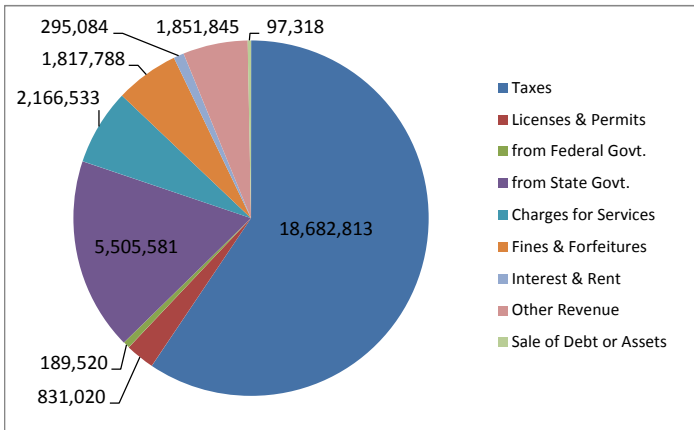


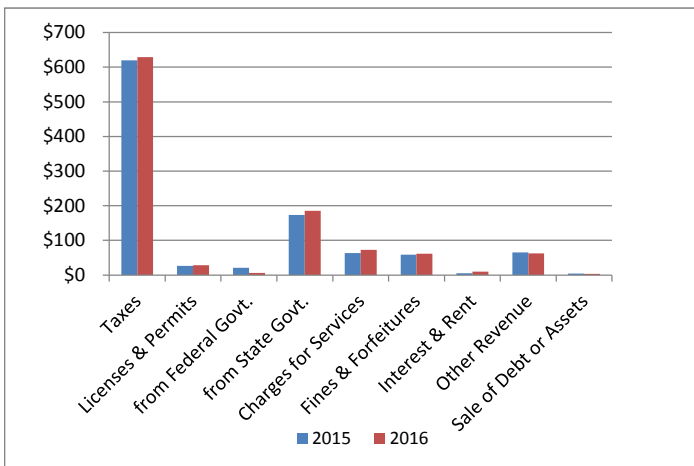
1. Where our money comes from (all governmental funds)



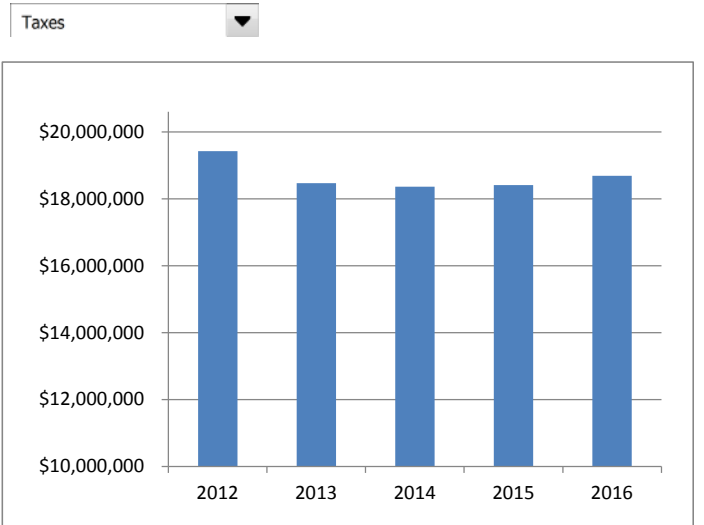
2. Compared to the prior year

	FY 2015	FY 2016	% change
Taxes	\$ 18,404,397	\$ 18,682,813	2%
Licenses & Permits	797,664	831,020	4%
from Federal Govt.	623,518	189,520	-70%
from State Govt.	5,163,661	5,505,581	7%
Charges for Services	1,882,296	2,166,533	15%
Fines & Forfeitures	1,748,751	1,817,788	4%
Interest & Rent	170,076	295,084	74%
Other Revenue	1,949,747	1,851,845	-5%
Sale of Debt or Assets	130,693	97,318	-26%
Total	\$ 30,870,803	\$ 31,437,502	2%

3. Revenue sources per capita - compared to the prior year

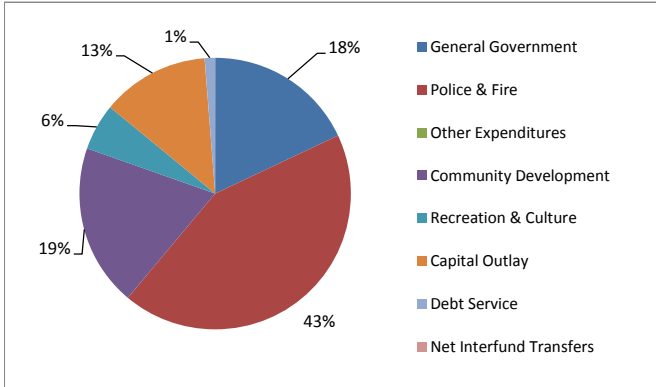


4. Historical trends of individual sources



Governmental funds include the General Fund, Major and Local Street Funds, Special Assessment Revolving Fund and other Non-Major Funds. Governmental Fund revenues were up 1.9% when compared to FY 2015. This increase is due to an unbudgeted insurance distribution of \$511,930 and cable fees exceeding budget by \$132,815. Local Streets planned construction expenditures exceeded revenues by \$893,400. Major Streets planned construction expenditures exceeded revenues by \$635,332. During the Fiscal Year, the City's overall taxable value increased 1.5%. The City's second largest source of Governmental Fund revenue is State Shared Revenues, which amount to 17.5 % of Governmental Fund Revenues.

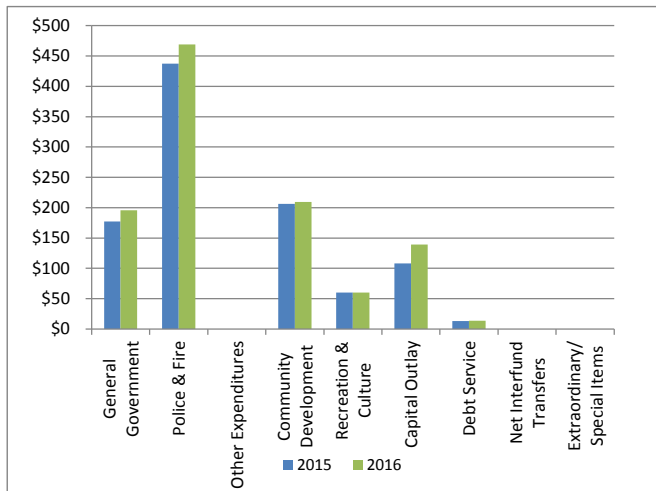
1. Where we spend our money (all governmental funds)



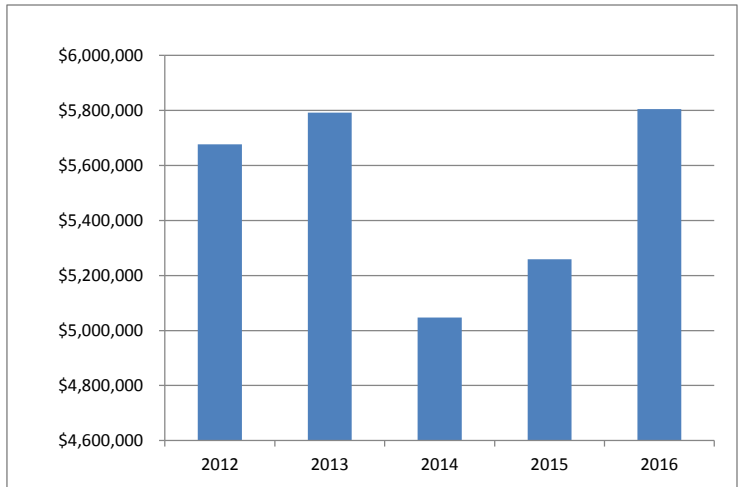
2. Compared to the prior year

	FY 2015	FY 2016	% change
General Government	\$ 5,258,533	\$ 5,804,730	10%
Police & Fire	12,993,451	13,921,984	7%
Health & Welfare	-	-	n/a
Community & Economic Dev.	6,124,673	6,219,338	2%
Recreation & Culture	1,789,119	1,791,979	0%
Capital Outlay	3,210,477	4,138,138	29%
Debt Service	392,913	401,640	2%
Total Expenditures	\$ 29,769,166	\$ 32,277,809	8%

3. Spending per capita - compared to the prior year



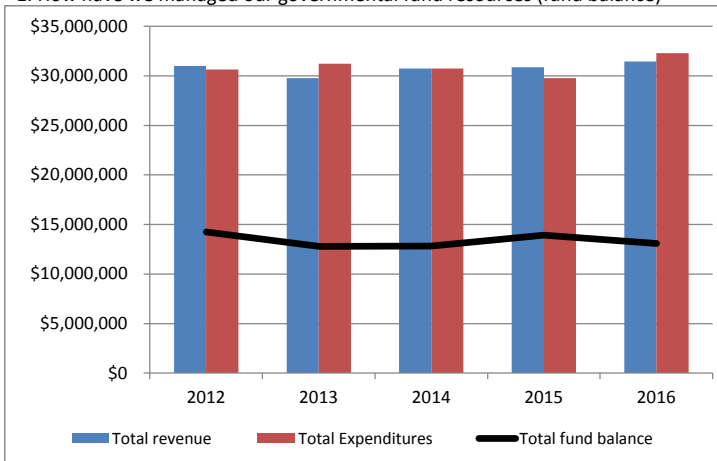
4. Historical trends of General Government Department Groups:



Total expenditures for Governmental Activities were up 8% when compared to FY 2015. Investment in capital outlay was up 29% over the prior year and debt service payments were up 2%. Expenses for Police and Fire increased due to several retirements and increased contributions to pension and OPEB Trusts. The City strives to fund the Other Post-Employment Benefits (OPEB) and Pension accounts to the actuarial required contributions.

For more information regarding the City's Finances please visit www.madison-heights.org or contact the City Manager's Office or Finance Department.

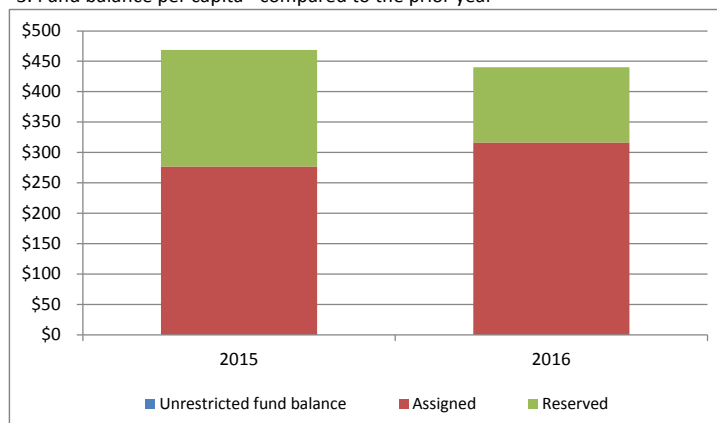
1. How have we managed our governmental fund resources (fund balance)



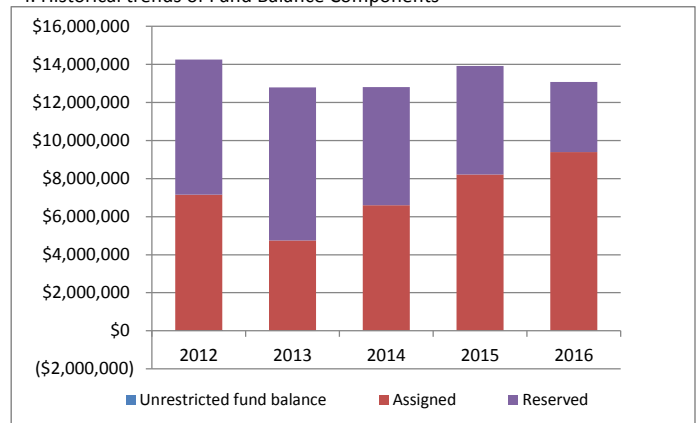
2. Compared to the prior year

	FY 2015	FY 2016	% change
Revenue	\$ 30,870,803	\$ 31,437,502	1.8%
Expenditures	29,769,166	32,277,809	8.4%
Surplus (Shortfall)	\$ 1,101,637	\$ (840,307)	
Fund Balance, by Component:			
Reserved	\$ 5,695,471	\$ 3,676,035	-35.5%
Assigned	8,216,946	9,396,075	14.3%
Unassigned	0	0	0%
Total Fund Balance	\$ 13,912,417	\$ 13,072,110	-6.0%

3. Fund balance per capita - compared to the prior year



4. Historical trends of Fund Balance Components



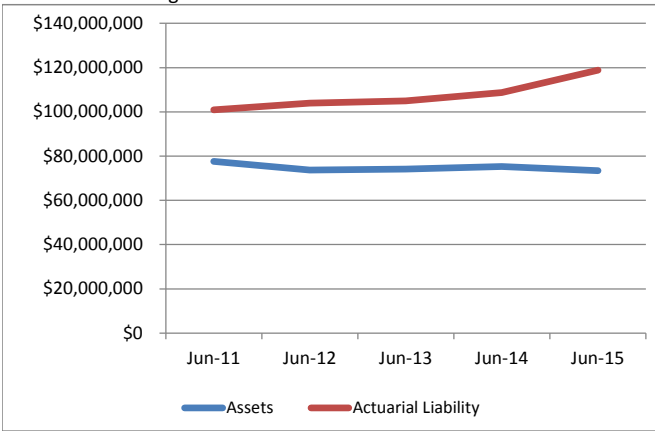
At June 30, 2016 the Governmental Funds had fund balances of \$13.1 million of which \$9.4 million was unreserved. This is 29.1% of the FY 2016 Governmental Fund expenditures. The General Fund was budgeted to use \$665,000 in fund balance; however, at year end \$768,000 was added to fund balance. This significant savings was due to an insurance distribution of \$511,930, an increase in cable franchise fees \$132,815, ambulance revenues higher than budgeted by \$107,000. Several departments also completed the year under budget. Most notable is Information Technology which ended the year under budget by \$147,768 adding to fund balance; however this money should have been carried forward to FY 2017 for payment of the new telephone system.

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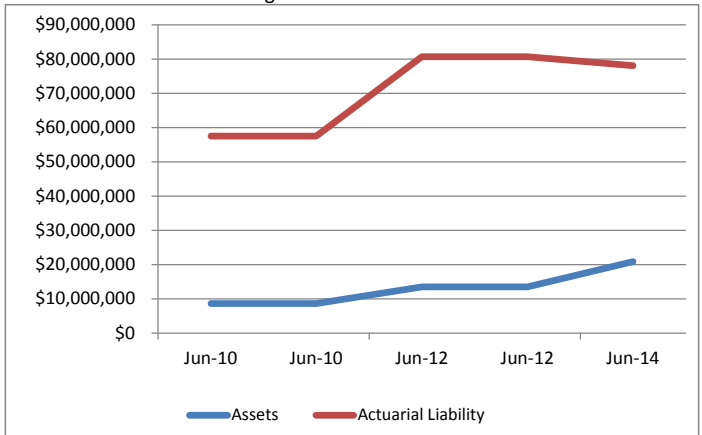
CITIZENS GUIDE TO LOCAL UNIT FINANCES - City of Madison Heights

OTHER LONG TERM OBLIGATIONS

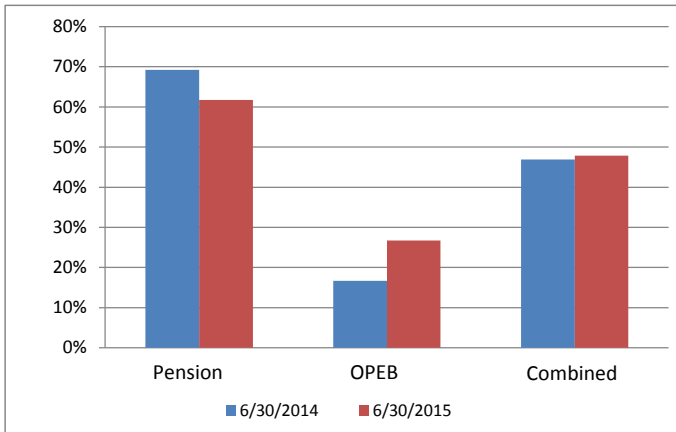
1. Pension funding status



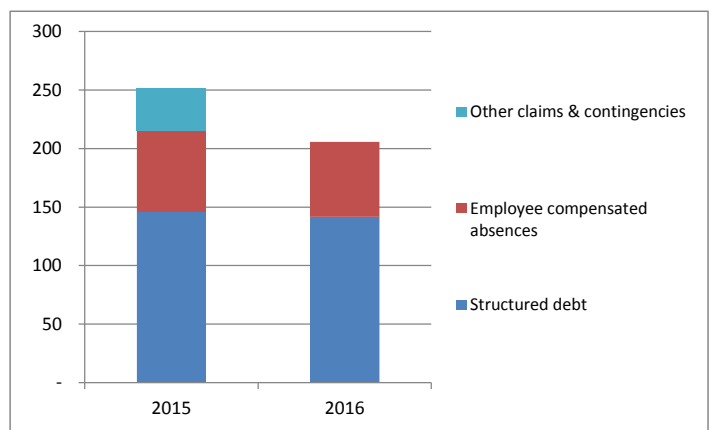
2. Retiree Health care funding status



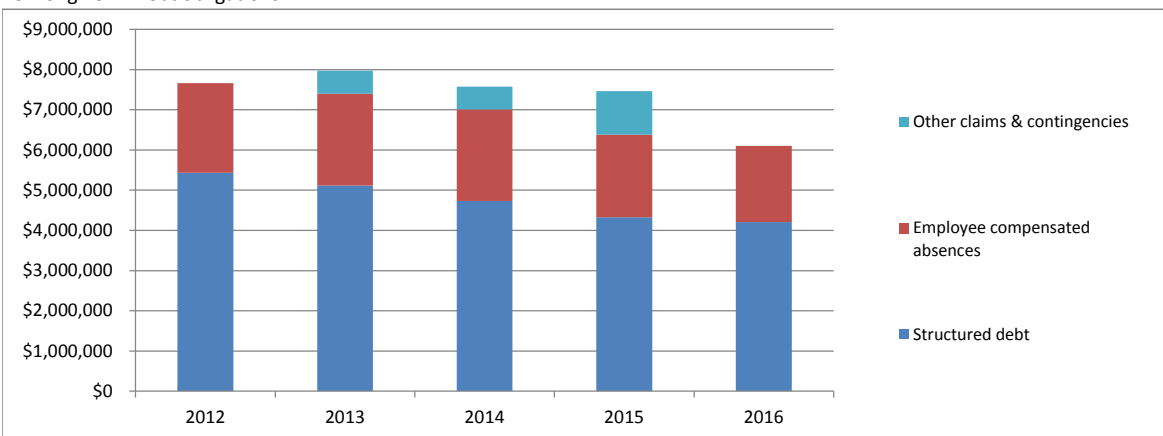
3. Percent funded - compared to the prior year



4. Debt & other long term obligations per capita - compared to the prior year



5. Long Term Debt obligations:



For the fiscal year ended June 30, 2016, the City's annual pension cost was \$3.5 million excluding contributions for other post employment retirement benefits (OPEB) and administrative expenses. The City annually contributes the required annual contribution to the pension plans. At the end of FY 2016, the City was in the process of bonding for the unfunded liability of the General Employees Pension. These bonds were not issued until September 2016.

In 2006, the City also established two healthcare savings trusts in order to save for future retiree health insurance. The City has been diligent in addressing this liability by making contributions since that time. OPEB benefits for new hires have also been changed from a defined benefit plan to a defined contribution plan reducing the City's overall liability. In FY 2017, staff plan to request an additional OPEB contribution from fund balance of \$1.5 million and develop an OPEB funding plan.