

Southfield Downtown Development Authority
(a component unit of the City of Southfield, Michigan)

Financial Report
with Supplemental Information
June 30, 2017

Southfield Downtown Development Authority

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Independent Auditor's Report

To the Board of Directors
Southfield Downtown Development Authority

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Southfield, Michigan (the "City") as of and for the year ended June 30, 2017, which collectively comprise the City of Southfield, Michigan's basic financial statements, and have issued our report thereon dated April 6, 2018, which contained unmodified opinions on the financial statements of the governmental activities, business-type activities, discretely presented component units, each major fund, and the aggregate remaining fund information. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to April 6, 2018.

In Relation to Opinion on Accompanying Financial Statements

The Southfield Downtown Development Authority's financial statements are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the General Fund budgetary comparison schedule 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.

To the Board of Directors
Southfield Downtown Development Authority

Other Supplemental 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 functional revenue and expenditure allocation is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The functional revenue and expenditure allocation has 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 it.

Plante & Morse, PLLC

May 25, 2018

Southfield Downtown Development Authority

Management's Discussion and Analysis

The following discussion and analysis of the financial performance of the Southfield Downtown Development Authority (the "Authority") provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the Authority's financial statements.

Using this Annual Report

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

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year as well as how much is available for future spending. Fund financial statements also report the Authority's operations in more detail than the government-wide financial statements.

The Authority as a Whole

The following table shows, in a condensed format, the current year's net position compared to the two prior years:

Summary Condensed Statement of Net Position

	2015	2016	2017	Changes from 2016 to 2017	
				in Dollars	Percent
Assets					
Current assets	\$ 1,449,275	\$ 1,194,198	\$ 1,094,004	\$ (100,194)	(8%)
Capital assets	<u>218,680</u>	<u>205,426</u>	<u>192,173</u>	<u>(13,253)</u>	(6%)
Total assets	1,667,955	1,399,624	1,286,177	(113,447)	(8%)
Liabilities					
Current liabilities	38,482	12,101	14,775	2,674	22%
Long-term liabilities	<u>70,483</u>	<u>34,901</u>	<u>48,543</u>	<u>13,642</u>	39%
Total liabilities	<u>108,965</u>	<u>47,002</u>	<u>63,318</u>	<u>16,316</u>	35%
Net Position					
Net investment in capital assets	218,680	205,426	192,173	(13,253)	(6%)
Unrestricted	<u>1,340,310</u>	<u>1,147,196</u>	<u>1,030,686</u>	<u>(116,510)</u>	(10%)
Total net position	<u>\$ 1,558,990</u>	<u>\$ 1,352,622</u>	<u>\$ 1,222,859</u>	<u>\$ (129,763)</u>	(10%)

Southfield Downtown Development Authority

Management's Discussion and Analysis (Continued)

The Authority's net position continued its decline. As discussed below, this is the result of several years of taxable value decline that have eliminated the property tax capture and reduced the Authority's operating levy.

The following table shows the changes in net position during the current year in comparison with the two prior years:

Summary Condensed Statement of Activities

	2015	2016	2017	Changes from 2016 to 2017	
				in Dollars	Percent
Revenue					
Operating levy	\$ 233,100	\$ 213,117	\$ 207,065	\$ (6,052)	(3%)
Interest and unrealized gains (losses)	13,997	16,866	(2,285)	(19,151)	(114%)
Other	-	60,000	-	(60,000)	(100%)
Total revenue	247,097	289,983	204,780	(85,203)	(29%)
Expenditures/Expenses					
Salaries and benefits	142,769	136,305	160,269	23,964	18%
Professional fees	87,315	52,079	58,613	6,534	13%
District improvements	70,088	64,752	64,759	7	0%
Property tax refunds	5,258	193,599	4,176	(189,423)	(98%)
Other	47,131	49,616	46,726	(2,890)	(6%)
Total expenditures/ expenses	352,561	496,351	334,543	(161,808)	(33%)
Net Change in Net Position	\$ (105,464)	\$ (206,368)	\$ (129,763)	\$ 76,605	(37%)

The 2017 revenue decrease was a result of (a) further declines in property tax revenue, (b) the final Providence Hospital theater lease cancellation fee reported in 2016, and (c) a decrease in investment income.

Continued taxable value declines in the area eliminated any increment capture as of 2012 and declines in the operating levy in 2016 and 2017.

During 2016, the Authority experienced a high level of property tax refunds due to Michigan Tax Tribunal cases and reimbursements to Oakland County, Michigan for delinquent property taxes that were not ultimately collected by them.

Given the overall reductions in taxable values, the Authority has taken significant steps to reduce its overall budget, in an attempt to bring the structural recurring costs in line with anticipated recurring revenue.

Southfield Downtown Development Authority

Management's Discussion and Analysis (Continued)

The Authority's Fund

The Authority maintains one fund, the General Fund. The General Fund provides detailed information about the Authority as a whole. The use of this fund helps to manage money for specific purposes as well as to show accountability for certain activities.

General Fund Budgetary Highlights

The General Fund accounts for all programming, maintenance, construction, and administrative functions of the Authority within the Authority's boundaries. During 2017, there were no significant budget overruns.

Capital Asset and Debt Administration

At the end of 2017, the Authority had approximately \$192,000 invested in capital assets. Long-term liabilities consist of a provision for further property tax refunds.

Economic Factors and Next Year's Budgets and Rates

The Authority is operating under a strategic plan that recognizes the need for a financial restructuring due to the reduced taxable value of the TIF district.

Contacting the Authority's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Southfield Downtown Development Authority's office at 18000 West 9 Mile Road, Suite 320, Southfield, Michigan 48075 or www.SouthfieldDDA.com.

Southfield Downtown Development Authority

Statement of Net Position/Governmental Fund Balance Sheet June 30, 2017

	Modified Accrual Basis		
	General Fund	Adjustments (Note 2)	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 1,061,982	\$ -	\$ 1,061,982
Receivables	32,022	-	32,022
Capital assets - Assets subject to depreciation	-	192,173	192,173
Total assets	\$ 1,094,004	192,173	1,286,177
Liabilities			
Accounts payable	\$ 5,744	-	5,744
Due to primary government	100	-	100
Accrued liabilities and other:			
Accrued salaries and wages	2,901	-	2,901
Compensated absences	-	6,030	6,030
Long-term debt - Due in more than one year:			
Compensated absences	-	24,289	24,289
Provision for property tax chargebacks	-	24,254	24,254
Total liabilities	8,745	54,573	63,318
Deferred Inflows of Resources - Unavailable revenue	32,023	(32,023)	-
Equity - Fund balance - Unassigned	1,053,236	(1,053,236)	-
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,094,004		
Net Position			
Net investment in capital assets (Note 4)		192,173	192,173
Unrestricted		1,030,686	1,030,686
Total net position		\$ 1,222,859	\$ 1,222,859

Southfield Downtown Development Authority

Statement of Activities/Governmental Fund Revenue, Expenditures, and Changes in Fund Balance Year Ended June 30, 2017

	Modified Accrual Basis		
	General Fund	Adjustments (Note 2)	Statement of Activities
Revenue			
Operating levy	\$ 210,009	\$ (2,944)	\$ 207,065
Interest earned	3,128	-	3,128
Change in market value of investments	(5,413)	-	(5,413)
Total revenue	207,724	(2,944)	204,780
Expenditures/Expenses			
Salaries and benefits	143,518	16,751	160,269
Supplies	4,735	-	4,735
Professional fees	58,613	-	58,613
Community promotion, printing, and advertising	3,010	-	3,010
Travel	12,689	-	12,689
Membership dues	1,424	-	1,424
Rent	11,523	-	11,523
Refunds of prior year property taxes	4,176	-	4,176
District improvements	64,759	-	64,759
Other	92	-	92
Depreciation	-	13,253	13,253
Total expenditures/expenses	304,539	30,004	334,543
Net Change in Fund Balances/Net Position	(96,815)	(32,948)	(129,763)
Fund Balance/Net Position - Beginning of year	1,150,051	202,571	1,352,622
Fund Balance/Net Position - End of year	\$ 1,053,236	\$ 169,623	\$ 1,222,859

Southfield Downtown Development Authority

Notes to Financial Statements June 30, 2017

Note I - Summary of Significant Accounting Policies

The Southfield Downtown Development Authority (the "Authority") is committed to the economic development of the designated downtown district in and around Northland Center in Southfield, Michigan. The Authority was formed under Public Act 197 of 1975, and is funded through a 1.8978 mill tax levy on all real and personal property within the district and a tax increment financing plan.

The following is a summary of the significant accounting policies used by the Southfield Downtown Development Authority:

Reporting Entity

The Southfield Downtown Development Authority has a 13-member board that is appointed by and includes the mayor. The accompanying financial statements pertain to the financial activities of the Authority; there are no component units. The Authority itself, however, is a component unit of the City of Southfield, Michigan (the "City").

Accounting and Reporting Principles

The Authority 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.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The individual fund column presents the General Fund's activities on the modified accrual basis of accounting, as discussed above, which demonstrates accountability for how the current resources have been spent. The government-wide column is presented on the economic resources measurement focus and the full accrual basis of accounting, in order to measure the cost of providing government services and the extent to which constituents have paid the full cost of government services.

On 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. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Accounting

The Authority accounts for its various activities in a single fund, the General Fund.

Southfield Downtown Development Authority

Notes to Financial Statements June 30, 2017

Note I - Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The General Fund uses 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.

Revenue is not recognized until it is collected, or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Southfield Downtown Development Authority considers amounts collected within 60 days of year end to be available for recognition. A portion of the delinquent personal property tax receivable meets the availability criterion. For all other receivables not expected to be collected within the period of availability, the receivables are offset by an "unavailable revenue" account.

Specific Balances and Transactions

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

Capital Assets - Capital assets, which currently include primarily building improvements related to the 9 Mile streetscape project, are reported in the governmental activities column. Capital assets are defined by the Authority as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. These capital assets are depreciated over an estimated useful life of 40 years, using the straight-line method.

Southfield Downtown Development Authority

Notes to Financial Statements June 30, 2017

Note I - Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to liabilities, the statement of net position/balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. This represents delinquent property taxes that we expect to collect in the future, but that were not collected within 60 days of year end and so are not available to finance current operations. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The Authority has no activity that qualifies as deferred outflows of resources.

Net Position Flow Assumption - Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and 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 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. 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. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Southfield Downtown Development Authority

Notes to Financial Statements June 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued)

Property Tax Revenue - The Authority levies a 2 mill property tax levy (rolled back to 1.8978 mills by the Headlee amendment) for all properties located within its boundaries. The taxes are levied each July 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Authority's 2017 tax is levied and collectible on July 1, 2016 and is recognized as revenue in the year ended June 30, 2017, when the proceeds of the levy are budgeted and available for the financing of operations. The Authority also recognizes an allowance for estimated uncollectible and refundable taxes. An estimate of the future refunds that will be ordered by the Michigan Tax Tribunal is included in long-term debt.

The Authority also has a tax increment financing plan in place that would normally allow it to capture taxes on the growth in values. However, the taxable values are currently below the base year values and, as a result, there is currently no capture.

Compensated Absences (Vacation and Sick Leave) - It is the Authority's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the Authority does not have a policy to pay any amounts when employees separate from service with the Authority. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund only for employee terminations as of year end.

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.

Southfield Downtown Development Authority

Notes to Financial Statements June 30, 2017

Note 2 - Reconciliation of Individual Fund Column of the Statement of Net Position/Statement of Activities

Net position reported in the statement of net position column is different than the fund balance reported in the individual fund column because of the different measurement focus and basis of accounting, as discussed in Note 1. Below is a reconciliation of the differences:

Fund Balance Reported in Governmental Fund	\$ 1,053,236
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	192,173
Delinquent property tax receivables that are collected within 60 days are reported as revenue in the government-wide statements, but as deferred inflows at the fund level	32,023
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	(30,319)
Other long-term liabilities, such as property tax chargebacks, do not present a claim on current financial resources and are not reported as fund liabilities	<u>(24,254)</u>
Net Position of Governmental Activities	<u><u>\$ 1,222,859</u></u>

Southfield Downtown Development Authority

Notes to Financial Statements June 30, 2017

Note 2 - Reconciliation of Individual Fund Column of the Statement of Net Position/Statement of Activities (Continued)

The change in net position reported in the statement of activities column is different than the change in fund balance reported in the individual fund column because of the different measurement focus and basis of accounting, as discussed in Note 1. Below is a reconciliation of the differences:

Net Change in Fund Balance - Governmental Fund	\$ (96,815)
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 expense	(13,253)
Revenue is recorded in the statement of activities when earned; it is not reported in the fund until collected or collectible within 60 days of year end	(23)
Change in estimated losses from Michigan Tax Tribunal appeals	(2,921)
Change in accrued employee compensated absences	<u>(16,751)</u>
Change in Net Position of Governmental Activities	<u>\$ (129,763)</u>

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 matures 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.

Southfield Downtown Development Authority

Notes to Financial Statements June 30, 2017

Note 3 - Deposits and Investments (Continued)

The Authority's cash and investments are held by the City's cash and pooled investment accounts. The following disclosures relate to the City as a whole. The City has designated 11 banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 is in accordance with statutory authority; however, the City employs a more conservative investment policy and invests only in the highest rated commercial paper. The City participates only with qualified banks and primary investment firms that adhere to the specific guidelines established by industry practice for repurchase agreements.

The Authority's cash and investments are subject to several types of risk. At year end, the carrying amount of the Authority's cash and investments is held by the City's cash and investments pool. For the purpose of risk disclosure, it is not practical to allocate risk to each entity in the investment fund. The full disclosures related to the overall risk for the cash and investment totals are presented in the City's financial statements.

All cash and cash equivalents held at year end qualify for reporting at cost; there are no investments reported at fair market value.

Note 4 - Capital Assets

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

	Balance <u>July 1, 2016</u>	Additions	Disposals	Balance <u>June 30, 2017</u>
Governmental Activities				
Capital assets being depreciated - Building improvements	\$ 265,066	\$ -	\$ -	\$ 265,066
Accumulated depreciation - Building improvements	<u>59,640</u>	<u>13,253</u>	<u>-</u>	<u>72,893</u>
Net capital assets	<u>\$ 205,426</u>	<u>\$ (13,253)</u>	<u>\$ -</u>	<u>\$ 192,173</u>

Note 5 - Long-term Debt

Long-term debt activity can be summarized as follows:

	Beginning <u>Balance</u>	Additions	Reductions	Ending <u>Balance</u>	Due Within <u>One Year</u>
Accumulated compensated absences	\$ 13,568	\$ 19,372	\$ 2,621	\$ 30,319	\$ 6,030
Provision for MTT property tax refunds	<u>21,333</u>	<u>2,921</u>	<u>-</u>	<u>24,254</u>	<u>-</u>
Total governmental activities	<u>\$ 34,901</u>	<u>\$ 22,293</u>	<u>\$ 2,621</u>	<u>\$ 54,573</u>	<u>\$ 6,030</u>

Southfield Downtown Development Authority

Notes to Financial Statements June 30, 2017

Note 6 - Defined Contribution Pension Plan

The City of Southfield, Michigan sponsors the defined contribution pension plan on behalf of the Southfield Downtown Development Authority. The employer of record for the Authority is the City of Southfield, Michigan. Accordingly, the employees of the Authority participate in the City's employee benefit programs and policies and are pooled with city employees for benefits administration. The City charges the Authority for its pro rata share of employee fringe benefit costs in the same manner as city departments are charged for fringe benefits. Current employees are eligible for health benefits while actively employed. Postemployment healthcare benefits are not provided.

The Authority reimbursed the City approximately \$36,000 for fringe benefits, including insurance and defined contribution pension plan payments, during the year ended June 30, 2017.

Required Supplemental Information

Southfield Downtown Development Authority

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2017

	Original and Amended Budget	Actual	Budget Variance
Revenue			
Operating levy	\$ 220,079	\$ 210,009	\$ (10,070)
Interest earned	3,376	3,128	(248)
Providence reimbursement	-	(5,413)	(5,413)
Total revenue	223,455	207,724	(15,731)
Expenditures/Expenses			
Salaries and benefits	138,030	143,518	(5,488)
Supplies	4,300	4,735	(435)
Professional fees	66,000	58,613	7,387
Community promotion, printing, and advertising	10,000	3,010	6,990
Travel	10,000	12,689	(2,689)
Membership dues	2,500	1,424	1,076
Rent	13,000	11,523	1,477
Refunds of prior year property taxes	15,000	4,176	10,824
District improvements	83,000	64,759	18,241
Repairs and maintenance	500	-	500
Other	500	92	408
Total expenditures/expenses	342,830	304,539	38,291
Net Change in Fund Balance	(119,375)	(96,815)	22,560
Fund Balance - Beginning of year	1,150,051	1,150,051	-
Fund Balance - End of year	\$ 1,030,676	\$ 1,053,236	\$ 22,560

Southfield Downtown Development Authority

Note to Required Supplemental Information Year Ended June 30, 2017

Budgetary Information - An annual budget is adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end. The budget is proposed by management and approved by the Authority's board prior to the start of each fiscal year.

The legal level of budgetary control adopted by the governing body is the line item level, as presented in the budgetary comparison schedule.

Excess of expenditures over appropriations in budgeted funds - During the year, the Southfield Downtown Development Authority incurred expenditures that were in excess of the amounts budgeted, as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Salaries and benefits	\$ 138,030	\$ 143,518	\$ (5,488)
Supplies	4,300	4,735	(435)
Travel	10,000	12,689	(2,689)

Other Supplemental Information

Southfield Downtown Development Authority

Other Supplemental Information Functional Revenue and Expenditure Allocation - General Fund Year Ended June 30, 2017

	<u>Administration</u>	<u>TIFA</u>	<u>Total</u>
Revenue			
Operating levy	\$ 210,009	\$ -	\$ 210,009
Interest	2,378	750	3,128
Change in market value of investments	<u>(3,874)</u>	<u>(1,539)</u>	<u>(5,413)</u>
Total revenue	208,513	(789)	207,724
Expenditures			
Salaries	97,606	-	97,606
Car allowance	2,523	-	2,523
Salaries and wages - Temporary	2,468	-	2,468
Social security	7,433	-	7,433
Health care	26,847	-	26,847
Dental	2,824	-	2,824
Optical	770	-	770
Pension	3,036	-	3,036
Unemployment compensation	11	-	11
Other	92	-	92
Office supplies	2,238	-	2,238
Postage	101	-	101
Operating supplies	2,396	-	2,396
Legal fees	26,858	-	26,858
Consulting	16,130	-	16,130
Contractual/Professional	11,625	-	11,625
Financial accounting	4,000	-	4,000
Travel	12,689	-	12,689
Community promotion	3,010	-	3,010
Rental	11,523	-	11,523
Membership dues	1,424	-	1,424
Refunds of prior years' taxes	4,176	-	4,176
District improvements	<u>-</u>	<u>64,759</u>	<u>64,759</u>
Total expenditures	<u>239,780</u>	<u>64,759</u>	<u>304,539</u>
Expenditures in excess of revenue	<u><u>\$ (31,267)</u></u>	<u><u>\$ (65,548)</u></u>	<u><u>\$ (96,815)</u></u>