

City of Novi, Michigan

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

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October 30, 2015

Honorable Mayor Robert Gatt
Members of the City Council
Citizens of the City of Novi, Michigan

CITY COUNCIL

Mayor
Bob Gatt

Mayor Pro Tem
Dave Staudt

Andrew Mutch

Wayne Wrobel

Laura Marie Casey

Gwen Markham

Doreen Poupard

City Manager
Pete Auger

City Clerk
Maryanne Cornelius

We are pleased to submit the Comprehensive Annual Financial Report of the City of Novi for the fiscal year ended June 30, 2015. This report is prepared for the purpose of disclosing the City's financial condition to its residents, elected officials and other interested parties. The financial statements contain all disclosures necessary to enable the reader to gain an understanding of the City's financial activities. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data presented is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

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

All local units of government within the State of Michigan must comply with the Uniform Budgeting and Accounting Act, PA 2 of 1968, as amended, which requires an annual audit of the financial records and transactions of the City by independent certified public accountants. The primary purpose of the auditing requirements of this act is to maintain the confidence of all interested parties in the integrity of the record keeping and financial reporting of local units of government.

Profile of the Government

The City of Novi, incorporated in 1969, is strategically located in the southwestern portion of vibrant Oakland County. Located just 30 miles northwest of downtown Detroit, the suburban City government serves over 60,000 residents (per the Southeast Michigan Council of Governments December 2014 estimates, an 8.6% increase from the 2010 national census) and encompasses an area of approximately 32 square miles. Novi is considered a choice community to live and work. A dynamic, growing community, Novi offers an abundance of rolling, wooded acreage, which provides a unique natural backdrop for residential, commercial and industrial land development. Novi is well connected to highway, rail, and air transportation routes offering outstanding accessibility to the rest of the world.

City of Novi
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Novi, Michigan 48375
248.347.0460
248.347.0577 fax

cityofnovi.org

Businesses can also count on an abundance of county and regional resources or help with creating new business opportunities, securing financing, improving technological business expertise, and learning to do

business abroad. Novi's quality of life stems from its successful balance of residential and commercial tax base. The City's commitment to economic development has evolved to include a web site (InvestNovi.org), devoted entirely for attracting new and retaining existing businesses. This site informs potential business investors and celebrates existing businesses' successes. In its effort to maintain open relationships with businesses and residents, Novi maintains a comprehensive web site at cityofnovi.org.

The City of Novi operates under the Council-Manager form of government. Policy-making and legislative authority are vested in City Council which is presided over by the Mayor, who is elected for a two-year term. The six other Council members are elected for four-year overlapping terms. The City Manager is appointed by City Council. This official heads the administrative branch of city government and directs all city operations, projects and programs.

The City provides a full range of municipal services including police and fire/medical protection; public services, parks, recreational and cultural activities; library; building inspection; code enforcement and planning and development. In addition to general government activities, the activities of the Economic Development Corporation are reported as a separate component unit of the City. Component units are legally separate entities for which the primary government is financially accountable.

The City of Novi prepares budgets in accordance with the Michigan Uniform Budgeting and Accounting Act, PA 2 of 1968, as amended. Under the direction of the City Manager, the Finance Director prepares an initial projection of revenue for the next fiscal year. Spending priorities are then established based upon the City's financial policies and mandated requirements. Activities of the General Fund and Special Revenue Funds are included in the annual appropriated budget. The level of budgetary control (the level at which expenditures cannot exceed the appropriated amount) is established by function. It takes a five-vote majority to adopt and amend the budget.

Factors Affecting Financial Condition

Local Economy – Standard & Poor's, which provides credit ratings and other financial analysis, affirmed the City of Novi's high quality rating on general obligation bonds as AA+ in 2012. Standard & Poor's defines an AA+ rating as "having excellent financial security and being highly safe." This rating places Novi in an elite group of communities throughout the country. Standard & Poor's notes that "Novi has realized strong residential and retail development within the past decade. The city has several malls, a successful convention center, and several hotels within its commercial base, all of which contribute to a retail sales per capita level at 216% of the national average. In addition, income levels are very strong, in our opinion, as indicated by median household effective buying income at 150% of the national average."

Novi is also proud of its strong economic climate and offers a diverse mix of business opportunities spanning from the automotive market like MTU and Kistler Automotive to software developer Autodesk and highest rated provider of on-site wellness programs Summit Health. Within the City of Novi, there are many good stories that aid in the overall quality of economic

development. Some of these milestones include:

- Magna Seating of America decided to consolidate offices into one 180,000 sq. ft., \$48 million facility in Novi. The new facility will add approximately 164 jobs to the 305 already located in Novi and surrounding area.
- Harman Becker, a world leader in developing automotive internal audio sounds, is constructing a new 188,000 sq. ft. \$52.5 million facility to house 950 jobs in the facility in Novi.
- Novi was celebrated as a “four star”, top performing community for the fifth consecutive year for fostering entrepreneurial growth and economic development in an annual eCities program by researchers at the iLabs, University of Michigan-Dearborn’s Center for Innovation Research.
- Two new developments will be added to the St. John Providence Park campus as the DeVita Kidney Dialysis Center and the Edward Rose and Sons 182 unit senior living facility. Both facilities will come online in Spring of 2016.
- Fujitsu Ten, a manufacturer of automotive navigation and control systems, moved their North American Headquarters to Novi in March 2015. The newly built tech center boasts a hybrid use of space supporting advance technology, quality, testing, and general office functions. The company brought along 90 employees with plans to increase to 150 employees by the end of 2015.
- Aramco Services, a Saudi Arabian oil and gas company, created a state of the art research and development center. The 62,000 square-foot research center focuses on engine-fuel systems and development and employs professionals with advanced degrees in engineering and science.

Novi remains strong with a diverse tax mix of residential, manufacturing, office, service and technology, and retail-recreational centers and continues to provide a stable environment to attract new investment within Novi. Novi remains on sound financial footing despite the prevailing tough economic conditions because of continued focus on core strategies and investments within our community that have produced sound financial results and satisfied citizen perceptions (National Citizen Survey).

Fund Balance Policy - The City follows the City Council’s adopted, by resolution, fund balance/reserve policy. The policy establishes a reserve to pay for expenditures, states the City will attempt to obtain additional revenue sources to insure a balanced budget and aggressively collect revenue, establishes user charges and fees at a level to take into account the cost of providing the service, maintain a level of reserves to comply with terms and conditions of debt instruments, and review fund balance/reserves annually during the budget process. In addition, in the event the level of expenditures exceeds the estimated appropriations, the City will create a plan to replenish fund balance/reserves within three years by controlling

operating expenditures, adjusting operations and/or dedicating excess or specific revenue sources. The policy establishes a minimum reserve as a percentage of budgeted expenditures of 18-22% in the General Fund, 10-20% individually and collectively amongst the three road funds, 12-22% for Parks and Recreation, and varying reserves for the remaining special revenue funds dependent on the funds yearly activity and capital needs.

Long-term Financial Planning – The 2010 Census reported Novi's population at 55,224, a 16.5% increase from the 2000 Census population of 47,386. The 2010 Census data is required to be used for the Constitutional portion of State Shared Revenue distributions beginning mid-2011. A constitutional portion is distributed to cities, villages and townships based on a community's population and cannot be eliminated without a vote of the people. For the fiscal year ended June 30, 2015, Novi's reliance on revenue sharing payments represents 13.6% of total General Fund revenues or \$4,353,847. Novi's revenue sharing distribution increased by 4% or \$183,038 from the prior fiscal year.

Public Act 152 (PA 152 also known as Senate Bill 7), the "Publicly Funded Health Insurance Contribution Act" was signed into law on September 24, 2011. This Act limits a public employer's cost for employee provided health care benefits and provides for an 80/20 cost sharing agreement. The Novi City Council on September 26, 2011 adopted an 80/20 cost sharing resolution and for employee groups not covered under a collective bargaining agreement prior to September 15, 2011 or active in Act 312 Arbitration, the 80/20 cost sharing requirement became effective January 1, 2012.

The City of Novi has made great strides over the past twenty years in both managing and reducing debt while recognizing savings from refunded/called debt activities. *For the fiscal year ended June 30, 2015, **debt obligations were reduced by \$4,825,000 from the prior fiscal year.** Total direct debt at June 30, 2015 was \$32,870,000*

Awards – The Government Finance Officers Association (GFOA) awarded a Certificate of Excellence in Financial Reporting to the City of Novi for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the seventeenth year that the City of Novi has received this prestigious award.

Acknowledgements – The preparation of this Comprehensive Annual Financial Report was made possible by the efficient and dedicated service of many individuals. We wish to express our sincere appreciation to each of them. Special thanks to the Mayor and City Council members as well as City Manager, Peter Auger and the Assistant City Manager Victor Cardenas for their leadership and support in matters pertaining to the financial affairs of the City.

Respectfully submitted,



Carl Johnson
Finance Director/Treasurer



Sabrina Lilla
Senior Financial Analyst



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Novi
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Mayor and City Council

Office of the City Manager



Federal,
State,
County
Government

Organizational Chart

Citizens

Volunteer Boards
& Commissions

Public Services

Engineering

- * City Construction Project Design & Inspection
- * Capital Improvement Program
- * Private Development Site Plan Review - Infrastructure
- * Right - of - Way permits
- * Infrastructure Asset Management

Field Operations

- * Road & Drain Maintenance
- * Ice & Snow Removal
- * Recycling Center

Forestry

Fleet Maintenance

Water & Sewer

- * Sanitary Sewer Operations & Maintenance
- * Water System Operations & Maintenance
- * Watershed Stewardship
- * Rouge River Liaison

State of Michigan
Department of
Environmental
Quality

Road Commission for
Oakland County

Michigan Department of
Transportation

State of Michigan
Department of
Natural Resources

Federal
Bureau of
Investigation

Michigan
State
Police

nurture

operate

value

invest

Parks, Recreation & Cultural Services - Programs

- * Recreation
- * Older Adults
- * Meadowbrook Commons/Ice Arena
- * Novi Ice Arena
- * Arts & Community Festivals

Parks, Recreation & Cultural Field Services (through DPS)

- * Park Maintenance
- * Park Development

Assessing Finance/Treasury Purchasing

Information Technology Geographic Information Facility Operations

Neighborhood & Business Relations
cityofnovi.org
InvestNovi.org

- * Communications
- * Community Relations
- * Civic Engagement
- * Business Attraction/Retention/Expansion
- * Community Television
- * Employee Engagement
- * Novi Youth Council

Community Development

- * Long-Range Planning
- * Private Development Site Plan Review
- * Environmental Planning
- * Master Plan and Zoning
- * Soil Erosion and Sedimentation Control
- * Building Plan Review, Inspections and Permits
- * Ordinance Enforcement

Public Safety

Administration

- * Police & Fire
- * Records
- * Emergency 911 Center

Police

- * Preventative Patrol
- * Criminal Investigations
- * Crime Prevention & Citizen Engagement

Fire

- * Emergency Medical Services Response
- * Fire Prevention/Inspections
- * Fire Suppression
- * Citizen Engagement

Emergency Preparedness & Management

- * CERT
- * Citizen Engagement

Civic Organizations

Schools

Library
novilibrary.org

City Clerk
Human Resources

Private Sector Investments

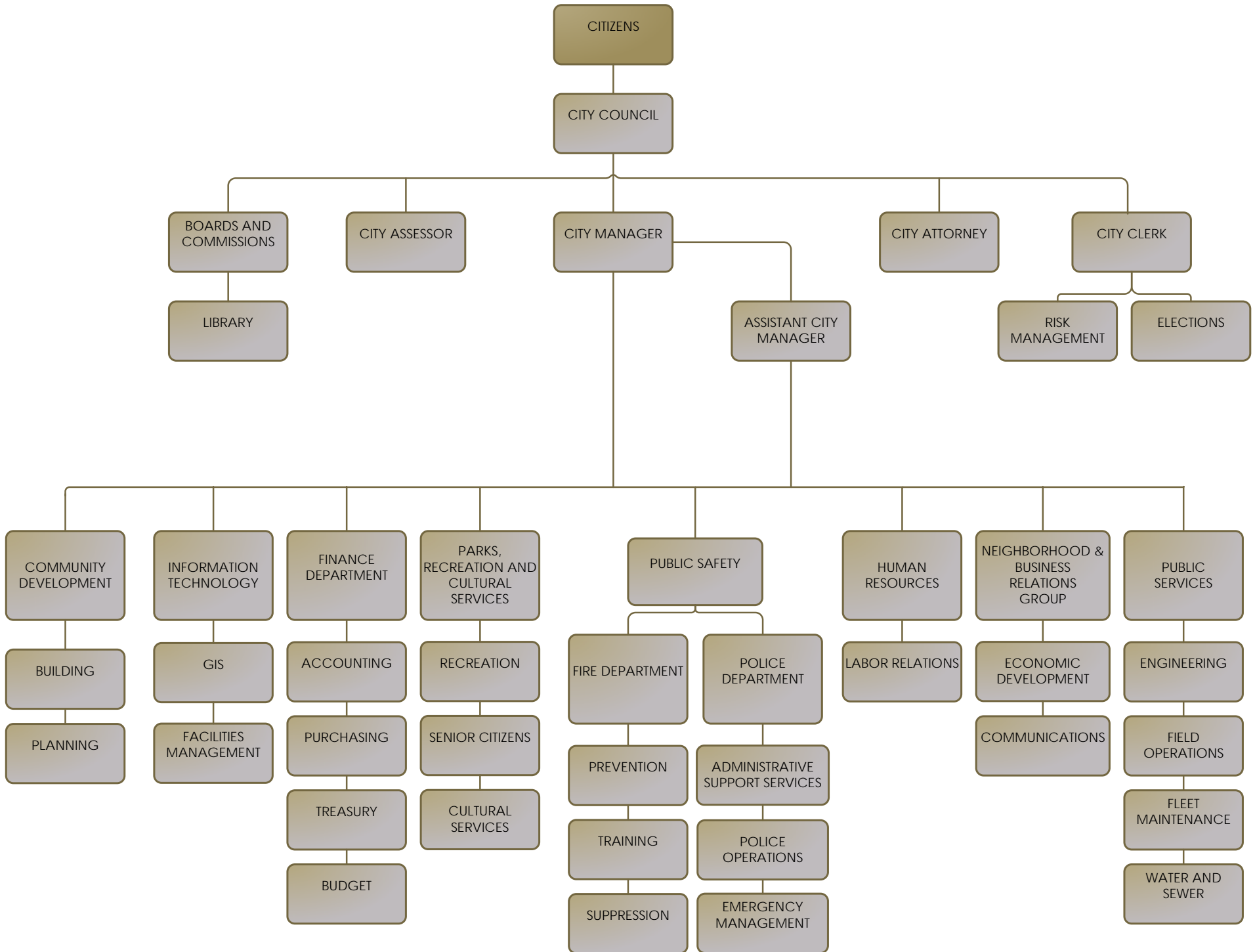
Detroit Regional Chamber of Commerce

Automation Alley

Homeowner Associations

Michigan Economic Development Corp

Courts



City of Novi, Michigan

List of Principal Officials June 30, 2015

<u>Title</u>	<u>Name</u>
City Manager	Peter Auger
Assistant City Manager	Victor Cardenas
Assessor	David G. Lemmon
Deputy Assessor	Kay Shafii
City Clerk	Maryanne Cornelius
Deputy City Clerk	Cortney A. Hanson
Director of Human Resources	Tia M. Gronlund-Fox
Director of Communications	Sheryl L. Walsh
Water and Sewer Asset Manager	Scott Rosselle
Water and Sewer Senior Engineer	Benjamin Croy
Director of Public Services/City Engineer	Robert F. Hayes
Roadway Asset Manager	Gerald P. Tremblay
Engineering Manager	Brian T. Coburn
Field Operation Senior Manager	Matthew T. Wiktorowski
Director of Information Technology/Facilities Operations	Robert L. Petty
GIS Manager	Keri. Blough
Community Development Director	Charles S. Boulard
Community Development Deputy Director	Barbara E. McBeth
Parks, Recreation and Cultural Services Director	Jeff Muck
Parks, Recreation and Cultural Services Deputy Director	Tracie Ringle
Older Adult Services Manager	Karen Kapchonick
Director of Public Safety	David E. Molloy
Assistant Police Chief	Jerrold S. Hart
Assistant Police Chief	Victor C.M. Lauria
Director of Emergency Medical Services and Fire Operations	Jeffery R. Johnson
Analyst Planner	Patricia A. Cauchi
Library Director	Julie E. Farkas
Finance Director	Carl Johnson
Senior Budget Analyst	Jessica Dorey
Senior Financial Analyst	Sabrina Lilla
Purchasing Manager	Susan J. Morianti
Assistant City Treasurer	Tina Glenn

Governmental Funds

<u>General Fund</u>	
<u>Debt Service Funds</u>	<u>Special Revenue Funds</u>
2002 Street and Refunding Debt	Major Street
2008 Library Construction Debt	Local Street
2010 Refunding Debt	Municipal Street
12 Mile Road Debt	Police and Fire
	Parks, Recreation, and Cultural Services
<u>Capital Projects Funds</u>	Tree Fund
Special Assessment Revolving	Drain Revenue
Gun Range Facility	PEG Cable
Street Improvement	Community Development Block Grant
	Contributions and Donations
	Forfeiture Fund
	Library
	Walker Library
<u>Permanent Funds</u>	West Oak Street Lighting
Drain Perpetual Maintenance	West Lake Drive Street Lighting
	Town Center Street Lighting

Proprietary Fund - Enterprise Funds

Ice Arena
Water and Sewer
Senior Housing

Fiduciary Funds

<u>Pension and Other Employee Benefit</u>	<u>Agency</u>
<u>Trust Fund</u>	
Retiree Health Care Benefits	Tax
	Agency

Component Unit

Economic Development Corporation

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Novi, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Novi, Michigan (the "City") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2015, and the respective changes in its financial position, and, where applicable, cash flows, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

To the Honorable Mayor and
Members of the City Council
City of Novi, Michigan

Emphasis of Matter

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

Other Matters

Required Supplemental Information

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

Other Information

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

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

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

Plante & Moran, PLLC

October 28, 2015

City of Novi, Michigan

Management's Discussion and Analysis

The City of Novi, Michigan's (City) management's discussion and analysis is a narrative overview of the City's financial activities for the fiscal year ended June 30, 2015. The information presented here should be read in conjunction with our letter of transmittal, the financial statements, and notes to the financial statements that follow.

Financial Highlights

- * Total assets related to the City's governmental activities exceeded liabilities at June 30, 2015 by \$141,395,621.
- * Investment in capital assets (net of depreciation and related debt) accounts for over nearly 83% of this amount, with a value of \$118,345,243.
- * Of the remaining net position, \$38,576,210 are restricted and a negative \$15,525,832 are unrestricted. The negative unrestricted portion is a result of implementation of GASB Statement No. 68, Accounting and Financial Reporting For Pensions, which required the City to establish a new net pension liability of \$28,068,872. The unrestricted portion of governmental net position, excluding the net pension liability, which may be used to meet the government's ongoing obligations to citizens and creditors, without legal restriction totaled \$12,543,040. This is an \$805,243 increase from the prior year.
- * As of June 30, 2015, the City's governmental funds reported combined ending fund balances of \$49,253,608, an increase of \$4,523,064 over the prior year. Fund balance of the General Fund totaled \$12,357,650 at June 30, 2015, an increase of \$2,867,633 in comparison with the prior year. Of this amount, \$11,329,627 is unassigned, which represents 36% of fiscal year 2015 budgeted annual expenditures.
- * Total debt obligations were **reduced by \$4,825,000** from the prior year. Total debt at June 30, 2015, was \$32,870,000.
- * The City's Defined Benefit Pension Plan has retained a stable percent funded with the following five year history:

Plan Year				
2010	2011	2012	2013	2014
70%	69%	69%	68%	68%

- * The Other Post Employment Benefit funded ratio increased from 83.2% per the June 30, 2013 actuarial valuation to 94.4% as of the June 30, 2015 actuarial valuation.

Overview of the Financial Statements

This discussion and analysis provides an introduction and overview to the City's basic financial statements. This information will assist users in interpreting the basic statements. We will also provide other financial discussion and analysis of certain plans, projects, and trends necessary for understanding the full context of the financial condition of the City.

Basic Financial Statements - The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The financial section of this report also contains required supplemental information, in addition to the basic financial statements.

Government-wide Financial Statements - Government-wide financial statements provide readers with a broad overview of the City's finances in a manner similar to a private sector business, distinguishing functions of Novi that are principally supported by taxes and intergovernmental revenues (referred to as "governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as "business-type activities").

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business and presents a longer-term view of the City's finances. Over time, increases or decreases in net position can serve as one indicator of the financial position of the City. Other indicators include the condition of the City's infrastructure systems (roads, drainage systems, bridges, etc.), changes in property tax base, and general economic conditions within the City.

The statement of activities presents information showing how the City's net position changed during the year. This statement separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program). This shows the extent each program relies on taxes for funding. All changes in net position are reported using the accrual basis of accounting, which requires that revenues are reported when they are earned and expenses are reported when incurred. Items such as deferred special assessments and earned but unused employee leave time will be included in the statement of activities as revenue and expense, even though the cash flows associated with these items will be recognized in future fiscal periods.

In accordance with GASB Statement No. No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 39*, the City has identified certain entities as component units in the government-wide financial statements. By virtue of its authority to exercise influence over their operations, the City has included the financial statements of the Economic Development Corporation, which is a discretely presented component unit within the government-wide financial statements. In addition, the Building Authority is included as a blended component unit.

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. The City of Novi, Michigan, like other state and local governments, establishes funds for compliance with finance-related legal requirements. All of the funds of the City fall into three categories: governmental funds, proprietary funds, and fiduciary funds. Governmental funds account for most, if not all, of a government's tax-supported functions. Proprietary funds account for a government's business-type activities; where all or part of the costs of activities are supported by fees and charges that are paid by those who benefit from the activities. Fiduciary funds account for resources that are held by the government as a trustee or agent for parties outside of the government. The resources of fiduciary funds cannot be used to support the government's own programs.

Governmental Funds - The City of Novi maintains 25 individual governmental funds. The governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances present separate columns of financial data for the General Fund, Municipal Street Fund, Street Improvement Fund, and 12 Mile Road SAD Debt Fund. These funds are considered major funds as of June 30, 2015. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements located in the other supplemental information section of this report.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year; this information is useful in evaluating a government's near-term financing requirements in comparison to near-term resources available.

Because the measurement focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The government-wide statements give readers a better understanding of the long-term impact of the government's near-term financing decisions. The governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances provide reconciliation to the governmental activities column in the government-wide statements, facilitating this comparison.

The City adopts an annual appropriated budget for its General Fund and Special Revenue Funds. A budgetary comparison statement has been provided for the General Fund and Municipal Street Fund within the required supplemental information. Budgetary comparisons for other nonmajor special revenue funds are presented within the other supplemental section of the report.

Proprietary Funds - Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, ice arena, and senior housing activities. Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail, since both apply the accrual basis of accounting. In comparing the proprietary fund statement of net position to the business-type column on the government-wide statement of net position, the total net position agrees and, therefore, they need no reconciliation.

The proprietary fund financial statements provide separate information for the Water and Sewer Fund, the Ice Arena Fund, and the Senior Housing Fund.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided and are an integral part of the government-wide and fund financial statements.

Other Information - In addition to the basic financial statements and accompanying notes, this report also contains certain required supplemental information concerning budgetary comparisons of the General and Municipal Street Funds. The combining statements in connection with nonmajor governmental funds are presented immediately following the required supplemental information.

City of Novi, Michigan

Management's Discussion and Analysis

Government-wide Financial Analysis

Statement of Net Position - As noted earlier, changes in net position may serve as a useful indicator of a government's financial position. The City's assets exceeded total liabilities by \$322,785,374 at the close of June 30, 2015. The following table shows, in a condensed format, the net position as of June 30, 2015 and 2014.

	Governmental Activities		Business-type Activities		Total Activities	
	2015	2014	2015	2014	2015	2014
Assets						
Current assets	\$54,483,768	\$52,027,278	\$66,230,982	\$66,740,849	\$120,714,750	\$118,768,127
Noncurrent assets:						
Restricted assets	1,629,320	1,918,139	-	1,136,154	1,629,320	3,054,293
Capital assets	136,610,243	135,638,196	137,025,958	132,014,327	273,636,201	267,652,523
Other	1,374,099	790,943	40,221	37,684	1,414,320	828,627
Total assets	194,097,430	190,374,556	203,297,161	199,929,014	397,394,591	390,303,570
Deferred Outflows of Resources	928,907	71,418	508,256	806,567	1,437,163	877,985
Total assets and deferred outflows of resources	195,026,337	190,445,974	203,805,417	200,735,581	398,831,754	391,181,555
Liabilities						
Current liabilities	10,880,858	10,375,146	7,966,128	9,070,554	18,846,986	19,445,700
Long-term liabilities	42,749,858	19,224,308	14,449,536	14,620,000	57,199,394	33,844,308
Total liabilities	53,630,716	29,599,454	22,415,664	23,690,554	76,046,380	53,290,008
Net Position						
Net investment in capital assets	118,345,243	113,868,196	122,420,958	116,089,327	240,766,201	229,957,523
Restricted	38,576,210	35,240,527	-	1,136,154	38,576,210	36,376,681
Unrestricted	(15,525,832)	11,737,797	58,968,795	59,819,546	43,442,963	71,557,343
Total net position	\$141,395,621	\$160,846,520*	\$181,389,753	\$177,045,027*	\$322,785,374	\$337,891,547

*Restated For GASB 68, see Note I

Over 74% of the City's net position reflect its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City's capital assets are used to provide services to citizens. Consequently, these assets are not available for future spending. Restricted net position represent resources that are subject to external restrictions on how they may be used. Unrestricted net position related to governmental activities is the amount that may be used to meet the City's ongoing obligations. In the current year, the unrestricted net position is (\$15,525,832), which was due to the net pension liability of approximately \$28 million discussed above.

City of Novi, Michigan

Management's Discussion and Analysis

Changes in Net Position - The City's total net position increased by \$12,352,491 during the fiscal year. Governmental activities increased net position by \$6,909,418, which represents the majority of the total decrease in net position for the City. The unrestricted portion of net position related to governmental activities decreased by \$27,263,629, while restricted net position increased by \$3,335,683. As stated above, the negative unrestricted portion is a result of implementation of GASB Statement No. 68, Accounting and Financial Reporting For Pensions. The City's current year required GASB Statement No. 68 net pension liability was \$28,068,872. The unrestricted portion of governmental net position, excluding the net pension liability, totaled \$12,543,040. This is a \$805,243 increase from the prior year.

In keeping with the City Council's goal to improve the City's infrastructure, the Engineering Division completed 11 capital infrastructure projects during the 2014/2015 construction season.

The 2014/2015 Neighborhood Road Program followed the City's Asset Management approach for pavements that was established in 2009. The asset management program stresses the importance of using preventative maintenance to preserve good quality roads using low-cost rehabilitation techniques, rather than allowing the roads to deteriorate to a point that requires reconstruction involving much more effort at a higher cost. Roads in this program were addressed with rehabilitation methods such as milling, discrete base stone repairs, and the addition of an interlayer membrane to increase strength, waterproofing, concrete joint replacement, discrete concrete panel replacements, and some areas of full-depth reconstruction in order to install underdrain piping in the stone base. A total 2.3 miles of City streets were improved.

Eleven Mile Road between Meadowbrook and Town Center was reconstructed. This section of road was approximately 22 years old and had required repeated intensive maintenance over the past several years to repair failing joints and had deteriorated to a point that was no longer serviceable. The project was constructed in asphalt to allow more cost effective maintenance over the life of the road.

Reconstruction of Town Center Drive from Grand River Avenue to 11 Mile Road provided the opportunity to incorporate some changes to the lane configurations at the intersections of Grand River and 11 Mile to improve the operation of the roadway. Improvements to the sidewalks and ramps, as well as other minor improvements, were also completed. The newly reconstructed cross-section includes bike lanes and other non-motorized improvements as per the City's Non-Motorized Master Plan of 2011.

The City of Novi received a Federal Safety Grant to construct a southbound right turn lane for Haggerty Road at Grand River Avenue. The project was intended to mitigate an abnormally high frequency of rear-end crashes as identified in the 2012 report on intersection crashes. In addition to the dedicated right turn lane for southbound Haggerty at Grand River, the project also added a right turn arrow signal, intersection street lighting improvements and some minor sidewalk ramp work.

City of Novi, Michigan

Management's Discussion and Analysis

Heslip Drive is a 0.36 mile long, concrete, industrial cul-de-sac that is approximately 20 years old. There were a few discrete areas that required reconstruction; however, the majority of the roadway could be addressed with rehabilitation of the concrete joints by either routing and sealing, or full depth replacement where the joint could not be repaired.

Every two years, the City is required to perform inspections on each of the four bridges under the City's control (Cranbrooke Drive, Willowbrook Drive, Meadowbrook Road, and West Park Drive). The most recent bridge inspections were completed in 2012 and recommended minor maintenance to each of the bridges. None of the recommended repairs identified in the report were critical to the bridge structures; however, if not addressed, minor maintenance items could become major ones.

The City of Novi Non-Motorized Master Plan 2011 identified the connection between the existing I-275 pathway and the M-5 pathway as a high priority project. This trail connects the northern terminus of the 40-mile long I-275 trail on the east side of Meadowbrook Road at Bridge Street, over I-96 to the existing pathway system at the northwest corner of 12 Mile Road and Meadowbrook Road, which in turn provides the connection along Meadowbrook and 13 Mile Roads to the southern terminus of the M-5 pathway at the southwest corner of 13 Mile Road and M-5. The project was 80% funded with a Federal Transportation Alternatives Program grant and required significant coordination with Michigan Department of Transportation regarding the design and safe construction of the pathway on the Meadowbrook Road bridge over I-96.

Additional street/pathway projects included: construction of 225 feet of eight foot-wide concrete pathway along the south side of 13 Mile between Novi Road and Holmes Road to complete the sidewalk connection along 13 Mile from Meadowbrook Road to Novi Road and construction of 1,025 feet of pathway to fill two gaps along the east side of Meadowbrook (this segment also included a 10- foot wide prefabricated pedestrian bridge and a wooden transition boardwalk across Bishop Creek).

The City also performed traffic and pedestrian signal improvements at the following four intersections: Meadowbrook and Eight Mile Roads, Haggerty and Nine Mile Road, Wixom Road and Glenwood Drive, and Cabot Drive and 13 Mile Road.

The City of Novi's first off-leash dog area was constructed in response to the continued popularity of dog ownership and continued trend to provide a setting for dog owners to socialize and relax with their dogs. The Novi Dog Park was constructed on vacant land owned by the City of Novi east of the Novi Ice Arena. Amenities include dog waste stations, benches, tables, a drinking fountain that serves pets and humans, and an electronically secured double entry system with key fob access. A sidewalk connecting the Dog Park to the front of the Ice Arena was also constructed.

City of Novi, Michigan

Management's Discussion and Analysis

The design of a ground storage water tank was completed and is now under construction near 12 Mile Road and West Park Drive. The water storage tank would allow Novi to become a maximum day bulk water customer (rather than a peak hour customer) to decrease the overall unit costs from Detroit Water & Sewerage Department.

Business-type activities increased net position by \$5,443,073. The majority of the increase is a result of \$4,836,289 of contributed water and sewer assets in the current year compared to \$1,552,739 in fiscal year 2014 in the Water and Sewer Fund.

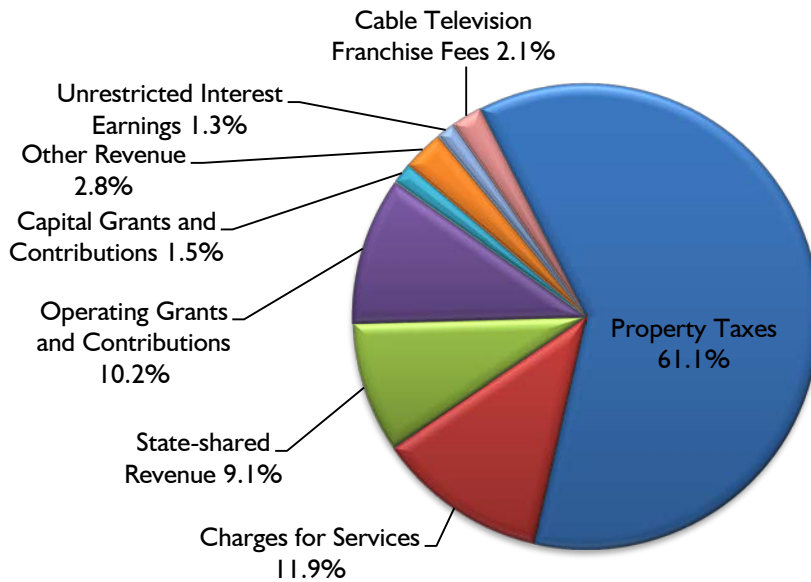
Key elements of this net position increase are shown in the following table:

	Governmental Activities		Business-type Activities		Total Activities	
	2015	2014	2015	2014	2015	2014
Revenue						
Program revenue:						
Charges for services	\$6,173,894	\$5,337,940	\$25,649,976	\$25,800,124	\$31,823,870	\$31,136,348
Operating grants and contributions	5,289,006	4,525,924	-	-	5,289,006	4,525,924
Capital grants and contributions	777,202	651,597	6,764,583	2,905,677	7,541,785	3,557,274
General revenue:						
Property taxes	31,673,469	30,059,401	-	-	31,673,469	30,059,401
State-shared revenue	4,696,805	4,170,809	-	-	4,696,805	4,170,809
Unrestricted interest earnings	666,771	1,436,616	1,105,910	1,118,857	1,772,681	2,555,473
Cable television franchise fees	1,105,163	801,256	-	-	1,105,163	801,256
Other revenue	1,465,406	216,711	-	-	1,465,406	216,711
Total revenue	51,847,716	47,200,254	33,520,469	29,824,658	85,368,185	77,023,196
Expenses						
General government	6,073,981	6,378,078	-	-	6,073,981	6,378,078
Public safety	17,649,289	17,216,678	-	-	17,649,289	17,216,678
Public works	11,305,231	12,455,654	-	-	11,305,231	12,455,654
Community and economic development	3,065,875	3,072,448	-	-	3,065,875	3,072,448
Recreation and culture	6,004,747	6,100,940	-	-	6,004,747	6,099,224
Interest on long-term debt	839,175	963,702	-	-	839,175	963,702
Water and sewer	-	-	24,413,229	23,001,139	24,413,229	23,001,139
Ice arena	-	-	2,107,211	1,771,615	2,107,211	1,771,615
Senior housing	-	-	1,556,956	1,548,478	1,556,956	1,548,478
Total expenses	44,938,298	46,187,500	28,077,396	26,321,232	73,015,694	72,507,016
Transfers	-	-	-	-	-	-
Change in Net Position	6,909,418	1,012,754	5,443,073	3,503,426	12,352,491	4,516,180
Net Position - Beginning of year	134,486,203 *	159,833,766	175,946,680*	173,541,601	310,432,883 *	333,375,367
Net Position - End of year	\$141,395,621	\$160,846,520	\$181,389,753	\$177,045,027	\$322,785,374	\$337,891,547

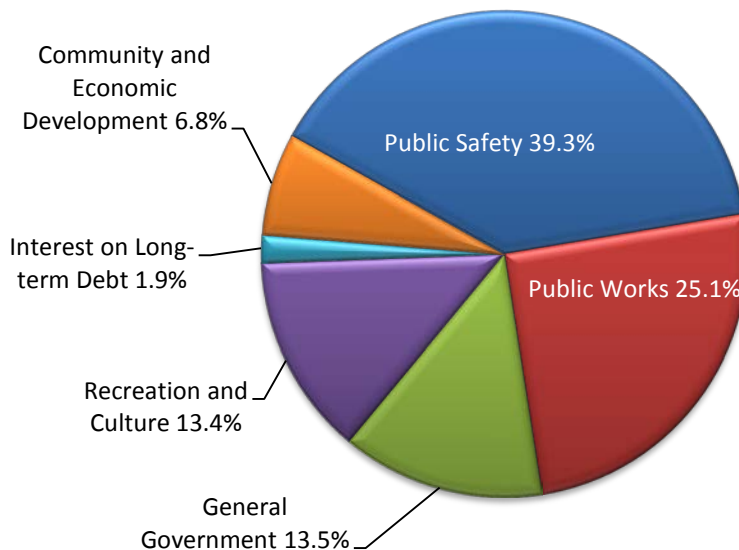
*Restated For GASB 68, see Note I

Governmental Activities - Program revenues, which include user fees and charges and restricted operating and capital grants and contributions, represent 23.6 percent of total governmental revenue sources. Program revenues reduce the net cost of the governmental functions to be financed from the City's general revenues, which are comprised primarily of property taxes and state revenue sharing.

Revenue by Source - Governmental Activities

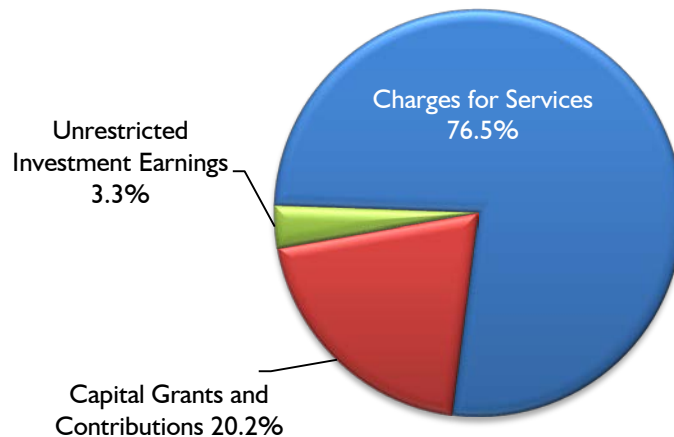


Expenses by Activity - Governmental Activities

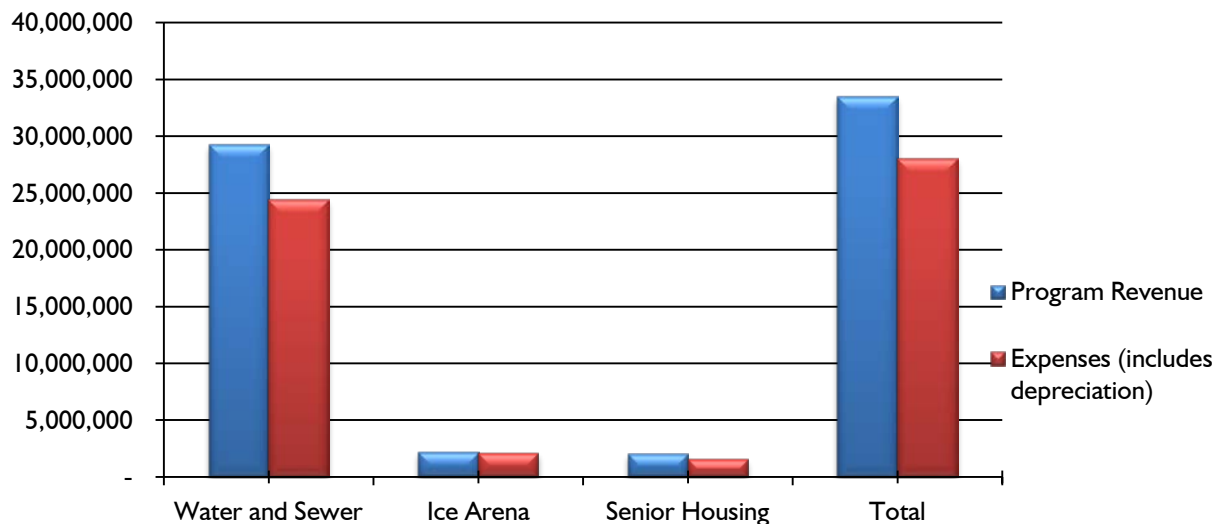


Business-type Activities - Business-type activities increased net position by \$5,443,073. The majority of the increase is a result of \$4,836,289 of contributed water and sewer assets in the current year compared to \$1,552,739 in fiscal year 2014 in the Water and Sewer Fund.

Revenue by Source - Business-type Activities



Expenses and Program Revenue - Business-type Activities



Financial Analysis of the City's Funds

Governmental Funds - The City has 25 governmental funds, categorized into four fund types. Each fund type has a unique purpose. Four funds are classified as major funds for the purpose of this report based on criteria set forth by the Governmental Accounting Standards Board. Those funds are the General Fund, the Municipal Street Fund, Street Improvement Fund, and 12 Mile SAD Debt Fund.

As of June 30, 2015, the governmental funds of the City reported a combined fund balance of \$49,253,608, an increase of \$4,523,064 in comparison with the prior year. The majority of this total amount, or \$37,939,829, is considered nonspendable, restricted, or assigned for specific purposes, which includes road construction and maintenance, storm water systems, assessments, debt service, library operations, police and fire operations, etc. Fund balance of the General Fund totaled \$12,357,650 at June 30, 2015, an increase of \$2,867,633 in comparison with the prior year. Of this amount, \$11,329,627 is unassigned, which represents 36% of fiscal year 2015 budgeted annual expenditures.

Proprietary Funds - Unrestricted net position decreased \$850,751 from the prior year or 1.4 percent.

General Fund Budgetary Highlights

The City had favorable budget results for the fiscal year ended June 30, 2015. In total, **revenues were greater than amended budget estimates for the year by \$902,376 or 2.9%**, primarily a result of the following:

- Property tax revenues were approximately \$306,000 higher than budgeted through the end of the fiscal year. Real property tax chargebacks billed by the county were significantly less than anticipated and less than prior years. The liability for potential tax tribunal refunds was also significantly reduced due to the decrease in the number of outstanding cases.
- Interest Income (including investment gain/loss) came in approximately \$78,000 above budget due to better than anticipated investment returns
- Licenses, permits, and charges for services revenues were approximately \$482,000 higher than anticipated primarily due to the construction escrow close out project and the increased activity in developer activity related to landscape inspection fees
- Other revenue was approximately \$102,000 above budget due to receiving a one-time cell tower payment.

Actual expenditures as of June 30, 2015 were **under budget by \$2,100,851 or 6.7%**. This is a result of approximately \$1,137,000 of fiscal year 2015 budgeted expenditures (of which a majority are capital outlay projections) that will be requested to be rolled over into fiscal year 2016. The remaining noncapital expenditures were under budget by approximately \$964,000 or 3.3% of actual expenditures. Every General Fund department of the City came in under budget; however, the savings cannot be attributed to any one particular line item or category of spending.

City of Novi, Michigan

Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital Assets - The City's investment in capital assets, including construction in progress, for its governmental and business-type activities as of June 30, 2015 totals \$273,636,201 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure, and construction in progress.

	Governmental Activities		Business-type Activities		Total Activities	
	2015	2014	2015	2014	2015	2014
Land	\$27,265,429	\$27,261,537	\$2,272,256	\$2,272,256	\$29,755,356	\$29,770,392
Buildings and improvements	29,849,947	29,121,486	14,072,557	14,440,563	43,922,504	43,552,585
Machinery and equipment and library books	5,126,097	5,974,501	699,661	831,535	5,825,758	6,806,036
Infrastructure	70,108,674	70,881,935	114,738,240	113,975,468	184,846,914	184,857,403
Land improvements	-	-	217,671	227,135		
Construction in progress	4,260,096	2,398,737	5,025,573	267,370	9,285,669	2,666,107
Total	\$136,610,243	\$135,638,196	\$137,025,958	\$132,014,327	\$273,636,201	\$267,652,523

Additional information on the City's capital assets can be found in Note 4 of this report.

Long-term Debt - The following table is a comparison of the summary information for the fiscal years ended June 30, 2015 and 2014:

	Governmental Activities		Business-type Activities		Total Activities	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$16,905,000	\$19,020,000	\$4,405,000	\$-	\$16,905,000	\$19,020,000
Special assessment debt with government commitment	1,360,000	2,750,000	455,000	630,000	1,815,000	3,380,000
Building authority bonds			9,745,000	15,295,000	14,150,000	15,295,000
Total	\$18,265,000	\$21,770,000	\$14,605,000	\$15,925,000	\$32,870,000	\$37,695,000

Additional information on the City's long-term debt can be found in Note 6 of this report.

City of Novi, Michigan

Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

The budget plan, as originally approved in the fiscal year 2015-2016 budget, has General Fund expenditures equal to annual revenues.

City of Novi General Fund

Description	Estimated 2014-15	Budget 2015-16
Annual revenue (including transfers from Police and Fire Fund)	<u>\$ 30,630,215</u>	<u>\$ 31,240,612</u>
Annual expenditures (excluding transfers out)	30,473,078	30,879,592
Transfers out to other funds	1,025,654	361,020
One-time capital items, service improvements, etc.	-	-
Total expenditures	<u>\$ 31,498,732</u>	<u>\$ 31,240,612</u>

Note: Source - 2015-16 Annual Budget Document. Budget 2015-16 Annual revenue does not include appropriation from fund balance.

The state-shared revenue projections for 2015-2016 are based on the State's estimate. The 2010 Census has resulted in an increase for the City as a result of the impact of an increase in population on the formula for the constitutional portion of this revenue. The Police and Fire Fund transfer covers some personnel, operating, and capital costs. The 2015-2016 transfer is \$5,300,000 which has stated consistent with fiscal years 2014 and 2015.

The 2015 approved tax millage rate has remained at 10.2 mills. Novi voters approved a charter amendment in August 2012 to increase the millage amount for specific street and highway improvement purposes from 1.0 mill (which has been reduced by the Headlee Amendment to .7719 mills) to 1.5 mills beginning with the 2015 levy.

Requests for Information

This financial report is designed to provide a general overview of the City of Novi, Michigan's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the finance department, City of Novi, 45175 W. Ten Mile Road, Novi, MI 48375. You may also visit our website at www.cityofnovi.org or contact the finance department directly at 248-347-0465.

City of Novi, Michigan

Statement of Net Position June 30, 2015

	Primary Government			Component Unit - Economic Development Corporation
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents (Note 3)	\$ 11,791,234	\$ 16,792,710	\$ 28,583,944	\$ 18,868
Investments (Note 3)	38,636,459	43,647,813	82,284,272	-
Accounts receivable:				
Taxes	-	123,313	123,313	-
Water and sewer billing	-	4,450,209	4,450,209	-
Accrued interest receivable	104,079	-	104,079	-
Other	797,482	132,660	930,142	-
Due from other governmental units	1,518,557	69,936	1,588,493	-
Special assessments receivable	1,619,646	900,369	2,520,015	-
Inventory	-	111,413	111,413	-
Prepaid expenses and other assets	16,311	2,559	18,870	-
Restricted assets	1,629,320	-	1,629,320	-
Investment in joint venture (Note 11)	462,102	-	462,102	-
Other postemployment benefits asset (Note 10)	911,997	40,221	952,218	-
Capital assets - Net (Note 4):				
Assets not subject to depreciation	31,525,525	7,297,829	38,823,354	-
Assets subject to depreciation	105,084,718	129,728,129	234,812,847	-
Other	-	-	-	35,000
Total assets	194,097,430	203,297,161	397,394,591	53,868
Deferred Outflows of Resources				
Deferred outflows related to pension (Note 8)	893,198	37,217	930,415	-
Deferred outflows related to refunding bonds	35,709	471,039	506,748	-
Total deferred outflows of resources	928,907	508,256	1,437,163	-
Liabilities				
Accounts payable	2,765,070	4,240,540	7,005,610	-
Due to other governmental units	316	-	316	-
Refundable deposits	211,322	202,619	413,941	-
Accrued and other liabilities	2,361,273	2,130,373	4,491,646	-
Unearned revenue	57,289	7,232	64,521	-
Noncurrent liabilities:				
Due within one year (Note 6):				
Compensated absences	1,895,588	60,364	1,955,952	-
Current portion of long-term debt	3,590,000	1,325,000	4,915,000	-
Due in more than one year (Note 6):				
Compensated absences	5,986	-	5,986	-
Net pension liability (Note 8)	28,068,872	1,169,536	29,238,408	-
Long-term debt	14,675,000	13,280,000	27,955,000	-
Total liabilities	53,630,716	22,415,664	76,046,380	-

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

City of Novi, Michigan

Statement of Net Position (Continued) June 30, 2015

	Primary Government			Component Unit - Economic Development Corporation
	Governmental Activities	Business-type Activities	Total	
Net Position				
Net investment in capital assets	\$ 118,345,243	\$ 122,420,958	\$ 240,766,201	\$ -
Restricted for:				
Roads	10,922,001	-	10,922,001	-
Public safety	2,334,111	-	2,334,111	-
Debt service	2,237,554	-	2,237,554	-
Infrastructure improvements	3,806,154	-	3,806,154	-
Parks, recreation, and cultural services	1,725,066	-	1,725,066	-
Library	3,349,028	-	3,349,028	-
Storm water systems	11,203,541	-	11,203,541	-
Tree replacement and maintenance	2,494,798	-	2,494,798	-
Street lighting improvements	94,218	-	94,218	-
PEG access support fees	407,457	-	407,457	-
Community	2,282	-	2,282	-
Unrestricted	<u>(15,525,832)</u>	<u>58,968,795</u>	<u>43,442,963</u>	<u>53,868</u>
Total net position	<u>\$ 141,395,621</u>	<u>\$ 181,389,753</u>	<u>\$ 322,785,374</u>	<u>\$ 53,868</u>

City of Novi, Michigan

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 6,073,981	\$ 3,524,521	\$ 13,481	\$ -
Public safety	17,649,289	1,026,876	169,718	-
Public services	11,305,231	-	3,955,201	777,202
Community and economic development	3,065,875	-	53,000	-
Recreation and culture	6,004,747	1,622,497	1,097,606	-
Interest on long-term debt	839,175	-	-	-
Total governmental activities	44,938,298	6,173,894	5,289,006	777,202
Business-type activities:				
Water and Sewer	24,413,229	21,474,451	-	6,764,583
Ice Arena	2,107,211	2,171,061	-	-
Senior Housing	1,556,956	2,004,464	-	-
Total business-type activities	28,077,396	25,649,976	-	6,764,583
Total primary government	\$ 73,015,694	\$ 31,823,870	\$ 5,289,006	\$ 7,541,785
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
Other miscellaneous income				
Gain on sale of fixed assets				
Income from joint venture				
Total general revenue				
Change in Net Position				
Net Position - Beginning of year - As restated - (Note 1)				
Net Position - End of year				

**Statement of Activities
Year Ended June 30, 2015**

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (2,535,979)	\$ -	\$ (2,535,979)	\$ -
(16,452,695)	-	(16,452,695)	-
(6,572,828)	-	(6,572,828)	-
(3,012,875)	-	(3,012,875)	-
(3,284,644)	-	(3,284,644)	-
(839,175)	-	(839,175)	-
(32,698,196)	-	(32,698,196)	-
-	3,825,805	3,825,805	-
-	63,850	63,850	-
-	447,508	447,508	-
-	4,337,163	4,337,163	-
(32,698,196)	4,337,163	(28,361,033)	-
31,673,469	-	31,673,469	-
4,696,805	-	4,696,805	-
666,771	1,104,990	1,771,761	40
1,105,163	-	1,105,163	-
1,003,304	-	1,003,304	-
-	920	920	-
462,102	-	462,102	-
39,607,614	1,105,910	40,713,524	40
6,909,418	5,443,073	12,352,491	40
134,486,203	175,946,680	310,432,883	53,828
\$ 141,395,621	\$ 181,389,753	\$ 322,785,374	\$ 53,868

City of Novi, Michigan

Governmental Funds Balance Sheet June 30, 2015

	General Fund	Municipal Street Fund	Street Improvement Fund	12 Mile Road SAD Debt Fund	Nonmajor Governmental Funds	Total
Assets						
Cash and cash equivalents (Note 3)	\$ 478,628	\$ 3,283,566	\$ 3,093,259	\$ -	\$ 4,935,781	\$ 11,791,234
Investments (Note 3)	13,197,619	3,129,213	-	-	22,309,627	38,636,459
Accounts receivable:						
Special assessments	-	49,177	-	1,570,469	-	1,619,646
Accrued interest	19,312	5,826	-	-	42,825	67,963
Other	537,319	157,109	-	-	103,054	797,482
Due from other governmental units	720,268	137,689	-	-	660,600	1,518,557
Prepays and other assets	16,111	-	-	-	200	16,311
Restricted assets	-	-	-	-	1,629,320	1,629,320
Total assets	\$ 14,969,257	\$ 6,762,580	\$ 3,093,259	\$ 1,570,469	\$ 29,681,407	\$ 56,076,972
Liabilities						
Accounts payable	\$ 1,039,282	\$ 423,380	\$ -	\$ -	\$ 1,302,408	\$ 2,765,070
Due to other governmental units	316	-	-	-	-	316
Refundable deposits	210,822	-	-	-	500	211,322
Accrued and other liabilities	1,290,293	189,254	-	-	634,059	2,113,606
Unearned revenue	45,209	-	-	-	12,080	57,289
Total liabilities	2,585,922	612,634	-	-	1,949,047	5,147,603
Deferred Inflows of Resources						
Unavailable revenue - Other	25,685	7,882	-	-	6,700	40,267
Unavailable revenue - Special assessments	-	49,177	-	1,570,469	-	1,619,646
Unavailable revenue - Grants	-	-	-	-	15,848	15,848
Total deferred inflows of resources	25,685	57,059	-	1,570,469	22,548	1,675,761
Fund Balances						
Nonspendable - Prepays	16,111	-	-	-	200	16,311
Restricted:						
Roads	-	6,092,887	3,093,259	-	1,678,796	10,864,942
Public safety	27,894	-	-	-	2,306,217	2,334,111
Community	2,282	-	-	-	-	2,282
Debt service	-	-	-	-	667,085	667,085
Infrastructure improvements	-	-	-	-	3,806,154	3,806,154
Parks, recreation, and cultural services	-	-	-	-	1,718,166	1,718,166
Library	-	-	-	-	3,349,028	3,349,028
Storm water systems	-	-	-	-	11,203,541	11,203,541
Tree replacement and maintenance	-	-	-	-	2,494,798	2,494,798
Street lighting improvements	-	-	-	-	94,218	94,218
PEG access support fees	-	-	-	-	407,457	407,457
Assigned for subsequent year's budget	981,736	-	-	-	-	981,736
Unassigned	11,329,627	-	-	-	(15,848)	11,313,779
Total fund balances	12,357,650	6,092,887	3,093,259	-	27,709,812	49,253,608
Total liabilities, deferred inflows of resources, and fund balances	\$ 14,969,257	\$ 6,762,580	\$ 3,093,259	\$ 1,570,469	\$ 29,681,407	\$ 56,076,972

City of Novi, Michigan

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

Fund Balance Reported in Governmental Funds	\$ 49,253,608
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	136,610,243
Investments in joint ventures are not financial resources and are not reported in the funds	462,102
Special assessment and other receivables are expected to be collected over several years and are not available to pay for current period expenditures (including \$36,116 of accrued interest on special assessments)	1,711,877
Other postemployment benefits assets are not financial resources and are not reported in the funds	911,997
Certain pension contributions and changes in pension plan net position are reported as deferred outflows of resources in the statement of net position, but are reported as expenditures in the governmental funds	893,198
Deferred charges on bond refundings are amortized over the related bond terms and are not reported in the funds	35,709
Estimated general liability claims are not due and payable in the current period and are not reported in the funds	(54,745)
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(18,265,000)
Net pension liability is not due and payable in the current period and is not reported in the funds	(28,068,872)
Accrued interest is not due and payable in the current period and is not reported in the funds	(192,922)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	<u>(1,901,574)</u>
Net Position of Governmental Activities	<u>\$ 141,395,621</u>

City of Novi, Michigan

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2015

	General Fund	Municipal Street Fund	Street Improvement Fund	12 Mile Road SAD Debt Fund	Nonmajor Governmental Funds	Total
Revenue						
Property taxes	\$ 15,618,990	\$ 4,754,081	\$ -	\$ -	\$ 11,300,398	\$ 31,673,469
Licenses and permits	4,378,874	-	-	-	-	4,378,874
Federal grants	61,392	10,814	-	-	146,864	219,070
State-shared revenue and grants	4,370,591	137,689	-	-	3,924,110	8,432,390
Charges for services	532,774	-	-	-	-	532,774
Fines and forfeitures	513,709	-	-	-	148,215	661,924
Interest and investment income	338,620	48,599	-	26	425,976	813,221
Rental income	-	-	-	-	102,200	102,200
Other revenue:						
Special assessments	-	19,339	-	1,840,836	18,300	1,878,475
Local donations	-	269,399	-	-	63,400	332,799
Cable franchise fees	-	-	-	-	248,108	248,108
Michigan Broadband Authority	-	-	-	-	1,306,015	1,306,015
Miscellaneous income	779,901	116,490	-	-	1,247,884	2,144,275
Total revenue	<u>26,594,851</u>	<u>5,356,411</u>	<u>-</u>	<u>1,840,862</u>	<u>18,931,470</u>	<u>52,723,594</u>
Expenditures						
Current:						
General government	6,193,235	-	-	-	-	6,193,235
Public safety	16,520,740	-	-	-	31,287	16,552,027
Public services	2,389,073	406,798	5,232,982	-	4,113,189	12,142,042
Community and economic development	2,872,633	-	-	-	182,153	3,054,786
Recreation and culture	37,247	-	-	-	5,155,178	5,192,425
Capital outlay	-	-	-	-	727,121	727,121
Debt service:						
Principal	-	-	-	1,390,000	2,115,000	3,505,000
Interest on long-term debt	-	-	-	61,850	772,044	833,894
Total expenditures	<u>28,012,928</u>	<u>406,798</u>	<u>5,232,982</u>	<u>1,451,850</u>	<u>13,095,972</u>	<u>48,200,530</u>
Excess of Revenue (Under) Over Expenditures	(1,418,077)	4,949,613	(5,232,982)	389,012	5,835,498	4,523,064
Other Financing Sources (Uses)						
Transfers in	5,311,364	389,012	3,578,349	-	4,337,122	13,615,847
Transfers out	(1,025,654)	(3,174,847)	-	(389,012)	(9,026,334)	(13,615,847)
Net Change in Fund Balances	2,867,633	2,163,778	(1,654,633)	-	1,146,286	4,523,064
Fund Balances - Beginning of year	9,490,017	3,929,109	4,747,892	-	26,563,526	44,730,544
Fund Balances - End of year	<u>\$ 12,357,650</u>	<u>\$ 6,092,887</u>	<u>\$ 3,093,259</u>	<u>\$ -</u>	<u>\$ 27,709,812</u>	<u>\$ 49,253,608</u>

City of Novi, Michigan

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

Net Change in Fund Balances - Total Governmental Funds \$ 4,523,064

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

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Capital outlay	9,122,771
Depreciation expense	(8,835,483)
Loss on sale of assets	(8,126)

Revenues are recorded in the statement of activities when earned; they are not reported in the funds until collected or collectible within 60 days of year end	(2,054,288)
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Capital contributions are recorded in the statement of activities when received; they are not recorded in the governmental funds	739,562
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Income from joint ventures in not reported in the funds	462,102
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Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	3,505,000
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Change in accrued interest payable and other	(5,281)
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Decreases in accumulated employee sick and vacation pay reported in the statement of activities do not require the use of current resources, and therefore are not reported in the fund statements until they come due for payment	43,236
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Changes in liabilities for general claims are recorded when incurred in the statement of activities	111,164
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Increase in net retiree healthcare and pension liabilities reported in the statement of activities does not require the use of current resources, and therefore, is not reported in the fund statements until it comes due for payment	(694,303)
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Change in Net Position of Governmental Activities \$ 6,909,418

City of Novi, Michigan

Proprietary Funds Statement of Net Position June 30, 2015

	Water and Sewer Fund	Ice Arena Fund	Senior Housing Fund	Total
Assets				
Current assets:				
Cash and cash equivalents (Note 3)	\$ 16,060,665	\$ 583,012	\$ 149,033	\$ 16,792,710
Investments (Note 3)	40,510,911	1,327,352	1,809,550	43,647,813
Accounts Receivable:				
Taxes	123,313	-	-	123,313
Special assessments	900,369	-	-	900,369
Water and sewer billing	4,450,209	-	-	4,450,209
Other	103,706	26,735	2,219	132,660
Due from other governmental units	69,936	-	-	69,936
Inventory	104,882	6,531	-	111,413
Prepaid expenses and other assets	-	2,559	-	2,559
Total current assets	<u>62,323,991</u>	<u>1,946,189</u>	<u>1,960,802</u>	<u>66,230,982</u>
Noncurrent assets:				
Other postemployment benefits asset (Note 10)	40,221	-	-	40,221
Capital assets - Net (Note 4)	<u>120,476,851</u>	<u>6,049,739</u>	<u>10,499,368</u>	<u>137,025,958</u>
Total noncurrent assets	<u>120,517,072</u>	<u>6,049,739</u>	<u>10,499,368</u>	<u>137,066,179</u>
Total assets	<u>182,841,063</u>	<u>7,995,928</u>	<u>12,460,170</u>	<u>203,297,161</u>
Deferred Outflows of Resources				
Deferred outflows related to pension (Note 8)	37,217	-	-	37,217
Deferred outflows related to refunding bonds	-	-	471,039	471,039
Total deferred outflows	<u>37,217</u>	<u>-</u>	<u>471,039</u>	<u>508,256</u>
Liabilities				
Current liabilities:				
Accounts payable	4,164,027	51,446	25,067	4,240,540
Refundable deposits	-	45,959	156,660	202,619
Accrued and other liabilities	1,995,459	18,858	116,056	2,130,373
Unearned revenue	-	-	7,232	7,232
Compensated absences (Note 6)	60,364	-	-	60,364
Current portion of long-term debt (Note 6)	<u>155,000</u>	<u>450,000</u>	<u>720,000</u>	<u>1,325,000</u>
Total current liabilities	<u>6,374,850</u>	<u>566,263</u>	<u>1,025,015</u>	<u>7,966,128</u>
Noncurrent liabilities:				
Net pension liability (Note 8)	1,169,536	-	-	1,169,536
Long-term debt (Note 6)	<u>300,000</u>	<u>3,955,000</u>	<u>9,025,000</u>	<u>13,280,000</u>
Total noncurrent liabilities	<u>1,469,536</u>	<u>3,955,000</u>	<u>9,025,000</u>	<u>14,449,536</u>
Total liabilities	<u>7,844,386</u>	<u>4,521,263</u>	<u>10,050,015</u>	<u>22,415,664</u>
Net Position				
Net investment in capital assets	120,021,851	1,644,739	754,368	122,420,958
Unrestricted	<u>55,012,043</u>	<u>1,829,926</u>	<u>2,126,826</u>	<u>58,968,795</u>
Total net position	<u>\$ 175,033,894</u>	<u>\$ 3,474,665</u>	<u>\$ 2,881,194</u>	<u>\$ 181,389,753</u>

City of Novi, Michigan

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

	Water and Sewer Fund	Ice Arena Fund	Senior Housing Fund	Total
Operating Revenue				
Sale of water	\$ 11,061,796	\$ -	\$ -	\$ 11,061,796
Sewage disposal charges	9,891,697	-	-	9,891,697
Concession sales	-	136,485	-	136,485
Interest and penalty charges	158,198	-	-	158,198
Installation fees	342,809	-	-	342,809
Rentals and charges for services	-	1,939,917	2,003,640	3,943,557
Inspection fees	14,840	-	-	14,840
Miscellaneous revenue	5,111	94,659	824	100,594
Total operating revenue	21,474,451	2,171,061	2,004,464	25,649,976
Operating Expenses				
Cost of water	8,927,403	-	-	8,927,403
Cost of sewage treatment	8,513,390	-	-	8,513,390
Other operation and maintenance	1,449,559	685,020	337,065	2,471,644
Salaries and fringe benefits	1,253,884	-	-	1,253,884
Contractual services	-	659,590	358,959	1,018,549
Miscellaneous expenses	443,345	-	-	443,345
Depreciation	3,806,123	281,746	373,255	4,461,124
Total operating expenses	24,393,704	1,626,356	1,069,279	27,089,339
Operating (Loss) Income	(2,919,253)	544,705	935,185	(1,439,363)
Nonoperating Revenue (Expenses)				
Investment income	1,039,325	42,860	22,805	1,104,990
Interest expense	(19,525)	(422,925)	(487,677)	(930,127)
Debt service charge	-	(39,881)	-	(39,881)
(Loss) gain on sale of assets	-	(18,049)	920	(17,129)
Total nonoperating revenue (expenses)	1,019,800	(437,995)	(463,952)	117,853
(Loss) Income - Before contributions	(1,899,453)	106,710	471,233	(1,321,510)
Capital Contributions				
Lines donated by developers and others	4,836,289	-	-	4,836,289
Customer assessments - Tap fees	1,928,294	-	-	1,928,294
Total capital contributions	6,764,583	-	-	6,764,583
Change in Net Position	4,865,130	106,710	471,233	5,443,073
Net Position - Beginning of year - As restated (Note 1)	170,168,764	3,367,955	2,409,961	175,946,680
Net Position - End of year	<u>\$ 175,033,894</u>	<u>\$ 3,474,665</u>	<u>\$ 2,881,194</u>	<u>\$ 181,389,753</u>

City of Novi, Michigan

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

	Water and Sewer Fund	Ice Arena Fund	Senior Housing Fund	Total
Cash Flow from Operating Activities				
Receipts from customers	\$ 21,203,440	\$ 2,175,035	\$ 2,012,866	\$ 25,391,341
Payments to suppliers	(20,447,431)	(1,332,763)	(691,772)	(22,471,966)
Payments to employees	(1,220,016)	-	-	(1,220,016)
Other payments	(40,848)	-	-	(40,848)
Other receipts	9,053	-	-	9,053
Net cash (used in) provided by operating activities	(495,802)	842,272	1,321,094	1,667,564
Cash Flows from Capital and Related Financing Activities - Issuance of bonds	-	4,905,000	-	4,905,000
Customer assessments - Tap fees	1,928,294	-	-	1,928,294
Special assessment collections	285,395	-	-	285,395
Proceeds from sales of capital assets	-	-	920	920
Purchase of capital assets	(4,340,350)	(276,863)	(37,302)	(4,654,515)
Principal and interest paid on capital debt	(196,056)	(5,510,965)	(1,127,472)	(6,834,493)
Debt service charges	-	(39,881)	-	(39,881)
Net cash used in capital and related financing activities	(2,322,717)	(922,709)	(1,163,854)	(4,409,280)
Cash Flows from Investment Activities				
Interest received on investments	989,839	42,872	22,641	1,055,352
Net purchase of investment securities	-	-	(793,262)	(793,262)
Net proceeds from sale and maturities of investment securities	745,702	(27,352)	-	718,350
Net cash provided by (used in) investing activities	1,735,541	15,520	(770,621)	980,440
Net Decrease in Cash and Cash Equivalents	(1,082,978)	(64,917)	(613,381)	(1,761,276)
Cash and Cash Equivalents - Beginning of year	17,143,643	647,929	762,414	18,553,986
Cash and Cash Equivalents - End of year	<u>\$ 16,060,665</u>	<u>\$ 583,012</u>	<u>\$ 149,033</u>	<u>\$ 16,792,710</u>
Balance Sheet Classification of Cash and Cash Equivalents				
Cash and investments	\$ 56,571,576	\$ 1,910,364	\$ 1,958,583	\$ 60,440,523
Less amounts classified as investments	(40,510,911)	(1,327,352)	(1,809,550)	(43,647,813)
Total cash and cash equivalents	<u>\$ 16,060,665</u>	<u>\$ 583,012</u>	<u>\$ 149,033</u>	<u>\$ 16,792,710</u>

City of Novi, Michigan

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

	Water and Sewer Fund	Ice Arena Fund	Senior Housing Fund	Total
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities				
Operating (loss) income	\$ (2,919,253)	\$ 544,705	\$ 935,185	\$ (1,439,363)
Adjustments to reconcile operating (loss) income to net cash from operating activities:				
Depreciation and amortization	3,806,123	281,746	373,255	4,461,124
Changes in assets and liabilities:				
Receivables	(261,958)	2,376	-	(259,582)
Inventories	(14,746)	787	-	(13,959)
Prepaid and other assets	-	(2,559)	-	(2,559)
Accounts payable	(38,964)	11,394	4,278	(23,292)
Accrued and other liabilities	(1,067,004)	3,823	8,376	(1,054,805)
Net cash (used in) provided by operating activities	<u>\$ (495,802)</u>	<u>\$ 842,272</u>	<u>\$ 1,321,094</u>	<u>\$ 1,667,564</u>

Noncash Investing, Capital, and Financing Activities - During the year ended June 30, 2015, developers and others constructed water and sewer lines with an estimated value of \$4,836,289 and donated them to the City's Water and Sewer Fund.

City of Novi, Michigan

Fiduciary Funds Statement of Fiduciary Net Position June 30, 2015

	Postemployment Benefits - Retiree Health Care Benefits Trust Fund	Agency Funds
	Fund	Agency Funds
Assets		
Cash and cash equivalents (Note 3)	\$ 64,568	\$ 390,590
Investments (Note 3)	24,374,995	9,930,186
Accrued interest receivable	-	15,492
Total assets	24,439,563	10,336,268
Liabilities		
Accounts payable	-	663,891
Due to other governmental units	-	193,288
Due to builders and developers	-	9,479,089
Total liabilities	-	10,336,268
Net Position Held in Trust for Pension and Other Employee Benefits	\$ 24,439,563	\$ -

City of Novi, Michigan

Fiduciary Funds **Statement of Changes in Fiduciary Net Position - Postemployment** **Benefits - Retiree Health Care Benefits Trust Fund** **Year Ended June 30, 2015**

	Postemployment Benefits - Retiree Health Care Benefits Trust Fund
Additions	
Net investment gain	\$ 690,889
Contributions - Employer	975,196
Retiree drug subsidy	2,529
Total additions	1,668,614
Deductions	
Healthcare insurance premiums	704,208
Administrative expenses	8,576
Total deductions	712,784
Net Increase in Net Position Held in Trust	955,830
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	23,483,733
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	<u><u>\$ 24,439,563</u></u>

Note I - Summary of Significant Accounting Policies

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

Reporting Entity

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

Blended Component Units - The City of Novi Building Authority is governed by a commission that is appointed by the City Council. Although it is legally separate from the City, it is reported as if it were part of the primary government because its primary purpose is to finance the City's ice arena and senior housing projects.

Discretely Presented Component Unit - The Economic Development Corporation of the City of Novi (the "Corporation") was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the City so as to provide needed services and facilities of such enterprises to the residents of the City. The Corporation's governing body is selected by the City Council. The City also has the ability to impose its will on the Corporation. The Corporation is reported within the component unit column in the government wide financial statements. It is reported in a separate column to emphasize that it is legally separate from the City. The Corporation does not issue a separate financial report.

Jointly Governed Organization - Jointly governed organizations are discussed in Note II.

Accounting and Reporting Principles

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

Note I - Summary of Significant Accounting Policies (Continued)

Report Presentation

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

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

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

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

Fund Accounting

The City accounts for its various activities in several different funds, in order to demonstrate accountability for how we have spent certain resources - separate funds allow us to show the particular expenditures for which specific revenues were used.

Note I - Summary of Significant Accounting Policies (Continued)

The various funds are aggregated into three broad fund types:

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

- **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.
- **Municipal Street Fund** - The Municipal Street Fund is used to enhance the Major and Local Street Funds, and to provide matching funds for County roads. This fund accounts for a City Charter authorized property tax millage.
- **Street Improvement Fund** - The Street Improvement Fund accounts for the balances of ongoing construction projects in the Major, Local, and Municipal Street Funds. Its funding comes from transfers from the Major, Local, and Municipal Street Funds.
- **12 Mile Road SAD Debt Fund** - The 12 Mile Road SAD Debt Fund is a debt service fund used to maintain and enhance 12 Mile Road. It received its revenue from a special assessment.

Proprietary funds include enterprise funds, which provide goods or services to users in exchange for charges or fees. The City reports the following funds as “major” enterprise funds:

- **Water and Sewer Fund** - The Water and Sewer Fund accounts for the activities of the water distribution system and sewage collection system.
- **Ice Arena Fund** - The Ice Arena Fund accounts for the City’s two-sheet arena.
- **Senior Housing Fund** - The Senior Housing Fund accounts for the 175-unit senior housing project, financed using the Building Authority approach.

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our governments programs. Activities that are reported as fiduciary include:

- **Retiree Health Care Benefits Trust Fund** - The Retiree Health Care Benefits Fund accounts for medical benefits provided to retirees.

Note I - Summary of Significant Accounting Policies (Continued)

- **Agency Funds** - The Agency Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or funds. They primarily holds deposits from builders and developers and tax remittances due to schools and other governmental units.

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

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

Basis of Accounting

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

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

Note I - Summary of Significant Accounting Policies (Continued)

Revenues are not recognized until they are collected, or collected soon enough after the end of the year that they are available to pay for obligations outstanding at the end of the year. For this purpose, the City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, district court fines, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow of resources.

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

Specific Balances and Transactions

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments - Investments are reported at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market value are reported at estimated fair value as determined by management.

Restricted Assets - The City has classified as restricted assets amounts resulting from contributions and donations due to the restricted nature of these funds once they are received.

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

Note I - Summary of Significant Accounting Policies (Continued)

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

Capital Asset Class	Lives
Roads, bridges, and sidewalks	25-30 years
Drains	25 years
Water and sewer distribution systems	50 years
Buildings and building improvements	35-40 years
Machinery and equipment	4-10 years
Library books	10 years

Long-term Obligations - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method; bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as an "other financing source," as well as bond premiums and discounts. The general fund and debt service funds are generally used to liquidate governmental long-term debt and the proprietary funds (Water and Sewer, Ice Arena, and Senior Housing) are used to liquidate proprietary fund long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. They are the deferred charges on refunding and the deferred outflows of resources related to the defined benefit pension plan. A deferred charge on refunding is reported in the government-wide statement of net position and the Senior Housing Fund and results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to the defined benefit pension plan are reported in the government-wide financial statements and the Water and Sewer Fund. The deferred outflows of resources result from two transactions: contributions to the defined benefit pension plan subsequent to the plan's year end through the City's fiscal year end and the variance between the plan's actual investment earnings compared to the plan's assumed investment earnings.

Note I - Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category. The deferred inflows of resources related to unavailable revenue is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: special assessments, grants, and certain accounts receivable. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

Net Position Flow Assumption

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

Fund Balance Flow Assumption

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

Fund Balance Policies

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

Note I - Summary of Significant Accounting Policies (Continued)

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council has not adopted a policy transferring the authority to assign fund balance, and therefore, that responsibility remains with the City Council. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The City Council adopted a Fund Balance Reserve Policy in January 2011. As part of the policy, the City Council has agreed to maintain the City's General Fund fund balance to pay for expenditures as a result of unforeseen emergencies or for shortfalls caused by revenue declines. For the General Fund, the reserve will be maintained at an amount that represents approximately 18-22% of the proposed budgeted expenditures for the following year. The City's minimum reserve as a percentage of budgeted expenditures is 10-20% individually and collectively amongst the three road funds, 12-22% for Parks and Recreational Services, and varying reserves for the remaining special revenue funds dependent on the funds yearly activity and capital needs. The City of Novi reserve policies are based on sound fiscal principles designed to maintain adequate fund balance levels which are an important component of the City's financial strength. The City will seek to maintain a diversified and stable revenue system to shelter itself from short-run fluctuations in any one revenue source and will establish all user charges and fees at a level consistent with the cost of providing such services.

Property Tax Revenue

Property taxes are levied on each July 1 on the taxable valuation of property as of the preceding December 31. The property taxes become a lien on July 1 and are due on August 31 with the final collection date of February 28. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The City's 2014 tax is levied and collectible on July 1, 2014 and is recognized as revenue in the year ended June 30, 2015, when the proceeds of the levy are budgeted and available for the financing of operations.

City of Novi, Michigan

Notes to Financial Statements June 30, 2015

Note I - Summary of Significant Accounting Policies (Continued)

The 2014 taxable valuation of the City totaled approximately \$3.01 billion. Taxes were levied as follows:

Purpose	Millage Rate	Revenue
General operating	5.0182	\$ 15,498,000
Police and fire supplemental millage	1.4282	4,397,000
Parks and recreation operations	0.3857	1,187,000
Library operations	0.7719	2,377,000
Street maintenance operations	1.5000	4,761,000
Debt levies for streets, library, and refunding debt	1.0960	3,346,000
Total	10.2000	\$ 31,566,000

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

Other Postemployment Benefit Costs - The City also offers retiree healthcare benefits to retirees. The City receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the City reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amount, if any.

Note I - Summary of Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick Leave) - It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. All other accrued compensated absences are reported in the government-wide financial statements; generally the funds that report each employee's compensation (the General Fund and Water and Sewer Fund, primarily) are used to liquidate obligation. The City has discontinued the accrual of sick leave days for administrative employees and Michigan Association of Public Employees (MAPE).

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

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

New Accounting Standard - In the current year, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*. The objective of this statement is to improve accounting and financial reporting by state and local government for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

As a result of the required implementation of this statement, the beginning net position of governmental activities was restated to \$134,486,203 (reduction of \$26,360,317) and the beginning net position of business-type activities and Water and Sewer Fund were restated to \$175,946,680 and \$170,168,764, respectively (reduction of \$1,098,347 for both the business-type activities and Water and Sewer Fund).

Note 2 - Stewardship, Compliance, and Accountability

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

Shortfall at July 1, 2014		\$ (1,782,810)
Current year permit revenue		2,040,353
Related expenses:		
Direct costs	\$ 1,596,031	
Estimated indirect costs	<u>211,460</u>	<u>1,807,491</u>
Current year surplus		<u>232,862</u>
Cumulative shortfall at June 30, 2015		<u>\$ (1,549,948)</u>

The Community Development Block Grant Fund has an unassigned deficit of \$15,848. This is not a true deficit according to the Numbered Letter 2014-1 from the State of Michigan because the deferred inflows of resources balance is greater than or equal to the unrestricted fund balance. Unrestricted fund balance is the sum of the committed, assigned, and unassigned fund balances.

Note 3 - Deposits and Investments

Michigan Compiled Laws section 129.91 (Public Act 20 of 1943, as amended), authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the State of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

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

Note 3 - Deposits and Investments (Continued)

The City has designated 30 banks/advisors for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, and all other instruments allowed by the State as listed above. The City's deposits and investment policies are in accordance with statutory authority.

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

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had \$28,760,422 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

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

At year end, the City had the following investments:

Investment	Fair Value	Weighted Average Maturity (Years)
Primary Government		
U.S. government agency securities	\$ 76,485,929	5.2
Municipal bonds	6,143,906	3.2
Bank investment pool - Oakland County	<u>10,826,697</u>	1.3
Total	<u>\$ 93,456,532</u>	
Retiree Health Care Benefits Trust Fund		
U.S. Treasury securities	\$ 1,892,382	4.3
U.S. government agency securities	<u>2,141,845</u>	11.8
Total	<u>\$ 4,034,227</u>	

Note 3 - Deposits and Investments (Continued)

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

Investment	Fair Value	Rating	Rating Organization
Primary Government			
U.S. government agency securities	\$ 76,485,929	AA+	S&P
Municipal bonds	6,143,906	AA-	S&P
Bank investment pool - Oakland County	<u>10,826,697</u>		Not Rated
Total	<u>\$ 93,456,532</u>		
Retiree Health Care Benefits Trust Fund			
U.S. government agency securities	\$ 2,141,845	AA+	S&P
Corporate bonds	103,354	AA+	S&P
Corporate bonds	29,789	A+	S&P
Corporate bonds	60,333	A	S&P
Corporate bonds	208,414	A-	S&P
Corporate bonds	<u>146,973</u>	BBB+	S&P
Total	<u>\$ 2,690,708</u>		

Concentration of Credit Risk - The City places no limit on the amount it may invest in any one issuer. As of year end, the City had multiple investments, which consisted mostly of U.S. government agency securities, that exceeded 5 percent of the total portfolio. The City had 19.87 percent invested in Federal Home Loan Banks, 15.86 percent invested in Federal Farm Credit Bank, 5.37 percent invested in Federal National Mortgage Association, and 6.52 percent invested in the Oakland County investment pool.

Note 4 - Capital Assets

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

Governmental Activities	Balance July 1, 2014	Reclassifications	Additions	Disposals	Balance June 30, 2015
Capital assets not being depreciated:					
Land	\$ 27,261,537	\$ -	\$ 3,892	\$ -	\$ 27,265,429
Construction in progress	2,398,737	(2,037,451)	3,898,810	-	4,260,096
Subtotal	29,660,274	(2,037,451)	3,902,702	-	31,525,525
Capital assets being depreciated:					
Roads	121,915,828	666,828	3,887,768	(632,226)	125,838,198
Non-motorized pathway improvements	6,720,638	263,662	405,928	(44,000)	7,346,228
Bridges	2,145,421	98,761	11,949	-	2,256,131
Drains	17,377,685	-	-	-	17,377,685
Buildings and improvements	44,668,636	1,008,200	897,658	-	46,574,494
Machinery and equipment	13,510,845	-	422,238	(282,049)	13,651,034
Library books	3,728,731	-	334,090	(208,140)	3,854,681
Subtotal	210,067,784	2,037,451	5,959,631	(1,166,415)	216,898,451
Accumulated depreciation:					
Roads	64,214,830	-	5,020,805	(632,226)	68,603,409
Non-motorized pathway improvements	2,642,639	-	299,133	(44,000)	2,897,772
Bridges	976,692	-	88,280	-	1,064,972
Drains	9,443,476	-	699,939	-	10,143,415
Buildings and improvements	15,547,150	-	1,177,397	-	16,724,547
Machinery and equipment	9,479,775	-	1,371,399	(227,246)	10,623,928
Library books	1,785,300	-	178,530	(208,140)	1,755,690
Subtotal	104,089,862	-	8,835,483	(1,111,612)	111,813,733
Net capital assets being depreciated	105,977,922	2,037,451	(2,875,852)	(54,803)	105,084,718
Net capital assets	\$ 135,638,196	\$ -	\$ 1,026,850	\$ (54,803)	\$ 136,610,243

Note 4 - Capital Assets (Continued)

Business-type Activities	Balance July 1, 2014	Reclassifications	Additions	Disposals	Balance June 30, 2015
Capital assets not being depreciated:					
Land	\$ 2,272,256	\$ -	\$ -	\$ -	\$ 2,272,256
Construction in progress	267,370	-	4,758,203	-	5,025,573
Subtotal	2,539,626	-	4,758,203	-	7,297,829
Capital assets being depreciated:					
Water and sewer distribution systems	178,451,235	-	4,410,475	-	182,861,710
Buildings and improvements	23,459,248	-	261,994	(61,896)	23,659,346
Machinery and equipment	2,302,800	-	63,454	(286,328)	2,079,926
Land improvements	236,599	-	-	-	236,599
Subtotal	204,449,882	-	4,735,923	(348,224)	208,837,581
Accumulated depreciation:					
Water and sewer lines	64,475,767	-	3,647,703	-	68,123,470
Buildings and improvements	9,018,685	-	611,950	(43,846)	9,586,789
Machinery and equipment	1,471,265	-	192,007	(283,007)	1,380,265
Land improvements	9,464	-	9,464	-	18,928
Subtotal	74,975,181	-	4,461,124	(326,853)	79,109,452
Net capital assets being depreciated	129,474,701	-	274,799	(21,371)	129,728,129
Net capital assets	\$ 132,014,327	\$ -	\$ 5,033,002	\$ (21,371)	\$ 137,025,958

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

Governmental Activities:

General government	\$ 251,615
Public safety	922,757
Public works	6,475,312
Economic development	46,689
Recreation and culture	1,139,110
Total governmental activities	<u>\$ 8,835,483</u>

Business-type Activities:

Water and sewer	\$ 3,806,123
Ice arena	281,746
Senior housing	373,255
Total business-type activities	<u>\$ 4,461,124</u>

City of Novi, Michigan

Notes to Financial Statements June 30, 2015

Note 4 - Capital Assets (Continued)

Construction Commitments - The City has active construction projects at year end. At year end, the City's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Street construction	\$ 2,584,920	\$ 1,857,910
Sidewalks and pathways	285,345	503,164
Retention basins	27,540	37,360
Traffic signal	15,140	4,500
Water and sewer	<u>3,637,895</u>	<u>905,170</u>
Total	<u>\$ 6,550,840</u>	<u>\$ 3,308,104</u>

Note 5 - Interfund Receivables, Payables, and Transfers

At June 30, 2015, the City had no outstanding interfund balances.

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

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 5,311,364
Municipal Street Fund	12 Mile Road SAD Debt Fund	389,012
Street Improvement Fund	Municipal Street Fund	89,147
	Nonmajor governmental funds	<u>3,489,202</u>
	Total Street Improvement Fund	3,578,349
Nonmajor governmental funds	General Fund	1,025,654
	Municipal Street Fund	3,085,700
	Other nonmajor governmental funds	<u>225,768</u>
	Total nonmajor governmental funds	<u>4,337,122</u>
	Total	<u>\$ 13,615,847</u>

Note 6 - Long-term Debt

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a reassessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
General obligation bonds:							
2002 Street and Refunding Bonds:							
Amount of issue: \$24,720,000		\$655,000 -					
Maturing through 2017	5.25%	\$730,000	\$ 2,705,000	\$ -	\$ 625,000	\$ 2,080,000	\$ 655,000
2008 Unlimited Tax Library Bonds:							
Amount of issue: \$16,000,000	3.75% -	\$500,000 -					
Maturing through 2027	5.00%	\$1,750,000	14,250,000	-	500,000	13,750,000	500,000
2010 Unlimited Tax Refunding Bonds:							
Amount of issue: \$4,895,000	2.25%						
Maturing through 2015		\$1,075,000	2,065,000	-	990,000	1,075,000	1,075,000
Special Assessment Bonds:							
2012 Special Assessment Limited Tax Bonds:							
Amounts of issue: \$4,165,000							
Maturing through 2016	3.00%	\$1,360,000	2,750,000	-	1,390,000	1,360,000	1,360,000
Total bonds payable			21,770,000	-	3,505,000	18,265,000	3,590,000
Accumulated compensated absences			1,944,810	942,267	985,503	1,901,574	1,895,588
Total governmental activities			\$ 23,714,810	\$ 942,267	\$ 4,490,503	\$20,166,574	\$ 5,485,588

Note 6 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities							
Special Assessment Bonds:							
2003 Special Assessment							
Limited Tax Bonds:							
Amount of issue: \$2,330,000	3.50% -	\$150,000 -					
Maturing through 2017	4.00%	\$175,000	\$ 630,000	\$ -	\$ 175,000	\$ 455,000	\$ 155,000
Building Authority Bonds:							
2005 Senior Housing Facility							
Bonds:							
Amount of issue: \$9,920,000	4.00% -	\$240,000 -					
Maturing through 2025	5.00%	\$1,100,000	9,345,000	-	80,000	9,265,000	240,000
2010 Senior Housing Refunding							
Bonds:							
Amount of issue: \$2,970,000							
Maturing through 2015	2.75%	\$480,000	1,105,000	-	625,000	480,000	480,000
2004 Ice Arena Refunding Bonds:							
Amount of issue: \$7,630,000	4.00% -	\$425,000 -					
Maturing through 2024	4.65%	\$560,000	4,845,000	-	4,845,000	-	-
2014 Ice Arena Refunding Bonds:							
Amount of issue: \$4,905,000							
Maturing through 2024	2.40%	\$520,000	-	4,905,000	500,000	4,405,000	450,000
Total bonds payable			15,925,000	4,905,000	6,225,000	14,605,000	1,325,000
Accumulated compensated absences			60,074	60,364	60,074	60,364	60,364
Total business-type activities			<u>\$ 15,985,074</u>	<u>\$ 4,965,364</u>	<u>\$ 6,285,074</u>	<u>\$14,665,364</u>	<u>\$ 1,385,364</u>

Total interest expense for the year was \$1,769,302. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Year Ending June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 3,590,000	\$ 712,625	\$ 4,302,625	\$ 1,325,000	\$ 519,764	\$ 1,844,764
2017	1,445,000	620,319	2,065,319	1,415,000	472,336	1,887,336
2018	1,480,000	552,913	2,032,913	1,440,000	419,145	1,859,145
2019	750,000	503,750	1,253,750	1,335,000	369,456	1,704,456
2020	750,000	473,750	1,223,750	1,350,000	321,678	1,671,678
2021-2025	5,500,000	1,681,250	7,181,250	6,640,000	875,593	7,515,593
2026-2030	4,750,000	328,125	5,078,125	1,100,000	23,650	1,123,650
Total	<u>\$ 18,265,000</u>	<u>\$ 4,872,732</u>	<u>\$ 23,137,732</u>	<u>\$ 14,605,000</u>	<u>\$ 3,001,622</u>	<u>\$ 17,606,622</u>

Note 6 - Long-term Debt (Continued)

Advance and Current Refundings - During the year, the City issued \$4,905,000 in general obligation refunding bonds with an average interest rate of 2.4 percent. The proceeds of these bonds were used to advance refund \$4,845,000 of outstanding general obligation refunding bonds with an average interest rate of 4.65 percent. The net proceeds of \$4,932,335 (after payment of \$42,533 in underwriting fees, insurance, and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered to be defeased and the liability for the bonds has been removed from the City's financial statements. The advance refunding reduced total debt service payments over the next 10 years by approximately \$499,800, which represents an economic gain of approximately \$432,300.

Note 7 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for employee medical benefit claims, property and casualty claims and for vehicle and contractor equipment damage. The City participates in the Michigan Municipal League (MML) risk pool for claims relating to workers' compensation. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past four fiscal years.

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

The City estimates the liability for general liability claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. This includes estimated deductible payments related to the Municipal Insurance Alliance for claims subsequent to July 1, 2003.

	General Liability	
	2015	2014
Estimated liability - Beginning of year	\$ 165,909	\$ 371,694
Estimated claims incurred, including changes in estimates	17,805	420,178
Claim payments	(128,969)	(625,963)
Estimated liability - End of year	<u>\$ 54,745</u>	<u>\$ 165,909</u>

Note 8 - Agent Defined Benefit Pension Plan Description

Plan Description - The City participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS or MERS of Michigan), that covers all eligible full-time employees of the City. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine member Retirement Board. MERS issues a publicly available financial report which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmichigan.com or in writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

Benefits Provided - The Plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

The MERS plan covers all eligible full-time employees of the City.

General Nonunion (Administrative Staff) - Retirement benefits for employees are calculated as 2.5 percent of the employee's final three year average salary times the employee's years of service with a retirement maximum benefit of 80 percent of final average compensation. Normal retirement age is 60 with early retirement at 55 with 25 years of service (unreduced), 55 with 15 years of service (reduced), or 50 with 25 years of service (reduced). Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction with duty disability no less than 25 percent of member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for non-duty death benefits after meeting the vesting requirements for a regular pension. Vesting requirements are waived for duty connected death benefits, and the minimum benefit is 25 percent of the decreased members' final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Member's contribute 4.48 percent of their salary to fund benefits.

The defined benefit plan was closed to new hired members of this group effective May 1, 2006.

Note 8 - Agent Defined Benefit Pension Plan Description (Continued)

POLC - Retirement benefits for employees are calculated as 2.8 percent of the employee's final three-year average salary times the employee's years of service with a retirement maximum benefit of 80 percent of final average compensation. Normal retirement age is 60 with early retirement at 55 with 25 years of service (unreduced) or 55 with 15 years of service (reduced). Vest period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction with duty disability no less than 20 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for non-duty death benefits after meeting the vesting requirements for a regular pension. Vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25 percent of the decreased members' final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Members contribute 9.24 percent of their salary to fund benefits.

The defined benefit plan was closed to new hired members of this group effective May 1, 2006.

Fire Local 3232 - Retirement benefits for employees are calculated as 2.5 percent of the employee's final three-year average salary times the employee's years of service with a retirement maximum benefit of 80 percent of final average compensation. Normal retirement age is 60 with early retirement at 50 with 25 years of service (unreduced) or 55 with 15 years of service (reduced). Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction with duty disability no less than 25 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for non-duty death benefits after meeting the vesting requirements for a regular pension. Vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25% of the decreased members' final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Members contribute 8.83 percent of their salary to fund benefits.

The defined benefit plan was closed to new hired members of this group effective June 1, 2009.

Note 8 - Agent Defined Benefit Pension Plan Description (Continued)

General Union (Police Clerks) - Retirement benefits for employees are calculated as 2.5 percent of the employee's final three-year average salary times the employee's years of service with a retirement maximum benefit of 80 percent of final average compensation. Normal retirement age is 60 with early retirement at 50 with 25 years of service (reduced) or 55 with 15 years of service (reduced). Vesting period is 10 years. Employees are eligible for non duty disability benefits after 10 years of service and for duty related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction with duty disability no less than 25 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for non-duty death benefits after meeting the vesting requirements for a regular pension. Vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25 percent of the decreased members' final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Members contribute 3.89 percent of their salary to fund benefits.

The defined benefit plan was closed to new hired members of this group effective October 1, 2011.

MAPE - Retirement benefits for employees are calculated as 2.25 percent of the employee's final five-year average salary times the employee's years of service with a retirement maximum benefit of 80 percent of final average compensation. Normal retirement age is 60 with early retirement at 50 with 25 years of service (reduced) or 55 with 15 years of service (reduced). Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction with duty disability no less than 25 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for non-duty death benefits after meeting the vesting requirements for a regular pension. Vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25 percent of the decreased members' final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Members contribute 2.45 percent of their salary to fund benefits.

The defined benefit plan was closed to new hired members of this group effective December 1, 2006.

Note 8 - Agent Defined Benefit Pension Plan Description (Continued)

Library - Retirement benefits for employees are calculated as 1.7 percent of the employee's final five year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 50 with 25 years of service (reduced) or 55 with 15 years of service (reduced). Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction with duty disability no less than 25 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for non-duty death benefits after meeting the vesting requirements for a regular pension. Vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25 percent of the decreased members' final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Members contribute 3 percent of their salary under \$4,200 and 5 percent over \$4,200 to fund benefits.

The defined benefit plan was closed to new hired members of this group effective July 1, 2007.

Appointed Officials - Retirement benefits for employees are calculated as 2.5 percent of the employee's final three year average salary times the employee's years of service with a retirement maximum benefit of 80 percent of final average compensation. Normal retirement age is 60 with early retirement at 55 with 25 years of service (unreduced), 55 with 15 years of service (reduced), or 50 with 25 years of service (reduced). Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction with duty disability no less than 25 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for non-duty death benefits after meeting the vesting requirements for a regular pension. Vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25 percent of the decreased members' final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Members contribute 2.43 percent of their salary to fund benefits.

The defined benefit plan was closed to new hired members of this group effective May 1, 2006.

Note 8 - Agent Defined Benefit Pension Plan Description (Continued)

Dispatchers - Retirement benefits for employees are calculated as 2.5 percent of the employee's final three-year average salary times the employee's years of service with a retirement maximum benefit of 80 percent of final average compensation. Normal retirement age is 60 with early retirement at 50 with 25 years of service (unreduced) or 55 with 15 years of service (reduced). Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction with duty disability no less than 25 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for non-duty death benefits after meeting the vesting requirements for a regular pension. Vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25 percent of the decreased members' final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Members contribute 4.11 percent of their salary to fund benefits.

The defined benefit plan was closed to new hired members of this group effective September 1, 2011.

COAM - Retirement benefits for employees are calculated as 2.5 percent of the employee's final three-year average salary times the employee's years of service with a retirement maximum benefit of 80 percent of final average compensation. Normal retirement age is 60 with early retirement at 50 with 25 years of service (unreduced) or 55 with 15 years of service (reduced). Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction with duty disability no less than 25 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for non-duty death benefits after meeting the vesting requirements for a regular pension. Vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25 percent of the decreased members' final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Members contribute 6.44 percent of their salary to fund benefits.

Note 8 - Agent Defined Benefit Pension Plan Description (Continued)

HA-POLC - Members of this class of employees are eligible for a hybrid defined benefit-defined contribution plan. These benefits are established by resolution of the City and negotiation with the collective bargaining unit representing these employees. Retirement benefits for employees participating in the hybrid plan are calculated as 1.5 percent of the employee's final three-year average salary times the employee's credited years of service. Normal retirement age is 60 with early retirement at 55 with 25 years of service (unreduced). Vesting period is six years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction with duty disability no less than 25 percent of the member's final average compensation. Death benefits are computed in the same manner as a regular retirement allowance and may be payable to a spouse or children. Employees are eligible for non-duty death benefits after meeting the vesting requirements for a regular pension. Vesting requirements are waived for duty-connected death benefits, and the minimum benefit is 25 percent of the deceased members' final average compensation. An employee who leaves service before vesting withdraws his or her contributions, plus any accumulated interest. Members of this group are not required to contribute to fund benefits.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the City Council, generally after negotiations of these terms with the affected unions. Police and fire employees benefit terms may be subject to binding arbitration in certain circumstances.

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

Inactive plan members or beneficiaries currently receiving benefits	142
Inactive plan members entitled to but not yet receiving benefits	50
Active plan members	<u>175</u>
Total employees covered by MERS	<u><u>367</u></u>

Contributions - Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Note 8 - Agent Defined Benefit Pension Plan Description (Continued)

For the year ended June 30, 2015, the active employee contribution rate ranged from 2.43 percent to 9.24 percent of annual pay and the City's annual contribution was \$2,628,762.

Net Pension Liability

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

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2013	\$ 82,509,362	\$ 53,820,326	\$ 28,689,036
Service cost	1,495,687	-	1,495,687
Interest	6,687,807	-	6,687,807
Contributions - Employer	-	3,648,998	(3,648,998)
Contributions - Employee	-	712,076	(712,076)
Net investment income	-	3,399,244	(3,399,244)
Benefit payments, including refunds	(4,385,711)	(4,385,711)	-
Administrative expenses	-	(126,196)	126,196
Net changes	<u>3,797,783</u>	<u>3,248,411</u>	<u>549,372</u>
Balance at December 31, 2014	<u>\$ 86,307,145</u>	<u>\$ 57,068,737</u>	<u>\$ 29,238,408</u>

Included in the net pension liability is \$28,068,872 related to governmental activities and \$1,169,536 related to business-type activities. Typically, the General Fund or the Water and Sewer Fund, based on whichever fund to which an employee is assigned and to which the employee's pension costs are charged, will be the fund to liquidate the net pension liability.

Note 8 - Agent Defined Benefit Pension Plan Description (Continued)

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

For the year ended June 30, 2015, the City recognized pension expense of \$3,478,092. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 720,279
Employer contributions to the plan subsequent to the measurement date	<u>210,136</u>
Total	<u>\$ 930,415</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$210,136), which will impact the net pension liability in fiscal year 2016, rather than pension expense.

<u>Years Ending June 30</u>	<u>Amount</u>
2016	\$ 390,205
2017	180,070
2018	180,070
2019	180,070

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

Inflation	3.0 %
Base salary increases	4.5 % For calendar years 2015 and 2016, the wage inflation assumption is 2% and 3%, respectively, instead of 4.5%
Investment rate of return	8.25 % Net of pension plan investment expense, including inflation

Note 8 - Agent Defined Benefit Pension Plan Description (Continued)

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

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

Discount Rate - The discount rate used to measure the total pension liability was 8.25 percent. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers.

Projected Cash Flows

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

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2014, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	58 %	5.0 %
Global fixed income	20 %	2.2 %
Real assets	12 %	4.2 %
Diversifying strategies	10 %	6.6 %

Note 8 - Agent Defined Benefit Pension Plan Description (Continued)

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
Net pension liability of the City	\$ 39,215,615	\$ 29,238,408	\$ 20,797,760

Pension Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in the separately issued financial report found at www.mersofmich.com. The plan's fiduciary net position has been determined on the same basis used by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Note 9 - Defined Contribution Pension Plan

Effective May 1, 2006, December 1, 2006, July 1, 2007, June 1, 2009, September 1, 2011, and October 1, 2011, all new administrative, MAPE, library, full-time firefighter employees, dispatchers, and police clerks, respectively, will participate in the MERS Defined Contribution (DC) program. Administrative employees hired prior to May 1, 2006 had the irrevocable option to transfer from the Defined Benefit (DB) program to the DC program on December 1, 2006. MAPE employees hired prior to December 1, 2006 had an irrevocable option to transfer from the DB program to the DC program on June 1, 2007.

The City and each member contribute a percentage of eligible earnings to an individual account established for each participant. For the administrative and MAPE groups, the City's contribution rate is 8 percent and the employee's contribute rate is 3 percent. For the dispatch and fire groups, the City's contribution rate is 10 percent and the employee's contribute rate is 6 percent. For the police clerks group, the City's contribution rate is 8 percent and the employee's contribute rate is 6 percent. For the library group, the City's contribution rate is 6 percent and the employee's contribute rate is 3 percent.

Note 9 - Defined Contribution Pension Plan (Continued)

All contributions are remitted to a third-party plan administrator. The DC plan maintains a schedule of vesting, with the participants becoming fully vested upon completion of seven years of continuous service. The contribution requirements of plan members are established and may be amended by the City Council in accordance with City policies, union contracts, and MERS plan provisions. There were 70 members participating in the DC plan as of June 30, 2015. During the year ended June 30, 2015, the City contributed \$273,255 to the plan.

Note 10 - Other Postemployment Benefits

Plan Description - The City provides healthcare benefits to most full-time employees upon retirement. Currently, 93 retirees are eligible and 72 are receiving benefits. The City includes pre-Medicare retirees and their spouses in its insured healthcare plan. The City purchases Medicare supplemental insurance for retirees eligible for Medicare. This healthcare benefit plan is closed to all administrative employees hired after May 1, 2006, MAPE employees hired after December 1, 2006, full-time firefighter employees hired after June 1, 2009, dispatchers hired after September 1, 2011, police clerks hired after October 1, 2011, and POLC employees hired after April 1, 2012. These employees are enrolled into an individual retiree healthcare savings account. The benefits are provided under collective bargaining agreements. The plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the plan through employer contributions.

Funding Policy - The collective bargaining units require a contribution by the participant for 20 percent of annual premiums. Retiree healthcare costs are recognized when paid by the City. For the fiscal year ended June 30, 2015, the City made payments for postemployment health benefit premiums of \$30,051 paid out of the General Fund for individuals that retired prior to June 30, 1994 and \$875,196 paid into the Retiree Health Care Benefits Trust Fund for individuals retiring after June 30, 1994 in accordance with the annual required contribution as determined by the City's actuary. The City also contributed an additional \$100,000 to the Retiree Health Care Benefits Trust Fund to pre-fund future retiree healthcare benefits. The Retiree Health Care Benefits Trust Fund has a net position of \$24,439,563 as of June 30, 2015 which is 94.7 percent of the actuarial accrued liability of \$25,811,118 as of June 30, 2015.

Note 10 - Other Postemployment Benefits (Continued)

Funding Progress - The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC). For the year ended June 30, 2015, the City has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of June 30, 2013. The valuation computes the ARC, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 24 years. This following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan and the changes in the net OPEB obligation:

Annual required contribution (recommended)	\$ 875,196
Interest on the prior year's net OPEB obligation	(66,290)
Less adjustment to the annual required contribution	<u>72,750</u>
Annual OPEB cost	881,656
Amounts contributed:	
Payments of current premiums	(905,247)
Advance funding	<u>(100,000)</u>
Increase in net OPEB asset	(123,591)
OPEB Asset - Beginning of year	<u>(828,627)</u>
OPEB Asset - End of year	<u><u>\$ (952,218)</u></u>

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB asset for the current and two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Costs	Percentage Contributed	Net OPEB Asset
6/30/15	\$ 881,656	114.0 %	\$ 952,218
6/30/14	1,400,207	108.0	828,627
6/30/13	1,403,357	116.0	703,537

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Annual Covered Payroll (c)	Ratio of UAAL to Covered Payroll
7/1/11	14,924,821	24,313,035	9,388,214	61.4	13,511,225	69.5
6/30/13	19,291,291	23,188,007	3,896,716	83.2	11,995,155	32.5
6/30/15	24,374,995	25,811,118	1,436,123	94.4	12,101,246	11.9

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. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented above, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

The annual required contribution was determined as part of an actuarial valuation at June 30, 2013. In the June 30, 2013 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 7.5 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 9.0 percent initially, reduced by decrements to an ultimate rate of 4.0 percent after 10 years. Both rates included a 4.5 percent inflation assumption. The actuarial value of assets was set equal to the reported market value of assets. The UAAL is being amortized using a level dollar method over a period of 24 years.

Note 11 - Joint Venture

The City participates in the Southwest Oakland Cable Commission (Cable Commission) with the cities of Farmington and Farmington Hills. The City appoints two members to the governing board of the Cable Commission, which then approves the annual budget. The Cable Commission receives 5.0 percent of the total cable television charges from the cable television company as franchise fees and a 1.0 percent PEG fee. The Cable Commission retains 3.0 percent of these fees and submits the additional 3.0 percent to the City. The City has recorded an equity interest in the joint venture in the amount of \$462,102. Financial information of the Cable Commission as of June 30, 2015 can be obtained from the Cable Commission administrative offices at 33300 Nine Mile Road, Farmington, Michigan.

On September 14, 2015, the mayor and City Council voted to end participation in the Cable Commission. City administration was ordered to complete all necessary actions related to the dissolution no later than December 31, 2015.

In addition, the City is a member of the Resource Recovery and Recycling Authority of Southwest Oakland County (Authority). The Authority is incorporated by the cities of Farmington, Farmington Hills, Novi, South Lyon, Southfield, Walled Lake, Wixom, and the Charter Township of South Lyon. The City appoints one member to the Authority's governing board, which then approves the annual budget. The Authority receives its operating revenue from member contributions and miscellaneous income. The financial information of the Authority as of June 30, 2015 can be obtained from the Authority's administrative offices at 20000 W. 8 Mile Road, Southfield, Michigan.

For both joint ventures, the City is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future.

Note 12 - Upcoming Accounting Pronouncements

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

Note 12 - Upcoming Accounting Pronouncements (Continued)

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

Note 13 - Subsequent Events

In September 2015, the City issued bonds to refund the 2005 Senior Housing Facility bonds. The bonds, in the amount of \$9,075,000, mature through October 2025 with an interest rate of 2.29 percent. Interest on the bonds will be payable semiannually on April 1 and October 1. Principal payments will begin October 1, 2016.

Required Supplemental Information

City of Novi, Michigan

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

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Revenue</u>				
Taxes				
Current property taxes	\$ 15,014,000	\$ 15,150,232	\$ 15,457,944	\$ 307,712
Trailer fees	7,800	7,800	7,809	9
Penalty and interest	185,000	155,000	153,237	(1,763)
Total taxes	15,206,800	15,313,032	15,618,990	305,958
Licenses, Permits, and Charges for Services	4,094,461	4,429,841	4,911,648	481,807
Intergovernmental Revenue				
State-shared revenue	4,316,470	4,396,470	4,353,847	(42,623)
Federal grants	50,000	65,510	61,392	(4,118)
Police training grant	25,000	25,000	16,744	(8,256)
Total intergovernmental revenue	4,391,470	4,486,980	4,431,983	(54,997)
Fines and Forfeitures	525,000	525,000	513,709	(11,291)
Interest Income	260,000	260,000	338,620	78,620
Other Revenue	732,970	677,622	779,901	102,279
Transfers In	5,300,000	5,311,364	5,311,364	-
Total revenue	30,510,701	31,003,839	31,906,215	902,376
<u>Expenditures</u>				
City Council				
Personal services	4,757	34,224	34,091	133
Other services and charges	10,000	10,750	8,345	2,405
Total City Council	14,757	44,974	42,436	2,538
City Manager				
Personal services	453,214	441,445	425,377	16,068
Supplies	800	1,800	1,777	23
Other services and charges	89,253	184,846	81,651	103,195
Total city manager	543,267	628,091	508,805	119,286

City of Novi, Michigan

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

<u>Expenditures</u> (Continued)	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Finance and Purchasing				
Personal services	\$ 630,637	\$ 799,892	\$ 784,310	\$ 15,582
Other services and charges	59,769	73,303	65,520	7,783
Capital outlay	10,000	6,879	6,879	-
Total finance department	700,406	880,074	856,709	23,365
Information Technology				
Personal services	609,475	604,309	597,664	6,645
Supplies	25,150	25,150	21,406	3,744
Other services and charges	140,101	125,101	104,284	20,817
Capital outlay	180,929	200,929	51,273	149,656
Total information technology	955,655	955,489	774,627	180,862
Assessing				
Personal services	468,540	507,129	504,819	2,310
Supplies	11,700	13,700	10,373	3,327
Other services and charges	335,500	242,430	202,780	39,650
Total assessing	815,740	763,259	717,972	45,287
City Attorney				
	430,000	863,000	707,655	155,345
City Clerk				
Personal services	470,676	614,400	611,026	3,374
Supplies	21,000	49,000	38,730	10,270
Other services and charges	41,850	66,555	59,846	6,709
Total city clerk	533,526	729,955	709,602	20,353
Treasury				
Personal services	232,955	251,849	239,408	12,441
Supplies	26,500	43,952	42,908	1,044
Other services and charges	59,180	41,680	38,317	3,363
Total treasury	318,635	337,481	320,633	16,848
Facility Operations				
Personal services	284,510	355,259	352,857	2,402
Supplies	24,800	16,300	13,846	2,454
Other services and charges	429,305	406,071	372,793	33,278
Capital outlay	130,000	401,197	392,482	8,715
Total building and grounds	868,615	1,178,827	1,131,978	46,849
Human Resources				
Personal services	368,446	356,756	356,499	257
Other services and charges	91,700	94,700	66,319	28,381
Total human resources	460,146	451,456	422,818	28,638

City of Novi, Michigan

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

<u>Expenditures</u> (Continued)	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Neighborhood and Business Relations Group				
Personal services	\$ 441,565	\$ 405,829	\$ 399,264	\$ 6,565
Supplies	9,850	9,850	9,504	346
Other services and charges	480,678	392,678	352,411	40,267
Capital outlay	7,000	-	-	-
Total neighborhood and business relations group	939,093	808,357	761,179	47,178
General Administration				
Personal services	948,863	-	-	-
Supplies	55,000	-	-	-
Other services and charges	454,700	-	-	-
Capital outlay	70,000	-	-	-
Total general administration	1,528,563	-	-	-
Public Safety - Police Department				
Personal services	10,337,359	10,427,441	10,398,086	29,355
Supplies	229,500	266,250	259,173	7,077
Other services and charges	1,138,600	1,065,700	974,117	91,583
Capital outlay	174,800	165,265	146,556	18,709
Total police department	11,880,259	11,924,656	11,777,932	146,724
Public Safety - Fire Department				
Personal services	3,900,193	4,005,388	3,971,776	33,612
Supplies	144,485	153,485	142,837	10,648
Other services and charges	569,430	516,730	473,779	42,951
Capital outlay	179,000	172,755	154,416	18,339
Total fire department	4,793,108	4,848,358	4,742,808	105,550
Community Development - Building Division				
Personal services	1,367,391	1,472,846	1,455,022	17,824
Supplies	35,600	44,650	42,172	2,478
Other services and charges	110,459	99,791	78,041	21,750
Capital outlay	23,500	222,500	22,387	200,113
Total community development - Building division	1,536,950	1,839,787	1,597,622	242,165
Community Development - Planning Division				
Personal services	510,030	491,547	457,508	34,039
Supplies	8,850	8,850	5,506	3,344
Other services and charges	312,605	348,005	50,818	297,187
Total community development - Planning division	831,485	848,402	513,832	334,570

City of Novi, Michigan

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

<u>Expenditures</u> (Continued)	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Department of Public Services				
Personal services	\$ 3,285,204	\$ 3,262,633	\$ 3,227,260	\$ 35,373
Supplies	140,615	139,615	121,381	18,234
Other services and charges	1,302,555	1,384,311	1,234,253	150,058
Capital outlay	206,200	462,940	135,463	327,477
Allocated to other operations	<u>(2,248,784)</u>	<u>(2,278,784)</u>	<u>(2,329,284)</u>	<u>50,500</u>
Total department of public works	2,685,790	2,970,715	2,389,073	581,642
Recreation and Culture				
Personal services	-	31,256	31,013	243
Supplies	-	9,642	6,234	3,408
Total planning commission	-	40,898	37,247	3,651
Transfers Out	<u>588,000</u>	<u>1,025,654</u>	<u>1,025,654</u>	<u>-</u>
Total expenditures	<u>30,423,995</u>	<u>31,139,433</u>	<u>29,038,582</u>	<u>2,100,851</u>
Net Change in Fund Balance	86,706	(135,594)	2,867,633	3,003,227
Fund Balance - Beginning of year	<u>9,490,017</u>	<u>9,490,017</u>	<u>9,490,017</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 9,576,723</u>	<u>\$ 9,354,423</u>	<u>\$ 12,357,650</u>	<u>\$ 3,003,227</u>

City of Novi, Michigan

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

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 4,488,000	\$ 4,488,000	\$ 4,754,081	\$ 266,081
Federal grants	-	10,814	10,814	-
State sources	-	160,000	137,689	(22,311)
Interest income	13,000	106,135	48,599	(57,536)
Other revenue:				
Special assessments	15,000	20,000	19,339	(661)
Transfers from other funds	-	390,000	389,012	(988)
Other	260,000	414,119	385,889	(28,230)
Total revenue	4,776,000	5,589,068	5,745,423	156,355
Expenditures - Current				
Public services:				
Construction	1,136,030	1,736,671	102,677	1,633,994
Street maintenance	493,900	376,180	285,421	90,759
General administration	16,700	18,700	18,700	-
Transfers to other funds	3,220,000	3,771,247	3,174,847	596,400
Total expenditures	4,866,630	5,902,798	3,581,645	2,321,153
Net Change in Fund Balance	(90,630)	(313,730)	2,163,778	2,477,508
Fund Balance - Beginning of year	3,929,109	3,929,109	3,929,109	-
Fund Balance - End of year	\$ 3,838,479	\$ 3,615,379	\$ 6,092,887	\$ 2,477,508

City of Novi, Michigan

Required Supplemental Information Schedule of Changes in the City Net Pension Liability and Related Ratios (Schedule is built prospectively upon implementation of GASB Statement No. 68)

	Year Ended <u>June 30, 2015</u>
Total Pension Liability	
Service cost	\$ 1,495,687
Interest	6,687,807
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments, including refunds	<u>(4,385,711)</u>
Net Change in Total Pension Liability	3,797,783
Total Pension Liability - Beginning of year	<u>82,509,362</u>
Total Pension Liability - End of year	<u>\$ 86,307,145</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 3,648,998
Contributions - Employee	712,076
Net investment income	3,399,244
Administrative expenses	(126,196)
Benefit payments, including refunds	(4,385,711)
Other	<u>-</u>
Net Change in Plan Fiduciary Net Position	3,248,411
Plan Fiduciary Net Position - Beginning of year	<u>53,820,326</u>
Plan Fiduciary Net Position - End of year	<u>\$ 57,068,737</u>
City's Net Pension Liability - Ending	<u>\$ 29,238,408</u>
Plan Fiduciary Net Position as a Percent of Total Pension Liability	66.12 %
Covered Employee Payroll	\$ 12,101,246
City's Net Pension Liability as a Percent of Covered Employee Payroll	241.6 %

City of Novi, Michigan

Required Supplemental Information Schedule of City Contributions Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 2,628,762	\$ 2,475,532	\$ 2,144,511	\$ 2,380,929	\$ 2,486,069	\$ 2,188,904	\$ 2,231,166	\$ 1,965,244	\$ 1,945,388	\$ 1,938,734
Contributions in relation to the actuarially determined contribution	2,628,762	2,475,532	2,144,511	2,380,929	2,486,069	2,188,904	2,231,166	1,965,244	1,945,388	1,938,734
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$12,101,246	\$11,995,155	\$12,338,686	\$13,511,225	\$13,817,418	\$15,929,804	\$16,092,414	\$15,605,658	\$15,488,978	\$15,723,059
Contributions as a Percentage of Covered Employee Payroll	21.7 %	20.6 %	17.4 %	17.6 %	18.0 %	13.7 %	13.9 %	12.6 %	12.6 %	12.3 %

Notes to Schedule of City Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31 each year, which is 18 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	13 - 24 years (depends on division)
Asset valuation method	10-year smoothed market
Inflation	3 - 4%
Salary increases	4.5 - 17.5%, including inflation
Investment rate of return	8%
Retirement age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	50% Male - 50% Female blend of the 1994 Group Annuity Mortality Table
Other information	None

City of Novi, Michigan

Required Supplemental Information Retiree Health Care System Schedule of Funding Progress and Employer Contributions Year Ended June 30, 2015

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
7/1/09	\$ 9,091,537	\$ 19,936,733	\$ 10,845,196	45.6 %	\$ 15,929,804	68.1 %
7/1/11	14,924,821	24,313,035	9,388,214	61.4	13,511,225	69.5
6/30/13	19,292,291	23,188,007	3,895,716	83.2	11,995,155	32.5
6/30/15	24,374,995	25,811,118	1,436,123	94.4	12,101,246	11.9

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
6/30/10	7/1/07	\$ 1,430,047	108.6
6/30/11	7/1/09	1,500,006	105.8
6/30/12	7/1/09	1,498,004	106.6
6/30/13	7/1/11	1,399,119	116.9
6/30/14	7/1/11	1,393,087	108.9
6/30/15	6/30/13	875,196	114.9

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of June 30, 2015, the latest actuarial valuation, follows:

Actuarial cost method	Individual entry-age
Amortization method	Level dollar, closed
Remaining amortization period	23 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	4.3% - 17.0%
*Includes inflation at	3.0%
Cost of living adjustments	None

City of Novi, Michigan

Note to Required Supplemental Information Year Ended June 30, 2015

Budgetary Information - The City is legally subject to the budgetary control requirements of 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 1982 as amended by P.A. 493 of 2000:

- a. Budgets must be adopted for the General Fund and special revenue funds.
- b. Budgeted expenditures cannot exceed budgeted revenue and fund balance.
- c. The budgets must be amended when necessary.
- d. Public hearings must be held before budget adoptions.
- e. Expenditures cannot exceed budget appropriations.
- f. Expenditures must be authorized by a budget before being incurred.

The City adopts a formal budget for the General Fund and all special revenue funds. A comparison of the budget with statements of actual revenues and expenditures, including budget variances, for the General Fund and major special revenue funds is presented as required supplemental information. A comparison of the budget with statements of actual revenues and expenditures, including budget variances, for the nonmajor governmental funds is presented as other supplemental information.

The budget is adopted by category within activity (i.e., personal services, supplies, other services and charges, and capital outlay within each department). Although spending estimates are produced for each line item, budgetary control is exercised at this category level. Expenditures at this level must be approved by the City Council. Expenditures at this level in excess of budget appropriation are a violation of Michigan law.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the third Monday in April, the city manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to the third Monday in May, the budget is legally enacted through passage of an ordinance.

During the current year, the budgets were amended in a legally permissible manner. Budget appropriations lapse at year end.

City of Novi, Michigan

Note to Required Supplemental Information (Continued) Year Ended June 30, 2015

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America, except that transfers have been included in the "revenue" and "expenditure" categories, rather than as "other financing sources (uses)." A reconciliation of the budgetary comparison schedules to the fund-based statement of changes in fund balance is as follows:

	<u>Total Revenue</u>	<u>Total Expenditures</u>	<u>Change in Fund Balance</u>
General Fund:			
Amounts per operating statement	\$ 26,594,851	\$ 28,012,928	\$ (1,418,077)
Operating transfers budgeted as revenue and expenditures	<u>5,311,364</u>	<u>1,025,654</u>	<u>4,285,710</u>
Amounts per budget statement	<u>\$ 31,906,215</u>	<u>\$ 29,038,582</u>	<u>\$ 2,867,633</u>

Other Supplemental Information

City of Novi, Michigan

	Special Revenue Funds					
	Major Street Fund	Local Street Fund	Police and Fire Fund	Parks, Recreation, and Cultural Services Fund	Tree Fund	Drain Revenue Fund
Assets						
Cash and cash equivalents	\$ 533,019	\$ 437,341	\$ 112,819	\$ 1,241,493	\$ 708,023	\$ 384,966
Investments	496,920	496,920	1,835,448	694,501	2,226,803	4,346,197
Accounts receivable:						
Accrued interest	1,631	1,631	2,730	917	2,769	6,707
Other	-	-	-	19,243	-	-
Due from other governmental units	474,607	170,145	-	-	-	-
Prepaid expenses and other assets	-	-	-	200	-	-
Restricted assets	-	-	-	-	-	-
Total assets	\$ 1,506,177	\$ 1,106,037	\$ 1,950,997	\$ 1,956,354	\$ 2,937,595	\$ 4,737,870
Liabilities						
Accounts payable	\$ 673,519	\$ 259,899	\$ -	\$ 150,973	\$ 52,184	\$ 53,649
Refundable deposits	-	-	-	-	-	-
Accrued and other liabilities	-	-	54,689	68,235	390,613	1,980
Unearned revenue	-	-	-	12,080	-	-
Total liabilities	673,519	259,899	54,689	231,288	442,797	55,629
Deferred Inflows of Resources						
Unavailable revenue - Other	-	-	-	6,700	-	-
Unavailable revenue - Grants	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	6,700	-	-
Fund Balances						
Nonspendable - Prepays	-	-	-	200	-	-
Restricted:						
Roads	832,658	846,138	-	-	-	-
Public safety	-	-	1,896,308	-	-	-
Debt service	-	-	-	-	-	-
Infrastructure improvements	-	-	-	-	-	-
Parks, recreation, and cultural services	-	-	-	1,718,166	-	-
Library	-	-	-	-	-	-
Storm water systems	-	-	-	-	-	4,682,241
Tree replacement and maintenance	-	-	-	-	2,494,798	-
Street lighting improvements	-	-	-	-	-	-
PEG access support fees	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	832,658	846,138	1,896,308	1,718,366	2,494,798	4,682,241
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,506,177	\$ 1,106,037	\$ 1,950,997	\$ 1,956,354	\$ 2,937,595	\$ 4,737,870

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

Special Revenue Funds								
PEG Cable Fund	Community Development Block Grant Fund	Contributions and Donations Fund	Forfeiture Fund	Library Fund	Walker Library Fund	West Oak Street Lighting Fund	West Lake Drive Street Lighting Fund	Town Center Street Lighting Fund
\$ 42,086	\$ -	\$ -	\$ 306,466	\$ 145,967	\$ -	\$ 52,750	\$ 2,701	\$ 40,812
298,473	-	-	-	1,735,427	-	-	-	-
980	-	-	-	2,415	2,121	-	-	-
66,211	-	-	-	-	-	-	-	-
-	15,848	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,629,320	-	-	-
\$ 407,750	\$ 15,848	\$ -	\$ 306,466	\$ 1,883,809	\$ 1,631,441	\$ 52,750	\$ 2,701	\$ 40,812
\$ -	\$ 15,848	\$ -	\$ 7,102	\$ 85,353	\$ 1,836	\$ 1,365	\$ 533	\$ 147
-	-	-	-	500	-	-	-	-
293	-	-	-	78,533	-	-	-	-
-	-	-	-	-	-	-	-	-
293	15,848	-	7,102	164,386	1,836	1,365	533	147
-	-	-	-	-	-	-	-	-
-	15,848	-	-	-	-	-	-	-
-	15,848	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	299,364	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	1,719,423	1,629,605	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	51,385	2,168	40,665
407,457	-	-	-	-	-	-	-	-
-	(15,848)	-	-	-	-	-	-	-
407,457	(15,848)	-	299,364	1,719,423	1,629,605	51,385	2,168	40,665
\$ 407,750	\$ 15,848	\$ -	\$ 306,466	\$ 1,883,809	\$ 1,631,441	\$ 52,750	\$ 2,701	\$ 40,812

City of Novi, Michigan

Other Supplemental Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds June 30, 2015

	Debt Service Funds			Capital Projects Funds		Permanent Funds	Total Nonmajor Governmental Funds
	2002 Street and Refunding Debt Fund	2008 Library Construction Debt Fund	2010 Refunding Debt Fund	Special Assessment Revolving Fund	Gun Range Facility Fund	Drain Perpetual Maintenance Fund	
Assets							
Cash and cash equivalents	\$ 524,191	\$ 106,965	\$ 75,645	\$ 38,872	\$ 92,945	\$ 88,720	\$ 4,935,781
Investments	-	-	-	3,763,493	-	6,415,445	22,309,627
Accounts receivable:							
Accrued interest	-	-	-	3,789	-	17,135	42,825
Other	-	-	-	-	17,600	-	103,054
Due from other governmental units	-	-	-	-	-	-	660,600
Prepaid expenses and other assets	-	-	-	-	-	-	200
Restricted assets	-	-	-	-	-	-	1,629,320
Total assets	\$ 524,191	\$ 106,965	\$ 75,645	\$ 3,806,154	\$ 110,545	\$ 6,521,300	\$ 29,681,407
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,302,408
Refundable deposits	-	-	-	-	-	-	500
Accrued and other liabilities	12,115	14,312	13,289	-	-	-	634,059
Unearned revenue	-	-	-	-	-	-	12,080
Total liabilities	12,115	14,312	13,289	-	-	-	1,949,047
Deferred Inflows of Resources							
Unavailable revenue - Other	-	-	-	-	-	-	6,700
Unavailable revenue - Grants	-	-	-	-	-	-	15,848
Total deferred inflows of resources	-	-	-	-	-	-	22,548
Fund Balances							
Nonspendable - Prepays	-	-	-	-	-	-	200
Restricted:							
Roads	-	-	-	-	-	-	1,678,796
Public safety	-	-	-	-	110,545	-	2,306,217
Debt service	512,076	92,653	62,356	-	-	-	667,085
Infrastructure improvements	-	-	-	3,806,154	-	-	3,806,154
Parks, recreation, and cultural services	-	-	-	-	-	-	1,718,166
Library	-	-	-	-	-	-	3,349,028
Storm water systems	-	-	-	-	-	6,521,300	11,203,541
Tree replacement and maintenance	-	-	-	-	-	-	2,494,798
Street lighting improvements	-	-	-	-	-	-	94,218
PEG access support fees	-	-	-	-	-	-	407,457
Unassigned	-	-	-	-	-	-	(15,848)
Total fund balances	512,076	92,653	62,356	3,806,154	110,545	6,521,300	27,709,812
Total liabilities, deferred inflows of resources, and fund balances	\$ 524,191	\$ 106,965	\$ 75,645	\$ 3,806,154	\$ 110,545	\$ 6,521,300	\$ 29,681,407

City of Novi, Michigan

	Special Revenue Funds					
	Major Street Fund	Local Street Fund	Police and Fire Fund	Parks, Recreation, and Cultural		Drain Revenue Fund
				Services Fund	Tree Fund	
Revenue						
Property taxes	\$ -	\$ -	\$ 4,390,579	\$ 1,185,648	\$ -	\$ 9,920
Federal grants	-	-	-	32,654	-	-
State-shared revenue and grants	2,831,461	1,015,955	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	1,050	5,429	51,451	-	10,654	90,788
Rental income	-	-	-	-	-	-
Other revenue:						
Special assessments	-	-	-	-	-	-
Local donations	-	-	-	59,900	-	-
Cable franchise fees	-	-	-	-	-	-
Recreational programs	-	-	-	1,306,015	-	-
Miscellaneous	7,908	9,208	-	5,575	1,065,275	18,119
Total revenue	2,840,419	1,030,592	4,442,030	2,589,792	1,075,929	118,827
Expenditures						
Current:						
Public safety	-	-	-	-	-	-
Public services	1,930,527	1,369,058	-	-	159,191	638,891
Community and economic development	-	-	-	-	-	-
Recreation and culture	-	-	-	2,339,912	-	-
Capital outlay	-	-	-	405,526	-	102,961
Debt service:						
Principal	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-
Total expenditures	1,930,527	1,369,058	-	2,745,438	159,191	741,852
Excess of Revenue Over (Under) Expenditures	909,892	(338,466)	4,442,030	(155,646)	916,738	(623,025)
Other Financing Sources (Uses)						
Transfers in	-	3,085,700	-	978,768	-	-
Transfers out	(673,736)	(2,815,466)	(5,300,000)	-	-	-
Total other financing (uses) sources	(673,736)	270,234	(5,300,000)	978,768	-	-
Net Change in Fund Balances	236,156	(68,232)	(857,970)	823,122	916,738	(623,025)
Fund Balances - Beginning of year	596,502	914,370	2,754,278	895,244	1,578,060	5,305,266
Fund Balances - End of year	\$ 832,658	\$ 846,138	\$ 1,896,308	\$ 1,718,366	\$ 2,494,798	\$ 4,682,241

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

Special Revenue Funds								
PEG Cable Fund	Community Development Block Grant Fund	Contributions and Donations Fund	Forfeiture Fund	Library Fund	Walker Library Fund	West Oak Street Lighting Fund	West Lake Drive Street Lighting Fund	Town Center Street Lighting Fund
\$ -	\$ -	\$ -	\$ -	\$ 2,372,929	\$ -	\$ -	\$ -	\$ -
-	53,000	-	61,210	-	-	-	-	-
-	-	-	43,853	32,841	-	-	-	-
-	-	-	-	148,215	-	-	-	-
-	-	-	-	36,565	31,696	117	8	85
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	3,300	15,000
-	-	-	-	-	3,500	-	-	-
248,108	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	890	79,600	28,831	-	-	-
248,108	53,000	-	105,953	2,670,150	64,027	117	3,308	15,085
-	-	-	31,287	-	-	-	-	-
-	-	-	-	-	-	8,860	3,459	2,003
113,305	68,848	-	-	-	-	-	-	-
-	-	-	-	2,789,683	25,183	-	-	-
-	-	-	211,614	7,020	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
113,305	68,848	-	242,901	2,796,703	25,183	8,860	3,459	2,003
134,803	(15,848)	-	(136,948)	(126,553)	38,844	(8,743)	(151)	13,082
272,654	-	-	-	-	-	-	-	-
-	-	(237,132)	-	-	-	-	-	-
272,654	-	(237,132)	-	-	-	-	-	-
407,457	(15,848)	(237,132)	(136,948)	(126,553)	38,844	(8,743)	(151)	13,082
-	-	237,132	436,312	1,845,976	1,590,761	60,128	2,319	27,583
\$ 407,457	\$ (15,848)	\$ -	\$ 299,364	\$ 1,719,423	\$ 1,629,605	\$ 51,385	\$ 2,168	\$ 40,665

City of Novi, Michigan

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

	Debt Service Funds			Capital Projects Fund		Permanent	Total Nonmajor Governmental Funds
	2002 Street and Refunding Debt Fund	2008 Library Construction Debt Fund	2010 Refunding Debt Fund	Special	Drain	Total	
				Assessment Revolving Fund	Gun Range Facility Fund		
Revenue							
Property taxes	\$ 1,134,897	\$ 1,141,259	\$ 1,065,166	\$ -	\$ -	\$ -	\$ 11,300,398
Federal grants	-	-	-	-	-	-	146,864
State-shared revenue and grants	-	-	-	-	-	-	3,924,110
Fines and forfeitures	-	-	-	-	-	-	148,215
Investment income	1,074	540	142	23,193	120	173,064	425,976
Rental income	-	-	-	-	102,200	-	102,200
Other revenue:							
Special assessments	-	-	-	-	-	-	18,300
Local donations	-	-	-	-	-	-	63,400
Cable franchise fees	-	-	-	-	-	-	248,108
Recreational programs	-	-	-	-	-	-	1,306,015
Miscellaneous	-	-	-	-	8,225	24,253	1,247,884
Total revenue	1,135,971	1,141,799	1,065,308	23,193	110,545	197,317	18,931,470
Expenditures							
Current:							
Public safety	-	-	-	-	-	-	31,287
Public services	400	-	400	400	-	-	4,113,189
Community and economic development	-	-	-	-	-	-	182,153
Recreation and culture	-	400	-	-	-	-	5,155,178
Capital outlay	-	-	-	-	-	-	727,121
Debt service:							
Principal	625,000	500,000	990,000	-	-	-	2,115,000
Interest on long-term debt	125,906	607,000	39,138	-	-	-	772,044
Total expenditures	751,306	1,107,400	1,029,538	400	-	-	13,095,972
Excess of Revenue Over (Under) Expenditures	384,665	34,399	35,770	22,793	110,545	197,317	5,835,498
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	-	4,337,122
Transfers out	-	-	-	-	-	-	(9,026,334)
Total other financing (uses) sources	-	-	-	-	-	-	(4,689,212)
Net Change in Fund Balances	384,665	34,399	35,770	22,793	110,545	197,317	1,146,286
Fund Balances - Beginning of year	127,411	58,254	26,586	3,783,361	-	6,323,983	26,563,526
Fund Balances - End of year	<u>\$ 512,076</u>	<u>\$ 92,653</u>	<u>\$ 62,356</u>	<u>\$ 3,806,154</u>	<u>\$ 110,545</u>	<u>\$ 6,521,300</u>	<u>\$ 27,709,812</u>

City of Novi, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Major Street Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Gas and weight tax	\$ 2,642,955	\$ 2,811,200	\$ 2,831,461	\$ 20,261
Interest income	2,000	2,000	1,050	(950)
Other revenue:				
Transfers from other funds	195,000	596,400	-	(596,400)
Miscellaneous	-	8,000	7,908	(92)
Total revenue	2,839,955	3,417,600	2,840,419	(577,181)
Expenditures - Current				
Public services:				
Construction	1,614,231	1,209,731	536,955	672,776
Routine and capital preventive maintenance	742,500	1,038,270	911,435	126,835
Traffic services	273,400	240,351	236,052	4,299
Winter maintenance	285,000	244,145	244,085	60
Administration	1,865	2,000	2,000	-
Transfers to other funds	-	673,736	673,736	-
Total expenditures	2,916,996	3,408,233	2,604,263	803,970
Net Change in Fund Balance	(77,041)	9,367	236,156	226,789
Fund Balance - Beginning of year	596,502	596,502	596,502	-
Fund Balance - End of year	<u>\$ 519,461</u>	<u>\$ 605,869</u>	<u>\$ 832,658</u>	<u>\$ 226,789</u>

City of Novi, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Local Street Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Gas and weight tax	\$ 958,656	\$ 1,040,368	\$ 1,015,955	\$ (24,413)
Interest income	2,000	2,135	5,429	3,294
Other revenue:				
Transfers from other funds	3,025,000	3,085,700	3,085,700	-
Miscellaneous	-	9,200	9,208	8
Total revenue	3,985,656	4,137,403	4,116,292	(21,111)
Expenditures - Current				
Public services:				
Construction	2,764,640	74,640	74,640	-
Routine and capital preventive maintenance	913,550	1,366,629	1,076,039	290,590
Traffic services	134,500	116,500	102,535	13,965
Winter maintenance	291,000	108,821	113,844	(5,023)
Administration	1,865	2,000	2,000	-
Transfers to other funds	-	2,815,466	2,815,466	-
Total expenditures	4,105,555	4,484,056	4,184,524	299,532
Net Change in Fund Balance	(119,899)	(346,653)	(68,232)	278,421
Fund Balance - Beginning of year	914,370	914,370	914,370	-
Fund Balance - End of year	\$ 794,471	\$ 567,717	\$ 846,138	\$ 278,421

City of Novi, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Police and Fire Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 4,273,000	\$ 4,348,000	\$ 4,390,579	\$ 42,579
Interest income	23,000	43,000	51,451	8,451
Total revenue	4,296,000	4,391,000	4,442,030	51,030
Expenditures - Current - Public safety - Transfers to other funds	5,300,000	5,300,000	5,300,000	-
Net Change in Fund Balance	(1,004,000)	(909,000)	(857,970)	51,030
Fund Balance - Beginning of year	2,754,278	2,754,278	2,754,278	-
Fund Balance - End of year	<u>\$ 1,750,278</u>	<u>\$ 1,845,278</u>	<u>\$ 1,896,308</u>	<u>\$ 51,030</u>

City of Novi, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Parks, Recreation, and Cultural Services Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 1,154,000	\$ 1,155,123	\$ 1,185,648	\$ 30,525
Federal grants	-	32,650	32,654	4
State sources	-	385,000	-	(385,000)
Interest income	5,000	5,000	-	(5,000)
Other revenue:				
Donations	20,000	59,900	59,900	-
Transfers from other funds	591,000	978,769	978,768	(1)
Recreational programs	1,243,212	1,267,472	1,306,015	38,543
Miscellaneous	5,000	8,000	5,575	(2,425)
Total revenue	3,018,212	3,891,914	3,568,560	(323,354)
Expenditures - Current				
Recreation and culture:				
Personnel services	871,104	1,032,581	995,433	37,148
Supplies	40,180	57,057	42,582	14,475
Other services and charges	1,517,058	1,428,475	1,301,897	126,578
Capital outlay	589,992	1,484,376	405,526	1,078,850
Total expenditures	3,018,334	4,002,489	2,745,438	1,257,051
Net Change in Fund Balance	(122)	(110,575)	823,122	933,697
Fund Balance - Beginning of year	895,244	895,244	895,244	-
Fund Balance - End of year	\$ 895,122	\$ 784,669	\$ 1,718,366	\$ 933,697

City of Novi, Michigan

Other Supplemental Information Nonmajor Special Revenue Governmental Fund - Tree Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Interest income	\$ 14,000	\$ 13,000	\$ 10,654	\$ (2,346)
Other revenue:				
Tree fund	70,000	670,000	1,049,000	379,000
Tree fund maintenance	10,000	11,000	16,275	5,275
Total revenue	94,000	694,000	1,075,929	381,929
Expenditures - Current - Public services -				
Tree fund expenditures	127,900	172,280	159,191	13,089
Net Change in Fund Balance	(33,900)	521,720	916,738	395,018
Fund Balance - Beginning of year	1,578,060	1,578,060	1,578,060	-
Fund Balance - End of year	\$ 1,544,160	\$ 2,099,780	\$ 2,494,798	\$ 395,018

City of Novi, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Drain Revenue Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ -	\$ (8,000)	\$ 9,920	\$ 17,920
Interest income	31,000	113,750	90,788	(22,962)
Other revenue - Miscellaneous	10,000	10,000	18,119	8,119
Total revenue	41,000	115,750	118,827	3,077
Expenditures				
Current - Public services:				
Construction	621,903	1,208,343	131,158	1,077,185
Maintenance	585,000	547,884	500,333	47,551
Administration	-	7,400	7,400	-
Capital outlay	113,335	103,335	102,961	374
Capital outlay	-	103,335	102,961	374
Total expenditures	1,320,238	1,970,297	844,813	1,125,484
Net Change in Fund Balance	(1,279,238)	(1,854,547)	(725,986)	1,128,561
Fund Balance - Beginning of year	5,305,266	5,305,266	5,305,266	-
Fund Balance - End of year	\$ 4,026,028	\$ 3,450,719	\$ 4,579,280	\$ 1,128,561

City of Novi, Michigan

Other Supplemental Information Nonmajor Governmental Fund - PEG Cable Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Other revenue:				
Cable franchise fees	\$ -	\$ 196,200	\$ 248,108	\$ 51,908
Transfers from other funds	-	272,654	272,654	-
Total revenue	-	468,854	520,762	51,908
Expenditures - Current				
Community and economic development:				
Personnel services	-	16,200	14,359	1,841
Other services and charges	-	92,000	98,946	(6,946)
Total expenditures	-	108,200	113,305	(5,105)
Net Change in Fund Balance	-	360,654	407,457	46,803
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	<u>\$ -</u>	<u>\$ 360,654</u>	<u>\$ 407,457</u>	<u>\$ 46,803</u>

City of Novi, Michigan

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

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue - Federal grants	\$ -	\$ 163,159	\$ 53,000	\$ (110,159)
Expenditures - Current - Community and economic development	-	163,159	68,848	94,311
Net Change in Fund Balance	-	-	(15,848)	(15,848)
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,848)</u>	<u>\$ (15,848)</u>

City of Novi, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Contributions and Donations Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Interest	\$ 1,100	\$ -	\$ -	\$ -
Other revenue - Donations	1,000	-	-	-
Total revenue	2,100	-	-	-
Expenditures				
Gifts and donations	2,100	-	-	-
Transfers to other funds	3,000	237,132	237,132	-
Total expenditures	5,100	237,132	237,132	-
Net Change in Fund Balance	(3,000)	(237,132)	(237,132)	-
Fund Balance - Beginning of year	237,132	237,132	237,132	-
Fund Balance - End of year	<u>\$ 234,132</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Novi, Michigan

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

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Federal forfeiture funds	\$ 140,500	\$ 82,331	\$ 61,210	\$ (21,121)
State forfeiture funds	10,000	41,202	41,202	-
Interest income	-	2,500	-	(2,500)
Other revenue:				
Local forfeiture funds	805	2,651	2,651	-
OWI forfeiture funds	5,000	-	-	-
Miscellaneous	-	-	890	890
Total revenue	<u>156,305</u>	<u>128,684</u>	<u>105,953</u>	<u>(22,731)</u>
Expenditures - Current				
Public safety:				
Supplies	10,000	34,225	30,887	3,338
Other services and charges	1,865	-	-	-
Administration	-	400	400	-
Capital outlay	144,440	226,540	211,614	14,926
Total expenditures	<u>156,305</u>	<u>261,165</u>	<u>242,901</u>	<u>18,264</u>
Net Change in Fund Balance	-	(132,481)	(136,948)	(4,467)
Fund Balance - Beginning of year	<u>436,312</u>	<u>436,312</u>	<u>436,312</u>	<u>-</u>
Fund Balance - End of year	<u><u>\$ 436,312</u></u>	<u><u>\$ 303,831</u></u>	<u><u>\$ 299,364</u></u>	<u><u>\$ (4,467)</u></u>

City of Novi, Michigan

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

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 2,309,000	\$ 2,309,000	\$ 2,372,929	\$ 63,929
State sources	20,000	20,000	32,841	12,841
Fines and forfeitures	147,000	147,000	148,215	1,215
Interest income	25,700	25,700	36,565	10,865
Other revenue:				
Donations	5,000	5,000	15,070	10,070
Miscellaneous	59,500	58,500	64,530	6,030
Total revenue	2,566,200	2,565,200	2,670,150	104,950
Expenditures - Current				
Recreation and culture:				
Personnel services	1,965,900	1,939,788	1,839,830	99,958
Supplies	585,600	585,600	507,869	77,731
Other services and charges	451,150	474,700	441,984	32,716
Capital outlay	53,550	29,000	7,020	21,980
Total expenditures	3,056,200	3,029,088	2,796,703	232,385
Net Change in Fund Balance	(490,000)	(463,888)	(126,553)	337,335
Fund Balance - Beginning of year	1,845,976	1,845,976	1,845,976	-
Fund Balance - End of year	<u>\$ 1,355,976</u>	<u>\$ 1,382,088</u>	<u>\$ 1,719,423</u>	<u>\$ 337,335</u>

City of Novi, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Walker Library Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Interest income	\$ -	\$ -	\$ 31,696	\$ 31,696
Other revenue:				
Donations	-	33,583	3,500	(30,083)
Miscellaneous	-	28,750	28,831	81
Total revenue	-	62,333	64,027	1,694
Expenditures - Current - Recreation and culture - Other services and charges	-	30,271	25,183	5,088
Net Change in Fund Balance	-	32,062	38,844	6,782
Fund Balance - Beginning of year	1,590,761	1,590,761	1,590,761	-
Fund Balance - End of year	<u>\$ 1,590,761</u>	<u>\$ 1,622,823</u>	<u>\$ 1,629,605</u>	<u>\$ 6,782</u>

City of Novi, Michigan

Other Supplemental Information Nonmajor Governmental Fund - West Oak Street Lighting Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue - Interest income	\$ -	\$ 150	\$ 117	\$ (33)
Expenditures - Current - Public services - Street lighting installation	-	10,000	8,860	1,140
Net Change in Fund Balance	-	(9,850)	(8,743)	1,107
Fund Balance - Beginning of year	60,128	60,128	60,128	-
Fund Balance - End of year	<u>\$ 60,128</u>	<u>\$ 50,278</u>	<u>\$ 51,385</u>	<u>\$ 1,107</u>

City of Novi, Michigan

Other Supplemental Information Nonmajor Governmental Fund - West Lake Drive Street Lighting Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Interest income	\$ -	\$ -	\$ 8	\$ 8
Other revenue - Special assessments	-	3,300	3,300	-
Total revenue	-	3,300	3,308	8
Expenditures - Current - Public services -				
Street lighting installation	-	3,800	3,459	341
Net Change in Fund Balance	-	(500)	(151)	349
Fund Balance - Beginning of year	2,319	2,319	2,319	-
Fund Balance - End of year	<u>\$ 2,319</u>	<u>\$ 1,819</u>	<u>\$ 2,168</u>	<u>\$ 349</u>

City of Novi, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Town Center Street Lighting Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Interest income	\$ -	\$ -	\$ 85	\$ 85
Other revenue - Special assessments	-	15,000	15,000	-
Total revenue	-	15,000	15,085	85
Expenditures - Current - Public services -				
Street lighting installation	-	10,000	2,003	7,997
Net Change in Fund Balance	-	5,000	13,082	8,082
Fund Balance - Beginning of year	27,583	27,583	27,583	-
Fund Balance - End of year	<u>\$ 27,583</u>	<u>\$ 32,583</u>	<u>\$ 40,665</u>	<u>\$ 8,082</u>

City of Novi, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Drain Perpetual Maintenance Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Interest income	\$ 75,000	\$ 150,000	\$ 173,064	\$ 23,064
Tap-in fees	5,000	5,000	24,253	19,253
Net Change in Fund Balance -				
Total revenue	80,000	155,000	197,317	42,317
Fund Balance - Beginning of year	6,323,983	6,323,983	6,323,983	-
Fund Balance - End of year	\$ 6,403,983	\$ 6,478,983	\$ 6,521,300	\$ 42,317

City of Novi, Michigan

Other Supplemental Information Nonmajor Governmental Fund - 2002 Street and Refunding Debt Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 1,131,458	\$ 1,126,458	\$ 1,134,897	\$ 8,439
Interest income	125	1,078	1,074	(4)
Total revenue	1,131,583	1,127,536	1,135,971	8,435
Expenditures				
Current:				
Public services - Other services and charges	5,223	400	400	-
Debt service	751,860	750,906	750,906	-
Total expenditures	757,083	751,306	751,306	-
Net Change in Fund Balance	374,500	376,230	384,665	8,435
Fund Balance - Beginning of year	127,411	127,411	127,411	-
Fund Balance - End of year	\$ 501,911	\$ 503,641	\$ 512,076	\$ 8,435

City of Novi, Michigan

Other Supplemental Information Nonmajor Governmental Fund - 2008 Library Construction Debt Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 1,111,873	\$ 1,122,873	\$ 1,141,259	\$ 18,386
Interest income	100	600	540	(60)
Total revenue	1,111,973	1,123,473	1,141,799	18,326
Expenditures				
Current:				
Recreation and culture - Other services and charges	5,223	400	400	-
Debt service	1,106,750	1,107,000	1,107,000	-
Total expenditures	1,111,973	1,107,400	1,107,400	-
Net Change in Fund Balance	-	16,073	34,399	18,326
Fund Balance - Beginning of year	58,254	58,254	58,254	-
Fund Balance - End of year	\$ 58,254	\$ 74,327	\$ 92,653	\$ 18,326

City of Novi, Michigan

Other Supplemental Information Nonmajor Governmental Fund - 2010 Refunding Debt Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 1,035,713	\$ 1,040,713	\$ 1,065,166	\$ 24,453
Interest income	50	50	142	92
Total revenue	1,035,763	1,040,763	1,065,308	24,545
Expenditures				
Current:				
Public services - Other services and charges	5,223	400	400	-
Debt service	1,030,540	1,029,038	1,029,138	(100)
Total expenditures	1,035,763	1,029,438	1,029,538	(100)
Net Change in Fund Balance	-	11,325	35,770	24,445
Fund Balance - Beginning of year	26,586	26,586	26,586	-
Fund Balance - End of year	<u>\$ 26,586</u>	<u>\$ 37,911</u>	<u>\$ 62,356</u>	<u>\$ 24,445</u>

City of Novi, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Special Assessment Revolving Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue - Interest income	\$ 18,000	\$ 48,000	\$ 23,193	\$ (24,807)
Expenditures - Current - Public services - Other services and charges	1,865	400	400	-
Net Change in Fund Balance	16,135	47,600	22,793	(24,807)
Fund Balance - Beginning of year	3,783,361	3,783,361	3,783,361	-
Fund Balance - End of year	<u>\$ 3,799,496</u>	<u>\$ 3,830,961</u>	<u>\$ 3,806,154</u>	<u>\$ (24,807)</u>

City of Novi, Michigan

Other Supplemental Information Nonmajor Governmental Fund - Gun Range Facility Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Interest income	\$ -	\$ 107	\$ 120	\$ 13
Licenses, permits, and charges for services	<u>135,000</u>	<u>107,800</u>	<u>110,425</u>	<u>2,625</u>
Net Change in Fund Balance - Total revenue	135,000	107,907	110,545	2,638
Fund Balance - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of year	<u><u>\$ 135,000</u></u>	<u><u>\$ 107,907</u></u>	<u><u>\$ 110,545</u></u>	<u><u>\$ 2,638</u></u>

City of Novi, Michigan

Other Supplemental Information Major Governmental Fund - Street Improvement Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Interest income	\$ -	\$ (492)	\$ -	\$ 492
Transfers from other funds	-	3,578,349	3,578,349	-
Expenditures - Current - Public services				
- Street construction	-	8,325,749	5,232,982	3,092,767
Net Change in Fund Balance	-	(4,747,892)	(1,654,633)	3,093,259
Fund Balance - Beginning of year	4,747,892	4,747,892	4,747,892	-
Fund Balance - End of year	\$ 4,747,892	\$ -	\$ 3,093,259	\$ 3,093,259

City of Novi, Michigan

Other Supplemental Information Major Governmental Fund - 12 Mile Road SAD Debt Fund Budgetary Comparison Year Ended June 30, 2015

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Interest income	\$ -	\$ 850	\$ 26	\$ (824)
Special assessments	-	1,841,000	1,840,836	(164)
Total revenue	-	1,841,850	1,840,862	(988)
Expenditures				
Current - Transfers to other funds	-	390,000	389,012	988
Debt service	-	1,451,850	1,451,850	-
Total expenditures	-	1,841,850	1,840,862	988
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Novi, Michigan

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

	Balance at July 1, 2014	Additions	Reductions	Balance at June 30, 2015
Trust and Agency				
Assets				
Cash and cash equivalents	\$ 1,343,350	\$ 137,618,471	\$ (138,571,231)	\$ 390,590
Investments	9,850,895	14,675,284	(14,595,993)	9,930,186
Accounts receivable	2,741	15,847	(3,096)	15,492
Total assets	<u>\$ 11,196,986</u>	<u>\$ 152,309,602</u>	<u>\$ (153,170,320)</u>	<u>\$ 10,336,268</u>
Liabilities				
Accounts payable	\$ 524,068	\$ 137,536,963	\$ (137,397,140)	\$ 663,891
Due to other governmental units	6,662	322,638	(136,011)	193,289
Receipts refundable	10,666,256	5,715,860	(6,903,028)	9,479,088
Total liabilities	<u>\$ 11,196,986</u>	<u>\$ 143,575,461</u>	<u>\$ (144,436,179)</u>	<u>\$ 10,336,268</u>

City of Novi, Michigan

Other Supplemental Information Component Unit - Economic Development Corporation Statement of Net Position and Balance Sheet June 30, 2015

	Modified Accrual Basis	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 18,868	\$ -	\$ 18,868
Other asset	35,000	-	35,000
Total assets	<u>\$ 53,868</u>	<u>\$ -</u>	53,868
Fund Balance/Net Position			
Fund balance:			
Restricted for noncurrent asset	\$ 35,000	\$ (35,000)	-
Unassigned	18,868	(18,868)	-
Total fund balance	<u>\$ 53,868</u>	<u>\$ (53,868)</u>	-
Net Position - Unrestricted			<u>\$ 53,868</u>

City of Novi, Michigan

Other Supplemental Information **Component Unit - Economic Development Corporation** **Statement of Activities and Revenues, Expenditures, and Changes** **in Fund Balances** **Year Ended June 30, 2015**

	<u>Modified Accrual Basis</u>	<u>Statement of Activities</u>
Revenue - Interest income	\$ 40	\$ 40
Fund Balance/Net Position - Beginning of year	<u>53,828</u>	<u>53,828</u>
Fund Balance/Net Position - End of year	<u>\$ 53,868</u>	<u>\$ 53,868</u>

Statistical Section

City of Novi, Michigan

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

The statistical section is organized into the following main categories:

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

Revenue Capacity – These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

Debt Capacity – These schedules contain 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.

Demographics and Economic Information – 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 – 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 No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Novi, Michigan

	June 30				
	2006	2007	2008	2009	2010
Governmental Activities:					
Net investment in capital assets	\$ 71,209,178	\$ 75,202,275	\$ 84,846,486	\$ 95,693,089	\$ 98,921,906
Restricted	41,981,032	48,704,895	44,064,821	43,593,310	45,653,695
Unrestricted	9,181,892	9,883,457	12,277,054	9,610,719	8,329,201
Total net position	\$ 122,372,102	\$ 133,790,627	\$ 141,188,361	\$ 148,897,118	\$ 152,904,802
Business Type Activities:					
Net investment in capital assets	\$ 120,125,526	\$ 121,256,602	\$ 122,696,571	\$ 123,683,939	\$ 122,111,095
Restricted	9,233,967	9,539,969	9,253,056	8,680,849	8,429,638
Unrestricted	34,712,819	37,833,568	38,374,456	39,788,349	42,387,922
Total net position	\$ 164,072,312	\$ 168,630,139	\$ 170,324,083	\$ 172,153,137	\$ 172,928,655
Primary government in total:					
Net investment in capital assets	\$ 191,334,704	\$ 196,458,877	\$ 207,543,057	\$ 219,377,028	\$ 221,033,001
Restricted	51,214,999	58,244,864	53,317,877	52,274,159	54,083,333
Unrestricted	43,894,711	47,717,025	50,651,510	49,399,068	50,717,123
Total net position	\$ 286,444,414	\$ 302,420,766	\$ 311,512,444	\$ 321,050,255	\$ 325,833,457

Source: City's annual financial statements

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

June 30					
2011	2012	2013	2014	2015	
\$ 101,958,721	\$ 106,988,589	\$ 111,718,349	\$ 113,868,196	\$ 118,345,243	
42,916,961	41,427,834	37,289,012	35,240,527	38,576,210	
12,295,232	10,690,782	10,826,405	(14,622,520)	(15,525,832)	
\$ 157,170,914	\$ 159,107,205	\$ 159,833,766	\$ 134,486,203	\$ 141,395,621	
\$ 120,045,947	\$ 117,789,163	\$ 117,914,884	\$ 116,089,327	\$ 122,420,958	
8,175,188	7,494,295	7,001,295	1,136,154	-	
45,978,922	49,270,297	48,625,422	58,721,199	58,968,795	
\$ 174,200,057	\$ 174,553,755	\$ 173,541,601	\$ 175,946,680	\$ 181,389,753	
\$ 222,004,668	\$ 224,777,752	\$ 229,633,233	\$ 229,957,523	\$ 240,766,201	
51,092,149	48,922,129	44,290,307	32,593,320	38,576,210	
58,274,154	59,961,079	59,451,827	44,098,679	43,442,963	
\$ 331,370,971	\$ 333,660,960	\$ 333,375,367	\$ 306,649,522	\$ 322,785,374	

City of Novi, Michigan

	2006	2007	2008	2009	2010
Expenses					
General government	\$ 6,984,091	\$ 7,596,971	\$ 8,527,694	\$ 6,857,555	\$ 6,404,820
Public safety	17,394,448	18,364,779	20,006,508	19,619,207	18,735,448
Public services	9,247,149	9,718,720	9,993,071	10,898,774	9,831,873
Community and economic development	629,371	976,357	774,299	1,277,239	1,317,373
Recreation and culture	5,893,891	5,427,777	5,412,373	5,389,349	7,719,230
Interest on long-term debt	2,691,960	2,293,205	2,221,714	2,343,833	1,780,848
Total governmental activities	42,840,910	44,377,809	46,935,659	46,385,957	45,789,592
Program revenues					
Charges for services					
Public safety	3,197,692	3,893,549	2,688,989	1,486,140	1,780,059
Recreation and culture	1,157,091	1,072,208	1,212,573	1,132,512	1,210,039
Other activities	815,190	695,444	424,270	309,179	208,442
Total charges for services	5,169,973	5,661,201	4,325,832	2,927,831	3,198,540
Operating grants and contributions	6,989,196	6,462,178	3,271,673	3,915,138	3,391,897
Capital grants and contributions	2,287,153	1,051,753	1,023,837	1,882,357	1,070,050
Total program revenue	14,446,322	13,175,132	8,621,342	8,725,326	7,660,487
Net expense	(28,394,588)	(31,202,677)	(38,314,317)	(37,660,631)	(38,129,105)
General revenues					
Property taxes	32,741,087	34,954,183	37,030,496	37,776,272	37,137,888
State-shared revenue	3,728,482	3,613,152	3,613,152	3,425,882	3,046,979
Unrestricted interest earnings	2,706,553	3,556,170	3,604,198	2,375,074	593,064
Unrealized gain (loss) on cash equivalents					
Unrestricted cable television franchise fees	301,318	335,863	352,197	422,430	535,804
Miscellaneous	966,400	855,834	1,112,008	1,369,730	823,054
Total general revenues	40,443,840	43,315,202	45,712,051	45,369,388	42,136,789
Transfers	-	(694,000)	-	-	-
Implementation of GASB Statement No. 68	-	-	-	-	-
Change in Net Position	\$ 12,049,252	\$ 11,418,525	\$ 7,397,734	\$ 7,708,757	\$ 4,007,684

Note: GASB Statement No. 68 was implemented by the City in fiscal year 2015. Fiscal year 2014 amounts shown have not been modified to reflect the retroactive implementation.

Source: City's annual financial statements

**Statistical Section
Financial Trend Information
Changes in Governmental Net Position
Last Ten Fiscal Years**

	2011	2012	2013	2014	2015
\$	6,315,571	\$ 6,610,466	\$ 6,943,746	\$ 6,378,078	\$ 6,073,981
	18,331,488	16,793,073	16,191,890	17,216,678	17,649,289
	11,548,677	10,729,285	11,741,414	12,455,654	11,305,231
	1,241,411	2,617,585	2,699,301	3,072,448	3,065,875
	5,151,212	5,595,861	5,730,397	6,100,940	6,004,747
	1,759,340	1,453,161	1,059,437	963,702	839,175
	44,347,699	43,799,431	44,366,185	46,187,500	44,938,298
	2,438,917	3,181,849	3,186,862	1,198,711	1,026,876
	1,300,084	1,422,483	1,655,335	1,592,012	1,622,497
	611,929	548,787	709,560	2,547,217	3,524,521
	4,350,930	5,153,119	5,551,757	5,337,940	6,173,894
	3,620,833	3,511,329	3,897,155	4,525,924	5,289,006
	2,176,263	804,764	1,197,870	651,597	777,202
	10,148,026	9,469,212	10,646,782	10,515,461	12,240,102
	(34,199,673)	(34,330,219)	(33,719,403)	(35,672,039)	(32,698,196)
	32,550,375	30,183,881	29,620,564	30,059,401	31,673,469
	3,725,690	3,990,693	4,074,589	4,170,809	4,696,805
	626,449	881,869	(770,389)	977,005	666,771
				459,611	1,465,406
	601,350	722,065	991,272	801,256	1,105,163
	961,921	466,110	529,928	216,711	-
	38,465,785	36,244,618	34,445,964	36,684,793	39,607,614
	-	21,892	-	-	-
	-	-	-	(26,360,317)	-
\$	4,266,112	\$ 1,936,291	\$ 726,561	\$ (25,347,563)	\$ 6,909,418

City of Novi, Michigan

	Fiscal Year Ended June 30,				
	2006	2007	2008	2009	2010
Expenses					
Water and sewer	\$ 17,669,658	\$ 17,283,267	\$ 18,816,944	\$ 18,216,338	\$ 18,043,772
Ice arena	1,736,197	1,719,682	1,785,941	1,755,459	1,669,542
Senior housing	1,662,803	1,829,283	1,829,889	1,736,707	1,575,178
Total expenses	21,068,658	20,832,232	22,432,774	21,708,504	21,288,492
Program Revenues					
Charges for services					
Water and sewer	14,413,573	14,156,642	15,842,032	16,460,328	16,359,420
Ice arena	1,948,994	1,953,805	2,096,064	2,020,838	2,067,836
Senior housing	1,750,117	1,781,596	1,821,871	1,801,742	1,804,069
Total charges for services	18,112,684	17,892,043	19,759,967	20,282,908	20,231,325
Capital grants and contributions	11,439,392	4,429,990	3,417,107	3,087,188	1,443,974
Total program revenue	29,552,076	22,322,033	23,177,074	23,370,096	21,675,299
Net (expense) revenue	8,483,418	1,489,801	744,300	1,661,592	386,807
General Revenue					
Unrestricted interest earnings	2,098,954	2,374,026	949,644	167,462	388,711
Miscellaneous	12,476	-	-	-	-
Total general revenue	2,111,430	2,374,026	949,644	167,462	388,711
Transfers	-	694,000	-	-	-
Implementation of GASB Statement No. 68	-	-	-	-	-
Change in Net Position - Business-type Activities	\$ 10,594,848	\$ 4,557,827	\$ 1,693,944	\$ 1,829,054	\$ 775,518
Change in Net Position - Governmental Activities	12,049,252	11,418,525	7,397,734	7,708,757	4,007,684
Total Change in Net Position - Primary Government	\$ 22,644,100	\$ 15,976,352	\$ 9,091,678	\$ 9,537,811	\$ 4,783,202

Source: City's annual financial statements

**Statistical Section
Financial Trend Information
Changes in Business-type Net Position
Last Ten Fiscal Years**

Fiscal Year Ended June 30,					
	2011	2012	2013	2014	2015
\$	20,419,330	\$ 23,771,121	\$ 24,025,098	\$ 23,001,139	\$ 24,413,229
	1,704,596	1,710,615	1,919,478	1,771,615	2,107,211
	1,577,697	1,541,251	1,537,409	1,548,478	1,556,956
	23,701,623	27,022,987	27,481,985	26,321,232	28,077,396
	18,494,973	20,627,062	22,398,469	21,663,401	21,474,451
	2,078,643	2,003,689	2,104,536	2,143,962	2,171,061
	1,903,346	1,944,912	1,968,900	1,992,761	2,004,464
	22,476,962	24,575,663	26,471,905	25,800,124	25,649,976
	2,002,749	2,172,991	3,383,087	2,905,677	6,764,583
	24,479,711	26,748,654	29,854,992	28,705,801	32,414,559
	778,088	(274,333)	2,373,007	2,384,569	4,337,163
	493,314	649,923	(885,154)	622,902	1,104,990
	-	-	-	495,955	920
	493,314	649,923	(885,154)	1,118,857	1,105,910
	-	(21,892)	-	-	-
	-	-	-	(1,098,347)	-
\$	1,271,402	\$ 353,698	\$ 1,487,853	\$ 2,405,079	\$ 5,443,073
	4,266,112	1,936,291	726,561	(25,347,563)	6,909,418
\$	5,537,514	\$ 2,289,989	\$ 2,214,414	\$ (22,942,484)	\$ 12,352,491

City of Novi, Michigan

	Year Ended June 30				
	2006	2007	2008	2009	2010
General Fund:					
Reserved	\$ 454,025	\$ 1,037,182	\$ 172,263	\$ -	\$ -
Unreserved	10,059,345	10,577,595	12,240,776	10,314,220	9,710,403
Nonspendable					
Prepays	-	-	-	-	-
Restricted					
PEG access support fees	-	-	-	-	-
Public safety	-	-	-	-	-
Community	-	-	-	-	-
Assigned					
Subsequent year's budget	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	\$ 10,513,370	\$ 11,614,777	\$ 12,413,039	\$ 10,314,220	\$ 9,710,403
All other governmental funds:					
Reserved	\$ 6,731,963	7,660,714	21,943,866	20,841,560	9,892,542
Unreserved, reported in:					
Special revenue funds	20,009,494	26,857,209	26,824,183	25,412,275	27,549,651
Capital project funds	4,523,656	2,744,792	-	-	-
Debt service funds	1,491,063	1,449,850	1,417,823	1,531,730	1,747,094
Nonspendable					
Prepays	-	-	-	-	-
Restricted					
Contributions and donation	-	-	-	-	-
Roads	-	-	-	-	-
Cash and investments restricted for special assessments	-	-	-	-	-
Storm water systems	-	-	-	-	-
Parks, recreation, and cultural services	-	-	-	-	-
Debt service	-	-	-	-	-
Library	-	-	-	-	-
Tree replacement and maintenance	-	-	-	-	-
Law enforcement programs	-	-	-	-	-
Public safety	-	-	-	-	-
Street improvement	-	-	-	-	-
Street lighting improvements	-	-	-	-	-
PEG access support fees	-	-	-	-	-
Infrastructure improvements	-	-	-	-	-
Assigned					
Subsequent year's budget	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	\$ 32,756,176	\$ 38,712,565	\$ 50,185,872	\$ 47,785,565	\$ 39,189,287
Total	\$ 43,269,546	\$ 50,327,342	\$ 62,598,911	\$ 58,099,785	\$ 48,899,690

Source: City's annual financial statements

Note: For the year-ended June 30, 2011, the City implemented GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions* which required changes in how governmental fund balance is reported. For purposes of this schedule, the City did not restate prior year fund balances.

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

Year Ended June 30					
2011	2012	2013	2014	2015	
\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	
1,640	-	5,000	13,915	16,111	
-	-	-	-	-	
103,988	252,758	179,147	272,654	-	
-	-	-	-	27,894	
-	-	-	-	2,282	
-	-	-	-	-	
4,192,010	1,185,395	661,639	-	981,736	
7,119,437	8,126,447	7,965,778	9,203,448	11,329,627	
<u>\$ 11,417,075</u>	<u>\$ 9,564,600</u>	<u>\$ 8,811,564</u>	<u>\$ 9,490,017</u>	<u>\$ 12,357,650</u>	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	160,337	-	-	
-	2,500	-	-	200	
1,609,650	1,710,351	1,792,758	1,827,893	-	
5,263,318	6,168,785	5,975,031	5,439,981	10,864,942	
-	-	-	-	-	
5,077,212	4,577,626	4,474,222	90,030	-	
10,430,045	10,194,378	10,174,456	11,629,249	11,203,541	
-	-	1,283,200	895,244	1,718,166	
1,240,366	307,771	-	212,251	667,085	
3,257,122	4,011,112	2,113,292	1,845,976	3,349,028	
1,248,144	1,519,721	1,485,961	1,578,060	2,494,798	
438,121	617,763	341,404	436,312	-	
3,273,244	4,975,211	3,711,468	2,754,278	2,306,217	
-	-	-	4,747,892	-	
-	-	-	-	94,218	
-	-	-	-	407,457	
3,098,874	3,750,110	3,721,329	3,783,361	3,806,154	
-	-	-	-	-	
3,066,993	-	-	-	-	
-	-	-	-	(15,848)	
<u>\$ 38,003,089</u>	<u>\$ 37,835,328</u>	<u>\$ 35,233,458</u>	<u>\$ 35,240,527</u>	<u>\$ 36,895,958</u>	
<u>\$ 49,420,164</u>	<u>\$ 47,399,928</u>	<u>\$ 44,045,022</u>	<u>\$ 44,730,544</u>	<u>\$ 49,253,608</u>	

City of Novi, Michigan

	Year Ended June 30			
	2006	2007	2008	2009
Revenue				
Taxes	\$ 32,741,087	\$ 34,954,183	\$ 37,030,496	\$ 37,776,272
Licenses, permits, and charges for services	3,835,567	4,464,140	3,100,389	1,825,491
Federal grants	437,956	194,188	270,420	483,550
State sources	7,075,986	6,640,108	6,651,174	7,032,331
Special assessments collected	1,271,778	1,469,927	1,371,526	1,438,220
Fines and forfeitures	3,070,343	3,223,117	658,388	1,262,933
Interest income	3,735,575	4,529,431	4,460,935	3,147,972
Unrealized gain on investments	-	-	-	-
Recreational programs	918,047	864,760	962,418	967,156
Gifts and donations	340,147	5,650	49,346	49,226
Other revenue	2,526,651	1,671,891	1,197,343	1,601,451
Total revenue	55,953,137	58,017,395	55,752,435	55,584,602
Expenditures				
Current services:				
City Council	\$ 6,714	\$ 4,833	\$ 21,580	\$ 8,965
City manager	405,829	410,554	425,576	420,710
Finance department	721,668	893,732	876,915	906,598
Information technology	453,963	473,271	574,817	621,582
Assessing	660,643	695,564	791,884	881,136
City attorney	393,687	386,133	463,023	390,220
City clerk	485,907	527,221	543,327	636,981
Treasury	260,768	286,102	285,331	295,127
Facility Operations	648,426	1,026,280	960,778	1,669,302
Human Resources (3)	-	-	-	-
Neighborhood and business relations group (1)	293,175	334,545	578,654	717,049
General administration	1,708,636	2,568,173	1,870,418	1,728,883
Public Safety - Police Department	10,248,128	10,683,107	11,125,764	11,840,227
Public Safety - Fire Department	4,707,555	5,046,849	5,209,761	6,351,188
Coalition that Cares	-	-	-	-
Community development - Building division (2)	1,746,988	2,132,757	2,495,615	2,012,522
Community development - Planning division (2)	621,035	673,842	743,118	615,171
Neighborhood services	449,562	493,726	-	-
Department of public services	961,073	737,554	998,536	1,177,144
Engineering	277,607	367,279	364,198	476,489
Planning Commission	1,034	3,755	7,912	9,909
Construction	7,254,583	3,933,162	6,301,555	7,629,512
Street maintenance	2,691,092	2,361,203	2,840,343	3,125,742
Drain maintenance	490,658	589,733	547,477	610,898
Recreational programs	1,912,578	1,878,091	1,921,020	2,039,331
Forestry and park maintenance	1,485,440	1,164,713	1,155,892	912,323
Library programs	2,313,923	2,386,812	2,529,724	2,531,152
Other	356,326	547,425	1,430,650	184,026
Capital outlay	688,050	949,021	2,684,008	2,847,879
Debt service principal	6,059,000	6,190,000	9,525,000	7,075,000
Debt service interest and other	2,750,192	2,520,162	2,207,990	2,368,662
Advance refunding escrow	-	-	-	-
Total expenditures	51,054,240	50,265,599	59,480,866	60,083,728
Excess of Revenue Over (Under) Expenditures	4,898,897	7,751,796	(3,728,431)	(4,499,126)
Other Financing Sources (Uses)				
Refunding bonds issued	-	-	16,000,000	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	10,257,998	8,740,129	12,277,286	7,638,046
Transfers out	(10,257,998)	(9,434,129)	(12,277,286)	(7,638,046)
Total other financing sources (uses)	-	(694,000)	16,000,000	-
Net change in fund balances	4,898,897	7,057,796	12,271,569	(4,499,126)
Fund Balances - Beginning of year	38,370,649	43,269,546	50,327,342	62,598,911
Fund Balances - End of year	\$ 43,269,546	\$ 50,327,342	\$ 62,598,911	\$ 58,099,785
Debt Service as a Percentage of Noncapital Expenditures				
	21.3%	21.3%	19.9%	15.7%

(1) Formerly "community relations"

(2) Formerly "building, planning, and neighborhood services" combined into "community development"

(3) Formerly combined with "general administration"

Source: City's annual financial statements

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

Year Ended June 30						
2010	2011	2012	2013	2014	2015	
\$ 37,137,888	\$ 32,550,376	\$ 30,183,881	\$ 29,620,564	\$ 30,059,401	\$ 31,673,469	
1,981,548	2,900,982	3,749,548	4,190,121	3,848,403	3,521,819	
346,722	488,948	132,764	284,254	148,755	209,247	
5,926,318	6,621,830	7,294,974	7,685,394	8,114,209	8,442,213	
1,523,589	1,351,415	1,459,685	1,574,637	1,678,070	1,878,475	
1,019,185	828,789	839,107	856,128	1,054,660	639,474	
1,278,007	1,218,637	1,383,389	(60,470)	985,526	657,786	
-	-	-	-	506,264	155,435	
1,064,430	1,090,881	1,221,521	1,431,391	1,360,141	-	
110,815	38,662	95,322	159,548	42,406	332,799	
989,212	1,935,916	878,923	919,882	1,360,540	5,212,877	
51,377,714	49,026,436	47,239,114	46,661,449	49,158,375	52,723,594	
\$ 9,242	\$ 9,213	\$ 16,012	\$ 10,051	\$ 10,911	\$ 42,436	
411,411	363,513	399,594	423,711	399,885	508,805	
812,468	815,502	780,995	711,615	649,156	856,709	
685,954	710,859	628,167	693,974	864,178	774,627	
841,391	727,995	776,554	892,586	800,480	717,972	
347,976	457,054	431,011	384,736	375,926	707,655	
565,152	520,796	496,005	528,894	491,137	709,602	
295,806	274,364	284,894	313,156	285,976	320,633	
1,154,049	889,803	754,658	1,087,948	919,912	1,131,978	
-	418,994	394,009	408,611	423,452	422,818	
685,791	646,080	787,153	960,416	846,432	943,332	
1,598,772	1,380,374	1,738,906	2,104,447	1,596,080	2,419,173	
11,464,834	11,481,373	11,225,698	11,376,197	11,746,975	11,809,219	
4,813,234	4,730,832	4,540,765	4,548,565	5,110,195	4,742,808	
-	-	-	-	-	-	
1,438,146	1,343,440	1,383,833	1,449,296	1,554,167	1,597,622	
625,365	617,048	519,896	489,065	586,948	513,832	
-	-	-	-	-	-	
2,254,978	2,416,375	2,419,815	2,693,588	2,960,570	173,913	
-	-	-	-	-	-	
3,366	6,168	699	6,744	-	-	
14,589,987	2,272,800	4,983,542	4,015,306	3,652,031	5,947,254	
2,366,408	2,780,785	1,992,964	2,592,208	3,616,794	3,601,702	
635,237	580,337	713,607	409,935	426,799	-	
1,942,282	1,795,604	2,233,255	2,254,135	2,345,313	2,377,159	
200,962	63,478	41,539	-	-	-	
2,578,916	2,704,689	2,636,714	2,712,163	2,843,791	2,815,266	
317,621	360,327	82,438	135,451	-	-	
503,397	544,706	674,518	2,170,216	1,555,065	727,121	
7,325,001	7,685,000	6,855,000	5,205,000	3,450,000	3,505,000	
1,955,810	1,818,453	1,489,001	1,103,341	960,680	833,894	
109,181	-	-	-	-	-	
60,532,737	48,415,962	49,281,242	49,681,355	48,472,853	48,200,530	
(9,155,023)	610,474	(2,042,128)	(3,019,906)	685,522	4,523,064	
4,895,000	-	-	4,165,000	-	-	
(5,030,072)	-	-	(4,500,000)	-	-	
6,097,096	10,289,946	5,118,792	8,263,793	13,758,461	13,615,847	
(6,097,096)	(10,289,946)	(5,096,900)	(8,263,793)	(13,758,461)	(13,615,847)	
(135,072)	-	21,892	(335,000)	-	-	
(9,290,095)	610,474	(2,020,236)	(3,354,906)	685,522	4,523,064	
58,099,785	48,809,690	49,420,164	47,399,928	44,045,022	44,730,544	
\$ 48,809,690	\$ 49,420,164	\$ 47,399,928	\$ 44,045,022	\$ 44,730,544	\$ 49,253,608	
17.2%	25.4%	23.8%	19.5%	10.0%	9.0%	

City of Novi, Michigan

Taxable Value by Property Type:

Real property:

Tax Year	Fiscal Year	Residential	Commercial	Industrial	Developmental	IFT
2005	2006	1,932,744,870	738,890,900	232,969,610	-	-
2006	2007	2,144,508,500	785,262,660	239,100,490	-	-
2007	2008	2,259,983,800	840,511,130	249,293,980	-	-
2008	2009	2,238,676,260	875,710,130	257,605,110	-	-
2009	2010	2,118,748,880	934,816,000	268,208,590	-	-
2010	2011	1,862,673,780	900,544,230	220,883,480	-	-
2011	2012	1,781,997,870	923,404,500	53,530,570	-	-
2012	2013	1,809,105,200	846,638,040	44,245,120	-	-
2013	2014	1,892,836,510	815,093,230	40,453,090	-	-
2014	2015	1,984,120,840	822,896,230	38,788,580	-	-

Note: Under Michigan law, the revenue base is taxable value.

Source: City's assessor's department records/State Tax Commission

City of Novi, Michigan

Statistical Section Revenue Capacity Information Taxable Value and Actual Value of Taxable Property Last Ten Fiscal Years

Personal Property	Total Taxable Value	Tax rate (mills)	State Equalized Value (SEV)	Taxable Value as a Percent of SEV
194,212,430	3,098,817,810	10.5416	3,580,551,380	87
195,189,850	3,364,061,500	10.5416	3,848,565,100	87
200,617,830	3,550,406,740	10.5416	3,946,241,780	90
210,456,740	3,582,448,240	10.5416	3,876,954,790	92
233,170,160	3,554,943,630	10.5416	3,742,061,910	95
220,466,950	3,204,568,440	10.5416	3,321,184,600	96
220,678,540	2,979,611,480	10.5416	3,063,922,590	97
220,345,290	2,920,333,650	10.2000	3,004,330,340	97
223,698,750	2,972,081,580	10.2000	3,099,733,610	96
225,066,560	3,070,872,210	10.2000	3,365,191,110	91

City of Novi, Michigan

City of Novi

Fiscal Year	General	Municipal Street	Police and Fire	Parks and Recreation	Drain Revenue	Library	Debt Service	Total
2005	4.6422	0.7719	1.4282	0.3857	0.5105	0.7719	2.0312	10.5416
2006	4.6802	0.7719	1.4282	0.3857	0.5105	0.7719	1.9932	10.5416
2007	4.8051	0.7719	1.4282	0.3857	0.5105	0.7719	1.8683	10.5416
2008	4.8287	0.7719	1.4282	0.3857	0.5105	0.7719	1.8447	10.5416
2009	4.8287	0.7719	1.4282	0.3857	0.3590	0.7719	1.9962	10.5416
2010	4.9027	0.7719	1.4282	0.3857	0.1765	0.7719	2.1047	10.5416
2011	5.0182	0.7719	1.4282	0.3857	0.0885	0.7719	2.0772	10.5416
2012	5.0182	0.7719	1.4282	0.3857	0.2642	0.7719	1.9015	10.5416
2013	5.0182	0.7719	1.4282	0.3857	0.3435	0.7719	1.4806	10.2000
2014	5.0182	1.5000	1.4282	0.3857	0.1057	0.7719	0.9903	10.2000
2015	5.0182	1.5000	1.4282	0.3857	-	0.7719	1.0960	10.2000

Note: All rates are expressed in dollars per \$1,000 of taxable value

Source: City's finance department records

(1) The State of Michigan passed legislation on April 30, 2002 to require the levying of the State Education Tax (SET) on subsequent summer tax bills only. A one-time reduction from six mills to five mills was offered during the 2003 tax year to assist taxpayers with the transition to the new collection cycle.

City of Novi, Michigan

Overlapping Government

Novi Schools		South Lyon Schools		Walled Lake Schools		Northville Schools	
Homestead	Non-Homestead	Homestead	Non-Homestead	Homestead	Non-Homestead	Homestead	Non-Homestead
12.0413	26.2032	8.5000	26.5000	7.0548	22.7900	5.2200	23.2200
11.7194	26.1532	8.5000	26.5000	6.8975	22.7900	4.9500	22.9500
10.6182	25.6732	8.5000	26.5000	6.7841	22.7900	4.4000	22.4000
10.0181	25.1332	8.5000	26.5000	6.6700	22.7900	4.2400	22.2400
9.9724	25.3332	8.5000	26.5000	6.5722	22.7900	3.9000	21.9000
10.3800	25.7332	8.5000	26.5000	6.4793	22.5000	4.0000	22.7200
11.4931	26.3632	10.5000	28.5000	6.7508	22.5000	4.5000	22.5000
11.3229	26.1930	10.8500	28.8000	6.8812	22.5000	5.5000	23.3800
12.3331	27.1010	10.8500	28.8500	7.0254	22.5600	5.3000	23.3000
12.3296	27.1010	10.7000	28.7000	7.4730	23.1445	5.3000	23.3000
12.1729	27.1010	10.8029	25.7310	7.6843	23.4872	4.8700	22.8700

City of Novi, Michigan

Statistical Section Revenue Capacity Information Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

Overlapping Government

Fiscal Year	Oakland County	Oakland Community College	Schoolcraft Community College	Oakland Intermediate Schools	Wayne Intermediate Schools	State Education
2005	4.6476	1.5889	1.7967	3.3789	3.4643	6.0000
2006	4.6461	1.5844	1.7967	3.3690	3.4643	6.0000
2007	4.6461	1.5844	1.7967	3.3690	3.4643	6.0000
2008	4.6461	1.5844	1.7967	3.3690	3.4643	6.0000
2009	4.7461	1.5844	1.7967	3.3690	3.4643	6.0000
2010	4.7461	1.5844	1.7967	3.3690	3.4643	6.0000
2011	4.7461	1.5844	1.7967	3.3690	3.4643	6.0000
2012	4.7461	1.5844	1.7967	3.3690	3.4643	6.0000
2013	4.9461	1.5844	1.7967	3.3690	3.4643	6.0000
2014	4.9461	1.5844	1.7967	3.3690	3.4643	6.0000
2015	4.9461	1.5844	1.7967	3.3690	3.4643	6.0000

City of Novi, Michigan

Statistical Section Revenue Capacity Information Principal Property Taxpayers Current Year and Nine Years Ago

Taxpayer	2014 Taxable Value	Percentage of total	2014 Rank	2005 Taxable Value	Percentage of total	2005 rank
Taubman	52,806,020	1.65%	1	\$ 53,529,190	1.73	2
Northern Equities Et al	49,172,110	1.53%	2			
Singh Development	43,603,360	1.33%	3	59,246,460	1.91	1
Novi Campus LLC - Fox Run	34,884,280	0.95%	4	27,425,950	0.89	5
International Transmission Co	28,228,540	0.78%	5			
Occidental Development Ltd.	27,901,640	0.76%	6	26,692,120	0.86	6
Bowman	27,399,110	0.78%	7			
Detroit Edison	26,792,660	0.72%	8	19,224,200	0.62	8
Providence Hospital	20,827,540	0.64%	9	20,862,520	0.67	7
Fountain Walk	14,501,410	0.45%	10	37,473,000	1.21	4
Haggerty Corridor Partners				39,932,950	1.29	3
MI Developments America				18,843,770	0.61	9
TBON LLC				18,336,560	1	10
Total		9.59%			10.38	

Note: The City obtained the nine years taxable value data from the CAFR for that year. Taxable value data for any taxpayers who were not among the top 10 during that year is not available.

Source: City Assessor's department records

City of Novi, Michigan

Statistical Section Revenue Capacity Information Property Tax Levies and Collections Last Ten Fiscal Years

Tax Year	Fiscal Year	Total Tax Levy	Current Collections	Percent of Levy Collected	Delinquent Collections	Total Tax Collections	Percent of Total Collections to Tax Levy
2004	2005	30,576,422	28,583,217	93.5	896,068	29,479,285	96.4
2005	2006	32,666,495	31,511,671	96.5	523,589	32,035,260	98.1
2006	2007	35,515,881	33,701,763	94.9	804,920	34,506,683	97.2
2007	2008	37,235,244	34,722,648	93.3	1,208,158	35,930,806	96.5
2008	2009	37,786,170	36,240,984	95.9	1,242,184	36,553,048	96.7
2009	2010	37,360,762	34,997,428	93.7	2,057,564	37,054,992	99.2
2010	2011	33,678,282	32,529,560	96.6	983,484	33,513,044	99.5
2011	2012	31,153,847	30,486,979	97.9	529,773	31,016,752	99.6
2012	2013	29,801,091	29,155,182	97.8	477,217	29,632,399	99.4
2013	2014	30,206,320	29,765,634	98.5	379,876	30,145,510	99.8
2014	2015	31,383,505	30,973,259	98.7	361,142	31,334,401	99.8

Note: Tax levy and collection information does not include Special Assessments.

Source: City's finance department records

City of Novi, Michigan

	2006	2007	2008	2009
Governmental Activities:				
General obligation bonds (1)	\$ 45,230,000	\$ 40,165,000	\$ 48,065,000	\$ 42,455,000
Installment purchase agreements	-	-	-	-
Special assessment bonds	14,215,000	13,090,000	11,665,000	10,200,000
Total	59,445,000	53,255,000	59,730,000	52,655,000
Business Type Activities:				
General obligation bonds	23,029,633	21,491,000	19,932,982	19,089,656
Special assessment bonds	2,080,000	1,905,000	1,730,000	1,530,000
Installment loans	-	-	-	-
Revenue bonds	-	-	-	-
Total	25,109,633	23,396,000	21,662,982	20,619,656
Total debt of the government	\$ 84,554,633	\$ 76,651,000	\$ 81,392,982	\$ 73,274,656
Total taxable value	\$ 3,098,817,810	\$ 3,364,061,500	\$ 3,550,406,740	\$ 3,582,448,240
Ratio of total debt to taxable value	2.73%	2.28%	2.29%	2.05%
Total population *	53,941	54,609	54,688	54,376
Total debt per capita	\$ 1,568	\$ 1,404	\$ 1,488	\$ 1,348

* Population estimate information obtained from the Southeast Michigan Council of Governments:
www.semcog.org

(1) Less Deferred amount on refunding

Note: Personal Income information is not available

Source: City's annual financial statements

**Statistical Section
Debt Capacity Information
Ratios of Outstanding Debt
Last Ten Fiscal Years**

	2010	2011	2012	2013	2014	2015
\$	36,335,747	\$ 30,086,456	\$ 24,667,165	\$ 20,947,874	\$ 19,020,000	\$ 16,905,000
	-	-	-	-	-	-
	8,750,000	7,350,000	5,950,000	4,165,000	2,750,000	1,360,000
	45,085,747	37,436,456	30,617,165	25,112,874	21,770,000	18,265,000
	18,197,543	17,334,016	16,425,488	15,461,961	15,295,000	14,150,000
	1,330,000	1,155,000	980,000	805,000	630,000	455,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	19,527,543	18,489,016	17,405,488	16,266,961	15,925,000	14,605,000
\$	64,613,290	\$ 55,925,472	\$ 48,022,653	\$ 41,379,835	\$ 37,695,000	\$ 32,870,000
\$	3,554,943,630	\$ 3,204,568,440	\$ 2,979,611,480	\$ 2,920,333,650	\$ 2,972,081,580	\$ 3,070,872,210
	1.82%	1.75%	1.61%	1.42%	1.27%	1.07%
	55,224	55,374	56,062	59,395	60,290	60,593
\$	1,170	\$ 1,010	\$ 857	\$ 697	\$ 625	\$ 542

City of Novi, Michigan

Statistical Section Debt Capacity Information Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year	Tax-limited General Obligation Bonds (LTGO)	Tax Supported Bonds (UTGO)	Michigan Transportation Fund (MTF)	Other General Bonded Debt	Total	Taxable Value	Debt as a percentage of Taxable Value	Population (2)	Debt per Capita
2004	\$ 1,850,000	\$ 50,775,000	\$ 2,015,000	\$ 66,000	\$ 54,706,000	\$ 2,679,216,000	2.04	51,518	\$ 1,062
2005	1,700,000	46,685,000	1,745,000	34,000	50,164,000	2,900,548,534	1.73	52,921	948
2006	1,525,000	42,225,000	1,480,000	-	45,230,000	3,098,817,810	1.46	53,941	839
2007	1,350,000	37,600,000	1,215,000	-	40,165,000	3,364,061,500	1.19	54,609	736
2008	1,150,000	46,005,000	910,000	-	48,065,000	3,550,406,740	1.35	54,688	879
2009	950,000	40,895,000	610,000	-	42,455,000	3,582,448,240	1.19	54,376	781
2010 (1)	750,000	35,485,000	315,000	19,390,000	55,940,000	3,554,943,630	1.57	55,224	1,013
2011 (1)	550,000	29,715,000	-	18,430,000	48,695,000	3,204,568,440	1.52	55,374	879
2012	275,000	24,535,000	-	17,425,000	42,235,000	2,949,611,480	1.43	56,062	753
2013	-	21,055,000	-	16,365,000	37,420,000	2,920,333,650	1.28	59,395	630
2014	-	19,020,000	-	15,295,000	34,315,000	2,972,081,580	1.15	60,290	569
2015	-	16,905,000	-	14,150,000	31,055,000	3,070,872,210	1.01	60,593	513

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements and the schedule of indebtedness.

(1) Other general bonded debt includes the Building Authority Bonds paid from the net revenues of the Ice Arena and Senior Housing Fund. Prior year other general bonded debt was not restated to include debt of business-type activities.

(2) Population estimate information obtained from the Southeast Michigan Council of Governments: www.semco.org

Source: City's finance department records

City of Novi, Michigan

Statistical Section Debt Capacity Information Direct and Overlapping Governmental Activities Debt Year Ended June 30, 2015

Governmental unit	Debt Outstanding	Estimated Percent Applicable (2)	Estimated Share of Overlapping Debt
Novi School District	\$ 114,725,000	99.86	\$ 114,564,385
Northville School District	52,860,000	18.64	9,853,104
Walled Lake School District	153,430,000	12.93	19,838,499
South Lyon School District	140,490,000	2.85	4,003,965
Oakland County	426,396,226	6.13	26,138,089
Oakland Intermediate School District	54,540,000	5.18	2,825,172
Oakland Community College	2,355,000	4.98	117,279
Schoolcraft Community College	16,035,000	4.66	747,231
Total overlapping debt			178,087,724
Direct City debt (1)			16,905,000
Total direct and overlapping debt			\$ 194,992,724

(1) Amount does not include Special Assessment obligations and is net of deferred amount of refundings

(2) Percent obtained from Municipal Advisory Council of Michigan

Source: Various taxing authorities

City of Novi, Michigan

	2006	2007	2008	2009
Calculation of debt limit:				
State equalized valuation (2)	\$ 3,580,551,380	\$ 3,848,565,100	\$ 3,946,241,780	\$ 3,876,954,790
Assessed value equivalent of Act 198 exemptions (1)	8,350,000	8,386,000	8,385,600	8,423,350
Debt limit (10% of SEV)	358,890,138	385,695,110	395,462,738	388,537,814
Calculation of debt subject to limit:				
Total debt	84,554,634	76,651,000	81,392,982	73,274,656
Less:				
Special assessment bonds	16,295,000	14,995,000	13,395,000	11,730,000
Michigan Transportation Fund bonds	1,480,000	1,215,000	910,000	610,000
Revenue bonds	-	-	-	-
Net debt subject to limit	66,779,634	60,441,000	67,087,982	60,934,656
Legal debt margin	\$ 292,110,504	\$ 325,254,110	\$ 328,374,756	\$ 327,603,158
Net Debt Subject to Limit as Percent of Debt Limit	18.61%	15.67%	16.96%	15.68%

(1) Assessed value changes in prior years as a result of Michigan Tax Tribunal case.

(2) Debt limit is calculated based on prior tax year SEV

Source: City's finance department records

Act 279, Public Acts of Michigan, 1909, as amended, and the City Charter of the City, provide that the net indebtedness of the City shall not exceed 10% of all assessed real and personal property in the City, plus assessed value equivalent of Act 198 specific tax levies

Bonds which are not included in the computation of legal debt margin according to said Act 279 are:

- (a) Special Assessment Bonds;
- (b) Mortgage Bonds;
- (c) Michigan Transportation Fund Bonds and Notes;
- (d) Revenue Bonds;
- (e) Bonds issued, or contract or assessment obligations incurred, to comply with an order of the former water resources commission, the department of environmental quality, or a court of competent jurisdiction;
- (f) Bonds issued, or contract or assessment obligations incurred, for water supply, sewerage, drainage or refuse disposal projects necessary to protect the public health by abating pollution;
- (g) Bonds issued, or contract or assessment obligations incurred, for the construction, improvement or replacement of a combined sewer overflow abatement facility; and
- (h) Bonds issued to pay premiums or establish self-insurance contracts in accordance with Act 34, Public Acts of Michigan, 2001, as amended.

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

2010	2011	2012	2013	2014	2015
\$ 3,742,061,910	\$ 3,321,184,600	\$ 3,063,922,590	\$ 3,004,330,340	\$ 3,099,733,610	\$ 3,365,191,110
8,414,300	8,389,050	8,960,650	8,960,650	10,158,950	13,968,800
375,047,621	332,957,365	307,288,324	301,329,099	310,989,256	337,915,991
64,613,290	55,925,472	48,022,653	41,379,835	37,695,000	32,870,000
10,080,000	8,505,000	6,930,000	4,970,000	3,380,000	1,815,000
315,000	-	-	-	-	-
-	-	-	-	-	-
54,218,290	47,420,472	41,092,653	36,409,835	34,315,000	31,055,000
\$ 320,829,331	\$ 285,536,893	\$ 266,195,671	\$ 264,919,264	\$ 276,674,256	\$ 306,860,991
14.46%	14.24%	13.37%	12.08%	11.03%	9.19%

City of Novi, Michigan

Fiscal Year	Water and Sewer Revenue Bonds					
	Gross Revenues	Applicable Expenses	Net Revenues	Debt Service		
				Principal	Interest	Coverage
2005	14,416,353	12,885,033	1,531,320	525,000	652,231	1.30
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	-	-	-	-	-	-
2009	-	-	-	-	-	-
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-
2013*	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-

* 2000 Special Assessment Limited Tax Bond was refunded in the current year. City had savings on the interest that was paid during FY 2013

Source: City's annual financial statements

**Statistical Section
Debt Capacity Information
Pledged-revenue Coverage
Last Ten Fiscal Years**

Special Assessment bonds			
Special Assessment Collections	Debt Service		
	Principal	Interest	Coverage
2,715,000	1,200	866	1.31
2,679,000	1,300	775	1.29
2,759,000	1,300	715	1.37
2,589,203	1,600	649	1.15
2,480,991	1,665	574	1.11
2,583,000	1,650	499	1.20
2,660,803	1,575	425	1.33
2,700,549	1,575	354	1.40
2,503,020	1,625	140	1.42
2,137,737	1,590	130	1.24
2,277,115	1,565	83	1.38

City of Novi, Michigan

Statistical Section Demographic and Economic Information Demographic and Economic Statistics Last Sixteen Fiscal Years

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2004	51,518	*	*	4.2
2005	52,921	*	*	3.9
2006	53,941	*	*	3.5
2007	54,609	*	*	4.3
2008	54,688	*	*	4.1
2009	54,376	*	*	5.9
2010	55,224	*	*	8.4
2011	55,374	*	*	10.9
2012	56,062	*	*	8.2
2013	59,395	*	*	9.4
2014	60,290	*	*	4.4
2015	60,593	*	*	3.6

* Not available

Sources: Southeast Michigan Council of Governments
Michigan Department of Labor and Economic Growth
U.S. Bureau of the Census
U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

** U.S. Bureau of Labor Statistics - Warren, Troy, Farmington Hills

City of Novi, Michigan

Statistical Section Demographic and Economic Information Principal Employers Current Year and Nine Years Ago

Employer	2015 Rank	2015 Employees	2006 Rank	2006 Employees
St. John Health/Providence Park Hospital	1	1,600	10	500
Novi Community Schools	2	950	5	807
Fox Run	3	834		
Ryder System	4	660		
ITC Holding, Inc.	5	502		
Eberspaecher North America, Inc	6	408		
Intier/Magna	7	396	8	500
Michigan Cat	8	300		
Cooper-Standard Automotive	9	270		
Comau North America	10	239		

Note - Employee totals do not include part-time employees
Sources: The City's Neighborhood and Business Relations Group

Sources: The City's Neighborhood and Business Relations Group

City of Novi, Michigan

Function/ program	2006	2007	2008	2009	2010
City manager	3	3	3	3	3
Finance Department (7)	8	8	8	8	8
Information technology	4	5	5	5	5
Assessing	7	7	7	7	7
City clerk	6	6	6	6	6
Treasury	3	3	3	3	3
Facility Operations	2	2	2	2	4
Human Resources (3)	-	-	-	-	5
General administration	6	6	5	6	-
Department of Public Safety	-	-	-	-	128
Police department (4)	97	99	99	99	-
Fire department (4)	30	31	31	31	-
Building Department	18	18	-	-	-
Neighborhood services	5	5	-	-	-
Department of Public Services (5)	23	23	23	24	36
Engineering	5	5	6	6	-
Parks, Recreation and Cultural Services (6)	18	18	19	17	11
Water and Sewer	13	13	12	12	12
Library	20	20	20	20	20
Community Relations	2	3	-	-	-
Neighborhood and Business Relations Group (1)	-	-	4	4	3
Planning	8	8	-	-	-
Community Development (2)	-	-	31	31	21
Total	278	283	284	284	272

(1) Formerly "Community Relations"

(2) Combined building and planning

(3) Employees included under General Administration in previous years

(4) Combined Police and Fire Departments

(5) Engineering staff combined with DPS

(6) Forestry and park maintenance staff combined with Department of Public Services

(7) Finance includes both the Finance Department and Treasury Department in Fiscal Year 2013

Source: City's finance department records

**Statistical Section
Operating Information
Full-time Equivalent Government Employees
Last Ten Fiscal Years**

2011	2012	2013	2014	2015
3	3	3	3	3
7	7	9	9	9
5	5	5	5	5
7	5	5	5	5
5	5	5	5	5
3	3	-	-	-
2	1	2	2	2
5	4	4	4	4
-	-	-	-	-
118	111	111	113	115
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
36	33	35	35	34
-	-	-	-	-
10	10	11	11	11
12	12	13	14	14
20	18	20	20	20
-	-	-	-	-
3	3	4	4	3
-	-	-	-	-
19	18	21	21	21
255	238	247	251	250

City of Novi, Michigan

Function/ program	2006	2007	2008	2009	2010
Election data					
Registered voters	32,301	33,253	35,117	36,320	35,764
Voters at polls	4,495	20,612	9,020	19,684	2,887
Absentee ballots	2,256	4,500	2,768	8,455	2,212
Percent voting	20.90%	62.00%	26.00%	77.48%	14.26%
Police					
Part A crimes	2,312	2,077	2,102	2,018	1,868
Part B crimes	1,246	1,388	987	721	793
Injury accidents	248	203	242	264	216
Property damage	1,986	1,853	1,825	1,737	1,602
Moving traffic violations	12,219	11,486	6,813	11,184	11,635
Parking violations	437	427	N/A	N/A	512
Adult arrests	1,780	2,001	1,703	1,987	2,353
Juvenile arrests	211	237	189	229	201
OJL arrests	380	398	266	369	363
False alarms	2,677	2,664	2,403	2,275	2,262
Fire					
Fire incidents	309	287	266	1,015	134
Service incidents	1,013	1,207	1,218	567	2,006
Fire inspections conducted	2,291	2,301	2,619	3,049	2,341
Medical emergencies	2,424	2,458	2,724	2,766	2,957
Paid-on-call staff	54	59	56	68	68
Parks and recreation					
Youth classes/clinics	248	780	572	715	1,154
Adult classes/clinics	106	493	428	213	439
Youth leagues	3,002	3,091	2,983	2,198	2,585
Adult leagues	2,146	1,980	2,240	2,394	2,750
Summer day camp	431	367	341	339	742
Lakeshore Park vehicle entry	3,502	7,910	10,335	7,065	11,533
Lakeshore Park attendance	12,224	17,120	17,777	17,663	28,833
Lakeshore Park picnic shelter rental	85	104	163	130	128
Senior citizens served (1)	64,189	106,522	87,188	78,978	78,432
Special event attendance	10,009	9,981	11,413	11,049	12,071
Civic Center Rentals	2,700	2,746	2,731	2,116	1,060
Civic Center Attendance	86,860	96,503	97,249	81,810	57,519
Novi Theaters - Cast	372	284	226	214	206
Novi Theaters - Audience	6,640	4,929	6,392	4,548	5,041
Library (2)					
Items circulated	508,405	544,874	580,438	628,724	556,582
Book collections	123,897	126,259	128,711	123,884	137,220
Audio/Video/CD collections	12,581	13,805	13,774	13,232	14,295
Periodical subscriptions	153	170	179	162	185
Requests of Information	136,448	158,265	159,485	154,735	171,324
Youth Summer Reading	1,698	1,171	1,491	1,491	1,061
Program participants	26,160	26,720	35,062	18,772	24,145
Visitors	285,777	265,795	269,815	280,560	262,826
Interlibrary loans	46,057	55,102	60,182	78,214	67,615
Water and Sewer					
Customers:					
Residential	12,306	12,708	12,716	12,641	12,874
Commercial	1,108	1,399	1,280	1,287	1,225
Water (in thousand gallons):					
Purchased from Detroit	2,431,591	2,424,237	2,402,589	2,182,409	2,041,594
Sold to residents	2,256,309	2,355,938	2,192,050	2,079,696	1,919,763
Rates:					
Minimum 7,000 gallons (3)	\$ 31.00	\$ 31.00	\$ 33.00	\$ 41.00	\$ 42.00
Fixed rate quarterly water charge	-	-	-	-	-
Additional usage per 1,000 gallons	2.94	2.94	3.17	3.95	4.06
Fixed rate quarterly sewer charge	-	-	-	-	-
Sewer (per thousand gallons of water usage)	2.21	2.21	2.32	2.51	2.67

(1) The total utilization no longer includes the phone calls and questions fielded by the Novi Senior Center.

The June 30, 2008 total is a true reflection of those actually served at the center via programs and services.

This tracking methodology will be used for all future years.

(2) This information represents 10 months worth of information. The Library was closed for the months of April and May.

The New Library opened on June 1, 2010.

(3) Effective August 1, 2010 the City of Novi adopted a fixed rate structure for water and sewer usage which does not include a minimum consumption charge.

Source: City's finance department records

Statistical Section Operating Information Operating Indicators Last Ten Fiscal Years

2011	2012	2013	2014	2015
36,921	37,366	38,757	39,248	39,341
14,535	3,633	20,484	4,719	14,341
4,575	2,386	8,765	2,599	5,029
51.76%	16.11%	75.00%	18.65%	49.24%
1,679	1,841	2,048	1,736	1,654
814	627	626	673	622
272	288	310	276	295
1,761	1,631	1,695	1,153	1,037
10,167	9,381	10,058	8,487	8,216
285	288	199	185	75
2,368	2,082	2,241	2,355	2,574
213	166	137	142	98
415	335	342	268	164
2,357	2,090	2,270	2,538	2,164
92	120	112	120	113
1,311	1,249	1,360	1,345	457
2,920	3,557	3,063	2,919	3,108
3,299	3,169	3,383	3,425	3,811
66	68	55	54	39
1,238	1,544	1,620	1,149	1,584
458	414	340	462	1,244
2,371	2,431	2,512	2,471	2,199
4,024	4,120	5,220	5,279	5,300
703	668	N/A	334	498
9,846	10,822	13,000	15,462	14,391
24,615	27,055	32,500	38,655	35,978
98	105	116	125	120
68,517	76,462	77,759	75,832	79,172
14,311	14,018	17,021	20,028	16,840
1,516	1,492	1,520	1,560	1,058
37,457	35,506	17,021	44,200	33,988
181	198	253	293	86
4,757	4,715	5,454	4,997	1,705
759,021	803,552	800,031	799,475	734,643
146,187	152,024	151,724	152,236	149,941
18,015	20,618	23,507	25,677	27,776
215	208	210	242	207
220,427	210,960	N/A	115,392	115,392
1,261	1,338	2,042	2,340	2,584
34,198	45,572	34,899	40,010	40,901
371,274	378,571	389,220	401,984	392,047
100,342	109,274	109,330	106,250	105,588
12,940	13,191	13,604	13,760	13,946
1,239	1,254	1,223	1,204	1,259
2,166,712	2,459,402	2,321,313	2,216,075	1,835,567
2,024,406	2,109,414	2,222,787	2,138,305	1,811,910
\$ -	\$ -	-		
35.00	37.00	40.00	\$ 57.00	57.00
3.31	3.44	3.86	4.13	4.13
5.00	5.00	6.00	\$ 6.00	6.00
2.90	4.00	4.25	4.30	4.30

City of Novi, Michigan

Function/ program	2006	2007	2008	2009	2010
Police:					
Stations	1	1	1	1	1
Fire					
Stations	4	4	4	4	4
Public works					
Miles of City streets:					
Major	39	39	39	40	39
Local	116	123	127	128	132
Estimated sidewalks in miles (1)	170	226	227	228	230
Bridges	4	4	4	4	4
Street lights	401	402	402	418	421
Parks and recreation:					
Acres	894	894	894	991	1,138
Locations	7	7	7	11	11
Library:					
Branches	1	1	1	1	1
Water and sewer:					
Miles of water mains	288	288	288	306	306
Miles of sanitary sewers	230	230	230	243	243
Fire hydrants	3,763	4,010	4,011	4,003	4,003

Source: City's finance department records

(1) Prior year adjustments were made as a result of changes in the GIS mapping system to more accurately reflect miles.

**Statistical Section
Operating Information
Capital Asset Statistics
Last Ten Fiscal Years**

2011	2012	2013	2014	2015
1	1	1	1	1
4	4	4	4	4
39	39	39	39	39
136	141	141	144	146
231	231	232	256	261
4	4	4	4	10
421	421	421	504	689
1,138	1,138	1,150	1,260	1,288
11	11	12	13	15
1	1	1	1	1
306	306	306	328	333
245	245	245	252	255
4,002	4,002	4,002	4,192	4,211