

Comprehensive Annual
Financial Report of the
City of Birmingham, Michigan
as prepared by the
Department of Finance

Fiscal Year Ended June 30, 2020

City Commission

Pierre Boutros, Mayor
Therese Longe, Mayor Pro-Tem
Clinton Baller, Commissioner
Rackeline J. Hoff, Commissioner
Brad Host, Commissioner
Mark Nickita, Commissioner
Stuart Lee Sherman, Commissioner

City Manager

Joseph A. Valentine

Director of Finance/Treasurer

Mark Gerber

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Introductory Section

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November 9, 2020

To the Honorable Mayor and City Commission
City of Birmingham
Birmingham, Michigan 48012

With this letter, we are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020 for the City of Birmingham. This report has been prepared pursuant to, and in compliance with state statutes which require the City to publish within six months of the close of each fiscal year a complete set of financial statements in compliance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America.

The financial statements have been prepared by the City's finance department for the purpose of disclosing the City's financial condition to its residents, elected officials and other interested parties. Management assumes full responsibility for both the completeness and reliability of the information contained in this report including all disclosures based upon a comprehensive framework of internal control, which has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

The City's financial statements have been audited by Plante & Moran, PLLC. The purpose of an independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The audit concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Birmingham's financial statements for the year ended June 30, 2020 are fairly presented in conformity with GAAP. Plante & Moran, PLLC's report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to 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.

Profile

The City of Birmingham was incorporated in 1933 as a home-rule city. It is located in the southeastern portion of Oakland County approximately 20 miles north of downtown Detroit. Covering 4.73 square miles and serving a population of 20,103, the community is able to maintain the feel of a small town while offering the recreational and cultural advantages of a prosperous urban area.

The City operates under the council-manager form of government. The seven commission members, one of whom serves as mayor, are elected for four-year overlapping terms on a non-partisan basis. Policy-making and legislative authority are vested in the governing commission. The city commission appoints the city manager and city clerk, who reports, as do all other department heads, to the city manager. The city manager is responsible for carrying out the policies and ordinances of the city commission and overseeing the day-to-day operations of the City.

The City provides a wide range of services, including police and fire protection; the construction and maintenance of roads and other infrastructure; recreational activities and cultural events; community planning, zoning and code enforcement; refuse collection, water-receiving and sewage-disposal services. The Baldwin Public Library, Principal Shopping District, Brownfield Redevelopment Authority and the Corridor Improvement Authority are also included in the City's reporting entity because of the significance of their operational or financial relationship with the City. These four component units are reported within the component unit's column in the combined financial statements. Additional information pertaining to these four component units can be found in the notes to the financial statements (see Note 1).

The City Commission is required to adopt a final budget no later than the second Monday in June. This annual budget provides the foundation for the City of Birmingham's financial planning and control. The budget is prepared by fund, function (e.g., community development), and department (e.g., planning). Upon final adoption, the budget becomes the authority for the various agencies and departments to expend funds, subject to controls established by the city charter and state law. At any meeting after the adoption of the budget, the City Commission may amend the budget by an affirmative vote of the majority.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when it is considered from the broader perspective of the environment in which the City operates.

Local Economy – Oakland County, which includes the City of Birmingham and some of the nation's most affluent suburbs, had a labor force of approximately 746,000 at the end of 2019. It is projected that the labor force will decline to approximately 678,000 at the end of 2020 due to the COVID-19 pandemic. This is the result of some businesses not being able to re-open or being restricted in their operations due to public health concerns. As a result, the June 2020 local unemployment rate of 10.7 percent is substantially higher than last year's rate of 2.5 percent, but remains well below the state's unemployment rate of 14.8 percent and less than the national rate of 11.1 percent for the same period. It is projected that Oakland County will re-gain approximately 145,000 jobs of the 156,000 jobs lost due to the pandemic over the next 2 years, but still end up with approximately 11,000 fewer jobs than at the start of 2020.

The economic picture for suburban Oakland County, where Birmingham is located, was improving right up until the pandemic. The metro Detroit area was one of the nation's first high infection rate areas and the impact on the local economy was severe. However, the area has rebounded because of federal stimulus funds and the easing of restrictions with safety protocols which has allowed most businesses to re-open at least on a limited basis. A vaccine will likely be available starting in early 2021. How quickly the economy recovers will depend on how quickly the population is vaccinated to the point where the virus is contained. The area continues to be the premier local economy in Michigan and is among the most prominent county economies in the nation ranking ninth in aggregate rankings with counties of similar size.

Birmingham is an affluent City, with per capita income of \$83,640 compared to Michigan's per capita income of \$30,336. Educational attainment levels are also well above the national average. Approximately 77% of City residents have completed a bachelor's degree or higher compared to 28% for the state. The City has a vibrant downtown, which is continuing to evolve with the addition of new mixed-use developments, which combine retail, office and residential space. The downtown is known nationally for its eclectic mix of upscale boutiques, galleries, antique shops and restaurants. As of June 2020, retail occupancy in the City's Principal Shopping District was at 96%, which was the same as last year. The downtown's office market increased slightly with an 89% occupancy rate compared to 87% in June 2019. In addition to the Principal Shopping District, the City is developing two other business districts: the Triangle District and the Rail District.

The City's taxable value continues to grow because of redevelopment in the City and a desirable housing market. The City has recovered all the taxable value lost during the Great Recession and taxable value is now growing at an average of 5-6 percent per year over the past four years. New residential construction permits are down from the previous year, but are still strong historically. In addition, there are currently 36 new house permits in various phases of review for approval.

The City has developed and maintains a strong financial position. The City's strong financial position is attributable to continued good financial performance, maintenance of fund balance levels, and prudent proactive management of the City's operations supported by conservative budgeting. The City recently adopted a three-year budget process starting for budget year 2020-2021 which will allow the City to plan even more proactively into the future. The City continues to maintain its AAA bond rating, which is the highest rating achievable. This rating was recently reaffirmed by Standards and Poor's in September 2016 and by Fitch Ratings in May 2017. This rating places the City of Birmingham in an elite group of communities throughout the country.

Long-term Financial Planning – The City remains proactive and strategically plans well into the future. Annually a five-year financial forecast is prepared. The forecast provides a financial framework from which to evaluate the on-going financial condition of the City. It also provides a rational basis for identifying areas of greatest concern and devising fiscal strategy.

Because the City is at a mature stage in its life cycle, it continues to be important to maintain and invest in our infrastructure such as roads, water and sewer improvements and repairs, parking facilities, and the City's recreational facilities. To facilitate planning to meet the City's capital improvement needs, each year a six-year capital improvements program is developed. The capital improvements program is a financial plan that details all planned projects and

improvements for the current and subsequent five years. In addition to estimated expenditures, funding sources and total annual operating costs are also detailed.

Because of the limitations placed on taxable values by Proposal A, the ability of governmental units in the State to recover from a downturn is significantly curtailed. As a result, the City has had to implement various strategies in order to reduce costs and increase non-property tax revenue. These strategies include: reducing staffing levels by 13%, increasing employee deductibles and co-pays to the health insurance plan, switching new hires to a defined-contribution plan for retirement and retiree health-care, consolidating dispatch services with the Village of Beverly Hills, and providing fire department medical transports.

Major Initiatives – The City has planned for fiscal year 2021 approximately \$10 million in capital investment in the City. This includes \$3.7 million in road and sidewalk improvements which include: Grant St. between E. Lincoln Ave. and Humphrey Ave.; Cranbrook Rd. between Maple Rd. and 14 Mile Rd.; Lakeview Ave. between Oak St. and Harmon St.; Westwood Dr. between Oak St. and Redding Rd.; and N. Glenhurst Dr., Lyonhurst St. and Brookwood St. between Raynale St. and Redding Rd. The City has also planned approximately \$3.2 million in water and sewer improvements related to the road improvements. Additionally, the City is planning \$2.3 million in improvements to the ice arena and Adams fire station. Vehicle and equipment replacements are planned to cost \$.8 million.

These projects are significant because efficient transportation networks and modern infrastructure are increasingly important in an economic environment. Well maintained and efficient transportation systems provide the backbone for economic activity.

Technology Plan – Improvements have shifted from building the computer infrastructure established in the Information Systems Strategic Plan to maintaining the City's technology infrastructure and providing improvements where it makes solid business sense. As a result of the high level of dependence on technology, the City continues to provide the needed resources to enable all municipal employees to work more efficiently. Projects that have been approved for funding include:

- Upgrades to the City's network
- Workstation upgrades and tablets
- Replacement of monitors, scanners and printers

Legislation – Legislation has and will continue to impact the City of Birmingham well into the future. Through its involvement with the Michigan Municipal League, the Michigan Government Finance Officers Association and other organizations, the City is actively involved in legislative proposals affecting the financial activities of municipalities.

Pension and Other Postemployment Benefits - The City of Birmingham Employees' Retirement System is a single-employer defined-benefit pension plan, which covers eligible full-time employees of the City. A seven-member board of trustees manages this fund under the provisions of the City of Birmingham's defined-benefit pension ordinance. The plan is now closed to all new hires of the City. The City instead makes contributions into a defined-contribution retirement plan for new employees. The funding status of the pension fund based on the 2019 actuarial report declined to 84.1% compared to 86.6% in the prior year. As a matter of policy, the City of Birmingham fully funds each year's annual required contribution to the pension plan, which for the fiscal year ending June 30, 2020 totaled \$2.4 million.

The City of Birmingham also provides retiree health-care benefits to qualifying full-time employees under a single-employer defined-benefit health-care plan in accordance with labor contracts. The City is required to contribute at a rate equivalent to the annual required contribution, which is 34.7% of payroll, or \$1.9 million. In an effort to reduce the OPEB liability, the City contributed an additional \$1 million beyond the annual required contribution during the fiscal year ending June 30, 2020. The retiree health-care defined benefit plan was 67.9% funded as of the latest actuarial valuation dated June 30, 2018 and is now closed to all employee groups. A defined-contribution retiree health-care plan for employees not eligible to participate in the defined-benefit plan has been established. The retiree health-care defined-contribution plan funding rate for the various employee groups is detailed in Note 14.

Awards and Acknowledgements

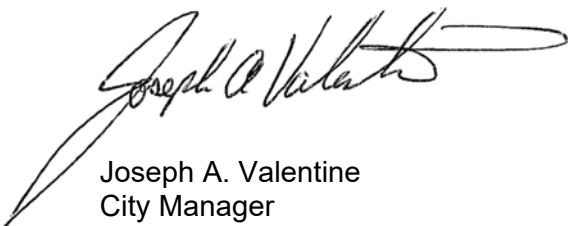
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Birmingham for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This was the 30th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City has also received the GFOA's Award for Distinguished Budget Presentation for its fiscal year 2020 annual budget. This was the 30th consecutive year that the City has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report was made possible by the dedicated service of the entire staff of the Finance Department. Each of these individuals has our sincere appreciation for the contributions made in the preparation of this report, as well as all additional individuals who assisted in this effort. Appreciation is also expressed to the City Commission for their consistent support throughout the year in matters pertaining to the financial affairs of the City.

Respectfully submitted,



Joseph A. Valentine
City Manager



Mark Gerber
Director of Finance/Treasurer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Birmingham
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

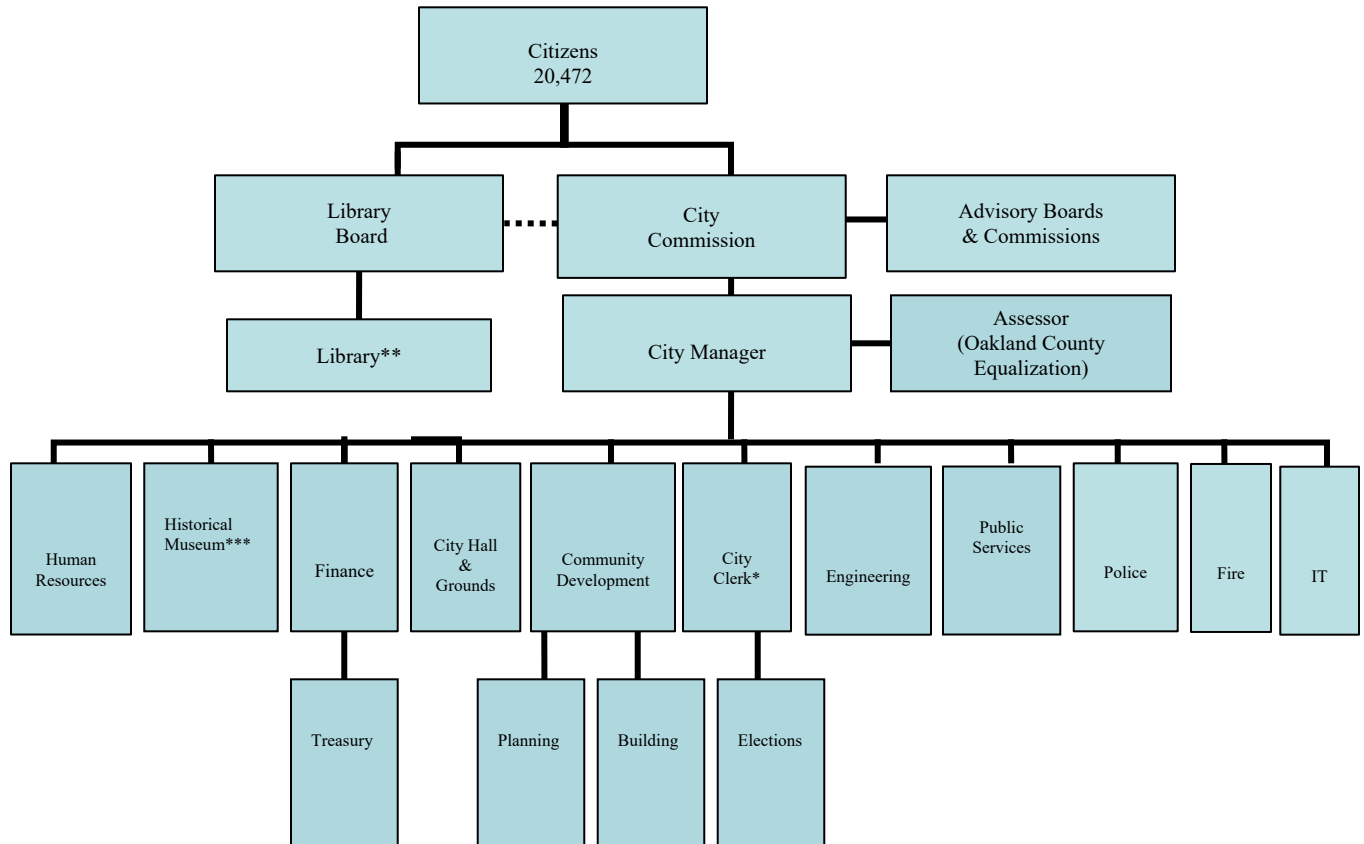
June 30, 2019

Christopher P. Morill

Executive Director/CEO

Birmingham

2019-2020 Organization Chart



- * Appointed by the City Commission; reports to the City Manager.
- * * The City shall provide tax levy of not less than $\frac{1}{2}$ mill and not more than $1 \frac{3}{4}$ mills.
- * * * Birmingham Historical Museum is a non-departmental activity that reports to the City Manager.

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Financial Section



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Independent Auditor's Report

To the Honorable Mayor and the City Commission
City of Birmingham, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Birmingham, Michigan (the "City") as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the City of Birmingham, Michigan'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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Birmingham, Michigan as of June 30, 2020 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.

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To the Honorable Mayor and the City Commission
City of Birmingham, Michigan

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the General Fund budgetary comparison schedule, the pension system schedules, and the retiree health care 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 of Birmingham, Michigan's basic financial statements. The other supplemental information, as identified in the table of contents, and introductory section and statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplemental 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. 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section 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 & Moreau, PLLC

November 9, 2020

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Management's Discussion and Analysis

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Management's Discussion and Analysis

The City of Birmingham's management's discussion and analysis (MD&A) is designed to provide an objective and easy-to-read analysis of the City's financial activities based on current information and facts. The MD&A is intended to serve as an introduction to the City's basic financial statements. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), identify significant variances from the approved budget and identify fund issues.

The information contained within this MD&A is only a component of the entire financial statements. Readers are encouraged to read it in conjunction with the transmittal letter, which can be found on pages i-vi of this report and the City's financial statements, which follow this section.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended June 30, 2020:

- The City's total revenues were \$67.6 million, while expenses totaled \$52 million.
 - Governmental activities generated \$42.8 million in revenue and \$32.6 million in expenses.
 - Business-type activities generated \$24.8 million in revenue and \$19.4 million in expenses.
- Total net position of the City increased by \$15.6 million this year.
 - Total net position related to the City's governmental activities increased by approximately \$9.9 million. Of that amount, investment in capital assets increased by \$3.2 million, restricted net position decreased by \$.8 million, and unrestricted net position increased by \$7.5 million.
 - Net position of our business-type activities increased overall by \$5.7 million. Of that amount, \$1.4 million was invested in capital assets while unrestricted net position increased by \$4.3 million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$14.9 million, or 40.2 percent, of total General Fund expenditures and transfers out (including major and local street activity). Total unassigned fund balance of the General Fund increased \$.3 million from the prior year.

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

Overview of the Financial Statements

In addition to the MD&A (this section), the City's annual report consists of three other parts: (1) basic financial statements, (2) required supplemental information, and (3) an optional section that presents combining statements for nonmajor governmental, enterprise, internal service, and fiduciary funds. The basic financial statements include two kinds of statements that present different views of the City:

Government-wide Financial Statements - These statements provide readers with a broad overview of the City's finances, in a manner similar to a private sector business and, therefore, are prepared using the accrual basis of accounting. These statements provide a longer-term view of the City's finances and whether taxpayers have funded the full cost of providing governmental services. The first two statements are government-wide financial statements and include the following:

- The statement of net position presents information pertaining to all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The statement of activities accounts for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Birmingham that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities of the City include water and sewer disposal systems, automobile parking, and municipal golf courses.

The government-wide financial statements include not only the City of Birmingham itself (known as the primary government), but also the legally separate Baldwin Public Library, Principal Shopping District, Corridor Improvement Authority, and the Brownfield Redevelopment Authority for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

Fund Financial Statements – The remaining statements are fund financial statements. The City of Birmingham, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements report the City's operations in more detail than the government-wide financial statements. These statements present a short-term view and tell how taxpayer resources were spent during the year. The City's three fund financial statements include the following:

- **Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund statements tell how general government services like public safety were financed in the short term as well as what remains for future spending. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them.
- **Proprietary Funds** - Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, offer short- and long-term financial information.
 - In fact, the City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
 - The City also utilizes internal service funds (the other type of proprietary fund) to report activities that provide supplies and services to the City's other programs and activities, such as the City's equipment fund. Because these services predominantly benefit governmental rather than business-type functions, they have been included with governmental activities in the government-wide financial statements.
- **Fiduciary Funds** - Fiduciary funds provide information about resources held for the benefit of parties outside the government - like the retirement plan for the City's employees - in which the City acts solely as a trustee or agent. 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 similar to that used for proprietary funds.

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

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information. This information includes a budgetary comparison for the City's General Fund. It also includes combining statements for the City's nonmajor governmental funds, internal service funds and fiduciary funds. Immediately following the supplemental information is a statistical section, which provides certain information pertaining to general government revenues, expenditures, tax revenues and collections, and demographic and other statistical data.

Financial Analysis of the City as a Whole

Net Position - As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position increased 8 percent from last year to \$210.4 million (See Table A-1). The following table shows, in a condensed format, the net position of the City as of June 30, 2020 and 2019:

Table A-1
City of Birmingham's Net Position
(in millions)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2020	2019	2020	2019	2020	2019	2019-2020
Assets							
Current and other assets	\$ 48.9	43.6	\$ 37.4	33.4	\$ 86.3	\$ 77.0	12.1
Capital assets	87.4	85.6	88.8	88.9	176.2	174.5	1.0
Total assets	136.3	129.2	126.2	122.3	262.5	251.5	4.4
Deferred Outflows of Resources	8.3	5.2	0.7	0.5	9.0	5.7	57.9
Liabilities							
Current liabilities	4.8	3.5	2.7	2.6	7.5	6.1	23.0
Long-term liabilities	44.8	41.7	5.7	7.0	50.5	48.7	3.7
Total liabilities	49.6	45.2	8.4	9.6	58.0	54.8	5.8
Deferred Inflows of Resources	2.8	6.9	0.3	0.7	3.1	7.6	(59.2)
Net Position							
Net investment in capital assets	80.3	77.1	86.0	84.6	166.3	161.7	2.8
Restricted	2.4	3.2	-	-	2.4	3.2	(25.0)
Unrestricted	9.5	2.0	32.2	27.9	41.7	29.9	39.5
Total net position	<u>\$ 92.2</u>	<u>\$ 82.3</u>	<u>\$ 118.2</u>	<u>\$ 112.5</u>	<u>\$ 210.4</u>	<u>\$ 194.8</u>	8.0

The City's current assets increased \$9.3 million, or 12.1 percent, because of an increase in cash and investments of \$9.9 million. Governmental activities cash and investments increased \$5.4 million because of moving construction performance bond deposits held from the Trust and Agency Fund to the General Fund and to the General Fund expenditures being under budget for the year. Business-type activities increased \$4.5 million because of operations in the Water

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

Supply System Receiving Fund and the Automobile Parking System Fund. Governmental activities capital assets increased slightly due to road and sidewalk projects in process at year-end. Business-type activities remained approximately the same.

Deferred outflows of resources increased \$3.3 million, or 57.9%, primarily because investment earnings on pension and retiree health care investments were less than expected due to the negative effect COVID-19 pandemic had on the plans' assets. The deferred outflows will be expensed to future years as an increase to pension and OPEB expense.

The City's current liabilities increased \$1.4 million, or 23 percent, due to moving construction bonds payable from the Trust and Agency Fund to the General Fund. The increase in long-term liabilities in governmental activities of \$3.1 million, or 7.4 percent, primarily relates to an increase in the net pension liability. The decrease in long-term debt in the business-type activities of \$1.3 million, or 18.6 percent, is related to debt service payments.

Deferred inflows of resources decreased \$4.5 million due to favorable OPEB cost experience in a prior year, a portion of which is accounted for in this fiscal year. Deferred inflows are allocated to future years and will be used to decrease OPEB expense. A majority of the deferred inflows of resources occurred in the governmental activities.

The City's net position related to governmental activities increased \$9.9 million, or 12 percent, and net position related to business-type activities increased \$5.7 million, or 5.1 percent over the 2019 fiscal year. Of the City's total net position, 79 percent is made up of its investment in capital assets, less any related debt used to acquire those assets. The City's net position related to investment in capital assets for governmental activities increased by \$3.2 million, or 4.1 percent resulting from additions in capital assets being greater than depreciation during the year. Continued improvements to the City's water-mains, sanitary sewers and parking structures (business-type activities) resulted in an increase of \$1.4 million in capital asset investment. The City uses capital assets to provide services to citizens; accordingly, these assets are not available for future spending.

Restricted net position of the City totaled \$2.4 million at June 30, 2020 and decreased by \$.8 million, or 25 percent, from the prior year, mostly the result of construction code activities. Restricted net position reported in governmental activities has limits on its use that are externally imposed by restrictions such as enabling legislation or bond covenants. These resources can only be used for the specific purpose for which they were intended, such as expenditures for solid waste disposal or debt-service requirements.

The remaining unrestricted net position may be used to meet the City's ongoing operations. Governmental activities unrestricted net position increased by \$7.5 million, or 375 percent, mainly as a result of net revenues over expenditures in the governmental funds of \$2.2 million, net decrease in pension and OPEB expenses of \$2.8 million, and an increase in internal service fund activities of \$1.6 million. Business-type activities unrestricted net position increased by \$4.3 million, or 15.4 percent, related to water, sewer, and parking activities.

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

Changes in Net Position - The City's combined total revenue decreased \$.9 million, or 1.3 percent from 2019 to 2020 as shown in Table A-2. The City's revenue comes from two major sources: property taxes and charges for services, which represent approximately 87 percent of total revenue. Property taxes represented 48 percent of total revenue in 2020 and 45 percent in 2019. Charges for services represented 39 percent of the total revenue in 2020 and 43 percent in 2019. The balance of the revenue is mainly from state and federal sources.

The City's total expenses of \$52 million decreased 4.4 percent from the prior year. The City's expenses cover a wide range of services, with public safety and public works representing approximately 44 percent of total expenses. For both fiscal years, the City had revenue in excess of expenses for both governmental and business-type activities.

Table A-2 below and the narrative that follows consider the operations of governmental and business-type activities separately.

Table A-2
Changes in City of Birmingham's Net Position
(in millions)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2020	2019	2020	2019	2020	2019	2019-2020
Revenues							
Program revenue:							
Charges for services	\$ 6.0	\$ 6.9	\$ 20.3	\$ 22.4	\$ 26.3	\$ 29.3	(10.2)
Operating grants and contributions	2.6	2.6	0.6	0.8	3.2	3.4	(5.9)
Capital grants and contributions	1.0	0.7	-	0.2	1.0	0.9	11.1
General revenue:							
Property taxes	29.6	28.4	2.7	2.4	32.3	30.8	4.9
State-shared revenue	2.0	2.1	-	-	2.0	2.1	(4.8)
Unrestricted investment earnings	1.6	1.2	1.2	0.8	2.8	2.0	40.0
Total revenues	42.8	41.9	24.8	26.6	67.6	68.5	(1.3)
Program Expenses							
General government	4.3	4.9	-	-	4.3	4.9	(12.2)
Public safety	13.9	14.0	-	-	13.9	14.0	(0.7)
Public works	9.0	10.0	-	-	9.0	10.0	(10.0)
Community and economic development	2.7	3.0	-	-	2.7	3.0	(10.0)
Recreation and culture	2.5	2.5	-	-	2.5	2.5	-
Interest on long-term debt	0.2	0.2	-	-	0.2	0.2	-
Water and sewer	-	-	13.9	13.6	13.9	13.6	2.2
Parking	-	-	4.5	5.2	4.5	5.2	(13.5)
Golf courses	-	-	1.0	1.0	1.0	1.0	-
Total expenses	32.6	34.6	19.4	19.8	52.0	54.4	(4.4)
Increase in Net Position Before Transfers	10.2	7.3	5.4	6.8	15.6	14.1	10.6
Transfers	(0.3)	(0.7)	0.3	0.7	-	-	-
Increase in Net Position	9.9	6.6	5.7	7.5	15.6	14.1	10.6
Net Position - Beginning of year	82.3	75.7	112.5	105.0	194.8	180.7	7.8
Net Position - End of year	<u>\$ 92.2</u>	<u>\$ 82.3</u>	<u>\$ 118.2</u>	<u>\$ 112.5</u>	<u>\$ 210.4</u>	<u>\$ 194.8</u>	8.0

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

Governmental Activities - Total revenue for governmental activities increased \$.9 million, or 2.1 percent. This was attributable to an increase of \$1.2 million, or 4.2 percent, in revenue received from property taxes, an increase in capital grants and contributions of \$.3 million, or 42.9 percent, and an increase in investment earnings of \$.4 million, or 33.3 percent. This was partially offset by a decrease of \$1 million, or 14.5 percent, in charges for services. The increase in property taxes is a result of a 5.8 percent increase in taxable value. The increase in investment earnings is the result of unrealized market gains on investments. The increase in capital grants and contributions is related to a road grant. The decrease in charges for services is the result of a decrease in building permits and recreation fees as a result of the COVID-19 pandemic.

Total expenses decreased \$2 million or 5.8 percent. The decrease in expenses was attributable to a decrease in public works expenses of \$1 million and a decrease in general government expenses of \$.6 million. The decrease in public works and general government was primarily the result of a decrease in personnel costs associated with retiree health care costs. Additionally there was a decrease in cape seal activities in public works and liability claims in general government.

Business-type Activities - Total revenue for business-type activities decreased by \$1.8 million, or 6.8 percent, primarily as a result of a decrease in charges for services of \$2.1 million related to parking fees in the Automobile Parking System due to the COVID-19 pandemic.

Total expenses for business-type activities decreased \$.4 million, or 2%, primarily related to the Automobile Parking System Fund. The decrease was the result of minimizing operating costs of the parking structures during the Governor's state of emergency.

Financial Analysis of the City's Funds

Governmental Funds - The analysis of the City's major funds begins on page 16, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. As noted earlier, the City of Birmingham uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements as well as to show accountability for certain activities, such as special property tax millages. The City has nine governmental funds, categorized into five fund types. Based on criteria set forth by the Governmental Accounting Standards Board, the City's only major governmental fund for fiscal year 2020 is the General Fund.

As of June 30, 2020, the governmental funds of the City of Birmingham reported a combined fund balance of \$29.1 million. This represents an increase of \$2.2 million in comparison with the prior year. Approximately \$14.9 million of total fund balance, or 51.2 percent, constitutes unassigned fund balance, which is reported in the General Fund, the principal operating fund of the City. Unassigned fund balance is available for appropriation and may be used to meet the City's ongoing obligations to citizens and creditors without external or internal limitation. The remaining \$14.2 million of fund balance is categorized into four components: non-spendable, restricted, committed, and assigned fund balance. Additional information pertaining to the components of fund balance can be found in Note 1 and 11 of this report.

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

The fund balance of the City's General Fund (including major and local street activity) represents 85 percent, or \$24.8 million, of total governmental fund balances. The General Fund's fund balance increased by \$2.5 million from the prior year. The increase was primarily attributable to sidewalk projects which were postponed to the next fiscal year due to the COVID-19 pandemic. A total of \$14.9 million of the General Fund's fund balance is unassigned while \$5.9 million is committed and \$3.2 million is assigned for street and sidewalk projects and repairs.

Proprietary Funds - In addition to governmental funds, the City uses proprietary funds, which provide similar type of information as that contained in the government-wide financial statements, but in more detail. The Water and Sewage Disposal Funds, Automobile Parking System Fund, Municipal Golf Courses Fund and Internal Service Funds make up the City's proprietary funds.

Unrestricted net position for the Water and Sewage Disposal Funds total \$4.3 million and \$6.9 million, respectively. The Automobile Parking System unrestricted position totaled \$19.3 million. The Sewage Disposal System total net position increase of \$1.7 million was the result of a decrease in long-term debt of \$1.7 million, intergovernmental revenue of \$.5 million, and an operating loss of \$.7 million. The Water Supply System net position increase of \$1.8 million was the result of property tax revenue of \$1 million and a transfer from the General Fund of \$.5 million. The net position for the Automobile Parking System increased by \$2.2 million as a result of operating income.

General Fund Budgetary Highlights

Actual revenues for the year ended June 30, 2020, were approximately \$.8 million lower than the budget as a result of lower building permit revenue, court fine revenue, special assessment revenue, and charges to other funds as a result of the COVID-19 pandemic.

The loss of revenue was offset by a reduction of expenditures of approximately \$4.4 million under budget for the year. A majority of the reduction in expenditures, \$3.3 million, was related to sidewalk and alley improvements in the Engineering and Public Services budget. These projects were delayed due to the restrictions of the COVID-19 pandemic and were started but not completed by year-end. Personnel costs were approximately \$.7 million less than budgeted due to vacancies that could not be filled right away due to the restrictions of COVID-19. The majority of these positions were in the General Government budget. Contractual services were under budget by approximately \$.5 million as a result of delays in completing work due to the restrictions of COVID-19. These reductions were primarily in the General Government budget.

The expenditure budget was increased by approximately \$2.6 million to provide funding for the Maple Road Project of \$1 million, park improvements of \$.1 million, bridge and crosswalk improvements of \$.2 million, contractual services related to the master plan and cemetery management services of \$.1 million, and \$1.2 million for open purchase orders from fiscal year 2018-2019.

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

Capital Asset and Debt Administration

Capital Assets - The City of Birmingham had a total of \$176.2 million invested in capital assets (net of accumulated depreciation) at the end of the fiscal year (see Table A-3). This was an increase of 1 percent over the previous year. The City's investment in capital assets includes land, buildings, water and sewer lines, roads, highways and bridges, park facilities, and machinery and equipment.

Table A-3
City of Birmingham Capital Assets
(net of depreciation – in millions)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2020	2019	2020	2019	2020	2019	2019-2020
Land	\$ 10.3	\$ 10.3	\$ 1.6	\$ 1.6	\$ 11.9	\$ 11.9	-
Art and historic treasures	0.8	0.8	-	-	0.8	0.8	-
Buildings and improvements	27.4	26.9	19.7	19.1	47.1	46.0	2.4
Equipment	6.0	5.9	1.2	1.1	7.2	7.0	2.9
Infrastructure	40.5	40.6	65.2	65.9	105.7	106.5	(0.8)
Construction in progress	2.4	1.0	1.1	1.3	3.5	2.3	52.2
Total	<u>\$ 87.4</u>	<u>\$ 85.5</u>	<u>\$ 88.8</u>	<u>\$ 89.0</u>	<u>\$ 176.2</u>	<u>\$ 174.5</u>	1.0

Total governmental capital assets increased \$1.9 million, or 2%, compared to last year. This was primarily the result of an increase in construction in progress related to road and sidewalk projects started but not completed as of the end of the fiscal year. Buildings and improvements increased \$.5 million mostly related to HVAC improvements made to city hall.

Total business-type capital assets decreased by \$.2 million, or .2% compared to last year. The decrease was the result of depreciation expense being greater than new additions to the water and sewer infrastructure. This was partially offset by an increase in buildings and improvements related to parking structure improvements. Additional information pertaining to capital assets can be found in Note 7 of this report.

Long-term debt - The City's total indebtedness as of June 30, 2020, is \$11.9 million. Of this amount, \$7.9 million is general-obligation bonds, which is an amount considerably below the debt limit of \$326.5 million. In addition, the City has contractual obligations totaling \$1.7 million. This amount represents the City's portion of the George W. Kuhn retention/treatment facility and the North Arm Drain Project.

The City of Birmingham maintains an "AAA" rating from Standard & Poor's and Fitch and an "Aa1" rating from Moody's for general obligation debt. Additional information on the City's long-term debt can be found in Note 9 of this report.

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

Economic Factors and Next Year's Budgets and Rates

The focus of developing the 2020-2021 budget was to lower the overall millage rate, maintain the City's General Fund balance at the upper range of the fund balance policy, and to continue to invest in the City's infrastructure. An increase in the City's taxable value of 5.5 percent provided the necessary financial support for the budget. The increase in the taxable value resulted in an increase in operating property tax revenues of approximately \$1.3 million. The increase in taxable value is the result of continuing re-investment in the City, low interest rates, and a robust housing market. Housing and commercial redevelopment over the past 6 years has increased building permit revenue. It is now the second highest source of revenue for the General Fund. State-shared taxes provide revenue to the City of about \$4.2 million a year in the form of revenue sharing payments and gas and weight taxes. State-shared revenue is the City's third largest revenue source for the General Fund. Pension contributions will increase, retiree health care contributions will be stable and contributions to defined contribution plans will increase as new employees are hired. Additionally, costs are expected to increase for contractual services. Capital expenditures are budgeted to decrease from prior year with \$9.2 million being invested in the City's infrastructure.

The City has taken steps in the past to ensure that costs are in line with revenue projections. These steps include reducing full-time staffing levels by 13 percent from fiscal year 2000 levels, not creating or filling existing positions whenever possible, increasing employee deductibles and co-pays to their health care, consolidating dispatch services with the Village of Beverly Hills, and increasing service revenue by providing fire department medical transports.

The City continues to pursue service-sharing agreements with surrounding communities, achieve efficiencies through technological improvements, and implementing limited revenue enhancement measures.

The City's 2021 total levy, which includes the operating, refuse, library and debt service levies, totals 14.1870 mills, which represents a decrease from the prior year's levy of 14.3584 mills. The decrease in millage rate resulted from a decrease in the City's operating, library and debt service levies as a result of an increase in taxable value.

During the 2020 fiscal year, fund balance in the General Fund (including major and local street activity) increased by \$2.4 million to \$24.8 million. The increase in fund balance during the year was primarily attributable to a decrease in expenditures as a result of infrastructure improvements not being completed by June 30th. For fiscal year 2021, the City adopted a balanced budget. Unassigned fund balance will continue to be maintained at the City Commission's policy of 17-40 percent of budgeted expenditures for unforeseen emergencies. General Fund property tax revenue is estimated at \$26.9 million for fiscal year 2021.

The 2020-2021 financial outlook for the City in the midst of the COVID-19 pandemic is cautious. Intergovernmental revenue has rebounded to near normal levels as the economy has responded well to federal stimulus. As a result of low interest rates, home values are high and building permits are at near pre-pandemic levels. Lower revenue from the 48th District Court will be an issue in the General Fund as fewer cases are adjudicated due to the pandemic. Parking revenue will continue to be lag due to many commuters working from home. The long-term effects of the pandemic on residential and commercial property values as well as the local economy are

City of Birmingham, Michigan

unknown at this time. However, the City is well positioned with reserves to address any short-term loss of revenue.

Request for Information

This financial information is designed to provide a general overview of the City of Birmingham's finances to the City's citizens, customers, investors, creditors and others who are interested in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Birmingham's Finance Department, P.O. Box 3001, Birmingham, MI 48012.

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Basic Financial Statements

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City of Birmingham, Michigan

Statement of Net Position June 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 5, 6)	\$ 44,255,243	\$ 32,527,614	\$ 76,782,857	\$ 3,830,372
Receivables - Net:				
Customers	471,660	4,489,647	4,961,307	-
Special Assessments	2,886,606	379,376	3,265,982	60,337
Delinquent personal property taxes	20,573	-	20,573	-
Inventories	125,944	12,456	138,400	-
Prepaid costs and other assets (Note 1)	96,575	22,020	118,595	39,928
Due from other governmental units	633,095	-	633,095	366,307
Restricted assets (Note 10)	477,390	-	477,390	-
Capital assets - Net (Note 7)				
Assets subject to depreciation	73,856,858	86,066,840	159,923,698	2,948,281
Assets not subject to depreciation	13,507,074	2,730,569	16,237,643	2,177,196
Total assets	136,331,018	126,228,522	262,559,540	9,422,421
Deferred Outflows of Resources				
Deferred amount on debt refunding	286,173	59,799	345,972	-
Deferred amount on pension (Note 14)	5,908,188	396,064	6,304,252	243,816
Deferred amount on OPEB (Note 15)	2,133,170	232,612	2,365,782	96,878
Liabilities				
Accounts payable	1,739,145	2,388,396	4,127,541	507,458
Accrued and other liabilities	2,527,700	319,125	2,846,825	118,070
Unearned revenue (Note 12)	-	16,781	16,781	-
Provision for uninsured losses and liabilities (Note 13)	541,781	-	541,781	-
Noncurrent liabilities:				
Due within one year (Note 9)	2,528,041	1,674,556	4,202,597	111,986
Due in more than one year:				
Long-term debt & employee benefits (Note 9)	7,241,917	1,174,398	8,416,315	25,205
Net pension liability (Note 14)	23,792,889	1,594,998	25,387,887	981,867
Net OPEB liability (Note 15)	11,269,205	1,228,852	12,498,057	511,799
Total liabilities	49,640,678	8,397,106	58,037,784	2,256,385
Deferred Inflows of Resources				
Deferred amount on pension (Note 14)	102,371	6,863	109,234	4,224
Deferred amount on OPEB (Note 15)	2,731,016	297,805	3,028,821	124,031
Net Position				
Net investment in capital assets	80,240,493	86,043,709	166,284,202	5,125,477
Restricted:				
Solid waste	645,992	-	645,992	-
Debt service	97,174	-	97,174	-
Law and drug enforcement	93,441	-	93,441	-
Construction code activities (Note 4)	647,816	-	647,816	-
Cemetery maintenance:				
Expendable	78,045	-	78,045	-
Non-expendable	796,347	-	796,347	-
Park improvements	88,797	-	88,797	-
Corridor improvement authority	-	-	-	19,486
Brownfield redevelopment authority	-	-	-	37,430
Library donations:				
Expendable	-	-	-	648,306
Non-expendable	-	-	-	836,460
Unrestricted	9,496,379	32,171,514	41,667,893	711,316
Total net position	\$ 92,184,484	\$ 118,215,223	\$ 210,399,707	\$ 7,378,475

City of Birmingham, Michigan

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 4,329,507	\$ 413,135	\$ 284,810	\$ -
Public safety	13,900,057	2,152,523	92,746	-
Public works	9,016,465	666,267	2,169,550	940,813
Community and economic development	2,708,154	2,087,911	29,690	-
Recreation and culture	2,504,894	608,606	36,686	85,019
Interest on long-term debt	157,453	-	9,502	-
Total governmental activities	32,616,530	5,928,442	2,622,984	1,025,832
Business-type activities:				
Water and sewer	13,845,962	13,191,489	592,990	70
Automobile parking	4,513,632	5,999,216	-	-
Golf courses	1,018,075	1,088,773	-	-
Total business-type activities	19,377,669	20,279,478	592,990	70
Total primary government	<u>\$ 51,994,199</u>	<u>\$ 26,207,920</u>	<u>\$ 3,215,974</u>	<u>\$ 1,025,902</u>
Component units:				
Baldwin Public Library	\$ 4,205,328	\$ 1,016,295	\$ 196,417	-
Brownfield Redevelopment Authority	308,256	-	-	-
Corridor Improvement Authority	-	-	-	-
Principal Shopping District	1,217,948	150,181	1,246,884	-
Total component units	<u>\$ 5,731,532</u>	<u>\$ 1,166,476</u>	<u>\$ 1,443,301</u>	<u>\$ -</u>

Unrestricted general revenues:

Property taxes
State-shared revenues
Investment earnings
Miscellaneous
Transfers

Total general revenues and transfers

Changes in Net Position

Net Position - Beginning of Year

Net Position - End of Year

City of Birmingham, Michigan

Statement of Activities Year Ended June 30, 2020

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (3,631,562)	\$ -	\$ (3,631,562)	\$ -
(11,654,788)	-	(11,654,788)	-
(5,239,835)	-	(5,239,835)	-
(590,553)	-	(590,553)	-
(1,774,583)	-	(1,774,583)	-
(147,951)	-	(147,951)	-
(23,039,272)	-	(23,039,272)	-
-	(61,413)	(61,413)	-
-	1,485,584	1,485,584	-
-	70,698	70,698	-
-	1,494,869	1,494,869	-
(23,039,272)	1,494,869	(21,544,403)	-
-	-	-	(2,992,616)
-	-	-	(308,256)
-	-	-	-
-	-	-	179,117
-	-	-	(3,121,755)
29,584,273	2,685,966	32,270,239	3,693,035
2,002,965	4,506	2,007,471	35,411
1,604,893	1,195,413	2,800,306	142,936
43,737	-	43,737	-
(300,000)	300,000	-	-
32,935,868	4,185,885	37,121,753	3,871,382
9,896,596	5,680,754	15,577,350	749,627
82,287,888	112,534,469	194,822,357	6,628,848
\$ 92,184,484	\$ 118,215,223	\$ 210,399,707	\$ 7,378,475

City of Birmingham, Michigan

Governmental Funds Balance Sheet June 30, 2020

	General Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and investments (Note 5, 6)	\$ 27,786,844	\$ 4,404,009	\$ 32,190,853
Receivables - Net:			
Customers	430,119	41,542	471,661
Special Assessments	2,744,111	142,495	2,886,606
Delinquent personal property taxes	20,573	-	20,573
Prepaid items and other assets	10,867	-	10,867
Due from other governmental units	626,356	6,740	633,096
Inventories	125,941	-	125,941
Total assets	<u>\$ 31,744,811</u>	<u>\$ 4,594,786</u>	<u>\$ 36,339,597</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	\$ 1,490,822	\$ 127,858	\$ 1,618,680
Accrued and other liabilities	2,459,060	1,863	2,460,923
Unearned revenue (Note 12)	-	-	-
Total liabilities	3,949,882	129,721	4,079,603
Deferred Inflows of Resources			
Unavailable revenue - special assessments and property taxes	2,717,281	142,495	2,859,776
Unavailable revenue - parking tickets and charges for services	302,367	41,542	343,909
Total deferred inflows of resources	3,019,648	184,037	3,203,685
Fund Balances (Notes 4, 11)			
Nonspendable	136,808	788,393	925,201
Restricted	647,816	1,003,353	1,651,169
Committed	5,872,061	593,383	6,465,444
Assigned	3,174,598	1,895,899	5,070,497
Unassigned	14,943,998	-	14,943,998
Total fund balances	<u>24,775,281</u>	<u>4,281,028</u>	<u>29,056,309</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,744,811</u>	<u>\$ 4,594,786</u>	<u>\$ 36,339,597</u>

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

City of Birmingham, Michigan

Government Funds Reconciliation of Fund Balances to the Statement of Net Position June 30, 2020

Fund Balance - Total Governmental Funds	\$ 29,056,309
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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 governmental funds	87,363,932
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Special assessment and other receivables are expected to be collected over several years and are not available to pay for current year expenditures	3,203,685
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Long-term liabilities are not due and payable in the current period and are not reported in the funds, including related accrued interest	(8,828,085)
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Deferred outflows related to debt refunding activities	286,173
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Long-term pension liabilities are not due and payable in the current period and are not reported in the governmental funds	(23,792,889)
--	--------------

Long-term OPEB liabilities are not due and payable in the current period and are not reported in the governmental funds	(11,269,205)
---	--------------

Certain changes in Net Pension Liability are reported as deferred inflows and deferred outflows of resources in the statement of net position, but are reported as expenditures in the governmental funds.	5,805,817
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Certain changes in Net OPEB Liability are reported as deferred inflows and deferred outflows of resources in the statement of net position, but are reported as expenditures in the governmental funds.	(597,846)
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Internal Service Funds are included as part of governmental activities, net of amounts included above as capital assets, long-term pension and OPEB liabilities, and pension and OPEB-related deferred inflows and outflows.	<u>10,956,593</u>
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Net Position - Governmental Activities	<u><u>\$ 92,184,484</u></u>
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The Notes to Financial Statements are an
Integral Part of this Statement

City of Birmingham, Michigan

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended June 30, 2020

	General Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 26,171,799	\$ 3,541,898	\$ 29,713,697
Licenses and permits	2,502,107	-	2,502,107
Federal grants	40,316	66,903	107,219
State and local sources	4,558,250	7,483	4,565,733
Charges for services	2,947,874	71,613	3,019,487
Fines and forfeitures	1,474,001	-	1,474,001
Use of money and property	1,354,877	194,217	1,549,094
Other	340,635	87,150	427,785
	<u>39,389,859</u>	<u>3,969,264</u>	<u>43,359,123</u>
Total revenues	39,389,859	3,969,264	43,359,123
Expenditures			
Current:			
General government	5,506,240	-	5,506,240
Public safety	14,406,538	-	14,406,538
Public works	5,125,482	-	5,125,482
Highway and streets	3,051,078	-	3,051,078
Community and economic development	2,944,716	29,690	2,974,406
Solid waste disposal	-	2,018,014	2,018,014
48th District Court	1,642,813	-	1,642,813
Capital outlay	3,054,373	1,466,595	4,520,968
Debt service	-	1,609,895	1,609,895
	<u>35,731,240</u>	<u>5,124,194</u>	<u>40,855,434</u>
Total expenditures	35,731,240	5,124,194	40,855,434
Excess of Revenues Over (Under) Expenditures	3,658,619	(1,154,930)	2,503,689
Other Financing Sources (Uses)			
Transfers in (Note 3)	200,000	910,892	1,110,892
Transfers out (Note 3)	(1,410,892)	-	(1,410,892)
	<u>(1,210,892)</u>	<u>910,892</u>	<u>(300,000)</u>
Total other financing sources (uses)	(1,210,892)	910,892	(300,000)
Net Changes in Fund Balance	2,447,727	(244,038)	2,203,689
Fund Balances - Beginning of year	22,327,554	4,525,066	26,852,620
Fund Balances - End of year	<u><u>\$ 24,775,281</u></u>	<u><u>\$ 4,281,028</u></u>	<u><u>\$ 29,056,309</u></u>

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

City of Birmingham, 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, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ 2,203,689
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Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation (Note 2)	1,199,253
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Special assessment revenues are recorded in the statement of activities when the assessment is set; they are not reported in the funds until collected or collectible within 60 days of year end	413,407
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Grant funded road construction administered by the State of Michigan is recorded in the statement of activities, but not in the governmental funds where only the local share is recorded	457,522
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Accrued interest expense on long-term liabilities is recorded in the statement of activities, but not in the governmental funds where it is recorded when paid	77,442
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Bond principal are expenditures in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	1,375,000
---	-----------

Government funds report retiree health care contributions; in the statement of activities, retiree health care expense is actuarially determined	6,134,337
--	-----------

Government funds report pension contributions; in the statement of activities, pension expense is actuarially determined	(3,368,117)
--	-------------

Increases in accumulated employee sick and vacation pay are recorded when earned in the statement of activities	(177,254)
---	-----------

Governmental funds report proceeds from sale; in the statement of activities, only the respective gain or loss is recognized	(6,195)
--	---------

Internal Service Funds are also included as governmental activities	<u>1,587,512</u>
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Change in Net Position of Governmental Activities	<u>\$ 9,896,596</u>
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The Notes to Financial Statements are an
Integral Part of this Statement

City of Birmingham, Michigan

Proprietary Funds Statement of Net Position June 30, 2020

	Water Supply System Receiving	Sewage Disposal System	Automobile Parking Fund	Golf Courses (Other Nonmajor Enterprise Fund)	Total	Internal Service Funds
Assets						
Current Assets:						
Cash and investments (Note 5, 6)	\$ 5,157,558	\$ 4,775,375	\$ 20,696,034	\$ 1,898,647	\$ 32,527,614	\$ 12,068,490
Receivables - Net - Customers	1,454,544	3,404,107	10,372	-	4,869,023	-
Due from state	-	-	-	-	-	-
Inventories	-	-	12,456	-	12,456	-
Prepaid costs	-	-	20,678	1,342	22,020	85,708
Total current assets	6,612,102	8,179,482	20,739,540	1,899,989	37,431,113	12,154,198
Non-current assets:						
Restricted assets (Note 10)	-	-	-	-	-	477,390
Capital assets - Net (Note 7)	21,360,506	44,789,158	21,119,170	1,528,575	88,797,409	4,446,191
Total noncurrent assets	21,360,506	44,789,158	21,119,170	1,528,575	88,797,409	4,923,581
Total assets	27,972,608	52,968,640	41,858,710	3,428,564	126,228,522	17,077,779
Deferred Outflows of Resources						
Deferred amount on debt refunding	-	59,799	-	-	59,799	-
Deferred amount on pension (Note 14)	245,604	43,819	81,890	24,751	396,064	83,769
Deferred amount on OPEB (Note 15)	139,604	21,105	57,496	14,407	232,612	42,570
Liabilities						
Current liabilities:						
Accounts payable	732,454	824,174	808,694	23,074	2,388,396	65,739
Provision for uninsured losses and liabilities (Note 13)	-	-	-	-	-	541,781
Accrued and other liabilities	90,248	180,293	14,317	34,267	319,125	73,852
Unearned revenue (Note 12)	-	-	-	16,781	16,781	-
Current portion of long-term debt and employee benefits (Note 9)	8,077	1,645,745	-	20,734	1,674,556	57,415
Total current liabilities	830,779	2,650,212	823,011	94,856	4,398,858	738,787
Noncurrent liabilities:						
Provision for employee benefits	1,977	-	-	4,667	6,644	936,208
Net pension liability (Note 14)	989,067	176,460	329,801	99,670	1,594,998	337,346
Net OPEB liability (Note 15)	737,504	111,493	303,746	76,109	1,228,852	224,887
Long-term debt - Net of current portion (Note 9)	-	1,167,754	-	-	1,167,754	-
Total noncurrent liabilities	1,728,548	1,455,707	633,547	180,446	3,998,248	1,498,441
Total liabilities	2,559,327	4,105,919	1,456,558	275,302	8,397,106	2,237,228
Deferred Inflows of Resources						
Deferred amount on pension (Note 14)	4,256	759	1,419	429	6,863	1,451
Deferred amount on OPEB (Note 15)	178,730	27,021	73,609	18,445	297,805	54,500
Net Position						
Net investment in capital assets	21,360,506	42,035,458	21,119,170	1,528,575	86,043,709	4,446,191
Unrestricted	4,254,997	6,924,206	19,347,340	1,644,971	32,171,514	10,464,748
Total net position	<u>\$ 25,615,503</u>	<u>\$ 48,959,664</u>	<u>\$ 40,466,510</u>	<u>\$ 3,173,546</u>	<u>\$ 118,215,223</u>	<u>\$ 14,910,939</u>

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

City of Birmingham, Michigan

Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position Year Ended June 30, 2020

	Water Supply System Receiving	Sewage Disposal System	Automobile Parking Fund	Golf Courses (Other Nonmajor Enterprise Fund)	Total	Internal Service Funds
Operating Revenues						
Sale of water	\$ 4,415,577	\$ -	\$ -	\$ -	\$ 4,415,577	\$ -
Sewage disposal charges	-	8,775,912	-	-	8,775,912	-
Golf course fees and charges	-	-	-	1,088,773	1,088,773	-
Charges for services	-	-	-	-	-	6,275,094
Automobile parking system fees and charges	-	-	5,999,216	-	5,999,216	-
Total operating revenues	4,415,577	8,775,912	5,999,216	1,088,773	20,279,478	6,275,094
Operating Expenses						
Cost of water produced/purchased	1,975,461	-	-	-	1,975,461	-
Cost of sewage treatment	-	6,468,694	-	-	6,468,694	-
Operation and maintenance	1,244,828	943,008	3,194,715	867,903	6,250,454	1,324,933
General and administrative	213,345	247,382	119,813	39,166	619,706	2,675,948
Depreciation (Note 7)	859,855	1,809,944	1,199,104	111,006	3,979,909	1,122,842
Total operating expenses	4,293,489	9,469,028	4,513,632	1,018,075	19,294,224	5,123,723
Operating Income (Loss)	122,088	(693,116)	1,485,584	70,698	985,254	1,151,371
Nonoperating Revenue (Expenses)						
Investment income	163,284	179,076	759,051	94,002	1,195,413	426,977
Interest expense	-	(83,445)	-	-	(83,445)	-
Gain (loss) on disposal of assets	-	-	-	-	-	7,940
Intergovernmental revenue	975	596,521	-	-	597,496	-
Special assessments	-	70	-	-	70	-
Property taxes	998,537	1,687,429	-	-	2,685,966	-
Total nonoperating revenue	1,162,796	2,379,651	759,051	94,002	4,395,500	434,917
Income (Loss) - Before transfers and capital contributions	1,284,884	1,686,535	2,244,635	164,700	5,380,754	1,586,288
Capital Contributions	-	-	-	-	-	1,224
Transfers from (to) Other Funds (Note 3)	500,000	-	-	(200,000)	300,000	-
Changes in Net Position	1,784,884	1,686,535	2,244,635	(35,300)	5,680,754	1,587,512
Net Position - Beginning of year	23,830,619	47,273,129	38,221,875	3,208,846	112,534,469	13,323,427
Net Position - End of year	<u>\$ 25,615,503</u>	<u>\$ 48,959,664</u>	<u>\$ 40,466,510</u>	<u>\$ 3,173,546</u>	<u>\$ 118,215,223</u>	<u>\$ 14,910,939</u>

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

City of Birmingham, Michigan

Proprietary Funds Statement of Cash Flows Year Ended June 30, 2020

	Water Supply System Receiving	Sewage Disposal System	Automobile Parking Fund	Golf Courses (Other Nonmajor Enterprise Fund)	Total	Internal Service Funds
Cash Flows from Operating Activities						
Receipts from customers and others	\$ 4,340,713	\$ 8,452,479	\$ 6,401,286	\$ 1,091,422	\$ 20,285,900	\$ 6,275,094
Payments to suppliers	(2,379,777)	(7,195,879)	(2,889,626)	(434,233)	(12,899,515)	(3,916,109)
Payments to employees	(995,626)	(479,935)	(631,546)	(492,558)	(2,599,665)	(412,210)
Net cash provided by (used in) operating activities	965,310	776,665	2,880,114	164,631	4,786,720	1,946,775
Cash Flows from Noncapital Financing Activities						
Transfers from other funds	500,000	-	-	-	500,000	-
Transfers to other funds	-	-	-	(200,000)	(200,000)	-
State grants and shared revenue	975	1,000,520	-	-	1,001,495	-
Property taxes	998,588	583,385	-	-	1,581,973	-
Net cash provided (used) by noncapital financing activities	1,499,563	1,583,905	-	(200,000)	2,883,468	-
Cash Flows from Capital and Related Financing Activities						
Principal and interest paid on capital debt	-	(1,691,785)	-	-	(1,691,785)	-
Purchase of capital assets	(978,685)	(853,768)	(1,975,805)	(10,375)	(3,818,633)	(1,218,051)
Special assessments	6,869	35,993	-	-	42,862	-
Proceeds from sale of capital assets	-	-	-	-	-	9,000
Property taxes - restricted for capital debt	-	1,104,131	-	-	1,104,131	-
Net cash used in capital and related financing activities	(971,816)	(1,405,429)	(1,975,805)	(10,375)	(4,363,425)	(1,209,051)
Cash Flows from Investing Activities -						
Interest received on investments	163,284	179,076	759,051	94,002	1,195,413	426,977
Net Changes in Cash and Cash Equivalents	1,656,341	1,134,217	1,663,360	48,258	4,502,176	1,164,701
Cash and Cash Equivalents - Beginning of year	3,501,217	3,641,158	19,032,674	1,850,389	28,025,438	11,381,179
Cash and Cash Equivalents - End of year	<u>\$ 5,157,558</u>	<u>\$ 4,775,375</u>	<u>\$ 20,696,034</u>	<u>\$ 1,898,647</u>	<u>\$ 32,527,614</u>	<u>\$ 12,545,880</u>
Balance Sheet Classification of Cash and Cash Equivalents						
Cash and investments	\$ 5,157,558	\$ 4,775,375	\$ 20,696,034	\$ 1,898,647	\$ 32,527,614	\$ 12,068,490
Restricted investments (Note 10)	-	-	-	-	-	477,390
Total cash and cash equivalents	<u>\$ 5,157,558</u>	<u>\$ 4,775,375</u>	<u>\$ 20,696,034</u>	<u>\$ 1,898,647</u>	<u>\$ 32,527,614</u>	<u>\$ 12,545,880</u>

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

City of Birmingham, Michigan

Proprietary Funds Statement of Cash Flows (Continued) Year Ended June 30, 2020

	Water Supply System Receiving	Sewage Disposal System	Automobile Parking Fund	Golf Courses (Other Nonmajor Enterprise Fund)	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities						
Operating income (loss)	\$ 122,088	\$ (693,116)	\$ 1,485,584	\$ 70,698	\$ 985,254	\$ 1,151,371
Adjustments to reconcile operating income (loss) to net cash from operating activities						
Depreciation	859,855	1,809,944	1,199,104	111,006	3,979,909	1,122,842
Changes in assets and liabilities:						
Receivables	(76,509)	(321,716)	402,069	-	3,844	-
Other assets	-	-	(7,510)	671	(6,839)	6,055
Pension related deferred outflows of resources	(131,378)	(22,232)	(48,415)	(14,358)	(216,383)	(46,874)
OPEB related deferred outflows of resources	(5,259)	(1,809)	(7,669)	(1,341)	(16,078)	1,718
Accounts payable	279,408	(534)	(176,688)	(15,588)	86,598	(96,732)
Accrued and other liabilities	(8,141)	9,814	1,903	7,109	10,685	(160,686)
Net pension liability	238,277	34,565	109,858	31,372	414,072	94,838
Net OPEB liability	(86,331)	(6,838)	(1,802)	(4,014)	(98,985)	(46,701)
Pension related deferred inflows of resources	(3,438)	(695)	(835)	(271)	(5,239)	(1,034)
OPEB related deferred inflows of resources	(223,262)	(30,718)	(75,485)	(20,653)	(350,118)	(78,022)
Net cash provided by operating activities	<u>\$ 965,310</u>	<u>\$ 776,665</u>	<u>\$ 2,880,114</u>	<u>\$ 164,631</u>	<u>\$ 4,786,720</u>	<u>\$ 1,946,775</u>

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

City of Birmingham, Michigan

Fiduciary Fund Statement of Fiduciary Net Position June 30, 2020

	<u>Pension and Other Employee Benefits</u>	<u>Agency Fund</u>
Assets		
Cash and cash equivalents (Note 5, 6)	\$ 29,340,638	\$ 141,962
Investments:		
U.S. government securities	11,371,251	-
Stocks	73,657,166	-
Bonds	18,657,568	-
Receivables and accrued interest	237,191	-
Other assets	<u>42,352</u>	<u>15,033</u>
 Total assets	 133,306,166	 <u>\$ 156,995</u>
 Liabilities		
Accounts payable	39,261	\$ 5,011
Accrued and other liabilities	<u>485,163</u>	<u>151,984</u>
 Total liabilities	 <u>524,424</u>	 <u>\$ 156,995</u>
 Net Position - restricted for pensions and OPEB	 <u>\$ 132,781,742</u>	

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

City of Birmingham, Michigan

Fiduciary Funds Statement of Changes in Fiduciary Net Position Year Ended June 30, 2020

	<u>Pension and Other Employee Benefits</u>
Additions	
Investment income:	
Interest and dividends	\$ 2,664,592
Net change in fair value of investments	(1,388,962)
Less investment expenses	<u>(647,604)</u>
Net investment income	628,026
Contributions:	
Employer	5,280,415
Plan members	<u>392,817</u>
Total contributions	5,673,232
Other revenue	<u>63,355</u>
Total net additions	6,364,613
Deductions	
Benefit payments	10,877,218
Refunds of contributions	547,270
Administrative expenses and other	158,003
Other expenses	<u>58,079</u>
Total deductions	<u>11,640,570</u>
Change in Net Position	(5,275,957)
Net Position - Restricted for Pensions and OPEB	
Beginning of year	<u>138,057,699</u>
End of year	<u>\$ 132,781,742</u>

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

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Component Units
Statement of Net Position
June 30, 2020

	Baldwin Public Library	Brownfield Redevelopment Authority	Corridor Improvement Authority	Principal Shopping District	Totals
Assets					
Cash and investments (Note 5, 6)	\$ 2,869,728	\$ 31,483	\$ 19,486	\$ 909,675	\$ 3,830,372
Receivables	-	5,947	-	54,390	60,337
Due from other governmental units	366,307	-	-	-	366,307
Capital assets - Net (Note 7)	5,125,291	-	-	186	5,125,477
Prepaid costs	39,928	-	-	-	39,928
Total assets	8,401,254	37,430	19,486	964,251	9,422,421
Deferred Outflows of Resources					
Deferred amount on pension (Note 14)	213,671	-	-	30,145	243,816
Deferred amount on OPEB (Note 15)	82,827	-	-	14,051	96,878
Liabilities					
Accounts payable	470,721	-	-	36,737	507,458
Accrued and other liabilities	94,861	-	-	23,209	118,070
Unearned Revenue	-	-	-	-	-
Noncurrent liabilities (Note 9):					
Due within one year	97,461	-	-	14,525	111,986
Due in more than one year:					
Employee benefits (Note 9)	21,936	-	-	3,269	25,205
Net pension liability (Note 14)	860,475	-	-	121,392	981,867
Net OPEB liability (Note 15)	437,567	-	-	74,232	511,799
Total liabilities	1,983,021	-	-	273,364	2,256,385
Deferred Inflows of Resources					
Deferred amount on pension (Note 14)	3,702	-	-	522	4,224
Deferred amount on OPEB (Note 15)	106,042	-	-	17,989	124,031
Net Position					
Net investment in capital assets	5,125,291	-	-	186	5,125,477
Restricted:					
Corridor improvement authority	-	-	19,486	-	19,486
Brownfield redevelopment authority	-	37,430	-	-	37,430
Library donations					
Expendable	648,306	-	-	-	648,306
Non-expendable	836,460	-	-	-	836,460
Unrestricted	(5,070)	-	-	716,386	711,316
Total net position	<u>\$ 6,604,987</u>	<u>\$ 37,430</u>	<u>\$ 19,486</u>	<u>\$ 716,572</u>	<u>\$ 7,378,475</u>

		Program Revenues	
	Expenses	Charges for Services	Operating Grants and Contributions
Baldwin Public Library - Culture and recreation	\$ 4,205,328	\$ 1,016,295	\$ 196,417
Brownfield Redevelopment Authority			
Community development	308,256	-	-
Corridor Improvement Authority			
Community development	-	-	-
Principal Shopping District -			
Community development	<u>1,217,948</u>	<u>150,181</u>	<u>1,246,884</u>
Total governmental activities	<u>\$ 5,731,532</u>	<u>\$ 1,166,476</u>	<u>\$ 1,443,301</u>

General revenues:

Taxes

State sources

Investment earnings

Total general revenues

Changes in Net Position

Net Position - Beginning of year

Net Position - End of year

Component Units
Statement of Activities
Year Ended June 30, 2020

Net (Expense) Revenue and Changes in Net Position				
Baldwin Public Library	Brownfield Redevelopment Authority	Corridor Improvement Authority	Principal Shopping District	Total
\$ (2,992,616)	\$ -	\$ -	\$ -	\$ (2,992,616)
-	(308,256)	-	-	(308,256)
-	-	-	-	-
-	-	-	179,117	179,117
(2,992,616)	(308,256)	-	179,117	(3,121,755)
3,404,687	288,348	-	-	3,693,035
35,411	-	-	-	35,411
114,809	4,960	716	22,451	142,936
3,554,907	293,308	716	22,451	3,871,382
562,291	(14,948)	716	201,568	749,627
6,042,696	52,378	18,770	515,004	6,628,848
\$ 6,604,987	\$ 37,430	\$ 19,486	\$ 716,572	\$ 7,378,475

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Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

The City is governed by an elected seven-member commission. As required by generally accepted accounting principles, these financial statements present the City of Birmingham and its component units.

Discretely Presented Component Units – The individual component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. The component units are reported within the component unit's column in the combined financial statements. They are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

- a. The Baldwin Public Library is governed by a six-member board elected directly by the citizens of Birmingham and funded by a specially voted property tax levy. However, the City Commission approves the Library's annual budget, levies the Library millage, and provides the Library facilities. The Library is not able to issue its own debt. The City is ultimately responsible for any deficiencies that exceed any default remedies that may exist.
- b. The Principal Shopping District was created to promote economic activity within the principal shopping districts of the City by conducting market research and public relations campaigns, developing, coordinating, and conducting retail and institutional promotions, and sponsoring special events and related activities. Its board consists of eight to 12 members appointed by the city manager with the concurrence of the City Commission. The City Commission is responsible for approving the District's budget and setting the amount of its annual assessment.
- c. The Brownfield Redevelopment Authority was created under Act 381 of the Public Acts of the State of Michigan of 1996, to identify and treat distressed areas of the City in order to promote revitalization. The authority is governed by a five member board which is appointed by the mayor of the City subject to the approval of the City Commission. The City Commission is responsible for approving the Authority's budget.
- d. The Corridor Improvement Authority was created under Act 280 of the Public Acts of the State of Michigan of 2005 to redevelop its commercial corridors and promote economic growth in identified areas. The authority is governed by a seven member board, which is appointed by the mayor of the City subject to the approval of the City Commission. The City Commission is responsible for approving the Authority's budget as well as any master plans for improvements.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Economic Development 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, whose governing body was selected by the City Commission, transferred its remaining assets to the Principal Shopping District during the year ended June 30, 1994 and is currently inactive. Therefore, there are no financial assets or operations to be reported.

Complete financial statements of the active component units can be obtained from their respective administrative offices at the address below:

Baldwin Public Library
300 West Merrill
Birmingham, MI 48012-3002

Principal Shopping District
151 Martin Street
Birmingham, MI 48009

Brownfield Redevelopment Authority
151 Martin Street
Birmingham, MI 48009

Corridor Improvement Authority
151 Martin Street
Birmingham, MI 48009

Government-wide and Fund Financial Statements

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund, fiduciary fund, and component unit financial statements. 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.

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

Those revenues susceptible to accrual are property taxes, special assessments, licenses, interest revenue, and charges for services. Sales taxes collected and held by the State at year end on behalf of the government also are recognized as revenue. Fines, permits, and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash. Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned. Other revenue is recorded when received.

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

The government reports the following major governmental fund:

General Fund – The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The government reports the following major proprietary funds:

Automobile Parking System Fund – The Automobile Parking System Fund accounts for the activities of the parking structures and meters.

Note 1 - Summary of Significant Accounting Policies (Continued)

Water Supply System Receiving Fund – The Water Supply System Receiving Fund accounts for water sales that finance water purchased from the Southeastern Oakland County Water Authority and the installation and maintenance of meters and mains within the City.

Sewage Disposal System Fund – The Sewage Disposal System Fund accounts for the activities of the sewage collection system. The City of Birmingham disposes of sewage through two county-operated facilities. Operating in the north and southeastern sections of the City is the Southeastern Oakland County Sewage Disposal District, and in the southwestern section of the City, sewage and storm disposal is provided by the Evergreen-Farmington System.

Additionally, the government reports the following fund types:

Internal Service Funds – Internal Service Funds account for major machinery and equipment purchases and maintenance, as well as risk management services provided to other departments of the government on a cost reimbursement basis.

Pension Trust and Retiree Health Care Funds – The Pension Trust Fund and Retiree Health Care Fund accounts for the activities of the employees' retirement system, which accumulates resources for pension benefit payments to qualified employees and for health care benefits provided to employees during retirement.

Agency Fund – The Agency Fund accounts for assets held for the benefit of employees, contractors, and other taxing authorities. The fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations.

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

Amounts reported as program revenue 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. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Note 1 - Summary of Significant Accounting Policies (Continued)

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relates to charges to customers for water sales and services, sewage disposal, golf course, and automobile parking system fees and charges. The Water and Sewer Fund also recognizes the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as non-operating revenue. Operating expenses for proprietary funds include the cost of water, sewage disposal, operations and maintenance, general and administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

Property Tax Revenue

Properties are assessed as of December 31. The related property taxes are billed and become a lien on July 1 of the following year. These taxes 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. Taxes not received by the end of the fiscal year are added to the county tax rolls. The City's property tax revenue for the fiscal year ended June 30, 2020 is based on the 2019 levy, which was billed July 1, 2019.

The 2019 taxable valuation of the City totaled \$2,497,255,420, on which ad valorem taxes levied consisted of 11.1206 mills for operating purposes. These mills were allocated to the General Fund (10.4838), Sewer Fund (.2346) and Water Fund (.4022). Additionally, .7803 mills and 1.0861 mills were levied for solid waste disposal and debt service, respectively. This resulted in \$27.8 million for operating expenses, \$1.9 million for refuse services, and \$2.7 million for debt service, exclusive of any Michigan Tax Tribunal or Board of Review adjustments. These amounts are recognized in the respective General, Special Revenue, Debt Service, and Enterprise Funds financial statements as tax revenue.

Component Unit (Baldwin Public Library) Property Taxes

Properties are assessed as of December 31. The related property taxes are billed and become a lien on July 1 of the following year. These taxes 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. Taxes not received by the end of the fiscal year are added to the county tax rolls. The City's property tax revenue for the fiscal year ended June 30, 2020 is based on the 2019 levy, which was billed July 1, 2019.

The 2019 taxable value totaled \$2,497,255,420; the Library's millage rate was 1.3714 mills, which resulted in property tax billings of \$3.4 million. The amount recognized as revenue reflects reductions for Board of Review, Michigan Tax Tribunal, and delinquencies, as well as recoveries of prior year delinquencies.

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Position or Fund Equity

Cash and Investments – Cash and cash equivalents include cash on hand, demand deposits, and investments with a maturity of three months or less when acquired. Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value. Pooled investment income is generally allocated to each fund using a weighted average.

Receivables – All customer receivables are shown net of allowances for uncollectible amounts. For the year ended June 30, 2020, there was approximately: \$476,000 in allowances for parking fines, \$38,000 in allowances for delinquent personal property taxes, and \$96,000 in allowances for miscellaneous receivables.

Inventories and Prepaid Costs – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds consist of road salt which is measured at June 30th based on market prices. Expenditures for each fund are adjusted based on the inventory valuation.

Prepays in the government funds are recorded using the consumption method. Certain payments to vendors are recorded as prepaid items in both government-wide and fund financial statements.

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 government as assets with an initial cost of more than \$2,500 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 acquisition cost.

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

Roads and sidewalks	15-25 years
Buildings and improvements	10-50 years
Improvements other than buildings	10-50 years
Land improvements	10-50 years
Machinery and equipment	5-10 years
Water and sewer distribution systems	40-50 years

Note 1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick Leave) – It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. A liability is calculated for the full cost of vacation leave benefits and a portion of the sick leave benefits when accumulated sick leave hours exceed a certain balance. Upon termination or retirement, an employee is entitled to any unused vacation leave benefits. Only upon retirement, however, can an employee be paid a portion of their unused sick leave balance, provided their sick leave balance is over a certain amount. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only for those employees who have terminated as of the end of the year.

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.

Net Pension Liability – Beginning in fiscal year 2015, GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires governments providing defined benefit pensions to recognize the net pension liability and the pension expense on their financial statements. The net pension liability is the difference between the total pension liability and the plan's fiduciary net position. The pension expense recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience. The net pension liability is recorded on the government-wide, proprietary and discretely presented component units' statements and is computed differently than the prior unfunded actuarial accrued liability, using specific parameters set forth by the GASB.

Net Other Post Employment Benefit (OPEB) Liability – Beginning in fiscal year 2018, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, requires governments providing defined benefit post-employment benefits (other than pensions) to recognize the net OPEB liability and the OPEB expense on their financial statements. The net OPEB liability is the difference between the total OPEB liability and the plan's fiduciary net position. The OPEB expense recognized each fiscal year is equal to the change in the net OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience. The net OPEB liability is recorded on the government-wide, proprietary and discretely presented component units' statements and is computed differently than the prior unfunded actuarial accrued liability, using specific parameters set forth by the GASB.

Note 1 - Summary of Significant Accounting Policies (Continued)

Deferred Outflows of Resources - In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has several items that qualify for reporting in this category. The first is a deferred charge on a bond refunding reported in the government-wide and proprietary funds' statements of net position. A deferred charge on refunding 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 second is deferred outflows as a result of pension experience. This amount is in the government-wide and proprietary funds' statement of net position. It is the result of a difference between the assumptions the actuary made and what actually occurred. This amount will be amortized over 3.7183 years and be an addition to pension expense. The third item is deferred outflows as a result of a change in pension actuary assumptions. This amount is in the government-wide and proprietary funds' statement of net position. It is the result of a difference between previous actuary assumptions and current assumptions. This amount will be amortized over 3.7183 years and included in pension expense. The fourth item is deferred outflows as a result of pension earnings. This is also reported in the government-wide and proprietary funds' statements of net position. This amount is the result of a difference between what the plan expected to earn from the plan investments and what it actually earned. This amount will be amortized over five years and be an addition to pension expense. The fifth item is deferred outflows as a result of a change in OPEB actuary assumptions. This amount is in the government-wide and proprietary funds' statement of net position. It is the result of a difference between previous actuary assumptions and current assumptions. This amount will be amortized over 2.2331 years and included in OPEB expense. The last item is deferred outflows as a result of OPEB earnings. This is also reported in the government-wide and proprietary funds' statements of net position. This amount is the result of a difference between what the plan expected to earn from the plan investments and what it actually earned. This amount will be amortized over five years and be an addition to OPEB expense.

Deferred Inflows of Resources - In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. The first is deferred inflows of resources related to unavailable revenue is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenue from four sources: property taxes, special assessments, parking tickets, and certain charges for services. These amounts are deferred and recognized as inflows of resources until the period that the amounts become available. The second item is deferred inflows as a result of pension experience. This amount is in the government-wide and proprietary funds' statement of net position. It is the result of a difference between the assumptions the actuary made and what actually occurred. This

Note 1 - Summary of Significant Accounting Policies (Continued)

amount will be amortized over the next 3.7183 years as a reduction to pension expense. The third item is a deferred inflow as a result of OPEB experience. This amount is in the government-wide and proprietary funds' statements of net position. It is the result of a difference between the assumptions the actuary made and what actually occurred. This amount will be amortized over the next 2.2331 years and be a reduction to OPEB expense. The last item is a deferred inflow as a result of OPEB assumptions. This amount is in the government-wide and proprietary funds' statements of net position. It is the result of a difference between previous actuary assumptions and current assumptions. This amount will be amortized over the next 2.2331 years and be a reduction to OPEB expense.

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

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

- Nonspendable – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted – Amounts that are legally restricted by outside parties, constitutional provisions or enabling legislation for use for a specific purpose.
- Committed – Amounts that have been formally set aside by the City Commission for use for specific purposes. Commitments are made and can be rescinded only via resolution of the City Commission.
- Assigned – Intent to spend resources on specific purposes expressed by the City Commission or the Finance Director, who is authorized by resolution approved by the City Commission to make assignments.
- Unassigned – Amounts that are available for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City Commission has adopted a minimum fund balance policy which states that unassigned fund balance in the General Fund can be no less than 17 percent of the budgeted expenditures in that fund.

Note 1 - Summary of Significant Accounting Policies (Continued)

Starting in fiscal year 2014, the City reported Major and Local Street Fund activities in the General Fund. The Major and Local Street Funds no longer met the requirements of GASB 54 as special revenue funds as the majority of the funding for these activities was coming from transfers from the General Fund. The detail for the Major and Local Street Funds can still be found in the Other Supplemental Information section of this report.

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.

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation”. The details of this \$1,199,253 difference are as follows:

Capital outlay	\$ 5,484,075
Depreciation expense	<u>(4,284,822)</u>
Net adjustment to increase (decrease) <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 1,199,253</u>

Notes to the Financial Statements
June 30, 2020

Note 3 - Interfund Receivables, Payables, and Transfers

For the year ended June 30, 2020, interfund transfers reported in the fund statements were as follows:

	General Fund	Transfers Out Golf Courses Other Nonmajor Enterprise Fund	Total
Transfers in:			
General Fund	\$ -	\$ 200,000 (2)	\$ 200,000
Capital Projects Fund	910,892 (1)	-	910,892
Water Fund	500,000 (3)	-	500,000
Total	<u>\$ 1,410,892</u>	<u>\$ 200,000</u>	<u>\$ 1,610,892</u>

The following describes the nature of significant transfers:

- (1) Provide funding for capital projects.
- (2) Return of funds for building improvement.
- (3) Provide funding for water infrastructure.

Note 4 - Stewardship, Compliance, and Accountability

State Construction Code Act – 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. Beginning January 1, 2000, 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 cumulative surplus and activity for the year ended June 30, 2020 is as follows:

Surplus as of June 30, 2019	\$1,246,522
Building permit revenue	1,741,665
Related expenses:	
Direct costs	\$2,075,775
Estimated indirect costs	<u>264,596</u>
Total construction code expenses	2,340,371
Surplus as of June 30, 2020	<u>\$ 647,816</u>

Note 5 - Cash 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 accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; banker's acceptances of United States banks; commercial paper rated within the two highest classifications that matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. To the extent cash from various funds has been pooled in an investment, related investment income is allocated to each fund based on relative participation in the pool.

The Pension Trust Fund and the Retiree Health Care Fund are also 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 business, certain state and local government obligations, and certain other specified investment vehicles.

The City has designated two banks for the deposit of local unit funds. The investment policy adopted by the commission 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. The City's deposits and investment policies are in accordance with statutory authority.

The City's cash and investments are subject to four 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 government's deposits may not be returned to it. The City's investment policy restricts depository accounts to federally insured institutions located within the state of Michigan (consistent with state law). At year end, the City had approximately \$5.6 million in total bank deposits (certificates of deposit, checking and savings accounts). Of that amount, approximately \$5.3 million is considered uninsured and uncollateralized.

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 general investment policy restricts the average maturity of investments to 3 years. The maximum maturities for investments are: U.S. Treasuries and agencies – five years, certificates of deposits – one year, commercial paper – 270 days, bankers' acceptances – 180 days, and repurchase agreements – 60 days. The City's pension and retiree health care investment policy restricts cash equivalents to a maturity of one year or less. At year end, the City's investments have the following range of maturity dates:

Note 5 - Cash and Investments (Continued)

Investment Type	Fair Value	Maturity (Years)			
		< 1	1 - 5	6 - 10	> 10
U.S. Treasury:					
General investments	\$ 26,901,685	\$ 11,356,965	\$ 15,544,720	\$ -	\$ -
Retirement Fund	3,028,025	-	1,359,116	618,066	1,050,843
Retiree Health Care	1,480,012	-	760,821	238,815	480,376
	31,409,722	11,356,965	17,664,657	856,881	1,531,219
U.S. Agency:					
General investments	42,689,401	5,548,975	37,140,426	-	-
Retirement Fund	4,732,880	-	97,022	35,114	4,600,744
Retiree Health Care	2,130,334	-	88,316	36,195	2,005,823
	49,552,615	5,548,975	37,325,764	71,309	6,606,567
Corporate/Municipal Debt:					
General investments	-	-	-	-	-
Retirement Fund	9,182,651	126,024	2,984,091	3,094,285	2,978,251
Retiree Health Care	4,359,189	47,558	1,518,615	1,507,757	1,285,259
	13,541,840	173,582	4,502,706	4,602,042	4,263,510
Mutual Funds (Avg Maturity):					
General investments	473,880	-	276,860	197,020	-
Retirement Fund	3,827,739	-	3,827,739	-	-
Retiree Health Care	1,287,989	-	1,287,989	-	-
	5,589,608	-	5,392,588	197,020	-
Total	\$100,093,785	\$ 17,079,522	\$ 64,885,715	\$ 5,727,252	\$ 12,401,296

Credit Risk – State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City's general investment policy further limits investments to: commercial paper to the highest rating (A-1/P-1); bankers' acceptances whose long-term debt rating is at least an A; obligations of this state or its political subdivisions to the highest rating (A-1/P-1); pooled funds with a rating of at least an A. The City's retirement and retiree health care funds' investment policies require the bond portfolio to have at least 80 percent of its holdings in securities rated no less than investment grade.

As of year-end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment Type	Rating	Value	Rating Agency
U.S. Agency Securities	Aaa	\$ 43,114,249	Moody
	Unrated	6,417,108	
Corporate/Municipal Bonds	Unrated	2,389,154	Moody
	Aaa	621,171	
	Aa1	580,759	
	Aa2	452,713	
	Aa3	688,824	

Note 5 - Cash and Investments (Continued)

<u>Investment Type</u>	<u>Rating</u>	<u>Value</u>	<u>Rating Agency</u>
	A1	865,560	Moody
	A2	1,757,894	Moody
	A3	1,835,894	Moody
	Baa1	1,213,237	Moody
	Baa2	1,330,793	Moody
	Baa3	1,066,741	Moody
	Ba1	442,277	Moody
	Ba2	102,159	Moody
	Ba3	111,603	Moody
	B1	21,180	Moody
	B2	61,881	Moody
Pooled Funds	Unrated	35,452,637	
	AAA	2,156,619	S&P
Mutual Funds	Unrated	5,589,608	

Concentration of Credit Risk – At June 30, 2020, the City had investments greater than 5% of its holdings with the following issuers:

<u>Issuer</u>	<u>General Investments</u>
Federal Farm Credit Bank	13%
Federal Home Loan Mortgage	10%
Federal Home Loan Bank	15%
Federal National Mortgage Assoc.	15%

The City's General Investment Policy allows investing in U.S. agency securities up to 75% of the total general investment portfolio and up to 25% of the general investment portfolio in any one issuer.

Note 6 - Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

Note 6 - Fair Value Measurements (Continued)

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

The City has the following recurring fair value measurements as of June 30, 2020:

General Investments:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	<u>Total</u>	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>
Investments by fair value level:				
Debt Securities:				
U.S. treasury securities	\$ 26,901,685	\$ 26,901,685	\$ -	\$ -
U.S. agency securities	42,689,401	-	42,689,401	-
Mutual funds	473,880	473,880	-	-
Total debt securities	70,064,966	27,375,565	42,689,401	-
Equity Securities				
Mutual funds	370,572	370,572	-	-
Total Investments by fair value level	70,435,538	27,746,137	42,689,401	-
Investments measured at the net asset value:				
Pooled Cash Funds	2,156,619			
Total investments measured at fair value	<u>\$ 72,592,157</u>			

Retirement and Retiree Health Care Funds:

	<u>Total</u>	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>
Investments by fair value level:				
Debt Securities:				
U.S. treasury securities	\$ 4,508,037	\$ 4,508,037	\$ -	\$ -
U.S. agency securities	6,863,214	-	6,863,214	-
Collateralized debt obligations	1,330,511	-	1,330,511	-
Mortgage backed securities	1,526,607	-	1,526,607	-
Corporate bonds	10,684,722	-	10,684,722	-
Mutual funds	5,115,728	5,115,728	-	-
Total debt securities	30,028,819	9,623,765	20,405,054	-
Equity Securities:				
U.S. large cap	18,266,946	18,266,946	-	-
U.S. mid cap	19,022,038	19,022,038	-	-
U.S. small cap	6,672,453	6,672,453	-	-
Total equity securities	43,961,437	43,961,437	-	-
Total Investments by fair value level	73,990,256	53,585,202	20,405,054	-
Investments measured at the net asset value:				
U.S. Large Cap Value	17,280,957			
Multi-Strategy Hedge Fund	12,414,772			
Total investments measured at the NAV	29,695,729			
Total Investments measured at fair value	<u>\$ 103,685,985</u>			

Note 6 - Fair Value Measurements (Continued)

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of U.S. agency securities, collateralized debt obligations, mortgaged backed securities, and corporate bonds at June 30, 2020 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table.

Investments in Entities that Calculate Net Asset Value per Share

The City holds shares in investment pools and hedge funds where the fair value of the investments is measured on a recurring basis using net asset value per share of the investment pool as a practical expedient.

At the year ended June 30, 2020, the fair value, unfunded commitments and redemption rules of those investments is as follows:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if applicable)</u>	<u>Redemption Notice Period</u>
General Investments:				
Michigan CLASS Investment Pool	\$ 2,156,619	None	N/A	N/A
Retirement and Retiree Health Care Funds:				
U.S. Large Cap Value	17,280,957	None	N/A	N/A
Multi-Strategy Hedge Fund	<u>12,414,772</u>	None	Monthly	30 days
	<u>29,695,729</u>			
Total investments measured at fair value	<u>\$ 31,852,348</u>			

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better), collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

The U.S. Large Cap Value mutual fund invests in high quality companies with prospects for future profitability that significantly stronger than what is reflected in the current stock price. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

Notes to the Financial Statements
June 30, 2020

Note 6 - Fair Value Measurements (Continued)

The Multi-Strategy Hedge Funds class invests in hedge funds that pursue multiple strategies to diversify risks and reduce volatility. The hedge funds' composite portfolio for this class includes investments in currencies, bonds, interest rates, commodities, and stocks. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

Note 7 - Capital Assets

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

	Balance July 1, 2019	Additions	Disposals and Adjustments	Balance June 30, 2020
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 10,337,835	\$ -	\$ -	\$ 10,337,835
Art and historical treasures	820,949	-	-	820,949
Construction in progress	1,013,867	2,963,543	1,629,120	2,348,290
Subtotal	12,172,651	2,963,543	1,629,120	13,507,074
Capital assets being depreciated:				
Road and sidewalks	64,069,916	3,038,676	2,483,606	64,624,986
Buildings and improvements	25,327,744	358,445	-	25,686,189
Improvements other than buildings	13,224,267	928,031	-	14,152,298
Machinery and equipment	19,250,959	1,494,998	428,521	20,317,436
Subtotal	121,872,886	5,820,150	2,912,127	124,780,909
Accumulated depreciation:				
Road and sidewalks	23,431,756	3,142,639	2,483,606	24,090,789
Buildings and improvements	5,381,715	269,502	105	5,651,112
Improvements other than buildings	6,220,341	586,054	-	6,806,395
Machinery and equipment	13,393,747	1,409,469	427,461	14,375,755
Subtotal	48,427,559	5,407,664	2,911,172	50,924,051
Net capital assets being depreciated	73,445,327	412,486	955	73,856,858
Net capital assets	\$ 85,617,978	\$ 3,376,029	\$ 1,630,075	\$ 87,363,932

Notes to the Financial Statements
June 30, 2020

Note 7 - Capital Assets (Continued)

	Balance July 1, 2019	Additions	Disposals and Adjustments	Balance June 30, 2020
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 1,597,920	\$ -	\$ -	\$ 1,597,920
Construction in progress	1,252,000	701,561	820,912	1,132,649
Subtotal	2,849,920	701,561	820,912	2,730,569
Capital assets being depreciated:				
Water and sewer distribution systems	107,022,021	1,951,804	-	108,973,825
Land improvements	4,208,935	302,684	-	4,511,619
Building and building improvements	40,500,336	1,294,304	-	41,794,640
Machinery and equipment	2,588,562	389,193	-	2,977,755
Subtotal	154,319,854	3,937,985	-	158,257,839
Accumulated depreciation:				
Water and sewer distribution systems	41,111,658	2,677,316	-	43,788,974
Land improvements	923,142	176,957	-	1,100,099
Building and building improvements	24,644,832	903,992	-	25,548,824
Machinery and equipment	1,531,458	221,644	-	1,753,102
Subtotal	68,211,090	3,979,909	-	72,190,999
Net capital assets being depreciated	86,108,764	(41,924)	-	86,066,840
Net capital assets	\$ 88,958,684	\$ 659,637	\$ 820,912	\$ 88,797,409

Capital asset activity for the City's component units was as follows:

	Balance July 1, 2019	Additions	Disposals and Adjustments	Balance June 30, 2020
Component Units				
Capital assets not being depreciated:				
Fine arts	\$ 111,318	\$ -	\$ -	\$ 111,318
Construction in progress	147,469	1,918,409	-	2,065,878
Subtotal	258,787	1,918,409	-	2,177,196
Capital assets being depreciated:				
Equipment and building improvements	4,831,457	19,996	183,624	4,667,829
Books, periodicals, etc.	5,019,858	258,473	1,015,232	4,263,099
Subtotal	9,851,315	278,469	1,198,856	8,930,928
Accumulated depreciation:				
Equipment and building improvements	2,510,909	291,543	165,189	2,637,263
Books, periodicals, etc.	3,998,368	362,248	1,015,232	3,345,384
Subtotal	6,509,277	653,791	1,180,421	5,982,647
Net capital assets being depreciated	3,342,038	(375,322)	18,435	2,948,281
Net capital assets	\$ 3,600,825	\$ 1,543,087	\$ 18,435	\$ 5,125,477

Note 7 - Capital Assets (Continued)

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

Governmental activities:

General government	\$ 276,013
Public safety	192,891
Public works	3,134,903
Economic development	6,195
Recreation and culture	674,820
Internal Service Fund depreciation is charged to the various function based on their usage of the asset	<u>1,122,842</u>

Total governmental activities \$ 5,407,664

Business-type activities:

Water and sewer	\$ 2,669,799
Automobile parking system	1,199,104
Golf courses	<u>111,006</u>

Total business-type activities \$ 3,979,909

Note 8 – Construction and Other Significant Commitments

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

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Water system improvements	\$ 915,745	\$ 1,094,624
Street/bridge projects	4,063,726	3,987,584
Sewer improvements	4,284,967	1,152,596
Sidewalks and alleys	1,074,426	2,401,729
Park improvements	<u>796,460</u>	<u>122,342</u>
Total	<u>\$ 11,135,324</u>	<u>\$ 8,758,875</u>

Encumbrances – As discussed in Note A in the Required Supplementary Information section, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Notes to the Financial Statements
June 30, 2020

Note 8 - Construction and Other Significant Commitments (continued)

General Fund	\$6,467,177
Nonmajor Governmental Funds	<u>596,822</u>
Total	<u>\$7,063,999</u>

Note 9 - Long-term Debt

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are obligations that pledge the full faith and credit of the government. Direct borrowings are contractual agreements and also general obligations of the government.

Long-term obligation activity is summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
General obligation bonds:							
2016 Refunding Bonds:							
Amount of issue - \$14,375,000	2.00% -	\$275,000 -					
Maturing through 2029	5.00%	\$2,460,000	8,155,000	-	(1,375,000)	6,780,000	1,355,000
Unamortized bond premium			<u>748,275</u>	<u>-</u>	<u>(118,665)</u>	<u>629,610</u>	<u>-</u>
Total general obligation bonds			8,903,275	-	(1,493,665)	7,409,610	1,355,000
Accumulated employee benefits			<u>2,135,097</u>	<u>1,413,459</u>	<u>(1,188,208)</u>	<u>2,360,348</u>	<u>1,173,041</u>
Total governmental activities			<u>\$ 11,038,372</u>	<u>\$ 1,413,459</u>	<u>\$ (2,681,873)</u>	<u>\$ 9,769,958</u>	<u>\$ 2,528,041</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$993,623 of internal service funds employee benefit obligations is included in the above amounts. Employee benefit obligations for governmental activities are generally liquidated by the General Fund.

Notes to the Financial Statements
June 30, 2020

Note 9 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities							
General obligation bonds:							
2016 Refunding Bonds:							
Amount of issue - \$14,375,000	2.00% -	\$275,000 -					
Maturing through 2020	5.00%	\$2,460,000	2,170,000	-	(1,065,000)	1,105,000	1,105,000
Unamortized bond premium			108,434	-	(54,217)	54,217	-
Total general obligation bonds			2,278,434	-	(1,119,217)	1,159,217	1,105,000
Direct Borrowings:							
George W. Kuhn Drain Bonds:							
Amount of issue - \$5,834,286							
(Net of 2016 defeasance)	2.50% -	\$42,654 -					
Maturing through 2028	6.00%	\$349,529	1,829,542	-	(353,968)	1,475,574	362,037
North Arm Drain Bonds:							
Amount of issue - \$13,877,387	1.10% -	\$121,756 -					
Maturing through 2020	1.30%	\$174,693	357,984	-	(179,276)	178,708	178,708
Total direct borrowings			2,187,526	-	(533,244)	1,654,282	540,745
Total bonds and direct borrowings			4,465,960	-	(1,652,461)	2,813,499	1,645,745
Accumulated employee benefits			32,249	22,680	(19,474)	35,455	28,811
Total business-type activities			\$ 4,498,209	\$ 22,680	\$ (1,671,935)	\$ 2,848,954	\$ 1,674,556

The above direct borrowings to the County and the City of Royal Oak (North Arm Drain) are the result of the County and City of Royal Oak issuance of bonds on the City's behalf. The City has pledged to raise property taxes, to the extent permitted by law, to fund the obligation to repay the County and City of Royal Oak. Proceeds from the County and City of Royal Oak bonds provided financing for the construction of combined sewer overflow retention basins and sewer interceptor lines. The remaining principal and interest to be paid on the County and City of Royal Oak bonds is \$1,654,281 and \$102,357, respectively.

Annual debt service requirements (excluding bond premiums and discounts) to maturity for the above bond and note obligations are as follows:

	Governmental Activities		Business-type Activities			
	General Obligation Bonds		General Obligation Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,355,000	\$ 193,450	\$ 1,105,000	\$ 11,050	\$ 540,745	\$ 37,583
2022	1,310,000	166,800	-	-	370,820	26,850
2023	1,270,000	141,000	-	-	300,210	17,911
2024	1,450,000	92,050	-	-	304,612	10,618
2025	280,000	50,200	-	-	29,850	3,205
2026-2029	1,115,000	88,900	-	-	108,044	6,190
Total	\$ 6,780,000	\$ 732,400	\$ 1,105,000	\$ 11,050	\$ 1,654,281	\$ 102,357

Note 9 - Long-term Debt (Continued)

Component Units – Long-term debt of the component units consists of an accrual for employee benefits.

Note 10 - Restricted Assets

The balance of the restricted assets in the internal service funds is approximately \$477,000, which represents health reimbursement accounts (HRA's) for full-time employees. Employees participating in the city's health insurance coverage can use these accounts to reimburse themselves for their out-of-pocket deductible and co-insurance payments. If an employee terminates employment before retirement, any unused funds are returned to the city.

Note 11 - Governmental Fund Balances

Below are the details regarding the classifications of governmental fund balances:

	General Fund	Other Nonmajor Governmental Funds	Total
Fund balances:			
Nonspendable			
Prepays and inventory	\$ 136,808	\$ -	\$ 136,808
Cemetery principal		788,393	788,393
Restricted for:			
Solid waste disposal	-	645,896	645,896
Law & drug enforcement	-	93,441	93,441
Park improvements	-	88,797	88,797
Debt service	-	97,174	97,174
Construction Code	647,816	-	647,816
Cemetery maintenance	-	78,045	78,045
Committed to:			
Traffic signals	351,327	-	351,327
Street improvements	2,892,215	-	2,892,215
Street maintenance	91,153	-	91,153
Park improvements	-	158,400	158,400
Alley improvements	10,360	-	10,360
Sidewalk improvements	2,291,640	-	2,291,640
Streetlight improvements	-	349,983	349,983
Building maintenance	35,563	-	35,563
Building improvements	-	85,000	85,000
Property maintenance	127,844	-	127,844
Equipment	62,338	-	62,338
Other purposes	9,621	-	9,621
Assigned to:			
Street improvements	2,750,509	-	2,750,509
Street maintenance	159,819	-	159,819
Traffic signals	6,061	-	6,061
Alley improvements	12	-	12
Sidewalk improvements	99,775	-	99,775
Park & recreation improvements	-	1,895,355	1,895,355
Equipment	1,413	-	1,413
Property maintenance	31,296	544	31,840
Building maintenance	7,160	-	7,160
Other purposes	118,553	-	118,553
Unassigned	14,943,998	-	14,943,998
Total fund balances	\$ 24,775,281	\$ 4,281,028	\$ 29,056,309

Note 12 - Unearned Revenue

Unearned revenue in the Golf Course Funds are unredeemed gift cards.

Note 13 - 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 is insured under the Michigan Municipal League for workers' compensation claims, general liability, and property loss and is self-insured for other employee and retiree health and dental claims.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local 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 and employee health and dental 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. These estimates are recorded in the Risk Management Internal Service Fund. All unpaid claims are projected to be paid within the next fiscal year. Changes in the estimated liability for the past two fiscal years were as follows:

	<u>2020</u>	<u>2019</u>
Unpaid claims – Beginning of year	\$ 732,341	\$ 693,941
Incurred claims – Including claims incurred but not reported	1,768,132	2,271,113
Claim payments	<u>(1,958,692)</u>	<u>(2,232,713)</u>
Unpaid claims – End of year	<u>\$ 541,781</u>	<u>\$ 732,341</u>

Note 14 - Retirement Plans

Defined Benefit Plan

Plan Description

Plan administration. The City of Birmingham Employees' Retirement System (the "System") is a single-employer defined benefit pension plan that provides retirement, disability, and death benefits to eligible general and public safety employees of the City and their beneficiaries. The plan is administered by the City of Birmingham Employees' Retirement System Pension Board. The Birmingham Employees' Retirement System (BERS)

Note 14 - Retirement Plans (Continued)

was established on April 3, 1944 under Chapter XIX of the City Charter and may be amended from time to time by ordinance approved by the City Commission subject to collective bargaining as required by state law.

Management of BERS is vested with the Retirement Board, which consists of seven voting members—three elected by plan members, three appointed by the City Commission, which includes a citizen who is an elector of the City and who is not eligible to participate in the retirement system, and the City Manager. In addition, there is one nonvoting ex-officio retired/beneficiary member elected by the retired members and beneficiaries currently receiving benefits from the system.

Plan membership. At June 30, 2020, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	227
Inactive plan members entitled to but not yet receiving benefits	19
Deferred retirement option program (DROP)	1
Active plan members	63
Active plan members (death/disability only)	<u>39</u>
Total plan members	349

The pension plan is currently closed to any new members. New Police and Fire hires in a defined contribution plan but eligible for death and disability benefits are included as members in a defined benefit plan.

Benefits provided. BERS provides retirement, disability, and death benefits to plan members and their beneficiaries in accordance with the City's pension ordinance. Postretirement cost of living adjustments are not provided. Retirement benefits for members are calculated as a percent of member's final average compensation (FAC) based on the highest three consecutive years out of the last ten years times the member's years of service. The percentages used for the various groups are as follows:

- *General, Library, AFSCME and Police Support:* 2.5% of total years of service.
- *Teamsters:* 2.5% of first 30 years of service and 1% of years of service over 30, subject to a maximum of 90% of FAC.
- *Police Patrol, Fire and Fire Command:* 3.0% of first 30 years of service and 1% of years of service over 30, subject to a maximum of 95% of FAC.
- *Police Officials hired before November 1, 1973:* 2.85% of first 30 years of service and 1% of years of service over 30.
- *Police Command and Police Officials hired after November 1, 1973:* 3.0% of first 30 years of service, subject to a maximum of 90% of FAC.

Note 14 - Retirement Plans (Continued)

General plan members may retire at any age after 57 with at least 25 years of service except Teamster members may retire at age 55. Public safety plan members may retire at any age after 50 with at least 25 years of service except Police Officials may retire at age 53. Plan members who are vested in the system may receive a deferred retirement if eligibility requirements are met. Eligibility for AFSCME, general, library, police support hired before January 1, 2007 and Teamster employees hired before July 1, 2006: 10 years of service (seven for General members effective September 1, 2000 and Library members effective July 1, 2004) and benefit begins at age 60. Eligibility for Police and Fire is 10 years of service and benefits begin at age 55.

Upon regular retirement, a member may elect to withdraw their accumulated contributions. If this lump sum election is made, the retirement allowance is reduced by the actuarial equivalent of the amount withdrawn. A plan member who leaves City service may withdraw their accumulated contributions plus any accumulated interest.

All plan members, including new Police and Fire hires in the City's defined contribution plan, are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. The annual amount of a duty disability retirement to voluntary retirement age is 60% of FAC. Maximum total disability income, including worker's compensation, is 70% of FAC. Minimum disability benefit after worker's compensation offset is 20% of FAC. Upon attaining voluntary retirement age, additional service credit is granted and benefit is recomputed. Duty disability retirement is payable to general members upon expiration of worker's compensation. The non-duty disability retirement is computed as regular retirement with a maximum benefit, which when added to worker's compensation cannot exceed 70% of FAC. The minimum benefit is 20% of FAC. A multiplier of 2.25% of FAC at the time of disability is used for Teamster members.

Death benefits are provided to members. For duty death before retirement, those members that are covered by social security the benefit includes refund of accumulated contributions plus the same amount that was paid by worker's compensation to the widow or dependent widower, unmarried children under 18 and dependent children and parents. For members not covered by social security the benefit includes refund of accumulated contributions plus one-third of final compensation to the widow or dependent widower, plus one-fourth of final compensation to dependent or unmarried children under 18 plus one-sixth of final compensation to dependent parents. Worker's compensation payments are offset. Pensions to widows and parents are paid for life or until remarriage. For non-duty death before retirement, eligibility includes 20 years of service or age 55 with 10 or more years of service. Fire members hired prior to April 1, 2012 are eligible for non-duty death benefit after 15 years of service. The non-duty death retirement is computed as regular retirement actuarially reduced in accordance with a 100% joint and survivor election.

Note 14 - Retirement Plans (Continued)

Contributions. Member contribution rate is established by contract and or resolution as approved by the City Commission. Contributions by the City are based on an actuarially determined rate recommended by an independent actuary. 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 City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members. For the year ended June 30, 2020, the average active member contribution rate was 3.0 percent of annual pay, and the City's average contribution rate was 12.23 percent of annual payroll, plus \$598,747 for the unfunded accrued liability for general members and 20.7 percent of annual payroll, plus \$831,434 for the unfunded accrued liability for public safety members (including defined contribution members receiving death and disability only benefits under the plan).

Financial statements. Since the City does not issue a stand-alone report for the Birmingham Employee Retirement System, the following are condensed statements for the period as of and including June 30, 2020:

Statement of Net Position

Assets	
Cash and investments	\$ 94,571,869
Other assets	153,673
Total assets	94,725,542
Liabilities	51,138
Net Position - Restricted for pensions	\$ 94,674,404

Statement of Changes in Net Position

Additions	
Contributions	\$ 2,545,378
Net investment income	309,279
Total additions	2,854,657
Deductions	
Benefit payments and refunds	8,356,145
Other expenses	192,064
Total deductions	8,548,209
Change in net position	(5,693,552)
Net position - Restricted for pensions	
Beginning of year	100,367,956
End of year	\$ 94,674,404

Note 14 - Retirement Plans (Continued)

Investments

Investment policy. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the BERS Board by a majority vote of its members. It is the policy of the BERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>
Equities	35-55%
Global Equities	10-20%
Emerging Markets	4%
Fixed Income	
Domestic Fixed Income	20-35%
Global Fixed Income	5%
Cash Equivalents	5-10%
Alternative Investments	10%

Emerging markets is part of the total allocation to global (international) equities. State law limits total allocation in international equities plus international fixed income to 20 percent of total assets. The total allocation to alternative investments may not exceed 15 percent under the "Small Plan-Basket Clause" provision of Michigan Public Act 314 of 1965, as amended.

Concentrations. The pension plan did not hold investments other than those issued or explicitly guaranteed by the U.S. government in any one organization that represent 5 percent or more of the pension plan's fiduciary net position.

Rate of return. For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was .11 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 14 - Retirement Plans (Continued)

Reserves

State law requires employee contributions to be segregated. As of June 30, 2020, the System's legally required reserves have been fully funded as follows:

Reserve for employer contributions	\$ 6,262,278
Reserve for employees' contributions	4,728,146
Reserve for DROP	487,063
Reserve for retired benefit payments	<u>83,196,917</u>
Total	<u>\$ 94,674,404</u>

Deferred Retirement Option Program

Police and Fire command members who were plan members on January 1, 2005 and at least 50 years old with 30 or more years of service and police official members who were plan members on January 1, 2005 and at least 53 years of age with minimum 30 years of service may elect to participate in a deferred retirement option plan (DROP). Under this plan, the member's benefit is deposited into an account that receives four percent compound interest annually while the member remains an active member. No member contributions are made while in the DROP and no additional retirement benefits are earned. Members may remain in the DROP for a maximum of five years at which time they receive their account balance and begin receiving the benefit accrued to the date of entry into the program. The amount of reserves at June 30, 2020 held by the pension plan for the DROP program totaled \$487,063.

Net Pension Liability of the City

The components of the net pension liability of the City at June 30, 2020 were as follows:

Total pension liability	\$ 121,044,158
Plan fiduciary net position	<u>94,674,404</u>
City's net pension liability	<u>\$ 26,369,754</u>

Plan fiduciary net position as a
percentage of the total pension liability 78.21%

The General Fund primarily liquidates the net pension liability.

The City has chosen to use June 30, 2020 as its measurement date for the net pension liability. The June 30, 2020 reported net pension liability was determined using a measure of the total pension liability and the pension plan net position as of June 30, 2020. The June 30, 2020 total pension liability was determined by an actuarial valuation performed as of June 30, 2019, which used update procedures to roll forward the estimated liability to June 30, 2020.

Notes to the Financial Statements
June 30, 2020

Note 14 - Retirement Plans (Continued)

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

	Primary Government		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances at June 30, 2019	\$ 114,384,732	\$ 96,222,097	\$ 18,162,635
Changes for the year:			
Service cost	1,083,932	-	1,083,932
Interest	7,570,060	-	7,570,060
Changes in benefits	-	-	-
Difference between expected and actual experience	1,152,880	-	1,152,880
Changes in assumptions	-	-	-
Contributions - employer	-	2,305,800	(2,305,800)
Contributions - employee	-	162,167	(162,167)
Net investment income	-	299,873	(299,873)
Benefit payments, including refunds	(8,102,015)	(8,102,015)	-
Administrative expenses	-	(129,910)	129,910
Miscellaneous other changes	-	(56,310)	56,310
Balances at June 30, 2020	\$ 116,089,589	\$ 90,701,702	\$ 25,387,887

	Component Units		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances at June 30, 2019	\$ 4,901,094	\$ 4,145,859	\$ 755,235
Changes for the year:			
Service cost	33,999	-	33,999
Interest	237,444	-	237,444
Changes in benefits	-	-	-
Difference between expected and actual experience	36,162	-	36,162
Changes in assumptions	-	-	-
Contributions - employer	-	72,324	(72,324)
Contributions - employee	-	5,087	(5,087)
Net investment income	-	9,406	(9,406)
Benefit payments, including refunds	(254,130)	(254,130)	-
Administrative expenses	-	(4,075)	4,075
Miscellaneous other changes	-	(1,769)	1,769
Balances at June 30, 2020	\$ 4,954,569	\$ 3,972,702	\$ 981,867

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

For the year ended June 30, 2020, the City recognized pension expense (including the defined contribution plan) of \$6,800,285. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Notes to the Financial Statements
June 30, 2020

Note 14 - Retirement Plans (Continued)

	Primary Government		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 916,430	\$ 109,234	\$ 807,196
Changes in assumptions	221,288	-	221,288
Net difference between projected and actual earnings on pension plan investments	5,166,534	-	5,166,534
Total	<u>\$ 6,304,252</u>	<u>\$ 109,234</u>	<u>\$ 6,195,018</u>

	Component Units		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 35,443	\$ 4,224	\$ 31,219
Changes in assumptions	8,558	-	8,558
Net difference between projected and actual earnings on pension plan investments	199,815	-	199,815
Total	<u>\$ 243,816</u>	<u>\$ 4,224</u>	<u>\$ 239,592</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflows (Inflows) of Resources	
Year Ending June 30,	Primary Government	Component Units
2021	\$ 1,460,597	\$ 56,489
2022	1,591,556	61,553
2023	1,936,912	74,910
2024	1,205,953	46,640
Total	<u>\$ 6,195,018</u>	<u>\$ 239,592</u>

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Note 14 - Retirement Plans (Continued)

Price inflation	2.5 percent
Salary increase	3.25 percent
Investment rate of return	6.75 percent

Mortality rates were based on the RP-2014 Employee Generational Mortality Tables, with blue-collar adjustments and extended via cubic spline. This table is adjusted backwards to 2006 with the MP-2014 scale, resulting in a base year of 2006 with future mortality improvements assumed each year using scale MP-2017.

Rates of retirement were used to measure the probability of eligible members retiring during the next year. Rates of separation and rates of disability among active members were also measured. These assumptions are generally based on past experience, often modified for projected changes in conditions.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2012 through June 30, 2017 updated for the June 30, 2019 valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method 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. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant. For each major asset class that is included in the pension plan target asset allocation as of June 30, 2020, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic Equity	3.46%
Global (International) Equity	4.49%
Fixed Income	0.50%
Alternative Investments	3.70%
Cash	0.00%

**Real rate of return reduced by investment manager inflation rate assumption of 2.5%*

Discount rate. A single discount rate of 6.75 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.75 percent. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between

Note 14 - Retirement Plans (Continued)

actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

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 single discount rate of 6.75 percent, as well as what the City's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease 5.75%	Current Single Discount Rate 6.75%	1% Increase 7.75%
Total Pension Liability	\$ 134,326,607	\$ 121,044,158	\$ 109,834,614
Plan Fiduciary Net Position	94,674,404	94,674,404	94,674,404
Net Pension Liability (Asset)	<u>\$ 39,652,203</u>	<u>\$ 26,369,754</u>	<u>\$ 15,160,210</u>

Pension allocations: The allocation of key pension elements was based on each reporting unit's proportionate share of actuarial required contributions as follows:

	Primary Government	Component Units
Proportionate share of the net pension liability	96%	4%
Net pension liability	\$ 25,387,887	\$ 981,867
Pension expense	5,853,449	226,379
Deferred outflows of resources representing the net differences between expected and actual experience	916,430	35,443
Deferred outflows of resources representing the net difference between projected and actual earnings on pension plan investments	5,166,534	199,815
Deferred outflows of resources representing changes in assumptions	221,288	8,558
Deferred inflows of resources representing the net differences between expected and actual experience	109,234	4,224
Amortization of deferred outflows (inflows):		
June 30, 2021	1,460,597	56,489
June 30, 2022	1,591,556	61,553
June 30, 2023	1,936,912	74,910
June 30, 2024	1,205,953	46,640
June 30, 2025	-	-
Thereafter	-	-
Total	\$ 6,195,018	\$ 239,592
Sensitivity Analysis:		
Net pension liability at 5.75 percent discount rate	\$ 38,175,758	\$ 1,476,445
Net pension liability at 7.75 percent discount rate	14,595,721	564,489

Note 14 - Retirement Plans (Continued)

Defined Contribution Plan

Plan description and funding requirements – The City has established a 401(a) defined contribution plan subject to section 1 of the City Charter. Plan provisions are established and amended by the City Commission either through resolution or union contracts. Department heads, non-union, AFSCME and library employees hired on or after January 1, 2007, Teamster employees hired on or after July 1, 2006, police officers/command hired after July 1, 2011, and firefighters hired on or after April 1, 2012 are eligible for this plan. Library and AFSCME employees hired before January 1, 2007, can also enroll in this plan if they opt out of the defined benefit retirement plan. Contribution funding rates and vesting periods are as follows:

	Department Heads and Non-Union Employees	Library Employees	AFSCME Employees	Teamster Employees	Police Employees	Fire Employees
Employer Contribution	9.5%	6%	8%	9.5%	15%	15.0%
Employee Contribution	4%	3%	3.5%	4%	6.5%	6.5%
Vesting Period	5 years	3 years	5 years	5 years	7 years	7 years

The following numbers of employees were in the plan along with the respective employer and employee contributions for the year ended June 30, 2020:

	Department Heads and Non-Union Employees	Library Employees	AFSCME Employees	Teamster Employees	Police Employees	Fire Employees
Number of Employees	24	26	17	18	23	26
Employer Contributions	\$145,067	\$64,823	\$68,764	\$95,043	\$222,147	\$286,393
Employee Contributions	\$61,079	\$32,412	\$30,090	\$40,018	\$96,264	\$124,104

Note 15 - Postemployment Benefits

Defined Benefit Retirement Health Care Plan**Plan Description**

Plan administration. The City of Birmingham Retirement Health Care Fund (RHCF) is a single-employer defined benefit healthcare plan that is used to provide postemployment defined benefits other than pensions (OPEB) to eligible general and public safety employees of the City and their beneficiaries. The Birmingham Retirement Health Care Fund was established on January 1, 2001, in accordance with the Michigan Public Employee Health Care Fund Act, Act 149 of the Public Acts of 1999.

Note 15 - Postemployment Benefits (Continued)

Management of the RHCF is vested with the Retiree Health Care Investment Committee, which consists of five voting members: the City Manager, a member of the City Commission, a citizen member appointed by the City Commission, the City Treasurer, and a non-supervisory employee appointed by the City Manager.

Plan membership. At June 30, 2020, the RHCF had the following plan membership:

Inactive plan members or beneficiaries currently receiving benefits	303
Inactive plan members entitled to but not yet receiving benefits	7
DROP members	1
Active plan members	<u>55</u>
Total plan members	366

The RHCF plan is currently closed to any new members.

Benefits provided. RHCF provides medical and prescription benefits to eligible retirees and their dependents. Benefits are provided through a self-insurance program which is administered by a third party administrator.

Contributions. Member contribution rate is established by contract and or resolution as approved by the City Commission. Contributions by the City are based on an actuarially determined rate recommended by an independent actuary. 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 City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members. For the year ended June 30, 2020, the average active member contribution rate was 2.0 percent of annual pay and the City's average contribution rate was 34.66% of annual payroll.

In addition, retired plan members or their beneficiaries hired prior to January 1, 1993 (July 1, 2002 for Library) contribute the following amounts (some retirees' contributions will differ from the amounts below depending on the terms of the contract when they retired):

Monthly Premiums								
Status	Police Patrol, Police Support	Police Command	General, Police Officials	AFSCME	Teamsters	Firefighters	Fire Command	Library
Single - below age 65	\$80	\$80	\$30	\$100	\$100	\$100	\$60	\$40
Single - age 65 and over	40	40	15	50	50	50	30	20
Couple - below age 65	160	160	60	200	200	200	120	80
Couple - age 65 and over	80	80	30	100	100	100	60	40

For all regular full-time General, AFSCME, Teamsters, and Library employees hired on or after January 1, 1993 (July 1, 2002 for Library), the retiree contributes 50% of the calculated premium.

Note 15 - Postemployment Benefits (Continued)

For the fiscal year ended June 30, 2020, retired plan members or beneficiaries receiving benefits contributed \$122,584. The City is required to contribute at a rate equivalent to the annual required contribution (ARC) (34.66% or \$1.9 million). Administrative costs of the RHCF are financed by investment earnings.

Financial statements. Since the City does not issue a stand-alone report for the Birmingham Retiree Health Care Fund, the following are condensed statements for the period as of and including June 30, 2020:

Statement of Net Position

Assets	
Cash and investments	\$ 38,454,754
Other assets	125,870
Total assets	38,580,624
Liabilities	473,286
Net Position - Restricted for OPEB	\$ 38,107,338

Statement of Changes in Net Position

Additions	
Contributions	\$ 3,127,854
Net investment income	318,747
Other revenue	63,355
Total additions	3,509,956
Deductions	
Benefit payments	3,068,343
Other expenses	24,018
Total deductions	3,092,361
Change in net position	417,595
Net position - Restricted for OPEB	
Beginning of year	37,689,743
End of year	\$ 38,107,338

Investments

Investment policy. The RHCF policy in regard to the allocation of invested assets is established and may be amended by the RHCF Investment Committee by a majority vote of its members. It is the policy of the RHCF investment committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The RHCF plan's investment policy aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the investment committee's adopted asset allocation policy as of June 30, 2020:

Note 15 - Postemployment Benefits (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>
Equities	35-55%
Global Equities	10-20%
Emerging Markets	4%
Fixed Income	
Domestic Fixed Income	20-35%
Global Fixed Income	5%
Cash Equivalents	5-10%
Alternative Investments	10%

Emerging markets is part of the total allocation to global (international) equities. State law limits total allocation in international equities plus international fixed income to 20 percent of total assets. The total allocation to alternative investments may not exceed 15 percent under the "Small Plan-Basket Clause" provision of Michigan Public Act 314 of 1965, as amended.

Concentrations. The RHCF did not hold investments other than those issued or explicitly guaranteed by the U.S. government in any one organization that represent 5 percent or more of the RHCF plan's fiduciary net position.

Rate of return. For the year ended June 30, 2020, the annual money-weighted rate of return on RHCF plan investments, net of RHCF investment expense, was 0.95 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the City

The net OPEB liability of the City has been measured as of June 30, 2020 and is composed of the following:

Total OPEB liability	\$ 51,117,194
Plan fiduciary net position	<u>38,107,338</u>
City's net OPEB liability	<u>\$ 13,009,856</u>
Plan fiduciary net position as a percentage of the total OPEB liability	74.6%

The General Fund primarily liquidates the net OPEB liability.

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

Notes to the Financial Statements
June 30, 2020

Note 15 - Postemployment Benefits (Continued)

	Primary Government		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balances at June 30, 2019	\$ 51,164,335	\$ 36,156,453	\$ 15,007,882
Changes for the year:			
Service cost	495,865	-	495,865
Interest	3,477,980	-	3,477,980
Changes in benefits	-	-	-
Difference between expected and actual experience	(16,989)	-	(16,989)
Changes in assumptions	(3,091,935)	-	(3,091,935)
Contributions - employer	-	2,876,456	(2,876,456)
Contributions - plan members	-	102,062	(102,062)
Net investment income	-	315,910	(315,910)
Benefit payments, including refunds	(2,960,871)	(2,960,871)	-
Administrative expenses	-	(23,804)	23,804
Miscellaneous other changes	-	104,122	(104,122)
Balances at June 30, 2020	\$ 49,068,385	\$ 36,570,328	\$ 12,498,057

	Component Units		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balances at June 30, 2019	\$ 2,067,634	\$ 1,533,290	\$ 534,344
Changes for the year:			
Service cost	4,454	-	4,454
Interest	31,237	-	31,237
Changes in benefits	-	-	-
Difference between expected and actual experience	(153)	-	(153)
Changes in assumptions	(27,770)	-	(27,770)
Contributions - employer	-	25,835	(25,835)
Contributions - plan members	-	917	(917)
Net investment income	-	2,837	(2,837)
Benefit payments, including refunds	(26,593)	(26,593)	-
Administrative expenses	-	(214)	214
Miscellaneous other changes	-	938	(938)
Balances at June 30, 2020	\$ 2,048,809	\$ 1,537,010	\$ 511,799

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

For the year ended June 30, 2020, the City recognized an OPEB recovery (including the defined contribution plan) of \$3,782,709. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Notes to the Financial Statements
June 30, 2020

Note 15 - Postemployment Benefits (Continued)

	Primary Government		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 1,373,914	\$ (1,373,914)
Changes in assumptions	337,967	1,654,907	(1,316,940)
Net difference between projected and actual earnings on OPEB plan investments	2,027,815	-	2,027,815
Total	<u>\$ 2,365,782</u>	<u>\$ 3,028,821</u>	<u>\$ (663,039)</u>

	Component Units		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 56,262	\$ (56,262)
Changes in assumptions	13,839	67,769	(53,930)
Net difference between projected and actual earnings on OPEB plan investments	83,039	-	83,039
Total	<u>\$ 96,878</u>	<u>\$ 124,031</u>	<u>\$ (27,153)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Deferred Outflows (Inflows) of Resources	
Year Ending June 30,	Primary Government	Component Units
2021	\$ (1,870,819)	\$ (76,614)
2022	190,922	7,819
2023	588,662	24,107
2024	428,196	17,535
2025	-	-
Thereafter	-	-
Total	<u>\$ (663,039)</u>	<u>\$ (27,153)</u>

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, which used update procedures to roll forward the estimated liability to fiscal year June 30, 2020. The valuation used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Note 15 - Postemployment Benefits (Continued)

Price inflation	2.5 percent
Salary increase	3.25 percent
Investment rate of return	6.75 percent
Health care trend rate	8.0 percent for the first year, then gradually decreasing to 3.5% in year 10

Mortality rates were based on the RP-2014 Employee Generational Mortality Tables, with blue-collar adjustments and extended via cubic spline. This table is adjusted backwards to 2006 with the MP-2014 scale, resulting in a base year of 2006 with future mortality improvements assumed each year using scale MP-2017.

Rates of retirement were used to measure the probability of eligible members retiring during the next year. Rates of separation and rates of disability among active members were also measured. These assumptions are generally based on past experience, often modified for projected changes in conditions.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2012 through June 30, 2017 updated for the June 30, 2018 valuation.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB 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. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant. For each major asset class that is included in the OPEB plan target asset allocation as of June 30, 2020, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic Equity	3.46%
Global (International) Equity	4.49%
Fixed Income	0.50%
Alternative Investments	3.70%
Cash	0.00%

**Real rate of return reduced by investment manager inflation rate assumption of 2.5%*

Note 15 - Postemployment Benefits (Continued)

Discount rate. A single discount rate of 6.75 percent was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.75 percent. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the City, calculated using the single discount rate of 6.75 percent, as well as what the City's net OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
\$19,091,448	\$13,009,856	\$7,949,634

Sensitivity of the net pension liability to changes in the healthcare cost trend rate. The following presents the net pension liability of the City, calculated using the assumed trend rates of 8 percent decreasing to 3.5 percent, as well as what the City's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (7.0 percent decreasing to 2.5 percent) or 1-percentage-point higher (9.0 percent decreasing to 4.5 percent) than the current rate:

Current Healthcare		
1% Decrease	Cost Trend Rate	1% Increase
(7% decreasing to 2.5%)	8% decreasing to 3.5%	(9% decreasing to 4.5%)
\$6,795,888	\$13,009,856	\$20,536,120

OPEB allocations: The allocation of key pension elements was based on each reporting unit's proportionate share of actuarial required contributions as follows:

Notes to the Financial Statements
June 30, 2020

Note 15 - Postemployment Benefits (Continued)

	Primary Government	Component Units
Proportionate share of the net OPEB liability	96.1%	3.9%
Net OPEB liability	\$ 12,498,057	\$ 511,799
OPEB expense	(3,832,285)	(156,933)
Deferred outflows of resources representing changes in assumptions	337,967	13,839
Deferred outflows of resources representing the net difference between projected and actual earnings on plan investments	2,027,815	83,039
Deferred inflows of resources representing the differences between expected and actual experience	1,373,914	56,262
Deferred inflows of resources representing changes in assumptions.	1,654,907	67,769
Amortization of deferred outflows (inflows):		
June 30, 2021	(1,870,819)	(76,614)
June 30, 2022	190,922	7,819
June 30, 2023	588,662	24,107
June 30, 2024	428,196	17,535
June 30, 2025	-	-
Thereafter	-	-
Total	\$ (663,039)	\$ (27,153)
Sensitivity Analysis:		
<u>Single Discount Rate Assumption</u>		
Net OPEB liability at 5.75 percent discount rate	\$ 18,340,367	\$ 751,081
Net OPEB liability at 7.75 percent discount rate	7,636,886	312,748
<u>Healthcare Cost Trend Rate Assumption</u>		
Net OPEB liability at 1% increase	\$ 19,728,204	\$ 807,916
Net OPEB liability at 1% decrease	6,528,529	267,359

Defined Contribution Retirement Health Care Plan

The City established a defined contribution retirement health savings plan pursuant to section 1 of the City Charter. Plan provisions are established and amended by the City Commission either through resolution or union contracts. The plan covers non-union, library, and Teamster employees hired on or after July 1, 2006, AFSCME employees hired after January 1, 2007, firefighters hired on or after July 1, 2009, police officers/command hired on or after July 1, 2011 and firefighters hired on or after April 1, 2012. In addition, Teamster and AFSCME employees currently eligible for defined benefit health care benefits will also receive a defined contribution benefit. Participation in this plan is optional for non-union employees. Also, non-union employees hired before July 1, 2006, may opt out of the defined benefit retirement health care plan and enroll in this plan. Contribution rates and vesting periods are as follows:

Notes to the Financial Statements
June 30, 2020

Note 15 - Postemployment Benefits (Continued)

	Hire Date	Department Heads and Non-Union Employees	Library Employees	AFSCME Employees	Teamster Employees	Fire Employees	Police Employees
Employer Contribution	After 7/1/2011	n/a	n/a	n/a	n/a	n/a	2%
	After 7/1/2009	n/a	n/a	n/a	n/a	\$80/pay	n/a
	After 7/1/2006 ⁽¹⁾	\$70/pay	\$50/pay	\$70/pay	\$70/pay	n/a	n/a
	1/1/1993 - 6/30/2006 ⁽²⁾	n/a	n/a	\$70/pay	\$70/pay	n/a	n/a
	Prior to 1/1/1993	n/a	n/a	\$30/pay	\$70/pay	n/a	n/a
Employee Contribution	After 7/1/2011	n/a	n/a	n/a	n/a	n/a	2%
	After 7/1/2009	n/a	n/a	n/a	n/a	3%	n/a
	After 7/1/2006	2%	2%	2%	3%	n/a	n/a
	1/1/1993 - 6/30/2006	n/a	n/a	None	1.5%	n/a	n/a
	Prior to 1/1/1993	n/a	n/a	None	None	n/a	n/a
Vesting Period	After 7/1/2011	n/a	n/a	n/a	n/a	n/a	7 years
	After 7/1/2009	n/a	n/a	n/a	n/a	7 years	n/a
	After 7/1/2006	5 years	5 years	5 years	5 years	n/a	n/a
	1/1/1993 - 6/30/2006	n/a	n/a	Immediate	Immediate	n/a	n/a
	Prior to 1/1/1993	n/a	n/a	Immediate	Immediate	n/a	n/a

⁽¹⁾ After 7/1/2007 for AFSCME employees⁽²⁾ 1/1/1993 - 6/30/2007 for AFSCME employees

The following numbers of employees were in the plan along with the respective employer and employee contributions for the year ended June 30, 2020:

	Department Heads and Non-Union Employees	Library Employees	AFSCME Employees	Teamster Employees	Fire Employees	Police Employees
Number of Employees	24	17	24	29	28	23
Employer Contributions	\$35,560	\$23,350	\$35,120	\$46,970	\$53,040	\$29,413
Employee Contributions	\$30,536	\$16,955	\$18,379	\$39,556	\$60,963	\$29,620

Note 16 - Tax Abatements

The Brownfield Redevelopment Authority, a discretely presented component unit, was established under Act 381 of the Public Acts of the State of Michigan of 1996. The Authority reviews requests from taxpayers seeking reimbursement of environmental contamination on their properties. If the Authority deems the taxpayer's request to be reasonable, they will recommend approval to the City Commission. Once the agreement with the taxpayer is approved by the City Commission, the taxpayer is reimbursed for actual environmental expenses up to the amount in the agreement using the property taxes generated from the increased value of the property as a result of the new development (Tax Incremental Financing). Once a taxpayer has been reimbursed for their expenses, the portion of the taxable value that was captured to pay for the reimbursement is recaptured by the City. As a result of these brownfield agreements, the property tax revenue is reduced. For the fiscal year ended June 30, 2020, the Authority abated \$162,936 of taxes to the City under this program. There are no provisions to recapture taxes.

Note 17 - Joint Ventures

Birmingham Area Cablecasting Board

The City is a member of the Birmingham Area Cablecasting Board, which provides cable program coordinating services to the residents of Birmingham, Beverly Hills, and Franklin Village. The City receives quarterly checks from Comcast, which consist of revenue related to franchise and use fees. The City then distributes a fixed percentage of the amounts received to the Village of Beverly Hills for administrative services. The City is unaware of any additional benefit or detriment upon dissolution of this joint venture. The City's equity interest in the joint venture is insignificant. Complete financial statements for the Birmingham Area Cablecasting Board can be obtained from the administrative offices at 30400 Telegraph Road, Suite 328, Birmingham, MI 48010.

Southeastern Oakland County Water Authority

The City is a member of the Southeastern Oakland County Water Authority, which provides a water supply system serving 11 member municipalities in Oakland County. The City appoints one member of the joint venture's governing board, which approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2020, the City expensed \$1,975,461 of payments made to the Authority. The City has no explicit and measurable equity interest in the joint venture. The Southeastern Oakland County Water Authority's operations are financially independent of the City. The City is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future. Complete financial statements for the Southeastern Oakland County Water Authority can be obtained from the administrative offices at 3910 Webster Road, Royal Oak, MI 48073.

Southeastern Oakland County Resources Recovery Authority

The City is a member of the Southeastern Oakland County Resource Recovery Authority, which consists of 14 municipalities in Oakland County and provides refuse disposal services for the benefit of member municipalities. The City appoints one member of the joint venture's governing board, which approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2020, the City expensed \$1,697,909 of payments to the Authority. The City has no explicit and measurable equity interest in the joint venture. The Southeastern Oakland County Resource Recovery Authority's operations are financially independent of the City. The City is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future. Complete financial statements for the Southeastern Oakland County Resource Recovery Authority can be obtained from the administrative offices at 3910 Webster Road, Royal Oak, MI 48073.

Note 17 - Joint Ventures (Continued)

48th Judicial District Court

The City is a participant with Bloomfield Township, the Charter Township of West Bloomfield, and the City of Bloomfield Hills in the operations of the 48th Judicial District Court (the "Court"). The City advances its allocated share of Court expenditures and receives a share of the Court revenue based on relative caseload levels. The City's share of Court expenditures amounted to \$1,455,955 and its share of Court revenue amounted to \$1,258,383 for the Court's year ended December 31, 2019. Complete audited financial statements for the Court can be obtained from the Court's administrative offices at 4280 Telegraph Road in Bloomfield Township.

Note 18 - Upcoming GASB Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the City's financial statements for the year ended June 30, 2020 but were extended to June 30, 2021 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the City's financial statements for the year ending June 30, 2021 but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

Note 18 - Upcoming GASB Pronouncements (Continued)

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement are effective for the City's financial statements for the June 30, 2021 fiscal year.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The City does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In May 2020, the Governmental Accounting Standards Board issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2023.

In June 2020, the Governmental Accounting Standards Board issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 should be considered a pension plan or an other employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for the City's financial statements for the year ending June 30, 2022

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Required Supplemental Information

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City of Birmingham, Michigan

Required Supplemental Information Budgetary Comparison Schedule – General Fund Year Ended June 30, 2020

	Original Budget	Amended Budget	Actual (Budgetary Basis) (See Note B)	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Property taxes	\$ 26,114,630	\$ 26,114,630	\$ 26,171,799	\$ 57,169
Licenses and permits	3,053,720	3,053,720	2,502,107	(551,613)
Intergovernmental revenue	2,157,650	2,157,650	2,429,016	271,366
Charges for services	3,403,470	3,414,670	2,947,874	(466,796)
Fines and forfeitures	1,776,140	1,776,140	1,474,001	(302,139)
Interest and rent	621,090	621,090	1,145,219	524,129
Other	418,820	418,820	98,452	(320,368)
Transfers from other funds	200,000	200,000	200,000	-
Total revenue	37,745,520	37,756,720	36,968,468	(788,252)
Expenditures				
General government	6,177,180	6,081,847	5,506,240	575,607
Public safety	14,314,400	14,410,218	14,406,538	3,680
Community development	3,136,700	3,345,835	2,944,716	401,119
Engineering and public services	6,201,133	8,573,726	5,125,482	3,448,244
Transfers to other funds	7,846,380	7,819,879	7,799,705	20,174
Total expenditures	37,675,793	40,231,505	35,782,681	4,448,824
Excess of Revenue Over (Under) Expenditures	69,727	(2,474,785)	1,185,787	3,660,572
Fund Balances - Beginning of year	17,196,658	17,196,658	17,196,658	-
Fund Balances - End of year	<u>\$ 17,266,385</u>	<u>\$ 14,721,873</u>	<u>\$ 18,382,445</u>	<u>\$ 3,660,572</u>

City of Birmingham, Michigan

Fiscal year ending June 30,

	2020	2019	2018	2017
Total Pension Liability				
Service Cost	\$ 1,117,931	\$ 1,207,297	\$ 1,176,990	\$ 1,198,113
Interest on the Total Pension Liability	7,807,504	7,791,407	7,548,033	7,736,173
Benefit Changes	-	-	-	-
Difference between expected and actual experience of the Total Pension Liability	1,189,042	(274,255)	816,510	412,640
Assumption Changes	-	-	2,271,712	-
Benefit Payments and Refunds	(8,356,145)	(8,526,441)	(7,919,279)	(8,141,551)
Net Change in Total Pension Liability	1,758,332	198,008	3,893,966	1,205,375
Total Pension Liability - Beginning	119,285,826	119,087,818	115,193,852	113,988,477
Total Pension Liability - Ending (a)	\$ 121,044,158	\$ 119,285,826	\$ 119,087,818	\$ 115,193,852
Plan Fiduciary Net Position				
Employer Contributions	\$ 2,378,124	\$ 1,898,592	\$ 1,853,059	\$ 1,830,875
Employee Contributions	167,254	179,567	191,515	199,299
Pension Plan Net Investment Income	309,279	4,074,063	8,869,776	8,622,637
Benefit Payments and Refunds	(8,356,145)	(8,526,441)	(7,919,279)	(8,141,551)
Pension Plan Administrative Expense	(133,985)	(137,288)	(148,148)	(124,630)
Other	(58,079)	11,589	(12,841)	3,512
Net Change in Plan Fiduciary Net Position	(5,693,552)	(2,499,918)	2,834,082	2,390,142
Plan Fiduciary Net Position - Beginning	100,367,956	102,867,874	100,033,792	97,643,650
Plan Fiduciary Net Position - Ending (b)	\$ 94,674,404	\$ 100,367,956	\$ 102,867,874	\$ 100,033,792
Net Pension Liability - Ending (a) - (b)	\$ 26,369,754	\$ 18,917,870	\$ 16,219,944	\$ 15,160,060
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	78.21%	84.14%	86.38%	86.84%
Covered Payroll	\$ 8,680,035	\$ 8,560,125	\$ 8,529,792	\$ 8,282,695
Net Pension Liability as a Percentage of Covered Payroll	303.80%	221.00%	190.16%	183.03%

See notes to Required Supplemental Information

Required Supplemental Information
Pension System
Multiyear Schedule of Changes in the Employers'
Net Pension Liability and Related Ratios
June 30, 2020

	2016		2015		2014		2013		2012		2011
\$	1,309,774	\$	1,402,945	\$	1,550,051	\$	1,425,969	\$	1,551,564	\$	1,698,232
	7,698,227		7,674,711		7,544,288		7,427,615		7,321,735		6,938,134
	-		71,306		7,401		-		-		-
	414,101		(110,215)		-		(1,880,744)		(888,950)		3,555,951
	-		-		-		1,144,602		-		-
	(9,506,829)		(7,805,595)		(6,524,400)		(6,501,053)		(6,316,926)		(6,961,012)
	(84,727)		1,233,152		2,577,340		1,616,389		1,667,423		5,231,305
	114,073,204		112,840,052		110,262,712		108,646,323		106,978,900		101,747,595
\$	113,988,477	\$	114,073,204	\$	112,840,052	\$	110,262,712	\$	108,646,323	\$	106,978,900
<hr/>											
\$	1,915,308	\$	2,484,308	\$	4,157,410	\$	2,392,449	\$	2,006,765	\$	1,706,539
	219,861		238,890		267,282		269,829		291,456		303,939
	(485,602)		1,560,189		15,497,945		9,367,741		(653,250)		17,899,291
	(9,506,829)		(7,805,595)		(6,524,400)		(6,501,053)		(6,316,926)		(6,961,012)
	(148,755)		(153,495)		-		-		-		20,621
	(12,768)		-		33,033		-		-		-
	(8,018,785)		(3,675,703)		13,431,270		5,528,966		(4,671,955)		12,969,378
	105,662,435		109,338,138		95,906,868		90,377,902		95,049,857		82,080,479
\$	97,643,650	\$	105,662,435	\$	109,338,138	\$	95,906,868	\$	90,377,902	\$	95,049,857
\$	16,344,827	\$	8,410,769	\$	3,501,914	\$	14,355,844	\$	18,268,421	\$	11,929,043
	85.66%		92.63%		96.90%		86.98%		83.19%		88.85%
\$	8,120,260	\$	8,355,347	\$	8,055,081	\$	8,638,321	\$	9,204,012	\$	9,789,046
	201.28%		100.66%		43.47%		166.19%		198.48%		121.86%

City of Birmingham, Michigan

Required Supplemental Information Pension System Multiyear Schedule of Contributions June 30, 2020

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2011	1,798,758	1,706,539	92,219	9,789,046	17.43%
2012	2,159,904	2,006,765	153,139	9,204,012	21.80%
2013	2,600,130	2,392,449	207,681	8,638,321	27.70%
2014	2,930,506	4,157,410	(1,226,904)	8,055,081	51.61%
2015	2,522,331	2,484,308	38,023	8,355,347	29.73%
2016	1,940,069	1,915,308	24,761	8,120,260	23.59%
2017	1,863,849	1,830,875	32,974	8,282,695	22.10%
2018	1,827,814	1,853,059	(25,245)	8,529,792	21.72%
2019	1,907,234	1,898,592	8,642	8,560,125	22.18%
2020	2,378,124	2,378,124	-	8,680,035	27.40%

See Notes to Required Supplemental Information

Required Supplemental Information
Pension System
Multiyear Schedule of Investment Returns
June 30, 2020

Last Ten Fiscal Years
(which may be built prospectively starting from 2014)

FY Ending June 30,	Annual Return^a
2014	15.86%
2015	1.65%
2016	-0.63%
2017	9.00%
2018	8.98%
2019	3.96%
2020	0.11%

^a Annual money-weighted rate of return, net of investment expenses.

City of Birmingham, Michigan

Required Supplemental Information OPEB Plan Multiyear Schedule of Changes in the Net OPEB Liability and Related Ratios June 30, 2020

Last Ten Fiscal Years

(Schedule is built prospectively upon implementation of GASB 74)

Fiscal year ending June 30,	2020	2019	2018	2017
Total OPEB Liability				
Service Cost	\$ 500,319	\$ 487,628	\$ 565,820	\$ 590,987
Interest on the Total OPEB Liability	3,509,217	4,086,451	4,070,318	3,967,381
Changes of benefit terms	-	-	(6,854)	(10,070)
Difference between expected and actual experience of the Total OPEB Liability	(17,142)	(13,610,421)	(236,661)	(200,672)
Assumption Changes	(3,119,705)	3,370,306	918,824	-
Benefit Payments and Refunds	(2,987,464)	(2,796,396)	(2,963,077)	(2,765,954)
Net Change in Total OPEB Liability	(2,114,775)	(8,462,432)	2,348,370	1,581,672
Total OPEB Liability - Beginning	53,231,969	61,694,401	59,346,031	57,764,359
Total OPEB Liability - Ending (a)	<u>\$ 51,117,194</u>	<u>\$ 53,231,969</u>	<u>\$ 61,694,401</u>	<u>\$ 59,346,031</u>
Plan Fiduciary Net Position				
Employer Contributions	\$ 2,902,291	\$ 3,375,479	\$ 2,962,544	\$ 3,621,084
Employee Contributions	102,979	110,652	118,951	124,608
OPEB Plan Net Investment Income	318,747	1,576,257	2,711,103	2,738,447
Benefit Payments, including Refunds of Employee Contributions	(2,987,464)	(2,796,396)	(2,963,077)	(2,765,954)
OPEB Plan Administrative Expense	(24,018)	(41,534)	(179,175)	(173,050)
Other	105,060	128,087	223,252	182,648
Net Change in Plan Fiduciary Net Position	417,595	2,352,545	2,873,598	3,727,783
Plan Fiduciary Net Position - Beginning	37,689,743	35,337,198	32,463,600	28,735,817
Plan Fiduciary Net Position - Ending (b)	<u>\$ 38,107,338</u>	<u>\$ 37,689,743</u>	<u>\$ 35,337,198</u>	<u>\$ 32,463,600</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 13,009,856</u>	<u>\$ 15,542,226</u>	<u>\$ 26,357,203</u>	<u>\$ 26,882,431</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	74.55%	70.80%	57.28%	54.70%
Covered Payroll	\$ 4,989,388	\$ 5,404,835	\$ 5,821,568	\$ 6,420,864
Net OPEB Liability as a Percentage of Covered Payroll	260.75%	287.56%	452.75%	418.67%

See Notes to Required Supplemental Information

City of Birmingham, Michigan

Required Supplemental Information OPEB Plan Multiyear Schedule of Contributions June 30, 2020

Last Ten Fiscal Years

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2011	2,725,219	2,725,219	-	10,153,572	26.84%
2012	2,519,357	2,519,357	-	9,235,181	27.28%
2013	2,953,074	3,953,074	(1,000,000)	8,512,751	46.44%
2014	3,512,474	3,512,474	-	8,172,345	42.98%
2015	4,163,622	4,767,127	(603,505)	7,479,113	63.74%
2016	3,445,378	3,445,378	-	6,819,830	50.52%
2017	3,248,597	3,621,084	(372,487)	6,117,885	59.19%
2018	2,977,041	2,962,544	14,497	5,821,568	50.89%
2019	2,959,086	3,375,479	(416,393)	5,404,835	62.45%
2020	1,889,609	2,902,291	(1,012,682)	4,989,388	58.17%

See Notes to Required Supplemental Information

Required Supplemental Information
OPEB Plan
Multiyear Schedule of Investment Returns
June 30, 2020

Last Ten Fiscal Years

(Schedule is built prospectively upon implementation of GASB 74)

FY Ending June 30,	Annual Return^a
2017	8.98%
2018	8.07%
2019	4.55%
2020	0.95%

^a Annual money-weighted rate of return, net of investment expenses.

Note A - Compliance and Accountability

Budgetary Information – Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds, except that fund balance appropriations and transfers are budgeted as either revenue or expenditures to balance the budget. All annual appropriations lapse at fiscal year end.

The annual budget is prepared by the City management and adopted by the city commission. The City adopts its General Fund budget and Special Revenue Fund budget by budgetary center (major activity or function), and by fund type for Debt Service Funds. This is in accordance with the State's legal requirement and is the level of classification detail at which, by law, expenditures may not exceed appropriations. The following process is required to amend the City's budget:

- a) The city manager is authorized to transfer budgeted amounts within budgetary centers, such as General Government, Public Safety, etc. in the General Fund or major activity such as Street Maintenance, Traffic Controls in the street funds. This is accomplished by the use of an internal budget adjustment form, initialed and approved by the requesting department head, reviewed and approved by the finance director, and then approved by the city manager. Any revisions that alter the total expenditures of any budgetary center must be approved by the city commission.
- b) At any meeting after the passage of the appropriation resolution, the city commission may amend such resolution so as to authorize the transfer of unused balances appropriated for one purpose to another purpose. A formal budget amendment request is prepared by the finance director and submitted to the city manager for approval, prior to submission to the city commission.

Budgeted amounts of the revenues and expenditures presented for the General, Special Revenue, Debt Service, and Capital Projects Funds are reported as originally adopted or as amended by the city commission. Individual amendments were not material in relation to the original appropriations that were adopted.

Unexpended appropriations lapse at year end except for those approved for carryforward by the City Commission. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary procedures. Material encumbrances outstanding at year end are reported as commitments of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. During the current year, the budget was amended in a legally permissible manner.

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 "expenditures" categories, rather than as "other financing sources (uses)."

Notes to Required Supplemental Information
June 30, 2020

Note B – Explanation of Differences between General Fund
Expenditures on a Budgetary Basis and GAAP Basis

Contributions made to the 48th District Court appear as a functional expense in the Statement of Revenue, Expenditures and Changes in Fund Balance, but as a transfer to other funds on a budgetary basis.

Revenue and expenditures from the Major and Local Street Funds are included in the General Fund to comply with GASB 54, but are budgeted on an individual fund basis.

	General Fund GAAP Presentation	Adjustments	General Fund Budget Presentation
Revenue			
Property taxes	\$ 26,171,799	\$ -	\$ 26,171,799
Licenses and permits	2,502,107	-	2,502,107
Federal grants	40,316	(40,316)	-
State and local sources	4,558,250	(4,558,250)	-
Intergovernmental revenue	-	2,429,016	2,429,016
Charges for services	2,947,874	-	2,947,874
Fines and forfeitures	1,474,001	-	1,474,001
Use of money and property/Interest and rent	1,354,877	(209,658)	1,145,219
Other	340,635	(242,183)	98,452
Transfers from other funds	-	200,000	200,000
	<u>39,389,859</u>	<u>(2,421,391)</u>	<u>36,968,468</u>
Expenditures			
General government	5,506,240	-	5,506,240
Public safety	14,406,538	-	14,406,538
Public works/Engineering and public services	5,125,482	-	5,125,482
Highway and streets	3,051,078	(3,051,078)	-
Community and economic development	2,944,716	-	2,944,716
48th District Court	1,642,813	(1,642,813)	-
Capital Outlay	3,054,373	(3,054,373)	-
Transfers to other funds	-	7,799,705	7,799,705
	<u>35,731,240</u>	<u>51,441</u>	<u>35,782,681</u>
Excess of Revenue Over (Under) Expenditures	3,658,619	(2,472,832)	1,185,787
Other Financing Sources (Uses)			
Transfers in	200,000	(200,000)	-
Transfers out	(1,410,892)	1,410,892	-
	<u>(1,210,892)</u>	<u>1,210,892</u>	<u>-</u>
Net Changes in Fund Balance	2,447,727	(1,261,940)	1,185,787
Fund Balances - Beginning of year	<u>22,327,554</u>	<u>(5,130,896)</u>	<u>17,196,658</u>
Fund Balances - End of year	<u>\$ 24,775,281</u>	<u>\$ (6,392,836)</u>	<u>\$ 18,382,445</u>

Notes to Required Supplemental Information
June 30, 2020

Note C – Notes to Multiyear Schedule of Changes in the Employers’
Net Pension Liability and Related Ratios

1. A review of assumptions was conducted for the period July 1, 2007 to June 30, 2012. The only significant change made was to change the amortization method from a rolling 25-30 year period to a “closed period” to reflect that the retirement system was closed to new members. This assumption change was implemented starting in fiscal year 2013.
2. A review of assumption was conducted for the period July 1, 2013 to June 30, 2017. Significant changes made as a result of the review were: a) updating the mortality assumptions using the MP-2017 table; b) decreasing the investment return assumption from 7% to 6.75%, and c) decreasing the remaining amortization period for public safety from 25 years to 20 years. These assumption changes were implemented starting in fiscal year 2018.

Note D – Notes to Schedule of Pension System Contributions

Valuation Date:	6/30/2018
Notes	Actuarially determined contribution amounts are calculated as of June 30 each year, which is one year prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates for the fiscal year ending June 30, 2020*:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	20 years, closed
Asset Valuation Method	4-year smoothed market
Inflation	2.5%; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.25%
Investment Rate of Return	6.75% (Net of investment and administrative expense)
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2013 valuation pursuant to an experience study of the period 2007-2012.
Mortality	RP-2014 tables, as extended, and include a margin for future mortality improvement projected using a fully generational improvement scale.

* Based on valuation assumptions used in the June 30, 2018 actuarial valuation.

Note E – Notes to Multiyear Schedule of Changes in the Net OPEB Liability and Related Ratios

1. A review of assumption was conducted for the period July 1, 2013 to June 30, 2017. Significant changes made as a result of the review were: a) updating the mortality assumptions using the MP-2017 table; b) decreasing the investment return assumption from 7% to 6.75%, and c) decreasing the remaining amortization period for public safety from 25 years to 20 years. These assumption changes were implemented starting in fiscal year 2018.
2. For fiscal year 2019, the assumption change was due to resetting the health care trend rates.
3. For fiscal year 2020, the assumption change was related to removal of the excise tax loads due to the repeal of the “Cadillac tax”.

Note F – Notes to Schedule of OPEB Plan Contributions

Valuation Date:	6/30/2018
Notes	Actuarially determined contribution amounts are calculated for two years as of June 30th of even numbered years which is 1 year prior to the beginning of the fiscal year in which contributions are report.

Methods and Assumptions Used to Determine Contribution Rates for the fiscal year ending June 30, 2020*:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	20 years
Asset Valuation Method	Market Value of Assets
Inflation	2.50%
Salary Increases	3.25%
Investment Rate of Return	6.75%, net of OPEB plan investment expense, including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2014 tables, as extended, and include a margin for future mortality improvement projected using a fully generational improvement scale.
Health Care Trend Rates	8.0% trend for the first year, then gradually decreasing to 3.5% in year 10.

* Based on valuation assumptions used in the June 30, 2018 actuarial valuation.

Other Supplemental Information

City of Birmingham, Michigan

	Nonmajor Special Revenue Funds			Nonmajor Debt Service Fund
	Solid Waste Disposal	Community Development Block Grant	Law and Drug Forfeitures	Parks and Recreation
Assets				
Cash and investments (Note 5, 6)	\$ 723,856	\$ -	\$ 93,441	\$ 97,256
Receivables - Net:				
Customers	96	-	-	-
Special assessments	-	-	-	-
Due from other governmental units	-	6,740	-	-
Total assets	<u>\$ 723,952</u>	<u>\$ 6,740</u>	<u>\$ 93,441</u>	<u>\$ 97,256</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 76,179	\$ 6,740	\$ -	\$ -
Accrued and other liabilities	1,781	-	-	82
Total liabilities	77,960	6,740	-	82
Deferred Inflows of Resources				
Unavailable revenue - charges for services	96	-	-	-
Unavailable revenue - special assessments	-	-	-	-
Total deferred inflows of resources	96	-	-	-
Fund Balances (Note 11)				
Nonspendable	-	-	-	-
Restricted	645,896	-	93,441	97,174
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>645,896</u>	<u>-</u>	<u>93,441</u>	<u>97,174</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 723,952</u>	<u>\$ 6,740</u>	<u>\$ 93,441</u>	<u>\$ 97,256</u>

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

Nonmajor Permanent Fund Greenwood Cemetery Perpetual Care	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 866,438	\$ 2,623,018	\$ 4,404,009
7,954	33,492	41,542
-	142,495	142,495
-	-	6,740
<u>\$ 874,392</u>	<u>\$ 2,799,005</u>	<u>\$ 4,594,786</u>
\$ -	\$ 44,939	\$ 127,858
-	-	1,863
-	44,939	129,721
7,954	33,492	41,542
-	142,495	142,495
7,954	175,987	184,037
788,393	-	788,393
78,045	88,797	1,003,353
-	593,383	593,383
-	1,895,899	1,895,899
866,438	2,578,079	4,281,028
<u>\$ 874,392</u>	<u>\$ 2,799,005</u>	<u>\$ 4,594,786</u>

City of Birmingham, Michigan

	Nonmajor Special Revenue Funds			Nonmajor Debt Service Fund
	Solid Waste Disposal	Community Development Block Grant	Law and Drug Forfeitures	Parks and Recreation
Revenues				
Property taxes	\$ 1,937,178	\$ -	\$ -	\$ 1,604,720
Federal grants	-	29,690	37,213	-
State sources	4,113			3,370
Charges for services	17,535	-	-	-
Use of money and property	58,619	-	3,536	9,502
Other revenue	79	-	1,725	-
Total revenues	2,017,524	29,690	42,474	1,617,592
Expenditures				
Current:				
Solid waste	2,018,014	-	-	-
Community development	-	29,690	-	-
Capital	10,757	-	97,854	-
Debt service	-	-	-	1,609,895
Total expenditures	2,028,771	29,690	97,854	1,609,895
Excess of Revenues Over (Under) Expenditures	(11,247)	-	(55,380)	7,697
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Net Change in Fund Balance	(11,247)	-	(55,380)	7,697
Fund Balances - Beginning of year	657,143	-	148,821	89,477
Fund Balances - End of year	<u>\$ 645,896</u>	<u>\$ -</u>	<u>\$ 93,441</u>	<u>\$ 97,174</u>

Other Supplemental Information
Combining Statement of Revenue, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2020

Nonmajor Permanent Fund Greenwood Cemetery Perpetual Care	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 3,541,898
-	-	66,903
-	-	7,483
54,078	-	71,613
20,419	102,141	194,217
-	85,346	87,150
<u>74,497</u>	<u>187,487</u>	<u>3,969,264</u>
-	-	2,018,014
-	-	29,690
-	1,357,984	1,466,595
-	-	1,609,895
<u>-</u>	<u>1,357,984</u>	<u>5,124,194</u>
<u>74,497</u>	<u>(1,170,497)</u>	<u>(1,154,930)</u>
<u>-</u>	<u>910,892</u>	<u>910,892</u>
74,497	(259,605)	(244,038)
<u>791,941</u>	<u>2,837,684</u>	<u>4,525,066</u>
<u>\$ 866,438</u>	<u>\$ 2,578,079</u>	<u>\$ 4,281,028</u>

City of Birmingham, Michigan

Other Supplemental Information Budgetary Comparison Nonmajor Capital Projects Fund Year Ended June 30, 2020

Capital Projects Fund

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Intergovernmental revenue	\$ -	\$ 23,290	\$ -	\$ (23,290)
Interest and rent	45,520	45,520	102,141	56,621
Other revenue	-	6,723	85,346	78,623
Transfers from other funds	814,000	910,892	910,892	-
Total revenue	859,520	986,425	1,098,379	111,954
Expenditures	579,000	2,064,727	1,357,984	706,743
Excess of Revenue Over (Under) Expenditures	280,520	(1,078,302)	(259,605)	818,697
Fund Balances - Beginning of year	2,837,684	2,837,684	2,837,684	-
Fund Balances - End of year	<u>\$ 3,118,204</u>	<u>\$ 1,759,382</u>	<u>\$ 2,578,079</u>	<u>\$ 818,697</u>

Other Supplemental Information
Budgetary Comparison
Nonmajor Governmental Funds
Year Ended June 30, 2020

Special Revenue Fund - Solid Waste

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Taxes	\$ 1,935,000	\$ 1,935,000	\$ 1,937,178	\$ 2,178
Intergovernmental	4,200	4,200	4,113	(87)
Charges for services	18,000	18,000	17,535	(465)
Interest	31,820	31,820	58,619	26,799
Other	-	-	79	79
Total revenue	1,989,020	1,989,020	2,017,524	28,504
Expenditures				
Personnel services	187,380	187,380	172,338	15,042
Supplies	12,000	12,000	3,502	8,498
Other Charges	1,869,480	1,869,480	1,842,174	27,306
Capital Outlay	16,000	16,000	10,757	5,243
Total expenditures	2,084,860	2,084,860	2,028,771	56,089
Excess of Revenue Over (Under) Expenditures	(95,840)	(95,840)	(11,247)	84,593
Fund Balances - Beginning of year	657,143	657,143	657,143	-
Fund Balances - End of year	\$ 561,303	\$ 561,303	\$ 645,896	\$ 84,593

City of Birmingham, Michigan

Other Supplemental Information Budgetary Comparison Nonmajor Governmental Funds (Continued) Year Ended June 30, 2020

Special Revenue Fund - Community Development Block Grant

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue - Intergovernmental	\$ 33,630	\$ 57,299	\$ 29,690	\$ (27,609)
Expenditures - Community development	<u>33,630</u>	<u>57,299</u>	<u>29,690</u>	<u>27,609</u>
Excess of Revenue Over Expenditures	-	-	-	-
Fund Balances - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Other Supplemental Information
Budgetary Comparison
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2020

Special Revenue Fund - Law and Drug Forfeiture Fund

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Fines and forfeitures	\$ 35,000	\$ 35,000	\$ 37,213	\$ 2,213
Interest and other	1,100	1,100	3,536	2,436
Other	-	-	1,725	1,725
Total revenue	36,100	36,100	42,474	6,374
Expenditures				
Capital outlay	97,860	97,860	97,854	6
Total expenditures	97,860	97,860	97,854	6
Excess of Revenue Over (Under) Expenditures	(61,760)	(61,760)	(55,380)	6,380
Fund Balances - Beginning of year	148,821	148,821	148,821	-
Fund Balances - End of year	<u><u>\$ 87,061</u></u>	<u><u>\$ 87,061</u></u>	<u><u>\$ 93,441</u></u>	<u><u>\$ 6,380</u></u>

City of Birmingham, Michigan

Other Supplemental Information Budgetary Comparison Nonmajor Governmental Funds (Continued) Year Ended June 30, 2020

Debt Service Fund

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Taxes	\$ 1,609,500	\$ 1,609,500	\$ 1,604,720	\$ (4,780)
Intergovernmental	3,660	3,660	3,370	(290)
Interest and other	2,990	2,990	9,502	6,512
Total revenue	1,616,150	1,616,150	1,617,592	1,442
Expenditures - Debt service	<u>1,610,300</u>	<u>1,610,300</u>	<u>1,609,895</u>	<u>405</u>
Excess of Revenue Over (Under) Expenditures	5,850	5,850	7,697	1,847
Fund Balances - Beginning of year	<u>89,477</u>	<u>89,477</u>	<u>89,477</u>	<u>-</u>
Fund Balances - End of year	<u>\$ 95,327</u>	<u>\$ 95,327</u>	<u>\$ 97,174</u>	<u>\$ 1,847</u>

Other Supplemental Information
Budgetary Comparison
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2020

Permanent Fund - Greenwood Cemetery Perpetual Care Fund

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Charges for Services	\$ 80,000	\$ 80,000	\$ 54,078	\$ (25,922)
Interest and other	16,800	16,800	20,419	3,619
Total revenue	96,800	96,800	74,497	(22,303)
Expenditures	20,000	20,000	-	20,000
Excess of Revenue Over (Under) Expenditures	76,800	76,800	74,497	(2,303)
Fund Balances - Beginning of year	791,941	791,941	791,941	-
Fund Balances - End of year	<u><u>\$ 868,741</u></u>	<u><u>\$ 868,741</u></u>	<u><u>\$ 866,438</u></u>	<u><u>\$ (2,303)</u></u>

City of Birmingham, Michigan

Other Supplemental Information Combining Statement of Net Position Internal Service Funds June 30, 2020

	Equipment	Personal Services	Risk Management	Total
Assets				
Current assets:				
Cash and investments (Note 5, 6)	\$ 5,431,464	\$ 546,941	\$ 6,090,085	\$ 12,068,490
Prepaid costs	-	-	85,708	85,708
Total current assets	5,431,464	546,941	6,175,793	12,154,198
Noncurrent assets:				
Restricted assets (Note 10)	-	-	477,390	477,390
Capital assets - Net	4,446,191	-	-	4,446,191
Total noncurrent assets	4,446,191	-	477,390	4,923,581
Total assets	9,877,655	546,941	6,653,183	17,077,779
Deferred Outflows of Resources				
Deferred amount on pension (Note 14)	83,769	-	-	83,769
Deferred amount on OPEB (Note 15)	42,570	-	-	42,570
Liabilities				
Current liabilities:				
Accounts payable	53,947	-	11,792	65,739
Accrued liabilities	15,027	-	58,825	73,852
Provision for uninsured losses and liabilities	-	-	541,781	541,781
Current portion of long-term debt and employee benefits (Note 9)	20,669	-	36,746	57,415
Total current liabilities	89,643	-	649,144	738,787
Noncurrent liabilities:				
Provision for employee benefits	4,745	455,069	476,394	936,208
Net pension liability (Note 14)	337,346	-	-	337,346
Net OPEB liability (Note 15)	224,887	-	-	224,887
Total noncurrent liabilities	566,978	455,069	476,394	1,498,441
Total liabilities	656,621	455,069	1,125,538	2,237,228
Deferred Inflows of Resources				
Deferred amount on pension (Note 14)	1,451	-	-	1,451
Deferred amount on OPEB (Note 15)	54,500	-	-	54,500
Net Position				
Net investment in capital assets	4,446,191	-	-	4,446,191
Unrestricted	4,845,231	91,872	5,527,645	10,464,748
Total net position	<u>\$ 9,291,422</u>	<u>\$ 91,872</u>	<u>\$ 5,527,645</u>	<u>\$ 14,910,939</u>

City of Birmingham, Michigan

Other Supplemental Information Combining Statement of Revenues, Expenses, and Changes in Net Position Internal Service Funds Year Ended June 30, 2020

	Equipment	Personal Services	Risk Management	Total
Operating Revenues - Charges to other funds	\$ 2,166,482	30,000	\$ 4,078,612	\$ 6,275,094
Operating Expenses				
General and administrative	-	23,897	2,652,051	2,675,948
Supplies and other operating expenses	1,324,933	-	-	1,324,933
Depreciation	1,122,842	-	-	1,122,842
Total operating expenses	2,447,775	23,897	2,652,051	5,123,723
Operating Income (Loss)	(281,293)	6,103	1,426,561	1,151,371
Nonoperating Income				
Interest earned	213,879	19,327	193,771	426,977
Gain on sale of capital assets	7,940	-	-	7,940
Net nonoperating income	221,819	19,327	193,771	434,917
Income (Loss)	(59,474)	25,430	1,620,332	1,586,288
Capital Contributions	1,224	-	-	1,224
Changes in Net Position	(58,250)	25,430	1,620,332	1,587,512
Net Position - Beginning of year	9,349,672	66,442	3,907,313	13,323,427
Net Position - End of year	<u>\$ 9,291,422</u>	<u>\$ 91,872</u>	<u>\$ 5,527,645</u>	<u>\$ 14,910,939</u>

City of Birmingham, Michigan

Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds Year Ended June 30, 2020

	Equipment	Personal Services	Risk Management	Total
Cash Flows from Operating Activities				
Receipts from customers and others	\$ 2,166,482	\$ 30,000	\$ 4,078,612	\$ 6,275,094
Payments to suppliers	(1,087,250)	-	(2,828,859)	(3,916,109)
Payments to employees	(412,210)	-	-	(412,210)
Net cash provided by (used in) operating activities	667,022	30,000	1,249,753	1,946,775
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(1,218,051)	-	-	(1,218,051)
Proceeds from sale of capital assets	9,000	-	-	9,000
Net cash used in capital and related financing activities	(1,209,051)	-	-	(1,209,051)
Cash Flows from Investing Activities - Interest received on investments	213,879	19,327	193,771	426,977
Net Changes in Cash and Cash Equivalents	(328,150)	49,327	1,443,524	1,164,701
Cash and Cash Equivalents - Beginning of year	5,759,614	497,614	5,123,951	11,381,179
Cash and Cash Equivalents - End of year	<u>\$ 5,431,464</u>	<u>\$ 546,941</u>	<u>\$ 6,567,475</u>	<u>\$ 12,545,880</u>
Balance Sheet Classification of Cash and Cash Equivalents				
Cash and investments	\$ 5,431,464	\$ 546,941	\$ 6,090,085	\$ 12,068,490
Restricted investments	-	-	477,390	477,390
Total cash and cash equivalents	<u>\$ 5,431,464</u>	<u>\$ 546,941</u>	<u>\$ 6,567,475</u>	<u>\$ 12,545,880</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities				
Operating income (loss)	\$ (281,293)	\$ 6,103	\$ 1,426,561	\$ 1,151,371
Adjustment to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	1,122,842	-	-	1,122,842
Changes in assets and liabilities:				
Other assets	5,551	-	504	6,055
Pension related deferred outflows of resources	(46,874)	-	-	(46,874)
OPEB related deferred outflows of resources	1,718	-	-	1,718
Accounts payable	(107,999)	-	11,267	(96,732)
Accrued and other liabilities	3,996	23,897	(188,579)	(160,686)
Net pension liability	94,838	-	-	94,838
Net OPEB liability	(46,701)	-	-	(46,701)
Pension related deferred inflows of resources	(1,034)	-	-	(1,034)
OPEB related deferred inflows of resources	(78,022)	-	-	(78,022)
Net cash provided by (used in) operating activities	<u>\$ 667,022</u>	<u>\$ 30,000</u>	<u>\$ 1,249,753</u>	<u>\$ 1,946,775</u>

City of Birmingham, Michigan

Other Supplemental Information Combining Statement of Net Position Fiduciary Funds June 30, 2020

	Pension Trust Fund	Retiree Health Care	Total
Assets			
Cash and cash equivalents	\$ 20,348,054	\$ 8,992,584	\$ 29,340,638
Investments (Note 5, 6)			
U.S. government securities	7,760,905	3,610,346	11,371,251
Stocks	53,452,520	20,204,646	73,657,166
Bonds	13,010,390	5,647,178	18,657,568
Receivables and accrued interest	153,673	83,518	237,191
Other assets	-	42,352	42,352
Total assets	94,725,542	38,580,624	133,306,166
Liabilities			
Accounts payable	-	39,261	39,261
Accrued and other liabilities	51,138	434,025	485,163
Total liabilities	51,138	473,286	524,424
Net Position - Restricted for pensions and OPEB	\$ 94,674,404	\$ 38,107,338	\$ 132,781,742

City of Birmingham, Michigan

Other Supplemental Information Combining Statement of Changes in Net Position Fiduciary Funds Year Ended June 30, 2020

	Pension Trust Fund	Retiree Health Care	Total
Additions			
Investment income:			
Interest and dividends	\$ 1,890,757	\$ 773,835	\$ 2,664,592
Net change in fair value of investments	(1,102,711)	(286,251)	(1,388,962)
Less investment expenses	<u>(478,767)</u>	<u>(168,837)</u>	<u>(647,604)</u>
Net investment income	309,279	318,747	628,026
Contributions:			
Employer	2,378,124	2,902,291	5,280,415
Plan members	<u>167,254</u>	<u>225,563</u>	<u>392,817</u>
Total contributions	2,545,378	3,127,854	5,673,232
Other revenue	<u>-</u>	<u>63,355</u>	<u>63,355</u>
Total net additions	2,854,657	3,509,956	6,364,613
Deductions			
Benefit payments	7,808,875	3,068,343	10,877,218
Refunds of contributions	547,270	-	547,270
Administrative expenses	133,985	24,018	158,003
Other expenses	<u>58,079</u>	<u>-</u>	<u>58,079</u>
Total deductions	8,548,209	3,092,361	11,640,570
Changes in Net Position	(5,693,552)	417,595	(5,275,957)
Net Position - Restricted for Pensions and OPEB			
Beginning of year	<u>100,367,956</u>	<u>37,689,743</u>	<u>138,057,699</u>
End of year	<u>\$ 94,674,404</u>	<u>\$ 38,107,338</u>	<u>\$132,781,742</u>

City of Birmingham, Michigan

Other Supplemental Information Statement of Changes in Assets and Liabilities Agency Fund Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Assets				
Cash and investments	\$ 2,111,873	\$112,239,459	\$114,209,370	\$ 141,962
Other assets	<u>4,100</u>	<u>15,033</u>	<u>4,100</u>	<u>15,033</u>
Total assets	<u>\$ 2,115,973</u>	<u>\$112,254,492</u>	<u>\$114,213,470</u>	<u>\$ 156,995</u>
Liabilities				
Accounts payable	\$ 7,339	\$ 76,136,056	\$ 76,138,384	\$ 5,011
Accrued liabilities and deposits	<u>2,108,634</u>	<u>187,810,543</u>	<u>189,767,193</u>	<u>151,984</u>
Total liabilities	<u>\$ 2,115,973</u>	<u>\$263,946,599</u>	<u>\$265,905,577</u>	<u>\$ 156,995</u>

Oakway Mutual Aid Hazmat Response Team (included above)

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Assets				
Cash and investments	<u>\$ 115,724</u>	<u>\$ 129,230</u>	<u>\$ 114,116</u>	<u>\$ 130,838</u>
Liabilities				
Accrued liabilities and deposits	<u>\$ 115,724</u>	<u>\$ 129,230</u>	<u>\$ 114,116</u>	<u>\$ 130,838</u>

Other Supplemental Information
Balance Sheet
GAAP Based General Fund
June 30, 2020

	General Fund	Major Streets Fund	Local Streets Fund	Total GAAP Based General Fund
Assets				
Cash and investments (Note 5, 6)	\$ 21,275,070	\$ 5,230,168	\$ 1,281,606	\$ 27,786,844
Receivables - Net:				
Customers	430,119	-	-	430,119
Special Assessments	1,993,632	3,129	747,350	2,744,111
Delinquent personal property taxes	20,573	-	-	20,573
Prepaid items and other assets	10,867	-	-	10,867
Due from other governmental units	341,043	202,869	82,444	626,356
Inventories	-	89,958	35,983	125,941
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 24,071,304</u>	<u>\$ 5,526,124</u>	<u>\$ 2,147,383</u>	<u>\$ 31,744,811</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 952,398	\$ 486,084	\$ 52,340	\$ 1,490,822
Accrued and other liabilities	2,429,758	13,845	15,457	2,459,060
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	3,382,156	499,929	67,797	3,949,882
Deferred Inflows of Resources				
Unavailable revenue - special assessments and property taxes	2,004,336	3,129	709,816	2,717,281
Unavailable revenue - parking tickets and charges for services	302,367	-	-	302,367
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	2,306,703	3,129	709,816	3,019,648
Fund Balances (Notes 4, 11)				
Nonspendable	10,867	89,958	35,983	136,808
Restricted	647,816	-	-	647,816
Committed	2,521,555	3,076,197	274,309	5,872,061
Assigned	258,209	1,856,911	1,059,478	3,174,598
Unassigned	14,943,998	-	-	14,943,998
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>18,382,445</u>	<u>5,023,066</u>	<u>1,369,770</u>	<u>24,775,281</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 24,071,304</u>	<u>\$ 5,526,124</u>	<u>\$ 2,147,383</u>	<u>\$ 31,744,811</u>

City of Birmingham, Michigan

Other Supplemental Information Schedule of Revenues, Expenditures, and Changes in Fund Balance GAAP Based General Fund Year Ended June 30, 2020

	General Fund	Major Streets Fund	Local Streets Fund	Total GAAP Based General Fund
Revenues				
Property taxes	\$ 26,171,799	\$ -	\$ -	\$ 26,171,799
Licenses and permits	2,502,107	-	-	2,502,107
Federal grants	40,316	-	-	40,316
State sources	2,156,120	1,453,560	590,699	4,200,379
Local sources	232,580	125,291	-	357,871
Charges for services	2,947,874	-	-	2,947,874
Fines and forfeitures	1,474,001	-	-	1,474,001
Use of money and property	1,145,219	159,112	50,546	1,354,877
Other	98,452	6,857	235,326	340,635
Total revenues	36,768,468	1,744,820	876,571	39,389,859
Expenditures				
Current:				
General government	5,506,240	-	-	5,506,240
Public safety	14,406,538	-	-	14,406,538
Public works	5,125,482	-	-	5,125,482
Highway and streets	-	1,324,415	1,726,663	3,051,078
Community and economic development	2,944,716	-	-	2,944,716
48th District Court	1,642,813	-	-	1,642,813
Capital outlay	-	1,679,902	1,374,471	3,054,373
Total expenditures	29,625,789	3,004,317	3,101,134	35,731,240
Excess of Revenues Over (Under) Expenditures	7,142,679	(1,259,497)	(2,224,563)	3,658,619
Other Financing Sources (Uses)				
Transfers in	200,000	2,746,000	2,000,000	4,946,000
Transfers out	(6,156,892)	-	-	(6,156,892)
Total other financing sources (uses)	(5,956,892)	2,746,000	2,000,000	(1,210,892)
Net Changes in Fund Balance	1,185,787	1,486,503	(224,563)	2,447,727
Fund Balances - Beginning of year	17,196,658	3,536,563	1,594,333	22,327,554
Fund Balances - End of year	<u>\$ 18,382,445</u>	<u>\$ 5,023,066</u>	<u>\$ 1,369,770</u>	<u>\$ 24,775,281</u>

City of Birmingham, Michigan

Other Supplemental Information Budgetary Comparison Major Street Fund Year Ended June 30, 2020

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Intergovernmental revenue	\$ 1,457,100	\$ 1,457,100	\$ 1,578,851	\$ 121,751
Other revenue	-	-	6,857	6,857
Interest and rent	40,950	40,950	159,112	118,162
Transfers from other funds	3,246,000	2,746,000	2,746,000	-
Total revenue	4,744,050	4,244,050	4,490,820	246,770
Expenditures				
Maintenance of streets and bridges	371,310	416,989	282,711	134,278
Street cleaning	157,670	163,170	156,857	6,313
Street trees	266,270	266,271	217,299	48,972
Traffic controls and engineering	943,100	906,609	403,865	502,744
Snow and ice removal	301,800	301,800	243,195	58,605
Administrative	20,510	20,510	20,488	22
Capital outlay - Engineering and construction of roads and bridges	3,617,740	4,984,101	1,679,902	3,304,199
Total expenditures	5,678,400	7,059,450	3,004,317	4,055,133
Excess of Revenue Over (Under) Expenditures	(934,350)	(2,815,400)	1,486,503	4,301,903
Fund Balances - Beginning of year	3,536,563	3,536,563	3,536,563	-
Fund Balances - End of year	<u>\$ 2,602,213</u>	<u>\$ 721,163</u>	<u>\$ 5,023,066</u>	<u>\$ 4,301,903</u>

City of Birmingham, Michigan

Other Supplemental Information Budgetary Comparison Local Street Fund Year Ended June 30, 2020

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Intergovernmental revenue	\$ 592,300	\$ 592,300	\$ 590,699	\$ (1,601)
Other revenue	395,120	395,120	235,326	(159,794)
Interest and rent	26,460	26,460	50,546	24,086
Transfers from other funds	2,500,000	2,000,000	2,000,000	-
Total revenue	3,513,880	3,013,880	2,876,571	(137,309)
Expenditures				
Maintenance of streets and bridges	966,340	1,165,443	812,945	352,498
Street cleaning	186,190	186,190	166,552	19,638
Street trees	526,790	528,299	520,800	7,499
Traffic controls and engineering	70,790	70,790	65,249	5,541
Snow and ice removal	165,030	170,030	142,594	27,436
Administrative	28,980	28,980	28,958	22
Capital outlay - Engineering and construction of roads and bridges	649,740	1,624,103	1,364,036	260,067
Total expenditures	2,593,860	3,773,835	3,101,134	672,701
Excess of Revenue Over (Under) Expenditures	920,020	(759,955)	(224,563)	535,392
Fund Balances - Beginning of year	1,594,333	1,594,333	1,594,333	-
Fund Balances - End of year	\$ 2,514,353	\$ 834,378	\$ 1,369,770	\$ 535,392

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Statistical Section

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City of Birmingham, Michigan

Statistical Section

This part of the City of Birmingham's comprehensive annual financial report represents 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.

<u>Contents</u>	<u>Pages</u>
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.	107-116
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	117-124
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	125-131
Demographic 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 and to help make comparisons over time with other governments.	132-134
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	135-142

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Birmingham, Michigan

Schedule 1

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities				
Net investment in capital assets	\$ 54,349,065	\$ 58,469,335	\$ 61,172,079	\$ 60,326,290
Restricted	1,679,316	1,511,696	1,202,425	1,544,085
Unrestricted	38,398,279	35,739,505	34,441,332	36,452,264
Total governmental activities net position	\$ 94,426,660	\$ 95,720,536	\$ 96,815,836	\$ 98,322,639
Business-type activities				
Net investment in capital assets	\$ 57,120,041	\$ 61,916,894	\$ 64,889,098	\$ 69,787,491
Unrestricted	16,489,930	16,494,696	17,313,733	16,324,595
Total business-type activities net position	\$ 73,609,971	\$ 78,411,590	\$ 82,202,831	\$ 86,112,086
Primary government				
Net investment in capital assets	\$ 111,469,106	\$ 120,386,229	\$ 126,061,177	\$ 130,113,781
Restricted	1,679,316	1,511,696	1,202,425	1,544,085
Unrestricted	54,888,209	52,234,201	51,755,065	52,776,859
Total primary government net position	\$ 168,036,631	\$ 174,132,126	\$ 179,018,667	\$ 184,434,725

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year Ended June 30					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 64,121,601	\$ 65,602,783	\$ 69,052,322	\$ 73,978,247	\$ 77,053,948	\$ 80,240,493
2,073,884	3,220,943	3,724,946	3,542,901	3,219,054	2,447,612
28,673,965	26,960,806	25,786,707	(1,856,192)	2,014,886	9,496,379
\$ 94,869,450	\$ 95,784,532	\$ 98,563,975	\$ 75,664,956	\$ 82,287,888	\$ 92,184,484
\$ 75,165,784	\$ 78,240,354	\$ 79,904,424	\$ 82,681,652	\$ 84,610,449	\$ 86,043,709
14,243,461	15,231,635	20,661,104	22,356,195	27,924,020	32,171,514
\$ 89,409,245	\$ 93,471,989	\$ 100,565,528	\$ 105,037,847	\$ 112,534,469	\$ 118,215,223
\$ 139,287,385	\$ 143,843,137	\$ 143,843,133	\$ 156,659,899	\$ 161,664,397	\$ 166,284,202
2,073,884	3,220,943	3,724,946	3,542,901	3,219,054	2,447,612
42,917,426	42,192,441	42,192,445	20,500,003	29,938,906	41,667,893
\$ 184,278,695	\$ 189,256,521	\$ 189,760,524	\$ 180,702,803	\$ 194,822,357	\$ 210,399,707

City of Birmingham, Michigan

Schedule 2

	Fiscal Year Ended June 30			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities:				
Expenses				
General government	\$ 4,365,192	\$ 4,585,252	\$ 4,362,683	\$ 4,591,157
Public safety	11,214,160	11,125,068	12,352,387	13,331,879
Public works	8,182,861	7,646,906	7,907,576	8,343,679
Community and economic development	1,391,438	1,540,647	1,869,942	1,865,348
Recreation and culture	1,995,905	2,158,428	2,228,181	2,237,603
Interest on long-term debt	742,076	723,494	652,613	768,992
Total expenses	<u>27,891,632</u>	<u>27,779,795</u>	<u>29,373,382</u>	<u>31,138,658</u>
Program Revenues				
Charges for services:				
General government	415,289	422,454	346,917	350,647
Public safety	1,258,651	1,405,229	1,649,780	2,313,167
Public works	262,024	279,041	480,797	512,638
Community and economic development	1,357,113	1,674,422	1,788,165	2,520,303
Recreation and culture	805,793	801,556	740,867	761,138
Operating grants and contributions	1,313,530	1,486,253	1,488,250	1,773,788
Capital grants and contributions	426,356	126,507	149,532	114,422
Total program revenues	<u>5,838,756</u>	<u>6,195,462</u>	<u>6,644,308</u>	<u>8,346,103</u>
Total Governmental Activities Net Program Expense	<u>22,052,876</u>	<u>21,584,333</u>	<u>22,729,074</u>	<u>22,792,555</u>
General Revenues and Other Changes in Net Position				
Property taxes	22,534,629	21,784,190	22,069,399	22,050,256
State-shared revenues	1,518,034	1,649,070	1,692,523	1,737,507
Investment earnings	450,037	490,319	140,479	496,571
Miscellaneous	52,124	(6,924)	13,573	15,024
Gain (loss) on sale of assets	-	-	-	-
Transfers	(146,000)	(1,038,446)	(91,600)	-
Total general revenues and other changes in net position	<u>24,408,824</u>	<u>22,878,209</u>	<u>23,824,374</u>	<u>24,299,358</u>
Total Governmental Activities Change in Net Position	<u>\$ 2,355,948</u>	<u>\$ 1,293,876</u>	<u>\$ 1,095,300</u>	<u>\$ 1,506,803</u>

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	4,619,740	\$ 6,264,622	\$ 4,862,662	\$ 4,863,080	\$ 4,893,492	\$ 4,329,507
	13,947,661	14,637,734	14,795,343	15,416,851	14,031,828	13,900,057
	8,672,353	9,016,674	9,102,127	9,828,034	10,000,670	9,016,465
	2,119,998	2,366,340	2,601,667	2,795,313	2,973,055	2,708,154
	2,316,487	2,338,521	2,573,438	2,608,146	2,525,496	2,504,894
	<u>576,404</u>	<u>536,604</u>	<u>411,274</u>	<u>262,755</u>	<u>208,285</u>	<u>157,453</u>
	<u>32,252,643</u>	<u>35,160,495</u>	<u>34,346,511</u>	<u>35,774,179</u>	<u>34,632,826</u>	<u>32,616,530</u>
	368,499	375,217	376,744	366,178	427,170	413,135
	2,177,838	1,994,957	2,159,647	2,416,754	2,253,531	2,152,523
	626,002	852,470	730,917	767,016	709,763	666,267
	2,498,721	3,039,334	2,953,561	2,515,811	2,731,975	2,087,911
	739,723	748,931	730,992	746,813	755,079	608,606
	1,815,104	1,753,564	1,851,276	2,781,969	2,636,879	2,622,984
	<u>788,601</u>	<u>1,361,243</u>	<u>1,678,046</u>	<u>2,546,143</u>	<u>715,469</u>	<u>1,025,832</u>
	<u>9,014,488</u>	<u>10,125,716</u>	<u>10,481,183</u>	<u>12,140,684</u>	<u>10,229,866</u>	<u>9,577,258</u>
	<u>23,238,155</u>	<u>25,034,779</u>	<u>23,865,328</u>	<u>23,633,495</u>	<u>24,402,960</u>	<u>23,039,272</u>
	22,997,639	23,643,093	24,471,841	26,946,752	28,425,728	29,584,273
	1,755,780	1,890,617	1,898,536	1,968,613	2,046,874	2,002,965
	402,382	393,742	256,370	361,433	1,218,824	1,604,893
	23,992	22,409	18,024	26,260	9,466	43,737
	-	-	-	(234,498)	-	-
	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>(400,000)</u>	<u>(675,000)</u>	<u>(300,000)</u>
	<u>24,779,793</u>	<u>25,949,861</u>	<u>26,644,771</u>	<u>28,668,560</u>	<u>31,025,892</u>	<u>32,935,868</u>
\$	<u>1,541,638</u>	<u>\$ 915,082</u>	<u>\$ 2,779,443</u>	<u>\$ 5,035,065</u>	<u>\$ 6,622,932</u>	<u>\$ 9,896,596</u>

City of Birmingham, Michigan

Schedule 2

	Fiscal Year Ended June 30			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Business-type Activities:				
Expenses				
Water and sewer	\$ 10,667,174	\$ 11,778,806	\$ 11,759,723	\$ 11,972,959
Automobile parking	3,255,726	3,207,699	3,450,244	2,884,360
Golf courses	1,150,525	1,119,386	1,043,575	976,578
Total expenses	<u>15,073,425</u>	<u>16,105,891</u>	<u>16,253,542</u>	<u>15,833,897</u>
Revenues				
Charges for services:				
Water and sewer	10,031,937	11,292,145	11,123,065	10,824,681
Automobile parking	3,837,198	4,099,706	4,257,830	4,323,808
Golf courses	881,120	1,003,354	1,267,239	1,076,745
Operating grants and contributions	-	-	-	-
Capital grants and contributions	125,120	-	-	-
Total revenues	<u>14,875,375</u>	<u>16,395,205</u>	<u>16,648,134</u>	<u>16,225,234</u>
Total Business-type Activities Net Program Expense	<u>198,050</u>	<u>(289,314)</u>	<u>(394,592)</u>	<u>(391,337)</u>
General Revenues and Other Changes in Net Position				
Property taxes	3,251,700	3,332,265	3,330,208	3,353,599
State-shared revenues	-	-	-	-
Investment earnings	129,190	141,594	(25,159)	164,319
Transfers	146,000	1,038,446	91,600	-
Total general revenues and other changes in net position	<u>3,526,890</u>	<u>4,512,305</u>	<u>3,396,649</u>	<u>3,517,918</u>
Total Business-type Activities Change in Net Position	<u>\$ 3,328,840</u>	<u>\$ 4,801,619</u>	<u>\$ 3,791,241</u>	<u>\$ 3,909,255</u>
Total Primary Government Change in Net Position	<u>\$ 2,781,701</u>	<u>\$ 3,380,964</u>	<u>\$ 4,794,695</u>	<u>\$ 3,804,814</u>

Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year Ended June 30					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 12,252,253	\$ 13,590,169	\$ 12,891,283	\$ 13,379,319	\$ 13,636,052	\$ 13,845,962
3,252,464	3,322,942	3,868,547	4,095,490	5,152,835	4,513,632
888,033	959,774	996,620	1,026,864	1,017,751	1,018,075
<u>16,392,750</u>	<u>17,872,885</u>	<u>17,756,450</u>	<u>18,501,673</u>	<u>19,806,638</u>	<u>19,377,669</u>
10,261,009	11,581,428	13,289,298	13,638,932	13,252,149	13,191,489
4,738,537	5,362,752	6,811,536	7,881,619	8,128,648	5,999,216
1,099,894	1,169,544	1,142,587	1,075,498	1,061,725	1,088,773
-	-	-	243,669	777,507	592,990
-	-	-	-	166,953	70
<u>16,099,440</u>	<u>18,113,724</u>	<u>21,243,421</u>	<u>22,839,718</u>	<u>23,386,982</u>	<u>20,872,538</u>
<u>293,310</u>	<u>(240,839)</u>	<u>(3,486,971)</u>	<u>(4,338,045)</u>	<u>(3,580,344)</u>	<u>(1,494,869)</u>
3,356,360	3,701,766	3,571,627	2,327,137	2,382,976	2,685,966
-	7,818	6,881	6,879	5,361	4,506
112,065	112,321	28,060	123,908	852,941	1,195,413
400,000	-	-	400,000	675,000	300,000
<u>3,868,425</u>	<u>3,821,905</u>	<u>3,606,568</u>	<u>2,857,924</u>	<u>3,916,278</u>	<u>4,185,885</u>
<u>\$ 3,575,115</u>	<u>\$ 4,062,744</u>	<u>\$ 7,093,539</u>	<u>\$ 7,195,969</u>	<u>\$ 7,496,622</u>	<u>\$ 5,680,754</u>
<u>\$ 3,924,279</u>	<u>\$ 3,599,107</u>	<u>\$ 4,977,826</u>	<u>\$ 12,231,034</u>	<u>\$ 14,119,554</u>	<u>\$ 15,577,350</u>

City of Birmingham, Michigan

Schedule 3

	Fiscal Year Ended June 30			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 ^a</u>
General Fund				
Nonspendable	\$ 799,384	\$ 14,038	\$ 18,099	\$ 123,410
Restricted	-	-	-	386,189
Committed	2,426	102,890	230,619	3,948,210
Assigned	94,497	101,677	77,690	3,032,596
Unassigned	12,187,402	13,080,161	11,952,797	11,890,406
Total General Fund	\$ 13,083,709	\$ 13,298,766	\$ 12,279,205	\$ 19,380,811
All Other Governmental Funds				
Nonspendable	\$ 193,612	\$ 234,022	\$ 192,294	\$ -
Restricted	1,335,045	1,049,272	726,570	671,754
Committed	144,846	1,963,812	1,597,063	1,158,216
Assigned	12,518,147	9,269,127	9,458,373	3,781,318
Unassigned	(1,330)	-	-	-
Total all other governmental funds	\$ 14,190,320	\$ 12,516,233	\$ 11,974,300	\$ 5,611,288

Source: Governmental Funds Balance Sheet.

^a Starting fiscal year 2014, Major Streets Fund and Local Streets Fund are combined with General Fund.

Fund Balances
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ended June 30					
<u>2015 ^a</u>	<u>2016 ^a</u>	<u>2017 ^a</u>	<u>2018 ^a</u>	<u>2019 ^a</u>	<u>2020 ^a</u>
\$ 197,610	\$ 178,002	\$ 132,805	\$ 110,019	\$ 141,317	\$ 136,808
818,420	1,441,998	1,697,372	1,458,458	1,246,522	647,816
2,782,722	2,006,219	2,019,922	4,629,611	3,039,980	5,872,061
1,560,008	1,818,677	2,861,302	1,276,119	3,213,721	3,174,598
12,057,185	12,313,189	12,272,202	13,489,391	14,686,014	14,943,998
\$ 17,415,945	\$ 17,758,085	\$ 18,983,603	\$ 20,963,598	\$ 22,327,554	\$ 24,775,281
\$ -	\$ 320,489	\$ 509,673	\$ 596,792	\$ 737,218	\$ 788,393
753,217	946,978	1,010,758	977,434	1,235,290	1,003,353
163,270	554,201	2,417,769	853,901	1,003,693	593,383
4,101,066	3,685,245	1,294,518	1,001,278	1,548,865	1,895,899
-	-	-	-	-	-
\$ 5,017,553	\$ 5,506,913	\$ 5,232,718	\$ 3,429,405	\$ 4,525,066	\$ 4,281,028

City of Birmingham, Michigan

Schedule 4

	Fiscal Year Ended June 30				
	2011	2012	2013	2014	2015
Revenues					
Property taxes	\$ 22,681,289	\$ 21,915,493	\$ 22,208,626	\$ 22,180,652	\$ 23,128,051
Licenses and permits	1,683,426	1,997,651	2,134,522	2,886,950	2,888,640
Federal grants	186,528	141,052	68,628	121,101	99,510
State and local sources	2,676,147	2,914,805	3,047,133	3,215,410	3,707,425
Charges for services	2,108,899	2,054,713	2,461,171	2,690,234	2,945,360
Fines and forfeitures	1,036,303	1,202,215	1,369,078	1,784,432	1,703,518
Use of money and property	353,133	398,452	52,597	402,398	294,443
Other revenues ^a	577,295	635,681	491,043	570,898	750,540
Total revenues	31,303,020	31,260,062	31,832,798	33,852,075	35,517,487
Expenditures					
General government	4,772,333	4,775,432	4,934,254	5,126,508	5,160,703
Public safety	10,699,725	10,432,022	11,851,735	12,978,613	12,821,342
Public works	3,229,878	3,645,813	4,042,009	3,780,627	3,860,925
Highway and streets	2,906,394	2,287,052	2,298,758	2,695,251	2,688,769
Community and economic development	1,427,516	1,501,419	1,913,016	1,952,815	2,127,032
Solid waste disposal	1,643,041	1,680,741	1,724,849	1,679,168	1,681,330
48th District Court	655,417	647,089	993,219	1,239,132	1,228,831
Capital outlay	2,637,088	4,608,750	3,312,249	2,377,087	6,596,735
Debt service					
Interest	729,296	684,328	632,603	589,278	555,421
Principal	1,345,000	1,475,000	1,600,000	850,000	955,000
Total Expenditures	30,045,688	31,737,646	33,302,692	33,268,479	37,676,088
Excess of revenues over (under) expenditures	1,257,332	(477,584)	(1,469,894)	583,596	(2,158,601)
Other Financing Sources (Uses)					
Transfer from component units to primary government	-	-	-	-	-
Transfers in	3,720,000	3,885,040	3,885,044	435,000	643,920
Transfers out	(3,866,000)	(4,866,486)	(3,976,644)	(280,000)	(1,043,920)
Bond issuance	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Payments to bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	(146,000)	(981,446)	(91,600)	155,000	(400,000)
Net change in fund balances	\$ 1,111,332	\$ (1,459,030)	\$ (1,561,494)	\$ 738,596	\$ (2,558,601)
Debt service as a percentage of noncapital expenditures ^b	7.2%	7.5%	8.1%	7.6%	4.7%

^aBeginning in fiscal year 2012, special assessment revenue is included in "other" revenues on the Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance. In previous years, special assessment revenue was included in "Property Taxes". Years 2010-2011 have been restated to reflect this change.

^bNoncapital expenditures for this ratio are calculated by subtracting capital outlay (to the extent capitalized for the Statement of Net Position) from current expenditures. Included in the number subtracted are capitalized assets contained within the functional expenditure categories. This capital outlay number can be found in the Notes to Financial Statements, Note #2.

Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ended June 30				
2016	2017	2018	2019	2020
\$ 23,743,932	\$ 24,574,830	\$ 27,053,055	\$ 28,533,673	\$ 29,713,697
3,459,940	3,380,395	2,933,593	3,147,702	2,502,107
96,297	70,662	170,682	139,204	107,219
3,712,840	3,786,807	4,658,178	4,536,719	4,565,733
3,098,821	2,956,288	2,887,669	3,245,283	3,019,487
1,475,443	1,603,222	1,809,467	1,725,867	1,474,001
300,980	144,987	280,373	1,188,241	1,549,094
336,661	567,730	545,276	1,264,115	427,785
36,224,914	37,084,921	40,338,293	43,780,804	43,359,123
4,917,650	4,877,956	5,082,664	5,357,049	5,506,240
11,985,817	12,331,514	12,514,149	13,725,729	14,406,538
4,096,617	4,255,138	4,972,448	6,295,761	5,125,482
2,580,756	2,559,228	3,310,283	3,792,409	3,051,078
2,264,518	2,655,328	2,667,429	3,066,704	2,974,406
1,678,769	1,882,849	1,905,403	1,956,826	2,018,014
1,019,722	1,116,515	1,261,046	1,219,055	1,642,813
4,278,081	4,356,706	6,373,004	3,650,139	4,520,968
516,484	522,704	340,185	287,515	234,895
1,055,000	1,155,000	1,310,000	1,295,000	1,375,000
34,393,414	35,712,938	39,736,611	40,646,187	40,855,434
1,831,500	1,371,983	601,682	3,134,617	2,503,689
371,900	344,890	856,570	1,553,000	1,110,892
(1,371,900)	(874,890)	(1,281,570)	(2,228,000)	(1,410,892)
-	10,360,000	-	-	-
-	985,605	-	-	-
-	(11,236,265)	-	-	-
(1,000,000)	(420,660)	(425,000)	(675,000)	(300,000)
\$ 831,500	\$ 951,323	\$ 176,682	\$ 2,459,617	\$ 2,203,689
5.7%	5.4%	4.8%	4.5%	4.6%

City of Birmingham, Michigan

Schedule 5

Fiscal Year Ended	Taxable Value				
	Residential	Commercial	Industrial	Personal	
	Property	Property	Property	Property	Total
June 30					
2011	1,488,863,310	325,777,590	9,576,870	53,902,590	1,878,120,360
2012	1,407,917,640	318,640,620	2,830,890	57,211,130	1,786,600,280
2013	1,425,457,540	304,941,550	2,290,130	59,031,370	1,791,720,590
2014	1,474,714,050	303,977,570	1,955,450	61,381,350	1,842,028,420
2015	1,540,325,490	296,543,260	1,851,050	56,364,370	1,895,084,170
2016	1,637,922,800	301,626,590	1,178,200	60,309,460	2,001,037,050
2017	1,736,355,550	309,427,800	1,181,570	63,223,860	2,110,188,780
2018	1,827,013,140	325,812,540	1,077,760	66,440,970	2,220,344,410
2019	1,937,849,150	348,412,220	1,100,370	72,005,440	2,359,367,180
2020	2,062,592,460	361,058,600	1,126,740	72,477,620	2,497,255,420

Source: Oakland County Equalization Department

Note 1: All valuations are taken from the original warrant for each year and do not reflect any supplemental warrants or subsequent Board of Review/Tax Tribunal adjustments.

Note 2: Property in the City of Birmingham is re-assessed annually. On March 15, 1994, the voters of the State of Michigan approved Proposal A, which includes significant changes to Section 3 of Article IX of the State constitution. Starting in 1995, the value against which taxes are spread was changed from assessed value to taxable value. Taxable value represents assessed value (50% of true cash value), limited for each property by the lower of 5% or inflation for as long as the parcel does not change ownership. When ownership is transferred, the taxable value reverts to the assessed value.

^aPer \$1,000 of taxable value.

Assessed Value and Taxable
Value of Property
Last Ten Fiscal Years

Total Direct Tax Rate^a	Estimated Actual Value	Taxable Value as a Percentage of Actual Value	Total Assessed Value	Assessed Value as a Percentage of True Value
15.00	4,176,535,800	45.0%	2,088,267,900	50%
15.60	3,795,560,580	47.1%	1,897,780,290	50%
15.46	3,783,979,380	47.4%	1,891,989,690	50%
15.07	3,985,280,520	46.2%	1,992,640,260	50%
15.09	4,367,489,880	43.4%	2,183,744,940	50%
14.83	4,992,316,400	40.1%	2,496,158,200	50%
14.76	5,505,741,060	38.3%	2,752,870,530	50%
14.67	5,793,800,260	38.3%	2,896,900,130	50%
14.51	6,112,446,160	38.6%	3,056,223,080	50%
14.36	6,530,303,580	38.2%	3,265,151,790	50%

City of Birmingham, Michigan

Schedule 6

Fiscal Year Ended June 30	City Direct Rates					Overlapping Rates			
						Oakland County			
	Basic Charter Operating Rate ^a	Refuse ^b	Baldwin Public Library ^c	Debt Service ^d	Total Direct	County	Community College	Intermediate School District	Total County Rate
2011	11.59	0.71	1.10	1.60	15.00	4.65	1.58	3.37	9.60
2012	11.69	0.84	1.32	1.75	15.60	4.65	1.58	3.37	9.60
2013	11.69	0.88	1.10	1.80	15.47	4.65	1.58	3.37	9.60
2014	11.69	0.93	1.10	1.36	15.08	4.65	1.58	3.37	9.60
2015	11.69	0.96	1.10	1.34	15.09	4.65	1.58	3.37	9.60
2016	11.49	0.92	1.10	1.32	14.83	4.54	1.58	3.36	9.48
2017	11.18	0.87	1.41	1.30	14.76	4.49	1.57	3.34	9.40
2018	11.25	0.83	1.41	1.19	14.68	4.49	1.56	3.31	9.36
2019	11.21	0.80	1.39	1.11	14.51	4.49	1.54	3.28	9.31
2020	11.12	0.78	1.37	1.09	14.36	4.48	1.53	3.25	9.26

Source: City of Birmingham Finance Department

Note: The following state requirements limit the City's ability to increase tax rates:

1) The Headlee constitutional amendment: this amendment to the state constitution approved in 1978 places an upper limit on the annual operating millage rate. The maximum rate is calculated by a formula tied to the rate of inflation and previous years' cumulative "roll-back factor." The Headlee maximum allowable millage rates per \$1,000 of taxable valuation for fiscal year 2019-2020 are as follows: general operating 11.57, refuse 1.74, library 1.37. There is no Headlee limitation on debt service. The Headlee limitation may be waived only by a vote of the electorate.

2) Truth in Assessing Act: this act approved in 1981 requires a rollback in maximum authorized tax rates when the total assessed value of all property in the City is less than the total State Equalized Value. To-date this has not applied to the City of Birmingham.

^aThe City charter general operating-tax-rate limit is 20.00 mills per \$1,000 of taxable valuation.

^bMichigan law allows the City to levy up to 3.00 mills per \$1,000 of taxable value for refuse collection.

^cThe City charter provides for a tax levy in support of the library (a discretely-presented component unit). The levy must be no less than 0.50 mills and no more than 1.75 mills per \$1,000 of taxable valuation.

^dCity debt, unless otherwise provided by state law, must be approved by the electorate. The city commission shall levy taxes sufficient to pay the annual debt service.

^eSuburban Mobility Authority for Regional Transportation.

Direct and Overlapping
Property Tax Rates
Last Ten Fiscal Years
*(rate per \$1,000 of taxable value,
rounded to two decimals places)*

<u>Overlapping Rates</u>					<u>Total Rates</u>	
<u>Birmingham Public Schools</u>						
<u>SMART^e</u>	<u>Zoo Authority</u>	<u>Art</u>	<u>Homestead</u>	<u>Non-Homestead</u>	<u>Homestead</u>	<u>Non-Homestead</u>
0.59	0.10	0.00	18.08	26.90	43.37	52.19
0.59	0.10	0.00	19.02	27.00	44.91	52.89
0.59	0.10	0.20	19.46	27.42	45.22	53.18
0.59	0.10	0.20	19.92	27.90	45.49	53.46
1.00	0.10	0.20	19.22	27.90	45.21	53.89
1.00	0.10	0.20	18.63	27.90	44.24	53.51
0.99	0.10	0.20	18.40	27.90	43.85	53.35
0.99	0.10	0.20	18.07	27.80	43.40	53.13
1.00	0.10	0.19	17.44	27.65	42.55	52.76
0.99	0.10	0.19	16.98	27.80	41.88	52.70

City of Birmingham, Michigan

Schedule 7

June 30, 2020				
<u>Taxpayer</u>	<u>Type of Property</u>	<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Value</u>
Fuller Central Park Properties	Office, Retail	\$ 34,756,200	1	1.39%
DTE Energy	Utility	16,261,590	2	0.65%
US Reif 325 N Old Woodward MI LLC	Retail, Condominiums	10,882,380	3	0.44%
Consumers Energy Company	Utility	10,742,260	4	0.43%
THC Investors	Hotel	9,449,150	5	0.38%
Woodward Brown Assoc	Office, Retail	9,445,670	6	0.38%
MTM Investments Holdings, LLC	Office	9,431,640	7	0.38%
Merrillwood Building LLC	Office, Residential, Apts	8,195,100	8	0.33%
Maple Elm Development Co LLC	Office, Retail	7,798,150	9	0.31%
CA Senior Birmingham MI Prop LLC	Residential	6,838,660	10	0.27%
Palladium of Birmingham LLC	Retail			
Geoff Hockman & Associates	Hotel, Office, Residential			
Associates of 555	Office, Retail, Apts			
James Esshaki/J.P. Equities LLC	Office, Retail			
Rosso Development	Residential, Apts, Office			
VS Birmingham Holdings LLC	Office, Retail			
Prudential Properties	Office, Retail			
TopValco	Retail			
Total taxable value of 10 largest taxpayers		123,800,800		4.96%
Total taxable value of all other taxpayers		2,373,454,620		95.04%
Total taxable value of all taxpayers		<u>\$2,497,255,420</u>		<u>100.00%</u>

Source: City of Birmingham

Principal Property Tax Payers
Current Year and Nine Years Ago

June 30, 2011

<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Value</u>
\$ 35,225,350	1	1.88%
9,421,900	4	0.50%
15,752,600	2	0.84%
13,374,340	3	0.71%
7,555,660	5	0.40%
6,914,860	6	0.37%
5,982,340	7	0.32%
5,698,190	8	0.30%
5,440,510	9	0.29%
5,389,700	10	0.29%
110,755,450		5.90%
1,767,364,910		94.10%
<u>\$ 1,878,120,360</u>		<u>100.00%</u>

City of Birmingham, Michigan

Schedule 8

Fiscal	Taxes Levied			Collected within the	
Year	for the		Adjusted	Fiscal Year of the Levy ^{b,c}	
Ended	Fiscal Year-		Levy at	Percentage of	
June 30	Original Levy ^{a,f}	Adjustments	Settlement ^e	Amount	Original Levy
2011	28,192,503	(82,454)	28,110,049	28,077,723	99.59%
2012	27,973,477	(132,233)	27,841,244	27,810,741	99.42%
2013	27,831,121	(143,004)	27,688,117	27,666,416	99.41%
2014	27,926,594	(206,210)	27,720,384	27,700,204	99.19%
2015	28,748,732	(89,666)	28,659,065	28,645,636	99.64%
2016	29,841,573	(108,231)	29,733,343	29,608,260	99.22%
2017	31,494,379	(212,859)	31,281,520	31,261,246	99.26%
2018	32,917,071	(23,780)	32,893,291	32,877,215	99.88%
2019	34,523,360	(252,127)	34,271,233	34,209,893	99.09%
2020	35,952,121	(38,719)	35,913,402	35,926,258	99.93%

Source: City of Birmingham Finance Department

NA=Not available

^aIncludes tax levy for the Baldwin Public Library which is a discretely-presented component unit. While legally separate, the library is fiscally dependent on the City.

^bIncludes payment from Oakland County. All unpaid real and personal property taxes (except PA 189) are returned to Oakland County at the end of the collection period. The City is paid in full for delinquent real property at the time of settlement with Oakland County. The City is paid for delinquent personal property taxes as they are collected by Oakland County.

^c *Collected within the Fiscal Year* includes personal property tax payments received subsequent to settlement with Oakland County but prior to the end of the fiscal year.

^dRepresents collections of personal property taxes and PA 189 taxes, if any.

^eRepresents amended levy at time of settlement with Oakland County. It does not reflect subsequent adjustments to the levy which are not readily available.







^f *Taxes Levied* includes the Brownfield Authority, a component unit which is fiscally dependent on the City. Taxes levied are insignificant.

Property Tax Levies and Collections
Last Ten Fiscal Years

Collections in Subsequent Years ^d	Total Collections to Date	
	Amount	Percentage of Adjusted Levy
27,903	28,105,626	99.98%
29,316	27,840,057	100.00%
18,271	27,684,687	99.99%
13,892	27,714,096	99.98%
13,429	28,659,065	100.00%
9,980	29,618,240	99.00%
15,903	29,617,298	94.00%
24,556	32,901,771	100.00%
14,093	34,223,986	99.00%
NA	NA	NA

City of Birmingham, Michigan

Schedule 9

Fiscal Year Ended June 30	Governmental Activities		Business-Type Activities		Total Primary Government
	General Obligation Bonds	Brownfield Redevelopment Loans	General Obligation Bonds	Contractual Obligations^a	
2011	18,128,261	239,859	8,810,000	15,080,771 	42,258,891
2012	16,683,395	211,913	8,175,000	13,043,969 	38,114,277
2013	15,113,529	183,408	7,495,000	10,987,415 	33,779,352
2014	14,564,329	154,333	6,747,745	8,984,327	30,450,734
2015	13,609,480	129,867	5,978,781	6,838,550	26,556,678
2016	12,554,631	104,912	5,124,817	4,837,154	22,621,514
2017	11,743,580	79,458	4,231,868	3,217,966 	19,272,872
2018	10,315,927	53,495	3,297,651	2,708,361 	16,375,434
2019	8,903,275	-	2,278,434	2,187,526 	13,369,235
2020	7,409,610	-	1,159,217	1,654,281	10,223,108

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

^aCity of Birmingham's share of general-obligation bonds issued by Oakland County.

^bSee Schedule 5 for property value data. Personal income data is not available.

^cSee Schedule 14 for population data.




Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Percentage of Actual Taxable Value of <u>Property^b</u>	<u>Per Capita^c</u>
2.09%	2,102
2.03%	1,879
1.89%	1,633
1.70%	1,456
1.44%	1,218
1.19%	1,018
0.96%	862
0.78%	733
0.78%	642
0.41%	479

City of Birmingham, Michigan

Schedule 10

Ratios of Net General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year Ended <u>June 30</u>	Net General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property ^b	Per Capita ^c
	General Obligation Bonds	Less: Funds Restricted to Repayment of Debt ^a	Total		
2011	26,938,261	(59,120)	26,879,141	1.43%	1,337
2012	24,858,395	(27,942)	24,830,453	1.39%	1,224
2013	22,608,529	(16,734)	22,591,795	1.26%	1,092
2014	21,312,074	(17,962)	21,294,112	1.16%	1,018
2015	19,588,261	(36,930)	19,551,331	1.03%	897
2016	17,679,448	(35,716)	17,643,732	0.88%	794
2017	15,975,448	(93,640) 	15,881,808	0.75%	710
2018	13,623,578	(90,740) 	13,532,838	0.64%	605
2019	11,181,709	(89,477) 	11,092,232	0.47%	532
2019	8,568,827	(97,174)	8,471,653	0.47%	397

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Only debt repaid with general government resources is reported on this schedule.

^aYears 2009-2015 have been restated to reflect Restricted Funds per Statement of Net Position.

^bSee Schedule 5 for property value data.

^cSee Schedule 14 for population data.

City of Birmingham, Michigan

Schedule 11

Direct and Overlapping Governmental Activities Debt As of June 30, 2020

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Birmingham School District	\$ 227,915,000	46.08%	\$ 105,023,232
Oakland County ^a	317,015,768	4.18%	\$ 13,251,259
Oakland Intermediate School District	42,970,000	4.20%	\$ 1,804,740
Oakland Community College	-	4.22%	-
Other debt	-	N/A	-
Subtotal, overlapping debt			120,079,231
City direct debt (see schedule 9 for governmental activities)			7,409,610
Total direct and overlapping debt			\$ 127,488,841

Source: The net tax-supported debt (*debt repaid with property taxes*) information was provided by the Municipal Advisory Council of Michigan. The Percentages for each entity are calculated by dividing the City's 2018 taxable value by the taxable value for each entity.

^aIncludes general-obligation building authority and special assessment debt of the governmental activities and Oakland County's share of Drainage District bonds. The County portion of the drain bonds is identified as general obligation. The Drainage District is a component unit of Oakland County. Not included are various water and/or sewage disposal bonds included in Oakland County's governmental activities. These bonds represent contracts between Oakland County and benefiting municipalities. The County is obligated only upon default of a local municipality.

City of Birmingham, Michigan

Schedule 12

	Fiscal Year Ended June 30			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 208,827	\$ 189,778	\$ 189,199	\$ 199,264
Total net debt applicable to limit	<u>33,183</u>	<u>30,639</u>	<u>27,913</u>	<u>26,146</u>
Legal debt margin	<u>\$ 175,644</u>	<u>\$ 159,139</u>	<u>\$ 161,286</u>	<u>\$ 173,118</u>
Total net debt applicable to the limit as a percentage of debt limit	15.89%	16.14%	14.75%	13.12%

Source: City of Birmingham Finance Department

^aThe legal debt limit is set forth in Section 117.4a of Act 279 of 1909 (Home Rule City Act). This act also defines allowed deductions.

^b Act No. 202, P.A. 1943 as amended by Act. No. 42, P.A. 1960 defines assessed valuation.

Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2019-2020

2019 State Equalized Valuation	\$ 3,265,152
Debt limit ^a (10% of State Equalized Valuation ^b)	326,515
Debt applicable to limitation:	
Total bonded and contractual debt	9,539
Legal debt margin	<u>\$ 316,976</u>

Fiscal Year Ended June 30					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 218,375	\$ 249,616	\$ 275,287	\$ 289,690	\$ 305,622	\$ 326,515
<u>23,924</u>	<u>21,501</u>	<u>19,273</u>	<u>16,385</u>	<u>12,513</u>	<u>9,539</u>
<u>\$ 194,451</u>	<u>\$ 228,115</u>	<u>\$ 256,014</u>	<u>\$ 273,305</u>	<u>\$ 293,109</u>	<u>\$ 316,976</u>
10.96%	8.61%	7.00%	5.66%	4.09%	2.92%

City of Birmingham, Michigan

Schedule 13

Pledged-Revenue Coverage
Last Ten Fiscal Years

The City has no pledged-revenue coverage requirements over the past 10 years.

City of Birmingham, Michigan

Schedule 14

Demographic and Economic Statistics Last Ten Calendar Years

Calendar		Number	Median	Per		Total	Public	
Year	Population ^a	of Households ^a	Household Income ^b	Capita Income ^c	Median Age ^d	School Enrollment K-12 ^e	School Enrollment K-12 ^f	Unemployment Rate ^g
2010	20,103	9,039	101,529	69,151	41.9	3,452	2,457	8.1
2011	20,284	9,062	100,473	67,580	41.6	3,464	2,617	6.4
2012	20,682	9,192	100,789	68,806	41.5	3,467	2,685	5.6
2013	20,920	9,250	98,750	67,663	40.8	3,442	2,717	5.1
2014	21,805	9,592	107,161	69,172	40.5	3,749	2,765	4.4
2015	22,219	9,724	108,135	71,972	41.2	3,773	2,535	3.1
2016	22,358	9,734	112,545	75,132	41.0	3,781	2,574	2.1
2017	20,472	9,553	108,135	71,972	41.2	3,801	2,523	1.7
2018	20,319	9,530	114,537	78,668	41.2	3,483	2,473	2.4
2019	20,836	9,530	N/A	N/A	N/A	3,673	2,571	2.5
2020	21,322	9,425	117,670	83,640	42.7	316	N/A	2.0

Sources:

^a2010 data is from U.S. Census Bureau for 2010.

Estimates for 2008-2009 and 2011-2017 are from SEMCOG, Southeast Michigan Council of Governments.

^b 2008-2009 Estimates are from Oakland County Planning & Economic Development. 2010-2015 estimates are from US Census Bureau 5-Yr American Community Survey.

^cEstimated per capita income figures for non-census years are not readily available below the county level. The amount shown for 2008 is an estimate based on revised values for three surrounding communities within Oakland County with a population greater than 20,000. It is assumed that no significant changes occurred in the relative values between Birmingham and these larger surrounding communities between 2000 (the most recent U.S. Census year) and 2008. This estimate was prepared by the Birmingham Finance Department. 2009 - 2015 estimates are from the US Census Bureau 5-Yr American Community Survey.

^d 2010 data is from U.S. Census Bureau for 2010.

2011- 2015 estimates are from US Census Bureau 5-Yr American Community Survey.

^eRepresents Birmingham residents enrolled in public and private schools, kindergarten through high school.

2010-2015 estimates are from U.S. Census Bureau 5-Yr American Community Survey.

^fPer Birmingham Public Schools. Data reflects enrollment of Birmingham residents.

^gData is from the Michigan Department of Technology, Management and Budget (DTMB) and reflects the annual average as of December 31 of the prior year.

N/A = not available

City of Birmingham, Michigan

Schedule 15

Employer	Product or Service	2020^a		
		Employees	Rank	Percentage of Total City Employment^c
Birmingham Public Schools ^d	Primary education	512	1	2.45%
City of Birmingham ^e	Government services	351	2	1.68%
Townsend Hotel	Hotel/restaurant	250	3	1.20%
Max Brook Realtors	Real estate sales	250	4	1.20%
UM Detroit	Multi-media services	215	5	1.03%
Kroger Co. of Michigan	Supermarket chain	160	6	0.77%
Coldwell Banker Weir Manuel	Real estate sales	150	7	0.72%
Community House	Meeting/event venue	140	8	0.67%
National Realty Centers	Real estate sales	131	9	0.63%
Whole Foods Market	Supermarket Chain	120	10	0.57%
Munder Capital Management	Investment counselors	-		0.00%
Home Instead Senior Care	Home Care Assistance	-		0.00%
McCann Worldgroup	Advertising and marketing	-		0.00%
Morgan Stanley	Investment counselors	-		0.00%
Total		2,279		10.92%

^aSources include Reference USA, an on-line data base (<http://www.referenceusa.com>) and previous Top Employer lists used by the Birmingham Finance Dept.

Numbers reported by the employers may include part-time employees and/or independent contractors.

^bThe primary source is the 2011 Community Profile prepared by Oakland County Planning & Economic Development as modified by the City Finance Department.

Rankings have changed due to restatement of City of Birmingham. See footnote e for details.

^cThe source for total employment data is SEMCOG (Southeast Michigan Council of Governments). The number used for 2011 is 18,072 based on an estimate for 2000. The number used for 2020 is 20,914 based on an estimate for 2020 by SEMCOG.

These numbers do not include construction, farming, or military employment.

They do include full-time and part-time as well as the self-employed.

^dThe 2011 number represents all school district employees, not just the employees working within Birmingham city limits.

^e 2020 reflects all budgeted positions for fiscal year 2019-2020. The number for 2011 has been restated to reflect all budgeted positions for fiscal year 2010-2011.

Principal Employers
Current Year and Nine Years Ago

2011 ^b		
Employees	Rank	Percentage of Total City Employment ^c
1,303	1	7.21%
285	3	1.58%
192	4	1.06%
150	6	0.83%
-		0.00%
130	8	0.72%
140	7	0.77%
-		0.00%
-		0.00%
-		0.00%
152	5	0.84%
130	9	0.72%
452	2	2.50%
100	10	0.55%
<hr/> 3,034 <hr/>		<hr/> 16.78% <hr/>

City of Birmingham, Michigan

Schedule 16

Average FTE for the Fiscal Year Ended June 30					
<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government					
Finance	7.43	7.15	7.18	6.51	6.57
Treasury	6.36	6.38	6.41	6.37	6.32
City Manager/Human Resources	4.74	4.64	4.18	3.42	3.31
Assessor	-	-	-	-	-
Other ^a	9.85	6.72	7.18	7.37	7.50
Public Safety					
Firefighters and officers	27.65	26.04	25.75	26.46	28.15
Police officers and command	32.06	29.77	28.31	26.66	28.06
Police civilians	14.84	13.83	15.99	18.27	19.46
Fire civilians	0.40	-	-	-	-
Public Works					
Engineering	5.57	5.07	4.76	4.27	5.29
Public service operations ^b	20.19	19.75	19.41	19.56	19.26
Community and Economic Development					
Building department	9.34	8.44	9.00	10.05	10.18
Planning department	4.08	2.81	3.10	2.93	3.33
Recreation and Culture ^c	14.12	12.27	12.59	12.19	13.17
Water and Sewer					
Water- and sewer-main maintenance	7.08	5.94	6.76	5.88	5.01
Water meter shop	2.79	2.84	2.67	2.96	2.62
Automobile Parking ^d	3.48	3.78	3.28	2.63	2.92
Golf Courses	12.88	12.32	12.26	10.41	11.56
Total Primary Government	<u>182.86</u>	<u>167.75</u>	<u>168.83</u>	<u>165.94</u>	<u>172.71</u>
Component Units					
Library	39.54	34.42	30.23	30.29	29.86
Principal Shopping District	<u>3.65</u>	<u>3.87</u>	<u>4.05</u>	<u>3.77</u>	<u>4.24</u>
Total City	<u>226.05</u>	<u>206.04</u>	<u>203.11</u>	<u>200.00</u>	<u>206.81</u>

Source: Finance Department payroll records.

Note: Unless otherwise noted, the FTEs for each function and sub-function were calculated by dividing the total number of payroll hours expensed (includes leave hours but not overtime) by 2,080 (52 weeks X 40 hours) or 2,912 (52 weeks X 56 hours) for firefighters. Department of Public Service functions include public service operations, recreation and culture, water and sewer-main maintenance, and golf course operations & maintenance. Supervisory and clerical employees are allocated to these functions on a percentage basis. All other employees are expensed directly to these functions based on tasks performed.

^aIncludes City Clerk, City Hall & Grounds, and Information Technology.

^bIncludes street cleaning & maintenance, maintenance of street trees and public property (except parks), and vehicle & equipment pool maintenance.

^cIncludes ice arena and museum operations, maintenance of parks and public gardens.

^dCity employees collect money from parking meters, repair/replace meters and maintain the grounds adjacent to the parking structures.

Full-time Equivalent City Government
Employees by Function/Program
Last Ten Fiscal Years

Average FTE for the Fiscal Year Ended June 30

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
5.85	6.22	6.31	6.47	5.99	6.23
6.29	6.45	5.73	5.74	5.60	5.22
3.59	4.26	4.16	4.89	5.67	6.23
-	-	-	-	-	-
8.02	7.96	7.33	8.23	6.77	7.50
27.79	27.94	28.36	28.33	29.83	33.50
30.30	32.29	31.58	31.56	30.11	31.10
18.41	16.97	19.37	19.90	21.63	21.52
-	-	-	-	-	-
5.30	5.68	5.79	5.46	6.01	6.41
19.70	23.67	22.16	23.42	22.82	27.31
10.55	11.42	11.35	10.74	12.40	12.44
3.69	3.59	4.12	4.93	5.27	3.87
12.52	8.53	8.65	10.71	12.73	13.13
6.50	6.82	5.71	5.56	6.04	5.45
2.01	2.53	2.00	1.98	-	-
2.93	3.24	2.33	2.93	2.03	1.56
10.90	8.00	8.59	7.59	7.90	8.02
<u>174.35</u>	<u>175.57</u>	<u>173.54</u>	<u>178.44</u>	<u>180.80</u>	<u>189.49</u>
30.41	32.15	32.52	34.28	35.11	38.90
<u>5.06</u>	<u>3.41</u>	<u>3.49</u>	<u>4.00</u>	<u>3.90</u>	<u>2.14</u>
<u><u>209.82</u></u>	<u><u>211.13</u></u>	<u><u>209.55</u></u>	<u><u>216.72</u></u>	<u><u>219.81</u></u>	<u><u>230.53</u></u>

City of Birmingham, Michigan

Schedule 17

<u>Function/Program</u>	<u>Fiscal Year Ended June 30</u>					
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government						
Registered voters ^a	15,763	15,996	16,557	16,623	16,578	16,506
Ballots cast in November election	2,841	9,483	4,285	13,106	2,134	9,046
Taxpayers	11,597	11,578	11,488	11,451	11,035	11,464
Average rate of return on city investments	2.15%	1.31%	0.81%	0.65%	0.56%	0.58%
Vendor payments issued	6,657	6,536	6,829	7,078	6,965	7,466
Public Safety						
Fire Department ^b						
Total alarms	1,634	1,896	1,761	1,799	2,023	2,078
Fires	40	41	26	42	24	37
Rescues/extrications (medical runs)	926	1074	1,058	1,064	1,131	1,092
Other runs	668	781	677	693	868	949
Fire inspections ^c	610	673	492	544	961	525
Police Department ^b						
Responses to calls for service	16,031	17,713	16,983	16,571	18,372	17,678
Adult arrests	328	257	235	351	483	470
Parking violations	33,827	27,695	31,844	30,182	31,535	34,127
Moving violations	6,980	5,329	5,122	6,610	8,564	7,987
Public Works						
Tons of municipal solid waste collected	8,942	9,255	9,511	9,202	9,435	9,847
City vehicles/equipment serviced per month ^d	45	63	62	92	92	88
Street trees planted	315	212	266	199	231	270
Street trees removed	232	187	217	195	243	303
Community & Economic Development						
Building & demolition permits issued	611	710	770	749	894	990
Total construction value (in thousands)	\$53,457	\$40,010	\$44,790	\$57,311	\$94,526	\$94,517
Recreation & Culture						
Skaters in ice arena basic skills program	1,100	1,100	1,100	1,100	1,300	1,300
Mens softball teams	5	5	6	5	5	5
Water & Sewer						
Water customers	8,634	8,598	8,575	8,578	8,514	8,545
Water meters in service	8,693	8,702	8,714	8,711	8,662	8,663
Automobile Parking						
Five parking structures						
Active parking permits at June 30	2,975	3,063	3,311	3,472	3,691	3,705
Transient parkers (includes free parkers)	1,166,818	1,194,026	1,276,274	1,215,272	985,842	890,547
Free parkers	750,919	777,870	831,730	786,390	591,569	510,828
Golf Courses (calendar year)						
Rounds played-Lincoln Hills	21,335	21,925	25,240	28,397	26,965	31,741
Rounds played-Springdale	25,782	19,668	28,996	24,669	23,119	23,862
Business memberships	105	84	101	99	102	109
Non-resident memberships						
Individual	365	343	398	402	406	474
Family	25	29	60	65	77	78
Dual	121	111	186	184	174	194
Junior golf registrations	341	457	462	442	430	467

Operating Indicators by Function/Program
Last Ten Fiscal Years

Fiscal Year Ended June 30				
2016	2017	2018	2019	2020
17,056	17,181	17,186	17,455	18,913
3,853	13,270	1,679	12,282	4,866
11,451	11,318	11,335	11,335	9,761
0.58%	0.84%	1.06%	1.77%	1.90%
7,638	8,061	8,272	8,809	8,218
2,032	2,211	2,441	2,602	2,748
30	55	36	30	40
1,106	1,298	1,385	1,465	1,616
896	858	1,056	1,107	1,092
596	824	1,046	2,086	2,130
16,771	14,863	17,945	21,032	20,537
337	381	528	393	398
25,010	34,078	37,278	40,637	45,691
6,819	6,432	6,960	7,157	4,096
10,042	10,135	9,543	9,162	9,275
48	45	46	48	46
275	220	236	241	181
197	168	204	146	170
1,015	943	1,102	1,102	966
\$123,240	\$122,285	\$93,516	\$93,516	73,065
1,300	1,400	1,500	381	392
4	0	0	0	0
8,604	8,852	8,920	8,925	8,821
8,666	8,688	8,686	8,686	8,605
3,803	3,729	3,640	4,116	4,341
1,063,778	1,028,327	981,620	991,152	681,514
615,992	608,952	470,046	428,754	358,814
29,029	24,956	21,958	23,694	27,243
24,811	20,381	18,328	20,223	24,263
109	91	107	70	68
465	502	499	558	636
85	84	59	64	106
209	220	222	219	247
493	471	484	477	341

City of Birmingham, Michigan

Schedule 17

	Fiscal Year Ended June 30					
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Function/Program						
Component Units:						
Library						
Registered patrons	30,904	33,989	33,257	40,219	42,651	44,674
Book collections	140,330	143,427	139,836	141,028	140,974	143,623
Audiovisual collections	28,764	29,675	30,730	30,932	43,241	43,039
Items circulated	752,351	721,380	666,701	642,989	633,487	593,922
Patron visits	357,374	325,976	322,042	326,943	304,836	288,124
Circulation per capita ^e	24.5	22.9	18.9	18.2	17.9	16.8
Program attendance	25,677	25,881	24,329	25,213	26,735	27,190
Public computer log-ins	66,425	57,194	54,526	54,621	53,977	52,604
Data base usage or "number of sessions" ^f	61,421	63,122	74,679	97,710	10,508	9,979
Principal Shopping District						
Retail occupancy rate as of June 30 ^g	92.6%	94.7%	96.5%	97.0%	98.0%	98.0%
Total events	NRA	NRA	NRA	NRA	NRA	NRA
Hosted events	12	12	11	12	12	11
Sponsored events	NRA	NRA	NRA	NRA	NRA	NRA
PR media impressions (in millions) ^h	50.0	50.2	50.5	50.0	50.0	55.0
Website "hits" or "unique viewers" per month ⁱ	264,000	270,000	270,000	6,200	6,500	5,600
Flower planters/baskets maintained	165	205	225	250	275	300

Source: City Department records

Notes:

N/A=Not available

NRA = Not readily available

^aDate of count varies.

^bAll numbers reflect the calendar year ending midway through fiscal year.

^cNumbers reflect annual inspection in all buildings except single and duplex residential.

^dYear 2009 is an estimate.

^eBased on the service area of the library which includes Birmingham, Beverly Hills, Bingham Farms and beginning in 2011, Bloomfield Hills. Years 2009 to 2010 are based on the 2000 census population of 30,758. Year 2011 is based on the 2010 census population of 31,481 less Bloomfield Hills. Years 2012 to 2017 are based on the 2010 census population of 35,350.

^fFor years 2009 to 2013, the measurement of data base usage varied from vendor to vendor.

Some vendors provided number of sessions, others the number of searches, and others the number of search results.

Starting in year 2014, the same criterion has been used for each vendor: the number of sessions.

^gRetail occupancy is based on the total number of retail (1st floor) square footage in the PSD, divided by the total square footage of retail space for lease in the same area.

^hMedia impressions is an industry-standard formula that tracks "earned" media coverage. This isn't paid advertising; it represents how many people have seen/heard the PSD's message/story in the news media.

ⁱFor years 2009 to 2012, the numbers represent the approximate number of times an individual or search engine scans the PSD web site. Starting in year 2013, the numbers represent average "monthly unique viewers" captured through a new web analytic.

Library "Book Collections" is based

Operating Indicators by Function/Program (Continued)
Last Ten Fiscal Years

Fiscal Year Ended June 30				
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
44,296	40,848	41,506	30,130	25,540
126,154	115,974	110,733	118,419	84
40,230	40,458	41,506	28,544	46
566,182	488,031	503,941	541,442	451,864
287,131	270,842	267,938	241,058	167,298
16.0	13.8	14.3	15.3	12.8
28,870	35,528	35,959	40,658	26,558
112,201	227,413	252,174	275,319	9,587
13,711	13,987	17,437	15,141	190,802
96.0%	97.0%	96.0%	96.0%	96.0%
16	16	16	16	14
11	10	10	10	7
5	6	6	6	7
NRA	60	70	86	89
6,481	7,524	5,699	7,500	8,200
235	227	227	227	227

City of Birmingham, Michigan

Schedule 18

	Fiscal Year ended June 30					
	2010	2011	2012	2013	2014	2015
<u>Function/Program</u>						
General Government						
City hall (square footage)	24,282	24,282	24,282	24,282	24,282	24,282
Library building (square footage)	30,470	30,470	30,470	30,470	30,470	30,470
Public Safety						
Fire stations	2	2	2	2	2	2
Fire Pumpers	3	3	3	4	4	4
Other fire vehicles (includes 1 aerial tower)	8	8	7	8	8	7
Police precincts	1	1	1	1	1	1
Public Works						
DPS administrative building & garage (square footage)	36,365	36,365	36,365	36,365	36,365	36,365
Major Streets (miles)	21.87	21.87	21.87	21.87	21.87	21.87
Local Streets (miles)	62.58	62.66	63.00	63.00	63.00	63.08
Sidewalks (miles)	129.03	129.03	129.03	129.03	129.03	129.03
Bridges	9	9	9	9	9	9
Vehicles in city fleet (excluding fire) ^b	85	85	92	83	83	85
Recreation & Culture						
Parks	18	18	18	18	18	18
Park land/public property (acres)	230+	230+	230+	230+	230+	230+
Trees on park/public land	25,000	25,000	25,000	25,000	25,000	25,000
Tennis courts	16	16	16	16	16	16
Baseball diamonds	1	1	1	1	1	1
Softball diamonds	1	1	1	1	1	1
Little League diamonds	6	6	6	6	6	6
Ice arena	1	1	1	1	1	1
Historical museum	1	1	1	1	1	1
Skate park	1	1	1	1	1	1
Water & Sewer						
Water mains (miles)	100.85	100.85	100.85	100.85	100.85	100.85
Sanitary sewers (miles)	115.41	115.41	115.41	115.41	115.41	115.41
Fire hydrants (city-owned) ^c	825	829	828	828	840	840
Water storage tanks (500,000 gal.)	2	2	2	2	2	2
Line gate valves	1,289	1,289	1,289	1,289	1,289	1,289
Automobile Parking						
Parking structures	5	5	5	5	5	5
Revenue-generating public parking spaces						
Metered spaces (streets & surface lots)	1,311	1,309	1,238	1,238	1,238	1,238
Parking structure spaces	3,579	3,579	3,579	3,579	3,579	3,579
Total	4,890	4,888	4,817	4,817	4,817	4,817
Golf Courses (nine-hole)	2	2	2	2	2	2

Source: City Department records


Notes:

^aThe City of Birmingham occupies 4.73 square miles.

^bSelf-propelled licensed vehicles.

^c Numbers for 2014 and 2015 are estimates.

Capital Asset Statistics by Function/Program^a
Last Ten Fiscal Years

Fiscal Year Ended June 30				
2016	2017	2018	2019	2020
24,282	24,282	24,282	24,282	24,282
30,470	30,470	30,470	30,170	30,170
2	2	2	2	2
4	4	4	4	4
4	6	6	7	10
1	1	1	1	1
36,365	36,365	36,365	36,365	36,365
21.87	21.82	21.82	21.82	22
63.08	63.13	63.13	63.13	63
129.13	129.13	129.13	129.13	129
9	9	9	9	9
84	82	83	81	85
18	18	18	16	16
230+	230+	230+ 	231.4	231.4
25,000	25,000	25,000	25,000	25,000
16	16	16	16	16
1	1	1	1	1
1	1	1	3	3
6	6	6	5	5
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
100.85	100.85	100.85	100.85	100.85
115.41	115.41	115.41	116.00	116
848	848	848	862	862
2	2	2	2	2
1,289	1,289	1,289	1,289	1,289
5	5	5	5	5
1,262	1,262	1,273	1,270	1,279
3,579	3,579	3,579	3,618	3,579
4,841	4,841	4,852	4,891	4,858
2	2	2	2	2

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