,706,476	1,652,309	54,167
Total charges to appropriations	6,743,602	6,843,602	6,621,310	222,292
Budgetary Fund Balance - June 30, 2014	<u>\$ 2,605,303</u>	<u>\$ 2,505,303</u>	<u>\$ 3,110,149</u>	<u>\$ 604,846</u>

CITY OF HUNTINGTON WOODS, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - SANITATION FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary Fund Balance - July 1, 2013	\$ 42,171	\$ 42,171	\$ 42,171	\$ -
Resources (Inflows)				
Property taxes	514,928	514,928	513,491	(1,437)
Other	8,500	8,500	22,359	13,859
Interest income	1,500	1,500	572	(928)
Additional amounts available for appropriation	524,928	524,928	536,422	11,494
Charges to Appropriations (Outflows)				
Administrative	75,948	75,948	95,621	(19,673)
Employee benefits	43,570	43,570	57,036	(13,466)
Professional services	424,371	424,371	385,362	39,009
Transfers - out	-	-	-	-
Total charges to appropriations	543,889	543,889	538,019	5,870
Budgetary Fund Balance - June 30, 2014	<u>\$ 23,210</u>	<u>\$ 23,210</u>	<u>\$ 40,574</u>	<u>\$ 17,364</u>

CITY OF HUNTINGTON WOODS, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - RECREATION FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary Fund Balance - July 1, 2013	\$ 389,180	\$ 389,180	\$ 389,180	\$ -
Resources (Inflows)				
Property taxes	63,308	63,308	63,121	(187)
Aquatic Club charges	190,000	190,000	178,911	(11,089)
Program fees	768,600	768,600	748,342	(20,258)
Interest income	6,500	6,500	7,602	1,102
Other	500	500	462	(38)
Transfers - in	800,000	800,000	800,000	(0)
Additional amounts available for appropriation	1,828,908	1,828,908	1,798,438	(30,470)
Charges to Appropriations (Outflows)				
Bus	56,065	56,065	44,100	11,965
Recreation	593,969	593,969	530,976	62,993
Programs	1,010,048	1,010,048	932,209	77,839
Pool	254,683	254,683	230,363	24,320
Total charges to appropriations	1,914,765	1,914,765	1,737,648	177,117
Budgetary Fund Balance - June 30, 2014	<u>\$ 303,323</u>	<u>\$ 303,323</u>	<u>\$ 449,970</u>	<u>\$ 146,647</u>

City of Huntington Woods, Michigan
Notes to Required Supplemental Information
June 30, 2014

Note 1 - Compliance and Accountability

Budgetary Information - An annual budget is adopted on a basis consistent with the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units, except that fund balance appropriations and transfers are budgeted as either revenue or expenditures to balance the budget. All annual appropriations lapse at the end of each fiscal year.

The annual budget is prepared based upon the chart of accounts prescribed by the P.A. 2 of 1968 and as amended and P.A. 621 of 1978 the Uniform Budgeting and Accounting Act. The City budget, including all non-agency funds is adopted by the City Commission as required by City Charter and amended ordinances. The line-item budget is adopted by category and amended as such.

The City Manager and/or Finance Director is authorized to create new appropriation centers or activities as necessary and disclose any changes to the City Commission through monthly transmittals. Changes that will require additional appropriations from fund balance or a change in the overall appropriation as originally adopted, will require a resolution of the City Commission.

Transfers of any nature from the contingency account as set aside under the original budget adoption must be brought to the City Commission for approval.

Budgeted amounts of the revenues and expenditures presented in this document are a summarization of the budgeted amounts as originally adopted or amended by the City Commission. Individual amendments are not shown, as they were not material in relation to the original appropriations resolved by the City.

Excess expenditures over those appropriations that were adopted by the City Commission are shown and detailed in the budget compliance section (Note 1) of this report.

Other Supplemental Information

CITY OF HUNTINGTON WOODS, MICHIGAN
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

ASSETS

	Nonmajor Special Revenue Funds		Nonmajor Debt Service Funds					Total Nonmajor Governmental Funds
	Major Street Fund	Local Street Fund	GWK Drain Debt Fund	11 Mile GO Debt Fund	2010 Street GO Debt Fund	2012 Street GO Debt Fund	2014 Street GO Debt Fund	
Cash and cash equivalents	\$ 21,671	\$ 42,525	\$ 103	\$ 63	\$ 6,084	\$ 15,847	\$ 315	\$ 86,608
Investments	166,871	1,562	283,085	37,365	182,100	1,855	-	672,838
Accounts receivable	43,228	17,564	145	-	397	-	-	61,334
Total assets	<u>\$ 231,770</u>	<u>\$ 61,651</u>	<u>\$ 283,333</u>	<u>\$ 37,428</u>	<u>\$ 188,581</u>	<u>\$ 17,702</u>	<u>\$ 315</u>	<u>\$ 820,780</u>

LIABILITIES AND FUND BALANCES

Liabilities								
Accounts payable	\$ 2,318	\$ 2,500	\$ -	\$ -	\$ 501	\$ -	\$ -	\$ 5,319
Accrued payroll and withholdings	1,368	1,510	-	-	-	-	-	2,878
Total liabilities	3,686	4,010	-	-	501	-	-	8,197
Fund Balances								
Restricted	\$ 228,084	\$ 57,641	\$ 283,333	\$ 37,428	\$ 188,080	\$ 17,702	\$ 315	\$ 812,583
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	228,084	57,641	283,333	37,428	188,080	17,702	315	812,583
Total liabilities and fund balances	<u>\$ 231,770</u>	<u>\$ 61,651</u>	<u>\$ 283,333</u>	<u>\$ 37,428</u>	<u>\$ 188,581</u>	<u>\$ 17,702</u>	<u>\$ 315</u>	<u>\$ 820,780</u>

CITY OF HUNTINGTON WOODS, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Nonmajor Special Revenue Funds		Nonmajor Debt Service Funds					Total Nonmajor Governmental Funds
	Major Street Fund	Local Street Fund	GWK Drain Debt Fund	11 Mile GO Debt Fund	2010 Street GO Debt Fund	2012 Street GO Debt Fund	2014 Street GO Debt Fund	
Revenues								
Property taxes and special assessments	\$ -	\$ -	\$ 228,935	\$ -	\$ 426,232	\$ 209,516	\$ -	\$ 864,683
Intergovernmental	285,016	123,695	-	-	-	-	-	408,711
Interest	861	15	2,812	380	1,805	18	-	5,891
Other	19,383	-	37,231	-	36,056	-	-	92,670
Total revenues	305,260	123,710	268,978	380	464,093	209,534	-	1,371,955
Expenditures								
Current								
Maintenance	141,404	185,233	-	-	-	-	-	326,637
Traffic services	67,774	12,146	-	-	-	-	-	79,920
Snow and ice removal	27,880	28,328	-	-	-	-	-	56,208
Administrative	8,587	7,151	-	-	-	-	-	15,738
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	200,373	50,000	325,000	75,000	-	650,373
Interest and other charges	-	-	71,925	57,394	172,213	67,842	54,185	423,559
Total expenditures	245,645	232,858	272,298	107,394	497,213	142,842	54,185	1,552,435
Excess of Revenues Over (Under) Expenditures	59,615	(109,148)	(3,320)	(107,014)	(33,120)	66,692	(54,185)	(180,480)
Other Financing Sources (Uses)								
Proceeds from long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt defeasement	-	-	-	-	-	-	-	-
Transfers - in	-	105,000	-	106,153	51,000	-	54,500	316,653
Transfers - out	(42,461)	-	-	-	(54,500)	(51,000)	-	(147,961)
Total other financing sources (uses)	(42,461)	105,000	-	106,153	(3,500)	(51,000)	54,500	168,692
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	17,154	(4,148)	(3,320)	(861)	(36,620)	15,692	315	(11,788)
Fund Balances - July 1, 2013	210,930	61,789	286,653	38,289	224,700	2,010	-	824,371
Fund Balances - June 30, 2014	\$ 228,084	\$ 57,641	\$ 283,333	\$ 37,428	\$ 188,080	\$ 17,702	\$ 315	\$ 812,583

CITY OF HUNTINGTON WOODS, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - MAJOR STREET FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Budgetary Fund Balance - July 1, 2013	\$ 210,930	\$ 210,930	\$ 210,930	-
Resources (Inflows)				
Intergovernmental	252,882	252,882	285,016	32,134
Other	17,250	17,250	19,383	2,133
Interest income	120	120	861	741
Transfers - in	-	-	-	-
Additional amounts available for appropriation	270,252	270,252	305,260	35,008
Charges to Appropriations (Outflows)				
Maintenance	176,774	176,774	141,404	35,370
Traffic services	23,426	70,426	67,774	2,652
Snow and ice removal	27,926	27,926	27,880	46
Administrative	8,436	8,436	8,587	(151)
Transfers - out	42,462	42,462	42,461	1
Total charges to appropriations	279,024	326,024	288,106	37,918
Budgetary Fund Balance - June 30, 2014	\$ 202,158	\$ 155,158	\$ 228,084	\$ 72,926

CITY OF HUNTINGTON WOODS, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - LOCAL STREET FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance - July 1, 2013	\$ 61,789	\$ 61,789	\$ 61,789	-
Resources (Inflows)				
Intergovernmental	106,677	106,677	123,695	17,018
Other	500	500	-	(500)
Interest income	60	60	15	(45)
Transfers - in	105,000	105,000	105,000	-
Additional amounts available for appropriation	212,237	212,237	228,710	16,473
Charges to Appropriations (Outflows)				
Maintenance	154,964	179,964	185,233	(5,269)
Traffic services	21,272	21,272	12,146	9,126
Snow and ice removal	27,722	27,722	28,328	(606)
Administrative	7,602	7,602	7,151	451
Total charges to appropriations	211,560	236,560	232,858	3,702
Budgetary Fund Balance - June 30, 2014	<u>\$ 62,466</u>	<u>\$ 37,466</u>	<u>\$ 57,641</u>	<u>\$ 20,175</u>

CITY OF HUNTINGTON WOODS, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - GWK DRAIN DEBT FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance - July 1, 2013	\$ 286,653	\$ 286,653	\$ 286,653	-
Resources (Inflows)				
Property taxes	229,351	229,351	228,935	(416)
Other	37,231	37,231	37,231	0
Interest income	1,500	1,500	2,812	1,312
Transfers in	-	-	-	-
Additional amounts available for appropriation	268,082	268,082	268,978	896
Charges to Appropriations (Outflows)				
Debt service-principal	200,371	200,371	200,373	(2)
Debt service-interest	67,699	72,699	71,925	774
Transfers - out	-	-	-	-
Total charges to appropriations	268,070	273,070	272,298	772
Budgetary Fund Balance - June 30, 2014	<u>\$ 286,665</u>	<u>\$ 281,665</u>	<u>\$ 283,333</u>	<u>\$ 1,668</u>

CITY OF HUNTINGTON WOODS, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - 11 MILE RD G.O. DEBT FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance - July 1, 2013	\$ 38,289	\$ 38,289	\$ 38,289	-
Resources (Inflows)				
Property taxes	-	-	-	-
Interest income	840	840	380	(460)
Transfers in	106,153	106,153	106,153	0
Additional amounts available for appropriation	106,993	106,993	106,533	(460)
Charges to Appropriations (Outflows)				
Debt service-principal	50,000	50,000	50,000	-
Debt service-interest	56,993	56,993	57,394	(401)
Transfers - out	-	-	-	-
Total charges to appropriations	106,993	106,993	107,394	(401)
Budgetary Fund Balance - June 30, 2014	<u>\$ 38,289</u>	<u>\$ 38,289</u>	<u>\$ 37,428</u>	<u>\$ (861)</u>

CITY OF HUNTINGTON WOODS, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - 2010 STREET G.O. DEBT FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Budgetary Fund Balance - July 1, 2013	\$ 224,700	\$ 224,700	\$ 224,700	-
Resources (Inflows)				
Property taxes	424,508	424,508	426,232	1,724
Other	77,158	77,158	36,056	(41,102)
Interest income	141	141	1,805	1,664
Transfers in	-	-	51,000	51,000
Additional amounts available for appropriation	501,807	501,807	515,093	13,286
Charges to Appropriations (Outflows)				
Debt service-principal	325,000	325,000	325,000	-
Debt service-interest	171,813	171,813	172,213	(400)
Transfers - out	-	-	54,500	(54,500)
Total charges to appropriations	496,813	496,813	551,713	(54,900)
Budgetary Fund Balance - June 30, 2014	<u>\$ 229,694</u>	<u>\$ 229,694</u>	<u>\$ 188,080</u>	<u>\$ (41,614)</u>

CITY OF HUNTINGTON WOODS, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - 2012 STREET G.O. DEBT FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance - July 1, 2013	\$ 2,010	\$ 2,010	\$ 2,010	-
Resources (Inflows)				
Property taxes	216,977	216,977	209,516	(7,461)
Other	-	-	-	-
Interest income	120	120	18	(102)
Transfers in	-	-	-	-
Additional amounts available for appropriation	217,097	217,097	209,534	(7,563)
Charges to Appropriations (Outflows)				
Debt service-principal	75,000	75,000	75,000	-
Debt service-interest	75,350	75,350	67,842	7,508
Transfers - out	-	-	51,000	(51,000)
Total charges to appropriations	150,350	150,350	193,842	(43,492)
Budgetary Fund Balance - June 30, 2014	<u>\$ 68,757</u>	<u>\$ 68,757</u>	<u>\$ 17,702</u>	<u>\$ (51,055)</u>

CITY OF HUNTINGTON WOODS, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - 2014 STREET G.O. DEBT FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance - July 1, 2013	\$ -	\$ -	\$ -	-
Resources (Inflows)				
Property taxes	-	-	-	-
Other	-	-	-	-
Interest income	-	-	-	-
Transfers in	-	-	54,500	54,500
Additional amounts available for appropriation	-	-	54,500	54,500
Charges to Appropriations (Outflows)				
Debt service-principal	-	-	-	-
Debt service-interest	-	-	54,185	(54,185)
Transfers - out	-	-	-	-
Total charges to appropriations	-	-	54,185	(54,185)
Budgetary Fund Balance - June 30, 2014	\$ -	\$ -	\$ 315	\$ 315

CITY OF HUNTINGTON WOODS, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Budgetary Fund Balance - July 1, 2013	\$ 1,386,734	\$ 1,386,734	\$ 1,386,734	-
Resources (Inflows)				
Property taxes and special assessments	-	-	-	-
Proceeds from long-term debt	-	-	3,769,328	3,769,328
Other	-	-	8,452	8,452
Interest income	5,000	5,000	10,094	5,094
Transfers - in	183,291	183,291	183,291	-
Additional amounts available for appropriation	188,291	188,291	3,971,165	3,782,874
Charges to Appropriations (Outflows)				
Capital outlay	1,036,850	1,036,850	1,231,650	(194,800)
Administrative	-	-	-	-
Interest	-	-	-	-
Transfers - out	-	-	-	-
Total charges to appropriations	1,036,850	1,036,850	1,231,650	(194,800)
Budgetary Fund Balance - June 30, 2014	\$ 538,175	\$ 538,175	\$ 4,126,249	\$ 3,588,074

CITY OF HUNTINGTON WOODS, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - STREET DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Budgetary Fund Balance - July 1, 2013	\$ 259,654	\$ 259,654	\$ 259,654	-
Resources (Inflows)				
Property taxes	1,364,245	1,364,245	1,364,411	166
Interest income	1,500	1,500	1,877	377
Proceeds from long-term debt	-	-	-	-
Transfers in	-	-	-	-
Additional amounts available for appropriation	1,365,745	1,365,745	1,366,288	543
Charges to Appropriations (Outflows)				
Debt service-principal	1,290,000	1,290,000	1,290,000	-
Debt service-interest	70,775	70,775	70,676	99
Debt defeasement	-	-	-	-
Transfers - out	-	-	-	-
Total charges to appropriations	1,360,775	1,360,775	1,360,676	99
Budgetary Fund Balance - June 30, 2014	<u>\$ 264,624</u>	<u>\$ 264,624</u>	<u>\$ 265,266</u>	<u>\$ 642</u>

CITY OF HUNTINGTON WOODS, MICHIGAN
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
JUNE 30, 2014

	Equipment Fund	Post Retirement Benefits Fund	Total
Assets			
Current Assets			
Cash and certificates of deposit	\$ 32,981	\$ 6,465	\$ 39,446
Investments - at fair value	171,738	854,050	1,025,788
Prepaid expense	-	29,318	29,318
Total current assets	204,719	889,833	1,094,552
Property, Plant and Equipment	2,059,099	-	2,059,099
Less accumulated depreciation	1,197,973	-	1,197,973
Undepreciated cost	861,126	-	861,126
Total assets	<u>\$ 1,065,845</u>	<u>\$ 889,833</u>	<u>\$ 1,955,678</u>
Liabilities			
Current Liabilities			
Accounts payable	\$ 2,466	\$ 600	\$ 3,066
Accrued liabilities	296	393	689
Current portion of long-term obligations	64,272	-	64,272
Total current liabilities	67,034	993	68,027
Noncurrent liabilities			
Due to employees	-	586,545	586,545
Noncurrent portion of long-term obligations	262,370	-	262,370
Total liabilities	329,404	587,538	916,942
Net Position			
Invested in capital assets, net of related debt	534,484	-	534,484
Net Position			
Unrestricted	201,957	302,295	504,252
Total net position	736,441	302,295	1,038,736
Total liabilities and net position	<u>\$ 1,065,845</u>	<u>\$ 889,833</u>	<u>\$ 1,955,678</u>

CITY OF HUNTINGTON WOODS, MICHIGAN
COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Equipment Fund	Post Retirement Benefits Fund	Total
Operating Revenues			
Charges for services	\$ 198,890	\$ -	\$ 198,890
Other	25	3,246	3,271
Total operating revenues	198,915	3,246	202,161
Operating (Income) Expenses			
Loss on sale of fixed asset	36,879	-	36,879
Depreciation	77,908	-	77,908
Retiree health care & other	122,827	435,574	558,401
Total operating income (expenses)	237,614	435,574	673,188
Operating income (loss)	(38,699)	(432,328)	(471,027)
Nonoperating Revenues			
Interest on investments	1,702	7,868	9,570
Total nonoperating revenues	1,702	7,868	9,570
Transfers - In (Out)	20,833	541,185	562,018
Net income (loss)	(16,164)	116,725	100,561
Net Position - July 1, 2013	752,605	185,570	938,175
Net Position - June 30, 2014	<u>\$ 736,441</u>	<u>\$ 302,295</u>	<u>\$ 1,038,736</u>

CITY OF HUNTINGTON WOODS, MICHIGAN
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Equipment Fund	Post Retirement Benefits Fund	Total
Cash Flows From Operating Activities:			
Receipts from customers	\$ 198,890	\$ -	\$ 198,890
Payments for goods and services	(96,861)	-	(96,861)
Payments for employee benefits	(26,878)	(475,243)	(502,121)
Other receipts	25	-	25
Net cash provided from (used in) operating activities	75,176	(475,243)	(400,067)
Cash Flows From Noncapital Financing Activities:			
Interfund transfers	20,833	541,185	562,018
Net cash provided from noncapital financing activities	20,833	541,185	562,018
Cash Flows From Capital and Related Financing Activities:			
Acquisition of property, plant and equipment	(181,511)	-	(181,511)
Proceeds from sale of fixed assets	31,322	-	31,322
Proceeds from long-term debt	95,862	-	95,862
Payments of long-term debt	(57,271)	-	(57,271)
Net cash used in capital and related financing activities	(111,598)	-	(111,598)
Cash Flows From Investing Activities:			
Investment purchases and redemptions	(1,727)	(67,984)	(69,711)
Interest received	1,702	7,868	9,570
Net cash flows from investing activities	(25)	(60,116)	(60,141)
Net Increase (Decrease) in Cash and Cash Equivalents	(15,614)	5,826	(9,788)
Cash and Cash Equivalents - July 1, 2013	48,595	639	49,234
Cash and Cash Equivalents - June 30, 2014	<u>\$ 32,981</u>	<u>\$ 6,465</u>	<u>\$ 39,446</u>
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (38,699)	\$ (432,328)	\$ (471,027)
Depreciation	77,908	-	77,908
Loss on sale of fixed assets	36,879	-	36,879
Adjustments to reconcile operating loss to net cash used in operating activities:			
Decrease in prepaid expense	-	7,910	7,910
Increase in accounts payable	93	600	693
Decrease in other liabilities	(1,005)	(51,425)	(52,430)
Total adjustments	(912)	(42,915)	(43,827)
Net cash provided from (used in) operating activities	<u>\$ 75,176</u>	<u>\$ (475,243)</u>	<u>\$ (400,067)</u>

CITY OF HUNTINGTON WOODS, MICHIGAN
STATEMENT OF CHANGES IN NET POSITION - AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
Assets				
Cash and cash equivalents	\$ 13,534	\$ 446,584	\$ 440,426	\$ 19,692
Investments	440,000	20,000	-	460,000
Receivable	12	-	-	12
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 453,546</u>	<u>\$ 466,584</u>	<u>\$ 440,426</u>	<u>\$ 479,704</u>
Liabilities				
Accounts payable	\$ 5,976	\$ 310,634	\$ 315,989	\$ 621
Accrued and other liabilities	155,219	249,018	233,731	170,506
Performance deposits	292,351	208,571	192,345	308,577
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 453,546</u>	<u>\$ 768,223</u>	<u>\$ 742,065</u>	<u>\$ 479,704</u>

Statistical Section

STATISTICAL SECTION

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

Contents

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Financial Trends

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These schedules contain trend information to help the reader understand how the City's financial performance has changed.

Revenue Capacity

75-80

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

Debt Capacity

81-84

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

Demographic and Economic Information

85-86

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

87-89

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

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in the fiscal year ended 6/30/03; schedules presenting government-wide information include information beginning in that year.

CITY OF HUNTINGTON WOODS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Investment in capital assets, net of related debt	\$ 13,718,189	\$ 14,205,821	\$ 14,080,851	\$ 14,007,428	\$ 16,427,039	\$ 17,189,807	\$ 17,293,790	\$ 17,489,323	\$ 17,680,106	\$ 18,807,744
Restricted	136,015	136,015	136,015	136,015	136,015	890,287	828,641	1,006,973	1,121,696	1,118,423
Unrestricted	1,792,529	1,608,326	1,312,037	3,300,774	3,075,721	2,572,613	3,299,301	3,236,502	3,530,883	3,898,844
Total governmental activities net position	<u>\$ 15,646,733</u>	<u>\$ 15,950,162</u>	<u>\$ 15,528,903</u>	<u>\$ 17,444,217</u>	<u>\$ 19,638,775</u>	<u>\$ 20,652,707</u>	<u>\$ 21,421,732</u>	<u>\$ 21,732,798</u>	<u>\$ 22,332,685</u>	<u>\$ 23,825,011</u>
Business-type activities										
Net position, invested in capital assets	\$ 2,510,107	\$ 2,452,939	\$ 2,522,823	\$ 2,686,299	\$ 2,945,582	\$ 3,103,420	\$ 3,238,887	\$ 3,914,602	\$ 3,888,654	\$ 3,796,684
Unrestricted	1,641,358	1,845,062	1,953,198	1,804,579	1,141,016	787,774	638,798	1,306,100	1,362,627	1,413,125
Total business-type activities net position	<u>\$ 4,151,465</u>	<u>\$ 4,298,001</u>	<u>\$ 4,476,021</u>	<u>\$ 4,490,878</u>	<u>\$ 4,086,598</u>	<u>\$ 3,891,194</u>	<u>\$ 3,877,685</u>	<u>\$ 5,220,702</u>	<u>\$ 5,251,281</u>	<u>\$ 5,209,809</u>
Primary government										
Net Investment in capital assets	\$ 16,228,296	\$ 16,658,760	\$ 16,603,674	\$ 16,693,727	\$ 19,372,621	\$ 20,293,227	\$ 20,532,677	\$ 21,403,925	\$ 21,568,760	\$ 22,604,428
Restricted	136,015	136,015	136,015	136,015	136,015	890,287	828,641	1,006,973	1,121,696	1,118,423
Unrestricted	3,433,887	3,453,388	3,265,235	5,105,353	4,216,737	3,360,387	3,938,099	4,542,602	4,893,510	5,311,969
Total primary government net position	<u>\$ 19,798,198</u>	<u>\$ 20,248,163</u>	<u>\$ 20,004,924</u>	<u>\$ 21,935,095</u>	<u>\$ 23,725,373</u>	<u>\$ 24,543,901</u>	<u>\$ 25,299,417</u>	<u>\$ 26,953,500</u>	<u>\$ 27,583,966</u>	<u>\$ 29,034,820</u>

CITY OF HUNTINGTON WOODS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
Expenses												
Governmental activities:												
General government	\$ 3,677,462	\$ 3,862,617	\$ 3,718,636	\$ 4,174,262	\$ 4,343,016	\$ 2,658,500	\$ 2,631,232	\$ 3,110,281	\$ 2,525,906	\$ 4,073,818	\$ 3,219,263	
Public safety	1,502,117	1,598,567	1,682,452	1,700,061	1,797,164	2,398,441	2,635,710	2,952,968	3,045,555	3,155,832	3,183,604	
Public works	229,489	217,363	264,741	216,382	233,453	348,242	383,831	385,214	417,060	450,535	379,958	
Library	418,550	435,380	452,332	509,744	541,454	594,613	617,319	485,963	469,906	442,154	470,974	
Maintenance	411,802	407,231	408,529	431,734	460,522	334,368	250,334	158,988	209,078	264,268	326,637	
Traffic services	20,971	15,756	33,308	27,329	27,313	11,038	8,257	42,184	83,254	30,563	79,920	
Snow and ice removal	54,585	58,644	43,966	48,074	75,090	70,096	47,834	65,733	39,411	28,275	56,208	
Administrative	172,247	206,666	114,557	480,125	216,639	197,445	130,896	107,062	102,338	105,676	111,359	
Aquatic Club	188,969	189,009	182,307	192,837	206,166	251,398	248,020	242,199	208,518	251,506	230,363	
Recreation	1,320,142	1,365,100	1,528,134	1,585,518	1,714,512	1,878,848	1,883,117	1,766,812	1,701,564	1,639,479	1,724,383	
Capital outlay	267,875	-	-	431,959	-	-	-	-	-	-	-	
Interest on debt	523,336	524,043	495,986	463,450	472,567	545,749	511,931	452,253	451,564	482,619	448,602	
Total governmental activities expenses	\$ 8,787,545	\$ 8,880,376	\$ 8,924,948	\$ 10,261,475	\$ 10,087,896	\$ 9,288,738	\$ 9,348,481	\$ 9,769,657	\$ 9,254,154	\$ 10,924,725	\$ 10,231,271	
Business-type activities:												
Water	1,377,640	1,598,457	1,499,103	1,541,979	1,655,646	1,808,143	1,813,535	2,036,080	2,007,100	2,124,635	2,091,775	
Total primary government expenses	\$ 10,165,185	\$ 10,478,833	\$ 10,424,051	\$ 11,803,454	\$ 11,743,542	\$ 11,096,881	\$ 11,162,016	\$ 11,805,737	\$ 11,261,254	\$ 13,049,360	\$ 12,323,046	
Program Revenues												
Governmental activities:												
Charges for services												
General government	\$ 458,754	\$ 506,084	\$ 533,819	\$ 474,561	\$ 401,852	\$ 405,991	\$ 408,743	\$ 1,067,243	\$ 426,840	\$ 503,394	\$ 592,498	
Public safety	136,407	155,338	176,985	170,410	149,096	125,295	113,568	154,259	159,390	208,333	168,001	
Public works	241,142	220,098	202,660	180,705	223,807	164,382	-	-	-	-	-	
Library	16,986	52,046	86,976	73,739	68,487	58,546	56,137	55,797	57,352	59,356	59,014	
Aquatic club	171,600	185,032	186,133	187,355	176,356	178,107	187,287	189,441	180,504	215,591	178,911	
Recreation	800,147	808,819	811,148	844,190	789,247	740,497	808,836	760,548	766,337	730,343	748,342	
Operating grants and contributions	393,415	380,025	397,712	405,202	369,953	354,666	4,362	4,248	3,609	4,275	4,749	
Capital grants and contributions	12,216	8,465	9,055	16,507	8,956	928,717	13,002	7,890	13,800	12,361	10,003	
Total governmental activities program revenue	\$ 2,230,667	\$ 2,315,907	\$ 2,404,488	\$ 2,352,669	\$ 2,187,754	\$ 2,956,201	\$ 1,591,935	\$ 2,239,426	\$ 1,607,832	\$ 1,733,653	\$ 1,761,518	
Business-type activities:												
Charges for services	1,500,798	1,611,279	1,721,141	1,753,080	1,832,946	1,754,065	1,815,271	2,071,196	2,268,021	2,417,538	2,299,856	
Total primary government program revenues	\$ 3,731,465	\$ 3,927,186	\$ 4,125,629	\$ 4,105,749	\$ 4,020,700	\$ 4,710,266	\$ 3,407,206	\$ 4,310,622	\$ 3,875,853	\$ 4,151,191	\$ 4,061,374	
Net (Expenses)/Revenue												
Governmental activities	\$ (6,556,878)	\$ (6,564,469)	\$ (6,520,460)	\$ (7,908,806)	\$ (7,900,142)	\$ (6,332,537)	\$ (7,756,546)	\$ (7,530,231)	\$ (7,646,322)	\$ (9,191,072)	\$ (8,469,753)	
Business-type activities	\$ 123,158	\$ 12,822	\$ 222,038	\$ 211,101	\$ 177,300	\$ (54,078)	\$ 1,736	\$ 35,116	\$ 260,921	\$ 292,903	\$ 208,081	
Total primary government net expense	\$ (6,433,720)	\$ (6,551,647)	\$ (6,298,422)	\$ (7,697,705)	\$ (7,722,842)	\$ (6,386,615)	\$ (7,754,810)	\$ (7,495,115)	\$ (7,385,401)	\$ (8,898,169)	\$ (8,261,672)	
General Revenues and Other Changes in Nets Position												
Governmental activities:												
Property taxes	\$ 4,024,806	\$ 4,331,025	\$ 4,634,466	\$ 5,023,219	\$ 5,883,281	\$ 5,638,599	\$ 5,784,124	\$ 5,592,840	\$ 5,525,532	\$ 5,662,130	\$ 5,769,462	
Property tax - debt service	1,120,667	1,168,160	1,148,710	1,200,936	1,195,163	1,442,147	1,326,964	1,589,480	2,021,074	2,059,560	2,229,093	
State shared revenue	607,762	591,245	586,265	579,403	566,966	648,811	570,623	447,260	511,759	526,067	539,886	
Investment earnings	23,710	106,576	152,226	273,579	268,356	224,401	196,680	108,111	51,098	22,040	67,846	
Bond proceeds	-	-	-	-	1,470,000	-	-	-	-	-	-	
Other	54,758	244,749	185,778	289,013	34,058	174,385	983,122	493,710	918,666	1,258,737	1,100,473	
Transfers - internal activities	208,654	106,435	116,444	121,397	397,632	398,752	232,735	67,855	(1,070,741)	262,425	255,319	
Total governmental activities	\$ 6,040,357	\$ 6,548,190	\$ 6,823,889	\$ 7,487,547	\$ 9,815,456	\$ 8,527,095	\$ 9,094,248	\$ 8,299,256	\$ 7,957,388	\$ 9,790,959	\$ 9,962,079	
Business-type activities:												
Investment earnings	7,398	26,878	40,942	88,316	62,873	48,550	35,595	19,230	11,355	101	5,766	
Transfers - internal activities	(208,654)	(106,435)	(116,444)	(121,397)	(225,316)	(398,752)	(232,735)	(67,855)	1,070,741	(262,425)	(255,319)	
Total business-type activities	(201,256)	(79,557)	(75,502)	(33,081)	(162,443)	(350,202)	(197,140)	(48,625)	1,082,096	(262,324)	(249,553)	
Total primary government	\$ 5,839,101	\$ 6,468,633	\$ 6,748,387	\$ 7,454,466	\$ 9,653,013	\$ 8,176,893	\$ 8,897,108	\$ 8,250,631	\$ 9,039,484	\$ 9,528,635	\$ 9,712,526	
Cumulative effect in accounting change-												
Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (323,770)	\$ -	\$ -	\$ -	\$ -	
Change in Net Position												
Governmental activities	\$ (516,521)	\$ (16,279)	\$ 303,429	\$ (421,259)	\$ 1,915,314	\$ 2,194,558	\$ 1,013,932	\$ 769,025	\$ 311,066	\$ 599,887	\$ 1,492,326	
Business-type activities	(78,098)	(66,735)	146,536	178,020	14,857	(404,280)	(195,404)	(13,509)	1,343,017	30,579	(41,472)	
Total primary government	\$ (594,619)	\$ (83,014)	\$ 449,965	\$ (243,239)	\$ 1,930,171	\$ 1,790,278	\$ 818,528	\$ 755,516	\$ 1,654,083	\$ 630,466	\$ 1,450,854	

CITY OF HUNTINGTON WOODS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Unreserved	642,517	478,464	589,467	764,444	911,888	1,143,934	-	-	-	-
All Other Governmental Funds										
Reserved	136,015	136,015	136,015	136,015	136,015	4,097,588	-	-	-	-
Unreserved, reported in										
Special revenue funds	427,986	453,052	383,680	659,885	1,014,192	1,024,990	-	-	-	-
Capital projects funds	56,024	979	(526,602)	929,901	213,091	-	-	-	-	-
Debt service funds	391,992	424,763	476,062	564,837	565,692	533,429	-	-	-	-
Total other governmental funds	1,012,017	1,014,809	469,155	2,290,638	1,928,990	5,656,007	-	-	-	-
Total Governmental Funds	<u>\$ 1,654,534</u>	<u>\$ 1,493,273</u>	<u>\$ 1,058,622</u>	<u>\$ 3,055,082</u>	<u>\$ 2,840,878</u>	<u>\$ 6,799,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General Fund										
Nonspendable	-	-	-	-	-	-	114,497	144,205	168,916	143,268
Committed	-	-	-	-	-	-	568,760	619,067	835,141	1,356,823
Assigned	-	-	-	-	-	-	199,210	196,346	206,674	208,232
Unassigned	-	-	-	-	-	-	1,205,965	1,249,435	1,325,324	1,401,826
Total General Fund	-	-	-	-	-	-	2,088,432	2,209,053	2,536,055	3,110,149
All Other Governmental Funds										
Restricted	-	-	-	-	-	-	3,221,216	2,959,254	1,976,615	4,699,354
Committed	-	-	-	-	-	-	4,500	4,500	4,500	4,500
Assigned	-	-	-	-	-	-	488,666	677,792	920,995	990,788
Total other governmental funds	-	-	-	-	-	-	3,714,382	3,641,546	2,902,110	5,694,642
Total Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,802,814</u>	<u>\$ 5,850,599</u>	<u>\$ 5,438,165</u>	<u>\$ 8,804,791</u>

CITY OF HUNTINGTON WOODS
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Property taxes and special assessments	\$ 5,499,185	\$ 5,783,176	\$ 6,224,155	\$ 7,078,444	\$ 7,080,747	\$ 7,111,088	\$ 7,182,320	\$ 7,546,606	\$ 7,721,690	\$ 7,998,556
Licenses and permits	328,879	340,215	204,224	178,729	157,402	156,381	188,152	174,874	269,542	335,440
Intergovernmental	961,806	976,349	984,995	927,552	907,990	931,382	790,958	924,370	900,917	963,349
Charges for services	79,883	90,598	85,430	88,077	89,088	90,106	86,388	68,142	68,630	69,723
Aquatic Club charges	185,032	186,133	187,355	176,356	178,107	187,287	189,441	180,504	215,591	178,911
Program fees	808,819	811,148	844,190	789,247	740,497	808,836	760,548	766,337	730,343	748,342
Fines and forfeits	223,307	250,160	268,316	243,079	227,645	217,433	252,461	254,523	287,122	264,246
Investment income	87,275	128,170	219,181	226,656	185,965	160,219	88,524	38,312	19,803	58,276
Other	344,958	290,932	456,964	1,751,689	306,508	253,514	280,311	496,028	824,797	731,083
Total revenues	8,519,144	8,856,881	9,474,810	11,459,829	9,873,949	9,916,246	9,819,103	10,449,696	11,038,435	11,347,926
Expenditures										
General government	1,042,830	1,082,652	1,083,023	1,081,271	1,328,661	1,286,115	919,982	969,124	994,014	1,000,303
Public safety	1,598,567	1,623,066	1,662,206	1,729,266	2,358,034	2,595,099	2,904,831	2,994,502	3,107,956	3,158,098
Public works	215,427	208,616	207,579	223,492	343,906	379,256	380,047	411,627	446,080	375,631
Library	408,473	429,309	453,451	450,233	537,236	559,630	460,878	439,098	417,624	434,969
Maintenance	407,231	408,529	431,734	460,522	334,368	250,334	241,571	209,078	264,268	326,637
Traffic services	15,756	33,308	27,329	27,313	11,038	8,257	42,184	83,254	30,563	79,920
Snow and ice removal	58,644	43,966	48,074	75,090	70,096	47,834	65,733	39,411	28,275	56,208
Administrative	206,666	114,557	480,125	216,639	197,445	130,896	107,062	102,338	105,676	111,359
Aquatic Club	189,009	182,307	192,837	206,166	251,398	248,020	242,199	208,518	251,506	230,363
Recreation	1,337,510	1,390,945	1,368,526	1,342,824	1,663,944	1,672,115	1,557,238	1,469,906	1,411,595	1,507,285
Employee benefits	1,251,138	1,349,458	1,456,554	1,496,316	43,345	58,755	57,494	51,421	48,051	57,036
Professional services	414,217	425,197	447,318	368,403	391,452	376,776	378,067	489,562	397,399	385,362
Capital outlay	191,901	177,156	661,945	603,880	1,233,005	783,937	1,639,092	2,329,334	1,519,142	1,231,650
Debt service										
Principal	709,245	730,554	755,347	816,779	942,947	1,055,312	1,240,486	1,699,874	1,785,516	1,940,373
Interest	524,043	495,986	463,450	472,567	461,209	437,845	391,884	446,230	461,542	494,235
Total expenditures	8,570,657	8,695,606	9,739,498	9,570,761	10,168,084	9,890,181	10,628,748	11,943,277	11,269,207	11,389,429
Excess of revenues over (under) expenditures	(51,513)	161,275	(264,688)	1,889,068	(294,135)	26,065	(809,645)	(1,493,581)	(230,772)	(41,503)
Other Financing Sources (Uses)										
Proceeds from long-term debt	-	-	-	-	-	10,705,000	-	3,050,000	-	3,769,328
Debt defeasement/underwriter discount	-	-	-	-	-	(6,295,050)	-	-	-	-
Transfers - in	914,831	1,024,914	1,083,035	1,598,712	2,071,871	1,697,843	1,319,938	1,354,454	1,496,514	1,438,071
Transfers - out	(1,131,396)	(1,347,450)	(1,252,998)	(1,491,320)	(1,991,940)	(1,851,025)	(1,507,420)	(2,863,088)	(1,678,176)	(1,799,270)
Total other financing sources (uses)	(216,565)	(322,536)	(169,963)	107,392	79,931	4,256,768	(187,482)	1,541,366	(181,662)	3,408,129
Cumulative Effect of Accounting Change	-	-	-	-	-	(323,770)	-	-	-	-
Net changes in fund balances	\$ (268,078)	\$ (161,261)	\$ (434,651)	\$ 1,996,460	\$ (214,204)	\$ 3,959,063	\$ (997,127)	\$ 47,785	\$ (412,434)	\$ 3,366,626
Debt service as a percentage of noncapital expenditures	5.79%	5.95%	6.45%	5.95%	5.36%	5.10%	4.51%	3.48%	3.34%	3.17%

CITY OF HUNTINGTON WOODS
TAX REVENUES BY SOURCE
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

<u>Year Ended June 30</u>	<u>General Property Taxes</u>	<u>Property Tax Debt Service</u>	<u>Sales and use tax</u>	<u>Total</u>
2005	4,331,025	1,168,160	591,245	6,090,430
2006	4,634,466	1,148,710	586,265	6,369,441
2007	5,023,219	1,200,936	579,403	6,803,558
2008	5,526,631	1,195,163	566,966	7,288,760
2009	5,610,003	1,442,147	562,846	7,614,996
2010	5,784,124	1,326,964	570,623	7,681,711
2011	5,592,840	1,589,480	447,260	7,629,580
2012	5,525,532	2,021,074	511,759	8,058,365
2013	5,662,130	2,059,560	526,067	8,247,757
2014	5,769,462	2,229,093	539,886	8,538,441
Change 2005-2014	33%	91%	-9%	40%

CITY OF HUNTINGTON WOODS
STATE EQUALIZED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property			Personal Property			Total			Tax Rate Mills
	State Equalized Value	Taxable Value	Estimated Actual Value	State Equalized Value	Taxable Value	Estimated Actual Value	State Equalized Value	Taxable Value	Estimated Actual Value	
2005	391,895,348	268,148,336	783,790,696	5,154,254	5,154,254	10,308,508	397,049,602	273,302,590	794,099,204	19.9398
2006	425,442,200	284,958,220	850,884,400	4,253,880	4,260,460	8,507,760	429,696,080	289,218,680	859,392,160	19.2012
2007	447,963,420	300,995,604	895,926,840	3,856,550	3,847,680	7,713,100	451,819,970	304,843,284	903,639,940	19.5452
2008	441,218,380	315,309,480	882,436,760	3,901,770	3,901,770	7,803,540	445,120,150	319,211,250	890,240,300	20.4431
2009	422,093,760	320,335,580	844,187,520	3,255,160	3,255,160	6,510,320	425,348,920	323,590,740	850,697,840	21.1527
2010	390,205,870	322,032,850	780,411,740	3,124,990	3,124,990	6,249,980	393,330,860	325,157,840	786,661,720	21.3175
2011	336,572,800	302,579,950	673,145,600	3,289,130	3,289,130	6,578,260	339,861,930	305,869,080	679,723,860	22.8115
2012	306,653,240	290,958,970	613,306,480	3,231,820	3,231,820	6,463,640	309,885,060	294,190,790	619,770,120	24.9469
2013	303,544,520	289,733,230	607,089,040	3,651,340	3,651,340	7,302,680	307,195,860	293,384,570	614,391,720	25.5963
2014	317,816,110	295,229,080	635,632,220	3,678,740	3,678,740	7,357,480	321,494,850	298,907,820	642,989,700	26.0592

Source: Oakland County Assessor

The city's operating millage rate is limited to 23 mills, reduced by Headlee to current operating millage rate of 19.3490

The city levies the maximum as authorized under the Headlee tax limitation formula

CITY OF HUNTINGTON WOODS
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
(Per \$1,000 of Taxable Value)
LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rate			Overlapping Rates					
	Operating	Debt Service	Total Direct	School Districts		Community College	Intermediate		GWK Drain
				Berkley	Royal Oak		School District	County	
20045: Homestead (1)	15.6694	4.2704	19.9398	11.1200	7.5000	1.5889	3.3789	6.0841	0.8411
2005: Non-Homestead	15.6694	4.2704	19.9398	29.1200	25.3061	1.5889	3.3789	6.0841	0.8411
2006: Homestead (1)	16.0067	3.1945	19.2012	10.5067	6.0130	1.5844	3.3690	6.0298	0.7922
2006: Non-Homestead	16.0067	3.1945	19.2012	28.5067	23.8191	1.5844	3.3690	6.0298	0.7922
2007: Homestead (1)	16.3490	3.1962	19.5452	10.4967	7.7030	1.5844	3.3690	5.9827	0.7466
2007: Non-Homestead	16.3490	3.1962	19.5452	28.4967	25.7030	1.5844	3.3690	5.9827	0.7466
2008: Homestead (1)	17.3490	3.0941	20.4431	10.3467	7.6057	1.5844	3.3690	5.8918	0.6557
2008: Non-Homestead	17.3490	3.0941	20.4431	28.3467	25.6057	1.5844	3.3690	5.8918	0.6557
2009: Homestead (1)	17.8490	3.3037	21.1527	10.2167	13.4095	1.5844	4.9534	5.2361	0.6511
2009: Non-Homestead	17.8490	3.3037	21.1527	28.2167	31.4095	1.5844	4.9534	5.2361	0.6511
2010: Homestead (1)	17.9556	3.3619	21.3175	10.2167	13.3521	1.5844	3.3690	5.3361	0.6300
2010: Non-Homestead	17.9556	3.3619	21.3175	28.2167	31.3521	1.5844	3.3690	5.3361	0.6300
2011: Homestead (1)	18.3490	4.4625	22.8115	10.2167	13.7312	1.5844	3.3690	5.3361	0.7480
2011: Non-Homestead	18.3490	4.4625	22.8115	28.2167	31.7312	1.5844	3.3690	5.3361	0.7480
2012: Homestead (1)	18.8490	6.0979	24.9469	10.6967	13.7300	1.5844	3.3690	5.3361	0.7880
2012: Non-Homestead	18.8490	6.0979	24.9469	28.6967	31.7300	1.5844	3.3690	5.3361	0.7880
2013: Homestead (1)	19.3490	6.2473	25.5963	10.7167	13.7300	1.5844	3.3690	5.5361	0.7916
2013: Non-Homestead	19.3490	6.2473	25.5963	28.7167	31.7300	1.5844	3.3690	5.5361	0.7916
2014: Homestead (1)	19.3490	6.7102	26.0592	10.7367	13.7300	1.5844	3.3690	5.5361	0.7673
2014: Non-Homestead	19.3490	6.7102	26.0592	28.7367	31.7300	1.5844	3.3690	5.5361	0.7673

Source: Oakland County Assessor

The city's operating millage rate is limited to 23 mills, reduced by Headlee to current operating millage rate of 19.3490

The city levies the maximum as authorized under the Headlee tax limitation formula

CITY OF HUNTINGTON WOODS
TEN LARGEST TAXPAYERS
LAST TEN FISCAL YEARS

Taxpayer/type of business	2005			2006			2007			2008			2009		
			Percent of			Percent of			Percent of			Percent of			Percent of
	Taxable	Rank	Total City	Taxable	Rank	Total City	Taxable	Rank	Total City	Taxable	Rank	Total City	Taxable	Rank	Total City
	Value		Value	Value		Value	Value		Value	Value		Value	Value		Value
Detroit Edison-Utility	\$ 1,328,914	1	0.49%	\$ 1,096,590	1	0.38%	\$ 1,116,810	1	0.37%	\$ 1,094,440	1	0.34%	\$ 727,670	4	0.22%
Herman Brodsky-Property Mgmnt	888,850	2	0.33%	909,280	2	0.31%	939,280	2	0.31%	974,020	2	0.31%	996,410	1	0.31%
Chase Bank-Commercial Bank	862,120	3	0.32%	881,930	3	0.30%	911,020	3	0.30%	944,710	3	0.30%	966,420	2	0.30%
Kasco Equities-Property Mgmnt	770,880	4	0.28%	784,150	4	0.27%	808,280	4	0.27%	812,650	4	0.25%	584,290	6	0.18%
Private Residence-Hendrie	-	-	-	550,770	5	0.19%	-	-	-	-	-	-	-	-	-
Consumers Energy-Utility	705,470	5	0.26%	-	-	-	494,220	7	0.16%	509,530	5	0.16%	588,890	5	0.18%
Rite Aid-Retail Pharmacy	510,040	6	0.19%	501,440	7	0.17%	505,270	5	0.17%	509,440	6	0.16%	575,020	7	0.18%
Private Residence-Hendrie	494,500	7	0.18%	505,870	6	0.17%	500,000	6	0.16%	488,230	7	0.15%	-	-	-
Private Residence-Hendrie	445,440	8	0.16%	455,680	9	0.16%	470,710	8	0.15%	488,120	8	0.15%	-	-	-
Private Residence-Hendrie	-	-	-	-	-	-	-	-	-	479,970	9	0.15%	750,000	3	0.23%
Private Residence-Hendrie	-	-	-	-	-	-	-	-	-	466,870	10	0.15%	477,600	8	0.15%
Private Residence-Huntington	-	-	-	479,980	8	0.17%	-	-	-	-	-	-	-	-	-
Private Residence-Nadine	400,000	9	0.15%	-	-	-	425,000	10	0.14%	-	-	-	-	-	-
Southmain Enterprises-Property Mgmnt	385,190	10	0.14%	-	-	-	-	-	-	-	-	-	-	-	-
Private Residence-Huntington	-	-	-	418,980	10	0.14%	-	-	-	-	-	-	-	-	-
Private Residence-Nadine	-	-	-	-	-	-	437,120	9	0.14%	-	-	-	463,710	10	0.14%
Private Residence-Borgman	-	-	-	-	-	-	-	-	-	-	-	-	469,620	9	0.15%
Private Residence-Hendrie	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private Residence-Nadine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private Residence-Nadine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Coolidge & Eleven Inc-Retail cleaner	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ten Largest Taxpayers	6,791,404		2.48%	6,584,670		2.28%	6,607,710		2.17%	6,767,980		2.12%	6,599,630		2.04%
Other Taxpayers	\$ 266,511,186			\$ 282,634,010			\$ 298,235,574			\$ 312,443,270			\$ 316,991,110		
Total Taxable Value	\$ 273,302,590			\$ 289,218,680			\$ 304,843,284			\$ 319,211,250			\$ 323,590,740		

Taxpayer/type of business	2010			2011			2012			2013			2014		
			Percent of			Percent of			Percent of			Percent of			Percent of
	Taxable	Rank	Total City	Taxable	Rank	Total City	Taxable	Rank	Total City	Taxable	Rank	Total City	Taxable	Rank	Total City
	Value		Value	Value		Value	Value		Value	Value		Value	Value		Value
Detroit Edison-Utility	\$ 759,790	3	0.23%	\$ 641,610	5	0.21%	\$ 653,240	5	0.22%	\$ 702,690	4	0.24%	\$ 666,820	4	0.22%
Herman Brodsky-Property Mgmnt	1,040,240	1	0.32%	1,037,110	1	0.34%	1,054,730	1	0.36%	1,083,200	2	0.37%	1,130,450	2	0.38%
Chase Bank-Commercial Bank	1,008,930	2	0.31%	1,005,880	2	0.33%	948,430	2	0.32%	919,000	3	0.31%	920,070	3	0.31%
Kasco Equities-Property Mgmnt	554,530	6	0.17%	751,550	4	0.25%	685,110	4	0.23%	645,390	5	0.22%	640,060	5	0.21%
Private Residence-Hendrie	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consumers Energy-Utility	663,030	5	0.20%	798,880	3	0.26%	910,870	3	0.31%	1,296,330	1	0.44%	1,474,340	1	0.49%
Rite Aid-Retail Pharmacy	541,480	7	0.17%	479,530	6	0.16%	433,600	8	0.15%	403,530	8	0.14%	403,230	8	0.13%
Private Residence-Hendrie	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private Residence-Hendrie	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private Residence-Hendrie	728,750	4	0.22%	645,070	7	0.21%	525,000	6	0.18%	500,530	6	0.17%	512,540	6	0.17%
Private Residence-Hendrie	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private Residence-Huntington	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private Residence-Nadine	464,840	9	0.14%	-	-	-	-	-	-	-	-	-	-	-	-
Southmain Enterprises-Property Mgmnt	450,790	10	0.14%	449,430	8	0.15%	457,070	7	0.16%	-	-	-	-	-	-
Private Residence-Huntington	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private Residence-Nadine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Private Residence-Borgman	490,280	8	0.15%	469,130	10	0.15%	428,670	9	0.15%	411,860	7	0.14%	421,740	7	0.14%
Private Residence-Hendrie	-	-	-	-	-	-	-	-	-	-	-	-	378,910	9	0.13%
Private Residence-Nadine	-	-	-	-	-	-	-	-	-	368,790	9	0.13%	377,440	10	0.13%
Private Residence-Nadine	-	-	-	-	-	-	-	-	-	364,870	10	0.12%	-	-	-
Coolidge & Eleven Inc-Retail cleaner	-	-	-	348,820	9	0.11%	323,440	10	0.11%	-	-	-	-	-	-
Ten Largest Taxpayers	6,702,660		2.06%	6,627,010		2.17%	6,420,160		2.18%	6,696,190		2.29%	6,925,600		2.33%
Other Taxpayers	\$ 318,455,180			\$ 299,242,070			\$ 287,770,630			\$ 286,688,380			\$ 291,982,220		
Total Taxable Value	\$ 325,157,840			\$ 305,869,080			\$ 294,190,790			\$ 293,384,570			\$ 298,907,820		

Source: City of Huntington Woods Assessor

CITY OF HUNTINGTON WOODS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Personal Property Tax Collections	Total Tax Collections	Total Collections As Percent Of Current Levy
2005	5,499,185	5,493,401	99.89%	5,784	5,499,185	100.00%
2006	5,783,176	5,770,073	99.77%	13,103	5,783,176	100.00%
2007	6,224,155	6,222,828	99.98%	1,327	6,224,155	100.00%
2008	6,721,794	6,719,362	99.96%	2,432	6,721,794	100.00%
2009	7,052,150	7,050,957	99.98%	1,193	7,052,150	100.00%
2010	7,111,088	6,923,773	97.37%	187,315	7,111,088	100.00%
2011	7,182,320	7,180,200	99.97%	2,120	7,182,320	100.00%
2012	7,546,606	7,543,196	99.95%	3,410	7,546,606	100.00%
2013	7,721,690	7,718,188	99.95%	3,502	7,721,690	100.00%
2014	7,998,555	7,990,759	99.90%	7,796	7,998,555	100.00%

Source: Oakland County Assessor

CITY OF HUNTINGTON WOODS

TAX INFORMATION

Taxes Due: July 1st

Payable: City, County operating taxes and fifty percent (50%) of school taxes are due and payable July 1st at the office of the City Treasurer. (The County parks, transportation and drain debt taxes and the remaining fifty percent (50%) of school taxes are due and payable December 1st).

Penalties and Interest

for Delinquency: All City taxes paid on or before the 10th day of August shall be collected without additional charge. There shall be added to all taxes paid after the 10th day of August, one percent for each and every month that the amount remains unpaid; provided however, that if one-half of the City taxes are paid on or before the 10th day of August, the remaining one-half of the tax is due on or before the 31st day of October without additional charge, but should the latter one-half not be paid before the 31st day of October, then the taxes shall be subject to the charge of one percent per month from August 10th. County taxes are to be paid on or before the 14th day of February without additional charge. All County taxes paid after the 14th day of February shall be subject to a penalty of three percent. Commencing March 1st, taxes on real property are collected through the County Treasurer of Oakland County, who adds and retains a collection fee or four percent and in addition adds interest at the rate of one percent per month to the date of payment

Lien on Property: Unpaid taxes, together with all charges thereon, become a continuing lien on the property assessed. The General Tax Law provides for disposition at public sale of real estate delinquent for taxes as follows:

<u>Date of Sale</u>	<u>Delinquent Tax Property to be Sold</u>
July 2011	Year 2006
July 2012	Year 2007
July 2013	Year 2008

State Land Sale: The General Property Tax Act, Public Act 206 of 1893, as amended, requires the County Treasurer to foreclose on real property for failure to pay delinquent property taxes. One March 1st, following the year taxes went delinquent a \$175.00 fee and a \$18.00 recording fee will be added to the parcel. The interest rate on the unpaid balance increases to 1.5% per month retroactive to the previous March 1st. In February properties that are delinquent for two years will be taken to the Circuit Court for foreclosure. Property owners have 21 days from the foreclosure judgement date to redeem the property by paying all taxes, penalties, interest and fees. After 21 days the State is granted first right of refusal to purchase property at the greater of minimum bid or fair market value. The City has second right of refusal to purchase property for a public purpose at the minimum bid price. The County may purchase property at the minimum bid price following the local unit decision not to purchase. Properties that are not purchased will be available for land sale. The land sale will be a live auction. Parcels will be sold as-is at time of auction. Minimum opening bid will be the sum of all delinquent taxes, including all interests, penalties, fees and expenses.

CITY OF HUNTINGTON WOODS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Year Ended June 30	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income	Net Debt Per Capita
	General Obligation Bonds	GWK Drain Bonds	Installment Loans	Installment Loan				
2005	9,575,000	3,549,963	131,381	215,427		13,471,771	4.84%	2,190
2006	9,050,000	3,401,036	155,045	170,653		12,776,734	4.59%	2,077
2007	8,450,000	3,287,983	130,228	-		11,868,211	4.26%	1,929
2008	9,300,000	3,142,189	104,633	-		12,546,822	4.76%	2,040
2009	8,525,000	3,195,516	189,030	-		11,909,546	4.52%	1,936
2010	12,155,000	3,015,205	120,587	-		15,290,792	5.80%	2,486
2011	11,100,000	2,887,131	49,044	-		14,036,175	4.33%	2,282
2012	12,640,000	2,697,258	133,818	-		15,471,076	4.88%	2,480
2013	11,050,000	2,501,743	123,840	288,052		13,963,635	4.28%	2,238
2014	13,020,000	2,301,372	93,128	326,641		15,741,141	4.68%	2,523

Source: U.S. Census Department (population) see demographic and economic statistics schedule for details

Source: Michigan Department of Labor (per capita income) see demographic and economic statistical schedule for details

CITY OF HUNTINGTON WOODS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30	General Obligation Bonds	Less Available Debt Service Funds	Total	Percentage of Estimated Actual Value of Taxable Property	Net Bonded Debt per Capita
2005	9,575,000	391,992	9,183,008	1.16%	1,493
2006	9,050,000	424,763	8,625,237	1.00%	1,402
2007	8,450,000	476,062	7,973,938	0.88%	1,296
2008	9,300,000	564,837	8,735,163	0.98%	1,420
2009	8,525,000	565,692	7,959,308	0.94%	1,294
2010	12,155,000	533,465	11,621,535	1.48%	1,889
2011	11,100,000	655,429	10,444,571	1.54%	1,674
2012	12,640,000	757,088	11,882,912	1.92%	1,905
2013	11,050,000	811,306	10,238,694	1.67%	1,641
2014	13,020,000	509,292	12,510,708	1.95%	2,006

General Obligation Bonds in this table represent only those bonds serviced from property tax revenues

Source: City of Huntington Woods Assessor (estimated actual values)

Source: U.S. Census Department (population) see demographic and economic statistics schedule for details

CITY OF HUNTINGTON WOODS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2014

Name of Governmental Unit	Bonds Outstanding	Balances on Hand	Net Debt Outstanding	Percentage Applicable to City	City's Share of Debt
City of Huntington Woods					
Direct Debt					
General Obligation-Capital Improvement Bonds	13,020,000	225,959	12,794,041	100%	12,794,041
Share of County Issued GWK Drain Bonds	2,301,372	283,333	2,018,039	100%	2,018,039
Michigan Suburbs Alliance Installment Loans	93,128	-	93,128	100%	93,128
Fire Truck/Public safety vehicle Installment Loans	326,641	-	326,641	100%	326,641
Overlapping Debt					
Public Schools					
Berkley School District			15,265,000	34.30%	5,235,895
Royal Oak School District			51,805,000	0.01%	5,181
County			461,452,670	0.61%	2,814,861
Intermediate School District			55,625,000	0.61%	339,313
Oakland Community College			3,075,000	0.61%	18,758
Total Overlapping Debt					8,414,008
Total Direct and Overlapping Debt					\$ 23,645,857

Source: Percentages obtained from Municipal Advisory Council of Michigan

**CITY OF HUNTINGTON WOODS
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 39,704,960	\$ 42,969,608	\$ 45,181,997	\$ 44,512,015	\$ 42,534,892	\$ 39,333,086	\$ 33,986,193	\$ 30,988,506	\$ 30,719,586	\$ 32,149,485
Total net debt applicable to limit	<u>13,086,464</u>	<u>12,358,442</u>	<u>\$ 11,398,510</u>	<u>\$ 11,992,471</u>	<u>\$ 11,360,456</u>	<u>\$ 14,775,116</u>	<u>\$ 13,394,156</u>	<u>\$ 14,729,662</u>	<u>\$ 13,161,696</u>	<u>\$ 15,241,179</u>
Legal Debt Margin	\$ 26,618,496	\$ 30,611,166	\$ 33,783,487	\$ 32,519,544	\$ 31,174,436	\$ 24,557,970	\$ 20,592,037	\$ 16,258,844	\$ 17,557,890	\$ 16,908,306
Total net debt applicable to the limit as a percentage of the debt limit	32.96%	28.76%	25.23%	26.94%	26.71%	37.56%	39.41%	47.53%	42.84%	47.41%

Legal Debt Margin Calculation for Fiscal Year 2013

State Equalized Valuation	<u>\$ 321,494,850</u>
Legal Debt Limit (10% of State Equalized Value)	\$ 32,149,485
Amount of Debt Applicable to Limit	15,750,471
Less: Amount Available in Debt Service Fund	<u>509,292</u>
Net General Obligation Debt Subject to Limitation	<u>\$ 15,241,179</u>
Legal Debt Margin less amount available	<u>\$ 16,908,306</u>

State law limits the amount of city general obligation debt to 10% of state equalized value

CITY OF HUNTINGTON WOODS
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>K-12 School Enrollment</u>	<u>Unemployment Rate</u>
2005	6,151	278,418,864	\$ 45,264	1,631	2.0%
2006	6,151	278,418,864	\$ 45,264	1,456	2.0%
2007	6,151	278,418,864	\$ 45,264	1,205	2.0%
2008	6,151	263,527,293	\$ 42,843	1,205	2.6%
2009	6,151	263,527,293	\$ 42,843	1,090	2.6%
2010	6,151	263,527,293	\$ 42,843	1,086	2.6%
2011	6,238	324,276,192	\$ 51,984	1,064	2.6%
2012	6,238	316,977,732	\$ 50,814	1,050	2.6%
2013	6,238	326,428,302	\$ 52,329	1,054	2.6%
2014	6,332	336,221,151	\$ 53,099	1,083	2.6%

Source: U.S. Census Department (population)

Source: Michigan Department of Labor (unemployment rates)

Source: Southeast Michigan Council of Governments (personal income and per capita income)

Source: Berkley School District (school enrollment)

CITY OF HUNTINGTON WOODS
PRINCIPAL EMPLOYERS
LAST TEN FISCAL YEARS

Employer	2005			2006			2007			2008			2009		
	Employees	Rank	Percentage	Employees	Rank	Percentage	Employees	Rank	Percentage	Employees	Rank	Percentage	Employees	Rank	Percentage
			of Total City Employment			of Total City Employment			of Total City Employment			of Total City Employment			of Total City Employment
Detroit Zoo	530	1	48.18%	525	1	50.00%	500	1	50.00%	480	1	48.00%	215	1	21.50%
Rackham Golf Course	50	3	4.55%	50	3	4.76%	50	3	5.00%	50	3	5.00%	50	3	5.00%
City of Huntington Woods	226	2	20.55%	213	2	20.29%	216	2	21.60%	216	2	21.60%	253	2	25.30%
Chase Bank	38	4	3.45%	40	4	3.81%	36	4	3.60%	50	3	5.00%	50	3	5.00%
Huntington Cleaners	50	3	4.55%	50	3	4.76%	50	3	5.00%	31	4	3.10%	31	4	3.10%
Largest Employers	894		81.27%	878		83.63%	852		85.20%	827		82.70%	599		85.57%
Total Employed	1,100			1,050			1,000			1,000			700		
	2010			2011			2012			2013			2014		
	Employees	Rank	Percentage	Employees	Rank	Percentage	Employees	Rank	Percentage	Employees	Rank	Percentage	Employees	Rank	Percentage
			of Total City Employment			of Total City Employment			of Total City Employment			of Total City Employment			of Total City Employment
Detroit Zoo	215	2	21.50%	215	1	21.50%	178	2	17.80%	210	1	21.00%	203	1	20.30%
Rackham Golf Course	50	3	5.00%	50	3	5.00%	50	3	5.00%	26	5	2.60%	26	4	2.60%
City of Huntington Woods	212	1	21.20%	213	2	21.30%	203	1	20.30%	196	2	19.60%	196	2	19.60%
Chase Bank	40	4	4.00%	40	4	4.00%	30	4	3.00%	30	4	3.00%	25	5	2.50%
Huntington Cleaners	50	3	5.00%	50	3	5.00%	50	3	5.00%	50	3	5.00%	50	3	5.00%
Largest Employers	567		86.43%	568		86.59%	511		77.90%	512		78.05%	500		76.22%
Total Employed	656			656			656			656			656		

Source: Huntington Woods Business Licenses & City Budget document

CITY OF HUNTINGTON WOODS
FULL-TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	10	11	10	9	9	9	6	6	6	6
Pulic safety	19	19	19	19	19	19	18	18	18	18
Public works	9	9	9	9	9	9	9	9	8	10
Library	6	7	7	7	7	7	6	6	6	6
Recreation	33	33	33	30	30	30	33	33	32	30
Total	77	79	78	74	74	74	72	72	70	70

Source: City of Huntington Woods budget document

CITY OF HUNTINGTON WOODS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Tax bills issued	2,680	2,607	2,607	2,607	2,653	2,581	2,574	2,567	2,567	2,576
Commission meetings held	16	16	16	16	16	16	16	16	16	16
Public Safety										
Physical arrests	483	393	490	397	291	302	218	312	295	430
Traffic violations	4,840	4,016	5,087	4,501	3,986	4,171	5,122	5,132	4,733	6,003
Parking violations	1,802	1,684	1,708	1,663	1,665	1,687	1,531	1,615	1,474	1,380
Emergency responses	3,220	2,287	3,010	2,749	2,627	2,560	2,356	2,238	2,214	2,269
Fire responses	139	72	116	113	92	104	93	61	94	80
Public Services										
Miles of streets plowed	25	25	25	25	25	25	25	25	25	25
Miles of streets reconstructed	-	-	-	1.25	1.25	1.71	1.08	1.31	1.12	1.04
Library										
Volumes in collection	55,000	57,482	60,113	59,548	60,255	61,956	63,584	66,258	70,552	73,171
Total volumes borrowed	55,900	61,601	65,839	67,398	80,482	69,417	52,649	68,288	68,542	73,082
Recreation										
Pool visitors	49,169	36,007	38,209	30,609	34,510	23,290	26,259	36,601	30,542	30,421
Camp participants	1,075	1,299	1,098	1,070	1,113	1,264	1,037	968	1,075	917
Class participants	5,447	7,931	7,711	7,341	6,358	6,325	5,950	6,992	6,542	5,290
Latchkey participants	177	193	224	268	236	211	202	238	192	198
Senior participants	548	683	792	806	642	1,677	1,491	1,798	1,509	1,468
Water & Sewer utility										
Average daily consumption (units)	811	781	680	772	742	709	662	708	667	623
Water main breaks	3	10	16	8	13	13	12	4	16	13
Transportation										
Individuals transported	1,387	4,602	4,419	4,384	3,507	3,783	3,847	2,783	3,675	2,717

Source: City department Heads

CITY OF HUNTINGTON WOODS
CAPITAL ASSETS STATISTICS BY FUNCTION/P
LAST TEN FISCAL YEARS

Function/program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	5	5	5	5	5	5	5	5	5	5
Fire stations	1	1	1	1	1	1	1	1	1	1
Fire vehicles	2	2	2	2	2	2	2	2	2	2
Public Services										
Number of trucks	18	18	18	18	18	18	18	18	18	18
Miles of major streets	8	8	8	8	8	8	8	8	8	8
Miles of local streets	17	17	17	17	17	17	17	17	17	17
Recreation										
Number of parks	13	13	13	13	13	13	13	13	13	13
Acreage	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5
Water utility										
Miles of water line	25	25	25	25	25	25	25	25	25	25
Wastewater utility										
Miles of sewer line	41.09	41.09	41.09	41.09	41.09	41.09	41.09	41.09	41.09	41.09
Transportation										
Number of vehicles	4	5	5	5	5	5	5	5	5	5

Source: City Budget document