

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

Fiscal Year Ended June 30, 2021

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

Thomas M. Markus

Director of Finance/Treasurer

Mark Gerber

This page intentionally left blank.

City of Birmingham, Michigan

Contents

Introductory Section

Letter of Transmittal	i-v
Certificate of Achievement	vi
Organization Chart	vii

Financial Section

Report Letter	1-2
Management's Discussion and Analysis	3-13
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15-16
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	17
Reconciliation of Fund Balances to the Statement of Net Position	18
Statement of Revenue, Expenditures, and Changes in Fund Balances	19
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Proprietary Funds:	
Statement of Net Position	21
Statement of Revenues, Expenses, and Changes in Net Position	22
Statement of Cash Flows	23-24
Fiduciary Funds:	
Statement of Fiduciary Net Position	25
Statement of Changes in Fiduciary Net Position	26
Component Units:	
Statement of Net Position	27
Statement of Activities	28-29
Notes to the Financial Statements	30-76
Required Supplemental Information	
Budgetary Comparison Schedule:	
General Fund	77

City of Birmingham, Michigan

Contents (continued)

Required Supplemental Information (Continued)

Pension System Multiyear Schedule of Changes in the Employers' Net Pension Liability and Related Ratios	78-79
Pension System Multiyear Schedule of Contributions	80
Pension System Multiyear Schedule of Investment Returns	81
OPEB Plan Multiyear Schedule of Changes in the Net OPEB Liability and Related Ratios	82-83
OPEB Plan Multiyear Schedule of Contributions	84
OPEB Plan Multiyear Schedule of Investment Returns	85
Notes to Required Supplemental Information	86-89

Other Supplemental Information

Nonmajor Governmental Funds:	
Combining Balance Sheet	90-91
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	92-93
Budgetary Comparison Schedule – Capital Projects Fund	94
Budgetary Comparison Schedule – Solid Waste Fund	95
Budgetary Comparison Schedule – Community Development Block Grant Fund	96
Budgetary Comparison Schedule – Law and Drug Fund	97
Budgetary Comparison Schedule – Debt Service Fund	98
Budgetary Comparison Schedule – Greenwood Cemetery Perpetual Care Fund	99
Internal Service Funds:	
Combining Statement of Net Position	100
Combining Statement of Revenues, Expenses, and Changes in Net Position	101
Combining Statement of Cash Flows	102
Fiduciary Funds:	
Combining Statement of Net Position	103-104
Combining Statement of Changes in Net Position	105-106
GAAP Based General Fund:	
Balance Sheet	107
Schedule of Revenues, Expenditures, and Changes in Fund Balance	108
Budgetary Comparison Schedules:	
Major Street Fund	109
Local Street Fund	110

City of Birmingham, Michigan

Contents (continued)

Statistical Section

Description of Contents	111
Financial Trends – Last Ten Fiscal Years:	
Net Position by Component	112-113
Changes in Net Position	114-117
Fund Balances – Governmental Funds	118-119
Changes in Fund Balances – Governmental Funds	120-121
Revenue Capacity – Last Ten Fiscal Years:	
Assessed and Taxable Value of Property	122-123
Direct and Overlapping Property Tax Rates	124-125
Principal Property Tax Payers	126-127
Property Tax Levies and Collections	128-129
Debt Capacity – Last Ten Fiscal Years:	
Ratios of Outstanding Debt by Type	130-131
Ratios of Net General Bonded Debt Outstanding	132
Direct and Overlapping Governmental Activities Debt	133
Legal Debt Margin Information	134-135
Pledged-Revenue Coverage	136
Demographic and Economic Information:	
Demographic and Economic Statistics Last Ten Calendar Years	137
Principal Employers Current Year and Nine Years Ago	138-139
Operating Information – Last Ten Fiscal Years:	
Full-Time Equivalent City Government Employees by Function/Program	140-141
Operating Indicators by Function/Program	142-145
Capital Asset Statistics by Function/Program	146-147

This page intentionally left blank.

Introductory Section

This page intentionally left blank.



November 22, 2021

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

With this letter, we are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021 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, 2021 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 21,813, 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. As a result of the COVID-19 pandemic, the county's labor force decreased almost 10% to 673,000 at the end of 2020. It is projected that the labor force will increase to 701,000 by the end of 2021 and steadily increase to pre-pandemic levels sometime in 2023. While some industries have fully-recovered, other areas of the economy such as accommodation and food services and retail services will likely not fully-recover until COVID-19 is contained. Oakland County's unemployment rate as of June 30, 2021, was 3.6 percent which is substantially lower than a year ago when it was 15.5 percent. This compares to a state unemployment rate of 5 percent and national rate of 5.9 percent for June 30, 2021.

The economic picture for suburban Oakland County, where Birmingham is located, has been steadily improving since March 2020. 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 availability of vaccines. Oakland County's population had a fully vaccinated rate of 54.5% as of June 2021 which was slightly better than the state vaccination rate of 53.9%. Vaccination rates have not improved much since then. As a result, the state is experiencing its third major COVID wave of cases. How quickly the other areas of the economy recovers will depend on how quickly the remaining population is vaccinated. The area continues to be the premier local economy in Michigan and is among the most prominent county economies in the nation ranking ninth out of 40 similar counties nation-wide.

Birmingham is an affluent City, with per capita income of \$87,233 compared to Michigan's per capita income of \$31,713. 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 2021, retail occupancy in the City's Principal Shopping District was at 96%, which was the same as last year. The downtown's office market decreased slightly from an 89% occupancy rate in 2020 to an 88% occupancy rate in June 2020. 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 five years. New residential construction permits are up from the previous year with 73 new housing permits issued during the year. In addition, there are currently 22 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 annually budgets on a three-year basis which allows the City to plan 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 April 2021. 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 11%, 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 2022 approximately \$13.7 million in capital investment in the City. This includes \$6.5 million in road and sidewalk improvements which include: Redding Road between Lake Park to Woodward, Oakland Blvd. between N. Old Woodward Ave. to Woodward Ave., Pierce between Lincoln and Bird, S. Old Woodward between Brown and Lincoln (design work), Edgewood between Lincoln and Southlawn, and unimproved street construction. The City has also planned approximately \$3.7 million in water and sewer improvements related to the road improvements. Additionally, the City is planning \$.9 million in park improvements and \$2.6 million in parking structure improvements. Vehicle and equipment replacements are planned to cost \$.9 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 2020 actuarial report declined to 83.5% compared to 84.1% 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, 2021 totaled \$2.7 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 36.58% 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, 2021. The retiree health-care defined benefit plan was 79.2% funded as of the latest actuarial valuation dated June 30, 2020 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 15.

Awards and Acknowledgements

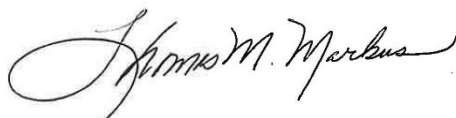
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Birmingham for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. This was the 31st consecutive 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 2021 annual budget. This was the 31st 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,



Thomas M. Markus



Mark Gerber



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

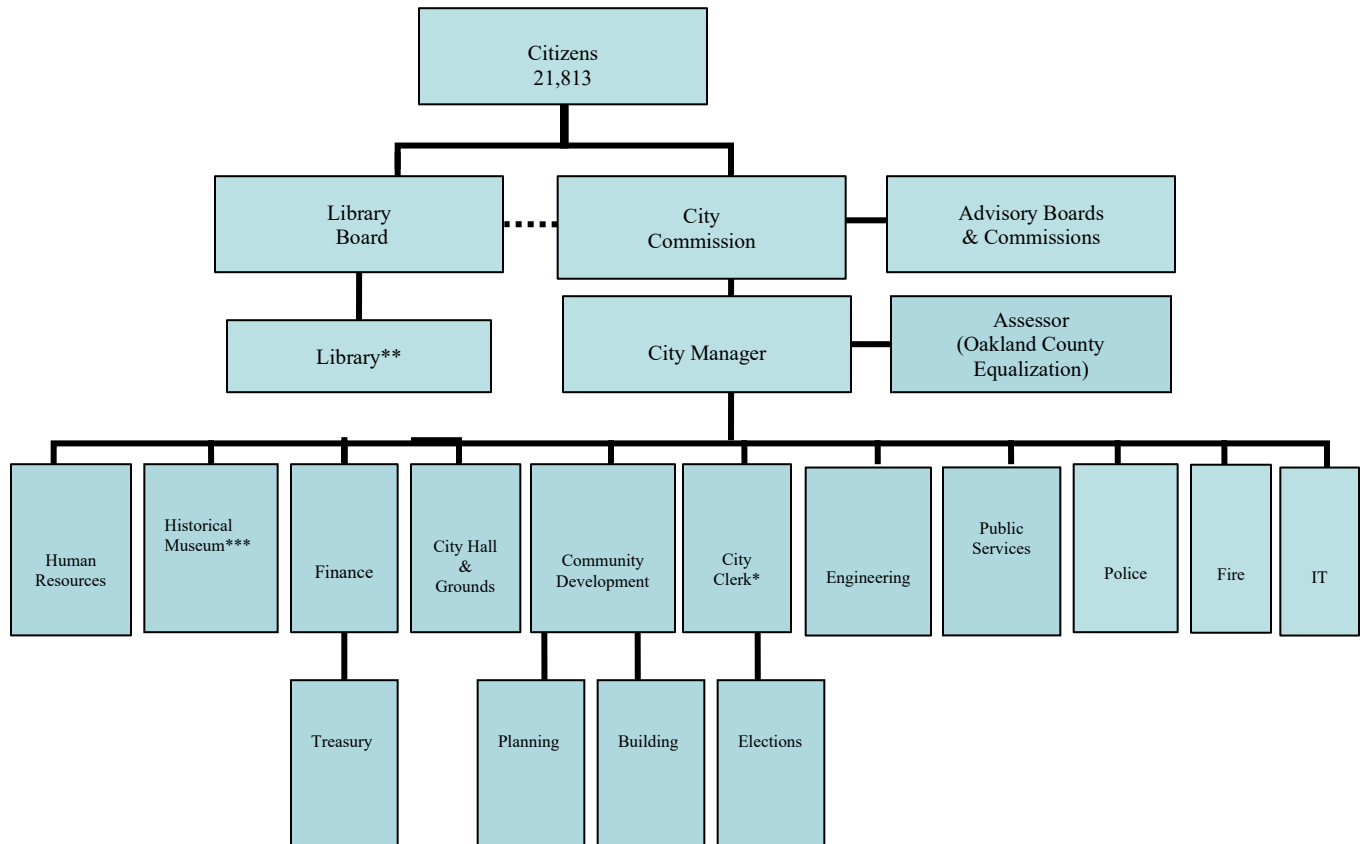
June 30, 2020

Christopher P. Morill

Executive Director/CEO

Birmingham

2020-2021 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.

This page intentionally left blank.

Financial Section



This page intentionally left blank.

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, 2021 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2021 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.

Emphasis of Matter

As discussed in Note 18 to the financial statements, during the current year, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

This page intentionally left blank.

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 and other required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 and statistical sections 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 and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2021 on our consideration of the City of Birmingham, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Birmingham, Michigan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Birmingham, Michigan's internal control over financial reporting and compliance.

Plante & Moreau, PLLC

November 9, 2021

This page intentionally left blank.

Management's Discussion and Analysis

This page intentionally left blank.

City of Birmingham, Michigan

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, 2021:

- The City's total revenues were \$63.5 million, while expenses totaled \$48.8 million.
 - Governmental activities generated \$42.4 million in revenue and \$29.8 million in expenses.
 - Business-type activities generated \$21.1 million in revenue and \$19 million in expenses.
- Total net position of the City increased by \$14.7 million this year.
 - Total net position related to the City's governmental activities increased by approximately \$12.7 million. Of that amount, investment in capital assets increased by \$5.4 million, restricted net position increased by \$.6 million, and unrestricted net position increased by \$6.7 million.
 - Net position of our business-type activities increased overall by \$2 million. Of that amount, \$1.6 million was invested in capital assets while unrestricted net position increased by \$.4 million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$14.9 million, or 36.7 percent, of total General Fund expenditures and transfers out (including major and local street activity). Total unassigned fund balance of the General Fund decreased \$51,000 from the prior year.

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:

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

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.

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.

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

- **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.

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 7 percent from last year to \$225.1 million (See Table A-1). The following table shows, in a condensed format, the net position of the City as of June 30, 2021 and 2020:

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2021	2020	2021	2020	2021	2020	2020-2021
Assets							
Current and other assets	\$ 55.6	48.9	\$ 37.0	37.4	\$ 92.6	\$ 86.3	7.3
Capital assets	<u>91.7</u>	<u>87.4</u>	<u>88.7</u>	<u>88.8</u>	<u>180.4</u>	<u>176.2</u>	2.4
Total assets	147.3	136.3	125.7	126.2	273.0	262.5	4.0
Deferred Outflows of Resources	1.4	8.3	0.1	0.7	1.5	9.0	(83.3)
Liabilities							
Current liabilities	7.1	4.8	2.4	2.7	9.5	7.5	26.7
Long-term liabilities	<u>19.3</u>	<u>44.8</u>	<u>1.7</u>	<u>5.7</u>	<u>21.0</u>	<u>50.5</u>	(58.4)
Total liabilities	26.4	49.6	4.1	8.4	30.5	58.0	(47.4)
Deferred Inflows of Resources	17.4	2.8	1.5	0.3	18.9	3.1	509.7
Net Position							
Net investment in capital assets	85.7	80.3	87.6	86.0	173.3	166.3	4.2
Restricted	3.0	2.4	-	-	3.0	2.4	25.0
Unrestricted	<u>16.2</u>	<u>9.5</u>	<u>32.6</u>	<u>32.2</u>	<u>48.8</u>	<u>41.7</u>	17.0
Total net position	<u>\$ 104.9</u>	<u>\$ 92.2</u>	<u>\$ 120.2</u>	<u>\$ 118.2</u>	<u>\$ 225.1</u>	<u>\$ 210.4</u>	7.0

The City's total current assets increased \$6.3 million, or 7.3 percent, because of an increase in restricted assets of \$4.2 million, an increase in cash and investments of \$1.3 million, and an increase in receivables from other governments of \$.8 million. Governmental activities restricted assets increased \$4.3 million because of bond proceeds from a sale in May 2021. Governmental activities cash and investments increased \$1.6 million as a result of unfinished capital projects at year end. Governmental activities receivables from other governments increased \$.8 million as a result of grant receivables. Business-type activities current assets decreased \$.4 million primarily from a decrease in cash and investments as a result of operations in the Automobile Parking System Fund. Governmental activities capital assets increased \$4.3 million due to road and sidewalk projects in process at year-end. Business-type activities capital assets remained approximately the same.

Deferred outflows of resources decreased \$7.5 million, or 83.3%, because investment earnings on pension and retiree health care investments were significantly higher than expected due to the stock market recovery from the initial pandemic losses in the prior year. The deferred outflows will be expensed to future years as an increase to pension and OPEB expense.

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

The City's current liabilities increased \$2 million, or 26.7 percent, primarily due to an increase in accounts payable at year-end as a result of more capital projects in progress than in the prior fiscal year. The decrease in long-term liabilities of \$29.5 million, or 58.4 percent, is primarily the result of a decrease in net pension liability of \$21.3 and a decrease of net OPEB liability of \$10.2 million due to a significant increase in plan assets from the prior year. This was partially offset by an increase in other governmental activities long-term debt of \$3.6 million related to a new bond issue. The decrease in long-term debt in the business-type activities of \$4 million is related to a decrease in net pension liability of \$1.3 million, a decrease in net OPEB liability of \$1 million, and a decrease in other long-term liabilities of \$1.7 million.

Deferred inflows of resources increased \$15.8 million due to significant investment earnings in the pension and OPEB plans. Deferred inflows are allocated to future years and will be used to decrease pension and 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 \$12.7 million, or 13.8 percent, and net position related to business-type activities increased \$2 million, or 1.7 percent over the 2020 fiscal year. Of the City's total net position, 77 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 \$5.4 million, or 6.8 percent resulting from additions in capital assets being greater than depreciation during the year. Continued improvements to the City's water-mains and sanitary sewers (business-type activities) resulted in an increase of \$1.6 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 \$3 million at June 30, 2021 and increased by \$.6 million, or 25 percent, from the prior year, mostly the result of an increase in the market value of the cemetery perpetual care investments and an increase in 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 \$6.7 million, or 70 percent, mainly as a result of a net decrease in pension and OPEB expenses of \$7.6 million. Business-type activities unrestricted net position increased by \$.4 million, or 1.3 percent, related to water and sewer activities.

Changes in Net Position - The City's combined total revenue decreased \$4 million, or 5.9 percent from 2020 to 2021 as shown in Table A-2. The City's revenue comes from two major sources: property taxes and charges for services, which represent approximately 90 percent of total revenue. Property taxes represented 53 percent of total revenue in 2021 and 48 percent in 2020. Charges for services represented 37 percent of the total revenue in 2021 and 39 percent in 2020. The balance of the revenue is mainly from state and federal sources.

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

The City's total expenses of \$48.8 million decreased 6.2 percent from the prior year. The City's expenses cover a wide range of services, with public safety and public works representing approximately 42 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
	2021	2020	2021	2020	2021	2020	2020-2021
Revenues							
Program revenue:							
Charges for services	\$ 5.3	\$ 6.0	\$ 17.9	\$ 20.3	\$ 23.2	\$ 26.3	(11.8)
Operating grants and contributions	3.3	2.6	-	0.6	3.3	3.2	3.1
Capital grants and contributions	0.6	1.0	-	-	0.6	1.0	(40.0)
General revenue:							
Property taxes	30.5	29.6	3.2	2.7	33.7	32.3	4.3
State-shared revenue	2.3	2.0	-	-	2.3	2.0	15.0
Unrestricted investment earnings	0.4	1.6	-	1.2	0.4	2.8	(85.7)
Total revenues	42.4	42.8	21.1	24.8	63.5	67.6	(6.1)
Program Expenses							
General government	4.6	4.3	-	-	4.6	4.3	7.0
Public safety	11.5	13.9	-	-	11.5	13.9	(17.3)
Public works	8.8	9.0	-	-	8.8	9.0	(2.2)
Community and economic development	2.3	2.7	-	-	2.3	2.7	(14.8)
Recreation and culture	2.5	2.5	-	-	2.5	2.5	-
Interest on long-term debt	0.1	0.2	-	-	0.1	0.2	(50.0)
Water and sewer	-	-	14.5	13.9	14.5	13.9	4.3
Parking	-	-	3.6	4.5	3.6	4.5	(20.0)
Golf courses	-	-	0.9	1.0	0.9	1.0	(10.0)
Total expenses	29.8	32.6	19.0	19.4	48.8	52.0	(6.2)
Increase in Net Position Before Transfers	12.6	10.2	2.1	5.4	14.7	15.6	(5.8)
Transfers	0.1	(0.3)	(0.1)	0.3	-	-	-
Increase in Net Position	12.7	9.9	2.0	5.7	14.7	15.6	(5.8)
Net Position - Beginning of year	92.2	82.3	118.2	112.5	210.4	194.8	8.0
Net Position - End of year	<u>\$ 104.9</u>	<u>\$ 92.2</u>	<u>\$ 120.2</u>	<u>\$ 118.2</u>	<u>\$ 225.1</u>	<u>\$ 210.4</u>	7.0

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

Governmental Activities - Total revenue for governmental activities was approximately the same as the prior fiscal year at \$42.4 million. Taxes increased \$.9 million, or 3 percent, as a result of an increase in taxable value of 5.5 percent. Operating grants and contributions increased .7 million or 26 percent as a result of federal pandemic relief grants. Transfers increased \$.4 million as a result of a \$.5 million transfer to the water fund in the prior fiscal year. State-shared revenue increased \$.3 million, or 13.3 percent, as result of an increase in state sales tax distribution. Investment earnings decreased \$1.2 million, or 74.4 percent, due to changes in treasury bond prices. Charges for services decreased \$.7 million, or 9.6 percent, as a result of a decline in court and parks and recreation revenues. Capital grants and contributions decreased \$.4 million, or 44.5 percent, as a result of a decrease in special assessment revenue.

Total expenses decreased \$2.8 million or 8.6 percent. The decrease in expenses was attributable to a decrease in public safety expenses of \$2.4 million and a decrease in community development expenses of \$.4 million. The decrease in public works and general government was primarily the result of a decrease in pension costs. The decrease in community development was primarily the result of a decrease in contractual inspection services.

Business-type Activities - Total revenue for business-type activities decreased by \$3.7 million, or 16.1 percent, primarily as a result of a decrease in charges for services of \$4 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 1.5%, primarily related to the Automobile Parking System Fund. The decrease of \$.9 million was the result of minimizing operating costs of the parking structures during the period when most office workers were working from home. This decrease was partially offset by an increase in expenses for the water and sewer funds of \$.6 million as a result of an increase in sewage disposal costs and costs associated with lead service line abatement.

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 2021 is the General Fund.

As of June 30, 2021, the governmental funds of the City of Birmingham reported a combined fund balance of \$33.5 million. This represents an increase of \$4.4 million in comparison with the prior year. Approximately \$14.9 million of total fund balance, or 44.4 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.

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

The remaining \$18.6 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.

The fund balance of the City's General Fund (including major and local street activity) represents \$24.2 million, or 72 percent, of total governmental fund balances. The General Fund's fund balance decreased by \$.6 million from the prior year. The decrease was primarily attributable to street and sidewalk projects which were started in the prior fiscal year and completed this fiscal year. A total of \$14.9 million of the General Fund's fund balance is unassigned while \$1.1 million is committed and \$6.6 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 \$4.7 million and \$7 million, respectively. The Automobile Parking System unrestricted position totaled \$18.7 million. The Sewage Disposal System total net position increase of \$1.8 million was the result of a decrease in long-term debt of \$1.7 million. The Water Supply System net position increase of \$1.3 million was the result of property tax revenue of \$1.5 million. The net position for the Automobile Parking System decreased by \$1.6 million as a result of not charging permit holders for parking in the structures during the fiscal year.

General Fund Budgetary Highlights

Actual revenues for the year ended June 30, 2021, were approximately \$.6 million higher than the budget as a result of higher building permit and intergovernmental revenues.

Expenditures for the year were approximately \$1 million under budget. Positive budget variances in general government, community development and engineering and public services made up most the total variance. General government was under budget by \$.3 million primarily due to lower maintenance costs for City Hall and Allen House and lower street lighting costs. Community development was under budget as a result of lower contractual service costs. Engineering and public services was under budget due to lower supply and contractual service costs.

The revenue budget was amended downward by \$1.4 million as a result of projected shortages due to the pandemic in: charges for services related to the recreation activities (\$.6 million); fines and forfeitures as a result of court revenues (\$.9 million); and interest and rent due to a decrease in market value (\$.4 million). This was partially offset by an increase in intergovernmental revenue related to federal COVID response grants (\$.7 million).

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

The expenditure budget was increased by approximately \$1.9 million to provide funding for \$3 million in open purchase orders from the previous fiscal year mostly related to a sidewalk project on Maple Road, \$.2 million in personnel adjustments, and \$.1 million for building and land improvements. This amount was offset by \$1.4 million in expenditure adjustments due to revenue projections. These reductions primarily included \$.9 in other contractual service reductions and \$.5 transfers out.

Capital Asset and Debt Administration

Capital Assets - The City of Birmingham had a total of \$180.4 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 2.4 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
	2021	2020	2021	2020	2021	2020	2020-2021
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	20.0	20.0	15.4	16.3	35.4	36.3	(2.5)
Land improvements	6.9	7.4	3.3	3.4	10.2	10.8	(5.6)
Equipment	5.0	6.0	1.1	1.2	6.1	7.2	(15.3)
Infrastructure	45.7	40.5	66.4	65.2	112.1	105.7	6.1
Construction in progress	3.0	2.4	0.9	1.1	3.9	3.5	11.4
Total	<u>\$ 91.7</u>	<u>\$ 87.4</u>	<u>\$ 88.7</u>	<u>\$ 88.8</u>	<u>\$ 180.4</u>	<u>\$ 176.2</u>	2.4

Total governmental capital assets increased \$4.3 million, or 5%, compared to last year. This was primarily the result of an increase in road and sidewalk projects which increased \$5.2 million. Land improvements and equipment decreased \$.5 million and \$1 million, respectively due to depreciation. Construction in progress related to road and sidewalk projects increased \$.6 million as a result of projects started but not completed as of the end of the fiscal year.

Total business-type capital assets decreased by \$.1 million, or .1% compared to last year. Water and sewer assets increased \$1.2 million as a result of improvements made during road construction. Buildings decreased by \$.9 million as a result of depreciation expense. Additional information pertaining to capital assets can be found in Note 7 of this report.

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

Long-term debt - The City's total indebtedness as of June 30, 2021, is \$13.8 million. This is an increase of \$1.9 million from the prior year as a result of a new bond issue of \$4.8 million. Of this amount, \$10.2 million is general-obligation bonds, which is an amount considerably below the debt limit of \$344.2 million. In addition, the City has contractual obligations totaling \$1.1 million. This amount represents the City's portion of the George W. Kuhn retention/treatment facility.

The City of Birmingham maintains an "AAA" rating from Standard & Poor's 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.

Economic Factors and Next Year's Budgets and Rates

The focus of developing the 2021-2022 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 4.7 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 \$1.4 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 7 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 \$4.4 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 decrease 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 increase from prior year with \$13.7 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 11 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 2022 total levy, which includes the operating, refuse, library and debt service levies, totals 13.5896 mills, which represents a decrease from the prior year's levy of 14.1870 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 and retirement of debt.

City of Birmingham, Michigan

Management's Discussion and Analysis (Continued)

During the 2021 fiscal year, fund balance in the General Fund (including major and local street activity) decreased by \$.6 million to \$24.2 million. The decrease in fund balance during the year was primarily attributable to an increase in expenditures as a result of infrastructure improvements from the 2020 fiscal year being completed in the 2021 fiscal year. For fiscal year 2022, 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 \$28.2 million for fiscal year 2022.

The 2021-2022 financial outlook for the City in the midst of the COVID-19 pandemic is optimistic. 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 pre-pandemic levels. Revenue from the 48th District Court has improved, although it is still slightly lower than normal. Parking revenue has returned to near normal levels. The long-term effects of the pandemic on residential and commercial property values as well as the local economy are 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.

This page intentionally left blank.

Basic Financial Statements

This page intentionally left blank.

City of Birmingham, Michigan

Statement of Net Position June 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 5, 6)	\$ 45,883,306	\$ 32,217,975	\$ 78,101,281	\$ 4,888,237
Receivables - Net:				
Customers	433,572	4,469,772	4,903,344	-
Special Assessments	2,338,020	252,209	2,590,229	80,304
Delinquent personal property taxes	15,046	-	15,046	-
Inventories	121,229	11,990	133,219	-
Prepaid costs and other assets (Note 1)	594,106	1,043	595,149	47,581
Due from other governmental units	1,499,884	681	1,500,565	85,084
Restricted assets (Note 10)	4,711,507	-	4,711,507	-
Capital assets - Net (Note 7)				
Assets subject to depreciation	77,635,894	86,207,374	163,843,268	5,427,466
Assets not subject to depreciation	14,103,998	2,478,450	16,582,448	109,018
Total assets	147,336,562	125,639,494	272,976,056	10,637,690
Deferred Outflows of Resources				
Deferred amount on debt refunding	233,101	1,872	234,973	-
Deferred amount on pension (Note 14)	490,822	37,201	528,023	21,457
Deferred amount on OPEB (Note 15)	613,823	65,899	679,722	27,014
Liabilities				
Accounts payable	3,404,669	2,000,282	5,404,951	169,705
Accrued and other liabilities	2,836,072	399,596	3,235,668	135,562
Unearned revenue (Note 12)	26,753	19,942	46,695	-
Provision for uninsured losses and liabilities (Note 13)	857,870	-	857,870	-
Noncurrent liabilities:				
Due within one year (Note 9)	2,572,741	401,315	2,974,056	90,591
Due in more than one year:				
Long-term debt & employee benefits (Note 9)	10,841,967	749,478	11,591,445	19,480
Net pension liability (Note 14)	3,784,124	286,815	4,070,939	165,422
Net OPEB liability (Note 15)	2,058,674	221,007	2,279,681	90,600
Total liabilities	26,382,870	4,078,435	30,461,305	671,360
Deferred Inflows of Resources				
Deferred amount on pension (Note 14)	11,862,849	899,130	12,761,979	518,609
Deferred amount on OPEB (Note 15)	5,502,711	590,768	6,093,479	242,163
Net Position				
Net investment in capital assets	85,732,349	87,574,160	173,306,509	5,536,483
Restricted:				
Solid waste	617,227	-	617,227	-
Debt service	92,903	-	92,903	-
Law and drug enforcement	125,541	-	125,541	-
Construction code activities (Note 4)	926,875	-	926,875	-
Cemetery maintenance:				
Expendable	99,542	-	99,542	-
Non-expendable	1,055,163	-	1,055,163	-
Park improvements	82,588	-	82,588	-
Corridor improvement authority	-	-	-	19,495
Brownfield redevelopment authority	-	-	-	72,562
Library donations:				
Expendable	-	-	-	1,291,426
Non-expendable	-	-	-	866,786
Unrestricted	16,193,690	32,601,973	48,795,663	1,467,276
Total net position	\$ 104,925,878	\$ 120,176,133	\$ 225,102,011	\$ 9,254,028

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	\$ 4,607,606	\$ 409,564	\$ -	\$ -
Public safety	11,458,725	1,413,408	1,016,475	-
Public works	8,835,639	633,981	2,248,958	556,430
Community and economic development	2,311,589	2,489,677	9,668	-
Recreation and culture	2,454,742	413,302	37,220	12,850
Interest on long-term debt	133,581	-	35	-
Total governmental activities	29,801,882	5,359,932	3,312,356	569,280
Business-type activities:				
Water and sewer	14,560,742	14,426,813	-	17,665
Automobile parking	3,564,967	1,912,695	-	-
Golf courses	946,832	1,562,735	-	-
Total business-type activities	19,072,541	17,902,243	-	17,665
Total primary government	<u>\$ 48,874,423</u>	<u>\$ 23,262,175</u>	<u>\$ 3,312,356</u>	<u>\$ 586,945</u>
Component units:				
Baldwin Public Library	\$ 3,866,666	\$ 990,601	\$ 545,381	-
Brownfield Redevelopment Authority	257,488	19,545	-	-
Corridor Improvement Authority	-	-	-	-
Principal Shopping District	1,054,350	25,000	1,157,652	-
Total component units	<u>\$ 5,178,504</u>	<u>\$ 1,035,146</u>	<u>\$ 1,703,033</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, 2021

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (4,198,042)	\$ -	\$ (4,198,042)	\$ -
(9,028,842)	-	(9,028,842)	-
(5,396,270)	-	(5,396,270)	-
187,756	-	187,756	-
(1,991,370)	-	(1,991,370)	-
(133,546)	-	(133,546)	-
(20,560,314)	-	(20,560,314)	-
-	(116,264)	(116,264)	-
-	(1,652,272)	(1,652,272)	-
-	615,903	615,903	-
-	(1,152,633)	(1,152,633)	-
(20,560,314)	(1,152,633)	(21,712,947)	-
-	-	-	(2,330,684)
-	-	-	(237,943)
-	-	-	-
-	-	-	128,302
-	-	-	(2,440,325)
30,477,445	3,186,741	33,664,186	3,824,598
2,270,076	7,044	2,277,120	37,679
411,370	19,758	431,128	453,601
42,817	-	42,817	-
100,000	(100,000)	-	-
33,301,708	3,113,543	36,415,251	4,315,878
12,741,394	1,960,910	14,702,304	1,875,553
92,184,484	118,215,223	210,399,707	7,378,475
\$ 104,925,878	\$ 120,176,133	\$ 225,102,011	\$ 9,254,028

City of Birmingham, Michigan

Governmental Funds Balance Sheet June 30, 2021

	General Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and investments (Note 5, 6)	\$ 27,229,634	\$ 5,576,144	\$ 32,805,778
Receivables - Net:			
Customers	391,814	41,758	433,572
Special Assessments	2,313,370	24,649	2,338,019
Delinquent personal property taxes	15,046	-	15,046
Prepaid items and other assets	550,762	-	550,762
Due from other governmental units	1,494,817	5,066	1,499,883
Inventories	121,229	-	121,229
Restricted cash	-	4,707,407	4,707,407
Total assets	<u>\$ 32,116,672</u>	<u>\$ 10,355,024</u>	<u>\$ 42,471,696</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	\$ 2,273,799	\$ 993,232	\$ 3,267,031
Accrued and other liabilities	2,772,611	2,944	2,775,555
Unearned revenue (Note 12)	26,753	-	26,753
Total liabilities	5,073,163	996,176	6,069,339
Deferred Inflows of Resources			
Unavailable revenue - special assessments and property taxes	2,240,399	24,649	2,265,048
Unavailable revenue - parking tickets and charges for services	236,853	8,266	245,119
Unavailable revenue - grants	401,327	-	401,327
Total deferred inflows of resources	2,878,579	32,915	2,911,494
Fund Balances (Notes 4, 11)			
Nonspendable	671,991	1,046,957	1,718,948
Restricted	926,875	5,725,148	6,652,023
Committed	1,098,485	1,086,834	2,185,319
Assigned	6,574,532	1,466,994	8,041,526
Unassigned	14,893,047	-	14,893,047
Total fund balances	<u>24,164,930</u>	<u>9,325,933</u>	<u>33,490,863</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,116,672</u>	<u>\$ 10,355,024</u>	<u>\$ 42,471,696</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, 2021

Fund Balance - Total Governmental Funds	\$ 33,490,863
--	----------------------

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	91,739,892
---	------------

Special assessment and other receivables are expected to be collected over several years and are not available to pay for current year expenditures	2,911,494
---	-----------

Long-term liabilities are not due and payable in the current period and are not reported in the funds, including related accrued interest	(12,449,185)
---	--------------

Deferred outflows related to debt refunding activities	233,101
--	---------

Long-term pension liabilities are not due and payable in the current period and are not reported in the governmental funds	(3,784,124)
--	-------------

Long-term OPEB liabilities are not due and payable in the current period and are not reported in the governmental funds	(2,058,674)
---	-------------

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.	(11,372,027)
--	--------------

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.	(4,888,888)
---	-------------

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>11,103,426</u>
--	-------------------

Net Position - Governmental Activities	<u>\$104,925,878</u>
---	-----------------------------

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, 2021

	General Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 27,017,415	\$ 3,586,412	\$ 30,603,827
Licenses and permits	2,918,607	-	2,918,607
Federal grants	964,573	41,718	1,006,291
State and local sources	4,632,798	7,286	4,640,084
Charges for services	2,676,722	88,791	2,765,513
Fines and forfeitures	968,666	-	968,666
Use of money and property	146,400	211,309	357,709
Other	526,865	61,450	588,315
	<u>39,852,046</u>	<u>3,996,966</u>	<u>43,849,012</u>
Total revenues	39,852,046	3,996,966	43,849,012
Expenditures			
Current:			
General government	5,809,236	-	5,809,236
Public safety	15,467,890	-	15,467,890
Public works	7,337,050	-	7,337,050
Highway and streets	2,959,149	-	2,959,149
Community and economic development	2,625,333	9,668	2,635,001
Solid waste disposal	-	2,095,580	2,095,580
48th District Court	946,009	-	946,009
Capital outlay	3,437,440	2,289,827	5,727,267
Debt service	-	1,549,380	1,549,380
	<u>38,582,107</u>	<u>5,944,455</u>	<u>44,526,562</u>
Total expenditures	38,582,107	5,944,455	44,526,562
Excess of Revenues Over (Under) Expenditures	1,269,939	(1,947,489)	(677,550)
Other Financing Sources (Uses)			
Transfers in (Note 3)	115,000	1,995,290	2,110,290
Transfers out (Note 3)	(1,995,290)	(15,000)	(2,010,290)
Premium on bond issued	-	262,104	262,104
Bond issued	-	4,750,000	4,750,000
	<u>(1,880,290)</u>	<u>6,992,394</u>	<u>5,112,104</u>
Total other financing sources (uses)	(1,880,290)	6,992,394	5,112,104
Net Changes in Fund Balance	(610,351)	5,044,905	4,434,554
Fund Balances - Beginning of year	24,775,281	4,281,028	29,056,309
Fund Balances - End of year	<u>\$ 24,164,930</u>	<u>\$ 9,325,933</u>	<u>\$ 33,490,863</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, 2021

Net Change in Fund Balances - Total Governmental Funds **\$ 4,434,554**

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) 5,013,718

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 (693,518)

Federal grant revenues are recorded in the statement of activities when the
eligible expenditures are spent; they are not reported in the funds until
collected or collectible within 60 days of year end 401,327

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 247,970

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 60,799

Bond principal are expenditures in the governmental funds, but not in
the statement of activities (where it reduces long-term debt) 1,355,000

Government funds report retiree health care contributions; in the statement of
activities, retiree health care expense is actuarially determined 4,822,339

Government funds report pension contributions; in the statement of activities,
pension expense is actuarially determined 2,814,779

Increases in accumulated employee sick and vacation pay are recorded
when earned in the statement of activities (77,869)

Governmental funds report bond proceeds; in the statement of activities,
it is reported as an increase in liabilities (5,012,104)

Internal Service Funds are also included as governmental activities (625,601)

Change in Net Position of Governmental Activities **\$ 12,741,394**

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

City of Birmingham, Michigan

Proprietary Funds Statement of Net Position June 30, 2021

	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)	\$ 5,303,071	\$ 5,322,731	\$ 19,102,679	\$ 2,489,494	\$ 32,217,975	\$ 13,078,399
Receivables - Net - Customers	1,430,762	3,207,074	84,145	-	4,721,981	-
Due from federal government	-	-	-	681	681	-
Inventories	-	-	11,990	-	11,990	-
Prepaid costs	-	-	372	671	1,043	43,344
Total current assets	6,733,833	8,529,805	19,199,186	2,490,846	36,953,670	13,121,743
Non-current assets:						
Restricted assets (Note 10)	-	-	-	-	-	4,100
Capital assets - Net (Note 7)	22,273,654	44,850,313	20,123,884	1,437,973	88,685,824	3,560,464
Total noncurrent assets	22,273,654	44,850,313	20,123,884	1,437,973	88,685,824	3,564,564
Total assets	29,007,487	53,380,118	39,323,070	3,928,819	125,639,494	16,686,307
Deferred Outflows of Resources						
Deferred amount on debt refunding	-	1,872	-	-	1,872	-
Deferred amount on pension (Note 14)	22,594	3,912	8,205	2,490	37,201	7,737
Deferred amount on OPEB (Note 15)	39,379	5,763	16,562	4,195	65,899	12,340
Liabilities						
Current liabilities:						
Accounts payable	796,925	1,130,827	44,063	28,467	2,000,282	103,130
Provision for uninsured losses and liabilities (Note 13)	-	-	-	-	-	857,870
Accrued and other liabilities	114,931	233,266	14,253	37,146	399,596	54,092
Unearned revenue (Note 12)	-	-	-	19,942	19,942	-
Current portion of long-term debt and employee benefits (Note 9)	8,515	370,819	-	21,981	401,315	59,068
Total current liabilities	920,371	1,734,912	58,316	107,536	2,821,135	1,074,160
Noncurrent liabilities:						
Provision for employee benefits	2,034	-	-	4,727	6,761	948,257
Net pension liability (Note 14)	174,194	30,159	63,271	19,191	286,815	59,647
Net OPEB liability (Note 15)	132,069	19,325	55,545	14,068	221,007	41,383
Long-term debt - Net of current portion (Note 9)	-	742,717	-	-	742,717	-
Total noncurrent liabilities	308,297	792,201	118,816	37,986	1,257,300	1,049,287
Total liabilities	1,228,668	2,527,113	177,132	145,522	4,078,435	2,123,447
Deferred Inflows of Resources						
Deferred amount on pension (Note 14)	546,091	94,547	198,312	60,180	899,130	186,977
Deferred amount on OPEB (Note 15)	353,022	51,667	148,474	37,605	590,768	110,622
Net Position						
Net investment in capital assets	22,273,654	43,738,649	20,123,884	1,437,973	87,574,160	3,560,464
Unrestricted	4,668,025	6,979,689	18,700,035	2,254,224	32,601,973	10,724,874
Total net position	\$ 26,941,679	\$ 50,718,338	\$ 38,823,919	\$ 3,692,197	\$ 120,176,133	\$ 14,285,338

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, 2021

	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	\$ 4,795,586	\$ -	\$ -	\$ -	\$ 4,795,586	\$ -
Sewage disposal charges	-	9,631,227	-	-	9,631,227	-
Golf course fees and charges	-	-	-	1,562,735	1,562,735	-
Charges for services	-	-	-	-	-	5,831,556
Automobile parking system fees and charges	-	-	1,912,695	-	1,912,695	-
Total operating revenues	4,795,586	9,631,227	1,912,695	1,562,735	17,902,243	5,831,556
Operating Expenses						
Cost of water produced/purchased	2,054,651	-	-	-	2,054,651	-
Cost of sewage treatment	-	6,862,049	-	-	6,862,049	-
Operation and maintenance	1,810,509	552,378	2,221,686	816,336	5,400,909	1,374,544
General and administrative	216,531	251,642	120,994	39,894	629,061	4,033,312
Depreciation (Note 7)	908,587	1,860,762	1,222,287	90,602	4,082,238	1,136,331
Total operating expenses	4,990,278	9,526,831	3,564,967	946,832	19,028,908	6,544,187
Operating Income (Loss)	(194,692)	104,396	(1,652,272)	615,903	(1,126,665)	(712,631)
Nonoperating Revenue (Expenses)						
Investment income	3,141	5,705	9,681	1,231	19,758	5,709
Interest expense	-	(43,633)	-	-	(43,633)	-
Gain (loss) on disposal of assets	-	-	-	-	-	3,000
Intergovernmental revenue	2,059	3,468	-	1,517	7,044	64,121
Special assessments	17,665	-	-	-	17,665	-
Property taxes	1,498,003	1,688,738	-	-	3,186,741	-
Total nonoperating revenue	1,520,868	1,654,278	9,681	2,748	3,187,575	72,830
Income (Loss) - Before transfers and capital contributions	1,326,176	1,758,674	(1,642,591)	618,651	2,060,910	(639,801)
Capital Contributions	-	-	-	-	-	14,200
Transfers from (to) Other Funds (Note 3)	-	-	-	(100,000)	(100,000)	-
Changes in Net Position	1,326,176	1,758,674	(1,642,591)	518,651	1,960,910	(625,601)
Net Position - Beginning of year	25,615,503	48,959,664	40,466,510	3,173,546	118,215,223	14,910,939
Net Position - End of year	<u>\$ 26,941,679</u>	<u>\$ 50,718,338</u>	<u>\$ 38,823,919</u>	<u>\$ 3,692,197</u>	<u>\$ 120,176,133</u>	<u>\$ 14,285,338</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, 2021

	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	\$ 4,832,049	\$ 9,688,213	\$ 1,838,921	\$ 1,565,895	\$ 17,925,078	\$ 5,831,554
Payments to suppliers	(3,324,647)	(6,875,704)	(2,595,824)	(359,216)	(13,155,391)	(4,700,846)
Payments to employees	(1,048,701)	(487,184)	(619,131)	(517,899)	(2,672,915)	(430,516)
Net cash provided by (used in) operating activities	458,701	2,325,325	(1,376,034)	688,780	2,096,772	700,192
Cash Flows from Noncapital Financing Activities						
Transfers to other funds	-	-	-	(100,000)	(100,000)	-
Federal and state grants	2,059	3,468	-	836	6,363	64,121
Property taxes	1,498,364	577,890	-	-	2,076,254	-
Net cash provided (used) by noncapital financing activities	1,500,423	581,358	-	(99,164)	1,982,617	64,121
Cash Flows from Capital and Related Financing Activities						
Principal and interest paid on capital debt	-	(1,694,379)	-	-	(1,694,379)	-
Purchase of capital assets	(1,821,736)	(1,921,916)	(227,002)	-	(3,970,654)	(236,403)
Special assessments	4,984	140,039	-	-	145,023	-
Proceeds from sale of capital assets	-	-	-	-	-	3,000
Property taxes - restricted for capital debt	-	1,111,224	-	-	1,111,224	-
Net cash used in capital and related financing activities	(1,816,752)	(2,365,032)	(227,002)	-	(4,408,786)	(233,403)
Cash Flows from Investing Activities -						
Interest received on investments	3,141	5,705	9,681	1,231	19,758	5,709
Net Changes in Cash and Cash Equivalents	145,513	547,356	(1,593,355)	590,847	(309,639)	536,619
Cash and Cash Equivalents - Beginning of year	5,157,558	4,775,375	20,696,034	1,898,647	32,527,614	12,545,880
Cash and Cash Equivalents - End of year	<u>\$ 5,303,071</u>	<u>\$ 5,322,731</u>	<u>\$ 19,102,679</u>	<u>\$ 2,489,494</u>	<u>\$ 32,217,975</u>	<u>\$ 13,082,499</u>
Balance Sheet Classification of Cash and Cash Equivalents						
Cash and investments	\$ 5,303,071	\$ 5,322,731	\$ 19,102,679	\$ 2,489,494	\$ 32,217,975	\$ 13,078,399
Restricted investments (Note 10)	-	-	-	-	-	4,100
Total cash and cash equivalents	<u>\$ 5,303,071</u>	<u>\$ 5,322,731</u>	<u>\$ 19,102,679</u>	<u>\$ 2,489,494</u>	<u>\$ 32,217,975</u>	<u>\$ 13,082,499</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, 2021

	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)	\$ (194,692)	\$ 104,396	\$ (1,652,272)	\$ 615,903	\$ (1,126,665)	\$ (712,631)
Adjustments to reconcile operating income (loss) to net cash from operating activities						
Depreciation	908,587	1,860,762	1,222,287	90,602	4,082,238	1,136,331
Changes in assets and liabilities:						
Receivables	36,463	56,993	(73,773)	-	19,683	-
Other assets	-	-	20,772	672	21,444	42,365
Pension related deferred outflows of resources	223,010	39,907	73,685	22,261	358,863	76,032
OPEB related deferred outflows of resources	100,225	15,342	40,934	10,212	166,713	30,230
Accounts payable	64,471	306,653	(764,630)	9,149	(384,357)	37,391
Accrued and other liabilities	24,818	61,307	(64)	3,590	89,651	310,029
Net pension liability	(814,873)	(146,301)	(266,530)	(80,479)	(1,308,183)	(277,699)
Net OPEB liability	(605,435)	(92,168)	(248,201)	(62,041)	(1,007,845)	(183,504)
Pension related deferred inflows of resources	541,835	93,788	196,893	59,751	892,267	185,526
OPEB related deferred inflows of resources	174,292	24,646	74,865	19,160	292,963	56,122
Net cash provided by operating activities	<u>\$ 458,701</u>	<u>\$ 2,325,325</u>	<u>\$ (1,376,034)</u>	<u>\$ 688,780</u>	<u>\$ 2,096,772</u>	<u>\$ 700,192</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, 2021

	Pension and Other Employee Benefits	Custodial Funds
Assets		
Cash and cash equivalents (Note 5, 6)	\$ 465,541	\$ 88,300
Investments:		
U.S. government securities	10,164,460	-
Stocks	132,099,510	-
Bonds	21,457,295	-
Receivables and accrued interest	1,734,073	-
Other assets	<u>41,151</u>	<u>-</u>
 Total assets	 165,962,030	 88,300
 Liabilities		
Accounts payable	137,162	253
Accrued and other liabilities	<u>369,291</u>	<u>-</u>
 Total liabilities	 <u>506,453</u>	 <u>253</u>
 Net Position		
Restricted for:		
Pensions	116,214,116	-
Postemployment benefits other than pensions	49,241,461	-
Other governments	<u>-</u>	<u>88,047</u>
Total net position	<u><u>\$ 165,455,577</u></u>	<u><u>\$ 88,047</u></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, 2021

	Pension and Other Employee Benefits	Custodial Funds
Additions		
Investment income:		
Interest and dividends	\$ 2,325,124	\$ -
Net change in fair value of investments	36,948,341	-
Less investment expenses	<u>(596,017)</u>	<u>-</u>
Net investment income	38,677,448	-
Contributions:		
Employer	5,588,810	-
Members	261,694	58,479
Individuals	<u>-</u>	<u>18,500</u>
Total contributions	5,850,504	76,979
Property tax collections for other governments	-	79,233,063
Miscellaneous	<u>193,555</u>	<u>5,566</u>
Total net additions	44,721,507	79,315,608
Deductions		
Benefit payments	10,971,847	-
Refunds of contributions	889,101	-
Administrative expenses and other	186,724	-
Payments to other governments	-	79,247,063
Fire training and hazmat related expenses	<u>-</u>	<u>111,336</u>
Total deductions	<u>12,047,672</u>	<u>79,358,399</u>
Change in Net Position	32,673,835	(42,791)
Net Position		
Beginning of year, as restated (Note 18)	<u>132,781,742</u>	<u>130,838</u>
End of year	<u><u>\$ 165,455,577</u></u>	<u><u>\$ 88,047</u></u>

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

This page intentionally left blank.

Component Units
Statement of Net Position
June 30, 2021

	Baldwin Public Library	Brownfield Redevelopment Authority	Corridor Improvement Authority	Principal Shopping District	Totals
Assets					
Cash and investments (Note 5, 6)	\$ 3,791,713	\$ 114,993	\$ 19,495	\$ 962,036	\$ 4,888,237
Receivables	-	6,149	-	74,155	80,304
Due from other governmental units	85,084	-	-	-	85,084
Capital assets - Net (Note 7)	5,536,361	-	-	122	5,536,483
Prepaid costs	41,978	-	-	5,603	47,581
Total assets	9,455,136	121,142	19,495	1,041,916	10,637,689
Deferred Outflows of Resources					
Deferred amount on pension (Note 14)	19,070	-	-	2,387	21,457
Deferred amount on OPEB (Note 15)	22,933	-	-	4,081	27,014
Liabilities					
Accounts payable	76,086	48,580	-	45,039	169,705
Accrued and other liabilities	113,486	-	-	22,076	135,562
Unearned Revenue	-	-	-	-	-
Noncurrent liabilities (Note 9):					
Due within one year	82,631	-	-	7,960	90,591
Due in more than one year:					
Employee benefits (Note 9)	17,768	-	-	1,712	19,480
Net pension liability (Note 14)	147,024	-	-	18,398	165,422
Net OPEB liability (Note 15)	76,915	-	-	13,685	90,600
Total liabilities	513,910	48,580	-	108,870	671,360
Deferred Inflows of Resources					
Deferred amount on pension (Note 14)	460,909	-	-	57,700	518,609
Deferred amount on OPEB (Note 15)	205,582	-	-	36,581	242,163
Net Position					
Net investment in capital assets	5,536,361	-	-	122	5,536,483
Restricted:					
Corridor improvement authority	-	-	19,495	-	19,495
Brownfield redevelopment authority	-	72,562	-	-	72,562
Library donations					
Expendable	1,291,426	-	-	-	1,291,426
Non-expendable	866,786	-	-	-	866,786
Unrestricted	622,165	-	-	845,111	1,467,276
Total net position	<u>\$ 8,316,738</u>	<u>\$ 72,562</u>	<u>\$ 19,495</u>	<u>\$ 845,233</u>	<u>\$ 9,254,028</u>

		Program Revenues	
	Expenses	Charges for Services	Operating Grants and Contributions
Baldwin Public Library - Culture and recreation	\$ 3,866,666	\$ 990,601	\$ 545,381
Brownfield Redevelopment Authority Community development	257,488	19,545	-
Corridor Improvement Authority Community development	-	-	-
Principal Shopping District - Community development	<u>1,054,350</u>	<u>25,000</u>	<u>1,157,652</u>
Total governmental activities	<u>\$ 5,178,504</u>	<u>\$ 1,035,146</u>	<u>\$ 1,703,033</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, 2021

Net (Expense) Revenue and Changes in Net Position				
Baldwin Public Library	Brownfield Redevelopment Authority	Corridor Improvement Authority	Principal Shopping District	Total
\$ (2,330,684)	\$ -	\$ -	\$ -	\$ (2,330,684)
-	(237,943)	-	-	(237,943)
-	-	-	-	-
-	-	-	128,302	128,302
(2,330,684)	(237,943)	-	128,302	(2,440,325)
3,551,605	272,993	-	-	3,824,598
37,679	-	-	-	37,679
453,151	82	9	359	453,601
4,042,435	273,075	9	359	4,315,878
1,711,751	35,132	9	128,661	1,875,553
6,604,987	37,430	19,486	716,572	7,378,475
\$ 8,316,738	\$ 72,562	\$ 19,495	\$ 845,233	\$ 9,254,028

This page intentionally left blank.

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.

Notes to the Financial Statements

June 30, 2021

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.

Fiduciary Funds - Fiduciary funds are used to account for resources that a government holds as a trustee or agent on behalf of an outside party that cannot be used to support the government's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds and custodial 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. The Pension Trust Fund and Retiree Health Care Fund are fiduciary component units of the City. The Custodial Funds account for assets held for the benefit of other taxing authorities and the Oakway Mutual Aid Hazmat Response Team.

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.

Notes to the Financial Statements

June 30, 2021

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, 2021 is based on the 2020 levy, which was billed July 1, 2020.

The 2020 taxable valuation of the City totaled \$2,638,284,320, on which ad valorem taxes levied consisted of 11.0433 mills for operating purposes. These mills were allocated to the General Fund (10.2513), Sewer Fund (.2204) and Water Fund (.5716). Additionally, .7803 mills and 1.0080 mills were levied for solid waste disposal and debt service, respectively. This resulted in \$29.1 million for operating expenses, \$2.1 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, 2021 is based on the 2020 levy, which was billed July 1, 2020.

The 2020 taxable value totaled \$2,638,284,320; the Library's millage rate was 1.3554 mills, which resulted in property tax billings of \$3.6 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.

Notes to the Financial Statements

June 30, 2021

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, 2021, there was approximately: \$606,000 in allowances for parking fines, \$41,500 in allowances for delinquent personal property taxes, and \$81,700 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 \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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

Notes to the Financial Statements

June 30, 2021

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.

Notes to the Financial Statements

June 30, 2021

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:

1. 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.
2. The second is deferred outflows as a result of pension experience. This amount is in the government-wide, proprietary funds', and component units' 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 3.6677 years and be an addition to pension expense.
3. The third item is deferred outflows as a result of a change in OPEB actuary assumptions. This amount is in the government-wide, proprietary funds', and component units' statement of net position. It is the result of a difference between previous actuary assumptions and current assumptions. This amount will be amortized over 1.7998 years and included in 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 seven items that qualify for reporting in this category:

1. 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.
2. The second item is deferred inflows as a result of pension experience. This amount is in the government-wide, proprietary funds', and component units' 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 the next 3.6677 years as a reduction to pension expense.

Note 1 - Summary of Significant Accounting Policies (Continued)

3. The third item is deferred inflows as a result of pension earnings. This is also reported in the government-wide, proprietary funds', and component units' 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 a reduction to pension expense.
4. The fourth item is a deferred inflow as a result of OPEB experience. This amount is in the government-wide, proprietary funds', and component units' 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 1.7998 years and be a reduction to OPEB expense.
5. The fifth item is a deferred inflow as a result of OPEB assumptions. This amount is in the government-wide, proprietary funds', and component units' 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 1.7998 years and be a reduction to OPEB expense.
6. The sixth item is deferred inflows as a result of OPEB earnings. This is also reported in the government-wide, proprietary funds', and component units' 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 a reduction to OPEB expense.
7. The seventh item is deferred inflows of resources related to grants which is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenue from grants which have been earned but not received. These amounts are deferred and recognized as inflows of resources until the period that the amounts become available.

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.

Notes to the Financial Statements

June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

- 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. 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 \$5,013,718 difference are as follows:

Notes to the Financial Statements
June 30, 2021

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements
(Continued)

Capital outlay	\$ 9,538,817
Depreciation expense	<u>(4,525,099)</u>
Net adjustment to increase (decrease) <i>net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ 5,013,718</u>

Note 3 - Interfund Receivables, Payables, and Transfers

For the year ended June 30, 2021, interfund transfers reported in the fund statements were as follows:

	Transfers Out			
	General Fund	Capital Projects Other Nonmajor Governmental Fund	Golf Courses Other Nonmajor Enterprise Fund	Total
Transfers in:				
General Fund	\$ -	\$ 15,000 (3)	\$ 100,000 (2)	\$ 115,000
Capital Projects Fund	<u>1,995,290 (1)</u>	<u>-</u>	<u>-</u>	<u>1,995,290</u>
Total	<u>\$ 1,995,290</u>	<u>\$ 15,000</u>	<u>\$ 100,000</u>	<u>\$ 2,110,290</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 building improvement.

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, 2021 is as follows:

Surplus as of June 30, 2020	\$ 647,816
Building permit revenue	2,038,307

Notes to the Financial Statements

June 30, 2021

Note 4 - Stewardship, Compliance, and Accountability (Continued)

Related expenses:	
Direct costs	\$1,615,517
Estimated indirect costs	<u>143,731</u>
Total construction code expenses	<u>1,759,248</u>
 Surplus as of June 30, 2021	 <u>\$ 926,875</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 \$7.9 million in total bank deposits (certificates of deposit, checking and savings accounts). Of that amount, approximately \$7.6 million is considered uninsured and uncollateralized.

Notes to the Financial Statements

June 30, 2021

Note 5 - Cash and Investments (Continued)

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:

Investment Type	Fair Value	Maturity (Years)			
		< 1	1 - 5	6 - 10	> 10
U.S. Treasury:					
General investments	\$ 21,257,868	\$ 10,084,975	\$ 11,172,893	\$ -	\$ -
Retirement Fund	2,495,029	-	1,064,006	1,211,505	219,518
Retiree Health Care	1,884,786	-	1,200,445	438,941	245,400
	<u>25,637,683</u>	<u>10,084,975</u>	<u>13,437,344</u>	<u>1,650,446</u>	<u>464,918</u>
U.S. Agency:					
General investments	52,746,515	15,205,360	37,541,155	-	-
Retirement Fund	3,814,032	48,000	230,589	3,343	3,532,100
Retiree Health Care	1,970,613	40,000	69,964	155,507	1,705,142
	<u>58,531,160</u>	<u>15,293,360</u>	<u>37,841,708</u>	<u>158,850</u>	<u>5,237,242</u>
Corporate/Municipal Debt:					
General investments	-	-	-	-	-
Retirement Fund	8,501,707	31,142	3,067,412	2,996,226	2,406,927
Retiree Health Care	4,027,587	6,068	1,426,070	1,303,281	1,292,168
	<u>12,529,294</u>	<u>37,210</u>	<u>4,493,482</u>	<u>4,299,507</u>	<u>3,699,095</u>
Mutual Funds (Avg Maturity):					
General investments	513,084	-	299,481	213,603	-
Retirement Fund	6,533,354	-	6,533,354	-	-
Retiree Health Care	2,394,647	-	2,394,647	-	-
	<u>9,441,085</u>	<u>-</u>	<u>9,227,482</u>	<u>213,603</u>	<u>-</u>
Total	<u>\$ 106,139,222</u>	<u>\$ 25,415,545</u>	<u>\$ 65,000,016</u>	<u>\$ 6,322,406</u>	<u>\$ 9,401,255</u>

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.

Notes to the Financial Statements

June 30, 2021

Note 5 - Cash and Investments (Continued)

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

<u>Investment Type</u>	<u>Rating</u>	<u>Value</u>	<u>Rating Agency</u>
U.S. Agency Securities	Unrated	5,222,891	Moody's
	Aaa	<u>53,275,517</u>	
		58,498,408	
Corporate/Municipal Bonds:			
	Unrated	2,343,886	
	Aaa	671,123	Moody's
	Aa1	240,363	Moody's
	Aa2	376,474	Moody's
	Aa3	455,540	Moody's
	A1	714,341	Moody's
	A2	977,335	Moody's
	A3	784,992	Moody's
	Baa1	815,203	Moody's
	Baa2	2,213,200	Moody's
	Baa3	1,680,707	Moody's
	Ba1	480,826	Moody's
	Ba2	159,746	Moody's
	Ba3	398,110	Moody's
	B1	48,388	Moody's
	B2	110,873	Moody's
	B3	51,337	Moody's
	Caa1	<u>6,850</u>	Moody's
		12,529,294	
Pooled Funds	Unrated	8,929,353	S&P
	Aaa	<u>2,158,781</u>	
		11,088,134	
Mutual Funds	Unrated	<u>9,441,085</u>	
		<u>91,556,921</u>	

Concentration of Credit Risk – At June 30, 2021, 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	9%
Federal Home Loan Mortgage	17%
Federal Home Loan Bank	18%
Federal National Mortgage Assoc.	18%

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.

Notes to the Financial Statements

June 30, 2021

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.

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, 2021:

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	\$ 21,257,868	\$ 21,257,868	\$ -	\$ -
U.S. agency securities	52,746,515	-	52,746,515	-
Mutual funds	<u>513,084</u>	<u>513,084</u>	<u>-</u>	<u>-</u>
Total debt securities	74,517,467	21,770,952	52,746,515	-
Equity Securities				
Mutual funds	<u>611,376</u>	<u>611,376</u>	<u>-</u>	<u>-</u>
Total Investments by fair value level	75,128,843	22,382,328	52,746,515	-
Investments measured at the net asset value:				
Pooled Cash Funds	<u>2,158,781</u>			
Total investments measured at fair value	<u>\$ 77,287,624</u>			

Notes to the Financial Statements
June 30, 2021

Note 6 - Fair Value Measurements (Continued)

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	\$ 4,379,816	\$ 4,379,816	\$ -	\$ -
U.S. agency securities	5,784,644	-	5,784,644	-
Collateralized debt obligations	593,469	-	593,469	-
Asset backed securities	1,204,428	-	1,204,428	-
Leverage loans	1,078,711	-	1,078,711	-
Corporate bonds	9,652,686	-	9,652,686	-
Mutual funds	<u>8,928,001</u>	<u>8,928,001</u>	<u>-</u>	<u>-</u>
Total debt securities	<u>31,621,755</u>	<u>13,307,817</u>	<u>18,313,938</u>	<u>-</u>
Equity Securities:				
U.S. large cap	42,221,157	42,221,157	-	-
U.S. mid cap	16,325,210	16,325,210	-	-
U.S. small cap	11,112,409	11,112,409	-	-
Foreign	<u>24,311,854</u>	<u>24,311,854</u>	<u>-</u>	<u>-</u>
Total equity securities	<u>93,970,630</u>	<u>93,970,630</u>	<u>-</u>	<u>-</u>
Total Investments by fair value level	125,592,385	107,278,447	18,313,938	-
Investments measured at the net asset value:				
U.S. Large Cap Value	22,771,336			
Multi-Strategy Hedge Fund	9,920,349			
Real Estate Investment Trust	<u>5,437,195</u>			
Total investments measured at the NAV	<u>38,128,880</u>			
Total Investments measured at fair value	<u>\$ 163,721,265</u>			

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, 2021 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.

Note 6 - Fair Value Measurements (Continued)

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, 2021, 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	\$ 2,158,781	None	N/A	N/A
Retirement and Retiree Health Care Funds:				
U.S. Large Cap Value	22,771,336	None	N/A	N/A
Multi-Strategy Hedge Fund	9,920,349	None	Monthly	30 days
Real Estate Investment Trust	5,437,195			
	<u>38,128,880</u>			
Total investments measured at fair value	<u>\$ 40,287,661</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.

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.

The Real Estate Investment Trust mutual fund invests in multi-family and commercial properties primarily in the United States. 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, 2021

Note 7 - Capital Assets

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

	Balance July 1, 2020	Additions	Disposals and Adjustments	Balance June 30, 2021
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	<u>2,348,290</u>	<u>2,113,488</u>	<u>1,516,564</u>	<u>2,945,214</u>
Subtotal	13,507,074	2,113,488	1,516,564	14,103,998
Capital assets being depreciated:				
Road and sidewalks	64,624,986	8,458,151	6,777,031	66,306,106
Buildings and improvements	25,686,189	253,273	-	25,939,462
Improvements other than buildings	14,152,298	228,487	-	14,380,785
Machinery and equipment	<u>20,317,436</u>	<u>500,555</u>	<u>192,340</u>	<u>20,625,651</u>
Subtotal	124,780,909	9,440,466	6,969,371	127,252,004
Accumulated depreciation:				
Road and sidewalks	24,090,789	3,324,177	6,777,031	20,637,935
Buildings and improvements	5,651,112	281,409	-	5,932,521
Improvements other than buildings	6,806,395	627,108	-	7,433,503
Machinery and equipment	<u>14,375,755</u>	<u>1,428,736</u>	<u>192,340</u>	<u>15,612,151</u>
Subtotal	<u>50,924,051</u>	<u>5,661,430</u>	<u>6,969,371</u>	<u>49,616,110</u>
Net capital assets being depreciated	<u>73,856,858</u>	<u>3,779,036</u>	<u>-</u>	<u>77,635,894</u>
Net capital assets	<u>\$ 87,363,932</u>	<u>\$ 5,892,524</u>	<u>\$ 1,516,564</u>	<u>\$ 91,739,892</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 1,597,920	\$ -	\$ -	\$ 1,597,920
Construction in progress	<u>1,132,649</u>	<u>62,592</u>	<u>314,711</u>	<u>880,530</u>
Subtotal	2,730,569	62,592	314,711	2,478,450
Capital assets being depreciated:				
Water and sewer distribution systems	108,973,825	4,008,748	-	112,982,573
Land improvements	4,511,619	19,453	-	4,531,072
Building and building improvements	41,794,640	63,525	-	41,858,165
Machinery and equipment	<u>2,977,755</u>	<u>131,046</u>	<u>-</u>	<u>3,108,801</u>
Subtotal	158,257,839	4,222,772	-	162,480,611
Accumulated depreciation:				
Water and sewer distribution systems	43,788,974	2,776,866	-	46,565,840
Land improvements	1,100,099	159,145	-	1,259,244
Building and building improvements	25,548,824	898,635	-	26,447,459
Machinery and equipment	<u>1,753,102</u>	<u>247,592</u>	<u>-</u>	<u>2,000,694</u>
Subtotal	<u>72,190,999</u>	<u>4,082,238</u>	<u>-</u>	<u>76,273,237</u>
Net capital assets being depreciated	<u>86,066,840</u>	<u>140,534</u>	<u>-</u>	<u>86,207,374</u>
Net capital assets	<u>\$ 88,797,409</u>	<u>\$ 203,126</u>	<u>\$ 314,711</u>	<u>\$ 88,685,824</u>

Notes to the Financial Statements

June 30, 2021

Note 7 - Capital Assets (Continued)

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

Component Units	Balance July 1, 2020	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets not being depreciated:				
Fine arts	\$ 111,318	\$ -	\$ 2,300	\$ 109,018
Construction in progress	2,065,878	-	2,065,878	-
Subtotal	2,177,196	-	2,068,178	109,018
Capital assets being depreciated:				
Equipment and building improvements	4,667,829	2,806,321	145,643	7,328,507
Books, periodicals, etc.	4,263,099	295,537	481,053	4,077,583
Subtotal	8,930,928	3,101,858	626,696	11,406,090
Accumulated depreciation:				
Equipment and building improvements	2,637,263	301,475	145,643	2,793,095
Books, periodicals, etc.	3,345,384	321,198	481,053	3,185,529
Subtotal	5,982,647	622,673	626,696	5,978,624
Net capital assets being depreciated	2,948,281	2,479,185	-	5,427,466
Net capital assets	<u>\$ 5,125,477</u>	<u>\$ 2,479,185</u>	<u>\$ 2,068,178</u>	<u>\$ 5,536,484</u>

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

Governmental activities:

General government	\$ 303,188
Public safety	209,641
Public works	3,301,996
Economic development	5,805
Recreation and culture	704,469
Internal Service Fund depreciation is charged to the various function based on their usage of the asset	<u>1,136,331</u>
Total governmental activities	<u>\$ 5,661,430</u>

Business-type activities:

Water and sewer	\$ 2,769,349
Automobile parking system	1,222,287
Golf courses	<u>90,602</u>
Total business-type activities	<u>\$ 4,082,238</u>

Notes to the Financial Statements**June 30, 2021****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	\$ 1,517,651	\$ 247,151
Street/bridge projects	2,968,871	836,813
Sewer improvements	1,520,153	574,730
Sidewalks and alleys	3,169,012	310,831
Building improvements	1,500,372	4,277,691
Park improvements	<u>69,406</u>	<u>6,181</u>
Total	<u>\$ 10,745,465</u>	<u>\$ 6,253,397</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:

General Fund	\$1,374,651
Nonmajor Governmental Funds	<u>4,502,902</u>
Total	<u>\$5,877,553</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:

Notes to the Financial Statements
June 30, 2021

Note 9 - Long-term Debt (Continued)

	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	6,780,000	-	(1,355,000)	5,425,000	1,310,000
Unamortized bond premium			629,610	-	(118,665)	510,945	-
2021 Parks and Recreation Bonds:							
Amount of issue - \$4,750,000	1.55% -	\$150,000 -					
Maturing through 2041	3.00%	\$390,000	-	4,750,000	-	4,750,000	-
Unamortized bond premium			-	262,104	-	262,104	-
Total general obligation bonds			7,409,610	5,012,104	(1,473,665)	10,948,049	1,310,000
Accumulated employee benefits			2,360,348	1,201,499	(1,095,188)	2,466,659	1,262,741
Total governmental activities			<u>\$ 9,769,958</u>	<u>\$ 6,213,603</u>	<u>\$ (2,568,853)</u>	<u>\$ 13,414,708</u>	<u>\$ 2,572,741</u>
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	1,105,000	-	(1,105,000)	-	-
Unamortized bond premium			54,217	-	(54,217)	-	-
Total general obligation bonds			1,159,217	-	(1,159,217)	-	-
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	1,475,573	-	(362,037)	1,113,536	370,819
North Arm Drain Bonds:							
Amount of issue - \$13,877,387	1.10% -	\$121,756 -					
Maturing through 2020	1.30%	\$174,693	178,708	-	(178,708)	-	-
Total direct borrowings			1,654,281	-	(540,745)	1,113,536	370,819
Total bonds and direct borrowings			2,813,498	-	(1,699,962)	1,113,536	370,819
Accumulated employee benefits			35,455	18,949	(17,147)	37,257	30,496
Total business-type activities			<u>\$ 2,848,953</u>	<u>\$ 18,949</u>	<u>\$ (1,717,109)</u>	<u>\$ 1,150,793</u>	<u>\$ 401,315</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, \$1,007,325 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.

City of Birmingham, Michigan

Notes to the Financial Statements

June 30, 2021

Note 9 - Long-term Debt (Continued)

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 bonds is \$1,178,310. The Royal Oak bonds were paid in full in fiscal year 2021.

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		Direct Borrowings	
	Principal	Interest	Principal	Interest
2022	\$ 1,310,000	\$ 255,886	\$ 370,820	\$ 26,850
2023	1,270,000	244,122	300,210	17,911
2024	1,450,000	195,172	304,612	10,618
2025	430,000	151,072	29,850	3,205
2026	430,000	135,372	30,530	2,538
2027-2031	1,780,000	456,085	77,514	3,652
2032-2036	1,345,000	273,084	-	-
2037-2041	1,770,000	129,800	-	-
2042	390,000	3,900	-	-
Total	<u>\$ 10,175,000</u>	<u>\$ 1,844,493</u>	<u>\$ 1,113,536</u>	<u>\$ 64,774</u>

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 Capital Projects Funds represents unspent bond proceeds of approximately \$4.7 million. These funds are restricted for park and recreation improvements. Restricted assets in the internal service funds of approximately \$4,100 represents funds held by the City's third-party administrator for health care claims.

Notes to the Financial Statements

June 30, 2021

Note 11 - Governmental Fund Balances

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

	General <u>Fund</u>	Other Nonmajor Governmental <u>Funds</u>	<u>Total</u>
Fund balances:			
Nonspendable			
Prepays and inventory	\$ 671,991	\$ -	\$ 671,991
Cemetery principal		1,046,957	1,046,957
Restricted for:			
Solid waste disposal	-	617,167	617,167
Law & drug enforcement	-	125,541	125,541
Park improvements	-	4,789,995	4,789,995
Debt service	-	92,903	92,903
Construction Code	926,875	-	926,875
Cemetery maintenance	-	99,542	99,542
Committed to:			
Traffic signals	19,127	-	19,127
Street improvements	752,694	-	752,694
Street maintenance	20,161	-	20,161
Park improvements	41,075	5,881	46,956
Alley improvements	-	-	-
Sidewalk improvements	253,864	-	253,864
Streetlight improvements	-	31,408	31,408
Building maintenance	-	-	-
Building improvements	-	1,049,545	1,049,545
Property maintenance	11,564	-	11,564
Equipment	-	-	-
Other purposes	-	-	-
Assigned to:			
Street improvements	6,363,357	-	6,363,357
Street maintenance	7,485	-	7,485
Traffic signals	2,400	-	2,400
Bridge maintenance	4,282	-	4,282
Alley improvements	-	-	-
Sidewalk improvements	25,559	-	25,559
Streetlight improvements	-	-	-
Park & recreation improvements	-	1,466,994	1,466,994
Equipment	21,843	-	21,843
Property maintenance	51,748	-	51,748
Building maintenance	32,452	-	32,452
Other purposes	65,406	-	65,406
Unassigned	14,893,047	-	14,893,047
Total fund balances	<u>\$ 24,164,930</u>	<u>\$ 9,325,933</u>	<u>\$ 33,490,863</u>

Note 12 - Unearned Revenue

Unearned revenue in the General Fund represents resources received for the subsequent year's operations.

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>2021</u>	<u>2020</u>
Unpaid claims – Beginning of year	\$ 541,781	\$ 732,341
Incurred claims – Including claims incurred but not reported	3,158,193	1,768,132
Claim payments	<u>(2,842,104)</u>	<u>(1,958,692)</u>
Unpaid claims – End of year	<u>\$ 857,870</u>	<u>\$ 541,781</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, 2021, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	222
Inactive plan members entitled to but not yet receiving benefits	16
Deferred retirement option program (DROP)	1
Active plan members	56
Active plan members (death/disability only)	<u>44</u>
Total plan members	339

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.

Notes to the Financial Statements**June 30, 2021****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, 2021, the average active member contribution rate was 3.0 percent of annual pay, and the City's normal cost contribution rate was \$358,258, plus \$800,582 for the unfunded accrued liability for general members and \$590,157 normal cost contribution, plus \$955,245 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, 2021:

Statement of Net Position

Assets	
Cash and investments	\$ 114,666,256
Other assets	<u>1,659,460</u>
Total assets	116,325,716
Liabilities	<u>111,600</u>
Net Position - Restricted for pensions	<u>\$ 116,214,116</u>

Statement of Changes in Net Position

Additions	
Contributions	\$ 2,864,842
Net investment income	27,678,239
Other revenue	<u>61,570</u>
Total additions	30,604,651
Deductions	
Benefit payments and refunds	8,924,417
Other expenses	<u>140,522</u>
Total deductions	9,064,939
Change in net position	21,539,712
Net position - Restricted for pensions	
Beginning of year	<u>94,674,404</u>
End of year	<u>\$ 116,214,116</u>

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, 2021:

<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, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 30.04 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Notes to the Financial Statements**June 30, 2021****Note 14 - Retirement Plans (Continued)****Reserves**

State law requires employee contributions to be segregated. As of June 30, 2021, the System's legally required reserves have been fully funded as follows:

Reserve for employer contributions	\$ 25,549,032
Reserve for employees' contributions	4,261,464
Reserve for DROP	595,416
Reserve for retired benefit payments	<u>85,808,204</u>
Total	<u>\$ 116,214,116</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, 2021 held by the pension plan for the DROP program totaled \$595,416.

Net Pension Liability of the City

The components of the net pension liability of the City at June 30, 2021 were as follows:

Total pension liability	\$ 120,450,477
Plan fiduciary net position	<u>116,214,116</u>
City's net pension liability	<u>\$ 4,236,361</u>

Plan fiduciary net position as a
percentage of the total pension liability 96.48%

The General Fund primarily liquidates the net pension liability.

The City has chosen to use June 30, 2021 as its measurement date for the net pension liability. The June 30, 2021 reported net pension liability was determined using a measure of the total pension liability and the pension plan net position as of June 30, 2021. The June 30, 2021 total pension liability was determined by an actuarial valuation performed as of June 30, 2020, which used update procedures to roll forward the estimated liability to June 30, 2021.

Notes to the Financial Statements

June 30, 2021

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, 2020	\$ 116,089,589	\$ 90,701,702	\$ 25,387,887
Changes for the year:			
Service cost	1,009,815	-	1,009,815
Interest	7,613,085	-	7,613,085
Changes in benefits	-	-	-
Difference between expected and actual experience	(599,463)	-	(599,463)
Changes in assumptions	-	-	-
Contributions - employer	-	2,604,489	(2,604,489)
Contributions - employee	-	154,676	(154,676)
Net investment income	-	26,657,259	(26,657,259)
Benefit payments, including refunds	(8,595,218)	(8,595,218)	-
Administrative expenses	-	(135,338)	135,338
Miscellaneous other changes	-	59,299	(59,299)
Balances at June 30, 2021	\$ 115,517,808	\$ 111,446,869	\$ 4,070,939

	Component Units		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances at June 30, 2020	\$ 4,954,569	\$ 3,972,702	\$ 981,867
Changes for the year:			
Service cost	38,676	-	38,676
Interest	291,583	-	291,583
Changes in benefits	-	-	-
Difference between expected and actual experience	(22,960)	-	(22,960)
Changes in assumptions	-	-	-
Contributions - employer	-	99,753	(99,753)
Contributions - employee	-	5,924	(5,924)
Net investment income	-	1,020,980	(1,020,980)
Benefit payments, including refunds	(329,199)	(329,199)	-
Administrative expenses	-	(5,184)	5,184
Miscellaneous other changes	-	2,271	(2,271)
Balances at June 30, 2021	\$ 4,932,669	\$ 4,767,247	\$ 165,422

Notes to the Financial Statements

June 30, 2021

Note 14 - Retirement Plans (Continued)

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

For the year ended June 30, 2021, the City recognized pension expense (including the defined contribution plan) of \$740,582. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 528,023	\$ 466,810	\$ 61,213
Changes in assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	12,295,169	(12,295,169)
Total	<u>\$ 528,023</u>	<u>\$ 12,761,979</u>	<u>\$ (12,233,956)</u>

	Component Units		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 21,457	\$ 18,970	\$ 2,487
Changes in assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	499,639	(499,639)
Total	<u>\$ 21,457</u>	<u>\$ 518,609</u>	<u>\$ (497,152)</u>

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

Notes to the Financial Statements

June 30, 2021

Note 14 - Retirement Plans (Continued)

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources	
	Primary Government	Component Units
2022	\$ (2,705,624)	\$ (109,949)
2023	(2,360,919)	(95,941)
2024	(3,036,308)	(123,387)
2025	(4,131,105)	(167,875)
Total	<u>\$ (12,233,956)</u>	<u>\$ (497,152)</u>

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

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, 2020 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, 2020 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, 2021, these best estimates are summarized in the following table:

Notes to the Financial Statements

June 30, 2021

Note 14 - Retirement Plans (Continued)

<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 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 <u>5.75%</u>	Current Single Discount Rate <u>6.75%</u>	1% Increase <u>7.75%</u>
Total Pension Liability	\$ 133,528,817	\$ 120,450,477	\$ 109,398,961
Plan Fiduciary Net Position	<u>116,214,116</u>	<u>116,214,116</u>	<u>116,214,116</u>
Net Pension Liability (Asset)	<u>\$ 17,314,701</u>	<u>\$ 4,236,361</u>	<u>\$ (6,815,155)</u>

Pension 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, 2021

Note 14 - Retirement Plans (Continued)

	<u>Primary Government</u>	<u>Component Units</u>
Proportionate share of the net pension liability	96.1%	3.9%
Net pension liability	\$ 4,070,939	\$ 165,422
Pension expense	(253,143)	(10,289)
Deferred outflows of resources representing the net differences between expected and actual experience	528,023	21,457
Deferred inflows of resources representing the net differences between expected and actual experience	466,810	18,970
Deferred inflows of resources representing the net difference between projected and actual earnings on pension plan investments	12,295,169	499,639
Amortization of deferred outflows (inflows):		
June 30, 2021	(2,705,624)	(109,949)
June 30, 2022	(2,360,919)	(95,941)
June 30, 2023	(3,036,308)	(123,387)
June 30, 2024	(4,131,105)	(167,875)
June 30, 2025	-	-
Thereafter	-	-
Total	\$ (12,233,956)	\$ (497,152)
Sensitivity Analysis:		
Net pension liability at 5.75 percent discount rate	\$ 16,638,559	\$ 676,142
Net pension liability at 7.75 percent discount rate	(6,549,022)	(266,133)

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:

Notes to the Financial Statements

June 30, 2021

Note 14 - Retirement Plans (Continued)

	Department Heads and Non-Union Employees	Library Employees	AFSCME Employees	Teamster Employees	Police Employees	Fire Employees
Employer Contribution	9.5%	6%	8%	10%	15%	15.0%
Employee Contribution	4%	3%	3.5%	5%	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, 2021:

	Department Heads and Non-Union Employees	Library Employees	AFSCME Employees	Teamster Employees	Police Employees	Fire Employees
Number of Employees	25	34	16	21	24	30
Employer Contributions	\$149,465	\$69,228	\$72,450	\$108,000	\$268,460	\$336,411
Employee Contributions	\$62,932	\$34,614	\$31,703	\$51,885	\$116,333	\$145,778

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.

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, 2021, the RHCF had the following plan membership:

Inactive plan members or beneficiaries currently receiving benefits	295
Inactive plan members entitled to but not yet receiving benefits	6
DROP members	1
Active plan members	49
Total plan members	351

Notes to the Financial Statements

June 30, 2021

Note 15 - Postemployment Benefits (Continued)

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, 2021, the average active member contribution rate was 2.0 percent of annual pay and the City's average contribution rate was 36.58% 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):

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

For the fiscal year ended June 30, 2021, retired plan members or beneficiaries receiving benefits contributed \$128,903. The City is required to contribute at a rate equivalent to the annual required contribution (ARC) (36.58% 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, 2021:

Notes to the Financial Statements**June 30, 2021****Note 15 - Postemployment Benefits (Continued)****Statement of Net Position**

Assets	
Cash and investments	\$ 49,520,550
Other assets	115,764
Total assets	<u>49,636,314</u>
Liabilities	<u>394,853</u>
Net Position - Restricted for OPEB	<u>\$ 49,241,461</u>

Statement of Changes in Net Position

Additions	
Contributions	\$ 2,985,662
Net investment income	10,999,209
Other revenue	131,985
Total additions	<u>14,116,856</u>
Deductions	
Benefit payments	2,936,531
Other expenses	46,202
Total deductions	<u>2,982,733</u>
Change in net position	11,134,123
Net position - Restricted for OPEB	
Beginning of year	<u>38,107,338</u>
End of year	<u>\$ 49,241,461</u>

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, 2021:

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, 2021, the annual money-weighted rate of return on RHCF plan investments, net of RHCF investment expense, was 28.83 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, 2021 and is composed of the following:

Total OPEB liability	\$ 51,611,742
Plan fiduciary net position	<u>49,241,461</u>
City's net OPEB liability	<u>\$ 2,370,281</u>

Plan fiduciary net position as a percentage of the total OPEB liability	95.41%
---	--------

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, 2021

Note 15 - Postemployment Benefits (Continued)

	Primary Government		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balances at June 30, 2020	\$ 49,068,385	\$ 36,570,328	\$ 12,498,057
Changes for the year:			
Service cost	383,992	-	383,992
Interest	3,231,591	-	3,231,591
Changes in benefits	-	-	-
Difference between expected and actual experience	(1,847,751)	-	(1,847,751)
Changes in assumptions	1,527,417	-	1,527,417
Contributions - employer	-	2,770,374	(2,770,374)
Contributions - plan members	-	97,092	(97,092)
Net investment income	-	10,563,772	(10,563,772)
Benefit payments, including refunds	(2,820,279)	(2,820,279)	-
Administrative expenses	-	(44,373)	44,373
Miscellaneous other changes	-	126,760	(126,760)
Balances at June 30, 2021	\$ 49,543,355	\$ 47,263,674	\$ 2,279,681

	Component Units		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balances at June 30, 2020	\$ 2,048,809	\$ 1,537,010	\$ 511,799
Changes for the year:			
Service cost	15,828	-	15,828
Interest	133,206	-	133,206
Changes in benefits	-	-	-
Difference between expected and actual experience	(76,164)	-	(76,164)
Changes in assumptions	62,960	-	62,960
Contributions - employer	-	114,194	(114,194)
Contributions - plan members	-	4,002	(4,002)
Net investment income	-	435,437	(435,437)
Benefit payments, including refunds	(116,252)	(116,252)	-
Administrative expenses	-	(1,829)	1,829
Miscellaneous other changes	-	5,225	(5,225)
Balances at June 30, 2021	\$ 2,068,387	\$ 1,977,787	\$ 90,600

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

For the year ended June 30, 2021, the City recognized an OPEB recovery (including the defined contribution plan) of \$2,583,105. At June 30, 2021, 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, 2021

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	\$ -	\$ 823,998	\$ (823,998)
Changes in assumptions	679,722	313,200	366,522
Net difference between projected and actual earnings on OPEB plan investments	-	4,956,281	(4,956,281)
Total	<u>\$ 679,722</u>	<u>\$ 6,093,479</u>	<u>\$ (5,413,757)</u>

	Component Units		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 32,747	\$ (32,747)
Changes in assumptions	27,014	12,447	14,567
Net difference between projected and actual earnings on OPEB plan investments	-	196,969	(196,969)
Total	<u>\$ 27,014</u>	<u>\$ 242,163</u>	<u>\$ (215,149)</u>

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

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources	
	Primary Government	Component Units
2022	\$ (1,571,507)	\$ (62,453)
2023	(1,030,750)	(40,963)
2024	(1,191,403)	(47,348)
2025	(1,620,097)	(64,385)
2026	-	-
Thereafter	-	-
Total	<u>\$ (5,413,757)</u>	<u>\$ (215,149)</u>

Notes to the Financial Statements

June 30, 2021

Note 15 - Postemployment Benefits (Continued)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, which used update procedures to roll forward the estimated liability to fiscal year June 30, 2021. The valuation used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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, 2020 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, 2020 valuation.

Assumption changes for fiscal year 2021 were the result of updated health care trend rates.

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, 2021, these best estimates are summarized in the following table:

Notes to the Financial Statements

June 30, 2021

Note 15 - Postemployment Benefits (Continued)

<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 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:

<u>Current Single Discount</u>		
<u>1% Decrease</u>	<u>Rate Assumption</u>	<u>1% Increase</u>
<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
\$8,431,257	\$2,370,281	(\$2,680,870)

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:

<u>Current Healthcare</u>		
<u>1% Decrease</u>	<u>Cost Trend Rate</u>	<u>1% Increase</u>
<u>(7% decreasing to 2.5%)</u>	<u>8% decreasing to 3.5%</u>	<u>(9% decreasing to 4.5%)</u>
-\$3,395,089	\$2,370,281	\$9,303,219

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, 2021

Note 15 - Postemployment Benefits (Continued)

	Primary Government	Component Units
Proportionate share of the net OPEB liability	96.2%	3.8%
Net OPEB liability	\$ 2,279,681	\$ 90,600
OPEB expense	(2,708,647)	(107,646)
Deferred outflows of resources representing changes in assumptions	679,722	27,014
Deferred inflows of resources representing the differences between expected and actual experience	823,998	32,747
Deferred inflows of resources representing changes in assumptions.	313,200	12,447
Deferred inflows of resources representing the net difference between projected and actual earnings on plan investments	4,956,281	196,969
Amortization of deferred outflows (inflows):		
June 30, 2021	(1,571,507)	(62,453)
June 30, 2022	(1,030,750)	(40,963)
June 30, 2023	(1,191,403)	(47,348)
June 30, 2024	(1,620,097)	(64,385)
June 30, 2025	-	-
Thereafter	-	-
Total	\$ (5,413,757)	\$ (215,149)
Sensitivity Analysis:		
<u>Single Discount Rate Assumption</u>		
Net OPEB liability at 5.75 percent discount rate	\$ 8,108,996	\$ 322,261
Net OPEB liability at 7.75 percent discount rate	(2,578,401)	(102,469)
<u>Healthcare Cost Trend Rate Assumption</u>		
Net OPEB liability at 1% increase	\$ 8,947,630	\$ 355,589
Net OPEB liability at 1% decrease	(3,265,321)	(129,768)

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-

Notes to the Financial Statements

June 30, 2021

Note 15 - Postemployment Benefits (Continued)

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:

	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, 2021:

	Department Heads and Non-Union Employees	Library Employees	AFSCME Employees	Teamster Employees	Fire Employees	Police Employees
Number of Employees	25	21	25	29	32	24
Employer Contributions	\$35,805	\$22,950	\$38,240	\$46,410	\$55,680	\$35,555
Employee Contributions	\$31,467	\$18,994	\$19,439	\$32,823	\$71,153	\$35,795

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, 2021, the Authority abated \$154,251 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, 2021, the City expensed \$2,627,400 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, 2021, the City expensed \$1,752,575 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 \$892,462 and its share of Court revenue amounted to \$575,069 for the Court's year ended December 31, 2020. 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 - Adoption of New Accounting Pronouncements

During the current year, the City adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the funds previously reported as agency funds are now reported as custodial funds.

As a result of this new standard, the beginning fiduciary net position of the Oakway Fund was adjusted to report the net position of this activity as of June 30, 2020 which was \$130,838.

Note 19 - Upcoming GASB Pronouncements

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*.

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.

Notes to the Financial Statements

June 30, 2021

Note 19 - Upcoming GASB Pronouncements (Continued)

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.

This page intentionally left blank.

Required Supplemental Information

This page intentionally left blank.

City of Birmingham, Michigan

Required Supplemental Information Budgetary Comparison Schedule – General Fund Year Ended June 30, 2021

	Original Budget	Amended Budget	Actual (Budgetary Basis) (See Note B)	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Property taxes	\$ 26,948,810	\$ 26,948,810	\$ 27,017,415	\$ 68,605
Licenses and permits	2,774,960	2,774,960	2,918,607	143,647
Intergovernmental revenue	2,165,630	2,865,630	3,348,414	482,784
Charges for services	3,322,020	2,722,020	2,676,722	(45,298)
Fines and forfeitures	1,799,110	899,110	968,666	69,556
Interest and rent	647,690	247,690	133,934	(113,756)
Other	571,730	371,730	337,009	(34,721)
Transfers from other funds	100,000	115,000	115,000	-
Total revenue	38,329,950	36,944,950	37,515,767	570,817
Expenditures				
General government	6,652,960	6,156,118	5,809,236	346,882
Public safety	14,761,920	15,548,352	15,467,890	80,462
Community development	3,104,050	2,915,849	2,625,333	290,516
Engineering and public services	5,345,146	7,612,033	7,337,050	274,983
Transfers to other funds	8,413,550	7,958,840	7,941,299	17,541
Total expenditures	38,277,626	40,191,192	39,180,808	1,010,384
Excess of Revenue Over (Under) Expenditures	52,324	(3,246,242)	(1,665,041)	1,581,201
Fund Balances - Beginning of year	18,382,445	18,382,445	18,382,445	-
Fund Balances - End of year	<u>\$ 18,434,769</u>	<u>\$ 15,136,203</u>	<u>\$ 16,717,404</u>	<u>\$ 1,581,201</u>

City of Birmingham, Michigan

Fiscal year ending June 30,

	2021	2020	2019	2018
Total Pension Liability				
Service Cost	\$ 1,048,491	\$ 1,117,931	\$ 1,207,297	\$ 1,176,990
Interest on the Total Pension Liability	7,904,668	7,807,504	7,791,407	7,548,033
Benefit Changes	-	-	-	-
Difference between expected and actual experience of the Total Pension Liability	(622,423)	1,189,042	(274,255)	816,510
Assumption Changes	-	-	-	2,271,712
Benefit Payments and Refunds	(8,924,417)	(8,356,145)	(8,526,441)	(7,919,279)
Net Change in Total Pension Liability	(593,681)	1,758,332	198,008	3,893,966
Total Pension Liability - Beginning	121,044,158	119,285,826	119,087,818	115,193,852
Total Pension Liability - Ending (a)	\$ 120,450,477	\$ 121,044,158	\$ 119,285,826	\$ 119,087,818
Plan Fiduciary Net Position				
Employer Contributions	\$ 2,704,242	\$ 2,378,124	\$ 1,898,592	\$ 1,853,059
Employee Contributions	160,600	167,254	179,567	191,515
Pension Plan Net Investment Income	27,678,239	309,279	4,074,063	8,869,776
Benefit Payments and Refunds	(8,924,417)	(8,356,145)	(8,526,441)	(7,919,279)
Pension Plan Administrative Expense	(140,522)	(133,985)	(137,288)	(148,148)
Other	61,570	(58,079)	11,589	(12,841)
Net Change in Plan Fiduciary Net Position	21,539,712	(5,693,552)	(2,499,918)	2,834,082
Plan Fiduciary Net Position - Beginning	94,674,404	100,367,956	102,867,874	100,033,792
Plan Fiduciary Net Position - Ending (b)	\$ 116,214,116	\$ 94,674,404	\$ 100,367,956	\$ 102,867,874
Net Pension Liability - Ending (a) - (b)	\$ 4,236,361	\$ 26,369,754	\$ 18,917,870	\$ 16,219,944
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.48%	78.21%	84.14%	86.38%
Covered Payroll	\$ 9,110,838	\$ 8,680,035	\$ 8,560,125	\$ 8,529,792
Net Pension Liability as a Percentage of Covered Payroll	46.50%	303.80%	221.00%	190.16%

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, 2021

	2017		2016		2015		2014		2013		2012
\$	1,198,113	\$	1,309,774	\$	1,402,945	\$	1,550,051	\$	1,425,969	\$	1,551,564
	7,736,173		7,698,227		7,674,711		7,544,288		7,427,615		7,321,735
	-		-		71,306		7,401		-		-
	412,640		414,101		(110,215)		-		(1,880,744)		(888,950)
	-		-		-		-		1,144,602		-
	(8,141,551)		(9,506,829)		(7,805,595)		(6,524,400)		(6,501,053)		(6,316,926)
	1,205,375		(84,727)		1,233,152		2,577,340		1,616,389		1,667,423
	113,988,477		114,073,204		112,840,052		110,262,712		108,646,323		106,978,900
\$	115,193,852	\$	113,988,477	\$	114,073,204	\$	112,840,052	\$	110,262,712	\$	108,646,323
<hr/>											
\$	1,830,875	\$	1,915,308	\$	2,484,308	\$	4,157,410	\$	2,392,449	\$	2,006,765
	199,299		219,861		238,890		267,282		269,829		291,456
	8,622,637		(485,602)		1,560,189		15,497,945		9,367,741		(653,250)
	(8,141,551)		(9,506,829)		(7,805,595)		(6,524,400)		(6,501,053)		(6,316,926)
	(124,630)		(148,755)		(153,495)		-		-		-
	3,512		(12,768)		-		33,033		-		-
	2,390,142		(8,018,785)		(3,675,703)		13,431,270		5,528,966		(4,671,955)
	97,643,650		105,662,435		109,338,138		95,906,868		90,377,902		95,049,857
\$	100,033,792	\$	97,643,650	\$	105,662,435	\$	109,338,138	\$	95,906,868	\$	90,377,902
\$	15,160,060	\$	16,344,827	\$	8,410,769	\$	3,501,914	\$	14,355,844	\$	18,268,421
	86.84%		85.66%		92.63%		96.90%		86.98%		83.19%
\$	8,282,695	\$	8,120,260	\$	8,355,347	\$	8,055,081	\$	8,638,321	\$	9,204,012
	183.03%		201.28%		100.66%		43.47%		166.19%		198.48%

City of Birmingham, Michigan

Required Supplemental Information Pension System Multiyear Schedule of Contributions June 30, 2021

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
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%
2021	2,704,242	2,704,242	-	9,110,838	29.68%

See Notes to Required Supplemental Information

Required Supplemental Information
Pension System
Multiyear Schedule of Investment Returns
June 30, 2021

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%
2021	30.04%

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

City of Birmingham, Michigan

Last Ten Fiscal Years

(Schedule is built prospectively upon implementation of GASB 74)

Fiscal year ending June 30,	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 399,820	\$ 500,319	\$ 487,628	\$ 565,820
Interest on the Total OPEB Liability	3,364,797	3,509,217	4,086,451	4,070,318
Changes of benefit terms	-	-	-	(6,854)
Difference between expected and actual experience of the Total OPEB Liability	(1,923,915)	(17,142)	(13,610,421)	(236,661)
Assumption Changes	1,590,377	(3,119,705)	3,370,306	918,824
Benefit Payments and Refunds	(2,936,531)	(2,987,464)	(2,796,396)	(2,963,077)
Net Change in Total OPEB Liability	494,548	(2,114,775)	(8,462,432)	2,348,370
Total OPEB Liability - Beginning	51,117,194	53,231,969	61,694,401	59,346,031
Total OPEB Liability - Ending (a)	<u>\$ 51,611,742</u>	<u>\$ 51,117,194</u>	<u>\$ 53,231,969</u>	<u>\$ 61,694,401</u>
Plan Fiduciary Net Position				
Employer Contributions	\$ 2,884,568	\$ 2,902,291	\$ 3,375,479	\$ 2,962,544
Employee Contributions	101,094	102,979	110,652	118,951
OPEB Plan Net Investment Income	10,999,209	318,747	1,576,257	2,711,103
Benefit Payments, including Refunds of Employee Contributions	(2,936,531)	(2,987,464)	(2,796,396)	(2,963,077)
OPEB Plan Administrative Expense	(46,202)	(24,018)	(41,534)	(179,175)
Other	131,985	105,060	128,087	223,252
Net Change in Plan Fiduciary Net Position	11,134,123	417,595	2,352,545	2,873,598
Plan Fiduciary Net Position - Beginning	38,107,338	37,689,743	35,337,198	32,463,600
Plan Fiduciary Net Position - Ending (b)	<u>\$ 49,241,461</u>	<u>\$ 38,107,338</u>	<u>\$ 37,689,743</u>	<u>\$ 35,337,198</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 2,370,281</u>	<u>\$ 13,009,856</u>	<u>\$ 15,542,226</u>	<u>\$ 26,357,203</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	95.41%	74.55%	70.80%	57.28%
Covered Payroll	\$ 4,747,594	\$ 4,989,388	\$ 5,404,835	\$ 5,821,568
Net OPEB Liability as a Percentage of Covered Payroll	49.93%	260.75%	287.56%	452.75%

See Notes to Required Supplemental Information

Required Supplemental Information
OPEB Plan
Multiyear Schedule of Changes in the
Net OPEB Liability and Related Ratios
June 30, 2021

<u>2017</u>
\$ 590,987
3,967,381
(10,070)
(200,672)
-
(2,765,954)
<u>1,581,672</u>
57,764,359
<u><u>\$ 59,346,031</u></u>

\$ 3,621,084
124,608
2,738,447
(2,765,954)
(173,050)
<u>182,648</u>
3,727,783
<u>28,735,817</u>
<u><u>\$ 32,463,600</u></u>
\$ 26,882,431

54.70%
\$ 6,420,864
418.67%

City of Birmingham, Michigan

Required Supplemental Information OPEB Plan Multiyear Schedule of Contributions June 30, 2021

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
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%
2021	1,868,786	2,884,568	(1,015,782)	4,747,594	60.76%

See Notes to Required Supplemental Information

City of Birmingham, Michigan

Required Supplemental Information OPEB Plan Multiyear Schedule of Investment Returns June 30, 2021

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%
2021	28.83%

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

Notes to Required Supplemental Information

June 30, 2021

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, 2021

**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	Major and Local Street Fund Adjustments	Reclassification of Revenues and Expenditures	General Fund Budget Presentation
Revenue				
Property taxes	\$ 27,017,415	\$ -	\$ -	\$ 27,017,415
Licenses and permits	2,918,607	-	-	2,918,607
Federal grants	964,573	-	(964,573)	-
State and local sources	4,632,798	(2,248,957)	(2,383,841)	-
Intergovernmental revenue		-	3,348,414	3,348,414
Charges for services	2,676,722	-	-	2,676,722
Fines and forfeitures	968,666	-	-	968,666
Use of money and property/Interest and rent	146,400	(12,466)	-	133,934
Other	526,865	(189,856)	-	337,009
Transfers from other funds	-	-	115,000	115,000
Total revenue	39,852,046	(2,451,279)	115,000	37,515,767
Expenditures				
General government	5,809,236	-	-	5,809,236
Public safety	15,467,890	-	-	15,467,890
Public works/Engineering and public services	7,337,050	-	-	7,337,050
Highway and streets	2,959,149	(2,959,149)	-	-
Community and economic development	2,625,333	-	-	2,625,333
48th District Court	946,009	-	(946,009)	-
Capital Outlay	3,437,440	(3,437,440)	-	-
Transfers to other funds	-	-	7,941,299	7,941,299
Total expenditures	38,582,107	(6,396,589)	6,995,290	39,180,808
Excess of Revenue Over (Under) Expenditures	1,269,939	3,945,310	(6,880,290)	(1,665,041)
Other Financing Sources (Uses)				
Transfers in	115,000	-	(115,000)	-
Transfers out	(1,995,290)	(5,000,000)	6,995,290	-
Total other financing sources (uses)	(1,880,290)	(5,000,000)	6,880,290	-
Net Changes in Fund Balance	(610,351)	(1,054,690)	-	(1,665,041)
Fund Balances - Beginning of year	24,775,281	(6,392,836)	-	18,382,445
Fund Balances - End of year	<u>\$ 24,164,930</u>	<u>\$ (7,447,526)</u>	<u>\$ -</u>	<u>\$ 16,717,404</u>

Notes to Required Supplemental Information June 30, 2021

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 to 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:	6/30/2019
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, 2021*:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	19 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 2018 valuation pursuant to an experience study of the period 2012-2017.
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, 2019 actuarial valuation.

Notes to Required Supplemental Information June 30, 2021

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 and 2021, 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 reported.

Methods and Assumptions Used to Determine Contribution Rates for the fiscal year ending June 30, 2021*:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	19 years
Asset Valuation Method	Market Value of Assets
Inflation	2.50%
Salary Increases	Police and Fire: 3.25% - 4.83% General: 3.25% - 5.26%
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 Last updated for the 2018 valuation pursuant to an experience study of the period 2012-2017.
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.

This page intentionally left blank.

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)	\$ 706,226	\$ -	\$ 125,541	\$ 93,325
Receivables - Net:				
Customers	60	-	-	-
Special assessments	-	-	-	-
Due from other governmental units	-	5,066	-	-
Restricted cash	-	-	-	-
Total assets	<u>\$ 706,286</u>	<u>\$ 5,066</u>	<u>\$ 125,541</u>	<u>\$ 93,325</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 86,537	\$ 5,066	\$ -	\$ -
Accrued and other liabilities	<u>2,522</u>	<u>-</u>	<u>-</u>	<u>422</u>
Total liabilities	89,059	5,066	-	422
Deferred Inflows of Resources				
Unavailable revenue - charges for services	60	-	-	-
Unavailable revenue - special assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	60	-	-	-
Fund Balances (Note 11)				
Nonspendable	-	-	-	-
Restricted	617,167	-	125,541	92,903
Committed	-	-	-	-
Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>617,167</u>	<u>-</u>	<u>125,541</u>	<u>92,903</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 706,286</u>	<u>\$ 5,066</u>	<u>\$ 125,541</u>	<u>\$ 93,325</u>

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

Nonmajor Permanent Fund Greenwood Cemetery Perpetual Care	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 1,146,499	\$ 3,504,553	\$ 5,576,144
8,206	33,492	41,758
-	24,649	24,649
-	-	5,066
-	4,707,407	4,707,407
\$ 1,154,705	\$ 8,270,101	\$ 10,355,024
\$ -	\$ 901,629	\$ 993,232
-	-	2,944
-	901,629	996,176
8,206	-	8,266
-	24,649	24,649
8,206	24,649	32,915
1,046,957	-	1,046,957
99,542	4,789,995	5,725,148
-	1,086,834	1,086,834
-	1,466,994	1,466,994
1,146,499	7,343,823	9,325,933
\$ 1,154,705	\$ 8,270,101	\$ 10,355,024

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	\$ 2,044,631	\$ -	\$ -	\$ 1,541,781
Federal grants	-	9,668	32,050	-
State sources	3,994			3,292
Charges for services	17,575	-	-	-
Use of money and property	606	-	50	36
Other revenue	45	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	2,066,851	9,668	32,100	1,545,109
Expenditures				
Current:				
Solid waste	2,095,580	-	-	-
Community development	-	9,668	-	-
Capital	-	-	-	-
Debt service	-	-	-	1,549,380
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	2,095,580	9,668	-	1,549,380
Excess of Revenues Over (Under) Expenditures	(28,729)	-	32,100	(4,271)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Premium on bond issued	-	-	-	-
Bond issued	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balance	(28,729)	-	32,100	(4,271)
Fund Balances - Beginning of year	645,896	-	93,441	97,174
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balances - End of year	<u><u>\$ 617,167</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 125,541</u></u>	<u><u>\$ 92,903</u></u>

Other Supplemental Information
Combining Statement of Revenue, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2021

Nonmajor Permanent Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Greenwood Cemetery Perpetual Care		
\$ -	\$ -	\$ 3,586,412
-	-	41,718
-	-	7,286
71,216	-	88,791
208,845	1,772	211,309
-	61,405	61,450
280,061	63,177	3,996,966
-	-	2,095,580
-	-	9,668
-	2,289,827	2,289,827
-	-	1,549,380
-	2,289,827	5,944,455
280,061	(2,226,650)	(1,947,489)
-	1,995,290	1,995,290
-	(15,000)	(15,000)
-	262,104	262,104
-	4,750,000	4,750,000
-	6,992,394	6,992,394
280,061	4,765,744	5,044,905
866,438	2,578,079	4,281,028
<u>\$ 1,146,499</u>	<u>\$ 7,343,823</u>	<u>\$ 9,325,933</u>

City of Birmingham, Michigan

Other Supplemental Information Budgetary Comparison Nonmajor Capital Projects Fund Year Ended June 30, 2021

Capital Projects Funds

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Interest and rent	\$ 35,000	\$ 35,000	\$ 1,772	\$ (33,228)
Other revenue	-	-	61,405	61,405
Transfers from other funds	1,950,000	1,995,290	1,995,290	-
Bond proceeds	-	5,012,100	5,012,104	4
Total revenue	1,985,000	7,042,390	7,070,571	28,181
Expenditures	2,745,000	7,391,474	2,304,827	5,086,647
Excess of Revenue Over (Under) Expenditures	(760,000)	(349,084)	4,765,744	5,114,828
Fund Balances - Beginning of year	2,578,079	2,578,079	2,578,079	-
Fund Balances - End of year	<u>\$ 1,818,079</u>	<u>\$ 2,228,995</u>	<u>\$ 7,343,823</u>	<u>\$ 5,114,828</u>

City of Birmingham, Michigan

Other Supplemental Information Budgetary Comparison Nonmajor Governmental Funds Year Ended June 30, 2021

Special Revenue Fund - Solid Waste

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Taxes	\$ 2,042,500	\$ 2,042,500	\$ 2,044,631	\$ 2,131
Intergovernmental	4,110	4,110	3,994	(116)
Charges for services	17,000	17,000	17,575	575
Interest	30,000	30,000	606	(29,394)
Other	-	-	45	45
Total revenue	2,093,610	2,093,610	2,066,851	(26,759)
Expenditures				
Personnel services	190,050	190,050	173,837	16,213
Supplies	28,000	28,000	13,227	14,773
Other Charges	1,925,720	2,077,793	1,908,516	169,277
Total expenditures	2,143,770	2,295,843	2,095,580	200,263
Excess of Revenue Over (Under) Expenditures	(50,160)	(202,233)	(28,729)	173,504
Fund Balances - Beginning of year	645,896	645,896	645,896	-
Fund Balances - End of year	<u>\$ 595,736</u>	<u>\$ 443,663</u>	<u>\$ 617,167</u>	<u>\$ 173,504</u>

City of Birmingham, Michigan

Other Supplemental Information Budgetary Comparison Nonmajor Governmental Funds (Continued) Year Ended June 30, 2021

Special Revenue Fund - Community Development Block Grant

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue - Intergovernmental	\$ 36,100	\$ 36,387	\$ 9,668	\$ (26,719)
Expenditures - Community development	<u>36,100</u>	<u>36,387</u>	<u>9,668</u>	<u>26,719</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>

City of Birmingham, Michigan

Other Supplemental Information Budgetary Comparison Nonmajor Governmental Funds (Continued) Year Ended June 30, 2021

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	\$ 25,000	\$ 25,000	\$ 32,050	\$ 7,050
Interest and other	1,300	1,300	50	(1,250)
Other	-	-	-	-
Total revenue	26,300	26,300	32,100	5,800
Expenditures				
Public safety	2,840	2,840	-	2,840
Total expenditures	2,840	2,840	-	2,840
Excess of Revenue Over (Under) Expenditures	23,460	23,460	32,100	8,640
Fund Balances - Beginning of year	93,441	93,441	93,441	-
Fund Balances - End of year	<u><u>\$ 116,901</u></u>	<u><u>\$ 116,901</u></u>	<u><u>\$ 125,541</u></u>	<u><u>\$ 8,640</u></u>

City of Birmingham, Michigan

Other Supplemental Information Budgetary Comparison Nonmajor Governmental Funds (Continued) Year Ended June 30, 2021

Debt Service Fund

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Taxes	\$ 1,548,450	\$ 1,548,450	\$ 1,541,781	\$ (6,669)
Intergovernmental	3,300	3,300	3,292	(8)
Interest and other	<u>3,000</u>	<u>100</u>	<u>36</u>	<u>(64)</u>
Total revenue	1,554,750	1,551,850	1,545,109	(6,741)
Expenditures - Debt service	<u>1,549,250</u>	<u>1,549,380</u>	<u>1,549,380</u>	<u>-</u>
Excess of Revenue Over (Under) Expenditures	5,500	2,470	(4,271)	(6,741)
Fund Balances - Beginning of year	<u>97,174</u>	<u>97,174</u>	<u>97,174</u>	<u>-</u>
Fund Balances - End of year	<u><u>\$ 102,674</u></u>	<u><u>\$ 99,644</u></u>	<u><u>\$ 92,903</u></u>	<u><u>\$ (6,741)</u></u>

City of Birmingham, Michigan

Other Supplemental Information Budgetary Comparison Nonmajor Governmental Funds (Continued) Year Ended June 30, 2021

Permanent Fund - Greenwood Cemetery Perpetual Care Fund

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Charges for Services	\$ 60,000	\$ 60,000	\$ 71,216	\$ 11,216
Interest and other	<u>22,000</u>	<u>22,000</u>	<u>208,845</u>	<u>186,845</u>
Total revenue	82,000	82,000	280,061	198,061
Expenditures	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Excess of Revenue Over (Under) Expenditures	62,000	62,000	280,061	218,061
Fund Balances - Beginning of year	<u>866,438</u>	<u>866,438</u>	<u>866,438</u>	<u>-</u>
Fund Balances - End of year	<u>\$ 928,438</u>	<u>\$ 928,438</u>	<u>\$ 1,146,499</u>	<u>\$ 218,061</u>

City of Birmingham, Michigan

Other Supplemental Information Combining Statement of Net Position Internal Service Funds June 30, 2021

	Equipment	Personal Services	Risk Management	Total
Assets				
Current assets:				
Cash and investments (Note 5, 6)	\$ 6,017,643	\$ 573,147	\$ 6,487,609	\$ 13,078,399
Prepaid costs	-	-	43,344	43,344
Total current assets	6,017,643	573,147	6,530,953	13,121,743
Noncurrent assets:				
Restricted assets (Note 10)	-	-	4,100	4,100
Capital assets - Net	3,560,464	-	-	3,560,464
Total noncurrent assets	3,560,464	-	4,100	3,564,564
Total assets	9,578,107	573,147	6,535,053	16,686,307
Deferred Outflows of Resources				
Deferred amount on pension (Note 14)	7,737	-	-	7,737
Deferred amount on OPEB (Note 15)	12,340	-	-	12,340
Liabilities				
Current liabilities:				
Accounts payable	103,130	-	-	103,130
Accrued liabilities	18,715	-	35,377	54,092
Provision for uninsured losses and liabilities	-	-	857,870	857,870
Current portion of long-term debt and employee benefits (Note 9)	21,907	-	37,161	59,068
Total current liabilities	143,752	-	930,408	1,074,160
Noncurrent liabilities:				
Provision for employee benefits	4,835	473,196	470,226	948,257
Net pension liability (Note 14)	59,647	-	-	59,647
Net OPEB liability (Note 15)	41,383	-	-	41,383
Total noncurrent liabilities	105,865	473,196	470,226	1,049,287
Total liabilities	249,617	473,196	1,400,634	2,123,447
Deferred Inflows of Resources				
Deferred amount on pension (Note 14)	186,977	-	-	186,977
Deferred amount on OPEB (Note 15)	110,622	-	-	110,622
Net Position				
Net investment in capital assets	3,560,464	-	-	3,560,464
Unrestricted	5,490,504	99,951	5,134,419	10,724,874
Total net position	<u>\$ 9,050,968</u>	<u>\$ 99,951</u>	<u>\$ 5,134,419</u>	<u>\$ 14,285,338</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, 2021

	Equipment	Personal Services	Risk Management	Total
Operating Revenues - Charges to other funds	\$ 2,186,504	30,000	\$ 3,615,052	\$ 5,831,556
Operating Expenses				
General and administrative	-	22,171	4,011,141	4,033,312
Supplies and other operating expenses	1,374,544	-	-	1,374,544
Depreciation	1,136,331	-	-	1,136,331
Total operating expenses	2,510,875	22,171	4,011,141	6,544,187
Operating Income (Loss)	(324,371)	7,829	(396,089)	(712,631)
Nonoperating Income				
Interest earned	2,596	250	2,863	5,709
Intergovernmental revenue	64,121			64,121
Gain on sale of capital assets	3,000	-	-	3,000
Net nonoperating income	69,717	250	2,863	72,830
Income (Loss)	(254,654)	8,079	(393,226)	(639,801)
Capital Contributions	14,200	-	-	14,200
Changes in Net Position	(240,454)	8,079	(393,226)	(625,601)
Net Position - Beginning of year	9,291,422	91,872	5,527,645	14,910,939
Net Position - End of year	<u>\$ 9,050,968</u>	<u>\$ 99,951</u>	<u>\$ 5,134,419</u>	<u>\$ 14,285,338</u>

City of Birmingham, Michigan

Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds Year Ended June 30, 2021

	Equipment	Personal Services	Risk Management	Total
Cash Flows from Operating Activities				
Receipts from customers and others	\$ 2,186,502	\$ 30,000	\$ 3,615,052	\$ 5,831,554
Payments to suppliers	(1,007,165)	-	(3,693,681)	(4,700,846)
Payments to employees	(426,472)	(4,044)	-	(430,516)
Net cash provided by (used in) operating activities	752,865	25,956	(78,629)	700,192
Cash Flows from Noncapital Financing Activities				
Federal grants	5,515	-	-	5,515
Local grants	58,606	-	-	58,606
Net cash provided by noncapital financing activities	64,121	-	-	64,121
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(236,403)	-	-	(236,403)
Proceeds from sale of capital assets	3,000	-	-	3,000
Net cash used in capital and related financing activities	(233,403)	-	-	(233,403)
Cash Flows from Investing Activities - Interest received on investments	2,596	250	2,863	5,709
Net Changes in Cash and Cash Equivalents	586,179	26,206	(75,766)	536,619
Cash and Cash Equivalents - Beginning of year	5,431,464	546,941	6,567,475	12,545,880
Cash and Cash Equivalents - End of year	<u>\$ 6,017,643</u>	<u>\$ 573,147</u>	<u>\$ 6,491,709</u>	<u>\$ 13,082,499</u>
Balance Sheet Classification of Cash and Cash Equivalents				
Cash and investments	\$ 6,017,643	\$ 573,147	\$ 6,487,609	\$ 13,078,399
Restricted investments	-	-	4,100	4,100
Total cash and cash equivalents	<u>\$ 6,017,643</u>	<u>\$ 573,147</u>	<u>\$ 6,491,709</u>	<u>\$ 13,082,499</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities				
Operating income (loss)	\$ (324,371)	\$ 7,829	\$ (396,089)	\$ (712,631)
Adjustment to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	1,136,331	-	-	1,136,331
Changes in assets and liabilities:				
Other assets	-	-	42,365	42,365
Pension related deferred outflows of resources	76,032	-	-	76,032
OPEB related deferred outflows of resources	30,230	-	-	30,230
Accounts payable	49,183	-	(11,792)	37,391
Accrued and other liabilities	5,015	18,127	286,887	310,029
Net pension liability	(277,699)	-	-	(277,699)
Net OPEB liability	(183,504)	-	-	(183,504)
Pension related deferred inflows of resources	185,526	-	-	185,526
OPEB related deferred inflows of resources	56,122	-	-	56,122
Net cash provided by (used in) operating activities	<u>\$ 752,865</u>	<u>\$ 25,956</u>	<u>\$ (78,629)</u>	<u>\$ 700,192</u>

This page intentionally left blank.

City of Birmingham, Michigan

	Pension and Other Employee Benefit Trust Funds		
	Pension Trust Fund	Retiree Health Care	Total
Assets			
Cash and cash equivalents	\$ -	\$ 465,541	\$ 465,541
Investments (Note 5, 6)			
U.S. government securities	6,309,061	3,855,399	10,164,460
Stocks	93,322,134	38,777,376	132,099,510
Bonds	15,035,061	6,422,234	21,457,295
Receivables and accrued interest	1,659,460	74,613	1,734,073
Other assets	-	41,151	41,151
Total assets	116,325,716	49,636,314	165,962,030
Liabilities			
Accounts payable	111,600	25,562	137,162
Accrued and other liabilities	-	369,291	369,291
Total liabilities	111,600	394,853	506,453
Net Position			
Restricted for:			
Pensions	116,214,116	-	116,214,116
Postemployment benefits other than pensions	-	49,241,461	49,241,461
Other governments	-	-	-
Total net position	<u>\$ 116,214,116</u>	<u>\$ 49,241,461</u>	<u>\$ 165,455,577</u>

Other Supplemental Information
Combining Statement of Net Position
Fiduciary Funds
June 30, 2021

Custodial Funds			
General Custody Fund	Tax Collection Fund	Oakway Fund	Total
\$ -	\$ -	\$ 88,300	\$ 88,300
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	88,300	88,300
-	-	253	253
-	-	-	-
-	-	253	253
-	-	-	-
-	-	-	-
-	-	88,047	88,047
-	-	88,047	88,047

City of Birmingham, Michigan

	Pension and Other Employee Benefit Trust Funds		
	Pension Trust Fund	Retiree Health Care	Total
Additions			
Investment income:			
Interest and dividends	\$ 1,632,036	\$ 693,088	\$ 2,325,124
Net change in fair value of investments	26,479,211	10,469,130	36,948,341
Less investment expenses	<u>(433,008)</u>	<u>(163,009)</u>	<u>(596,017)</u>
Net investment income	27,678,239	10,999,209	38,677,448
Contributions:			
Employer	2,704,242	2,884,568	5,588,810
Members	160,600	101,094	261,694
Individuals	<u>-</u>	<u>-</u>	<u>-</u>
Total contributions	2,864,842	2,985,662	5,850,504
Property tax collections for other governments	-	-	-
Other revenue	<u>61,570</u>	<u>131,985</u>	<u>193,555</u>
Total net additions	30,604,651	14,116,856	44,721,507
Deductions			
Benefit payments	8,035,316	2,936,531	10,971,847
Refunds of contributions	889,101	-	889,101
Administrative expenses	140,522	46,202	186,724
Payments to other governments	-	-	-
Fire training and hazmat related expenses	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	9,064,939	2,982,733	12,047,672
Changes in Net Position	21,539,712	11,134,123	32,673,835
Net Position			
Beginning of year, as restated (Note 18)	<u>94,674,404</u>	<u>38,107,338</u>	<u>132,781,742</u>
End of year	<u>\$ 116,214,116</u>	<u>\$ 49,241,461</u>	<u>\$ 165,455,577</u>

Other Supplemental Information
Combining Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2021

Custodial Funds			
General Custody Fund	Tax Collection Fund	Oakway Fund	Total
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	58,479	58,479
14,000	-	4,500	18,500
14,000	-	62,979	76,979
-	79,233,063	-	79,233,063
-	-	5,566	5,566
14,000	79,233,063	68,545	79,315,608
-	-	-	-
-	-	-	-
-	-	-	-
14,000	79,233,063	-	79,247,063
-	-	111,336	111,336
14,000	79,233,063	111,336	79,358,399
-	-	(42,791)	(42,791)
-	-	130,838	130,838
-	-	88,047	88,047

City of Birmingham, Michigan

Other Supplemental Information Balance Sheet GAAP Based General Fund June 30, 2021

	General Fund	Major Streets Fund	Local Streets Fund	Total GAAP Based General Fund
Assets				
Cash and investments (Note 5, 6)	\$ 19,365,333	\$ 4,750,619	\$ 3,113,682	\$ 27,229,634
Receivables - Net:				
Customers	382,059	8,428	1,327	391,814
Special Assessments	1,754,383	1,883	557,104	2,313,370
Delinquent personal property taxes	15,046	-	-	15,046
Prepaid items and other assets	393,971	156,791	-	550,762
Due from other governmental units	1,126,575	261,840	106,402	1,494,817
Inventories	-	86,592	34,637	121,229
	<u>-</u>	<u>86,592</u>	<u>34,637</u>	<u>121,229</u>
Total assets	<u>\$ 23,037,367</u>	<u>\$ 5,266,153</u>	<u>\$ 3,813,152</u>	<u>\$ 32,116,672</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 1,182,409	\$ 1,034,659	\$ 56,731	\$ 2,273,799
Accrued and other liabilities	2,743,459	12,946	16,206	2,772,611
	<u>2,743,459</u>	<u>12,946</u>	<u>16,206</u>	<u>2,772,611</u>
Total liabilities	3,952,621	1,047,605	72,937	5,073,163
Deferred Inflows of Resources				
Unavailable revenue - special assessments and property taxes	1,737,996	450	501,953	2,240,399
Unavailable revenue - parking tickets and charges for services	228,019	8,428	406	236,853
Unavailable revenue - grants	401,327	-	-	401,327
	<u>401,327</u>	<u>-</u>	<u>-</u>	<u>401,327</u>
Total deferred inflows of resources	2,367,342	8,878	502,359	2,878,579
Fund Balances (Notes 4, 11)				
Nonspendable	393,971	243,383	34,637	671,991
Restricted	926,875	-	-	926,875
Committed	306,503	773,260	18,722	1,098,485
Assigned	197,008	3,193,027	3,184,497	6,574,532
Unassigned	14,893,047	-	-	14,893,047
	<u>14,893,047</u>	<u>-</u>	<u>-</u>	<u>14,893,047</u>
Total fund balances	<u>16,717,404</u>	<u>4,209,670</u>	<u>3,237,856</u>	<u>24,164,930</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,037,367</u>	<u>\$ 5,266,153</u>	<u>\$ 3,813,152</u>	<u>\$ 32,116,672</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, 2021

	General Fund	Major Streets Fund	Local Streets Fund	Total GAAP Based General Fund
Revenues				
Property taxes	\$ 27,017,415	\$ -	\$ -	\$ 27,017,415
Licenses and permits	2,918,607	-	-	2,918,607
Federal grants	964,573	-	-	964,573
State sources	2,383,841	1,599,135	649,822	4,632,798
Charges for services	2,676,722	-	-	2,676,722
Fines and forfeitures	968,666	-	-	968,666
Use of money and property	133,934	2,150	10,316	146,400
Other	337,009	6,315	183,541	526,865
Total revenues	37,400,767	1,607,600	843,679	39,852,046
Expenditures				
Current:				
General government	5,809,236	-	-	5,809,236
Public safety	15,467,890	-	-	15,467,890
Public works	7,337,050	-	-	7,337,050
Highway and streets	-	1,589,838	1,369,311	2,959,149
Community and economic development	2,625,333	-	-	2,625,333
48th District Court	946,009	-	-	946,009
Capital outlay	-	2,831,158	606,282	3,437,440
Total expenditures	32,185,518	4,420,996	1,975,593	38,582,107
Excess of Revenues Over (Under) Expenditures	5,215,249	(2,813,396)	(1,131,914)	1,269,939
Other Financing Sources (Uses)				
Transfers in	115,000	2,000,000	3,000,000	5,115,000
Transfers out	(6,995,290)	-	-	(6,995,290)
Total other financing sources (uses)	(6,880,290)	2,000,000	3,000,000	(1,880,290)
Net Changes in Fund Balance	(1,665,041)	(813,396)	1,868,086	(610,351)
Fund Balances - Beginning of year	18,382,445	5,023,066	1,369,770	24,775,281
Fund Balances - End of year	<u>\$ 16,717,404</u>	<u>\$ 4,209,670</u>	<u>\$ 3,237,856</u>	<u>\$ 24,164,930</u>

City of Birmingham, Michigan

Other Supplemental Information Budgetary Comparison Major Street Fund Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Intergovernmental revenue	\$ 1,641,450	\$ 1,641,450	\$ 1,599,135	\$ (42,315)
Other revenue	-	-	6,315	6,315
Interest and rent	43,500	43,500	2,150	(41,350)
Transfers from other funds	2,000,000	2,000,000	2,000,000	-
Total revenue	3,684,950	3,684,950	3,607,600	(77,350)
Expenditures				
Maintenance of streets and bridges	453,400	363,011	253,736	109,275
Street cleaning	219,590	219,590	163,818	55,772
Street trees	269,110	271,206	248,368	22,838
Traffic controls and engineering	273,310	753,968	704,833	49,135
Snow and ice removal	288,510	288,510	198,183	90,327
Administrative	20,900	20,900	20,900	-
Capital outlay - Engineering and construction of roads and bridges	1,715,430	4,684,541	2,831,158	1,853,383
Total expenditures	3,240,250	6,601,726	4,420,996	2,180,730
Excess of Revenue Over (Under) Expenditures	444,700	(2,916,776)	(813,396)	2,103,380
Fund Balances - Beginning of year	5,023,066	5,023,066	5,023,066	-
Fund Balances - End of year	<u>\$ 5,467,766</u>	<u>\$ 2,106,290</u>	<u>\$ 4,209,670</u>	<u>\$ 2,103,380</u>

City of Birmingham, Michigan

Other Supplemental Information Budgetary Comparison Local Street Fund Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Intergovernmental revenue	\$ 670,450	\$ 670,450	\$ 649,822	\$ (20,628)
Other revenue	197,460	197,460	183,541	(13,919)
Interest and rent	29,600	29,600	10,316	(19,284)
Transfers from other funds	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>
Total revenue	3,897,510	3,897,510	3,843,679	(53,831)
Expenditures				
Maintenance of streets and bridges	704,200	940,017	406,726	533,291
Street cleaning	253,330	248,300	190,298	58,002
Street trees	551,990	557,733	548,422	9,311
Traffic controls and engineering	65,300	65,300	55,431	9,869
Snow and ice removal	176,530	176,530	138,914	37,616
Administrative	29,490	29,520	29,520	-
Capital outlay - Engineering and construction of roads and bridges	<u>1,262,430</u>	<u>1,501,810</u>	<u>606,282</u>	<u>895,528</u>
Total expenditures	<u>3,043,270</u>	<u>3,519,210</u>	<u>1,975,593</u>	<u>1,543,617</u>
Excess of Revenue Over (Under) Expenditures	854,240	378,300	1,868,086	1,489,786
Fund Balances - Beginning of year	<u>1,369,770</u>	<u>1,369,770</u>	<u>1,369,770</u>	<u>-</u>
Fund Balances - End of year	<u><u>\$ 2,224,010</u></u>	<u><u>\$ 1,748,070</u></u>	<u><u>\$ 3,237,856</u></u>	<u><u>\$ 1,489,786</u></u>

This page intentionally left blank.

Statistical Section

This page intentionally left blank.

City of Birmingham, Michigan

Statistical Section

This part of the City of Birmingham's annual comprehensive 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.	112-121
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	122-129
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.	130-136
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.	137-139
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.	140-147

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities				
Net investment in capital assets	\$ 58,469,335	\$ 61,172,079	\$ 60,326,290	\$ 64,121,601
Restricted	1,511,696	1,202,425	1,544,085	2,073,884
Unrestricted	35,739,505	34,441,332	36,452,264	28,673,965
Total governmental activities net position	<u>\$ 95,720,536</u>	<u>\$ 96,815,836</u>	<u>\$ 98,322,639</u>	<u>\$ 94,869,450</u>
Business-type activities				
Net investment in capital assets	\$ 61,916,894	\$ 64,889,098	\$ 69,787,491	\$ 75,165,784
Unrestricted	16,494,696	17,313,733	16,324,595	14,243,461
Total business-type activities net position	<u>\$ 78,411,590</u>	<u>\$ 82,202,831</u>	<u>\$ 86,112,086</u>	<u>\$ 89,409,245</u>
Primary government				
Net investment in capital assets	\$ 120,386,229	\$ 126,061,177	\$ 130,113,781	\$ 139,287,385
Restricted	1,511,696	1,202,425	1,544,085	2,073,884
Unrestricted	52,234,201	51,755,065	52,776,859	42,917,426
Total primary government net position	<u>\$ 174,132,126</u>	<u>\$ 179,018,667</u>	<u>\$ 184,434,725</u>	<u>\$ 184,278,695</u>

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

Fiscal Year Ended June 30					
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 65,602,783	\$ 69,052,322	\$ 73,978,247	\$ 77,053,948	\$ 80,240,493	\$ 85,732,349
3,220,943	3,724,946	3,542,901	3,219,054	2,447,612	2,999,839
26,960,806	25,786,707	(1,856,192)	2,014,886	9,496,379	16,193,690
\$ 95,784,532	\$ 98,563,975	\$ 75,664,956	\$ 82,287,888	\$ 92,184,484	\$ 104,925,878
\$ 78,240,354	\$ 79,904,424	\$ 82,681,652	\$ 84,610,449	\$ 86,043,709	\$ 87,574,160
15,231,635	20,661,104	22,356,195	27,924,020	32,171,514	32,601,973
\$ 93,471,989	\$ 100,565,528	\$ 105,037,847	\$ 112,534,469	\$ 118,215,223	\$ 120,176,133
\$ 143,843,137	\$ 143,843,133	\$ 156,659,899	\$ 161,664,397	\$ 166,284,202	\$ 173,306,509
3,220,943	3,724,946	3,542,901	3,219,054	2,447,612	2,999,839
42,192,441	42,192,445	20,500,003	29,938,906	41,667,893	48,795,663
\$ 189,256,521	\$ 189,760,524	\$ 180,702,803	\$ 194,822,357	\$ 210,399,707	\$ 225,102,011

City of Birmingham, Michigan

Schedule 2

	Fiscal Year Ended June 30			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities:				
Expenses				
General government	\$ 4,585,252	\$ 4,362,683	\$ 4,591,157	\$ 4,619,740
Public safety	11,125,068	12,352,387	13,331,879	13,947,661
Public works	7,646,906	7,907,576	8,343,679	8,672,353
Community and economic development	1,540,647	1,869,942	1,865,348	2,119,998
Recreation and culture	2,158,428	2,228,181	2,237,603	2,316,487
Interest on long-term debt	723,494	652,613	768,992	576,404
Total expenses	<u>27,779,795</u>	<u>29,373,382</u>	<u>31,138,658</u>	<u>32,252,643</u>
Program Revenues				
Charges for services:				
General government	422,454	346,917	350,647	368,499
Public safety	1,405,229	1,649,780	2,313,167	2,177,838
Public works	279,041	480,797	512,638	626,002
Community and economic development	1,674,422	1,788,165	2,520,303	2,498,721
Recreation and culture	801,556	740,867	761,138	739,723
Operating grants and contributions	1,486,253	1,488,250	1,773,788	1,815,104
Capital grants and contributions	126,507	149,532	114,422	788,601
Total program revenues	<u>6,195,462</u>	<u>6,644,308</u>	<u>8,346,103</u>	<u>9,014,488</u>
Total Governmental Activities Net Program Expense	<u>21,584,333</u>	<u>22,729,074</u>	<u>22,792,555</u>	<u>23,238,155</u>
General Revenues and Other Changes in Net Position				
Property taxes	21,784,190	22,069,399	22,050,256	22,997,639
State-shared revenues	1,649,070	1,692,523	1,737,507	1,755,780
Investment earnings	490,319	140,479	496,571	402,382
Miscellaneous	(6,924)	13,573	15,024	23,992
Gain (loss) on sale of assets	-	-	-	-
Transfers	(1,038,446)	(91,600)	-	(400,000)
Total general revenues and other changes in net position	<u>22,878,209</u>	<u>23,824,374</u>	<u>24,299,358</u>	<u>24,779,793</u>
Total Governmental Activities Change in Net Position	<u>\$ 1,293,876</u>	<u>\$ 1,095,300</u>	<u>\$ 1,506,803</u>	<u>\$ 1,541,638</u>

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

Fiscal Year Ended June 30					
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 6,264,622	\$ 4,862,662	\$ 4,863,080	\$ 4,893,492	\$ 4,329,507	\$ 4,607,606
14,637,734	14,795,343	15,416,851	14,031,828	13,900,057	11,458,725
9,016,674	9,102,127	9,828,034	10,000,670	9,016,465	8,835,639
2,366,340	2,601,667	2,795,313	2,973,055	2,708,154	2,311,589
2,338,521	2,573,438	2,608,146	2,525,496	2,504,894	2,454,742
536,604	411,274	262,755	208,285	157,453	133,581
<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>	<u>29,801,882</u>
375,217	376,744	366,178	427,170	413,135	409,564
1,994,957	2,159,647	2,416,754	2,253,531	2,152,523	1,413,408
852,470	730,917	767,016	709,763	666,267	633,981
3,039,334	2,953,561	2,515,811	2,731,975	2,087,911	2,489,677
748,931	730,992	746,813	755,079	608,606	413,302
1,753,564	1,851,276	2,781,969	2,636,879	2,622,984	3,312,356
1,361,243	1,678,046	2,546,143	715,469	1,025,832	569,280
<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>9,241,568</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>	<u>20,560,314</u>
23,643,093	24,471,841	26,946,752	28,425,728	29,584,273	30,477,445
1,890,617	1,898,536	1,968,613	2,046,874	2,002,965	2,270,076
393,742	256,370	361,433	1,218,824	1,604,893	411,370
22,409	18,024	26,260	9,466	43,737	42,817
-	-	(234,498)	-	-	-
-	-	(400,000)	(675,000)	(300,000)	100,000
<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>33,301,708</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>	<u>\$ 12,741,394</u>

City of Birmingham, Michigan

Schedule 2

	Fiscal Year Ended June 30			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Business-type Activities:				
Expenses				
Water and sewer	\$ 11,778,806	\$ 11,759,723	\$ 11,972,959	\$ 12,252,253
Automobile parking	3,207,699	3,450,244	2,884,360	3,252,464
Golf courses	<u>1,119,386</u>	<u>1,043,575</u>	<u>976,578</u>	<u>888,033</u>
Total expenses	<u>16,105,891</u>	<u>16,253,542</u>	<u>15,833,897</u>	<u>16,392,750</u>
Revenues				
Charges for services:				
Water and sewer	11,292,145	11,123,065	10,824,681	10,261,009
Automobile parking	4,099,706	4,257,830	4,323,808	4,738,537
Golf courses	1,003,354	1,267,239	1,076,745	1,099,894
Operating grants and contributions	-	-	-	-
Capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>16,395,205</u>	<u>16,648,134</u>	<u>16,225,234</u>	<u>16,099,440</u>
Total Business-type Activities Net Program Expense	<u>(289,314)</u>	<u>(394,592)</u>	<u>(391,337)</u>	<u>293,310</u>
General Revenues and Other Changes in Net Position				
Property taxes	3,332,265	3,330,208	3,353,599	3,356,360
State-shared revenues	-	-	-	-
Investment earnings	141,594	(25,159)	164,319	112,065
Transfers	<u>1,038,446</u>	<u>91,600</u>	<u>-</u>	<u>400,000</u>
Total general revenues and other changes in net position	<u>4,512,305</u>	<u>3,396,649</u>	<u>3,517,918</u>	<u>3,868,425</u>
Total Business-type Activities Change in Net Position	<u>\$ 4,801,619</u>	<u>\$ 3,791,241</u>	<u>\$ 3,909,255</u>	<u>\$ 3,575,115</u>
Total Primary Government Change in Net Position	<u>\$ 3,380,964</u>	<u>\$ 4,794,695</u>	<u>\$ 3,804,814</u>	<u>\$ 3,924,279</u>

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

Fiscal Year Ended June 30					
2016	2017	2018	2019	2020	2021
\$ 13,590,169	\$ 12,891,283	\$ 13,379,319	\$ 13,636,052	\$ 13,845,962	\$ 14,560,742
3,322,942	3,868,547	4,095,490	5,152,835	4,513,632	3,564,967
959,774	996,620	1,026,864	1,017,751	1,018,075	946,832
<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>	<u>19,072,541</u>
11,581,428	13,289,298	13,638,932	13,252,149	13,191,489	14,426,813
5,362,752	6,811,536	7,881,619	8,128,648	5,999,216	1,912,695
1,169,544	1,142,587	1,075,498	1,061,725	1,088,773	1,562,735
-	-	243,669	777,507	592,990	-
-	-	-	166,953	70	17,665
<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>17,919,908</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>	<u>1,152,633</u>
3,701,766	3,571,627	2,327,137	2,382,976	2,685,966	3,186,741
7,818	6,881	6,879	5,361	4,506	7,044
112,321	28,060	123,908	852,941	1,195,413	19,758
-	-	400,000	675,000	300,000	(100,000)
<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>3,113,543</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>\$ 1,960,910</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>	<u>\$ 14,702,304</u>

City of Birmingham, Michigan

Schedule 3

	Fiscal Year Ended June 30			
	<u>2012</u>	<u>2013</u>	<u>2014 ^a</u>	<u>2015 ^a</u>
General Fund				
Nonspendable	\$ 14,038	\$ 18,099	\$ 123,410	\$ 197,610
Restricted	-	-	386,189	818,420
Committed	102,890	230,619	3,948,210	2,782,722
Assigned	101,677	77,690	3,032,596	1,560,008
Unassigned	13,080,161	11,952,797	11,890,406	12,057,185
Total General Fund	\$ 13,298,766	\$ 12,279,205	\$ 19,380,811	\$ 17,415,945
All Other Governmental Funds				
Nonspendable	\$ 234,022	\$ 192,294	\$ -	\$ -
Restricted	1,049,272	726,570	671,754	753,217
Committed	1,963,812	1,597,063	1,158,216	163,270
Assigned	9,269,127	9,458,373	3,781,318	4,101,066
Unassigned	-	-	-	-
Total all other governmental funds	\$ 12,516,233	\$ 11,974,300	\$ 5,611,288	\$ 5,017,553

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>2016^a</u>	<u>2017^a</u>	<u>2018^a</u>	<u>2019^a</u>	<u>2020^a</u>	<u>2021^a</u>
\$ 178,002	\$ 132,805	\$ 110,019	\$ 141,317	\$ 136,808	\$ 671,991
1,441,998	1,697,372	1,458,458	1,246,522	647,816	926,875
2,006,219	2,019,922	4,629,611	3,039,980	5,872,061	1,098,485
1,818,677	2,861,302	1,276,119	3,213,721	3,174,598	6,574,532
12,313,189	12,272,202	13,489,391	14,686,014	14,943,998	14,893,047
\$ 17,758,085	\$ 18,983,603	\$ 20,963,598	\$ 22,327,554	\$ 24,775,281	\$ 24,164,930
\$ 320,489	\$ 509,673	\$ 596,792	\$ 737,218	\$ 788,393	\$ 1,046,957
946,978	1,010,758	977,434	1,235,290	1,003,353	5,725,148
554,201	2,417,769	853,901	1,003,693	593,383	1,086,834
3,685,245	1,294,518	1,001,278	1,548,865	1,895,899	1,466,994
-	-	-	-	-	-
\$ 5,506,913	\$ 5,232,718	\$ 3,429,405	\$ 4,525,066	\$ 4,281,028	\$ 9,325,933

City of Birmingham, Michigan

Schedule 4

	Fiscal Year Ended June 30				
	2012	2013	2014	2015	2016
Revenues					
Property taxes	\$ 21,915,493	\$ 22,208,626	\$ 22,180,652	\$ 23,128,051	\$ 23,743,932
Licenses and permits	1,997,651	2,134,522	2,886,950	2,888,640	3,459,940
Federal grants	141,052	68,628	121,101	99,510	96,297
State and local sources	2,914,805	3,047,133	3,215,410	3,707,425	3,712,840
Charges for services	2,054,713	2,461,171	2,690,234	2,945,360	3,098,821
Fines and forfeitures	1,202,215	1,369,078	1,784,432	1,703,518	1,475,443
Use of money and property	398,452	52,597	402,398	294,443	300,980
Other revenues	635,681	491,043	570,898	750,540	336,661
Total revenues	31,260,062	31,832,798	33,852,075	35,517,487	36,224,914
Expenditures					
General government	4,775,432	4,934,254	5,126,508	5,160,703	4,917,650
Public safety	10,432,022	11,851,735	12,978,613	12,821,342	11,985,817
Public works	3,645,813	4,042,009	3,780,627	3,860,925	4,096,617
Highway and streets	2,287,052	2,298,758	2,695,251	2,688,769	2,580,756
Community and economic development	1,501,419	1,913,016	1,952,815	2,127,032	2,264,518
Solid waste disposal	1,680,741	1,724,849	1,679,168	1,681,330	1,678,769
48th District Court	647,089	993,219	1,239,132	1,228,831	1,019,722
Capital outlay	4,608,750	3,312,249	2,377,087	6,596,735	4,278,081
Debt service					
Interest	684,328	632,603	589,278	555,421	516,484
Principal	1,475,000	1,600,000	850,000	955,000	1,055,000
Total Expenditures	31,737,646	33,302,692	33,268,479	37,676,088	34,393,414
Excess of revenues over (under) expenditures	(477,584)	(1,469,894)	583,596	(2,158,601)	1,831,500
Other Financing Sources (Uses)					
Transfer from component units to primary government	-	-	-	-	-
Transfers in	3,885,040	3,885,044	435,000	643,920	371,900
Transfers out	(4,866,486)	(3,976,644)	(280,000)	(1,043,920)	(1,371,900)
Bond issuance	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Payments to bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	(981,446)	(91,600)	155,000	(400,000)	(1,000,000)
Net change in fund balances	\$ (1,459,030)	\$ (1,561,494)	\$ 738,596	\$ (2,558,601)	\$ 831,500
Debt service as a percentage of noncapital expenditures ^a	7.5%	8.1%	7.6%	4.7%	5.7%

^aNoncapital 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				
<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 24,574,830	\$ 27,053,055	\$ 28,533,673	\$ 29,713,697	\$ 30,603,827
3,380,395	2,933,593	3,147,702	2,502,107	2,918,607
70,662	170,682	139,204	107,219	1,006,291
3,786,807	4,658,178	4,536,719	4,565,733	4,640,084
2,956,288	2,887,669	3,245,283	3,019,487	2,765,513
1,603,222	1,809,467	1,725,867	1,474,001	968,666
144,987	280,373	1,188,241	1,549,094	357,709
567,730	545,276	1,264,115	427,785	588,315
37,084,921	40,338,293	43,780,804	43,359,123	43,849,012
4,877,956	5,082,664	5,357,049	5,506,240	5,809,236
12,331,514	12,514,149	13,725,729	14,406,538	15,467,890
4,255,138	4,972,448	6,295,761	5,125,482	7,337,050
2,559,228	3,310,283	3,792,409	3,051,078	2,959,149
2,655,328	2,667,429	3,066,704	2,974,406	2,635,001
1,882,849	1,905,403	1,956,826	2,018,014	2,095,580
1,116,515	1,261,046	1,219,055	1,642,813	946,009
4,356,706	6,373,004	3,650,139	4,520,968	5,727,267
522,704	340,185	287,515	234,895	194,380
1,155,000	1,310,000	1,295,000	1,375,000	1,355,000
35,712,938	39,736,611	40,646,187	40,855,434	44,526,562
1,371,983	601,682	3,134,617	2,503,689	(677,550)
344,890	856,570	1,553,000	1,110,892	2,110,290
(874,890)	(1,281,570)	(2,228,000)	(1,410,892)	(2,010,290)
10,360,000	-	-	-	4,750,000
985,605	-	-	-	262,104
(11,236,265)	-	-	-	-
(420,660)	(425,000)	(675,000)	(300,000)	5,112,104
\$ 951,323	\$ 176,682	\$ 2,459,617	\$ 2,203,689	\$ 4,434,554
5.4%	4.8%	4.5%	4.6%	4.0%

City of Birmingham, Michigan

Schedule 5

Fiscal Year Ended June 30	Taxable Value				
	Residential	Commercial	Industrial	Personal	
	Property	Property	Property	Property	Total
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
2021	2,184,335,513	376,665,790	1,148,090	72,885,470	2,635,034,863

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
15.60	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%
14.19	6,884,427,046	38.3%	3,442,213,523	50%

City of Birmingham, Michigan

Schedule 6

Fiscal Year Ended June 30	City Direct Rates					Overlapping Rates			
	Basic Charter Operating Rate ^a	Refuse ^b	Baldwin Public Library ^c	Debt Service ^d	Total Direct	Oakland County			
						County	Community College	Intermediate School District	Total County Rate
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
2021	11.04	0.78	1.36	1.01	14.19	4.58	1.52	3.23	9.33

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 2020-2021 are as follows:
general operating 11.44, refuse 1.72, library 1.34. 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>Birmingham Public Schools</u>				
<u>SMART[®]</u>	<u>Zoo Authority</u>	<u>Art</u>	<u>Homestead</u>	<u>Non-Homestead</u>
0.59	0.10	0.00	19.02	27.00
0.59	0.10	0.20	19.46	27.42
0.59	0.10	0.20	19.92	27.90
1.00	0.10	0.20	19.22	27.90
1.00	0.10	0.20	18.63	27.90
0.99	0.10	0.20	18.40	27.90
0.99	0.10	0.20	18.07	27.80
1.00	0.10	0.19	17.44	27.65
0.99	0.10	0.19	17.38	27.77
0.99	0.10	0.19	16.76	27.80

City of Birmingham, Michigan

Schedule 7

June 30, 2021					
<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	\$ 35,760,090	1	1.36%	
DTE Energy	Utility	18,401,880	2	0.70%	
Consumers Energy Company	Utility	12,947,030	3	0.49%	
US Reif 325 N Old Woodward MI LLC	Retail, Condominiums	11,244,380	4	0.43%	
THC Investors	Hotel	9,763,480	5	0.37%	
MTM Investments Holdings, LLC	Office	9,745,390	6	0.37%	
Woodward Brown Assoc	Office, Retail	9,666,240	7	0.37%	
Merrillwood Building LLC	Office, Residential, Apts	8,961,050	8	0.34%	
Maple Elm Development Co LLC	Office, Retail	8,875,000	9	0.34%	
CA Senior Birmingham MI Prop LLC	Residential	8,057,550	10	0.31%	
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				
TopValco	Retail				
Prudential Properties	Office, Retail				
Total taxable value of 10 largest taxpayers		133,422,090		5.06%	
Total taxable value of all other taxpayers		2,504,862,230		94.94%	
Total taxable value of all taxpayers		<u>\$2,638,284,320</u>		<u>100.00%</u>	

Source: City of Birmingham

**Principal Property Tax Payers
Current Year and Nine Years Ago**

June 30, 2012

<u>Taxable Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Value</u>
\$ 33,720,070	1	1.89%
10,509,760	3	0.59%
14,616,800	2	0.82%
10,039,540	4	0.56%
7,649,000	7	0.43%
9,333,520	6	0.52%
5,780,380	8	0.32%
9,816,130	5	0.55%
5,369,260	10	0.30%
5,531,780	9	0.31%
112,366,240		6.29%
1,674,234,040		93.71%
<u>\$ 1,786,600,280</u>		<u>100.00%</u>

City of Birmingham, Michigan

Schedule 8

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year-		Adjusted Levy at Settlement ^e	Collected within the Fiscal Year of the Levy ^{b,c}	
	Original Levy ^{a,f}	Adjustments		Amount	Percentage of Original Levy
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%
2021	37,535,334	(43,379)	37,491,955	37,487,715	99.87%

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	<u>Total Collections to Date</u>	
	Amount	Percentage of Adjusted Levy
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%
7,881	35,934,139	100.00%
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	
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
2021	10,948,049	-	-	1,113,536	12,061,585

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</u>^b	Per <u>Capita</u>^c
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
0.48%	553

City of Birmingham, Michigan

Schedule 10

Ratios of Net General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year Ended June 30	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		
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
2020	8,568,827	(97,174)	8,471,653	0.47%	397
2021	10,948,049	(92,903)	10,855,146	0.43%	498

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 2012-2015 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, 2021

<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	\$ 206,460,000	46.08%	\$ 95,136,768
Oakland County ^a	257,193,349	4.18%	\$ 10,750,682
Oakland Intermediate School District	42,045,000	4.20%	\$ 1,765,890
Oakland Community College	-	4.22%	-
Other debt	-	N/A	-
Subtotal, overlapping debt			107,653,340
City direct debt (see schedule 9 for governmental activities)			10,948,089
Total direct and overlapping debt			\$ 118,601,429

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 2020 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 189,778	\$ 189,199	\$ 199,264	\$ 218,375
Total net debt applicable to limit	<u>30,639</u>	<u>27,913</u>	<u>26,146</u>	<u>23,924</u>
Legal debt margin	<u><u>\$ 159,139</u></u>	<u><u>\$ 161,286</u></u>	<u><u>\$ 173,118</u></u>	<u><u>\$ 194,451</u></u>
Total net debt applicable to the limit as a percentage of debt limit	16.14%	14.75%	13.12%	10.96%

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 2020-2021

2020 State Equalized Valuation	<u>\$ 3,442,214</u>
Debt limit ^a (10% of State Equalized Valuation ^b)	344,221
Debt applicable to limitation:	
Total bonded and contractual debt	<u>11,289</u>
Legal debt margin	<u><u>\$ 332,933</u></u>

Fiscal Year Ended June 30					
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 249,616	\$ 275,287	\$ 289,690	\$ 305,622	\$ 326,515	\$ 344,221
<u>21,501</u>	<u>19,273</u>	<u>16,385</u>	<u>12,513</u>	<u>9,539</u>	<u>11,289</u>
<u>\$ 228,115</u>	<u>\$ 256,014</u>	<u>\$ 273,305</u>	<u>\$ 293,109</u>	<u>\$ 316,976</u>	<u>\$ 332,933</u>
8.61%	7.00%	5.66%	4.09%	2.92%	3.28%

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 Year	Population ^a	Number of Households ^a	Median Household Income ^b	Per Capita Income ^c	Median Age ^d	Total School Enrollment K-12 ^e	Public School Enrollment K-12 ^f	Unemployment Rate ^g
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	N/A	316	2.0
2021	21,813	9,463	122,804	87,233	42.4	N/A	352	2.3

Sources:

^a2021 data is from SEMCOG Census Survey for 2020.

Estimates for 2012-2017 are from SEMCOG, Southeast Michigan Council of Governments.

^b 2012-2015 estimates are from US Census Bureau 5-Yr American Community Survey.

^c2012 - 2015 estimates are from the US Census Bureau 5-Yr American Community Survey.

^d 2012- 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.

2012-2015 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

<u>Employer</u>	<u>Product or Service</u>	<u>2021^a</u>		
		<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment^c</u>
Birmingham Public Schools ^d	Primary education	1,197	1	5.72%
City of Birmingham ^e	Government services	356	2	1.70%
Max Brook Realtors	Real estate sales	247	4	1.18%
UM Detroit	Multi-media services	217	5	1.04%
Kroger Co. of Michigan	Supermarket chain	153	6	0.73%
Coldwell Banker Weir Manuel	Real estate sales	150	7	0.72%
Community House	Meeting/event venue	142	8	0.68%
Townsend Hotel	Hotel/restaurant	140	3	0.67%
National Realty Centers	Real estate sales	132	9	0.63%
Whole Foods Market	Supermarket Chain	117	10	0.56%
Shore Mortgage	Mortgage lending	-		0.00%
McCann Worldgroup	Advertising and marketing	-		0.00%
Home Instead Senior Care	Home Care Assistance	-		0.00%
Uptown Entertainment	Theater operator	-		0.00%
Total		<u>2,851</u>		<u>13.63%</u>

^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 2012 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 2021 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 2012 number represents all school district employees, not just the employees working within Birmingham city limits.

^e 2021 reflects all budgeted positions for fiscal year 2020-2021. The number for 2012 has been restated to reflect all budgeted positions for fiscal year 2011-2012.

**Principal Employers
Current Year and Nine Years Ago**

2012 ^b		
<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment^c</u>
1,225	1	6.79%
272	4	1.51%
140	7	0.78%
-		0.00%
120	9	0.66%
119	10	0.66%
-		0.00%
195	5	1.08%
-		0.00%
-		0.00%
500	2	2.77%
450	3	2.49%
150	6	0.83%
120	8	0.66%
<hr/>		<hr/>
3,291		18.23%

City of Birmingham, Michigan

Schedule 16

	Average FTE for the Fiscal Year Ended June 30				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function/Program					
General Government					
Finance	7.18	6.51	6.57	5.85	6.22
Treasury	6.41	6.37	6.32	6.29	6.45
City Manager/Human Resources	4.18	3.42	3.31	3.59	4.26
Assessor	-	-	-	-	-
Other ^a	7.18	7.37	7.50	8.02	7.96
Public Safety					
Firefighters and officers	25.75	26.46	28.15	27.79	27.94
Police officers and command	28.31	26.66	28.06	30.30	32.29
Police civilians	15.99	18.27	19.46	18.41	16.97
Fire civilians	-	-	-	-	-
Public Works					
Engineering	4.76	4.27	5.29	5.30	5.68
Public service operations ^b	19.41	19.56	19.26	19.70	23.67
Community and Economic Development					
Building department	9.00	10.05	10.18	10.55	11.42
Planning department	3.10	2.93	3.33	3.69	3.59
Recreation and Culture ^c	12.59	12.19	13.17	12.52	8.53
Water and Sewer					
Water- and sewer-main maintenance	6.76	5.88	5.01	6.50	6.82
Water meter shop	2.67	2.96	2.62	2.01	2.53
Automobile Parking ^d	3.28	2.63	2.92	2.93	3.24
Golf Courses	12.26	10.41	11.56	10.90	8.00
Total Primary Government	<u>168.83</u>	<u>165.94</u>	<u>172.71</u>	<u>174.35</u>	<u>175.57</u>
Component Units					
Library	30.23	30.29	29.86	30.41	32.15
Principal Shopping District	<u>4.05</u>	<u>3.77</u>	<u>4.24</u>	<u>5.06</u>	<u>3.41</u>
Total City	<u>203.11</u>	<u>200.00</u>	<u>206.81</u>	<u>209.82</u>	<u>211.13</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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
6.31	6.47	5.99	6.23	6.95
5.73	5.74	5.60	5.22	5.29
4.16	4.89	5.67	6.23	5.05
-	-	-	-	-
7.33	8.23	6.77	7.50	8.43
28.36	28.33	29.83	33.50	34.66
31.58	31.56	30.11	31.10	31.51
19.37	19.90	21.63	21.52	19.41
-	-	-	-	-
5.79	5.46	6.01	6.41	4.08
22.16	23.42	22.82	27.31	26.93
11.35	10.74	12.40	12.44	12.74
4.12	4.93	5.27	3.87	3.72
8.65	10.71	12.73	13.13	8.94
5.71	5.56	6.04	5.45	5.52
2.00	1.98	-	-	-
2.33	2.93	2.03	1.56	1.40
8.59	7.59	7.90	8.02	8.77
<u>173.54</u>	<u>178.44</u>	<u>180.80</u>	<u>189.49</u>	<u>183.40</u>
32.52	34.28	35.11	38.90	37.64
3.49	4.00	3.90	2.14	2.88
<u>209.55</u>	<u>216.72</u>	<u>219.81</u>	<u>230.53</u>	<u>223.92</u>

City of Birmingham, Michigan

Schedule 17

Function/Program	Fiscal Year Ended June 30						
	2012	2013	2014	2015	2016	2017	2018
General Government							
Registered voters ^a	16,557	16,623	16,578	16,506	17,056	17,181	17,186
Ballots cast in November election	4,285	13,106	2,134	9,046	3,853	13,270	1,679
Taxpayers	11,488	11,451	11,035	11,464	11,451	11,318	11,335
Average rate of return on city investments	0.81%	0.65%	0.56%	0.58%	0.58%	0.84%	1.06%
Vendor payments issued	6,829	7,078	6,965	7,466	7,638	8,061	8,272
Public Safety							
Fire Department ^b							
Total alarms	1,761	1,799	2,023	2,078	2,032	2,211	2,441
Fires	26	42	24	37	30	55	36
Rescues/extrications (medical runs)	1,058	1,064	1,131	1,092	1,106	1,298	1,385
Other runs	677	693	868	949	896	858	1,056
Fire inspections ^c	492	544	961	525	596	824	1,046
Police Department ^b							
Responses to calls for service	16,983	16,571	18,372	17,678	16,771	14,863	17,945
Adult arrests	235	351	483	470	337	381	528
Parking violations	31,844	30,182	31,535	34,127	25,010	34,078	37,278
Moving violations	5,122	6,610	8,564	7,987	6,819	6,432	6,960
Public Works							
Tons of municipal solid waste collected	9,511	9,202	9,435	9,847	10,042	10,135	9,543
City vehicles/equipment serviced per month ^d	62	92	92	88	48	45	46
Street trees planted	266	199	231	270	275	220	236
Street trees removed	217	195	243	303	197	168	204
Community & Economic Development							
Building & demolition permits issued	770	749	894	990	1,015	943	1,102
Total construction value (in thousands)	\$44,790	\$57,311	\$94,526	\$94,517	\$123,240	\$122,285	\$93,516
Recreation & Culture							
Skaters in ice arena basic skills program	1,100	1,100	1,300	1,300	1,300	1,400	1,500
Men's softball teams	6	5	5	5	4	0	0
Water & Sewer							
Water customers	8,575	8,578	8,514	8,545	8,604	8,852	8,920
Water meters in service	8,714	8,711	8,662	8,663	8,666	8,688	8,686
Automobile Parking							
Five parking structures							
Active parking permits at June 30	3,311	3,472	3,691	3,705	3,803	3,729	3,640
Transient parkers (includes free parkers) ¹	1,276,274	1,215,272	985,842	890,547	1,063,778	1,028,327	981,620
Free parkers	831,730	786,390	591,569	510,828	615,992	608,952	470,046
Golf Courses (calendar year)							
Rounds played-Lincoln Hills	25,240	28,397	26,965	31,741	29,029	24,956	21,958
Rounds played-Springdale	28,996	24,669	23,119	23,862	24,811	20,381	18,328
Business memberships	101	99	102	109	109	91	107
Non-resident memberships							
Individual	398	402	406	474	465	502	499
Family	60	65	77	78	85	84	59
Dual	186	184	174	194	209	220	222
Junior golf registrations	462	442	430	467	493	471	484

Operating Indicators by Function/Program Last Ten Fiscal Years

Fiscal Year Ended June 30
2019 2020 2021

17,455	18,913	18,612
12,282	4,866	15,067
11,335	9,761	9,602
1.77%	1.90%	1.26%
8,809	8,218	7,453

2,602	2,748	2,602
30	40	39
1,465	1,616	1,466
1,107	1,092	1,097
2,086	2,130	2,662

21,032	20,537	21,167
393	398	145
40,637	45,691	40,614
7,157	4,096	6,596

9,162	9,275	9,561
48	46	50
241	181	150
146	170	150

1,102	966	1,208
\$93,516	73,065	100,076

381	392	267
0	0	0

8,925	8,821	8,940
8,686	8,605	8,683

4,116	4,341	4,106
991,152	681,514	542,799
428,754	358,814	542,799

23,694	27,243	29,996
20,223	24,263	27,704
70	68	83

558	636	758
64	106	124
219	247	279
477	341	454

City of Birmingham, Michigan

Schedule 17

	Fiscal Year Ended June 30						
	2012	2013	2014	2015	2016	2017	2018
Function/Program							
Component Units:							
Library							
Registered patrons	33,257	40,219	42,651	44,674	44,296	40,848	41,506
Book collections	139,836	141,028	140,974	143,623	126,154	115,974	110,733
Audiovisual collections	30,730	30,932	43,241	43,039	40,230	40,458	41,506
Items circulated	666,701	642,989	633,487	593,922	566,182	488,031	503,941
Patron visits	322,042	326,943	304,836	288,124	287,131	270,842	267,938
Circulation per capita ^e	18.9	18.2	17.9	16.8	16.0	13.8	14.3
Program attendance	24,329	25,213	26,735	27,190	28,870	35,528	35,959
Public computer log-ins	54,526	54,621	53,977	52,604	112,201	227,413	252,174
Data base usage or "number of sessions" ^f	74,679	97,710	10,508	9,979	13,711	13,987	17,437
Principal Shopping District							
Retail occupancy rate as of June 30 ^g	96.5%	97.0%	98.0%	98.0%	96.0%	97.0%	96.0%
Total events	NRA	NRA	NRA	NRA	16	16	16
Hosted events	11	12	12	11	11	10	10
Sponsored events	NRA	NRA	NRA	NRA	5	6	6
PR media impressions (in millions) ^h	50.5	50.0	50.0	55.0	NRA	60	70
Website "hits" or "unique view ers" per month ⁱ	270,000	6,200	6,500	5,600	6,481	7,524	5,699
Flow er planters/baskets maintained	225	250	275	300	235	227	227

Source: City Department records

Notes:

N/A=Not available

NRA = Not readily available

^aDate of count varies.

^bAll numbers reflect the calendar year ending midw ay through fiscal year.

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

^eBased on the service area of the library w hich includes Birmingham, Beverly Hills, Bingham Farms and Bloomfield Hills.

^fFor years 2012 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 new s media.

ⁱFor 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 view ers" captured through a new web analytic.

^jParking Fees w ere not charged for the fiscal year. Therefore, Transient Parking and Free Parking are equal.

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

Fiscal Year Ended June 30
2019 2020 2021

30,130	25,540	33,343
118,419	84	92,590
28,544	46	22,826
541,442	451,864	512,160
241,058	167,298	95,379
15.3	12.8	14.5
40,658	26,558	20,611
275,319	9,587	3,885
15,141	190,802	33,873

96.0%	96.0%	96.0%
16	14	14
10	7	7
6	7	7
86	89	16
7,500	8,200	19,478
227	227	245

City of Birmingham, Michigan

Schedule 18

	Fiscal Year Ended June 30						
	2012	2013	2014	2015	2016	2017	2018
Function/Program							
General Government							
City hall (square footage)	24,282	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	30,470
Public Safety							
Fire stations	2	2	2	2	2	2	2
Fire engines	3	4	4	4	4	4	4
Other fire vehicles (includes 1 aerial tower)	7	8	8	7	4	6	6
Police precincts	1	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	36,365
Major Streets (miles)	21.87	21.87	21.87	21.87	21.87	21.82	21.82
Local Streets (miles)	63.00	63.00	63.00	63.08	63.08	63.13	63.13
Sidewalks (miles)	129.03	129.03	129.03	129.03	129.13	129.13	129.13
Bridges	9	9	9	9	9	9	9
Vehicles in city fleet (excluding fire) ^b	92	83	83	85	84	82	83
Recreation & Culture							
Parks	18	18	18	18	18	18	18
Park land/public property (acres)	230+	230+	230+	230+	230+	230+	230+
Trees on park/public land	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Tennis courts	16	16	16	16	16	16	16
Baseball diamonds	1	1	1	1	1	1	1
Softball diamonds	1	1	1	1	1	1	1
Little League diamonds	6	6	6	6	6	6	6
Ice arena	1	1	1	1	1	1	1
Historical museum	1	1	1	1	1	1	1
Skate park	1	1	1	1	1	1	1
Water & Sewer							
Water mains (miles)	100.85	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	115.41
Fire hydrants (city-owned) ^c	828	828	840	840	848	848	848
Water storage tanks (500,000 gal.)	2	2	2	2	2	2	2
Line gate valves	1,289	1,289	1,289	1,289	1,289	1,289	1,289
Automobile Parking							
Parking structures	5	5	5	5	5	5	5
Revenue-generating public parking spaces							
Metered spaces (streets & surface lots)	1,238	1,238	1,238	1,238	1,262	1,262	1,273
Parking structure spaces	3,579	3,579	3,579	3,579	3,579	3,579	3,579
Total	4,817	4,817	4,817	4,817	4,841	4,841	4,852
Golf Courses (nine-hole)	2	2	2	2	2	2	2

Source: City Department records

Notes:

^aThe City of Birmingham occupies 4.73 square miles.

^bSelf-propelled licensed vehicles.

^cNumbers for 2014 and 2015 are estimates.

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

<u>Fiscal Year Ended June 30</u>		
<u>2019</u>	<u>2020</u>	<u>2021</u>
24,282	24,282	24,282
30,170	30,170	42,500
2	2	2
4	4	3
7	10	10
1	1	1
36,365	36,365	36,365
21.82	22	22
63.13	63	63
129.13	129	129
9	9	9
81	85	81
16	16	16
231.4	231.4	231.4
25,000	25,000	25,000
16	16	16
1	1	1
3	3	3
5	5	5
1	1	1
1	1	1
1	1	1
100.85	100.85	100.85
116.00	116	116
862	862	862
2	2	2
1,289	1,289	1,289
5	5	5
1,270	1,279	1,271
3,618	3,579	3,579
4,891	4,858	4,850
2	2	2

This page intentionally left blank.