

City of  
Ann Arbor,  
Michigan



Annual  
Comprehensive  
Financial Report

Year Ended  
June 30, 2024

**This page intentionally left blank.**

# **CITY OF ANN ARBOR**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**County of Washtenaw  
State of Michigan**

**Fiscal Year Ended June 30, 2024**



**Prepared by:  
Financial and Administrative Services  
Accounting Services Unit  
301 East Huron Street  
Ann Arbor, Michigan 48107  
(734) 794-6500**

**This page intentionally left blank.**

# CITY OF ANN ARBOR, MICHIGAN

## Table of Contents

### Page

#### INTRODUCTORY SECTION

Letter of Transmittal	1
Elected and Appointed Officials	6
Organizational Chart	7
GFOA Certificate of Achievement	8

#### FINANCIAL SECTION

Independent Auditors' Report	11
Management's Discussion and Analysis	15
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	27
Statement of Activities	28
Fund Financial Statements:	
Balance Sheet – Governmental Funds	32
Reconciliation of Fund Balances of Governmental Funds to Net Position of Governmental Activities	33
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	34
Reconciliation of Net Change in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	35
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
General Fund	36
Street Repair Millage Special Revenue Fund	39
Statement of Net Position – Proprietary Funds	40
Reconciliation of Net Position of Enterprise Funds to Net Position of Business-type Activities	43
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	44
Reconciliation of Change in Net Position of Enterprise Funds to Changes in Net Position of Business-type Activities	47
Statement of Cash Flows – Proprietary Funds	48
Statement of Fiduciary Net Position	52
Statement of Changes in Fiduciary Net Position	53
Combining Statement of Net Position – Discretely Presented Component Units	56
Combining Statement of Activities – Discretely Presented Component Units	57
Notes to Financial Statements	59

# CITY OF ANN ARBOR, MICHIGAN

## Table of Contents

	<u>Page</u>
Required Supplementary Information:	
Employees' Retirement System:	
Schedule of Changes in the City's Net Pension Liability (Asset) and Related Ratios	116
Schedule of Contributions	118
Schedule of Investment Returns	119
Retiree Healthcare Benefits Plan:	
Schedule of Changes in the City's Net OPEB Liability and Related Ratios	120
Schedule of Contributions	122
Schedule of Investment Returns	123
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	128
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	134
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds	140
Combining Statement of Net Position – Internal Service Funds	152
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds	154
Combining Statement of Cash Flows – Internal Service Funds	156
Combining Statement of Fiduciary Net Position – Pension and Other Employee Benefits Trust Funds	160
Combining Statement of Changes in Fiduciary Net Position – Pension and Other Employee Benefits Trust Funds	16
Combining Statement of Fiduciary Net Position – Custodial Funds	162
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	163
Component Unit Balance Sheet – SmartZone Local Development Finance Authority	164
Component Unit Statement of Revenues, Expenditures, and Changes in Fund Balance – SmartZone Local Development Finance Authority	165
Component Unit Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – SmartZone Local Development Finance Authority	166

# CITY OF ANN ARBOR, MICHIGAN

## Table of Contents

### Page

### STATISTICAL SECTION (UNAUDITED)

#### TABLE

1	Net Position by Component	170
2	Changes in Net Position	172
3	Fund Balances – Governmental Funds	176
4	Changes in Fund Balances – Governmental Funds	178
5	Taxable Value of Property	181
6	Direct and Overlapping Property Tax Rates (per \$1,000 of Taxable Value)	182
7	Principal Property Taxpayers	183
8	Property Tax Levies and Collections	185
9	Ratios of Outstanding Debt by Type	186
10	Ratios of Net General Bonded Debt Outstanding	188
11	Direct and Overlapping Governmental Activities Debt	189
12	Legal Debt Margin Information	190
13	Pledged-revenue Coverage	191
14	Demographic and Economic Statistics	192
15	Principal Employers	193
16	Full-time Equivalent City Government Employees by Function/Program	194
17	Operating Indicators by Function/Program	196
18	Capital Asset Statistics by Function/Program	198



**This page intentionally left blank.**



## **INTRODUCTORY SECTION**

**This page intentionally left blank.**



December 18, 2024

**To the Honorable Mayor, Members of the City Council and  
Citizens of the City of Ann Arbor**

The Annual Comprehensive Financial Report (ACFR) of the City of Ann Arbor, Michigan (the "City"), for the year ended June 30, 2024, is submitted. Staff in the Accounting Services Unit prepared the report, with assistance from the Pension System, Downtown Development Authority, Ann Arbor Housing Commission and other City staff. The City has the responsibility for all disclosure and accuracy of material contained in this report.

State law requires that all local governments, subject to certain size criteria, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City for the fiscal year ended June 30, 2024.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Rehmann, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City financial statements for the year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report.

GAAP 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 of the Government

The City was founded in 1824 and incorporated as a city in 1851. The City is located in the approximate center of Washtenaw County in the southeastern section of Michigan's Lower Peninsula. The City is approximately 28 square miles in area and serves as the County Seat. The City has an excellent public transportation system for its citizens and visitors to enjoy. The City is nationally known for its outstanding educational and medical facilities, serving as the home of the University of Michigan.

The City operates under a Mayor/Council-Administrator type of government. The Council is comprised of the Mayor and ten Council Members. The City is divided into five wards; two Council Members are elected from each ward. The Council appoints a City Administrator to serve as the Chief Administrative Officer of the City responsible for daily operations. The organizational chart of the City is shown following the transmittal letter.

The City is responsible for managing and financing many of the services for its citizens. The service areas include: Community Services, Financial Services, Safety Services, and Public Services. The City provides a full range of services including: police, fire, the construction and maintenance of streets and other infrastructure, refuse collection and disposal, recycling collection and processing, recreation, social services by contract, public improvements, planning and zoning, and general administrative services. The citizens and visitors to the City enjoy these services.

The City Administrator is required by City Charter to prepare and submit an annual budget to City Council. This budget is prepared on the modified accrual basis and is adopted by City Council as required by the State of Michigan. Budgetary control is maintained at the service area level for the general fund. The City Administrator is authorized to transfer budgeted amounts within the General Fund service areas. Budgetary control for all other funds is maintained at the fund level. Revisions to a service area total of the general fund or to the fund total must be approved by City Council. It is the City's policy to try to match one time expenditures to revenues to the extent possible.

Certain services are provided through a legally separate component unit. The City includes three discretely presented component units in the City's financial reporting entity because of the significance of their operational or financial relationships with the City. In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units*", these financial statements present the City (the primary government) and its component units. The Downtown Development Authority, Ann Arbor Housing Commission and SmartZone Local Development Finance Authority (SmartZone LDFA) are all presented as discretely presented component units of the City. Additional information on all of these legally separate entities can be found in the notes to the financial statements.

The City takes pride in the service provided to its citizens and the community's well-earned reputation. The City is nationally recognized on the following lists:

- ◆ Best Places to Live for Families
- ◆ Best College in America: The University of Michigan
- ◆ Most Educated City in America
- ◆ Best City to Live in Michigan
- ◆ Best Hospital in Michigan
- ◆ Best Places to Live in the U.S.
- ◆ College with Best Student Life in America

## **Local Economy**

The City is endowed with several major corporations located within its boundaries such as Google. In addition, Ann Arbor is home to one of the largest employers in the county, the University of Michigan, which employs approximately 37,000 people. Ann Arbor is also known for its excellent talent and technology infrastructure that has attracted several large technology firms to the area.

The City has two higher educational centers: 1) The University of Michigan and; 2) Concordia College. Additionally, located within a 10-mile radius are two other higher educational centers.

The City has the largest population base in Washtenaw County and serves as the County Seat. The U.S. Census Bureau reports 123,851 residents in Ann Arbor, representing 34% of the population base in Washtenaw County. The median household income of our citizens is \$76,207.

Ann Arbor is accessible by three major Interstate highways connecting Detroit to the east, Chicago to the west, the Upper Peninsula to the north, and Ohio to the south.

The City enjoys a healthy local economy. The local area unemployment rate is 4.2% as of June 2024, receipts from sales taxes have increased modestly, and residential property values are increasing, primarily due to new construction. Offsetting some of this economic improvement are State laws limiting property tax revenues, legislative uncertainty of funds provided by the State to the City, and record inflation.

The City continues to constrain increases in total expenditures through efficiencies, collaborative opportunities, and fiscal discipline.

## **Long-term Financial Planning**

The City Council and City Administrator are committed to strategies designed to ensure the long-term financial health of the City. The City's financial policies include a sinking fund for capital needs which was approved by Council in May of 2018 and funded for the fiscal year 2025 budget. In addition, the City funded multiple priorities with new funding from Washtenaw County as a result of a new millage.

During this economic environment, the City will strive to maintain an unassigned general fund fund balance with a minimum of 15% to 20%. If it is necessary to use these funds, subsequent budgets will be planned for additions to restore fund balance. The City continues to manage its operating expenditures within levels supported by recurring revenues. The City is also striving to budget a consistent level of capital outlay sufficient to maintain current infrastructure.

## **Relevant Financial Policies**

The City has adopted and adheres to several financial management policies governing debt, investments, fund balance, pension funding, other postemployment benefits funding and capital improvements. These policies govern the management of resources including use of one-time funds, sale and defeasance of bonds, and investment strategy. With respect to the pension and other postemployment benefits funding policies, to the extent that a fully funded plan has not been achieved, the City funds the higher of the actuarially required contribution or the existing level of funding adjusted annually by an increase of at least 2%.

## **Major Initiatives**

### *Water Meter Replacement Program*

Phase two of this program is to replace 400 large meters and meter transmission units (“MTUs”) that primarily exist in commercial, university, and multifamily residential buildings throughout the City and make network upgrades to improve communication of water and sewer usage data. The program is appropriate due to the battery life (approximately 15 years) of existing MTUs which were installed in 2004-2005. Contemporaneously installed water meters are also nearing the end of their useful life. Failure of either would result in a loss of, or inaccurate water/sewer use data. Phase one of the project included the replacement of 26,650 residential meters and MTUs. The entire project’s budget is \$9.8 million.

### *WTP Barton Pump Station Valve Replacement*

A need has been identified to replace aging valves and piping at the Barton Raw Water Pump Station (Barton Pump Station) and install air relief valves (ARVs) on the raw water transmission mains that convey source water withdrawn from Barton Pond to the City’s Water Treatment Plant (WTP). The proposed improvements are necessary to assure operational control and system reliability for the City’s critical raw source water supply infrastructure. The budget for this project is \$4.6 million.

### *Sanitary Sewer Lining Project*

The City’s Sanitary Sewer Asset Management Plan recommends sewer pipe lining as a cost-effective method used for reinvestment and rehabilitation of the sanitary sewer collection system. The trenchless process minimizes the construction impact to the community, improves the life of existing pipes by improving structural and hydraulic characteristics while eliminating costly replacement projects.

The City’s Sanitary Sewer Collection System is a network of approximately 400 miles of pipes that transport sewage to the City’s wastewater treatment plant on the east side of the City. The cost of construction for sewer lining projects is borne wholly by the Sanitary Sewer Fund. From 2021 through 2027, sanitary sewer lining project capital costs will amount to \$33,543,000. The projects meet multiple sustainability goals, including Sustainable Systems and Clean Air and Water.

### *Barton Dam*

The Barton Dam originally constructed in 1913, produces hydroelectric power and serves to impound Barton Pond, the primary source of the City’s drinking water. The project, estimated to be \$12M, consists of the construction of a stabilizing berm on the downstream slope of the right embankment to address seepage and stability concerns as well as other ancillary work to develop site staging, improve site access, and remediate other critical items at the dam such as removing the existing reverse filter and filling the existing toe ditch pond as required by the Federal Energy Regulatory Commission (FERC).

### *Bicentennial Park Improvements*

As part of the City’s Bicentennial celebration, numerous improvements to Bicentennial Park (formerly Southeast Park) are planned. Improvements include pathway and parking lot restoration, upgrading the restroom facilities, replacing a playground, and installing a splash pad. All improvements will be solar powered. The total cost of the project is estimated at \$4M.

### *Fire Station #4 Replacement*

This project will build the City’s first carbon-neutral facility, a net-zero fire station at the current Fire Station 4 location. This Facility will produce energy through geothermal heating and cooling, solar panels, and an architectural design that encourages energy efficiency. The facility will also be gender-neutral to accommodate fire fighters of all genders. The total project cost is estimated to be \$15 million.

### *Solar on City Facilities*

This project will install over 4 Megawatts of solar on 19 city facilities, saving the City operating costs, enhancing resilience, and reducing climate pollution. Sites identified include nearly every park with a major facility, the water treatment plant, City Hall, the water recovery facility, the airport, and the public works building. The installations would also be designed to eventually accommodate energy storage, which would enable these facilities to operate even during power outages. This is especially important for critical facilities, such as water treatment plant and public works.

### **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 Ann Arbor for its comprehensive annual financial report for the fiscal year ended June 30, 2023. This was the thirty-third consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. 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 our current ACFR 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 also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year 2024. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Financial and Administrative Services Area. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and City Council for their support for maintaining the highest standards of professionalism in the management of the City of Ann Arbor's finances.

Sincerely,



Milton Dohoney Jr.,  
City Administrator



Marti Praschan,  
Chief Financial Officer

**CITY OF ANN ARBOR, MICHIGAN**

**ELECTED AND APPOINTED OFFICIALS**

**Christopher Taylor, Mayor**

***Council Members***

Lisa Disch	Ayesha Ghazi Edwin
Cynthia Harrison	Jen Eyer
Linh Song	Dharma Akmon
Chris Watson	Erica Briggs
Travis Radina	Jenn Cornell

Milton Dohoney Jr.

***City Administrator***

John Fournier

***Deputy City Administrator***

Marti Praschan

***Chief Financial Officer***

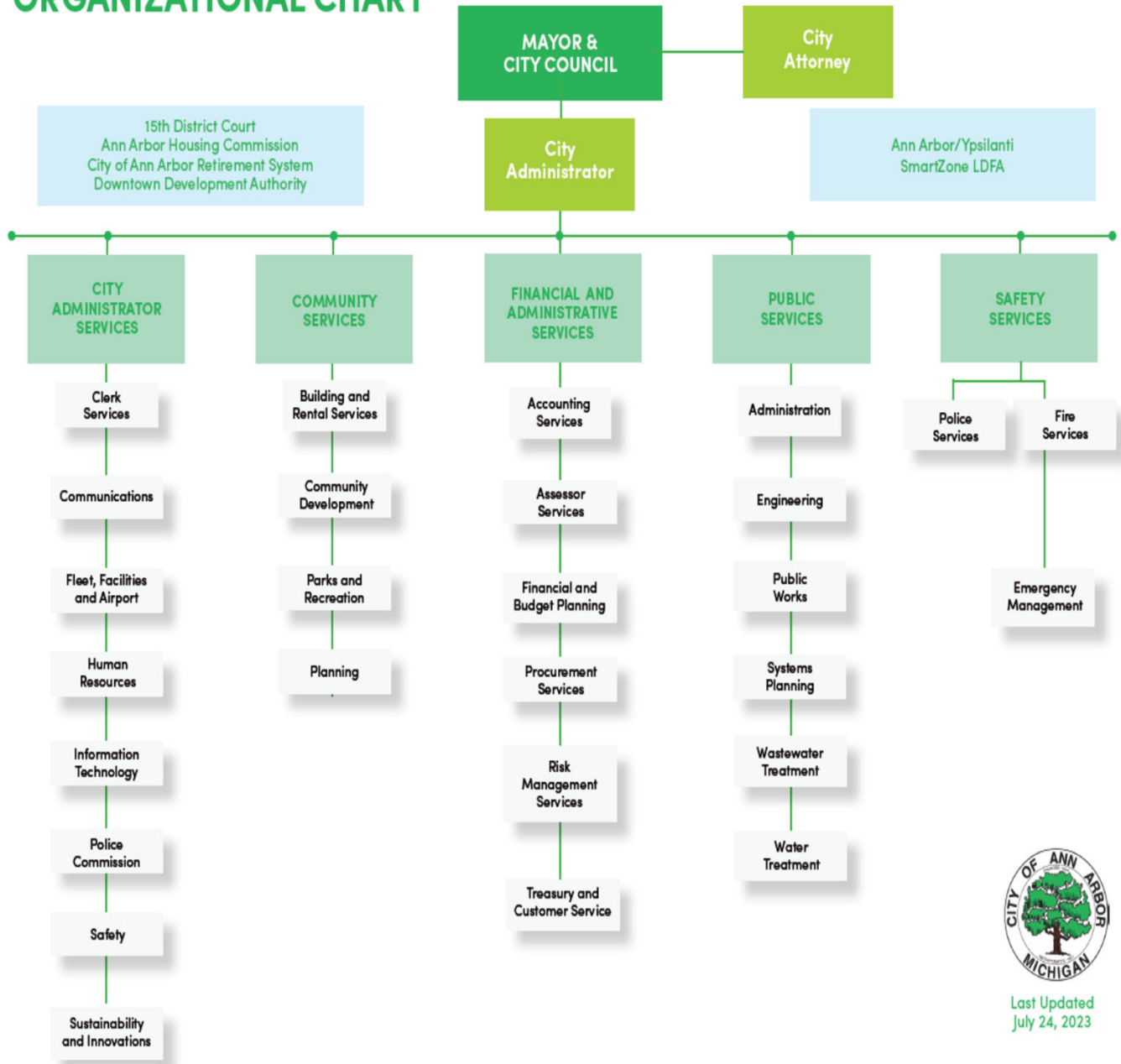
Atleen Kaur  
***City Attorney***

Jacqueline Beaudry  
***City Clerk***

Michael J. Pettigrew  
***City Treasurer***



# CITY OF ANN ARBOR ORGANIZATIONAL CHART



Last Updated  
July 24, 2023



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Ann Arbor  
Michigan**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

**This page intentionally left blank.**

## INDEPENDENT AUDITORS' REPORT

December 18, 2024

To the Honorable Mayor and Members of City Council  
City of Ann Arbor, Michigan

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Ann Arbor, Michigan** (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparisons for the general fund and the major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following entity, which represents the indicated percentages of total aggregate discretely presented component units:

	Percent of Assets and Deferred Outflows	Percent of Revenues	Percent of Net Position
Ann Arbor Housing Commission	33.6%	55.3%	25.2%

Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included for the above entity, are based solely on the report of the other auditors.



### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Independent Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for the pension and other postemployment benefit plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who 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 supplementary 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated December 18, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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'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's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lehmann Lobson LLC". The signature is written in a cursive, flowing style.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# CITY OF ANN ARBOR, MICHIGAN

## Management's Discussion and Analysis

As management of the City of Ann Arbor, Michigan (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

### Financial Highlights

. Total net position	\$ 1,525,321,538
. Change in total net position	101,040,426
. Fund balances, governmental funds	150,571,361
. Change in fund balances, governmental funds	3,278,624
. Unassigned fund balance, general fund	25,870,084
. Change in fund balance, general fund	6,745,991
. Long-term debt outstanding	271,649,558
. Change in long-term debt	(29,481,095)

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference 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* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. 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., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City 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, public works, community/economic development, culture and recreation, and public transportation. The business-type activities of the City include water, sewer, parking, airport, stormwater, solid waste, and technology fiber.

The government-wide financial statements include, not only the City itself (known as the primary government), but also a legally separate housing commission, a legally separate local development finance authority, and a legally separate downtown development 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. The City of Ann Arbor Building Authority, although also legally separate, functions for all practical purposes as a department of the City, and therefore its activities have been included as an integral part of the primary government of the City.

## CITY OF ANN ARBOR, MICHIGAN

### Management's Discussion and Analysis

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds.* Governmental funds are used to account for essentially the same functions reported as *governmental activities* in government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund and the street repair millage fund, the City's major funds. Data from the nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements following the required supplementary information.

The City adopts an annual budget in accordance with the General Appropriation Act for its general fund and special revenue funds. Budgetary comparison statements or schedules have been provided for these funds to demonstrate compliance with these budgets.

*Proprietary funds.* Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains numerous individual enterprise funds. The City's water supply system, sewage disposal system, parking system, airport, stormwater sewer system, solid waste, and technology fiber funds are all considered to be major funds.

Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its central stores, fleet services, information technology, project management, insurance, and the Wheeler Center.

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

*Notes to Financial Statements.* The notes 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 supplementary information concerning the City's progress in funding its obligation to provide pension and other postemployment benefits (OPEB) to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information on pensions and OPEB.

## CITY OF ANN ARBOR, MICHIGAN

### Management's Discussion and Analysis

#### Financial Analysis of the City as a Whole

The government-wide financial analysis focuses on the net position and changes in net position of the City's governmental and business-type activities. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As the following table demonstrates, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$1.5 billion at June 30, 2024 compared to \$1.4 billion at June 30, 2023.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 225,603,411	\$ 222,223,534	\$ 216,314,305	\$ 223,327,324	\$ 441,917,716	\$ 445,550,858
Capital assets, net	988,328,111	982,981,746	517,441,605	477,512,185	1,505,769,716	1,460,493,931
<b>Total assets</b>	<b>1,213,931,522</b>	<b>1,205,205,280</b>	<b>733,755,910</b>	<b>700,839,509</b>	<b>1,947,687,432</b>	<b>1,906,044,789</b>
<b>Deferred outflows of resources</b>	<b>28,731,833</b>	<b>33,849,894</b>	<b>7,492,072</b>	<b>8,549,554</b>	<b>36,223,905</b>	<b>42,399,448</b>
Long-term liabilities	104,668,100	121,544,919	168,064,842	181,170,953	272,732,942	302,715,872
Pension and OPEB	56,305,046	85,995,011	12,182,495	18,506,254	68,487,541	104,501,265
Other liabilities	39,343,987	43,994,283	24,368,943	22,933,940	63,712,930	66,928,223
<b>Total liabilities</b>	<b>200,317,133</b>	<b>251,534,213</b>	<b>204,616,280</b>	<b>222,611,147</b>	<b>404,933,413</b>	<b>474,145,360</b>
<b>Deferred inflows of resources</b>	<b>43,447,323</b>	<b>40,249,595</b>	<b>10,209,063</b>	<b>9,768,170</b>	<b>53,656,386</b>	<b>50,017,765</b>
<b>Net position</b>						
Net investment in capital assets	895,627,939	876,961,867	364,917,213	294,076,585	1,260,545,152	1,171,038,452
Restricted	98,012,443	102,136,516	52,412,955	36,785,774	150,425,398	138,922,290
Unrestricted (deficit)	5,258,517	(31,827,017)	109,092,471	146,147,387	114,350,988	114,320,370
<b>Total net position</b>	<b>\$ 998,898,899</b>	<b>\$ 947,271,366</b>	<b>\$ 526,422,639</b>	<b>\$ 477,009,746</b>	<b>\$ 1,525,321,538</b>	<b>\$ 1,424,281,112</b>

By far the largest portion of the City's net position reflects its investment in capital assets (i.e., land, buildings, vehicles, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$150.4 million of the City's net position at June 30, 2024 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$114.4 million may be used to meet the government's ongoing obligations to citizens and creditors, subject to the restrictions of the fund.

Pension and OPEB liabilities have decreased primarily related to the valuation of plan assets at June 30, 2024 compared to June 30, 2023. Other liabilities have decreased from 2023 to 2024 due a decrease in unearned revenue from American Rescue Plan Act (ARPA) funding that was recognized in the current fiscal year.

# CITY OF ANN ARBOR, MICHIGAN

## Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 37,764,738	\$ 36,267,794	\$ 89,485,366	\$ 91,632,826	\$ 127,250,104	\$ 127,900,620
Operating grants	31,700,749	29,319,053	176,577	-	31,877,326	29,319,053
Capital grants	5,250,621	7,642,938	956,821	-	6,207,442	7,642,938
General revenues:						
Property taxes	117,707,814	103,575,647	16,561,936	15,522,511	134,269,750	119,098,158
State shared revenues and grants	15,578,058	17,894,383	-	-	15,578,058	17,894,383
Investment earnings	12,656,180	3,950,479	9,430,428	2,336,896	22,086,608	6,287,375
Other	2,768,017	534,630	56,800	21,759	2,824,817	556,389
<b>Total revenues</b>	<b>223,426,177</b>	<b>199,184,924</b>	<b>116,667,928</b>	<b>109,513,992</b>	<b>340,094,105</b>	<b>308,698,916</b>
<b>Expenses</b>						
Governmental activities:						
General government	16,934,540	16,786,947	-	-	16,934,540	16,786,947
Public safety	45,857,101	48,124,880	-	-	45,857,101	48,124,880
Public works	46,282,400	31,716,206	-	-	46,282,400	31,716,206
Community/economic development	21,690,080	10,599,184	-	-	21,690,080	10,599,184
Culture and recreation	17,704,057	21,130,037	-	-	17,704,057	21,130,037
Public transportation	13,728,350	12,911,467	-	-	13,728,350	12,911,467
Interest on long-term liabilities	3,102,038	3,245,518	-	-	3,102,038	3,245,518
Business-type activities:						
Water	-	-	25,347,315	20,902,115	25,347,315	20,902,115
Sewer	-	-	22,739,865	21,588,195	22,739,865	21,588,195
Parking	-	-	1,629,794	1,661,660	1,629,794	1,661,660
Airport	-	-	1,027,821	818,222	1,027,821	818,222
Stormwater	-	-	8,216,726	9,288,550	8,216,726	9,288,550
Solid waste	-	-	14,514,784	17,059,032	14,514,784	17,059,032
Technology fiber	-	-	278,808	-	278,808	-
<b>Total expenses</b>	<b>165,298,566</b>	<b>144,514,239</b>	<b>73,755,113</b>	<b>71,317,774</b>	<b>239,053,679</b>	<b>215,832,013</b>
Change in net position before transfers	58,127,611	54,670,685	42,912,815	38,196,218	101,040,426	92,866,903
Transfers	(6,500,078)	(5,317,462)	6,500,078	5,317,462	-	-
Change in net position	51,627,533	49,353,223	49,412,893	43,513,680	101,040,426	92,866,903
Net position:						
Beginning of year	947,271,366	897,918,143	477,009,746	433,496,066	1,424,281,112	1,331,414,209
<b>End of year</b>	<b>\$ 998,898,899</b>	<b>\$ 947,271,366</b>	<b>\$ 526,422,639</b>	<b>\$ 477,009,746</b>	<b>\$ 1,525,321,538</b>	<b>\$ 1,424,281,112</b>

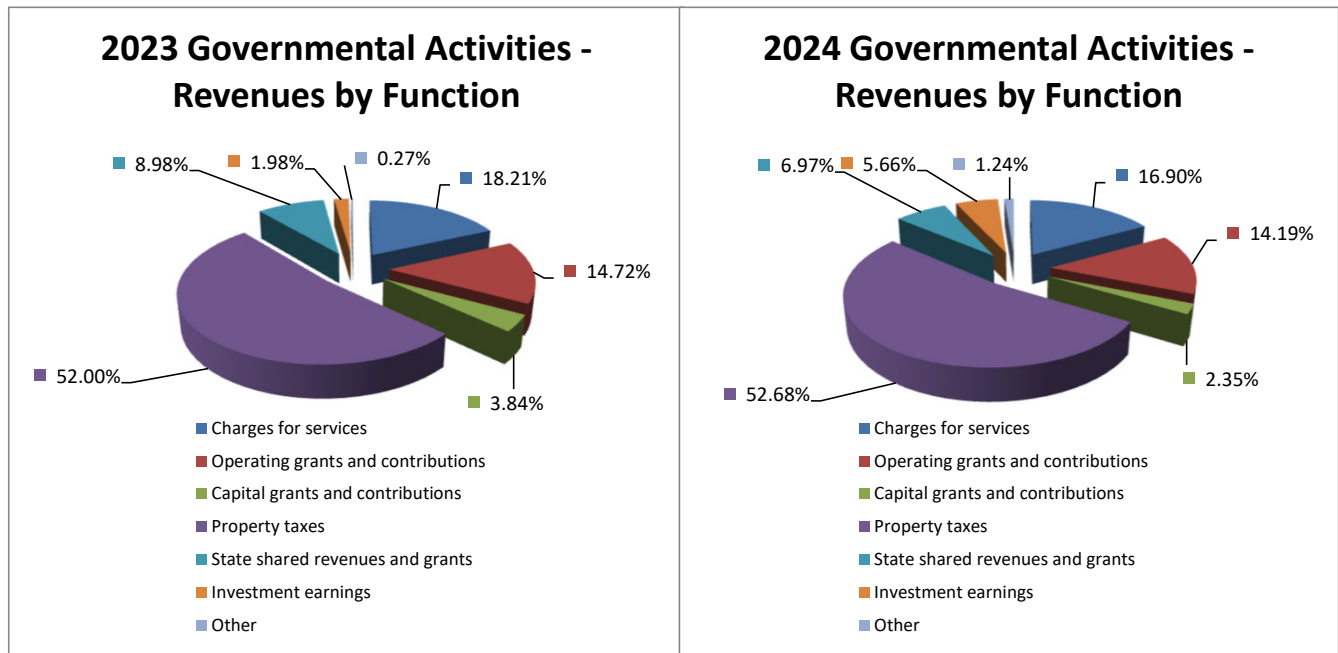
# CITY OF ANN ARBOR, MICHIGAN

## Management's Discussion and Analysis

The City's net position increased by \$101.0 million during the current fiscal year and \$92.9 million in the prior fiscal year.

Governmental activities increased the City's net position by \$51.6 million. During the previous fiscal year, governmental activities increased by \$49.4 million. Key elements impacting this change are as follows:

- Investment gains for fiscal year 2024 were \$12.7 million compared to fiscal year 2023 investment income of \$4.0 million. The City holds all investments to maturity but holdings are valued at fair market value as of June 30th of each fiscal year end. This change in fair value amounts to \$8.7 million of additional revenue compared to prior year results.
- State shared revenues seemingly decreased by 12.9% however this was due to a change in how revenue from the state is accounted for and recorded. This one time adjustment in fiscal year 2023 aligned the City with other local governments in the state.
- Program revenue increased by \$1.5 million in fiscal year 2024 compared to fiscal year 2023 for governmental activities. This was due primarily to the receipt of additional charges for services and operating grants.

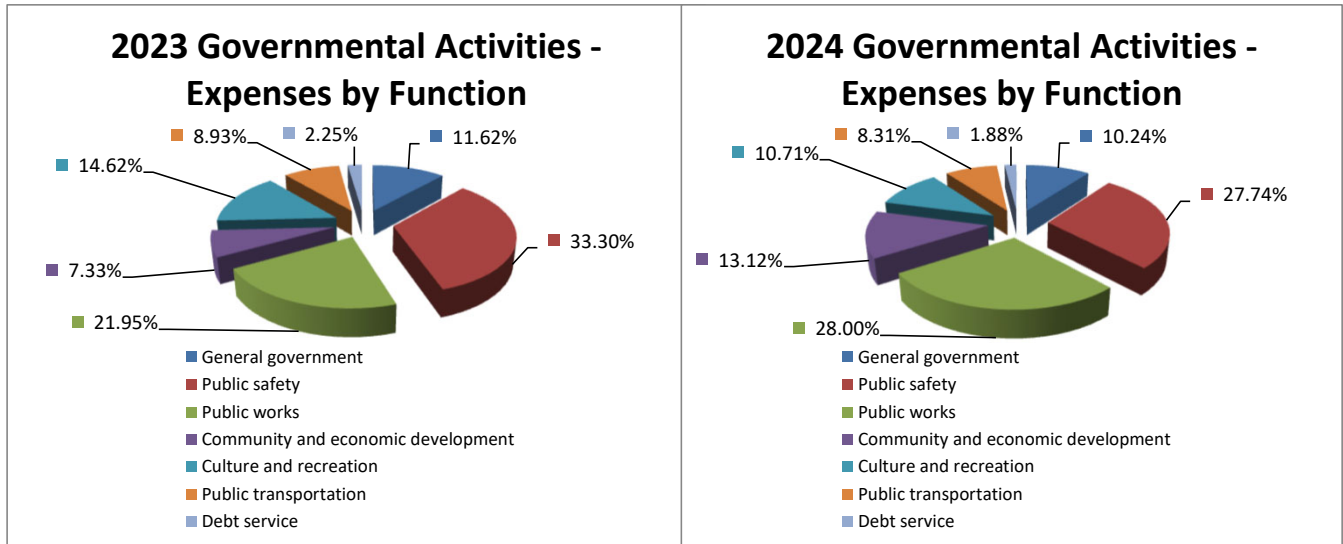


# CITY OF ANN ARBOR, MICHIGAN

## Management's Discussion and Analysis

Expenses for governmental activities increased \$20.8 million from 2023 to 2024. Key elements are as follows:

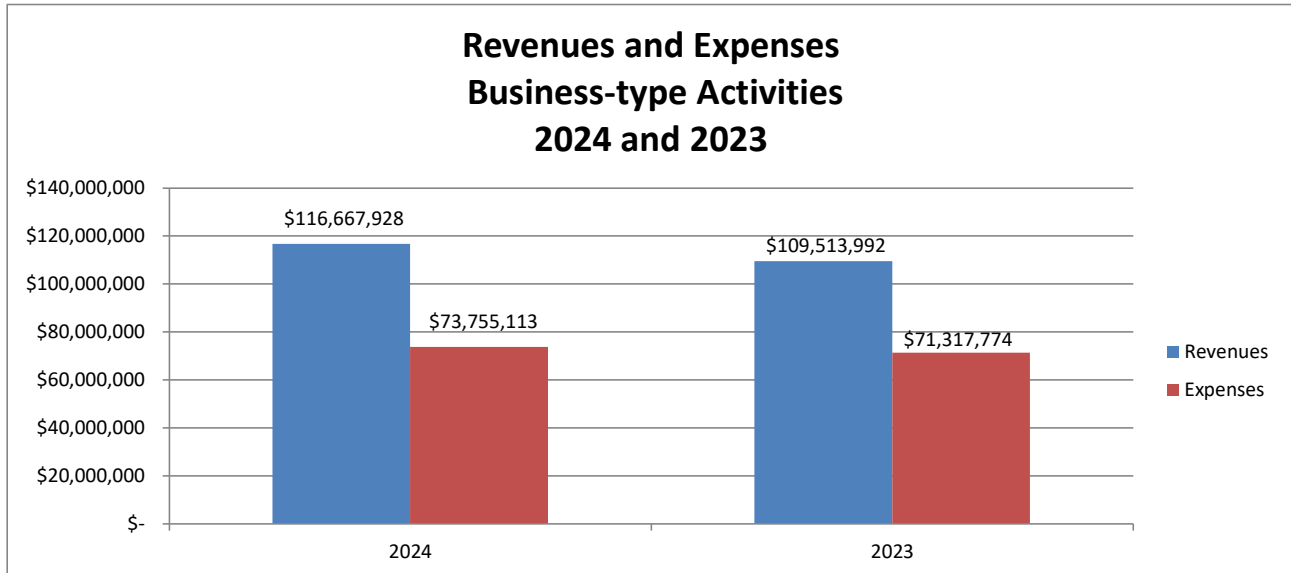
- Significant investments in community development and affordable housing were made in the current fiscal year. American Rescue Plan Act (ARPA) funding provided for investments in an election center, solar at City facilities, an ambulance, and replacement of the Gallup Park bridge.
- Public works expenditures increased in the current fiscal year with significant investments for the rehabilitation and widening of the bridge at East Medical Center Drive, annual street resurfacing projects, and preventative capital road maintenance.



Business-type activities increased the City's net position by \$49.4 million. During the previous fiscal year, business-type activities increased by \$43.5 million. Key elements impacting this change are as follows:

- Investment gains were \$2.3 million for fiscal year 2023 compared to the current year's investment income of \$9.4 million. The City holds all investments to maturity but holdings are valued at fair market value as of June 30th of each fiscal year end. This change in fair value amounts to \$7.1 million of additional revenue compared to prior year results.

Management's Discussion and Analysis



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$150.6 million at June 30, 2024 versus \$147.3 million at June 30, 2023, an increase of \$3.3 million.

The general fund is the chief operating fund of the City. At the end of the current and prior fiscal years, unassigned fund balance was \$25.9 million and \$26.8 million respectively. Liquidity can be measured by comparing unassigned fund balance to total fund expenditures. Unassigned fund balance represents 23.7% of total general fund expenditures at June 30, 2024. This equates to about 2.8 months of expense coverage and indicates an appropriate level of unassigned funding. The general fund fund balance increased by \$6.7 million during the current fiscal year in comparison to an increase of \$8.2 million during the prior fiscal year. Additional revenues caused this large increase and relate to:

- Tax revenues increased \$4.6 million, or 5.6% compared to the prior fiscal year.
- Investment income increased by \$2.9 million over the prior fiscal year.

The street repair millage fund balance decreased by \$3.2 million in fiscal year 2024 primarily due to spending down bond funds. In fiscal year 2022, \$15 million in bonds were issued for the purpose of citywide road improvements, with approximately \$6 million being allocated to this fund. Large projects and increased capital outlay occurred during fiscal year 2024, leading to an increased use of fund balance. Bond spending on capital projects will continue into fiscal year 2025. Total current fund balance of \$14.9 million is restricted for construction projects.



# CITY OF ANN ARBOR, MICHIGAN

## Management's Discussion and Analysis

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail.

The combined net position of the water supply system, sewage disposal system, parking system, airport, stormwater sewer system, solid waste, and technology fiber was \$514.5 million. The combined increase of these proprietary funds was \$48.6 million. The parking system had a decrease in net position of \$1.2 million as it continues to see a slower than expected return to normal, pre-pandemic levels. Overall the usage of services provided by the city increased during the fiscal year, hence an increase in charges for services as well as expenses related to providing those additional services.

### General Fund Budgetary Highlights

Actual expenditures came in under budget in many categories. This was primarily due to personnel costs coming in under budget, particularly medical expenditures. This savings, coupled with better than expected revenue collections, resulted in the addition of \$6.7 million in fund balance for fiscal year 2024. Intergovernmental revenues came in well over budget by \$3.4 million. This was primarily due to additional state shared revenue in the current year, as well as marijuana revenue collections being higher than anticipated. Investment earnings came in over budget by \$3.2 million due to the change in market value.

Significant changes from the original to final budget was an increase of \$6.2 million for the sale of capital assets related to the sale of land, an increase of \$3.7 million in capital outlay, and an increase of \$5.3 million in transfers out.

### Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2024 was \$1,505,769,716 compared to \$1,460,493,931 at June 30, 2023 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, machinery and equipment, vehicles, intangible assets, infrastructure, and lease and subscription assets.

The total increase in the City's investment in capital assets for the current fiscal year was 3.10% compared to an increase of 3.06% in fiscal year 2023. Construction in progress increased significantly under business type-activities. This is primarily due to the numerous water projects going on and this trend is expected to continue into the foreseeable future. Equipment has also increased on the governmental activities side due to investments in cleaner and renewable energy. Additional information on the City's capital assets can be located in the notes to the financial statements.

	Capital Assets (net of depreciation/amortization)					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 572,529,383	\$ 576,838,832	\$ 7,461,349	\$ 7,461,349	\$ 579,990,732	\$ 584,300,181
Construction in progress	37,810,458	39,234,994	113,792,222	83,254,983	151,602,680	122,489,977
Land improvements	21,644,610	19,514,836	312,067,068	298,389,119	333,711,678	317,903,955
Infrastructure	232,844,536	219,913,702	-	-	232,844,536	219,913,702
Buildings, additions, and improvements	108,575,180	112,628,283	82,362,225	86,401,250	190,937,405	199,029,533
Machinery and equipment	3,664,371	3,359,273	1,602,856	1,923,265	5,267,227	5,282,538
Vehicles	10,209,360	9,945,942	155,885	82,219	10,365,245	10,028,161
Lease equipment and buildings	492,349	610,512	-	-	492,349	610,512
Subscription assets	557,864	935,372	-	-	557,864	935,372
<b>Total capital assets, net</b>	<b>\$ 988,328,111</b>	<b>\$ 982,981,746</b>	<b>\$ 517,441,605</b>	<b>\$ 477,512,185</b>	<b>\$ 1,505,769,716</b>	<b>\$ 1,460,493,931</b>

## CITY OF ANN ARBOR, MICHIGAN

### Management's Discussion and Analysis

*Long-term debt.* At the end of the current fiscal year, the City had total debt outstanding of \$271,649,558. Of that amount, \$88,810,000 comprises general obligation debt. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds), revolving loans, drain notes, financed purchases, unamortized bond premiums and discounts, and compensated absences.

The City's total debt decreased by \$29,481,095 or 9.8% during the fiscal year, primarily due to regular payments on debt obligations. A summary of the City's outstanding debt can be found in the notes to the financial statements.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 87,915,000	\$ 101,024,000	\$ 895,000	\$ 1,180,000	\$ 88,810,000	\$ 102,204,000
Revenue bonds	-	-	55,385,000	61,240,000	55,385,000	61,240,000
Revolving loans	-	-	96,248,300	102,621,280	96,248,300	102,621,280
Drain notes	-	-	12,439,153	13,540,731	12,439,153	13,540,731
Installment purchase agreements	307,833	467,545	-	-	307,833	467,545
Deferred amounts:						
For issuance premiums	3,827,537	4,178,118	665,595	764,701	4,493,132	4,942,819
For issuance discounts	(83,429)	(90,448)	-	-	(83,429)	(90,448)
Compensated absences	11,617,775	14,380,485	2,431,794	1,824,241	14,049,569	16,204,726
<b>Long-term Debt</b>	<b>\$ 103,584,716</b>	<b>\$ 119,959,700</b>	<b>\$ 168,064,842</b>	<b>\$ 181,170,953</b>	<b>\$ 271,649,558</b>	<b>\$ 301,130,653</b>

State statutes limit the amount of the general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City is \$997,818,680, which significantly exceeds the City's outstanding general obligation debt.

#### Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the City's budget for fiscal year 2025:

- Tax revenues are forecasted to grow modestly per estimated change in taxable value from the City Assessor. The other revenue sources are forecasted for moderate increases into future years.
- Personnel costs are forecasted to grow approximately 3% each year for inflation and fringes are anticipated to increase approximately 6%. The remaining expenditures are forecasted with known increases/decreases based on projected operations with minimal increases based on inflation for future years.

#### Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, requests for additional financial information or complete financial statements of the individual component units should be addressed to the City of Ann Arbor Financial and Administrative Services-Accounting Services, 301 East Huron Street, P.O. Box 8647, Ann Arbor, Michigan 48107-8647.

## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CITY OF ANN ARBOR, MICHIGAN**

**Statement of Net Position**

June 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 379,221	\$ 203,756	\$ 582,977	\$ 9,821,994
Equity in pooled cash and investments	198,258,080	129,772,446	328,030,526	1,829,742
Investments	11,041,766	50,488,627	61,530,393	32,402,558
Receivables, net	13,114,675	22,936,146	36,050,821	2,501,269
Internal balances	(11,951,139)	11,951,139	-	-
Other assets	5,084,471	962,191	6,046,662	839,759
Restricted assets, cash	9,676,337	-	9,676,337	-
Capital assets not being depreciated	610,339,841	121,253,571	731,593,412	-
Capital assets being depreciated/amortized, net	377,988,270	396,188,034	774,176,304	8,895,887
<b>Total assets</b>	<b>1,213,931,522</b>	<b>733,755,910</b>	<b>1,947,687,432</b>	<b>56,291,209</b>
<b>Deferred outflows of resources</b>				
Deferred charge on refunding	1,968,352	1,413,409	3,381,761	-
Deferred pension amounts	12,120,746	2,228,426	14,349,172	44,058
Deferred OPEB amounts	14,642,735	3,850,237	18,492,972	-
<b>Total deferred outflows of resources</b>	<b>28,731,833</b>	<b>7,492,072</b>	<b>36,223,905</b>	<b>44,058</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	30,376,476	24,368,943	54,745,419	6,233,957
Unearned revenue	8,967,511	-	8,967,511	6,741,206
Bonds, notes, and other long-term liabilities				
Due within one year	15,129,081	11,960,261	27,089,342	106,027
Due in more than one year	89,539,019	156,104,581	245,643,600	298,782
Other liabilities due in more than one year:				
Net pension liability	33,159,031	6,096,361	39,255,392	53,922
Net OPEB liability	23,146,015	6,086,134	29,232,149	-
<b>Total liabilities</b>	<b>200,317,133</b>	<b>204,616,280</b>	<b>404,933,413</b>	<b>13,433,894</b>
<b>Deferred inflows of resources</b>				
Deferred pension amounts	19,013,188	3,495,616	22,508,804	1,344
Deferred OPEB amounts	24,393,922	6,414,264	30,808,186	-
Deferred lease amounts	40,213	299,183	339,396	-
<b>Total deferred inflows of resources</b>	<b>43,447,323</b>	<b>10,209,063</b>	<b>53,656,386</b>	<b>1,344</b>
<b>Net position</b>				
Net investment in capital assets	895,627,939	364,917,213	1,260,545,152	8,895,887
Restricted for:				
Construction	-	15,372,159	15,372,159	-
Debt service	-	13,082,048	13,082,048	-
Equipment replacement	-	23,755,472	23,755,472	-
Endowment (non-expendable)	1,984,000	-	1,984,000	-
Highway and streets	49,727,815	-	49,727,815	-
Culture and recreation	19,526,566	-	19,526,566	-
Other purposes	26,774,062	-	26,774,062	470,028
Landfill	-	203,276	203,276	-
Unrestricted	5,258,517	109,092,471	114,350,988	33,534,114
<b>Total net position</b>	<b>\$ 998,898,899</b>	<b>\$ 526,422,639</b>	<b>\$ 1,525,321,538</b>	<b>\$ 42,900,029</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF ANN ARBOR, MICHIGAN**

**Statement of Activities**

For the Year Ended June 30, 2024

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities:					
General government	\$ 16,934,540	\$ 8,481,224	\$ 8,344,954	\$ 1,702,208	\$ 1,593,846
Public safety	45,857,101	13,625,358	95,442	38,743	(32,097,558)
Public works	46,282,400	4,087,316	20,744,155	1,403,190	(20,047,739)
Community/economic development	21,690,080	220,468	62,868	2,106,480	(19,300,264)
Culture and recreation	17,704,057	5,867,074	2,453,330	-	(9,383,653)
Public transportation	13,728,350	-	-	-	(13,728,350)
Interest on long-term liabilities	3,102,038	5,483,298	-	-	2,381,260
<b>Total governmental activities</b>	<b>165,298,566</b>	<b>37,764,738</b>	<b>31,700,749</b>	<b>5,250,621</b>	<b>(90,582,458)</b>
Business-type activities:					
Water	25,347,315	34,731,553	78,451	956,821	10,419,510
Sewer	22,739,865	36,086,874	-	-	13,347,009
Parking	1,629,794	308,601	-	-	(1,321,193)
Airport	1,027,821	1,020,430	98,126	-	90,735
Stormwater	8,216,726	15,322,479	-	-	7,105,753
Solid waste	14,514,784	1,781,420	-	-	(12,733,364)
Technology fiber	278,808	234,009	-	-	(44,799)
<b>Total business-type activities</b>	<b>73,755,113</b>	<b>89,485,366</b>	<b>176,577</b>	<b>956,821</b>	<b>16,863,651</b>
<b>Total primary government</b>	<b>\$ 239,053,679</b>	<b>\$ 127,250,104</b>	<b>\$ 31,877,326</b>	<b>\$ 6,207,442</b>	<b>\$ (73,718,807)</b>
<b>Component units</b>					
Ann Arbor Housing Commission	\$ 40,352,804	\$ 15,028	\$ 45,195,032	\$ -	\$ 4,857,256
SmartZone LDFA	5,310,286	-	-	-	(5,310,286)
Downtown Development Authority	24,910,207	20,623,170	-	-	(4,287,037)
<b>Total component units</b>	<b>\$ 70,573,297</b>	<b>\$ 20,638,198</b>	<b>\$ 45,195,032</b>	<b>\$ -</b>	<b>\$ (4,740,067)</b>

continued...

# CITY OF ANN ARBOR, MICHIGAN

## Statement of Activities

For the Year Ended June 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Changes in net position</b>				
Net (expense) revenue	\$ (90,582,458)	\$ 16,863,651	\$ (73,718,807)	\$ (4,740,067)
General revenues:				
Property taxes	117,707,814	16,561,936	134,269,750	14,084,773
State shared revenues and grants (unrestricted)	15,578,058	-	15,578,058	-
Unrestricted investment earnings	12,656,180	9,430,428	22,086,608	1,863,126
Gain on sale of capital assets	2,198,738	56,800	2,255,538	-
Other revenues	569,279	-	569,279	259,321
Transfers - internal activities	(6,500,078)	6,500,078	-	-
Total general revenues and transfers	142,209,991	32,549,242	174,759,233	16,207,220
<b>Change in net position</b>	51,627,533	49,412,893	101,040,426	11,467,153
Net position, beginning of year	947,271,366	477,009,746	1,424,281,112	31,432,876
<b>Net position, end of year</b>	\$ 998,898,899	\$ 526,422,639	\$ 1,525,321,538	\$ 42,900,029

concluded.

The accompanying notes are an integral part of these financial statements.

**This page intentionally left blank.**



## **FUND FINANCIAL STATEMENTS**

# CITY OF ANN ARBOR, MICHIGAN

## Balance Sheet

Governmental Funds

June 30, 2024

	General	Street Repair Millage	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 378,923	\$ -	\$ -	\$ 378,923
Equity in pooled cash and investments	51,229,735	14,937,745	83,638,302	149,805,782
Investments	-	5,121,135	5,920,631	11,041,766
Receivables:				
Taxes	124,937	14,742	30,491	170,170
Accounts, net	2,039,291	1,647,284	687,571	4,374,146
Leases	-	-	40,213	40,213
Special assessments	-	54,040	-	54,040
Accrued interest and dividends	-	-	15,843	15,843
Improvement charges	-	8,642	-	8,642
Due from other governments	4,766,944	80	3,621,278	8,388,302
Inventories	72,195	-	-	72,195
Prepaid items	102,037	-	187,345	289,382
Restricted assets	-	-	9,676,337	9,676,337
<b>Total assets</b>	<b>\$ 58,714,062</b>	<b>\$ 21,783,668</b>	<b>\$ 103,818,011</b>	<b>\$ 184,315,741</b>
<b>Liabilities</b>				
Accounts payable	\$ 2,626,291	\$ 6,591,803	\$ 6,120,184	\$ 15,338,278
Accrued liabilities	3,363,339	39,291	509,597	3,912,227
Due to other governments	311,755	5,224	75,526	392,505
Unearned revenue	10,000	-	8,957,511	8,967,511
Deposits payable	2,413,763	180,130	539,540	3,133,433
<b>Total liabilities</b>	<b>8,725,148</b>	<b>6,816,448</b>	<b>16,202,358</b>	<b>31,743,954</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	1,178,705	62,681	718,827	1,960,213
Deferred lease amounts	-	-	40,213	40,213
<b>Total deferred inflows of resources</b>	<b>1,178,705</b>	<b>62,681</b>	<b>759,040</b>	<b>2,000,426</b>
<b>Fund balances</b>				
Nonspendable	174,232	-	2,171,345	2,345,577
Restricted	32,541	14,904,539	78,159,948	93,097,028
Committed	1,433,877	-	1,158,049	2,591,926
Assigned	21,299,475	-	5,367,271	26,666,746
Unassigned	25,870,084	-	-	25,870,084
<b>Total fund balances</b>	<b>48,810,209</b>	<b>14,904,539</b>	<b>86,856,613</b>	<b>150,571,361</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 58,714,062</b>	<b>\$ 21,783,668</b>	<b>\$ 103,818,011</b>	<b>\$ 184,315,741</b>

The accompanying notes are an integral part of these financial statements.

# CITY OF ANN ARBOR, MICHIGAN

## Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
June 30, 2024

**Fund balances of governmental funds** \$ 150,571,361

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 therefore are not reported in the funds.

Capital assets not being depreciated	610,339,841
Capital assets being depreciated/amortized, net	377,988,270
Less capital assets accounted for in internal service funds	(12,320,151)

Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Bonds, notes, and other long-term liabilities	(88,445,168)
Compensated absences	(11,617,775)
Unamortized bond discounts/premiums	(3,744,108)
Unamortized deferred charge on refunding	1,968,352
Accrued interest on bonds	(518,687)

Certain pension and other postemployment benefit-related amounts, such as the net pension and other postemployment benefit liabilities and deferred amounts, are not due and payable in the current period or do not represent current financial resources, and therefore are not reported in the funds.

Net pension liability	(33,159,031)
Deferred outflows of resources related to the net pension liability	12,120,746
Deferred inflows of resources related to the net pension liability	(19,013,188)
Net OPEB liability	(23,146,015)
Deferred outflows of resources related to the net OPEB liability	14,642,735
Deferred inflows of resources related to the net OPEB liability	(24,393,922)

The focus of governmental funds is on short-term financing. Accordingly, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows in the governmental funds, are thus not included in fund balance.

Deferred unavailable revenue	1,960,213
------------------------------	-----------

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds.

Net position of governmental activities accounted for in internal service funds:

Total internal service fund net position	57,616,565
Internal service fund net position accounted for in business-type activities	(11,951,139)

**Net position of governmental activities** \$ 998,898,899

The accompanying notes are an integral part of these financial statements.

## CITY OF ANN ARBOR, MICHIGAN

### Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2024

	General	Street Repair Millage	(Formerly Major Fund) Major Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 73,746,835	\$ 14,433,556		\$ 29,527,423	\$ 117,707,814
Licenses, permits, and registrations	3,040,173	-		8,662,343	11,702,516
Intergovernmental	19,332,435	21,705		28,873,313	48,227,453
Charges for services	11,263,506	1,785,695		6,975,574	20,024,775
Fines and forfeits	3,478,966	-		64,839	3,543,805
Investment earnings	4,248,396	1,008,150		5,046,731	10,303,277
Rentals	879,843	-		-	879,843
Contributions and donations	88,050	3,095,259		421,965	3,605,274
Other	1,031,939	149,444		475,143	1,656,526
<b>Total revenues</b>	<b>117,110,143</b>	<b>20,493,809</b>		<b>80,047,331</b>	<b>217,651,283</b>
<b>Expenditures</b>					
Current:					
General government	19,233,486	-		6,717,258	25,950,744
Public safety	51,608,568	-		5,568,077	57,176,645
Public works	4,998,087	5,248,013		13,553,622	23,799,722
Community/economic development	3,846,016	-		18,891,756	22,737,772
Culture and recreation	10,676,053	-		7,922,024	18,598,077
Public transportation	13,728,350	-		-	13,728,350
Capital outlay	4,858,564	18,207,313		14,397,601	37,463,478
Debt service:					
Principal retirement	-	-		13,218,585	13,218,585
Interest and fiscal charges	-	-		3,301,586	3,301,586
<b>Total expenditures</b>	<b>108,949,124</b>	<b>23,455,326</b>		<b>83,570,509</b>	<b>215,974,959</b>
Revenues over (under) expenditures	8,161,019	(2,961,517)		(3,523,178)	1,676,324
<b>Other financing sources (uses)</b>					
Proceeds from sale of capital assets	6,200,000	-		-	6,200,000
Transfers in	1,047,773	9,168,325		15,820,164	26,036,262
Transfers out	(8,662,801)	(9,360,926)		(12,610,235)	(30,633,962)
<b>Total other financing sources (uses)</b>	<b>(1,415,028)</b>	<b>(192,601)</b>		<b>3,209,929</b>	<b>1,602,300</b>
<b>Net change in fund balances</b>	<b>6,745,991</b>	<b>(3,154,118)</b>		<b>(313,249)</b>	<b>3,278,624</b>
Fund balances, beginning of year, as previously reported	42,064,218	18,058,657	\$ 651,997	86,517,865	147,292,737
Changes within the reporting entity			(651,997)	651,997	-
Fund balances, beginning of year, as adjusted	42,064,218	18,058,657	\$ -	87,169,862	147,292,737
<b>Fund balances, end of year</b>	<b>\$ 48,810,209</b>	<b>\$ 14,904,539</b>		<b>\$ 86,856,613</b>	<b>\$ 150,571,361</b>

The accompanying notes are an integral part of these financial statements.

# CITY OF ANN ARBOR, MICHIGAN

## Reconciliation

Net Change in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended June 30, 2024

**Net change in fund balances - total governmental funds** \$ 3,278,624

Amounts reported for *governmental activities* in the statement of activities differs from the amounts reported in the statement of revenue, expenditures, and changes in fund balances because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation/amortization expense.

Capital assets purchased/constructed	30,625,138
Depreciation/amortization expense	(20,812,792)
Proceeds from sale of capital assets	(6,536,133)
Gain on sale of capital assets	2,198,738

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments on bonds, notes, and other long-term liabilities	13,218,585
---	------------

Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in accrued interest payable on long-term debt	64,307
Amortization of bond premium and discounts	343,562
Change in compensated absences	2,762,710
Amortization of deferred charge on refunding	(170,292)
Change in the net pension liability and related deferred amounts	14,194,261
Change in the net OPEB liability and related deferred amounts	7,345,915

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather deferred to the following fiscal year.

Net change in unavailable revenues	1,223,253
------------------------------------	-----------

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds.

Total change in net position of the internal service funds	4,697,571
Internal service fund change in net position accounted for in business-type activities	(805,914)

**Change in net position of governmental activities** \$ 51,627,533

The accompanying notes are an integral part of these financial statements.

**CITY OF ANN ARBOR, MICHIGAN**

**Statement of Revenues, Expenditures, and Changes in Fund Balances**

Budget and Actual - General Fund  
For the Year Ended June 30, 2024

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 72,301,731	\$ 72,301,731	\$ 73,746,835	\$ 1,445,104
Licenses, permits, and registrations	2,470,589	2,470,589	3,040,173	569,584
Intergovernmental	15,936,046	15,936,046	19,332,435	3,396,389
Charges for services	10,478,087	10,615,087	11,263,506	648,419
Fines and forfeits	3,861,068	3,861,068	3,478,966	(382,102)
Investment earnings	1,024,080	1,024,080	4,248,396	3,224,316
Rentals	751,272	751,272	879,843	128,571
Contributions and donations	-	76,000	88,050	12,050
Other	496,903	496,903	1,031,939	535,036
<b>Total revenues</b>	<b>107,319,776</b>	<b>107,532,776</b>	<b>117,110,143</b>	<b>9,577,367</b>
<b>Expenditures</b>				
Current:				
General government:				
Mayor and council	563,216	565,361	552,253	(13,108)
Administration	3,878,584	3,707,812	3,189,742	(518,070)
Human resources	2,790,958	2,941,327	2,601,107	(340,220)
Attorney	3,140,510	3,195,961	2,960,401	(235,560)
Clerk/elections	2,264,134	2,358,265	2,020,914	(337,351)
Finance	9,159,837	9,509,114	9,090,627	(418,487)
Environmental coordination services	1,188,731	1,287,109	978,751	(308,358)
District court	5,599,252	5,401,380	5,025,904	(375,476)
Planning	1,761,053	2,204,351	2,201,400	(2,951)
Other unallocated	2,534,379	817,149	626,503	(190,646)
Municipal service charge	(10,166,628)	(10,382,428)	(10,014,116)	(368,312)
	<b>22,714,026</b>	<b>21,605,401</b>	<b>19,233,486</b>	<b>(2,371,915)</b>
Public safety:				
Police department	31,507,086	32,549,191	31,501,422	(1,047,769)
Fire department	17,924,017	18,694,636	18,634,652	(59,984)
Building department	1,381,063	1,472,978	1,472,494	(484)
	<b>50,812,166</b>	<b>52,716,805</b>	<b>51,608,568</b>	<b>(1,108,237)</b>
Public works:				
Public services	9,674,527	9,964,348	9,114,153	(850,195)
Municipal service charge	(4,178,339)	(4,278,339)	(4,116,066)	(162,273)
	<b>5,496,188</b>	<b>5,686,009</b>	<b>4,998,087</b>	<b>(687,922)</b>

continued...

# CITY OF ANN ARBOR, MICHIGAN

## Statement of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual - General Fund  
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (concluded)</b>				
Current (concluded):				
Community/economic development:				
Community development	\$ 8,478,761	\$ 8,634,589	\$ 8,290,199	\$ (344,390)
Municipal service charge	(4,747,348)	(4,747,348)	(4,444,183)	(303,165)
	<u>3,731,413</u>	<u>3,887,241</u>	<u>3,846,016</u>	<u>(41,225)</u>
Culture and recreation -				
Parks and recreation	<u>10,226,644</u>	<u>10,747,471</u>	<u>10,676,053</u>	<u>(71,418)</u>
Public transportation	<u>13,778,151</u>	<u>13,778,151</u>	<u>13,728,350</u>	<u>(49,801)</u>
Capital outlay	<u>838,905</u>	<u>4,545,890</u>	<u>4,858,564</u>	<u>312,674</u>
<b>Total expenditures</b>	<u>107,597,493</u>	<u>112,966,968</u>	<u>108,949,124</u>	<u>(4,017,844)</u>
Revenues over (under) expenditures	<u>(277,717)</u>	<u>(5,434,192)</u>	<u>8,161,019</u>	<u>13,595,211</u>
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	-	6,200,000	6,200,000	-
Transfers in	1,047,794	1,047,794	1,047,773	(21)
Transfers out	(3,348,263)	(8,695,526)	(8,662,801)	(32,725)
Total other financing sources (uses)	<u>(2,300,469)</u>	<u>(1,447,732)</u>	<u>(1,415,028)</u>	<u>32,704</u>
<b>Net change in fund balance</b>	<u>(2,578,186)</u>	<u>(6,881,924)</u>	<u>6,745,991</u>	<u>13,627,915</u>
Fund balance, beginning of year	<u>42,064,218</u>	<u>42,064,218</u>	<u>42,064,218</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 39,486,032</u>	<u>\$ 35,182,294</u>	<u>\$ 48,810,209</u>	<u>\$ 13,627,915</u>

concluded.

The accompanying notes are an integral part of these financial statements.

**This page intentionally left blank.**



## CITY OF ANN ARBOR, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Street Repair Millage Special Revenue Fund

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ 14,229,174	\$ 14,229,174	\$ 14,433,556	\$ 204,382
Intergovernmental	-	86,004	21,705	(64,299)
Charges for services	-	1,774,516	1,785,695	11,179
Investment earnings	513,526	513,526	1,008,150	494,624
Contributions and donations	7,835,000	7,835,000	3,095,259	(4,739,741)
Other	-	-	149,444	149,444
<b>Total revenues</b>	<u>22,577,700</u>	<u>24,438,220</u>	<u>20,493,809</u>	<u>(3,944,411)</u>
<b>Expenditures</b>				
Current - public works	31,676,004	5,577,394	5,248,013	(329,381)
Capital outlay	-	18,039,611	18,207,313	167,702
<b>Total expenditures</b>	<u>31,676,004</u>	<u>23,617,005</u>	<u>23,455,326</u>	<u>(161,679)</u>
Revenues over (under) expenditures	<u>(9,098,304)</u>	<u>821,215</u>	<u>(2,961,517)</u>	<u>(3,782,732)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	8,703,652	9,168,325	464,673
Transfers out	(884,694)	(9,360,926)	(9,360,926)	-
<b>Total other financing sources (uses)</b>	<u>(884,694)</u>	<u>(657,274)</u>	<u>(192,601)</u>	<u>464,673</u>
<b>Net change in fund balance</b>	<u>(9,982,998)</u>	<u>163,941</u>	<u>(3,154,118)</u>	<u>(3,318,059)</u>
Fund balance, beginning of year	<u>18,058,657</u>	<u>18,058,657</u>	<u>18,058,657</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 8,075,659</u>	<u>\$ 18,222,598</u>	<u>\$ 14,904,539</u>	<u>\$ (3,318,059)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ANN ARBOR, MICHIGAN

**Statement of Net Position**

Proprietary Funds  
June 30, 2024

	Business-type Activities - Enterprise Funds				
	Water Supply System	Sewage Disposal System	Parking System	Airport	Stormwater Sewer System
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 450	\$ -	\$ -	\$ 30	\$ -
Equity in pooled cash and investments	20,181,826	48,201,342	2,066,720	2,124,692	21,014,964
Investments	40,503,583	9,985,044	-	-	-
Receivables:					
Taxes	150,464	-	-	-	-
Accounts, net	7,478,443	7,241,963	500	87,382	3,631,368
Leases	-	-	-	120,399	-
Improvement charges	30,140	48,096	-	-	4,447
Due from other governments	623,018	634	-	-	1,749
Prepaid items	12,872	9,411	-	-	1,967
Inventories	862,875	29,217	-	-	45,849
<b>Total current assets</b>	<b>69,843,671</b>	<b>65,515,707</b>	<b>2,067,220</b>	<b>2,332,503</b>	<b>24,700,344</b>
Noncurrent assets:					
Receivables:					
Leases	-	-	-	178,784	-
Improvement charges	131,910	267,338	-	-	32,135
Due from other governments	2,553,154	-	-	-	-
Capital assets not being depreciated	72,343,182	36,891,153	3,934,897	708,927	3,778,405
Capital assets being depreciated/amortized, net	139,296,245	202,610,535	19,306,468	968,247	25,848,668
<b>Total noncurrent assets</b>	<b>214,324,491</b>	<b>239,769,026</b>	<b>23,241,365</b>	<b>1,855,958</b>	<b>29,659,208</b>
<b>Total assets</b>	<b>284,168,162</b>	<b>305,284,733</b>	<b>25,308,585</b>	<b>4,188,461</b>	<b>54,359,552</b>
<b>Deferred outflows of resources</b>					
Deferred charge on refunding	344,401	1,025,927	43,081	-	-
Deferred pension amounts	839,426	687,325	-	-	378,818
Deferred OPEB amounts	1,287,111	1,314,851	-	-	639,856
<b>Total deferred outflows of resources</b>	<b>2,470,938</b>	<b>3,028,103</b>	<b>43,081</b>	<b>-</b>	<b>1,018,674</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	9,651,618	5,603,251	-	22,725	1,079,648
Accrued liabilities	326,138	234,743	-	-	101,089
Accrued interest payable	528,112	427,711	5,967	-	81,749
Deposits payable	202,283	-	-	-	63,267
Bonds, notes, and other long-term liabilities, current	3,598,376	5,564,235	296,384	-	1,244,093
Estimated claims payable, current	-	-	-	-	-
Compensated absences, current	447,167	401,603	-	-	199,732
<b>Total current liabilities</b>	<b>14,753,694</b>	<b>12,231,543</b>	<b>302,351</b>	<b>22,725</b>	<b>2,769,578</b>
Noncurrent liabilities:					
Bonds, notes, and other long-term liabilities, net of current portion	59,163,133	83,953,447	618,320	-	11,195,060
Estimated claims payable, net of current portion	-	-	-	-	-
Compensated absences, net of current portion	845,764	139,569	-	-	47,640
Net pension liability	2,296,440	1,880,333	-	-	1,036,342
Net OPEB liability	2,034,558	2,078,406	-	-	1,011,432
<b>Total noncurrent liabilities</b>	<b>64,339,895</b>	<b>88,051,755</b>	<b>618,320</b>	<b>-</b>	<b>13,290,474</b>
<b>Total liabilities</b>	<b>79,093,589</b>	<b>100,283,298</b>	<b>920,671</b>	<b>22,725</b>	<b>16,060,052</b>
<b>Deferred inflows of resources</b>					
Deferred pension amounts	1,316,765	1,078,171	-	-	594,232
Deferred OPEB amounts	2,144,249	2,190,462	-	-	1,065,963
Deferred lease amounts	-	-	-	299,183	-
<b>Total deferred inflows of resources</b>	<b>3,461,014</b>	<b>3,268,633</b>	<b>-</b>	<b>299,183</b>	<b>1,660,195</b>
<b>Net position</b>					
Net investment in capital assets	162,932,822	149,179,129	22,369,742	1,677,174	17,078,506
Restricted for construction	15,372,159	-	-	-	-
Restricted for debt service	4,074,923	9,007,125	-	-	-
Restricted for equipment replacement	14,840,587	8,914,885	-	-	-
Restricted for landfill	-	-	-	-	-
Unrestricted	6,864,006	37,659,766	2,061,253	2,189,379	20,579,473
<b>Total net position</b>	<b>\$ 204,084,497</b>	<b>\$ 204,760,905</b>	<b>\$ 24,430,995</b>	<b>\$ 3,866,553</b>	<b>\$ 37,657,979</b>

The accompanying notes are an integral part of these financial statements.

Business-type Activities - Enterprise Funds			Governmental Activities
Solid Waste	Technology Fiber	Total Enterprise Funds	Internal Service Funds
\$ 203,276	\$ -	\$ 203,756	\$ 298
35,066,484	1,116,418	129,772,446	48,452,298
-	-	50,488,627	-
61,997	-	212,461	-
257,335	34,890	18,731,881	60,535
-	-	120,399	-
-	-	82,683	-
-	-	625,401	2,784
-	-	24,250	3,237,965
-	-	937,941	1,484,929
<u>35,589,092</u>	<u>1,151,308</u>	<u>201,199,845</u>	<u>53,238,809</u>
-	-	178,784	-
-	-	431,383	-
-	-	2,553,154	-
3,597,007	-	121,253,571	90,005
8,157,871	-	396,188,034	12,230,146
<u>11,754,878</u>	<u>-</u>	<u>520,604,926</u>	<u>12,320,151</u>
<u>47,343,970</u>	<u>1,151,308</u>	<u>721,804,771</u>	<u>65,558,960</u>
-	-	1,413,409	-
322,857	-	2,228,426	-
608,419	-	3,850,237	-
<u>931,276</u>	<u>-</u>	<u>7,492,072</u>	<u>-</u>
1,502,278	2,475	17,861,995	4,057,584
118,978	3,797	784,745	2,331
-	-	1,043,539	-
-	-	265,550	1,042,968
-	-	10,703,088	447,586
-	-	-	225,045
208,671	-	1,257,173	-
<u>1,829,927</u>	<u>6,272</u>	<u>31,916,090</u>	<u>5,775,514</u>
-	-	154,929,960	413,463
4,413,114	-	4,413,114	1,753,418
141,648	-	1,174,621	-
883,246	-	6,096,361	-
961,738	-	6,086,134	-
<u>6,399,746</u>	<u>-</u>	<u>172,700,190</u>	<u>2,166,881</u>
<u>8,229,673</u>	<u>6,272</u>	<u>204,616,280</u>	<u>7,942,395</u>
506,448	-	3,495,616	-
1,013,590	-	6,414,264	-
-	-	299,183	-
<u>1,520,038</u>	<u>-</u>	<u>10,209,063</u>	<u>-</u>
11,679,840	-	364,917,213	11,459,102
-	-	15,372,159	-
-	-	13,082,048	-
-	-	23,755,472	-
203,276	-	203,276	-
26,642,419	1,145,036	97,141,332	46,157,463
<u>\$ 38,525,535</u>	<u>\$ 1,145,036</u>	<u>\$ 514,471,500</u>	<u>\$ 57,616,565</u>

**This page intentionally left blank.**

# CITY OF ANN ARBOR, MICHIGAN

## Reconciliation

Net Position of Enterprise Funds  
to Net Position of Business-type Activities  
June 30, 2024

**Net position of enterprise funds** \$ 514,471,500

Amounts reported for *business-type activities* in the statement of activities differs different because:

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. A portion of the net position of the internal service funds is allocated to the enterprise funds and reported in the statement of net position.

Net position of business-type activities accounted for in governmental-type internal service funds

11,951,139

**Net position of business-type activities**

\$ 526,422,639

The accompanying notes are an integral part of these financial statements.

**CITY OF ANN ARBOR, MICHIGAN**

**Statement of Revenues, Expenses and Changes in Fund Net Position**

Proprietary Funds

For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds				
	Water Supply System	Sewage Disposal System	Parking System	Airport	Stormwater Sewer System
<b>Operating revenues</b>					
Charges for services	\$ 34,731,553	\$ 36,086,874	\$ 308,601	\$ 1,020,430	\$ 15,322,479
<b>Operating expenses</b>					
Personal services	7,154,249	4,180,318	-	483,427	2,533,328
Municipal service charge	460,488	640,548	-	84,168	263,364
Information technology charge	908,538	743,118	-	21,540	343,299
Other operating costs	8,552,887	7,873,578	744	380,224	3,525,777
Depreciation and amortization	6,194,860	7,173,496	1,599,406	58,462	1,165,258
<b>Total operating expenses</b>	<u>23,271,022</u>	<u>20,611,058</u>	<u>1,600,150</u>	<u>1,027,821</u>	<u>7,831,026</u>
Operating income (loss)	<u>11,460,531</u>	<u>15,475,816</u>	<u>(1,291,549)</u>	<u>(7,391)</u>	<u>7,491,453</u>
<b>Nonoperating revenues (expenses)</b>					
Property taxes	-	-	-	-	-
Federal and state grants	1,035,272	-	-	98,126	-
Investment earnings	3,379,386	2,968,328	97,738	101,231	1,080,175
Gain (loss) on sale of capital assets	11,600	45,200	-	-	(261,240)
Interest and fiscal charges	(2,145,764)	(2,150,990)	(29,644)	-	(312,068)
<b>Total nonoperating revenues (expenses)</b>	<u>2,280,494</u>	<u>862,538</u>	<u>68,094</u>	<u>199,357</u>	<u>506,867</u>
Income (loss) before contributions and transfers	13,741,025	16,338,354	(1,223,455)	191,966	7,998,320
<b>Capital contributions</b>	-	-	-	-	-
<b>Transfers in</b>	14,399,512	1,351,562	-	-	-
<b>Transfers out</b>	<u>(2,538,950)</u>	<u>(1,898,294)</u>	<u>-</u>	<u>(8,736)</u>	<u>(5,878,232)</u>
<b>Change in net position</b>	25,601,587	15,791,622	(1,223,455)	183,230	2,120,088
Net position, beginning of year	<u>178,482,910</u>	<u>188,969,283</u>	<u>25,654,450</u>	<u>3,683,323</u>	<u>35,537,891</u>
<b>Net position, end of year</b>	<u>\$ 204,084,497</u>	<u>\$ 204,760,905</u>	<u>\$ 24,430,995</u>	<u>\$ 3,866,553</u>	<u>\$ 37,657,979</u>

The accompanying notes are an integral part of these financial statements.

Business-type Activities - Enterprise Funds			Governmental Activities
Solid Waste	Technology Fiber	Total Enterprise Funds	Internal Service Funds
\$ 1,781,420	\$ 234,009	\$ 89,485,366	\$ 61,404,404
3,240,622	125,948	17,717,892	10,131,994
391,884	-	1,840,452	1,818,660
253,334	-	2,269,829	1,258,249
10,201,200	152,860	30,687,270	43,585,247
954,396	-	17,145,878	3,300,339
<u>15,041,436</u>	<u>278,808</u>	<u>69,661,321</u>	<u>60,094,489</u>
<u>(13,260,016)</u>	<u>(44,799)</u>	<u>19,824,045</u>	<u>1,309,915</u>
16,561,936	-	16,561,936	-
-	-	1,133,398	-
1,783,758	19,812	9,430,428	2,352,903
-	-	(204,440)	336,133
-	-	(4,638,466)	(38,029)
<u>18,345,694</u>	<u>19,812</u>	<u>22,282,856</u>	<u>2,651,007</u>
5,085,678	(24,987)	42,106,901	3,960,922
-	-	-	2,639,027
539,608	1,170,023	17,460,705	35,184
<u>(636,415)</u>	<u>-</u>	<u>(10,960,627)</u>	<u>(1,937,562)</u>
4,988,871	1,145,036	48,606,979	4,697,571
<u>33,536,664</u>	<u>-</u>	<u>465,864,521</u>	<u>52,918,994</u>
<u>\$ 38,525,535</u>	<u>\$ 1,145,036</u>	<u>\$ 514,471,500</u>	<u>\$ 57,616,565</u>

**This page intentionally left blank.**



# CITY OF ANN ARBOR, MICHIGAN

## Reconciliation

Change in Net Position of Enterprise Funds  
to Change in Net Position of Business-type Activities  
For the Year Ended June 30, 2024

**Change in net position - total enterprise funds** \$ 48,606,979

Amounts reported for *business-type activities* in the statement of activities differs from the amounts reported in the statement of revenues, expenses, and changes in fund net position because:

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. A portion of the operating income of the internal service funds is allocated to the enterprise funds and reported in the statement of activities.

Net operating income from business-type activities accounted for in governmental-type internal service funds

805,914

**Change in net position of business-type activities** \$ 49,412,893

The accompanying notes are an integral part of these financial statements.

**CITY OF ANN ARBOR, MICHIGAN**

**Statement of Cash Flows**

Proprietary Funds  
For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds				
	Water System	Sewage Disposal System	Parking System	Airport	Stormwater Sewer System
<b>Cash flow from operating activities</b>					
Receipts from customers	\$ 35,677,206	\$ 35,451,775	\$ 308,601	\$ 982,792	\$ 15,029,442
Payments to suppliers	(7,410,050)	(7,240,981)	(744)	(405,040)	(2,690,886)
Payments on behalf of employees	(8,435,399)	(5,852,237)	-	(483,427)	(3,359,688)
Payments received for interfund services	-	-	-	-	-
Payments made for interfund services	(1,369,026)	(1,383,666)	-	(105,708)	(606,663)
<b>Net cash provided by (used in) operating activities</b>	<u>18,462,731</u>	<u>20,974,891</u>	<u>307,857</u>	<u>(11,383)</u>	<u>8,372,205</u>
<b>Cash flows from noncapital financing activities</b>					
Transfers in	14,399,512	1,351,562	-	-	-
Transfers out	(2,538,950)	(1,898,294)	-	(8,736)	(5,878,232)
Grants received	1,035,272	-	-	98,126	-
Property taxes	-	-	-	-	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>12,895,834</u>	<u>(546,732)</u>	<u>-</u>	<u>89,390</u>	<u>(5,878,232)</u>
<b>Cash flows from capital and related financing activities</b>					
Capital contributions	-	-	-	-	-
Purchase of capital assets	(39,658,222)	(17,251,360)	-	(713)	(1,387,339)
Proceeds from sale of capital assets	11,600	45,200	-	-	-
Principal paid on long-term liabilities	(3,724,450)	(8,824,671)	(285,000)	-	(1,101,579)
Interest paid on long-term liabilities	(1,699,178)	(2,100,888)	(37,818)	-	(319,091)
Proceeds from issuance of long-term debt	321,142	-	-	-	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(44,749,108)</u>	<u>(28,131,719)</u>	<u>(322,818)</u>	<u>(713)</u>	<u>(2,808,009)</u>
<b>Cash flows from investing activities</b>					
Proceeds from sale and maturities of investments	-	120,689	-	-	-
Purchase of investments	1,546,938	-	-	-	-
Interest and dividends on investments	3,379,386	2,968,328	97,738	101,231	1,080,175
<b>Net cash provided by (used in) investing activities</b>	<u>4,926,324</u>	<u>3,089,017</u>	<u>97,738</u>	<u>101,231</u>	<u>1,080,175</u>
<b>Net change in cash and cash equivalents</b>	<u>(8,464,219)</u>	<u>(4,614,543)</u>	<u>82,777</u>	<u>178,525</u>	<u>766,139</u>
Cash and cash equivalents, beginning of the year	28,646,495	52,815,885	1,983,943	1,946,197	20,248,825
<b>Cash and cash equivalents, end of the year</b>	<u>\$ 20,182,276</u>	<u>\$ 48,201,342</u>	<u>\$ 2,066,720</u>	<u>\$ 2,124,722</u>	<u>\$ 21,014,964</u>
<b>Reconciliation to statement of net position</b>					
Cash and cash equivalents	\$ 450	\$ -	\$ -	\$ 30	\$ -
Equity in pooled cash and investments	20,181,826	48,201,342	2,066,720	2,124,692	21,014,964
<b>Total cash and cash equivalents, end of year</b>	<u>\$ 20,182,276</u>	<u>\$ 48,201,342</u>	<u>\$ 2,066,720</u>	<u>\$ 2,124,722</u>	<u>\$ 21,014,964</u>

Business-type Activities - Enterprise Funds			Governmental Activities
Solid Waste	Technology Fiber	Total Enterprise Funds	Internal Service Funds
\$ 2,412,202	\$ 199,119	\$ 90,061,137	\$ -
(9,383,578)	13,884	(27,117,395)	(48,677,887)
(4,230,219)	(122,151)	(22,483,121)	(10,440,799)
-	-	-	61,404,404
(645,218)	-	(4,110,281)	-
<u>(11,846,813)</u>	<u>90,852</u>	<u>36,350,340</u>	<u>2,285,718</u>
539,608	1,170,023	17,460,705	35,184
(636,415)	-	(10,960,627)	(1,937,562)
-	-	1,133,398	-
<u>16,561,936</u>	<u>-</u>	<u>16,561,936</u>	<u>-</u>
<u>16,465,129</u>	<u>1,170,023</u>	<u>24,195,412</u>	<u>(1,902,378)</u>
-	-	-	2,639,027
(1,123,212)	(164,269)	(59,585,115)	(3,171,753)
-	-	56,800	336,133
-	-	(13,935,700)	(551,962)
-	-	(4,156,975)	(38,029)
-	-	321,142	-
<u>(1,123,212)</u>	<u>(164,269)</u>	<u>(77,299,848)</u>	<u>(786,584)</u>
-	-	120,689	-
-	-	1,546,938	-
<u>1,783,758</u>	<u>19,812</u>	<u>9,430,428</u>	<u>2,352,903</u>
<u>1,783,758</u>	<u>19,812</u>	<u>11,098,055</u>	<u>2,352,903</u>
5,278,862	1,116,418	(5,656,041)	1,949,659
<u>29,990,898</u>	<u>-</u>	<u>135,632,243</u>	<u>46,502,937</u>
<u>\$ 35,269,760</u>	<u>\$ 1,116,418</u>	<u>\$ 129,976,202</u>	<u>\$ 48,452,596</u>
\$ 203,276	\$ -	\$ 203,756	\$ 298
<u>35,066,484</u>	<u>1,116,418</u>	<u>129,772,446</u>	<u>48,452,298</u>
<u>\$ 35,269,760</u>	<u>\$ 1,116,418</u>	<u>\$ 129,976,202</u>	<u>\$ 48,452,596</u>

continued...

**CITY OF ANN ARBOR, MICHIGAN**

**Statement of Cash Flows**

Proprietary Funds

For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds				
	Water System	Sewage Disposal System	Parking System	Airport	Stormwater Sewer System
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>					
Operating income (loss)	\$ 11,460,531	\$ 15,475,816	\$ (1,291,549)	\$ (7,391)	\$ 7,491,453
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	6,194,860	7,173,496	1,599,406	58,462	1,165,258
Changes in assets and liabilities:					
Accounts receivable	(538,833)	(664,400)	(500)	(104,426)	(343,784)
Due from other governments	1,482,833	(634)	500	-	29,855
Prepaid items	-	32,544	-	-	-
Inventories	1,653	(2,609)	-	-	20,892
Deferred outflows of resources related to the net pension liability	474,385	381,538	-	-	211,283
Deferred outflows of resources related to the net OPEB liability	(147,941)	(157,729)	-	-	(73,535)
Accounts payable	1,182,297	632,597	-	(24,816)	823,178
Accrued liabilities	22,604	40,831	-	-	8,875
Deposits payable	18,351	-	-	-	11,713
Due to other governments	(57,811)	-	-	-	-
Estimated claims payable	-	-	-	-	-
Accrued compensated absences	496,818	(24,273)	-	-	28,101
Net pension liability	(1,394,512)	(1,122,475)	-	-	(621,458)
Net OPEB liability	(893,047)	(895,336)	-	-	(443,982)
Deferred inflows of resources related to the net pension liability	380,189	316,211	-	-	173,567
Deferred inflows of resources related to the net OPEB liability	(219,646)	(210,686)	-	-	(109,211)
Deferred inflows of resources related to leases	-	-	-	66,788	-
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 18,462,731</u>	<u>\$ 20,974,891</u>	<u>\$ 307,857</u>	<u>\$ (11,383)</u>	<u>\$ 8,372,205</u>
<b>Noncash capital and related financing activities</b>					
Change in accounts payable related to capital asset additions	\$ (1,387,789)	\$ 163,217	\$ -	\$ (713)	\$ (694,754)

The accompanying notes are an integral part of these financial statements.

Business-type Activities - Enterprise Funds			Governmental Activities
Solid Waste	Technology Fiber	Total Enterprise Funds	Internal Service Funds
\$ (13,260,016)	\$ (44,799)	\$ 19,824,045	\$ 1,309,915
954,396	-	17,145,878	3,300,339
630,782	(34,890)	(1,056,051)	3,218
-	-	1,512,554	12,782
-	-	32,544	(1,599,298)
-	-	19,936	(261,829)
180,400	-	1,247,606	-
(69,842)	-	(449,047)	-
817,622	166,744	3,597,622	(252,247)
12,995	3,797	89,102	(1,261)
-	-	30,064	81,643
-	-	(57,811)	-
(310,789)	-	(310,789)	(307,544)
106,907	-	607,553	-
(530,576)	-	(3,669,021)	-
(422,373)	-	(2,654,738)	-
147,692	-	1,017,659	-
(104,011)	-	(643,554)	-
-	-	66,788	-
<u>\$ (11,846,813)</u>	<u>\$ 90,852</u>	<u>\$ 36,350,340</u>	<u>\$ 2,285,718</u>
<u>\$ (164,269)</u>	<u>\$ (164,269)</u>	<u>\$ (2,248,577)</u>	<u>\$ -</u>

concluded.

## CITY OF ANN ARBOR, MICHIGAN

### Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2024

	Private-purpose Trust Fund	Pension and Other Employee Benefit Trust Funds	Custodial Funds
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 63,569
Equity in pooled cash and investments	-	5,070,682	97,494
Investments:			
Equities	-	589,766,327	-
Fixed income	-	140,865,567	-
Other	733,292	192,439,416	-
Accrued interest and dividends	-	953,719	-
Due from the City of Ann Arbor	-	411,514	-
Capital assets being depreciated, net	-	288,402	-
<b>Total assets</b>	<b>733,292</b>	<b>929,795,627</b>	<b>161,063</b>
<b>Liabilities</b>			
Accounts payable	-	4,392,210	-
Due to other governments	-	-	147,312
<b>Total liabilities</b>	<b>-</b>	<b>4,392,210</b>	<b>147,312</b>
<b>Net position</b>			
Investment in capital assets	-	288,402	-
Restricted for:			
Police and fire relief	733,292	-	-
Pension benefits	-	647,402,947	-
Other postemployment benefits	-	277,712,068	-
Individuals, organizations, and other governments	-	-	13,751
<b>Total net position</b>	<b>\$ 733,292</b>	<b>\$ 925,403,417</b>	<b>\$ 13,751</b>

The accompanying notes are an integral part of these financial statements.

# CITY OF ANN ARBOR, MICHIGAN

## Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2024

	Private-purpose Trust Fund	Pension and Other Employee Benefit Trust Funds	Custodial Funds
<b>Additions</b>			
Investment income:			
<i>From investing activities:</i>			
Net appreciation in fair value of investments	\$ -	\$ 72,793,076	\$ -
Interest and dividends	38,911	17,337,030	15,881
Total investment income	38,911	90,130,106	15,881
Investment management fees	-	(983,813)	-
Net investment income from investing activities	38,911	89,146,293	15,881
<i>From securities lending activities:</i>			
Gross earnings	-	182,602	-
Borrower rebates paid	-	(325,322)	-
Securities lending fees	-	152,360	-
Net investment income from securities lending activities	-	9,640	-
Total net investment income	38,911	89,155,933	15,881
Contributions:			
Employer	-	33,381,961	-
Plan members	-	4,084,981	-
Total contributions	-	37,466,942	-
Taxes collected for other governments	-	-	318,420,431
Court fines, fees, and costs	-	-	1,876,090
<b>Total additions</b>	<b>38,911</b>	<b>126,622,875</b>	<b>320,312,402</b>
<b>Deductions</b>			
Benefits	-	60,816,916	-
Refunds	-	662,707	-
Administrative expenses	-	1,186,840	-
Payments of taxes to other governments	-	-	318,420,431
Court disbursements	-	-	1,878,220
<b>Total deductions</b>	<b>-</b>	<b>62,666,463</b>	<b>320,298,651</b>
<b>Change in net position</b>	<b>38,911</b>	<b>63,956,412</b>	<b>13,751</b>
Net position, beginning of year	694,381	861,447,005	-
<b>Net position, end of year</b>	<b>\$ 733,292</b>	<b>\$ 925,403,417</b>	<b>\$ 13,751</b>

The accompanying notes are an integral part of these financial statements.

**This page intentionally left blank.**



## **COMPONENT UNIT FINANCIAL STATEMENTS**

## CITY OF ANN ARBOR, MICHIGAN

### Combining Statement of Net Position

Discretely Presented Component Units

June 30, 2024

	Ann Arbor Housing Commission	SmartZone Local Development Finance Authority	Downtown Development Authority	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 8,480,299	\$ -	\$ 1,341,695	\$ 9,821,994
Equity in pooled cash and investments	-	1,829,742	-	1,829,742
Investments	-	-	32,402,558	32,402,558
Receivables	1,392,161	145,523	963,585	2,501,269
Other assets	94,973	-	744,786	839,759
Capital assets being depreciated, net	8,895,887	-	-	8,895,887
<b>Total assets</b>	<b>18,863,320</b>	<b>1,975,265</b>	<b>35,452,624</b>	<b>56,291,209</b>
<b>Deferred outflows of resources</b>				
Deferred pension amounts	44,058	-	-	44,058
<b>Liabilities</b>				
Accounts payable and accrued liabilities	1,818,534	1,201,884	3,213,539	6,233,957
Unearned revenue	6,065,818	145,523	529,865	6,741,206
Long-term liabilities:				
Due within one year	76,186	-	29,841	106,027
Due in more than one year	102,169	-	196,613	298,782
Net pension liability (due in more than one year)	53,922	-	-	53,922
<b>Total liabilities</b>	<b>8,116,629</b>	<b>1,347,407</b>	<b>3,969,858</b>	<b>13,433,894</b>
<b>Deferred inflows of resources</b>				
Deferred pension amounts	1,344	-	-	1,344
<b>Net position</b>				
Investment in capital assets	8,895,887	-	-	8,895,887
Restricted	264,396	-	205,632	470,028
Unrestricted	1,629,122	627,858	31,277,134	33,534,114
<b>Total net position</b>	<b>\$ 10,789,405</b>	<b>\$ 627,858</b>	<b>\$ 31,482,766</b>	<b>\$ 42,900,029</b>

The accompanying notes are an integral part of these financial statements.

## CITY OF ANN ARBOR, MICHIGAN

### Combining Statement of Activities

Discretely Presented Component Units  
For the Year Ended June 30, 2024

	Ann Arbor Housing Commission	SmartZone Local Development Finance Authority	Downtown Development Authority	Total
<b>Expenses</b>				
Housing and economic development	\$ 40,352,804	\$ 5,310,286	\$ 24,910,207	\$ 70,573,297
<b>Program revenues</b>				
Charges for services	15,028	-	20,623,170	20,638,198
Operating grants and contributions	45,195,032	-	-	45,195,032
<b>Total program revenues</b>	45,210,060	-	20,623,170	65,833,230
Net program revenues (expenses)	4,857,256	(5,310,286)	(4,287,037)	(4,740,067)
<b>General revenues</b>				
Property taxes	-	5,357,621	8,727,152	14,084,773
Unrestricted investment earnings	55,653	112,050	1,695,423	1,863,126
Other revenues	103,331	-	155,990	259,321
<b>Total general revenues</b>	158,984	5,469,671	10,578,565	16,207,220
<b>Change in net position</b>	5,016,240	159,385	6,291,528	11,467,153
Net position, beginning of year	5,773,165	468,473	25,191,238	31,432,876
<b>Net position, end of year</b>	\$ 10,789,405	\$ 627,858	\$ 31,482,766	\$ 42,900,029

The accompanying notes are an integral part of these financial statements.

**This page intentionally left blank.**

## **NOTES TO FINANCIAL STATEMENTS**

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

The City of Ann Arbor, Michigan (the "City") was incorporated in 1851. On April 9, 1956, a City Charter (home rule) was ratified by electors in accordance with Michigan law. The City operates under a Mayor/Council - Administrator form of government and provides the following services as authorized by its charter: public safety (police, fire, and building inspection), traffic control and street maintenance, refuse collection, water and wastewater, parks and recreation, public improvements, planning and zoning, airport, urban redevelopment and housing, golf courses, and general administrative services. The component units discussed below are included in the City's financial reporting entity because of the significance of their operational or financial relationships with the City. In accordance with generally accepted accounting principles, these financial statements present the City (the primary government) and its component units. The criteria established by the GASB (Governmental Accounting Standards Board) for determining the reporting entity includes financial accountability and whether the financial statements would be misleading if data were not included.

#### *Blended Component Unit*

The Ann Arbor Building Authority is presented as a blended component unit. Commissioners of the Authority are appointed by the Mayor and confirmed by City Council. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its sole purpose is to issue bonds to finance major capital construction by the City.

#### *Discretely Presented Component Units*

The component units column in the government-wide financial statements include the financial data of the City's other component units. They are reported in a separate column to emphasize that they are legally separate from the City. The following component units are included in the reporting entity because the primary government is financially accountable and is able to impose its will on the organizations.

**Downtown Development Authority (DDA).** The DDA was created to finance rehabilitation and redevelopment in the downtown area. Members of the DDA Board are appointed by the Mayor and approved by City Council. Development plans are approved by Council and Council must approve all modifications to the plans. The DDA's primary source of funding is charges for services (parking) and tax increment financing revenues. Bonds secured by those revenues are issued by the City on behalf of the DDA, which does not have the ability to issue debt. During the fiscal year, the DDA paid \$3.5 million to the City as part of an agreement between the City and DDA, wherein the DDA distributes 20% of the parking revenues to the City. Also, during the fiscal year the DDA paid \$6.0 million for debt service payments. The DDA issues separate audited financial statements.

**Ann Arbor Housing Commission.** The Housing Commission was created to provide low-income housing for City residents. Commissioners of the Housing Commission are appointed by the Mayor and approved by City Council. Except for the Executive Director, all employees of the Housing Commission are City employees. City Council is notified of all grant applications and any changes to contracts with the U.S. Department of Housing and Urban Development, the Commission's primary funding source. The Commission maintains its own accounting records and bank accounts. The City provides limited, special purpose financial support to the Commission, subject to request and Council approval, and is contingently liable for its debt. The Housing Commission issues separate audited financial statements.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

**SmartZone Local Development Finance Authority (SmartZone LDFA).** The SmartZone LDFA was established in accordance with the authority granted under Public Act 248 of 2000 by the cities of Ann Arbor and Ypsilanti in June 2002 to encourage high-tech business investment within the boundaries of the SmartZone, comprising portions of the cities of Ann Arbor and Ypsilanti, and the funding of the SmartZone through a local development financing authority. The SmartZone LDFA provides financing through a tax capture mechanism within a specific district. Presently, tax increment finance revenue is generated only within the geographic boundaries of the Ann Arbor DDA. The governing body consists of a nine-member board of directors of which six members are appointed by the Ann Arbor City Council and three members are appointed by the Ypsilanti City Council. The SmartZone LDFA operates under bylaws initially approved by the Ann Arbor and Ypsilanti City Councils. The City approves the budget and maintains the accounting records for the SmartZone LDFA. The activities for the SmartZone LDFA are accounted for in a single governmental fund.

Complete financial statements of the individual component units can be requested from the City Finance Department. With respect to SmartZone LDFA, no separate financial statements are necessary as the financial activities are contained in a single fund.

### *Fiduciary Component Units*

**The City of Ann Arbor Employees' Retirement System (the "System")** is a single-employer defined benefit and defined contribution retirement plan established and administered by the City through a board of trustees. Although the System is legally separate from the City, it is reported as a fiduciary component unit because the City administers the System and the System imposes a financial burden on the City.

**The City of Ann Arbor Retiree Health Care Benefits Plan and Trust (the "Plan")** is a single-employer defined benefit postemployment healthcare plan established and administered by the City through a board of trustees. Although the Plan is legally separate from the City, it is reported as a fiduciary component unit because the City administers the Plan and the Plan imposes a financial burden on the City.

Complete financial statements for each of the fiduciary component units can be obtained from the City of Ann Arbor Finance Department.

*Related Organizations.* The Ann Arbor Area Transportation Authority (AAATA) and the Ann Arbor Economic Development Corporation (EDC) are not included in the financial reporting entity. The members of the governing board of each are appointed by the Mayor and confirmed by the City Council, but the City's accountability for these organizations does not extend beyond making these appointments. The EDC, whose purpose is to foster business development within the City and which has issued bonds bearing the City's tax-exempt status (for which the City is not contingently liable), had assets and fund balance of \$15,772 as of June 30, 2024.

### ***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 nonfiduciary 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, which normally are 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 component units for which the primary government is financially accountable.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants 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 revenues.

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.

### ***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 and fiduciary fund financial statements. Revenues are 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 revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible 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 or within one year for reimbursement-based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

*General fund.* This fund is the general operating fund of the City; it is used to account for all financial resources not accounted for and reported in another fund.

*Street repair millage special revenue fund.* This fund is used to account for the proceeds of a special millage to repair streets.

The government reports the following major enterprise funds:

The *water supply system fund* accounts for the provision of treated water to City and certain township residents.



## CITY OF ANN ARBOR, MICHIGAN

### Notes to Financial Statements

The *sewage disposal system fund* accounts for the collection and treatment of the sewage for City and certain township residents.

The *parking system fund* accounts for the operations of the City's parking structures, lots and meters.

The *airport fund* accounts for the operation of the City's airport including the rental of hangars and tie-down space.

The *stormwater sewer system fund* accounts for the collection and disposal of the City's stormwater.

The *solid waste fund* accounts for the collection and disposal of the City's solid waste and recycling.

The *technology fiber fund* accounts for the operation, maintenance, and expansion of the City's fiber networks.

Additionally, the government reports the following fund types:

*Special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

*Capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The *permanent fund* accounts for monies provided by a private bequest to finance tree planting and maintenance for the Elizabeth Dean Fund. The principal amount of the bequest is to remain intact and invested. Investment earnings are used for the above stated purposes.

*Internal service funds* account for goods or services provided by the central stores, fleet services, information technology, project management, insurance, and the maintenance facility (the "Wheeler Center") to the service areas of the City on a charges for services basis.

The *private-purpose trust fund* accounts for police and fire relief.

The *pension and other employee benefits trust funds* account for the activities of the employees' retirement system and retiree health insurance plan.

The *custodial funds* are used to account for monies held by the City in a trustee capacity for individuals, private organizations, and other governments, specifically funds from district court fines and costs and property tax collections.

## CITY OF ANN ARBOR, MICHIGAN

### Notes to Financial Statements

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, *general revenues* include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Restricted net position are assets that are subject to restrictions beyond the City's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

#### **Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity**

##### ***Deposits and Investments***

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value.

##### ***Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". Interfund balances at year-end relate to items accrued after year-end related to interfund transfers. These items are repaid immediately in the new year.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

### *Inventories and Prepaid Items*

Inventories of materials and supplies are stated at cost using the first-in, first-out method. The cost is accounted for as an expenditure in governmental funds and an expense in the proprietary funds at the time inventories are used. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, using the consumption method, in both government-wide and fund financial statements. Inventories and prepaid items are offset by nonspendable fund balance in governmental funds.

### *Capital Assets*

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives (in years):

Buildings and improvements	40-50
Improvements other than buildings	20-99
Machinery, equipment, and vehicles	3-15
Intangible assets	5-20
Infrastructure	15-25

### *Leases*

*Lessee.* The City is a lessee for a noncancellable lease of a building. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price (if applicable) that the City is reasonably certain to exercise.

## CITY OF ANN ARBOR, MICHIGAN

### Notes to Financial Statements

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

*Lessor.* The City is a lessor for noncancellable leases of land and buildings. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, proprietary fund and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for prepaid lease payments received at lease inception. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### ***Subscription-Based Information Technology Arrangements (SBITA)***

The City has noncancellable subscription-based information technology arrangements. The City recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide and proprietary fund financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) subscription term, and (3) subscription payments. The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price (if applicable) that the City is reasonably certain to exercise.

## CITY OF ANN ARBOR, MICHIGAN

### Notes to Financial Statements

The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

#### *Deferred Outflows of Resources*

In addition to assets, the statement of financial position 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources related to pension and other postemployment benefit liabilities as well as for the deferred charge on refunding. A deferred refunding charge 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.

#### *Compensated Absences*

The City accrues vacation pay, compensatory time off, severance pay for sick leave, and any salary-related payments for these compensated absences. The current obligations of all funds and the long-term obligations of proprietary funds are recorded in the respective funds. City employees are granted vacation time based on length of service. Most employees have the option of receiving compensatory time off in lieu of pay for overtime worked up to 40 hours. Sick pay is earned at the rate of one day per month, and unused sick days may be accumulated without limitation. An employee is paid, in most cases, a maximum of 960 unused sick hours and the total of any remaining accumulated hours upon retirement or death. City policy provides for payment of unused vacation and compensatory time off, but not unused sick hours, should the employee terminate their employment other than via retirement or death. Paid time off is accrued when incurred in proprietary funds and reported as a liability. For governmental funds, the current portion of the liability for compensated absences reflects only the unpaid balance of reimbursable unused leave for employees that terminated by the fiscal year end. In accordance with GAAP, for the governmental funds, in the fund financial statements, the noncurrent portion of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and government-wide presentations. In addition to the proprietary funds, the general fund, and several nonmajor special revenue funds have been used to liquidate the liability for compensated absences.

#### *Deferred Inflows of Resources*

In addition to liabilities, the statement of financial position 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows of resources related to its pension and other postemployment benefit liabilities. The governmental funds also report unavailable revenues, which arises only under a modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Finally, the statements of net position and governmental funds balance sheets report deferred inflows related to leases. The amounts are deferred and amortized over the remaining life of the lease.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

### *Pensions and Other Postemployment Benefits*

For purposes of measuring the net pension liability, net other postemployment benefit liability, deferred outflows of resources and deferred inflows of resources related to pension and other postemployment benefit plans, and pension and other postemployment benefit expenses, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### *Fund Balances*

Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. *Committed fund balance* is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council. A formal resolution of the City Council is required to establish, modify, or rescind a fund balance commitment. The City reports *assigned fund balance* for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. City Council, by adoption of its Fund Balance Policy, designates the Chief Financial Officer as the authority to assign fund balance. Unassigned fund balance is the residual classification for the general fund and any governmental funds reporting a deficit at year end.

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance.

### *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### *Encumbrances*

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 resources are recorded to reserve that portion of the applicable appropriation) is utilized in the governmental funds. Outstanding encumbrances at year-end consisted of the following: \$5,507,956 in assigned fund balance of the general fund, \$8,150,714 in restricted fund balance of the street repair millage special revenue fund, and \$26,928,767 in the restricted, committed, or assigned fund balance of the nonmajor governmental funds. The encumbrances do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

### 2. BUDGETARY CONTROLS AND INFORMATION

The City Administrator is required by City Charter to prepare and submit an annual budget to City Council. A budget is prepared for the general fund and special revenue funds; these budgets are prepared on the modified accrual basis and are adopted by City Council as required by the State of Michigan. Budgetary control is maintained at the departmental level for the general fund. The City Administrator is authorized to transfer budgeted amounts within general fund departments. Budgetary control for the special revenue funds is maintained at the fund level. Revisions to a department total of the general fund or to the fund total of a special revenue fund must be approved by City Council; some supplemental budgetary appropriations, of immaterial size, were necessary during the fiscal year. At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Any outstanding encumbrances are carried forward to the succeeding fiscal year. Annual operating plans are prepared for debt service, capital projects, enterprise, and internal service funds (i.e., those funds not legally required to have adopted budgets under State law).

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

- The City uses the "target based" budgeting technique. Under this system, the City Administrator determines funding levels for each department by matching funding needs with available revenues. Targets are established based on anticipated revenues and growth in expenditures.
- In late November, each department is given a "bottom line" amount for operations. The department then determines the best way to allocate funds among expenditures to remain within the target while meeting the assigned goals.
- Department budget requests are then submitted with expenditures outlined and areas of concern identified so that adjustments can be made as needed. By allowing the departments to determine how funds are spent within the department, the operating departments have a greater ownership in how they provide services.
- The City Administrator's recommended budget is submitted to City Council at the second meeting in April. The City Council, with at least seven affirmative votes, must adopt the budget no later than the end of its second meeting in May. According to City Charter, should the City Council not adopt an amended budget, the City Administrator's recommended budget will automatically take effect as submitted.
- After the budget has been adopted, City Council may amend the budget by a concurring vote of not fewer than eight members.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

Formal budgetary integration is employed as a management control device during the year. The City presents a comparison of annual budgets to actual results for all major governmental funds. Budgeted revenue amounts represent the original budget modified by Council-authorized adjustments during the year which were contingent upon new or additional revenue sources. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year. Budgets are prepared in accordance with GAAP using the modified accrual basis of accounting.

The City Administrator is authorized to transfer appropriated funds between major expenditure categories within departments. However, any revisions which alter the total appropriations of a department must be approved by City Council. For budgetary purposes, the general fund is composed of several departments. Expenditures may not legally exceed appropriations at the department level.

The City utilizes an encumbrance system as a management control technique to assist in controlling expenditures. Under this procedure, encumbrances representing purchase orders, contracts, and other commitments are closely monitored throughout the fiscal year. All appropriations lapse at the end of the fiscal year, except for certain capital projects which are approved without regard to fiscal year. For any of these projects which are under construction at year-end, the appropriations are allowed to carry forward with the amount being adopted for the current budget year.

### 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### *Expenditures in Excess of Appropriations*

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets of the City were adopted on a department level basis for the general fund and the fund level for the special revenue funds. Excess of expenditures or transfers out over appropriations in individual funds are as follow:

	Final Budget	Actual	Excess
General fund -			
Capital outlay	\$ 4,545,890	\$ 4,858,564	\$ 312,674
Open space endowment nonmajor special revenue fund	60,000	63,046	3,046



# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

### 4. DEPOSITS AND INVESTMENTS

The following is a reconciliation of deposit and investment balances as of June 30, 2024:

	Primary Government	Component Units	Total
<b>Statement of net position</b>			
Cash and cash equivalents	\$ 582,977	\$ 9,821,994	\$ 10,404,971
Equity in pooled cash and investments	328,030,526	1,829,742	329,860,268
Investments	61,530,393	32,402,558	93,932,951
Restricted assets	9,676,337	-	9,676,337
<b>Statement of fiduciary net position</b>			
Cash and cash equivalents	63,569	-	63,569
Equity in pooled cash and investments	5,168,176	-	5,168,176
Investments	923,804,602	-	923,804,602
<b>Total</b>	<b>\$ 1,328,856,580</b>	<b>\$ 44,054,294</b>	<b>\$ 1,372,910,874</b>
<b>Deposits and investments</b>			
Bank deposits (demand accounts)			\$ 13,465,788
Certificates of deposit			1,684,918
Investments in securities, mutual funds, and similar vehicles:			
City investment pool			402,277,139
Employees' Retirement System			645,570,387
Retiree Health Care Trust Fund			277,500,923
Downtown Development Authority			32,402,558
Cash on hand			9,161
			<u>\$ 1,372,910,874</u>

The City maintains an investment pool for all City funds. Each fund's portion of the investment pool is displayed on the balance sheet as "equity in pooled cash and investments." The cash resources of the pension and other employee benefit trust funds and certain component units are invested separately.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

### Deposits

*Custodial Credit Risk - Deposits.* For deposits, custodial credit risk is the risk that, in the event of a bank failure, the entity's deposits may not be returned to the government. At year-end, the carrying amount, bank balance and federal depository insurance were as follows:

	Carrying Amount	Bank Balance	Insured	Uninsured
City cash pool	\$ 5,328,828	\$ 5,141,753	\$ 1,000,000	\$ 4,141,753
Downtown Development Authority	1,341,579	1,939,528	750,000	1,189,528
Housing Commission	8,480,299	8,495,321	750,000	7,745,321
Totals	<u>\$ 15,150,706</u>	<u>\$ 15,576,602</u>	<u>\$ 2,500,000</u>	<u>\$ 13,076,602</u>

The uninsured bank balance of \$13,076,602 was exposed to custodial credit risk as it was uninsured and uncollateralized, except that the Housing Commission's uninsured balance was collateralized with government securities having a fair value of \$652,091 as of year-end.

The City's depository policy does not specifically address this risk, although the City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

### Investments - City Investment Pool

Following is a summary of the City's investments as of June 30, 2024:

U.S. treasuries	\$ 216,452,318
U.S. agencies (asset backed)	115,817,553
Michigan CLASS	69,803,992
Money market funds	<u>203,276</u>
<b>Total Investments</b>	<u><u>\$ 402,277,139</u></u>

Michigan statutes and City policy authorize the City to invest in U.S. Treasury obligations, U.S. agency securities, federal instrumentality securities, repurchase agreements, money market accounts that limit assets of the fund to securities authorized in M.C.L. 129.91 as legal investments for a public corporation, eligible bankers acceptances, prime commercial paper, obligations of the State of Michigan or any of its political subdivisions, investment pools, and joint interlocal investment ventures.

*Custodial Credit Risk - Investments.* For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that investment securities be held in third-party safekeeping by a designated institution and that the safekeeping agent follow the procedure of delivery vs. payment. As of June 30, 2024, none of the City's investments were exposed to risk since the securities are held in the City's name by the counterparty.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

*Credit Risk.* The City analyzes credit risk of banking institutions and issuers of securities prior to depositing or investing City funds. State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROS). In addition to the restrictions placed on the City by Public Act 20 of 1943, the City’s investment policy further requires that banks in which the City invests public funds must have maintained an average Highline Banking Data Services Rating of 30 or better for the four most recent reporting quarters. Securities purchased by the City always conform to the rating requirements set forth in Public Act 20. As of June 30, 2024, all of the City’s investments in securities of the U.S. Treasury and U.S. agencies were rated AA+ by Standard & Poor’s (S&P) and Aaa by Moody’s. All of the City’s investments comply with its policy regarding the types of investments it may hold.

*Concentration of Credit Risk.* At June 30, 2024, the investment portfolio was concentrated as follows:

Investment Type	Issuer	% of Portfolio
U.S. agencies	Federal Home Loan Bank	13.51%
U.S. agencies	Federal Farm Credit Bank	10.38%
U.S. agencies	Federal National Mortgage Association	5.50%
U.S. agencies	Federal Home Loan Mortgage Corporation	5.48%

The City’s investment policy states that the amount of investments shall not exceed the following limits in each of the categories listed below as a percentage of the total portfolio.

- 65% in Federal Instrumentality Securities
- 30% in Money Market Mutual Funds
- 25% in Prime Commercial Paper
- 10% in Certificates of Deposit
- 10% in Federal Agency Securities
- 10% in Obligations of the State of Michigan or any of its Political Subdivisions
- 10% in Investment Pools
- 10% in Joint Interlocal Investment Ventures
- 10% in Local Government Investment Pools

Tax funds collected on behalf of other taxing authorities and held pending disbursement are not subject to the diversification limits above. No more than 5% of the total portfolio shall be invested in any one issuer of commercial paper, eligible bankers acceptances or obligations of the State of Michigan or any of its political subdivisions.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

*Interest Rate Risk.* As of June 30, 2024, maturities of the City's debt securities were as follows:

Investment Type	Fair Value	Investments Maturities (fair value by years)		
		<1	1-5	6-10
U.S. treasuries	\$ 216,452,318	\$ 79,120,121	\$ 137,025,547	\$ 306,650
U.S. agencies	115,817,553	14,968,786	100,848,767	-
	<u>\$ 332,269,871</u>	<u>\$ 94,088,907</u>	<u>\$ 237,874,314</u>	<u>\$ 306,650</u>

The City does not have a formal policy relating to interest rate risk. However, the City will minimize interest rate risk, which is the risk that the smoothed fair value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. To the extent possible, the Treasurer shall match investments with anticipated cash flow requirements. The City will not invest in securities maturing more than fifteen years from the date of purchase, and the weighted average maturity of the portfolio shall not exceed 6.5 years.

### Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs - other than quoted prices - included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: a) quoted prices for similar assets or liabilities in active markets; b) quoted prices for identical or similar assets or liabilities in markets that are not active; and c) inputs other than quoted prices that are observable for the asset or liability, such as: (1) interest rates and yield curves observable at commonly quoted intervals; (2) implied volatilities and (3) credit spreads. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. These levels are determined by the City's investment managers. These are determined at the fund level based on a review of the investment's class, structure, and what kind of securities are held in funds. The investment managers will request the information from the fund manager if necessary. The City had the following recurring fair value measurements as of June 30, 2024.

	Level 1	Level 2	Level 3	Total
U.S. treasuries	\$ -	\$ 216,452,318	\$ -	\$ 216,452,318
U.S. agencies	-	115,817,553	-	115,817,553
Money market funds	-	203,276	-	203,276
<b>Total investments at fair value</b>	<u>\$ -</u>	<u>\$ 332,473,147</u>	<u>\$ -</u>	<u>332,473,147</u>
<b>Investments measured at the net asset value (NAV)</b>				
Michigan CLASS investment pool				<u>69,803,992</u>
<b>Total investments</b>				<u>\$ 402,277,139</u>

## CITY OF ANN ARBOR, MICHIGAN

### Notes to Financial Statements

The City holds shares or interests in investment companies whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient. 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 seeks to provide safety, liquidity, convenience, and competitive rates of return, and 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 investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required.

#### **Investments - Employees' Retirement System**

*Deposits* - The System does not maintain any checking or other demand/time deposit accounts. Amounts reported as cash in the statement of plan net position are composed entirely of amounts held by the City of Ann Arbor as part of its cash pool. As a result, the insured and uninsured amounts related to these accounts cannot be determined.

*Investments* - The Michigan Public Employee Retirement System Investment Act, Public Act 314 of 1965, as amended, authorizes the System to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The System's governing body has the responsibility and authority to oversee the investment portfolio. Various professional investment managers are contracted to assist in managing the System's investments; all investment decisions are subject to Michigan law and the investment policy established by the governing body.

*Investment allocation policy* - The System's policy in regard to the allocation of invested assets is established and may be amended by the Retirement System Board of Trustees. The policy pursues an investment strategy that protects the financial health of the System and reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. System assets will be invested in the broad investment categories and asset classes to achieve the allocation targets below. Recognizing that asset returns may vary, causing fluctuations in the relative dollar value levels of assets within classes, the System may not maintain strict adherence to the targets in the short-term, but may allow the values to fluctuate within these ranges. Over the long-term, the System will strive to adhere to the given targets as financially practicable and move toward target allocations in a prudent manner consistent with its fiduciary duty.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

The adopted asset allocation policy as of June 30, 2024, is as follows:

Asset Class	Target Allocation	Allocation Range
<b>Equities</b>		
Domestic equities	36%	25% to 42%
Developed foreign equities	14%	9% to 17%
Emerging markets equities	7%	0% to 10%
Private equities	7%	0% to 10%
	64%	
<b>Fixed income</b>		
Investment grade bonds	10%	6% to 22%
Private debt	7%	0% to 10%
	17%	
<b>Other investments</b>		
Real estate	9%	2% to 12%
Infrastructure	7%	0% to 10%
Natural resources	3%	0% to 5%
	19%	
<b>Total investments</b>	100%	

The investment allocation policy will be reviewed periodically to ensure that the objectives and constraints remain relevant. However, the Trustees recognize the need for a stable long-term policy for the System and major changes to this policy will be made only when significant developments in the circumstances, objectives or constraints of the System occur.

## CITY OF ANN ARBOR, MICHIGAN

### Notes to Financial Statements

*Investment Holdings.* The System's investments are held by an independent trust company. Following is a summary of the System's investments as of June 30, 2024:

	Domestic	Foreign	Total	On Loan
<b>Equities</b>				
Common stock	\$ 179,127,997	\$ 799,626	\$ 179,927,623	\$ 2,071,193
Common stock funds	65,550,857	134,041,841	199,592,698	-
Private equities	41,093,234	-	41,093,234	-
Equity mutual funds	3,559,368	1,451,739	5,011,107	-
	<u>289,331,456</u>	<u>136,293,206</u>	<u>425,624,662</u>	<u>2,071,193</u>
<b>Fixed income</b>				
Government agency funds	30,697,180	-	30,697,180	-
Corporate bonds	83,319	4,801,210	4,884,529	-
Corporate bond funds	30,517,747	-	30,517,747	-
Private credit	22,306,962	-	22,306,962	-
Fixed income mutual funds	981,312	136,417	1,117,729	-
	<u>84,586,520</u>	<u>4,937,627</u>	<u>89,524,147</u>	<u>-</u>
<b>Other</b>				
Infrastructure	5,099,873	41,797,004	46,896,877	-
Real estate funds and REITS	57,961,168	-	57,961,168	-
Real estate - private credit	6,224,734	-	6,224,734	-
Mutual funds - other	340,266	-	340,266	-
Short-term investment funds	18,860,805	-	18,860,805	-
Portfolio cash	137,728	-	137,728	-
	<u>88,624,574</u>	<u>41,797,004</u>	<u>130,421,578</u>	<u>-</u>
<b>Total investments</b>	<u>\$ 462,542,550</u>	<u>\$ 183,027,837</u>	<u>\$ 645,570,387</u>	<u>\$ 2,071,193</u>

*Custodial Credit Risk.* For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The System's investment policy requires that securities be held in trust by a third-party institution in the System's name. As such, although uninsured and unregistered, the System's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department in the System's name. Short-term investments in money market funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investments in any particular asset class may or may not be consistent with the objectives of the System. The investment policy statement specifically indicates permissible asset classes, including high yield fixed income and alternatives, in appropriate target percentages.

The System's investments in fixed income securities at June 30, 2024 were essentially in "funds" and therefore not rated.

## CITY OF ANN ARBOR, MICHIGAN

### Notes to Financial Statements

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System's investment policy requires that no more than 5% of the total fund be invested in any one company or governmental agency.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System's investment policy requires a maximum term to maturity of 30 years for any single fixed income security. The System's investment policy does not address weighted average portfolio maturities.

As of June 30, 2024, the weighted average maturity of the System's corporate bonds was 5.9 years.

Inasmuch as all of the debt or fixed income securities as of June 30, 2024, except for the corporate bonds, are essentially held in funds by the portfolio managers, maturity information is not available.

*Rate of Return.* For the year ended June 30, 2024, the annual money-weighted rate of return on plan investments, net of investment expenses, was 10.16%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Securities Lending.* A contract approved by the System's Board of Trustees, permits the System to lend its securities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The System's custodial trust company manages the securities lending program and receives securities, cash or irrevocable bank letters of credit as collateral. The collateral securities cannot be pledged or sold by the System unless the borrower defaults. Collateral is initially pledged at 102 percent of the smoothed fair value of the securities lent and may not fall below 100 percent during the term of the loan. There are no restrictions on the amount of securities that can be loaned.

At year end, the System has no credit risk exposure to borrowers because the amounts the System owes the borrowers exceeds the amounts the borrowers owe the System. The contract with the System's custodian requires it to indemnify the System if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the System for income distributions by the securities' issuers while the securities are on loan.

At June 30, 2024, the total collateral received from borrowers had a fair value of \$2,071,193, all of which was cash.

*Fair Value Measurements.* The System categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs – other than quoted prices – included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. These levels are determined by the System's investment manager. These are determined at the fund level based on a review of the investment's class, structure, and what kind of securities are held in funds. The investment manager will request the information from the fund manager, if necessary.



# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

The System had the following recurring fair value measurements as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
<b>Equities</b>				
Common stock	\$ 179,927,623	\$ -	\$ -	\$ 179,927,623
Common stock funds	76,310,775	123,281,923	-	199,592,698
Private equities	-	-	41,093,234	41,093,234
Equity mutual funds	5,011,107	-	-	5,011,107
	<u>261,249,505</u>	<u>123,281,923</u>	<u>41,093,234</u>	<u>425,624,662</u>
<b>Fixed income</b>				
Government agency funds	-	30,697,180	-	30,697,180
Corporate bonds	-	-	4,884,529	4,884,529
Corporate bond funds	-	30,517,747	-	30,517,747
Private credit	-	-	22,306,962	22,306,962
Fixed income mutual funds	1,117,729	-	-	1,117,729
	<u>1,117,729</u>	<u>61,214,927</u>	<u>27,191,491</u>	<u>89,524,147</u>
<b>Other</b>				
Infrastructure	-	5,592,414	41,304,463	46,896,877
Real estate funds and REITS	-	-	57,961,168	57,961,168
Real estate - private credit	-	-	6,224,734	6,224,734
Mutual funds - other	340,266	-	-	340,266
Short-term investment funds	18,860,805	-	-	18,860,805
Portfolio cash	137,728	-	-	137,728
	<u>19,338,799</u>	<u>5,592,414</u>	<u>105,490,365</u>	<u>130,421,578</u>
<b>Total</b>	<u>\$ 281,706,033</u>	<u>\$ 190,089,264</u>	<u>\$ 173,775,090</u>	<u>\$ 645,570,387</u>

### Investments - Retiree Health Care Trust Fund

The Retiree Health Care Trust Fund is a voluntary employee benefit association (VEBA) (hereinafter referred to as the "Plan" or "VEBA") under Section 501(c)(9) of the Internal Revenue Code.

*Deposits* - The Plan does not maintain any checking or other demand/time deposit accounts. Amounts reported as cash in the statement of plan net position are composed entirely of amounts held by the City of Ann Arbor as part of its cash pool. As a result, the insured and uninsured amounts related to these accounts cannot be determined.

*Investments* - The Michigan Public Employee Retirement System Investment Act, Public Act 314 of 1965, as amended, authorizes the Association to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The Association's governing body has the responsibility and authority to oversee the investment portfolio. Various professional investment managers are contracted to assist in managing the Association's investments; all investment decisions are subject to Michigan law and the investment policy established by the governing body.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

*Investment Allocation Policy* - The Plan's policy in regard to the allocation of invested assets is established and may be amended by its Board of Trustees. The policy pursues an investment strategy that protects the financial health of the Plan and reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Plan assets will be invested in the broad investment categories and asset classes to achieve the allocation targets following. Recognizing that asset returns may vary, causing fluctuations in the relative dollar value levels of assets within classes, the Plan may not maintain strict adherence to the targets in the short-term, but may allow the values to fluctuate within these ranges. Over the long-term, the Plan will strive to adhere to the given targets as financially practicable and move toward target allocations in a prudent manner consistent with its fiduciary duty.

The adopted asset allocation policy as of June 30, 2024, is as follows:

Asset Class	Target Allocation	Allocation Range
<b>Equities</b>		
Domestic equities	33%	27% to 39%
Developed foreign equities	12%	9% to 15%
Emerging markets equities	7%	0% to 10%
Private equities	5%	0% to 8%
	<u>57%</u>	
<b>Fixed income</b>		
Investment grade bonds	10%	5% to 20%
Private debt	7%	0% to 10%
High yield bonds	4%	0% to 6%
TIPS	2%	0% to 5%
	<u>23%</u>	
<b>Other investments</b>		
Real estate	10%	2% to 12%
Infrastructure	7%	0% to 10%
Natural resources	3%	0% to 5%
	<u>20%</u>	
<b>Total</b>	<u><u>100%</u></u>	

The investment allocation policy will be reviewed periodically to ensure that the objectives and constraints remain relevant. However, the Trustees recognize the need for a stable long-term policy for the Plan and major changes to this policy will be made only when significant developments in the circumstances, objectives or constraints of the Plan occur.

## CITY OF ANN ARBOR, MICHIGAN

### Notes to Financial Statements

*Investment Holdings.* The Plan's investments are held by an independent trust company. Following is a summary of the Plan's investments as of June 30, 2024:

	Domestic	Foreign	Total	On Loan
<b>Equities</b>				
Common stock	\$ 62,977,633	\$ 249,879	\$ 63,227,512	\$ 636,240
Common stock funds	36,775,533	53,378,160	90,153,693	-
Private equities	10,760,460	-	10,760,460	-
	<u>110,513,626</u>	<u>53,628,039</u>	<u>164,141,665</u>	<u>636,240</u>
<b>Fixed income</b>				
Corporate bond funds	30,233,956	-	30,233,956	-
Fixed income mutual funds	7,700,508	-	7,700,508	-
Index linked government bonds	4,621,690	-	4,621,690	-
Private credit	8,785,266	-	8,785,266	-
	<u>51,341,420</u>	<u>-</u>	<u>51,341,420</u>	<u>-</u>
<b>Other</b>				
Infrastructure	4,468,079	13,347,198	17,815,277	-
Real estate funds and REITS	24,892,675	-	24,892,675	-
Real estate - private credit	2,766,547	-	2,766,547	-
Short-term investment funds	16,543,339	-	16,543,339	-
	<u>48,670,640</u>	<u>13,347,198</u>	<u>62,017,838</u>	<u>-</u>
<b>Total</b>	<u>\$ 210,525,686</u>	<u>\$ 66,975,237</u>	<u>\$ 277,500,923</u>	<u>\$ 636,240</u>

*Custodial Credit Risk.* For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan's investment policy requires that securities be held in trust by a third-party institution in the Plan's name. As such, although uninsured and unregistered, the Plan's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department in the Plan's name. Short-term investments in money market funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investments in any particular asset class may or may not be consistent with the objectives of the Plan. The investment policy statement specifically indicates permissible asset classes, including high yield fixed income and alternatives, in appropriate target percentages.

The Plan's investments in corporate bond funds, bank loan participation and index linked government bonds (each of which are essentially funds) are not rated.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan's investment policy requires that no more than 5% of the total fund be invested in any one company or governmental agency.

## CITY OF ANN ARBOR, MICHIGAN

### Notes to Financial Statements

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan's investment policy requires a maximum term to maturity of 30 years for any single fixed income security. The Plan's investment policy does not address weighted average portfolio maturities.

As of June 30, 2024, the weighted average maturity of the Plan's corporate bonds was 6.9 years.

Inasmuch as all of the debt or fixed income securities as of June 30, 2024, except for the corporate bonds, are essentially held in funds by the portfolio managers, maturity information is not available.

*Rate of Return.* For the year ended June 30, 2024, the annual money-weighted rate of return on plan investments, net of investment expenses, was 10.90%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Securities Lending.* A contract approved by the Plan's Board of Trustees, permits the Plan to lend its securities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The Plan's custodial trust company manages the securities lending program and receives securities, cash or irrevocable bank letters of credit as collateral. The collateral securities cannot be pledged or sold by the Plan unless the borrower defaults. Collateral is initially pledged at 102 percent of the market value of the securities lent and may not fall below 100 percent during the term of the loan. There are no restrictions on the amount of securities that can be loaned.

At year end, the Plan has no credit risk exposure to borrowers because the amounts the Plan owes the borrowers exceeds the amounts the borrowers owe the Plan. The contract with the Plan's custodian requires it to indemnify the Plan if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the Plan for income distributions by the securities' issuers while the securities are on loan.

At June 30, 2024, the total collateral received from borrowers had a fair value of \$636,240, all of which was cash.

*Fair Value Measurements.* The Plan categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs – other than quoted prices – included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. These levels are determined by the Plan's investment manager at the fund level based on a review of the investment's class, structure, and what kind of securities are held in funds. The investment manager will request the information from the fund manager, if necessary.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

The Plan had the following recurring fair value measurements as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
<b>Equities</b>				
Common stock	\$ 63,227,512	\$ -	\$ -	\$ 63,227,512
Common stock funds	31,226,133	58,927,560	-	90,153,693
Private equity	-	-	10,760,460	10,760,460
	<u>94,453,645</u>	<u>58,927,560</u>	<u>10,760,460</u>	<u>164,141,665</u>
<b>Fixed income</b>				
Corporate bond funds	-	30,233,956	-	30,233,956
Fixed income mutual funds	-	7,700,508	-	7,700,508
Index linked government bonds	-	4,621,690	-	4,621,690
Private credit	-	-	8,785,266	8,785,266
	<u>-</u>	<u>42,556,154</u>	<u>8,785,266</u>	<u>51,341,420</u>
<b>Other</b>				
Infrastructure	-	4,468,079	13,347,198	17,815,277
Real estate funds and REITS	5,191,171	-	19,701,504	24,892,675
Real estate - private credit	-	-	2,766,547	2,766,547
Short-term investment funds	16,543,339	-	-	16,543,339
	<u>21,734,510</u>	<u>4,468,079</u>	<u>35,815,249</u>	<u>62,017,838</u>
<b>Total</b>	<u>\$ 116,188,155</u>	<u>\$ 105,951,793</u>	<u>\$ 55,360,975</u>	<u>\$ 277,500,923</u>

### Investments - DDA Component Unit

*Custodial Credit Risk – Investments.* Following is a summary of the DDA's investments as of June 30, 2024:

U.S. treasuries	\$ 9,212,585
U.S. agencies	10,452,771
Municipal bonds	1,702,487
Money market funds	<u>11,034,715</u>
<b>Total investments</b>	<u>\$ 32,402,558</u>

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the DDA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The DDA's investment policy requires that investment securities be held in third-party safekeeping by a designated institution and that the safekeeping agent follow the procedure of delivery vs. payment. As of June 30, 2024, none of the DDA's investments were exposed to risk since the securities are held in the DDA's name by the counterparty. Short-term investments in money market funds are not subject to custodial credit risk.

## CITY OF ANN ARBOR, MICHIGAN

### Notes to Financial Statements

*Credit Risk.* The DDA's investment policy does not have specific limits in excess of state law on investment credit risk. As of June 30, 2024, the DDA's investments in U.S. government notes and bonds and municipal bonds were as follows:

Investment	Amount	S&P Rating
U.S. treasuries	\$ 9,212,585	AA+
U.S. agencies	10,452,771	AA+
Municipal bonds		
Rated bonds	242,824	AAA
Rated bonds	453,896	AA
Unrated bonds	1,005,767	N/A

*Interest Rate Risk.* State law limits the allowable investments and the maturities of some of the allowable investments as identified in the list of investments above. The DDA does not have an investment policy that sets specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2024, the maturities of the DDA's investments in debt securities were as follows:

	Investment Maturities (fair value by years)			
	Fair Value	Less Than 1	1-5	6-10
U.S. treasuries	\$ 9,212,585	\$ 5,721,065	\$ 3,491,520	\$ -
U.S. agencies	10,452,771	2,978,036	7,474,735	-
Municipal bonds	1,702,487	-	1,250,759	451,728
	<u>\$ 21,367,843</u>	<u>\$ 8,699,101</u>	<u>\$ 12,217,014</u>	<u>\$ 451,728</u>

*Fair Value.* The DDA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The DDA had the following recurring fair value measurements as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
U.S. treasuries	\$ -	\$ 9,212,585	\$ -	\$ 9,212,585
U.S. agencies	-	10,452,771	-	10,452,771
Municipal bonds	-	1,702,487	-	1,702,487
Money market funds	11,034,715	-	-	11,034,715
	<u>\$ 11,034,715</u>	<u>\$ 21,367,843</u>	<u>\$ -</u>	<u>\$ 32,402,558</u>

## CITY OF ANN ARBOR, MICHIGAN

### Notes to Financial Statements

*Concentration of Credit Risk.* The DDA's investment policy does not address this risk. At June 30, 2024, the investment portfolio was concentrated as follows:

Investment Type	Issuer	% of Portfolio
Money market funds	Northern Trust	34.08%
U.S. agencies	Federal Home Loan Bank	23.97%
U.S. agencies	Federal Farm Credit Bank	5.22%

### 5. RECEIVABLES

Receivables in the governmental and business-type activities are as follows:

	Governmental Activities	Business-type Activities
Taxes	\$ 524,028	\$ 279,328
Accounts	5,629,662	18,803,522
Leases	40,213	299,183
Special assessments	54,040	-
Accrued interest and dividends	15,843	-
Improvement charges	8,642	514,066
Due from other governments	8,391,086	3,178,555
Less: allowance for uncollectibles	(1,548,839)	(138,508)
<b>Total receivables</b>	<b>\$ 13,114,675</b>	<b>\$ 22,936,146</b>
Amounts not expected to be collected within one year	\$ 990,323	\$ 3,163,321

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

### 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 576,838,832	\$ -	\$ (4,309,449)	\$ -	\$ 572,529,383
Construction in progress	39,234,994	2,241,810	-	(3,666,346)	37,810,458
Total capital assets not being depreciated	616,073,826	2,241,810	(4,309,449)	(3,666,346)	610,339,841
Capital assets being depreciated/amortized:					
Land improvements	36,741,385	-	-	3,666,346	40,407,731
Intangible assets	1,173,590	-	-	-	1,173,590
Infrastructure	420,989,996	27,529,764	(1,773,617)	-	446,746,143
Buildings, additions, and improvements	166,400,455	-	-	-	166,400,455
Machinery and equipment	16,799,575	1,352,722	(247,157)	-	17,905,140
Vehicles	28,003,985	2,637,843	(732,833)	-	29,908,995
Lease building (Note 11)	827,144	-	-	-	827,144
Subscription assets (Note 12)	1,336,660	34,752	(226,809)	-	1,144,603
Total capital assets being depreciated/amortized	672,272,790	31,555,081	(2,980,416)	3,666,346	704,513,801
Less accumulated depreciation/amortization for:					
Land improvements	(17,226,549)	(1,536,572)	-	-	(18,763,121)
Intangible assets	(1,173,590)	-	-	-	(1,173,590)
Infrastructure	(201,076,294)	(14,570,984)	1,745,671	-	(213,901,607)
Buildings, additions, and improvements	(53,772,172)	(4,053,103)	-	-	(57,825,275)
Machinery and equipment	(13,440,302)	(1,047,624)	247,157	-	(14,240,769)
Vehicles	(18,058,043)	(2,374,425)	732,833	-	(19,699,635)
Lease building (Note 11)	(216,632)	(118,163)	-	-	(334,795)
Subscription assets (Note 12)	(401,288)	(412,260)	226,809	-	(586,739)
Total accumulated depreciation/amortization	(305,364,870)	(24,113,131)	2,952,470	-	(326,525,531)
Total capital assets being depreciated/amortized, net	366,907,920	7,441,950	(27,946)	3,666,346	377,988,270
<b>Governmental activities capital assets, net</b>	<b>\$ 982,981,746</b>	<b>\$ 9,683,760</b>	<b>\$ (4,337,395)</b>	<b>\$ -</b>	<b>\$ 988,328,111</b>



# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

Depreciation/amortization expense was charged to governmental activities functions/programs as follows:

### Depreciation/amortization of governmental activities by function

General government	\$ 659,261
Public safety	90,032
Public works	18,611,363
Culture and recreation	1,452,136
Capital assets held by the government's internal service are charged to various activities based on asset usage	<u>3,300,339</u>

**Total depreciation/amortization expense - governmental activities** \$ 24,113,131

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-type activities</b>					
Capital assets not being depreciated:					
Land	\$ 7,461,349	\$ -	\$ -	\$ -	\$ 7,461,349
Construction in progress	83,254,983	56,783,619	(261,240)	(25,985,140)	113,792,222
<b>Total capital assets not being depreciated</b>	<u>90,716,332</u>	<u>56,783,619</u>	<u>(261,240)</u>	<u>(25,985,140)</u>	<u>121,253,571</u>
Capital assets being depreciated:					
Land improvements	441,829,543	-	-	25,985,140	467,814,683
Buildings, additions, and improvements	190,563,827	-	-	-	190,563,827
Machinery and equipment	28,735,404	454,222	-	-	29,189,626
Vehicles	1,383,571	98,697	(77,159)	-	1,405,109
<b>Total capital assets being depreciated</b>	<u>662,512,345</u>	<u>552,919</u>	<u>(77,159)</u>	<u>25,985,140</u>	<u>688,973,245</u>
Less accumulated depreciation for:					
Land improvements	(143,440,424)	(12,307,191)	-	-	(155,747,615)
Buildings, additions, and improvements	(104,162,577)	(4,039,025)	-	-	(108,201,602)
Machinery and equipment	(26,812,139)	(774,631)	-	-	(27,586,770)
Vehicles	(1,301,352)	(25,031)	77,159	-	(1,249,224)
<b>Total accumulated depreciation</b>	<u>(275,716,492)</u>	<u>(17,145,878)</u>	<u>77,159</u>	<u>-</u>	<u>(292,785,211)</u>
<b>Total capital assets being depreciated, net</b>	<u>386,795,853</u>	<u>(16,592,959)</u>	<u>-</u>	<u>25,985,140</u>	<u>396,188,034</u>
<b>Business-type activities capital assets, net</b>	<u><u>\$ 477,512,185</u></u>	<u><u>\$ 40,190,660</u></u>	<u><u>\$ (261,240)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 517,441,605</u></u>

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

Depreciation expense was charged to business-type activities functions/programs as follows:

### Depreciation of business-type activities by function

Water supply system	\$ 6,194,860
Sewage disposal system	7,173,496
Parking system	1,599,406
Airport	58,462
Stormwater sewer system	1,165,258
Solid waste	<u>954,396</u>

<b>Total depreciation expense - business-type activities</b>	<b><u>\$ 17,145,878</u></b>
--	-----------------------------

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities in the governmental and business-type activities are as follows:

	Governmental Activities	Business-type Activities
Accounts payable	\$ 19,395,862	\$ 17,861,995
Accrued liabilities	3,914,558	784,745
Due to other governments	392,505	-
Deposits payable	4,176,401	265,550
Accrued interest payable	518,687	1,043,539
Estimated claims payable	<u>1,978,463</u>	<u>4,413,114</u>
<b>Total receivables</b>	<b><u>\$ 30,376,476</u></b>	<b><u>\$ 24,368,943</u></b>

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

### 8. TRANSFERS AND INTERNAL BALANCES

A summary of interfund transfers for the year ended June 30, 2024, is as follows:

Transfers out	Transfers In				
	General	Street Repair Millage	Nonmajor Governmental Funds	Water Supply System	Sewage Disposal System
General	\$ -	\$ -	\$ 8,630,881	\$ 31,920	\$ -
Street repair millage	-	-	1,466,309	7,894,617	-
Nonmajor governmental	292,001	6,001,869	4,650,439	1,630,742	-
Water supply system	670,776	1,647,545	176,201	-	44,428
Sewage disposal system	-	91,470	3,564	1,803,260	-
Airport	-	-	-	8,736	-
Stormwater sewer system	84,996	1,427,441	6,757	2,512,296	1,307,134
Solid waste	-	-	219,466	416,949	-
Internal service	-	-	666,547	100,992	-
	<u>\$ 1,047,773</u>	<u>\$ 9,168,325</u>	<u>\$ 15,820,164</u>	<u>\$ 14,399,512</u>	<u>\$ 1,351,562</u>

Transfers out	Transfers In			
	Solid Waste	Technology Fiber	Internal Service Funds	Total
General	\$ -	\$ -	\$ -	\$ 8,662,801
Street repair millage	-	-	-	9,360,926
Nonmajor governmental	-	-	35,184	12,610,235
Water supply system	-	-	-	2,538,950
Sewage disposal system	-	-	-	1,898,294
Airport	-	-	-	8,736
Stormwater sewer system	539,608	-	-	5,878,232
Solid waste	-	-	-	636,415
Internal service	-	1,170,023	-	1,937,562
	<u>\$ 539,608</u>	<u>\$ 1,170,023</u>	<u>\$ 35,184</u>	<u>\$ 43,532,151</u>

Transfers are used to: (1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (3) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due.

Total transfers were \$43,532,151 during fiscal year 2024. Of this amount, \$8,584,998 were normal operational transfers, \$24,046,116 were project based and council-directed transfers, and \$10,901,037 were debt service transfers made during the year.

In addition, an interfund balance existed between governmental activities and business-type activities in the amount of \$11,951,139. This resulted from the allocation of a portion of internal service fund net position of governmental-type internal service funds to business-type activities.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

### 9. CONTINGENT LIABILITIES

*Litigation.* Various lawsuits are pending against the City, some of which are for substantial amounts. On the basis of opinions and information furnished by the City Attorney, it is the judgment of City management that the ultimate liability, if any, resulting from such lawsuits would not materially affect the financial position of the City.

*Landfill.* The City owns and maintains a closed landfill in full compliance with Michigan Department of Environment, Great Lakes, and Energy (EGLE) requirements. The City had received approval for an onsite and (interim) offsite Remedial Action Plan (RAP) that has been implemented. This implementation included a slurry wall almost two miles in length enclosing most of the landfill. As part of these requirements, the City has posted a \$1,000,000 letter of credit to ensure compliance with the landfill cleanup regulations. The City is working on a final RAP and evaluating the feasibility of treating the collected landfill groundwater prior to discharge to the sanitary sewer. Treating the water onsite with discharge to surface or groundwater may reduce annual operating costs because of reduced payments for discharge to the sanitary system. Capital costs associated with the landfill cleanup were funded by a series of voter-approved bonds totaling \$28,000,000. Operating and maintenance costs for the closed landfill are funded out of the solid waste enterprise fund. A liability has been accrued in the solid waste enterprise fund for offsite remediation in the amount of \$4,413,114. These costs will be funded through the City's earmarked solid waste (refuse collection) property tax levy. The projects to be accomplished are subject to major changes (both in the nature of the work to be accomplished and in the cost thereof) due to inflation, changes in technology or changes in regulatory requirements.

*Grants.* Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, primarily the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts to be immaterial.

*Wetland Restoration.* EGLE has issued a permit to the City for wetland restoration. The City was required to obtain a \$90,650 letter of credit in favor of EGLE to ensure compliance with its wetland restoration requirements. A site inspection by EGLE determined that the wetlands are beginning to conform to the conditions of the permit and authorized a 50 percent reduction in the required financial assurance. The total amount of the letter of credit is now \$45,325 and shall remain in force until the end of the monitoring period.

*Michigan Tax Tribunal Cases.* One of the City's major taxpayer/petitioners is appealing the 2021 - 2024 valuation of their property before the Michigan Court of Appeals. The property in question carries significant taxable value and the taxpayer/petitioner is proposing a taxable value adjustment which could reduce their taxable values between \$10 million and \$13 million per contested year. The case is currently pending before the Court of Appeals which will likely be a protracted process before a conclusion is reached. If the case is decided adversely to the City, the outcome could have a potentially significant effect on tax revenue. However, the City believes it has a strong case and will receive a favorable decision. Therefore, no liability has been accrued.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

### 10. BONDS, NOTES, AND OTHER LONG-TERM LIABILITIES

**General obligation bonds.** The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

	Year of Maturity	Interest Rates	Original Amount	Amount Outstanding
<b>Governmental activities</b>				
2013 1st and Washington (series A)	2032	1.75 - 3.0%	\$ 4,480,000	\$ 2,195,000
2013 1st and Washington (series B)	2032	2.0 - 3.75%	4,045,000	1,960,000
2015 open space preservation refunding	2034	2.0 - 3.375%	16,235,000	7,445,000
2015 maintenance facility refunding	2029	2.0 - 3.0%	17,710,000	9,985,000
2017 court and police refunding	2035	3.0 - 3.25%	24,030,000	16,665,000
2019 capital improvement bonds	2033	3.0 - 4.0%	14,780,000	7,255,000
2019-A capital improvement bonds	2035	2.25 - 4.0%	37,175,000	30,925,000
2022 transportation fund	2032	3.0 - 5.0%	13,605,000	11,485,000
Total governmental activities			<u>\$ 132,060,000</u>	<u>\$ 87,915,000</u>
<b>Business-type activities</b>				
2016 parking - refunding	2027	2.0%	<u>\$ 2,790,000</u>	<u>\$ 895,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 8,385,000	\$ 3,094,825	\$ 290,000	\$ 17,900
2026	8,625,000	2,826,469	300,000	12,100
2027	8,920,000	2,542,444	305,000	6,100
2028	9,225,000	2,246,668	-	-
2029	9,540,000	1,926,957	-	-
2030-2034	38,360,000	4,902,119	-	-
2035	4,860,000	181,200	-	-
	<u>\$ 87,915,000</u>	<u>\$ 17,720,682</u>	<u>\$ 895,000</u>	<u>\$ 36,100</u>

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

**Revenue bonds.** The government issues revenue bonds where the income derived from the acquired or constructed assets is pledged to pay debt service. Revenue bonds currently outstanding are as follows:

	Year of Maturity	Interest Rates	Original Amount	Amount Outstanding
<b>Business-type activities</b>				
2016 water - refunding	2027	2.0%	\$ 16,285,000	\$ 5,455,000
2023 water	2053	4.0 - 4.125%	40,000,000	40,000,000
2016 sewer - refunding	2031	2.0 - 2.5%	19,280,000	9,930,000
Total business-type activities			<u>\$ 75,565,000</u>	<u>\$ 55,385,000</u>

Annual debt service requirements to maturity for revenue bonds (business-type activities) are as follows:

Year Ended June 30,	Principal	Interest
2025	\$ 2,170,000	\$ 1,981,805
2026	3,805,000	1,870,111
2027	3,855,000	1,785,761
2028	2,495,000	1,699,461
2029	2,605,000	1,630,252
2030-2034	8,565,000	7,160,631
2035-2039	6,235,000	5,966,250
2040-2044	7,585,000	4,615,850
2045-2049	9,240,000	2,971,450
2050-2053	8,830,000	929,152
	<u>\$ 55,385,000</u>	<u>\$ 30,610,723</u>

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

**Revolving loans.** The government borrows from State of Michigan revolving loan funds where the income derived from the acquired or constructed assets is pledged to pay debt service. Revolving loans currently outstanding are as follows:

	Year of Maturity	Interest Rates	Original Amount	Amount Outstanding
<b>Business-type activities</b>				
DWRF 7319-01	2031	2.50%	\$ 4,575,000	\$ 1,860,000
DWRF 7325-01	2030	2.50%	624,750	213,271
DWRF 7333-01	2032	2.50%	5,614,250	2,230,602
DWRF 7362-01	2034	2.50%	8,864,396	4,862,720
DWRF 7375-01	2035	2.00%	3,025,000	1,691,522
DWRF 7472-01, Series 2020	2040	2.00%	3,008,191	2,764,461
DWRF 7569-01	2044	1.875%	3,220,000	3,220,000
2012 CWRF 5441-01	2036	2.50%	34,407,832	22,640,000
2013 CWRF 5441-02	2038	2.00%	73,305,000	54,310,000
2005 SWQIF 3002-02	2025	1.625%	879,382	49,382
2006 SWQIF 3002-03	2026	1.625%	889,903	99,903
2007 SWQIF 3002-04	2027	1.625%	964,976	164,976
2008 SWQIF 3002-05	2028	2.50%	900,000	215,000
2009 SWQIF 3010-01	2029	2.50%	1,310,000	390,000
2010 SWQIF 3010-02	2030	2.50%	1,320,000	465,000
2012 SWQIF 3010-03	2032	2.50%	1,365,000	624,760
2013 SWQIF 3010-04	2033	2.50%	891,703	446,703
Total business-type activities			<u>\$ 145,165,383</u>	<u>\$ 96,248,300</u>

Annual debt service requirements to maturity for revolving loans (business-type activities) are as follows:

Year Ended June 30,	Principal	Interest
2025	\$ 6,900,882	\$ 2,102,253
2026	7,001,403	1,950,470
2027	7,106,476	1,796,179
2028	7,196,500	1,639,194
2029	7,301,500	1,479,914
2030-2034	36,325,556	4,974,355
2035-2039	23,294,022	1,396,808
2040-2044	1,121,961	56,539
	<u>\$ 96,248,300</u>	<u>\$ 15,395,712</u>

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

**Drain notes.** The government's share of the debt for drainage district projects are as follows:

	Year of Maturity	Interest Rates	Original Amount	Amount Outstanding
<b>Business-type activities</b>				
2014 Allen Creek West Park Fairgrounds	2034	2.5 - 3.5%	\$ 2,430,000	\$ 1,430,000
2006 Mallets Creek Project	2028	1.625%	1,613,905	360,556
2009 Allen Creek Pioneer High School Project	2031	2.5%	2,522,126	1,021,126
2010 Stadium Blvd phase I	2029	2.5%	165,000	50,000
2010 Stadium Blvd phase II	2032	2.5%	916,204	413,230
2010 Allen Creek West Park Project	2031	2.5%	994,635	403,620
2010 Allen Creek Sylvan Ave Project	2030	2.5%	405,000	150,000
2011 Swift Run Cistern	2032	2.5%	26,362	14,862
2011 County Farm Streambank	2032	2.5%	349,699	167,199
2011 Mallets Creek E Stadium Bridge Project	2033	2.5%	162,209	92,209
2012 Allen Creek Willard Street Project	2032	2.5%	123,819	61,319
2011 Malletts Creek Burns Park Project	2032	2.5%	1,052,556	459,439
2011 Traver Creek Cistern	2032	2.5%	182,434	83,184
2011 Allen Creek Cistern I	2032	2.5%	140,746	80,746
2011 Allen Creek Cistern II	2032	2.5%	31,261	16,761
2012 SRF Tree Planting	2033	2.5%	167,467	94,967
2012 Leslie Park Project	2033	2.5%	648,479	334,230
2013 Allen Creek Miller Ave	2034	2.0%	805,723	441,373
2013 Allen Creek Madison Ave	2034	2.0%	590,130	475,466
2013 Allen Creek Fourth Ave	2033	2.0%	175,163	90,163
2013 Allen Creek Forest Ave	2034	2.0%	211,099	111,099
2013 Huron River Infrastructure I	2034	2.0%	215,795	118,295
2014 Malletts Creek Springwater	2035	2.5%	332,447	197,602
2014 Malletts Creek Stone School	2035	2.5%	2,025,000	1,219,425
2013 Huron River Infrastructure II	2035	2.0%	278,379	168,379
2015 HRGI Geddes	2037	2.5%	1,015,000	715,000
2015 HRGI - Tree Planting	2035	2.5%	188,503	123,503
2016 Allen Creek	2037	2.5%	867,872	612,872
2016 Malletts Creek Drain	2037	2.5%	689,553	484,553
2016 HRGI - Tree Planting	2037	2.5%	205,801	135,801
2017 HRGI	2037	2.5%	292,221	222,220
2018 HRGI	2039	2.0%	365,000	220,446
2019 HRGI	2040	2.0%	288,000	224,508
Benz Creek	2041	2.0%	1,104,000	970,000
Millers Creek - Pepper Pike	2040	2.0%	815,000	675,000
			<u>\$ 22,396,588</u>	<u>\$ 12,439,153</u>



# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

Annual debt service requirements to maturity for the drain notes (business-type activities) are as follows:

Year Ended June 30,	Principal	Interest
2025	\$ 1,244,093	\$ 334,558
2026	1,164,857	265,273
2027	1,191,423	237,494
2028	1,120,771	209,807
2029	1,150,771	182,258
2030-2034	4,907,931	498,933
2035-2039	1,454,799	83,213
2040-2041	204,508	2,670
	<u>\$ 12,439,153</u>	<u>\$ 1,814,206</u>

**Installment purchase agreement.** The City has entered into an installment purchase agreement for financing the acquisition of certain equipment. The installment purchase agreement currently outstanding is as follows:

	Year of Maturity	Interest Rates	Original Amount	Amount Outstanding
<b>Governmental activities</b>				
Installment purchase agreement	2026	2.5%	<u>\$ 799,047</u>	<u>\$ 307,833</u>

Annual debt service requirements to maturity for the installment purchase agreement are as follows:

Year Ended June 30,	Principal	Interest
2025	\$ 155,817	\$ 11,981
2026	152,016	15,781
	<u>\$ 307,833</u>	<u>\$ 27,762</u>

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

*Changes in bonds, notes and other long-term liabilities.* Bonds, notes and other long-term liabilities activity for fiscal 2024 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Primary government</b>					
<b>Governmental activities</b>					
General obligation bonds	\$ 101,024,000	\$ -	\$ (13,109,000)	\$ 87,915,000	\$ 8,385,000
Installment purchase agreements	467,545	-	(159,712)	307,833	155,817
Lease liabilities (Note 11)	639,753	-	(109,585)	530,168	116,130
Subscription liabilities (Note 12)	945,466	-	(392,250)	553,216	291,769
Deferred amounts:					
For issuance premiums	4,178,118	-	(350,581)	3,827,537	361,828
For issuance discounts	(90,448)	-	7,019	(83,429)	(7,269)
Compensated absences	14,380,485	3,063,096	(5,825,806)	11,617,775	5,825,806
<b>Total governmental activities</b>	<b>\$ 121,544,919</b>	<b>\$ 3,063,096</b>	<b>\$ (19,939,915)</b>	<b>\$ 104,668,100</b>	<b>\$ 15,129,081</b>
<b>Business-type activities</b>					
General obligation bonds	\$ 1,180,000	\$ -	\$ (285,000)	\$ 895,000	\$ 290,000
Revenue bonds	61,240,000	-	(5,855,000)	55,385,000	2,170,000
Revolving loans	102,621,280	321,142	(6,694,122)	96,248,300	6,900,882
Drain notes	13,540,731	-	(1,101,578)	12,439,153	1,244,093
Deferred amounts -					
For issuance premiums	764,701	-	(99,106)	665,595	98,113
Compensated absences	1,824,241	1,864,726	(1,257,173)	2,431,794	1,257,173
<b>Total business-type activities</b>	<b>\$ 181,170,953</b>	<b>\$ 2,185,868</b>	<b>\$ (15,291,979)</b>	<b>\$ 168,064,842</b>	<b>\$ 11,960,261</b>
<b>Component unit</b>					
Downtown Development Authority compensated absences	\$ 189,967	\$ 89,610	\$ (53,123)	\$ 226,454	\$ 29,841
Housing Commission compensated absences	165,912	190,715	(178,272)	178,355	76,186
<b>Total component unit</b>	<b>\$ 355,879</b>	<b>\$ 280,325</b>	<b>\$ (231,395)</b>	<b>\$ 404,809</b>	<b>\$ 106,027</b>

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

### 11. LEASES

**Lessee** - The City is involved in one agreement as a lessee that qualifies as a long-term lease agreement. Below is a summary of the nature of this agreement. This agreement qualifies as intangible, right-to-use assets and not financed purchases, as the City will not own the assets at the end of the contract term and the noncancelable term of the agreement surpasses one year.

The right-to-use asset and the related activity are included in Note 6, Capital Assets. The lease liability and related activity are presented in Note 10, Bonds, Notes, and Other Long-term Liabilities.

Asset Type	Remaining Term of Agreement
Building	5 years

The net present value of future minimum payments as of June 30, 2024, were as follows:

Year Ended June 30,	Principal	Interest
2025	\$ 116,130	\$ 16,711
2026	122,960	12,538
2027	130,087	8,121
2028	137,522	3,449
2029	<u>23,469</u>	<u>103</u>
<b>Total</b>	<u>\$ 530,168</u>	<u>\$ 40,922</u>

**Lessor** - The City is involved in five agreements as a lessor that qualify as long-term lease agreements. Below is a summary of these agreements. These agreements qualify as long-term lease agreements as the City will not surrender control of the asset at the end of the term and the noncancelable term of the agreement surpasses one year. Total lease revenue for the year ended June 30, 2024 was \$131,261.

Asset Type	Remaining Term of Agreements
Land and buildings	1-8 years

### 12. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City is involved in three arrangements that qualify as long-term subscription-based information technology arrangements ("SBITA"). Below is a summary of the nature of these arrangements. These arrangements qualify as intangible, right-to-use subscription assets as the City has the control of the right to use another party's IT software and the noncancelable term of the arrangement surpasses one year. The present values are discounted using an interest rate of 3.5 percent based on the City's incremental borrowing rate.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

The right-to-use asset and the related activity are included in Note 6, Capital Assets. The subscription liability and related activity are presented in Note 10, Bonds, Notes, and Other Long-term Liabilities.

Asset Type	Remaining Term of Arrangements
Subscription assets	1-2 years

The net present value of future minimum payments as of June 30, 2024, were as follows:

Year Ended June 30,	Principal	Interest
2025	\$ 291,769	\$ 15,704
2026	261,447	5,322
<b>Total</b>	<u>\$ 553,216</u>	<u>\$ 21,026</u>

## 13. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1969, the City established the insurance internal service fund to account for and finance its uninsured risk of loss. Under this program, coverage is provided for up to a maximum of \$500,000 for each general liability claim, \$50,000 for each property damage claim, and Blue Cross Blue Shield health insurance claims. The City purchases (where coverage is available and properly priced) commercial insurance for claims in excess of coverage provided by the insurance fund. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds of the City participate in the insurance program and make payments to the insurance fund based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for incurred but not reported (IBNR) losses. The IBNR reserve was \$1,716,418 at June 30, 2024 and is included in estimated claims payable. The total estimated claims payable of \$1,978,463, of which \$225,045 is estimated to be due within one year, is reflected in the insurance fund at June 30, 2024. A liability for claims must be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claim liability amount for the last two years are summarized below:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2023	\$ 2,531,167	\$ 22,187,126	\$ (22,432,286)	\$ 2,286,007
2024	2,286,007	27,780,403	(28,087,947)	1,978,463

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

### 14. PROPERTY TAXES

Each July 1, the City property tax is levied and becomes a lien on the related property, the value of which is equalized by the State of Michigan and limited by Act 415 of 1994. The City's operating tax rate levied July 1, 2023 as controlled by the Headlee Amendment, Act 415 and City Charter, was 5.7967 mills raising \$41.9 million. Other tax rates and amounts raised were as follows: employee benefits (1.9321) raising \$13.9 million, refuse collection (2.3182) raising \$16.7 million, Ann Arbor Transportation Authority (1.9321) raising \$13.9 million, street & sidewalk repair (2.0153) raising \$14.5 million, parks maintenance and repair (1.0732) raising \$7.7 million, open space and parkland preservation (0.4488) raising \$3.2 million, city sidewalk (0.1986) raising \$1.4 million, affordable housing (.9933) raising \$7.1 million, and community climate action (1.0000) raising \$7.2 million. Real and personal property located in the City as of December 31, 2022 was assessed and equalized at \$9,979,509,400, representing 50% of estimated current value. Act 415 of 1994 limits annual increases in taxable value to 5% or the Consumer Price Index, whichever is less. The 2023 taxable value on March 1, 2024, was \$7,496,077,753. Property taxes are due July 31st of each year and any delinquent real property taxes are turned over to Washtenaw County for collection the following March 1st. Delinquent personal property taxes are immaterial.

Property tax revenue of the discretely presented component units is derived pursuant to tax increment financing agreements between those entities (i.e., the DDA and SmartZone LDFA) and the various applicable taxing districts. Real and personal property taxes are levied and attached as an enforceable lien on properties located within the boundaries of the tax increment financing district. The City of Ann Arbor bills and collects the taxes on behalf of the component units. Delinquent taxes on ad valorem real property are purchased by the County of Washtenaw. Property tax revenue is recognized in the year it is levied in both the government-wide financial statements and in the fund financial statements.

### 15. EMPLOYEES' RETIREMENT SYSTEM

#### *General Information about the Pension Plan*

*Plan administration.* The City of Ann Arbor Employees' Retirement System (the "System") is a single-employer defined benefit retirement and defined contribution plan retirement plan established and administered by the City which provides pension, disability and death benefits to general, police, and firefighter employees and their beneficiaries. Cost of living adjustments may be provided to members and beneficiaries. The City Charter assigns the authority to establish and amend benefit provisions to the City Council. The System issues a publicly available financial report that may be obtained by writing to City of Ann Arbor Employees' Retirement System, 532 South Maple Road, Ann Arbor, Michigan, 48103 or by calling 734-794-6710.

Management of the System is vested in the City of Ann Arbor Employees' Retirement System Board of Trustees, which consists of nine members, three are elected (representing fire, police, and general City employees), five are appointed by the City Council of the City of Ann Arbor, and one is the Chief Financial Officer of the City of Ann Arbor, who serves as ex-officio member.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

*Plan membership.* At June 30, 2023, the date of the latest actuarial valuation, System membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	1,177
Terminated employees entitled to but not yet receiving benefits	105
Active members	<u>728</u>
<b>Total membership</b>	<u><u>2,010</u></u>

*Benefits provided.* The System provides retirement, disability, and death benefits. Retirement benefits for general plan members are calculated as 2.5 percent of the member's final three-year average salary or five-year average salary depending on hire date, times the member's years of service. Benefits for public safety plan members (police and fire) are calculated as 2.75 percent of the member's final three-year average salary or five-year average salary depending on hire date, times the member's years of service. Effective January 1, 2017, the System was amended and restated to add to the existing defined benefit plan (to be called the "Traditional Retirement Plan"), a defined contribution money purchase pension plan (the "Dual Retirement Plan") which will only apply to non-union, AFSCME, and Teamsters Civilian Supervisor employees first hired or rehired on or after January 1, 2017. Employees who are members of the Dual Retirement Plan will also participate in and accrue benefits under the Traditional Retirement Plan but at a rate of accruals that is 50% of the rate of accruals for members of the Traditional Retirement Plan who were hired or rehired prior to January 1, 2017. Certain collective bargaining units may agree that newly hired or rehired members of that union will be covered by the Dual Retirement Plan on dates after January 1, 2017. The Traditional Retirement Plan and the Dual Retirement Plan are together called the City of Ann Arbor Employees' Retirement System (CAAERS).

General plan members with 20 years of service are eligible to retire at age 50 with an early retirement reduction of .333 percent for each month that retirement precedes the normal retirement date. Public safety plan members with 20 years of service are eligible to retire at age 50 with an early retirement reduction of .333 percent for each month that retirement precedes the normal retirement date.

General plan members may retire with an unreduced benefit at age 50 after 25 years of service, or age 60 with five or 10 years of service depending on hire date. Public safety plan members may retire at any age after 25 years of service or at age 55 with five or 10 years of service depending on hire date. Deferred members may retire at age 60 with five or 10 years of service depending on date of hire. All plan members are eligible for non-duty disability benefits after five or 10 years depending on date of hire, and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction.

A plan member who leaves City service may withdraw his or her contributions plus any accumulated interest. A withdrawal may reduce or even eliminate any future benefit payable under a deferred vested retirement.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

The System offers a minimum benefit of \$9,800 adjusted by a cost of living factor each year and prorated for less than 20 years of service. For the fiscal year beginning July 1, 2023, the adjusted minimum benefit amount was \$17,344 (prorated for less than 20 years of service). In addition, annually, the Board of Trustees, in consultation with its actuary and upon receipt of the actuarial report for each fiscal year, determines whether to grant a permanent pension benefit adjustment or pay a one-time supplemental benefit based upon the amount, if any, of funds in the pension adjustment account which may be distributed to eligible retirees and beneficiaries. The aggregate cost of such benefit adjustment or supplemental benefit distribution is funded by a transfer from the pension adjustment account to the pension reserve. No pension benefit adjustment or supplemental benefit can be paid unless the amount available in the pension adjustment account is equal to or greater than 1% of the total pension payroll. The term "total pension payroll" means the total amount of pension benefits paid to retirees and beneficiaries in the prior fiscal year as reflected in the annual actuarial report.

*Contributions - Traditional Plan.* All plan members hired before January 1, 2017, are required to participate in the Traditional Retirement Plan administered by the System. The members of the Traditional plan are required to contribute the contribution rate of annual compensation determined by labor group contract. The City is required to contribute at an actuarially determined rate; the rates for 2024 were 28.9% to 41.4% of covered employee payroll. Plan provisions and contribution requirements are established and can be amended by the City Council. System administrative costs are financed through investment earnings.

*Contributions - Dual Retirement Plan.* All plan members hired after January 1, 2017, except for Ann Arbor Police Officers' Association, Command Officers' Association of Michigan, and Fire union employees, are required to participate in a hybrid pension plan (Dual Retirement Plan) administered by the System. The Dual Retirement Plan is comprised of two components: a defined benefit plan and a defined contribution plan.

*Net pension liability.* The total pension liability was determined by an actuarial valuation as of June 30, 2023 (and rolled forward to June 30, 2024), using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.5 percent, average, including inflation
Investment rate of return	6.7 percent, net of pension plan investment expense, including inflation

Healthy mortality rates (both pre and post retirement) were based on the Pub-2010 General Employee Mortality Tables, amount-weighted, and projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010. Disabled retirement mortality rates were based on the same mortality tables.

These actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2022.

## CITY OF ANN ARBOR, MICHIGAN

### Notes to Financial Statements

*Long-term expected rate of return.* 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 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 for each major asset class included in the pension plan's target asset allocation (see the discussion of the System's investment allocation policy) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Money-Weighted Rate of Return
<b>Equities</b>			
Domestic equities	36.00%	5.50%	1.98%
Developed foreign equities	14.00%	5.90%	0.83%
Emerging markets equities	7.00%	5.90%	0.41%
Private equities	7.00%	8.20%	0.57%
<b>Fixed income</b>			
Investment grade bonds	10.00%	1.90%	0.19%
Private debt	7.00%	6.20%	0.43%
<b>Other investments</b>			
Real estate	9.00%	5.10%	0.46%
Infrastructure	7.00%	5.10%	0.36%
Natural resources	3.00%	6.30%	0.19%
	100.0%		5.42%
Inflation			2.80%
Risk adjustments			-1.52%
			6.70%

*Discount rate.* The discount rate used to measure the total pension liability was 6.7 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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.



## CITY OF ANN ARBOR, MICHIGAN

### Notes to Financial Statements

*Changes in the net pension liability.* The components of the change in the net pension liability are summarized as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances at June 30, 2023	\$ 668,168,811	\$ 605,610,308	\$ 62,558,503
Changes for the year:			
Service cost	10,629,199	-	10,629,199
Interest	43,594,132	-	43,594,132
Differences between expected and actual experience	2,435,904	-	2,435,904
Employer contributions	-	15,938,306	(15,938,306)
Employee contributions	-	3,417,591	(3,417,591)
Net investment income	-	60,864,510	(60,864,510)
Benefit payments, including refunds of employee contributions	(45,649,444)	(45,649,444)	-
Administrative expense	-	(716,731)	716,731
Other	-	458,670	(458,670)
Net changes	<u>11,009,791</u>	<u>34,312,902</u>	<u>(23,303,111)</u>
<b>Balances at June 30, 2024</b>	<u>\$ 679,178,602</u>	<u>\$ 639,923,210</u>	<u>\$ 39,255,392</u>

*Reconciliation of plan fiduciary net position.* As mentioned in the contributions section above, the System modified the retirement plan in 2017 to a hybrid retirement plan that operates as both a defined contribution and benefit plan for participants. The addition of the new plan requires reconciliation of the plan fiduciary net position.

The reconciliation of the "Plan fiduciary net position per Changes in the Net Pension Liability" above and "Net position per Statement of Fiduciary Net Position" of the System at June 30, 2024, is as follows:

Plan fiduciary net position per Schedule of Changes in the City's Net Position and Related Ratios	\$ 639,923,210
Defined contribution plan assets	<u>7,768,139</u>
Net position per Statement of Fiduciary Net Position	<u>\$ 647,691,349</u>

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the City, calculated using the discount rate of 6.7 percent, as well as what the City's net pension (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.7 percent) or 1-percentage-point higher (7.7 percent) than the current rate:

	<b>1% Decrease (5.7%)</b>	<b>Current Discount (6.7%)</b>	<b>1% Increase (7.7%)</b>
City's net pension (asset) liability	\$ 114,279,179	\$ 39,255,392	\$ (23,860,708)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

*Pension expense and deferred outflows/inflows of resources related to pensions.* For the year ended June 30, 2024, the City recognized pension expense of \$7,188,635. At June 30, 2024, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
Difference between expected and actual experience	\$ 6,581,011	\$ 978,502	\$ 5,602,509
Changes in assumptions	7,768,161	-	7,768,161
Net difference between projected and actual earnings on pension plan investments	-	21,530,302	(21,530,302)
<b>Total</b>	<u>\$ 14,349,172</u>	<u>\$ 22,508,804</u>	<u>\$ (8,159,632)</u>

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

<b>Year Ended June 30,</b>	<b>Net Amount</b>
2025	\$ (6,941,203)
2026	11,332,314
2027	(8,315,125)
2028	<u>(4,235,618)</u>
	<u>\$ (8,159,632)</u>

*Payable to the pension plan.* At June 30, 2024, the City had no payable to the pension plan.

For governmental activities, the net pension liability is generally liquidated by the general fund.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

### 16. OTHER POSTEMPLOYMENT BENEFITS

#### *General Information about the OPEB Plan*

*Plan administration.* The City of Ann Arbor Retiree Health Care Benefits Plan and Trust, a voluntary employees beneficiary association (VEBA) (hereinafter referred to as the "Plan" or "VEBA") is a single-employer defined benefit postemployment healthcare plan established and administered by the City through a board of trustees to provide health and life benefits to eligible retirees and their beneficiaries. Plan benefit provisions are established and may be amended by the City, subject to the City's various collective bargaining agreements. The Plan issues a publicly available financial report that may be obtained by writing to City of Ann Arbor Employees' Retirement System, 532 South Maple Road, Ann Arbor, Michigan, 48103 or by calling 734-794-6710.

The City of Ann Arbor Employees' Retirement System Board of Trustees consists of nine members, three are elected (representing fire, police, and general City employees), five are appointed by the City Council of the City of Ann Arbor and one is Chief Financial Officer of the City of Ann Arbor, who serves as ex-officio member.

*Plan membership.* At June 30, 2023, the date of the latest actuarial valuation, VEBA membership consisted of the following:

Retirees and surviving spouses currently covered	1,123
Vested active employees	<u>728</u>
<b>Total membership</b>	<b><u><u>1,851</u></u></b>

*Benefits provided.* The Plan provides certain healthcare and life insurance benefits for eligible retired employees and their dependents in accordance with the Ann Arbor City Code Chapter 21. Substantially all the City's employees may become eligible for these benefits if they retire directly from City employment. These and similar benefits for active employees are provided by various insurance companies. Health insurance benefits are provided through an administrative service contract under which the City reimburses the administrator for claims paid plus an administration fee. Plan benefit provisions are established and may be amended by the City, subject to the City's various collective bargaining agreements.

*Contributions.* The Plan is funded by actuarially determined contributions from the City, under a trust agreement established pursuant to Section 501(c)(9) of the Internal Revenue Code, which allows for the formation of such a plan. For the year ended June 30, 2024, the City's average contribution rate was 24.8% of covered payroll. Plan members are not required to contribute to the plan.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

The contribution requirements of Plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the actuary. For fiscal year ended June 30, 2024, the City contributed approximately \$16.3 million to the plan, including \$15.6 million for current premiums and an additional \$0.7 million to prefund benefits.

*Net OPEB liability.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2023 (and rolled forward to June 30, 2024), using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5 percent
Healthcare cost trend rates	Pre-Medicare 7.5% initial, 3.5% ultimate; post-Medicare 6.25% initial, 3.5% ultimate.
Salary increases	4.01% to 11.11%, dependent on employee group and age
Investment rate of return	6.7% net of OPEB plan investment expense, including inflation

Healthy mortality rates (both pre and post retirement) were based on the Pub-2010 General Employee Mortality Tables, amount-weighted, and projected with mortality improvements using the fully generational MP-2021 projection scale from a base year of 2010. Disabled retirement mortality rates were based on the same mortality tables.

These actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2022.

## CITY OF ANN ARBOR, MICHIGAN

### Notes to Financial Statements

*Long-term expected rate of return.* 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 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 for each major asset class included in the OPEB plan's target asset allocation (see the discussion of the Plan's investment allocation policy) are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Money-Weighted Rate of Return
<b>Equities</b>			
Domestic equities	33.00%	5.50%	1.82%
Developed foreign equities	12.00%	5.90%	0.71%
Emerging markets equities	7.00%	5.90%	0.41%
Private equities	5.00%	8.20%	0.41%
<b>Fixed Income</b>			
Investment grade bonds	10.00%	1.90%	0.19%
Private debt	7.00%	6.20%	0.43%
High yield bonds	4.00%	3.90%	0.16%
TIPS	2.00%	1.80%	0.04%
<b>Other investments</b>			
Real estate	10.00%	5.10%	0.51%
Infrastructure	7.00%	5.10%	0.36%
Natural resources	3.00%	6.30%	0.19%
	100.0%		5.23%
Inflation			2.80%
Risk adjustments			-1.33%
			6.70%

*Discount Rate.* The discount rate used to measure the total OPEB liability was 6.7 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those 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.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

*Changes in the Net OPEB Liability.* The components of the change in the net OPEB liability are summarized as follows:

	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
Balances at June 30, 2023	\$ 291,775,386	\$ 249,832,624	\$ 41,942,762
Changes for the year:			
Service cost	2,121,325	-	2,121,325
Interest	19,097,874	-	19,097,874
Differences between expected and actual experience	(5,687,970)	-	(5,687,970)
Changes in assumptions	15,223,900	-	15,223,900
Employer contributions	-	16,315,925	(16,315,925)
Net investment income	-	27,538,250	(27,538,250)
Benefit payments, including refunds of employee contributions	(15,586,298)	(15,586,298)	-
Administrative expense	-	(388,433)	388,433
Net changes	<u>15,168,831</u>	<u>27,879,444</u>	<u>(12,710,613)</u>
<b>Balances at June 30, 2024</b>	<u><u>\$ 306,944,217</u></u>	<u><u>\$ 277,712,068</u></u>	<u><u>\$ 29,232,149</u></u>

The significant changes in assumptions for the fiscal year ended June 30, 2024, were primarily related to changes in the healthcare cost trend rates.

*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 discount rate of 6.7 percent, as well as what the City's net OPEB (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.7 percent) or 1-percentage-point higher (7.7 percent) than the current rate:

	<b>1% Decrease (5.7%)</b>	<b>Current Discount (6.7%)</b>	<b>1% Increase (7.7%)</b>
City's net OPEB (asset) liability	\$ 65,713,764	\$ 29,232,149	\$ (1,155,286)

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liability of the City calculated using the healthcare cost trend rates, as well as what the City's net OPEB (asset) liability would be if it were calculated using the healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
City's net OPEB (asset) liability	\$ (3,148,512)	\$ 29,232,149	\$ 67,892,392

*OPEB plan fiduciary net position.* Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Plan financial statements.

*OPEB expense and deferred outflows/inflows of resources related to OPEB.* For the year ended June 30, 2024, the City recognized an OPEB benefit of \$1,625,675. At June 30, 2024, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 15,707	\$ 24,770,780	\$ (24,755,073)
Changes in assumptions	18,477,265	-	18,477,265
Net difference between projected and actual earnings on OPEB plan investments	-	6,037,406	(6,037,406)
<b>Total</b>	<u>\$ 18,492,972</u>	<u>\$ 30,808,186</u>	<u>\$ (12,315,214)</u>

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

Year Ended June 30,	Net Amount
2025	\$ (11,431,657)
2026	2,526,355
2027	(1,664,036)
2028	(1,745,876)
	<u>\$ (12,315,214)</u>

*Payable to the OPEB plan.* At June 30, 2024, the City had no payable to the OPEB plan.

For governmental activities, the net OPEB liability is generally liquidated by the general fund.

## CITY OF ANN ARBOR, MICHIGAN

### Notes to Financial Statements

#### 17. PERMANENT FUND

In 1964, the City became the recipient of an endowment from Elizabeth Dean which is recorded as a permanent fund. The corpus of the trust is to remain invested and may not be liquidated in order to generate investment income. This investment income is to be used for the purchase and maintenance of trees in the City of Ann Arbor. Net appreciation on investments is not considered investment income until realized. The amount in the Elizabeth Dean fund is shown as restricted for endowment on the statement of net position. The corpus of the trust is and shall remain \$1,984,000. Fund balance at June 30, 2024 was \$2,147,363, representing the corpus of the trust and appreciation of investments from prior years. This amount is reflected in cash, equity in pooled cash, investments and accrued interest. The corpus of the trust is restricted to the limitations established by the trust and is considered nonspendable. The entire amount exceeding the corpus, \$1,984,000, is also restricted to the limitations established by the trust, but is available for expenditure and is restricted as to use.

#### 18. SIGNIFICANT COMMITMENTS

As of June 30, 2024, the City had \$43,912,756 in construction commitments for various projects including water mains, resurfacing of streets, bridge reconstruction, and other road improvements. The commitments will be satisfied using millage proceeds, fund balance, and bond proceeds.



# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

### 19. DETAILS OF FUND BALANCE CATEGORIES AND CLASSIFICATIONS

Fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds, is as follows:

	General	Street Repair Millage	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>				
Inventories	\$ 72,195	\$ -	\$ -	\$ 72,195
Prepaid items	102,037	-	187,345	289,382
Trust corpus	-	-	1,984,000	1,984,000
<b>Total nonspendable</b>	<b>174,232</b>	<b>-</b>	<b>2,171,345</b>	<b>2,345,577</b>
<b>Restricted</b>				
Debt service	-	-	163,789	163,789
Culture and recreation	-	-	19,437,058	19,437,058
Road maintenance and repairs	-	-	33,707,380	33,707,380
Road construction	-	14,904,539	-	14,904,539
Law enforcement	-	-	442,817	442,817
Community television network	-	-	4,010,597	4,010,597
Construction code	-	-	11,322,657	11,322,657
Mental health	-	-	2,025,833	2,025,833
Sidewalk construction	-	-	2,292,759	2,292,759
Affordable housing	-	-	221,558	221,558
Climate action	-	-	3,350,128	3,350,128
Grants	-	-	1,185,372	1,185,372
Opioid settlement	32,541	-	-	32,541
<b>Total restricted</b>	<b>32,541</b>	<b>14,904,539</b>	<b>78,159,948</b>	<b>93,097,028</b>
<b>Committed</b>				
Capital projects	1,433,877	-	-	1,433,877
Culture and recreation	-	-	121,778	121,778
Energy projects	-	-	203,070	203,070
Special assistance	-	-	100,499	100,499
Cemetery perpetual care	-	-	148,612	148,612
Alternative transportation	-	-	584,090	584,090
<b>Total committed</b>	<b>1,433,877</b>	<b>-</b>	<b>1,158,049</b>	<b>2,591,926</b>
<b>Assigned</b>				
Culture and recreation	141,803	-	-	141,803
Capital projects	-	-	5,367,271	5,367,271
Human services	169,150	-	-	169,150
Subsequent years expenditures, potential retirement payouts, and encumbrances	20,988,522	-	-	20,988,522
<b>Total assigned</b>	<b>21,299,475</b>	<b>-</b>	<b>5,367,271</b>	<b>26,666,746</b>
<b>Unassigned</b>	<b>25,870,084</b>	<b>-</b>	<b>-</b>	<b>25,870,084</b>
<b>Total fund balances</b>	<b>\$ 48,810,209</b>	<b>\$ 14,904,539</b>	<b>\$ 86,856,613</b>	<b>\$ 150,571,361</b>

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

### 20. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of June 30, 2024, was as follows:

	Governmental Activities	Business-type Activities
<b>Capital assets</b>		
Capital assets not being depreciated	\$ 610,339,841	\$ 121,253,571
Capital assets being depreciated/amortized, net	377,988,270	396,188,034
Total capital assets	<u>988,328,111</u>	<u>517,441,605</u>
<b>Less related debt</b>		
General obligation bonds	87,915,000	895,000
Installment purchase agreements	307,833	-
Revenue bonds	-	55,385,000
Revolving loans	-	96,248,300
Drain notes	-	12,439,153
Unspent bond proceeds	-	(15,372,159)
Lease liabilities	530,168	-
Subscription liabilities	553,216	-
Construction related payables	1,618,199	3,676,912
Deferred amounts:		
For issuance premiums	3,827,537	665,595
For issuance discounts	(83,429)	-
Charge on refunding	(1,968,352)	(1,413,409)
	<u>92,700,172</u>	<u>152,524,392</u>
<b>Net investment in capital assets</b>	<u>\$ 895,627,939</u>	<u>\$ 364,917,213</u>

### 21. OPIOID SETTLEMENT

The City is part of a \$21 billion nationwide settlement reached in July 2021 to resolve all Opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors: McKesson, Cardinal Health, and AmerisourceBergen (Distributors), and a \$5 billion nationwide settlement with manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (Janssen). The term of the settlement varies by entity; however, the City expects to receive eighteen (18) installments from the Distributors with the first two installments being paid early in 2023 and the remaining 16 installments expected to be made annually beginning in 2024. Additionally, the City expects to receive eleven (11) installments from Janssen with the first five installments being paid early in 2023 and the remaining installments expected to be made annually beginning in 2026. The City is currently allocated approximately 0.277% of the total State of Michigan local unit settlement and the total amount of the settlement is expected to be \$736,770 and \$173,661 from the Distributors and Janssen, respectively.

# CITY OF ANN ARBOR, MICHIGAN

## Notes to Financial Statements

In 2022, additional settlements with pharmacies and manufacturers were announced, including CVS, Walgreens, Walmart, Allergan, and Teva, and the associated state-subdivision agreement was finalized in 2023. In 2023, additional settlements with Mallinckrodt and Meijer were announced. The term of the settlement varies by pharmacy and manufacturer; however, the City expects to receive installment payments beginning in 2024. The total amount of these settlements is expected to be \$798,030. Additional settlements with other pharmacies and manufacturers may be forthcoming as well. However, as of June 30, 2024, the amounts to be allocated to and collected by the City were not able to be determined, and as such, no amounts have been reported related to these settlements in the financial statements.

The receivable for the various settlement agreements was recorded at the net present value, using a discount rate for payments to be received subsequent to 2024 of 3%. The net present value of the combined settlement payments to be received as of June 30, 2024 is \$1,103,909.

## 22. ADJUSTMENTS TO BEGINNING FUND BALANCE

For the year ended June 30, 2024, the City had the following adjustments to beginning fund balance:

	Major Grants	Nonmajor Governmental Funds
Fund balances, beginning of year, as previously reported	\$ 651,997	\$ 86,517,865
Change within the financial reporting entity - Change from major to nonmajor fund	<u>(651,997)</u>	<u>651,997</u>
Fund balance, beginning of year, as adjusted	<u>\$ -</u>	<u>\$ 87,169,862</u>

The City previously reported the major grants special revenue fund as a major fund. This fund no longer meets the quantitative threshold for major funds in accordance with GAAP for the year ended June 30, 2024.



**This page intentionally left blank.**

## **REQUIRED SUPPLEMENTARY INFORMATION**

## CITY OF ANN ARBOR, MICHIGAN

### Required Supplementary Information

#### Employees' Retirement System

#### Schedule of Changes in the City's Net Pension Liability (Asset) and Related Ratios

	Fiscal Year Ended June 30,			
	2024	2023	2022	2021
<b>Total pension liability</b>				
Service cost	\$ 10,629,199	\$ 10,180,055	\$ 9,923,074	\$ 10,172,596
Interest	43,594,132	42,110,130	42,015,152	41,832,292
Changes in benefit terms	-	(436,454)	-	-
Differences between expected and actual experience	2,435,904	10,268,668	(5,613,016)	(5,188,914)
Changes in assumptions	-	13,970,559	7,273,056	6,182,687
Benefit payments, including refunds of member contributions	(45,649,444)	(44,201,468)	(42,549,302)	(40,576,348)
Other changes	-	-	-	-
<b>Net change in total pension liability</b>	<u>11,009,791</u>	<u>31,891,490</u>	<u>11,048,964</u>	<u>12,422,313</u>
Total pension liability, beginning of year	<u>668,168,811</u>	<u>636,277,321</u>	<u>625,228,357</u>	<u>612,806,044</u>
<b>Total pension liability, end of year</b>	<u>679,178,602</u>	<u>668,168,811</u>	<u>636,277,321</u>	<u>625,228,357</u>
<b>Plan fiduciary net position</b>				
Employer contributions	15,938,306	14,638,512	16,255,245	15,284,295
Employee contributions	3,417,591	3,295,342	3,222,809	3,194,016
Net investment income (loss)	60,864,510	61,021,956	(31,380,434)	136,319,258
Benefit payments, including refunds of employee contributions	(45,649,444)	(44,201,468)	(42,549,302)	(40,576,348)
Administrative expense	(716,731)	(783,097)	(702,218)	(604,004)
Other	458,670	464,347	78,468	(43,329)
<b>Net change in plan fiduciary net position</b>	<u>34,312,902</u>	<u>34,435,592</u>	<u>(55,075,432)</u>	<u>113,573,888</u>
<b>Plan fiduciary net position, beginning, before restatement</b>	<u>605,610,308</u>	<u>571,174,716</u>	<u>626,250,148</u>	<u>512,676,260</u>
Restatement for pension liability	-	-	-	-
Restatement for net OPEB liability	-	-	-	-
<b>Plan fiduciary net position, end of year</b>	<u>639,923,210</u>	<u>605,610,308</u>	<u>571,174,716</u>	<u>626,250,148</u>
<b>City's net pension liability (asset)</b>	<u>\$ 39,255,392</u>	<u>\$ 62,558,503</u>	<u>\$ 65,102,605</u>	<u>\$ (1,021,791)</u>
Plan fiduciary net position as a percentage of total pension liability	94.22%	90.64%	89.77%	100.16%
Covered payroll	\$ 65,870,440	\$ 63,136,097	\$ 62,187,947	\$ 60,232,543
County's net pension liability (asset) as a percentage of covered payroll	59.59%	99.09%	104.69%	-1.70%

The 2020 assumption changes resulted from changes in the inflation rate and wage rate assumptions and updating the mortality tables used from RP-2000 to RP-2014.

The 2021 assumption changes resulted from a decrease in the discount rate used to measure the total pension liability from 7.0% to 6.9%.

The 2022 assumption changes resulted from a decrease in the discount rate used to measure the total pension liability from 6.9% to 6.8%.

The 2023 assumption changes were primarily related to revised assumptions adopted by the Board pursuant to the five-year experience study covering the period July 1, 2017 to June 30, 2022 and a decrease in the discount rate from 6.8% to 6.7%.

Fiscal Year Ended June 30,					
2020	2019	2018	2017	2016	2015
\$ 9,922,176	\$ 9,783,377	\$ 9,403,000	\$ 8,869,000	\$ 8,729,000	\$ 9,760,000
40,637,790	40,055,937	38,552,000	37,755,000	36,925,458	35,978,096
-	-	-	-	-	-
5,221,388	(2,982,853)	15,517,000	3,488,000	(3,826,000)	279,000
1,248,573	-	-	-	-	-
(39,605,298)	(37,622,046)	(36,715,000)	(35,436,000)	(33,960,032)	(32,667,512)
-	-	4,342	30,337	-	-
17,424,629	9,234,415	26,761,342	14,706,337	7,868,426	13,349,584
595,381,415	586,147,000	559,385,658	544,679,321	536,810,895	523,461,311
612,806,044	595,381,415	586,147,000	559,385,658	544,679,321	536,810,895
14,124,165	13,621,926	13,446,000	13,253,000	13,352,412	13,091,474
3,164,729	3,264,590	3,185,000	3,325,000	3,139,266	3,013,353
23,143,999	30,599,351	33,235,000	54,243,000	2,434,339	20,144,251
(39,605,298)	(37,622,046)	(36,715,000)	(35,436,000)	(33,960,032)	(32,667,512)
(1,049,565)	(671,194)	(694,000)	(762,000)	(719,561)	(683,980)
-	(29,397)	299,982	30,337	-	-
(221,970)	9,163,230	12,756,982	34,653,337	(15,753,576)	2,897,586
512,898,230	503,735,000	491,273,658	456,620,321	472,373,897	469,685,311
-	-	-	-	-	(209,000)
-	-	(295,640)	-	-	-
512,676,260	512,898,230	503,735,000	491,273,658	456,620,321	472,373,897
\$ 100,129,784	\$ 82,483,185	\$ 82,412,000	\$ 68,112,000	\$ 88,059,000	\$ 64,436,998
83.66%	86.15%	85.94%	87.82%	83.83%	88.00%
\$ 57,970,915	\$ 57,077,636	\$ 55,459,000	\$ 53,583,000	\$ 50,057,000	\$ 49,638,000
172.72%	144.51%	148.60%	127.11%	175.92%	129.81%

# CITY OF ANN ARBOR, MICHIGAN

## Required Supplementary Information

Employees' Retirement System  
Schedule of Contributions

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2015	\$ 12,327,000	\$ 13,091,474	\$ (764,474)	\$ 49,638,000	26.4%
2016	12,233,000	13,352,412	(1,119,412)	50,057,000	26.7%
2017	11,348,853	13,253,000	(1,904,147)	53,583,000	24.7%
2018	11,757,000	13,446,000	(1,689,000)	55,459,000	24.2%
2019	13,464,778	13,621,926	(157,148)	57,077,636	23.9%
2020	14,092,966	14,124,165	(31,199)	57,970,915	24.4%
2021	15,251,454	15,284,295	(32,841)	60,232,543	25.4%
2022	16,125,556	16,255,245	(129,689)	62,187,947	26.1%
2023	14,301,037	14,638,512	(337,475)	63,136,097	23.2%
2024	15,428,435	15,938,306	(509,871)	65,870,440	24.2%

### Notes to Schedule of Contributions

Valuation date Actuarially determined contribution rates are calculated as of June 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.

#### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	19 years closed until 15 years at which a 15-year open period is used
Asset valuation method	5-year smoothed fair value
Inflation	2.5%
Salary increases	General: 4.0% - 7.5% Police: 5.3% - 11.0% Fire: 5.4% - 10.8%
Investment rate of return	6.7% net of pension plan investment expense, including inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality rates	RP-2014 Health Employees and Annuitants, adjusted back to 2006, Generational Under Projection Scale MP-2017



## CITY OF ANN ARBOR, MICHIGAN

### Required Supplementary Information

Employees' Retirement System  
Schedule of Investment Returns

Fiscal Year Ending June 30,	Annual Return <sup>(1)</sup>
2015	4.35%
2016	0.50%
2017	11.93%
2018	7.02%
2019	6.07%
2020	4.45%
2021	26.74%
2022	-5.19%
2023	10.80%
2024	10.16%

<sup>(1)</sup> Annual money-weighted rate of return, net of investment expenses

## CITY OF ANN ARBOR, MICHIGAN

### Required Supplementary Information

#### Retiree Healthcare Benefits Plan

#### Schedule of Changes in City's Net OPEB Liability and Related Ratios

	Fiscal Year Ended June 30,			
	2024	2023	2022	2021
<b>Total OPEB liability</b>				
Service cost	\$ 2,121,325	\$ 2,309,072	\$ 2,721,983	\$ 3,070,762
Interest on total OPEB liability	19,097,874	19,800,931	21,291,056	19,890,079
Changes in benefit terms	-	-	-	29,557
Difference between expected and actual experience	(5,687,970)	(26,065,585)	(28,294,707)	1,826,175
Changes in assumptions	15,223,900	12,844,344	779,616	13,556,526
Benefit payments	(15,586,298)	(14,298,012)	(13,036,696)	(14,516,628)
Other changes	-	-	-	-
<b>Net change in total OPEB liability</b>	<u>15,168,831</u>	<u>(5,409,250)</u>	<u>(16,538,748)</u>	<u>23,856,471</u>
Total OPEB liability, beginning of year	<u>291,775,386</u>	<u>297,184,636</u>	<u>313,723,384</u>	<u>289,866,913</u>
<b>Total OPEB liability, end of year</b>	<u>306,944,217</u>	<u>291,775,386</u>	<u>297,184,636</u>	<u>313,723,384</u>
<b>Plan fiduciary net position</b>				
Employer contributions	16,315,925	15,340,861	13,797,260	15,625,495
Net investment income (loss)	27,538,250	22,698,183	(18,590,756)	49,728,641
Benefit payments, including refunds of employee contributions	(15,586,298)	(14,298,012)	(13,036,696)	(14,516,628)
Administrative expense	(388,433)	(266,413)	(156,737)	(142,053)
Other	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>27,879,444</u>	<u>23,474,619</u>	<u>(17,986,929)</u>	<u>50,695,455</u>
Plan fiduciary net position, beginning of year	<u>249,832,624</u>	<u>226,358,005</u>	<u>244,344,934</u>	<u>193,649,479</u>
<b>Plan fiduciary net position, end of year</b>	<u>277,712,068</u>	<u>249,832,624</u>	<u>226,358,005</u>	<u>244,344,934</u>
<b>City's net OPEB liability</b>	<u>\$ 29,232,149</u>	<u>\$ 41,942,762</u>	<u>\$ 70,826,631</u>	<u>\$ 69,378,450</u>
Plan fiduciary net position as a percentage of total OPEB liability	90.48%	85.62%	76.17%	77.89%
Covered payroll	\$ 65,870,440	\$ 63,136,097	\$ 62,187,947	\$ 60,232,543
Net OPEB liability as a percentage of covered payroll	44.38%	66.43%	113.89%	115.18%

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

The 2019 assumption changes resulted from changes in the healthcare cost trend rates.

The 2020 assumption changes resulted from changes in the healthcare cost trend rates.

The 2021 assumption changes resulted from a decrease in the discount rate from 7.0% to 6.9% and updating the mortality tables used from RP-2000 to RP-2014.

The 2022 assumption changes resulted from changes in the healthcare cost trend rate and a decrease in the discount rate from 6.9% to 6.8%.

The 2023 assumption changes were primarily related to revised assumptions adopted by the Board pursuant to the five-year experience study covering the period July 1, 2017 to June 30, 2022 and a decrease in the discount rate from 6.8% to 6.7%.

The 2024 assumption changes were primarily related to changes in the healthcare cost trend rate.

Fiscal Year Ended June 30,			
2020	2019	2018	2017
\$ 2,169,920	\$ 2,623,066	\$ 3,331,000	\$ 3,071,000
20,212,994	17,926,505	17,099,000	17,058,000
-	-	-	-
8,453,222	23,161,053	-	-
(22,907,010)	1,500,000	-	-
(11,468,614)	(13,171,224)	(14,273,000)	(13,207,000)
(353)	-	1,181,354	-
(3,539,841)	32,039,400	7,338,354	6,922,000
293,406,754	261,367,354	254,029,000	247,107,000
289,866,913	293,406,754	261,367,354	254,029,000
12,241,536	15,987,768	17,724,000	16,667,000
6,722,726	11,824,566	11,114,000	17,225,000
(11,468,614)	(13,171,224)	(14,273,000)	(13,207,000)
(177,731)	(116,902)	(97,000)	(130,000)
-	-	354	-
7,317,917	14,524,208	14,468,354	20,555,000
186,331,562	171,807,354	157,339,000	136,784,000
193,649,479	186,331,562	171,807,354	157,339,000
<u>\$ 96,217,434</u>	<u>\$ 107,075,192</u>	<u>\$ 89,560,000</u>	<u>\$ 96,690,000</u>
66.81%	95.24%	65.73%	61.94%
\$ 57,970,915	\$ 57,077,636	\$ 55,459,000	\$ 53,583,000
165.98%	48.58%	161.49%	180.45%

# CITY OF ANN ARBOR, MICHIGAN

## Required Supplementary Information

Retiree Healthcare Benefits Plan  
Schedule of Contributions

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as Percentage of Covered Payroll
2017	\$ 11,168,000	\$ 16,667,000	\$ (5,499,000)	\$ 53,583,000	31.1%
2018	9,683,000	17,724,000	(8,041,000)	55,459,000	32.0%
2019	9,234,000	15,987,768	(6,753,768)	57,077,636	28.0%
2020	12,129,387	12,241,536	(112,149)	57,970,915	21.1%
2021	11,663,630	15,625,495	(3,961,865)	60,232,543	25.9%
2022	13,001,479	13,797,260	(795,781)	62,187,947	22.2%
2023	9,403,669	15,340,861	(5,937,192)	63,136,097	24.3%
2024	7,085,771	16,315,925	(9,230,154)	65,870,440	24.8%

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

### Notes to Schedule of Contributions

Valuation date Actuarially determined contribution rates are calculated as of June 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.

#### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	18 years
Asset valuation method	5-year smoothed fair value
Wage inflation	3.5%
Salary increases	3.5% average including inflation
Investment rate of return	6.7% net of OPEB plan investment expense, including inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality rates	Post-Retirement: RP-2014 Healthy Annuitant Tables, projected with scale MP-2017 from a base year of 2006 Pre-Retirement: RP-2014 Healthy Annuitant Tables, projected with scale MP-2017 from a base year of 2006
Healthcare cost trend rates	Non-Medicare: Initial trend of 7.5% gradually decreasing to an ultimate trend rate of 3.5% in year 12 Medicare: Initial trend of 6.25% gradually decreasing to an ultimate trend rate of 3.5% in year 12

**CITY OF ANN ARBOR, MICHIGAN**

**Required Supplementary Information**

Retiree Healthcare Benefits Plan  
Schedule of Investment Returns

<b>Fiscal Year Ending June 30,</b>	<b>Annual Return <sup>(1)</sup></b>
2017	11.78%
2018	7.21%
2019	6.83%
2020	3.52%
2021	25.68%
2022	-7.69%
2023	9.94%
2024	10.90%

<sup>(1)</sup> Annual money-weighted rate of return, net of investment expenses

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

**This page intentionally left blank.**

**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**

# CITY OF ANN ARBOR, MICHIGAN

## Nonmajor Governmental Funds

### Special Revenue Funds

*Energy Projects* - to account for funding of City Energy Consumption Improvement projects.

*Community Television Network* - to account for the costs of running the City's community access channels on the local cable television system. Revenues are derived primarily from franchise fees.

*Homeland Security* - to account for federal Office of Homeland Security grant money.

*Major Streets* - to account for repairs, maintenance and construction on the City's major streets. The revenues consist primarily of State-shared gasoline and weight tax collections.

*Local Streets* - to account for repairs, maintenance, and construction on the City's local streets. The revenues consist primarily of State-shared gasoline and weight tax collections.

*Court Facilities* - to account for a court fee to pay for facility improvements for the district court.

*Open Space and Parkland Preservation* - to account for funds derived from property tax millage and bond proceeds earmarked for parks acquisition and development rights for open space.

*Bandemer* - to account for rental income used to maintain and operate Bandemer Park.

*Construction Code* - to account for the costs of planning and development activities related to construction. Revenues are derived primarily from licenses and permits.

*Drug Enforcement* - to account for confiscated property and money related to drug law enforcement activity and provide funds for future enforcement activity.

*Federal Equitable Sharing Forfeiture* - to account for monies received as a result of joint operations with federal law enforcement. These monies are restricted for use in future law enforcement activities.

*Parks Memorial and Contributions* - to account for the proceeds of various contributions to the Parks System to erect memorials or finance special parks improvement projects.

*Metro Expansion* - to account for the monies passed through from telecom companies for the purpose of maintaining the roadway (above, below, and adjacent to) right of ways.

*Special Assistance* - to account for funds provided by a utility bill checkoff to provide assistance to needy citizens.

*Open Space Endowment* - to account for funds allotted for the perpetual care of lands purchased with the City's Open Space and Parkland Preservation millage.

continued...



# CITY OF ANN ARBOR, MICHIGAN

## **Nonmajor Governmental Funds**

### **Special Revenue Funds (Concluded)**

*Cemetery Perpetual Care* - to account for the receipt and expenditures of fees paid for the perpetual care of gravesites at the City-owned Fairview Cemetery.

*Alternative Transportation* - to account for funding set aside for the City's alternative transportation program.

*Michigan Justice Training* - to account for State funds used for law enforcement training.

*Parks Maintenance and Capital Improvements Millage* - to account for funds derived from property tax millage earmarked for parks maintenance and capital improvements of the parks system.

*County Mental Health Millage* - to account for the proceeds of a Washtenaw County special millage. The City is using the funds to provide pedestrian safety, affordable housing improvements, and climate action initiatives.

*Sidewalk Construction Millage* - to account for the proceeds of a special revenue millage to repair streets and sidewalks.

*Affordable Housing Millage* - to account for proceeds of a special revenue millage to provide for the construction, acquisition, and maintenance of affordable housing units within the City.

*Climate Action Millage* - to account for the proceeds of a special millage to provide community climate action within the City.

*Major Grants* - to account for various grant monies.

### **Debt Service Fund**

*General Debt Service* - to accumulate tax revenues and transfers in for payment of principal and interest on non-bonded debt and general obligation bonds sold for various capital purposes.

### **Capital Projects Fund**

*General Capital Improvements* - to account for capital project expenditures for various non-bonded improvements to certain City-owned facilities.

### **Permanent Fund**

*Elizabeth R. Dean Trust* - to account for monies provided by a private bequest to finance tree planting and maintenance. The principal amount of the bequest is to remain intact and invested. Investment earnings are used for the above stated purposes.

**CITY OF ANN ARBOR, MICHIGAN**

**Combining Balance Sheet**

Nonmajor Governmental Funds

June 30, 2024

	Special Revenue				
	Energy Projects	Community Television Network	Homeland Security	Major Streets	Local Streets
<b>Assets</b>					
Equity in pooled cash and investments	\$ 203,070	\$ 3,626,455	\$ 387	\$ 21,635,156	\$ 4,138,949
Investments	-	-	-	3,878,233	97,161
Receivables:					
Taxes	-	-	-	-	-
Accounts, net	-	412,084	-	265,253	-
Leases	-	-	-	-	-
Accrued interest and dividends	-	-	-	-	-
Due from other governments	-	3,000	-	2,092,856	572,639
Prepaid items	-	15,228	-	5,617	-
Restricted assets	-	-	-	-	-
<b>Total assets</b>	<u>\$ 203,070</u>	<u>\$ 4,056,767</u>	<u>\$ 387</u>	<u>\$ 27,877,115</u>	<u>\$ 4,808,749</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 1,945	\$ -	\$ 1,904,401	\$ 53,479
Accrued liabilities	-	28,997	-	121,386	21,187
Due to other governments	-	-	-	75,526	-
Unearned revenue	-	-	-	-	-
Deposits payable	-	-	-	539,540	-
<b>Total liabilities</b>	<u>-</u>	<u>30,942</u>	<u>-</u>	<u>2,640,853</u>	<u>74,666</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue	-	-	-	-	-
Deferred lease amounts	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>					
Nonspendable	-	15,228	-	5,617	-
Restricted for:					
Debt service	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Road maintenance and repairs	-	-	-	25,230,645	4,734,083
Law enforcement	-	-	387	-	-
Other purposes	-	4,010,597	-	-	-
Committed for:					
Culture and recreation	-	-	-	-	-
Other purposes	203,070	-	-	-	-
Assigned for capital projects	-	-	-	-	-
<b>Total fund balances</b>	<u>203,070</u>	<u>4,025,825</u>	<u>387</u>	<u>25,236,262</u>	<u>4,734,083</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 203,070</u>	<u>\$ 4,056,767</u>	<u>\$ 387</u>	<u>\$ 27,877,115</u>	<u>\$ 4,808,749</u>

Special Revenue						
Court Facilities	Open Space & Parkland Preservation	Bandemer	Construction Code	Drug Enforcement	Federal Equitable Sharing Forfeiture	Parks Memorial & Contribution
\$ 11,601	\$ 10,994,474	\$ 121,140	\$ 11,499,489	\$ 44,156	\$ 296,291	\$ 2,279,469
-	-	-	-	-	-	-
-	3,791	-	-	-	-	-
-	-	638	-	-	-	-
-	-	40,213	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 11,601</u>	<u>\$ 10,998,265</u>	<u>\$ 161,991</u>	<u>\$ 11,499,489</u>	<u>\$ 44,156</u>	<u>\$ 296,291</u>	<u>\$ 2,279,469</u>
\$ -	\$ 10,580	\$ -	\$ 60,140	\$ -	\$ -	\$ 1,106
-	8,775	-	116,692	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	19,355	-	176,832	-	-	1,106
-	-	-	-	-	-	-
-	-	40,213	-	-	-	-
-	-	40,213	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	10,978,910	-	-	-	-	2,278,363
-	-	-	-	-	-	-
11,601	-	-	-	44,156	296,291	-
-	-	-	11,322,657	-	-	-
-	-	121,778	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>11,601</u>	<u>10,978,910</u>	<u>121,778</u>	<u>11,322,657</u>	<u>44,156</u>	<u>296,291</u>	<u>2,278,363</u>
<u>\$ 11,601</u>	<u>\$ 10,998,265</u>	<u>\$ 161,991</u>	<u>\$ 11,499,489</u>	<u>\$ 44,156</u>	<u>\$ 296,291</u>	<u>\$ 2,279,469</u>

continued...

**CITY OF ANN ARBOR, MICHIGAN**

**Combining Balance Sheet**

Nonmajor Governmental Funds

June 30, 2024

	Special Revenue				
	Metro Expansion	Special Assistance	Open Space Endowment	Cemetery Perpetual Care	Alternative Transportation
<b>Assets</b>					
Equity in pooled cash and investments	\$ 3,792,203	\$ 210,476	\$ 1,065,289	\$ 148,612	\$ 633,152
Investments	-	-	-	-	-
Receivables:					
Taxes	-	-	-	-	-
Accounts, net	-	276	-	-	-
Leases	-	-	-	-	-
Accrued interest and dividends	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid items	-	-	-	-	-
Restricted assets	-	-	-	-	-
<b>Total assets</b>	<u>\$ 3,792,203</u>	<u>\$ 210,752</u>	<u>\$ 1,065,289</u>	<u>\$ 148,612</u>	<u>\$ 633,152</u>
<b>Liabilities</b>					
Accounts payable	\$ 46,600	\$ 110,253	\$ 37,050	\$ -	\$ 36,456
Accrued liabilities	2,951	-	-	-	12,606
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits payable	-	-	-	-	-
<b>Total liabilities</b>	<u>49,551</u>	<u>110,253</u>	<u>37,050</u>	<u>-</u>	<u>49,062</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue	-	-	-	-	-
Deferred lease amounts	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Debt service	-	-	-	-	-
Culture and recreation	-	-	1,028,239	-	-
Road maintenance and repairs	3,742,652	-	-	-	-
Law enforcement	-	-	-	-	-
Other purposes	-	-	-	-	-
Committed for:					
Culture and recreation	-	-	-	-	-
Other purposes	-	100,499	-	148,612	584,090
Assigned for capital projects	-	-	-	-	-
<b>Total fund balances</b>	<u>3,742,652</u>	<u>100,499</u>	<u>1,028,239</u>	<u>148,612</u>	<u>584,090</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 3,792,203</u>	<u>\$ 210,752</u>	<u>\$ 1,065,289</u>	<u>\$ 148,612</u>	<u>\$ 633,152</u>

Special Revenue						
Michigan Justice Training	Parks Maint & Capital Imp Millage	County Mental Health Millage	Sidewalk Construction Millage	Affordable Housing Millage	Climate Action Millage	Major Grants
\$ 90,382	\$ 6,734,225	\$ 2,525,027	\$ 2,408,721	\$ 256,016	\$ 3,482,874	\$ 1,655,675
-	-	-	-	-	-	-
-	9,064	-	1,638	8,190	7,808	-
-	-	-	-	-	-	3,320
-	-	-	-	-	-	-
-	-	-	-	-	-	881,840
-	-	-	-	-	166,500	-
-	-	-	-	-	-	9,676,337
<u>\$ 90,382</u>	<u>\$ 6,743,289</u>	<u>\$ 2,525,027</u>	<u>\$ 2,410,359</u>	<u>\$ 264,206</u>	<u>\$ 3,657,182</u>	<u>\$ 12,217,172</u>
\$ -	\$ 1,648,723	\$ 484,219	\$ 112,177	\$ 22,284	\$ 107,444	\$ 1,338,898
-	106,383	14,975	5,423	20,364	33,110	16,564
-	-	-	-	-	-	-
-	-	-	-	-	-	8,957,511
-	-	-	-	-	-	-
-	1,755,106	499,194	117,600	42,648	140,554	10,312,973
-	-	-	-	-	-	718,827
-	-	-	-	-	-	-
-	-	-	-	-	-	718,827
-	-	-	-	-	166,500	-
-	-	-	-	-	-	-
-	4,988,183	-	-	-	-	-
-	-	-	-	-	-	-
90,382	-	-	-	-	-	-
-	-	2,025,833	2,292,759	221,558	3,350,128	1,185,372
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>90,382</u>	<u>4,988,183</u>	<u>2,025,833</u>	<u>2,292,759</u>	<u>221,558</u>	<u>3,516,628</u>	<u>1,185,372</u>
<u>\$ 90,382</u>	<u>\$ 6,743,289</u>	<u>\$ 2,525,027</u>	<u>\$ 2,410,359</u>	<u>\$ 264,206</u>	<u>\$ 3,657,182</u>	<u>\$ 12,217,172</u>

continued...

**CITY OF ANN ARBOR, MICHIGAN**

**Combining Balance Sheet**  
 Nonmajor Governmental Funds  
 June 30, 2024

	Debt Service	Capital Projects	Permanent	
	General Debt Service	General Capital Improvements	Elizabeth R. Dean Trust	Total
<b>Assets</b>				
Equity in pooled cash and investments	\$ 157,789	\$ 5,408,883	\$ 218,341	\$ 83,638,302
Investments	-	-	1,945,237	5,920,631
Receivables:				
Taxes	-	-	-	30,491
Accounts, net	6,000	-	-	687,571
Leases	-	-	-	40,213
Accrued interest and dividends	-	-	15,843	15,843
Due from other governments	-	70,943	-	3,621,278
Prepaid items	-	-	-	187,345
Restricted assets	-	-	-	9,676,337
<b>Total assets</b>	<u>\$ 163,789</u>	<u>\$ 5,479,826</u>	<u>\$ 2,179,421</u>	<u>\$ 103,818,011</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 112,371	\$ 32,058	\$ 6,120,184
Accrued liabilities	-	184	-	509,597
Due to other governments	-	-	-	75,526
Unearned revenue	-	-	-	8,957,511
Deposits payable	-	-	-	539,540
<b>Total liabilities</b>	<u>-</u>	<u>112,555</u>	<u>32,058</u>	<u>16,202,358</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue	-	-	-	718,827
Deferred lease amounts	-	-	-	40,213
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>759,040</u>
<b>Fund balances</b>				
Nonspendable	-	-	1,984,000	2,171,345
Restricted for:				
Debt service	163,789	-	-	163,789
Culture and recreation	-	-	163,363	19,437,058
Road maintenance and repairs	-	-	-	33,707,380
Law enforcement	-	-	-	442,817
Other purposes	-	-	-	24,408,904
Committed for:				
Culture and recreation	-	-	-	121,778
Other purposes	-	-	-	1,036,271
Assigned for capital projects	-	5,367,271	-	5,367,271
<b>Total fund balances</b>	<u>163,789</u>	<u>5,367,271</u>	<u>2,147,363</u>	<u>86,856,613</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 163,789</u>	<u>\$ 5,479,826</u>	<u>\$ 2,179,421</u>	<u>\$ 103,818,011</u>

concluded.

**This page intentionally left blank.**

**CITY OF ANN ARBOR, MICHIGAN**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Governmental Funds  
For the Year Ended June 30, 2024

	Special Revenue				
	Energy Projects	Community Television Network	Homeland Security	Major Streets	Local Streets
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and registrations	-	1,469,811	-	21,040	-
Intergovernmental	-	-	38,743	13,065,975	3,571,590
Charges for services	31,659	156	-	1,175,944	231,088
Fines and forfeits	-	-	-	-	-
Investment earnings	11,315	183,806	83	1,343,209	301,624
Contributions and donations	-	-	-	150,365	-
Other	-	4,769	-	17,236	372
<b>Total revenues</b>	<u>42,974</u>	<u>1,658,542</u>	<u>38,826</u>	<u>15,773,769</u>	<u>4,104,674</u>
<b>Expenditures</b>					
Current:					
General government	12,612	1,428,190	-	-	-
Public safety	-	-	38,743	-	-
Public works	-	-	-	8,190,477	1,778,342
Community/economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	5,539,592	2,445
Debt service:					
Principal retirement	-	109,585	-	-	-
Interest and fiscal charges	-	20,651	-	-	-
<b>Total expenditures</b>	<u>12,612</u>	<u>1,558,426</u>	<u>38,743</u>	<u>13,730,069</u>	<u>1,780,787</u>
Revenues over (under) expenditures	<u>30,362</u>	<u>100,116</u>	<u>83</u>	<u>2,043,700</u>	<u>2,323,887</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	1,297,600	6,768
Transfers out	(55,172)	(277,001)	-	(5,587,112)	(3,352,281)
<b>Total other financing sources (uses)</b>	<u>(55,172)</u>	<u>(277,001)</u>	<u>-</u>	<u>(4,289,512)</u>	<u>(3,345,513)</u>
<b>Net change in fund balances</b>	<u>(24,810)</u>	<u>(176,885)</u>	<u>83</u>	<u>(2,245,812)</u>	<u>(1,021,626)</u>
Fund balances, beginning of year, as previously reported	227,880	4,202,710	304	27,482,074	5,755,709
Changes within the reporting entity	-	-	-	-	-
Fund balances, beginning of year, as adjusted	<u>227,880</u>	<u>4,202,710</u>	<u>304</u>	<u>27,482,074</u>	<u>5,755,709</u>
<b>Fund balances, end of year</b>	<u>\$ 203,070</u>	<u>\$ 4,025,825</u>	<u>\$ 387</u>	<u>\$ 25,236,262</u>	<u>\$ 4,734,083</u>



Special Revenue						
Court Facilities	Open Space & Parkland Preservation	Bandemer	Construction Code	Drug Enforcement	Federal Equitable Sharing Forfeiture	Parks Memorial & Contributions
\$ -	\$ 3,206,875	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	7,171,492	-	-	-
-	-	-	-	-	-	-
-	16	1,260	4,518	-	-	24,363
32,825	-	-	-	16,532	15,482	-
537	509,034	5,596	497,579	1,675	13,147	104,985
-	-	-	-	-	-	118,120
-	330,623	7,650	1,921	-	-	263
<u>33,362</u>	<u>4,046,548</u>	<u>14,506</u>	<u>7,675,510</u>	<u>18,207</u>	<u>28,629</u>	<u>247,731</u>
-	-	-	-	-	-	-
-	-	-	5,457,662	-	-	-
-	-	-	-	-	-	-
-	762,433	2,725	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	762,433	2,725	5,457,662	-	-	-
<u>33,362</u>	<u>3,284,115</u>	<u>11,781</u>	<u>2,217,848</u>	<u>18,207</u>	<u>28,629</u>	<u>247,731</u>
192,000	-	-	-	-	-	-
(225,000)	(1,163,688)	-	-	-	-	(15,000)
<u>(33,000)</u>	<u>(1,163,688)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>
<u>362</u>	<u>2,120,427</u>	<u>11,781</u>	<u>2,217,848</u>	<u>18,207</u>	<u>28,629</u>	<u>232,731</u>
11,239	8,858,483	109,997	9,104,809	25,949	267,662	2,045,632
-	-	-	-	-	-	-
<u>11,239</u>	<u>8,858,483</u>	<u>109,997</u>	<u>9,104,809</u>	<u>25,949</u>	<u>267,662</u>	<u>2,045,632</u>
<u>\$ 11,601</u>	<u>\$ 10,978,910</u>	<u>\$ 121,778</u>	<u>\$ 11,322,657</u>	<u>\$ 44,156</u>	<u>\$ 296,291</u>	<u>\$ 2,278,363</u>

continued...

**CITY OF ANN ARBOR, MICHIGAN**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Governmental Funds  
For the Year Ended June 30, 2024

	Special Revenue				
	Metro Expansion	Special Assistance	Open Space Endowment	Cemetery Perpetual Care	Alternative Transportation
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and registrations	-	-	-	-	-
Intergovernmental	505,496	-	-	-	30,000
Charges for services	11	-	-	9,125	15
Fines and forfeits	-	-	-	-	-
Investment earnings	172,262	7,817	51,728	6,858	26,961
Contributions and donations	-	11,868	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<u>677,769</u>	<u>19,685</u>	<u>51,728</u>	<u>15,983</u>	<u>56,976</u>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	342,161	-	-	-	593,156
Community/economic development	-	120,000	-	-	-
Culture and recreation	-	-	63,046	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<u>342,161</u>	<u>120,000</u>	<u>63,046</u>	<u>-</u>	<u>593,156</u>
Revenues over (under) expenditures	<u>335,608</u>	<u>(100,315)</u>	<u>(11,318)</u>	<u>15,983</u>	<u>(536,180)</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	100,000	-	-	789,072
Transfers out	(59,191)	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(59,191)</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>789,072</u>
<b>Net change in fund balances</b>	<u>276,417</u>	<u>(315)</u>	<u>(11,318)</u>	<u>15,983</u>	<u>252,892</u>
Fund balances, beginning of year, as previously reported	3,466,235	100,814	1,039,557	132,629	331,198
Changes within the reporting entity	-	-	-	-	-
Fund balances, beginning of year, as adjusted	<u>3,466,235</u>	<u>100,814</u>	<u>1,039,557</u>	<u>132,629</u>	<u>331,198</u>
<b>Fund balances, end of year</b>	<u>\$ 3,742,652</u>	<u>\$ 100,499</u>	<u>\$ 1,028,239</u>	<u>\$ 148,612</u>	<u>\$ 584,090</u>

Special Revenue						
Michigan Justice Training	Parks Maint & Capital Imp Millage	County Mental Health Millage	Sidewalk Construction Millage	Affordable Housing Millage	Climate Action Millage	Major Grants
\$ -	\$ 7,667,437	\$ 3,018,428	\$ 1,419,086	\$ 7,096,433	\$ 7,114,355	\$ -
-	-	-	-	-	-	-
90,362	-	-	1,283,641	-	-	10,287,506
-	2,510	8	-	-	11,603	-
-	-	-	-	-	-	-
1,084	443,671	83,667	82,346	216,524	169,311	543,584
-	61,194	-	-	-	-	9,475
-	8,344	-	56,466	2,687	1,351	43,326
<u>91,446</u>	<u>8,183,156</u>	<u>3,102,103</u>	<u>2,841,539</u>	<u>7,315,644</u>	<u>7,296,620</u>	<u>10,883,891</u>
-	-	901,768	-	-	2,201,405	2,173,283
15,635	-	-	-	-	-	5,080
-	-	404,605	388,765	-	-	1,493,785
-	-	1,272,780	-	15,392,496	-	2,106,480
-	7,005,098	-	-	-	-	44,486
-	3,081,868	248,630	36,715	-	758,631	4,729,720
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>15,635</u>	<u>10,086,966</u>	<u>2,827,783</u>	<u>425,480</u>	<u>15,392,496</u>	<u>2,960,036</u>	<u>10,552,834</u>
<u>75,811</u>	<u>(1,903,810)</u>	<u>274,320</u>	<u>2,416,059</u>	<u>(8,076,852)</u>	<u>4,336,584</u>	<u>331,057</u>
-	-	-	51,187	-	-	237,503
-	(242,792)	(105,000)	(672,857)	-	(819,956)	(35,185)
-	(242,792)	(105,000)	(621,670)	-	(819,956)	202,318
<u>75,811</u>	<u>(2,146,602)</u>	<u>169,320</u>	<u>1,794,389</u>	<u>(8,076,852)</u>	<u>3,516,628</u>	<u>533,375</u>
14,571	7,134,785	1,856,513	498,370	8,298,410	-	-
-	-	-	-	-	-	651,997
<u>14,571</u>	<u>7,134,785</u>	<u>1,856,513</u>	<u>498,370</u>	<u>8,298,410</u>	<u>-</u>	<u>651,997</u>
<u>\$ 90,382</u>	<u>\$ 4,988,183</u>	<u>\$ 2,025,833</u>	<u>\$ 2,292,759</u>	<u>\$ 221,558</u>	<u>\$ 3,516,628</u>	<u>\$ 1,185,372</u>

continued...

**CITY OF ANN ARBOR, MICHIGAN**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

Nonmajor Governmental Funds  
For the Year Ended June 30, 2024

	Debt Service	Capital Projects	Permanent	
	General Debt Service	General Capital Improvements	Elizabeth R. Dean Trust	Total
<b>Revenues</b>				
Taxes	\$ 4,809	\$ -	\$ -	\$ 29,527,423
Licenses, permits, and registrations	-	-	-	8,662,343
Intergovernmental	-	-	-	28,873,313
Charges for services	5,483,298	-	-	6,975,574
Fines and forfeits	-	-	-	64,839
Investment earnings	(32,629)	205,351	95,606	5,046,731
Contributions and donations	-	70,943	-	421,965
Other	135	-	-	475,143
<b>Total revenues</b>	<u>5,455,613</u>	<u>276,294</u>	<u>95,606</u>	<u>80,047,331</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	6,717,258
Public safety	-	50,957	-	5,568,077
Public works	-	362,331	-	13,553,622
Community/economic development	-	-	-	18,891,756
Culture and recreation	-	-	44,236	7,922,024
Capital outlay	-	-	-	14,397,601
Debt service:				
Principal retirement	13,109,000	-	-	13,218,585
Interest and fiscal charges	3,280,935	-	-	3,301,586
<b>Total expenditures</b>	<u>16,389,935</u>	<u>413,288</u>	<u>44,236</u>	<u>83,570,509</u>
Revenues over (under) expenditures	<u>(10,934,322)</u>	<u>(136,994)</u>	<u>51,370</u>	<u>(3,523,178)</u>
<b>Other financing sources (uses)</b>				
Transfers in	10,901,038	2,244,996	-	15,820,164
Transfers out	-	-	-	(12,610,235)
<b>Total other financing sources (uses)</b>	<u>10,901,038</u>	<u>2,244,996</u>	<u>-</u>	<u>3,209,929</u>
<b>Net change in fund balances</b>	<u>(33,284)</u>	<u>2,108,002</u>	<u>51,370</u>	<u>(313,249)</u>
Fund balances, beginning of year, as previously reported	197,073	3,259,269	2,095,993	86,517,865
Changes within the reporting entity	-	-	-	651,997
Fund balances, beginning of year, as adjusted	<u>197,073</u>	<u>3,259,269</u>	<u>2,095,993</u>	<u>87,169,862</u>
<b>Fund balances, end of year</b>	<u>\$ 163,789</u>	<u>\$ 5,367,271</u>	<u>\$ 2,147,363</u>	<u>\$ 86,856,613</u>

concluded.

**This page intentionally left blank.**

**CITY OF ANN ARBOR, MICHIGAN**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
 Budget and Actual - Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2024

	Energy Projects			Community Television Network		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and registrations	-	-	-	1,577,750	1,469,811	(107,939)
Intergovernmental	-	-	-	-	-	-
Charges for services	-	31,659	31,659	-	156	156
Fines and forfeits	-	-	-	-	-	-
Investment earnings	6,531	11,315	4,784	108,734	183,806	75,072
Contributions and donations	-	-	-	-	-	-
Other	-	-	-	-	4,769	4,769
<b>Total revenues</b>	<b>6,531</b>	<b>42,974</b>	<b>36,443</b>	<b>1,686,484</b>	<b>1,658,542</b>	<b>(27,942)</b>
<b>Expenditures</b>						
Current:						
General government	12,617	12,612	(5)	1,632,795	1,428,190	(204,605)
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community/economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	50,000	-	(50,000)
Debt service:						
Principal retirement	-	-	-	-	109,585	109,585
Interest and fiscal charges	-	-	-	-	20,651	20,651
<b>Total expenditures</b>	<b>12,617</b>	<b>12,612</b>	<b>(5)</b>	<b>1,682,795</b>	<b>1,558,426</b>	<b>(124,369)</b>
Revenues over (under) expenditures	(6,086)	30,362	36,448	3,689	100,116	96,427
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(55,672)	(55,172)	(500)	(277,001)	(277,001)	-
<b>Total other financing sources (uses)</b>	<b>(55,672)</b>	<b>(55,172)</b>	<b>500</b>	<b>(277,001)</b>	<b>(277,001)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(61,758)</b>	<b>(24,810)</b>	<b>36,948</b>	<b>(273,312)</b>	<b>(176,885)</b>	<b>96,427</b>
Fund balances, beginning of year	227,880	227,880	-	4,202,710	4,202,710	-
<b>Fund balances, end of year</b>	<b>\$ 166,122</b>	<b>\$ 203,070</b>	<b>\$ 36,948</b>	<b>\$ 3,929,398</b>	<b>\$ 4,025,825</b>	<b>\$ 96,427</b>

continued...

**CITY OF ANN ARBOR, MICHIGAN**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended June 30, 2024

	Homeland Security			Major Streets		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and registrations	-	-	-	18,250	21,040	2,790
Intergovernmental	38,743	38,743	-	12,607,596	13,065,975	458,379
Charges for services	-	-	-	1,097,514	1,175,944	78,430
Fines and forfeits	-	-	-	-	-	-
Investment earnings	-	83	83	448,120	1,343,209	895,089
Contributions and donations	-	-	-	5,000	150,365	145,365
Other	-	-	-	-	17,236	17,236
<b>Total revenues</b>	<b>38,743</b>	<b>38,826</b>	<b>83</b>	<b>14,176,480</b>	<b>15,773,769</b>	<b>1,597,289</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	38,743	38,743	-	-	-	-
Public works	-	-	-	13,481,231	8,190,477	(5,290,754)
Community/economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	1,026,042	5,539,592	4,513,550
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>38,743</b>	<b>38,743</b>	<b>-</b>	<b>14,507,273</b>	<b>13,730,069</b>	<b>(777,204)</b>
Revenues over (under) expenditures	-	83	83	(330,793)	2,043,700	2,374,493
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	1,006,707	1,297,600	290,893
Transfers out	-	-	-	(5,530,322)	(5,587,112)	56,790
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,523,615)</b>	<b>(4,289,512)</b>	<b>234,103</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>83</b>	<b>83</b>	<b>(4,854,408)</b>	<b>(2,245,812)</b>	<b>2,608,596</b>
Fund balances, beginning of year	304	304	-	27,482,074	27,482,074	-
<b>Fund balances, end of year</b>	<b>\$ 304</b>	<b>\$ 387</b>	<b>\$ 83</b>	<b>\$ 22,627,666</b>	<b>\$ 25,236,262</b>	<b>\$ 2,608,596</b>

continued...

**CITY OF ANN ARBOR, MICHIGAN**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
 Budget and Actual - Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2024

	Local Streets			Court Facilities		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and registrations	-	-	-	-	-	-
Intergovernmental	3,471,915	3,571,590	99,675	-	-	-
Charges for services	232,381	231,088	(1,293)	-	-	-
Fines and forfeits	-	-	-	90,000	32,825	(57,175)
Investment earnings	123,331	301,624	178,293	-	537	537
Contributions and donations	-	-	-	-	-	-
Other	-	372	372	-	-	-
<b>Total revenues</b>	<b>3,827,627</b>	<b>4,104,674</b>	<b>277,047</b>	<b>90,000</b>	<b>33,362</b>	<b>(56,638)</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	2,218,364	1,778,342	(440,022)	-	-	-
Community/economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	2,445	2,445	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>2,218,364</b>	<b>1,780,787</b>	<b>(437,577)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenues over (under) expenditures	1,609,263	2,323,887	714,624	90,000	33,362	(56,638)
<b>Other financing sources (uses)</b>						
Transfers in	6,765	6,768	3	195,000	192,000	(3,000)
Transfers out	(3,352,307)	(3,352,281)	(26)	(225,000)	(225,000)	-
<b>Total other financing sources (uses)</b>	<b>(3,345,542)</b>	<b>(3,345,513)</b>	<b>29</b>	<b>(30,000)</b>	<b>(33,000)</b>	<b>(3,000)</b>
<b>Net change in fund balances</b>	<b>(1,736,279)</b>	<b>(1,021,626)</b>	<b>714,653</b>	<b>60,000</b>	<b>362</b>	<b>(59,638)</b>
Fund balances, beginning of year	5,755,709	5,755,709	-	11,239	11,239	-
<b>Fund balances, end of year</b>	<b>\$ 4,019,430</b>	<b>\$ 4,734,083</b>	<b>\$ 714,653</b>	<b>\$ 71,239</b>	<b>\$ 11,601</b>	<b>\$ (59,638)</b>

continued...



**CITY OF ANN ARBOR, MICHIGAN**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended June 30, 2024

	Open Space & Parkland Preservation			Bandemer		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes	\$ 3,168,785	\$ 3,206,875	\$ 38,090	\$ -	\$ -	\$ -
Licenses, permits, and registrations	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	16	16	700	1,260	560
Fines and forfeits	-	-	-	-	-	-
Investment earnings	304,271	509,034	204,763	2,599	5,596	2,997
Contributions and donations	-	-	-	-	-	-
Other	-	330,623	330,623	7,650	7,650	-
<b>Total revenues</b>	<b>3,473,056</b>	<b>4,046,548</b>	<b>573,492</b>	<b>10,949</b>	<b>14,506</b>	<b>3,557</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community/economic development	-	-	-	-	-	-
Culture and recreation	1,737,095	762,433	(974,662)	2,775	2,725	(50)
Capital outlay	-	-	-	5,575	-	(5,575)
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,737,095</b>	<b>762,433</b>	<b>(974,662)</b>	<b>8,350</b>	<b>2,725</b>	<b>(5,625)</b>
Revenues over (under) expenditures	1,735,961	3,284,115	1,548,154	2,599	11,781	9,182
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(1,163,688)	(1,163,688)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(1,163,688)</b>	<b>(1,163,688)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>572,273</b>	<b>2,120,427</b>	<b>1,548,154</b>	<b>2,599</b>	<b>11,781</b>	<b>9,182</b>
Fund balances, beginning of year	8,858,483	8,858,483	-	109,997	109,997	-
<b>Fund balances, end of year</b>	<b>\$ 9,430,756</b>	<b>\$ 10,978,910</b>	<b>\$ 1,548,154</b>	<b>\$ 112,596</b>	<b>\$ 121,778</b>	<b>\$ 9,182</b>

continued...

**CITY OF ANN ARBOR, MICHIGAN**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
 Budget and Actual - Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2024

	Construction Code			Drug Enforcement		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and registrations	5,102,100	7,171,492	2,069,392	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	4,518	4,518	-	-	-
Fines and forfeits	-	-	-	16,532	16,532	-
Investment earnings	189,708	497,579	307,871	500	1,675	1,175
Contributions and donations	-	-	-	-	-	-
Other	500	1,921	1,421	-	-	-
<b>Total revenues</b>	<u>5,292,308</u>	<u>7,675,510</u>	<u>2,383,202</u>	<u>17,032</u>	<u>18,207</u>	<u>1,175</u>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	5,772,708	5,457,662	(315,046)	37,332	-	(37,332)
Public works	-	-	-	-	-	-
Community/economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<u>5,772,708</u>	<u>5,457,662</u>	<u>(315,046)</u>	<u>37,332</u>	<u>-</u>	<u>(37,332)</u>
Revenues over (under) expenditures	<u>(480,400)</u>	<u>2,217,848</u>	<u>2,698,248</u>	<u>(20,300)</u>	<u>18,207</u>	<u>38,507</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(480,400)</u>	<u>2,217,848</u>	<u>2,698,248</u>	<u>(20,300)</u>	<u>18,207</u>	<u>38,507</u>
Fund balances, beginning of year	<u>9,104,809</u>	<u>9,104,809</u>	<u>-</u>	<u>25,949</u>	<u>25,949</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 8,624,409</u>	<u>\$ 11,322,657</u>	<u>\$ 2,698,248</u>	<u>\$ 5,649</u>	<u>\$ 44,156</u>	<u>\$ 38,507</u>

continued...

**CITY OF ANN ARBOR, MICHIGAN**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended June 30, 2024

	Federal Equitable Sharing Forfeiture			Parks & Memorial Contributions		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and registrations	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	75,000	24,363	(50,637)
Fines and forfeits	15,482	15,482	-	-	-	-
Investment earnings	1,025	13,147	12,122	39,842	104,985	65,143
Contributions and donations	-	-	-	60,000	118,120	58,120
Other	-	-	-	-	263	263
<b>Total revenues</b>	<b>16,507</b>	<b>28,629</b>	<b>12,122</b>	<b>174,842</b>	<b>247,731</b>	<b>72,889</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	60,000	-	(60,000)	-	-	-
Public works	-	-	-	-	-	-
Community/economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	310,000	-	(310,000)
Capital outlay	5,482	-	(5,482)	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>65,482</b>	<b>-</b>	<b>(65,482)</b>	<b>310,000</b>	<b>-</b>	<b>(310,000)</b>
Revenues over (under) expenditures	(48,975)	28,629	77,604	(135,158)	247,731	382,889
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(15,000)	(15,000)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,000)</b>	<b>(15,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(48,975)</b>	<b>28,629</b>	<b>77,604</b>	<b>(150,158)</b>	<b>232,731</b>	<b>382,889</b>
Fund balances, beginning of year	267,662	267,662	-	2,045,632	2,045,632	-
<b>Fund balances, end of year</b>	<b>\$ 218,687</b>	<b>\$ 296,291</b>	<b>\$ 77,604</b>	<b>\$ 1,895,474</b>	<b>\$ 2,278,363</b>	<b>\$ 382,889</b>

continued...

**CITY OF ANN ARBOR, MICHIGAN**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended June 30, 2024

	Metro Expansion			Special Assistance		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and registrations	-	-	-	-	-	-
Intergovernmental	460,000	505,496	45,496	-	-	-
Charges for services	-	11	11	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment earnings	79,102	172,262	93,160	537	7,817	7,280
Contributions and donations	-	-	-	15,000	11,868	(3,132)
Other	-	-	-	-	-	-
<b>Total revenues</b>	<b>539,102</b>	<b>677,769</b>	<b>138,667</b>	<b>15,537</b>	<b>19,685</b>	<b>4,148</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	427,256	342,161	(85,095)	-	-	-
Community/economic development	-	-	-	120,000	120,000	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>427,256</b>	<b>342,161</b>	<b>(85,095)</b>	<b>120,000</b>	<b>120,000</b>	<b>-</b>
Revenues over (under) expenditures	111,846	335,608	223,762	(104,463)	(100,315)	4,148
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	100,000	100,000	-
Transfers out	(59,192)	(59,191)	(1)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(59,192)</b>	<b>(59,191)</b>	<b>1</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>52,654</b>	<b>276,417</b>	<b>223,763</b>	<b>(4,463)</b>	<b>(315)</b>	<b>4,148</b>
Fund balances, beginning of year	3,466,235	3,466,235	-	100,814	100,814	-
<b>Fund balances, end of year</b>	<b>\$ 3,518,889</b>	<b>\$ 3,742,652</b>	<b>\$ 223,763</b>	<b>\$ 96,351</b>	<b>\$ 100,499</b>	<b>\$ 4,148</b>

continued...

**CITY OF ANN ARBOR, MICHIGAN**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended June 30, 2024

	Open Space Endowment			Cemetery Perpetual Care		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and registrations	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	3,000	9,125	6,125
Fines and forfeits	-	-	-	-	-	-
Investment earnings	25,939	51,728	25,789	3,261	6,858	3,597
Contributions and donations	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total revenues</b>	<b>25,939</b>	<b>51,728</b>	<b>25,789</b>	<b>6,261</b>	<b>15,983</b>	<b>9,722</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community/economic development	-	-	-	-	-	-
Culture and recreation	60,000	63,046	3,046	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>60,000</b>	<b>63,046</b>	<b>3,046</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenues over (under) expenditures	(34,061)	(11,318)	22,743	6,261	15,983	9,722
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(34,061)</b>	<b>(11,318)</b>	<b>22,743</b>	<b>6,261</b>	<b>15,983</b>	<b>9,722</b>
Fund balances, beginning of year	1,039,557	1,039,557	-	132,629	132,629	-
<b>Fund balances, end of year</b>	<b>\$ 1,005,496</b>	<b>\$ 1,028,239</b>	<b>\$ 22,743</b>	<b>\$ 138,890</b>	<b>\$ 148,612</b>	<b>\$ 9,722</b>

continued...

**CITY OF ANN ARBOR, MICHIGAN**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
 Budget and Actual - Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2024

	Alternative Transportation			Michigan Justice Training		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and registrations	-	-	-	-	-	-
Intergovernmental	-	30,000	30,000	37,362	90,362	53,000
Charges for services	-	15	15	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment earnings	5,329	26,961	21,632	326	1,084	758
Contributions and donations	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total revenues</b>	<b>5,329</b>	<b>56,976</b>	<b>51,647</b>	<b>37,688</b>	<b>91,446</b>	<b>53,758</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	37,362	15,635	(21,727)
Public works	628,293	593,156	(35,137)	-	-	-
Community/economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>628,293</b>	<b>593,156</b>	<b>(35,137)</b>	<b>37,362</b>	<b>15,635</b>	<b>(21,727)</b>
Revenues over (under) expenditures	(622,964)	(536,180)	86,784	326	75,811	75,485
<b>Other financing sources (uses)</b>						
Transfers in	789,072	789,072	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>789,072</b>	<b>789,072</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>166,108</b>	<b>252,892</b>	<b>86,784</b>	<b>326</b>	<b>75,811</b>	<b>75,485</b>
Fund balances, beginning of year	331,198	331,198	-	14,571	14,571	-
<b>Fund balances, end of year</b>	<b>\$ 497,306</b>	<b>\$ 584,090</b>	<b>\$ 86,784</b>	<b>\$ 14,897</b>	<b>\$ 90,382</b>	<b>\$ 75,485</b>

continued...

**CITY OF ANN ARBOR, MICHIGAN**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended June 30, 2024

	Parks Maint & Capital Imp Millage			County Mental Health Millage		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes	\$ 7,577,408	\$ 7,667,437	\$ 90,029	\$ 2,835,000	\$ 3,018,428	\$ 183,428
Licenses, permits, and registrations	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	2,510	2,510	-	8	8
Fines and forfeits	-	-	-	-	-	-
Investment earnings	251,494	443,671	192,177	35,766	83,667	47,901
Contributions and donations	60,000	61,194	1,194	-	-	-
Other	-	8,344	8,344	-	-	-
<b>Total revenues</b>	<b>7,888,902</b>	<b>8,183,156</b>	<b>294,254</b>	<b>2,870,766</b>	<b>3,102,103</b>	<b>231,337</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	1,084,782	901,768	(183,014)
Public safety	-	-	-	-	-	-
Public works	-	-	-	596,676	404,605	(192,071)
Community/economic development	-	-	-	1,272,781	1,272,780	(1)
Culture and recreation	7,133,382	7,005,098	(128,284)	-	-	-
Capital outlay	3,118,562	3,081,868	(36,694)	280,769	248,630	(32,139)
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>10,251,944</b>	<b>10,086,966</b>	<b>(164,978)</b>	<b>3,235,008</b>	<b>2,827,783</b>	<b>(407,225)</b>
Revenues over (under) expenditures	(2,363,042)	(1,903,810)	459,232	(364,242)	274,320	638,562
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(246,306)	(242,792)	(3,514)	(105,000)	(105,000)	-
<b>Total other financing sources (uses)</b>	<b>(246,306)</b>	<b>(242,792)</b>	<b>3,514</b>	<b>(105,000)</b>	<b>(105,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(2,609,348)</b>	<b>(2,146,602)</b>	<b>462,746</b>	<b>(469,242)</b>	<b>169,320</b>	<b>638,562</b>
Fund balances, beginning of year	7,134,785	7,134,785	-	1,856,513	1,856,513	-
<b>Fund balances, end of year</b>	<b>\$ 4,525,437</b>	<b>\$ 4,988,183</b>	<b>\$ 462,746</b>	<b>\$ 1,387,271</b>	<b>\$ 2,025,833</b>	<b>\$ 638,562</b>

continued...

**CITY OF ANN ARBOR, MICHIGAN**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
 Budget and Actual - Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2024

	Sidewalk Construction Millage			Affordable Housing Millage		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes	\$ 1,402,230	\$ 1,419,086	\$ 16,856	\$ 7,087,118	\$ 7,096,433	\$ 9,315
Licenses, permits, and registrations	-	-	-	-	-	-
Intergovernmental	-	1,283,641	1,283,641	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment earnings	16,129	82,346	66,217	143,695	216,524	72,829
Contributions and donations	350,000	-	(350,000)	-	-	-
Other	-	56,466	56,466	-	2,687	2,687
<b>Total revenues</b>	<b>1,768,359</b>	<b>2,841,539</b>	<b>1,073,180</b>	<b>7,230,813</b>	<b>7,315,644</b>	<b>84,831</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	379,233	388,765	9,532	-	-	-
Community/economic development	-	-	-	15,537,719	15,392,496	(145,223)
Culture and recreation	-	-	-	-	-	-
Capital outlay	46,250	36,715	(9,535)	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>425,483</b>	<b>425,480</b>	<b>(3)</b>	<b>15,537,719</b>	<b>15,392,496</b>	<b>(145,223)</b>
Revenues over (under) expenditures	1,342,876	2,416,059	1,073,183	(8,306,906)	(8,076,852)	230,054
<b>Other financing sources (uses)</b>						
Transfers in	124,161	51,187	(72,974)	-	-	-
Transfers out	(672,857)	(672,857)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(548,696)</b>	<b>(621,670)</b>	<b>(72,974)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>794,180</b>	<b>1,794,389</b>	<b>1,000,209</b>	<b>(8,306,906)</b>	<b>(8,076,852)</b>	<b>230,054</b>
Fund balances, beginning of year	498,370	498,370	-	8,298,410	8,298,410	-
<b>Fund balances, end of year</b>	<b>\$ 1,292,550</b>	<b>\$ 2,292,759</b>	<b>\$ 1,000,209</b>	<b>\$ (8,496)</b>	<b>\$ 221,558</b>	<b>\$ 230,054</b>

continued...



**CITY OF ANN ARBOR, MICHIGAN**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended June 30, 2024

	Climate Action Millage			Major Grants		
	Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>						
Taxes	\$ 7,126,675	\$ 7,114,355	\$ (12,320)	\$ -	\$ -	\$ -
Licenses, permits, and registrations	-	-	-	-	-	-
Intergovernmental	-	-	-	10,729,575	10,287,506	(442,069)
Charges for services	11,603	11,603	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment earnings	-	169,311	169,311	-	543,584	543,584
Contributions and donations	-	-	-	9,475	9,475	-
Other	-	1,351	1,351	43,326	43,326	-
<b>Total revenues</b>	<u>7,138,278</u>	<u>7,296,620</u>	<u>158,342</u>	<u>10,782,376</u>	<u>10,883,891</u>	<u>101,515</u>
<b>Expenditures</b>						
Current:						
General government	5,287,095	2,201,405	(3,085,690)	2,615,474	2,173,283	(442,191)
Public safety	-	-	-	5,080	5,080	-
Public works	-	-	-	1,491,884	1,493,785	1,901
Community/economic development	-	-	-	2,106,480	2,106,480	-
Culture and recreation	-	-	-	44,486	44,486	-
Capital outlay	826,605	758,631	(67,974)	4,731,619	4,729,720	(1,899)
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<u>6,113,700</u>	<u>2,960,036</u>	<u>(3,153,664)</u>	<u>10,995,023</u>	<u>10,552,834</u>	<u>(442,189)</u>
Revenues over (under) expenditures	<u>1,024,578</u>	<u>4,336,584</u>	<u>3,312,006</u>	<u>(212,647)</u>	<u>331,057</u>	<u>543,704</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	237,628	237,503	(125)
Transfers out	(1,024,578)	(819,956)	(204,622)	(35,184)	(35,185)	1
<b>Total other financing sources (uses)</b>	<u>(1,024,578)</u>	<u>(819,956)</u>	<u>204,622</u>	<u>202,444</u>	<u>202,318</u>	<u>(126)</u>
<b>Net change in fund balances</b>	-	3,516,628	3,516,628	(10,203)	533,375	543,578
Fund balances, beginning of year	-	-	-	651,997	651,997	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 3,516,628</u>	<u>\$ 3,516,628</u>	<u>\$ 641,794</u>	<u>\$ 1,185,372</u>	<u>\$ 543,578</u>

concluded.

# CITY OF ANN ARBOR, MICHIGAN

## Combining Statement of Net Position

Internal Service Funds

June 30, 2024

	Central Stores	Fleet Services	Information Technology	Project Management
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 200
Equity in pooled cash and investments	2,017,666	26,849,935	2,439,943	2,137,923
Accounts receivable, net	-	-	31,636	27,602
Due from other governments	-	2,309	475	-
Prepaid items	-	15,105	1,130,862	-
Inventories	779,416	705,513	-	-
<b>Total current assets</b>	<b>2,797,082</b>	<b>27,572,862</b>	<b>3,602,916</b>	<b>2,165,725</b>
Noncurrent assets:				
Capital assets not depreciated	-	90,005	-	-
Capital assets being depreciated/amortized, net	-	10,330,236	1,801,587	98,323
<b>Total noncurrent assets</b>	<b>-</b>	<b>10,420,241</b>	<b>1,801,587</b>	<b>98,323</b>
<b>Total assets</b>	<b>2,797,082</b>	<b>37,993,103</b>	<b>5,404,503</b>	<b>2,264,048</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	25,268	149,615	252,845	256,701
Accrued liabilities	-	-	2,331	-
Deposits payable	-	-	5,469	1,037,499
Other long-term liabilities, current	-	-	447,586	-
Estimated claims payable, current	-	-	-	-
<b>Total current liabilities</b>	<b>25,268</b>	<b>149,615</b>	<b>708,231</b>	<b>1,294,200</b>
Noncurrent liabilities:				
Other long-term liabilities, net	-	-	413,463	-
Estimated claims payable, net	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>413,463</b>	<b>-</b>
<b>Total liabilities</b>	<b>25,268</b>	<b>149,615</b>	<b>1,121,694</b>	<b>1,294,200</b>
<b>Net position</b>				
Net investment in capital assets	-	10,420,241	940,538	98,323
Unrestricted	2,771,814	27,423,247	3,342,271	871,525
<b>Total net position</b>	<b>\$ 2,771,814</b>	<b>\$ 37,843,488</b>	<b>\$ 4,282,809</b>	<b>\$ 969,848</b>



<b>Insurance</b>	<b>Wheeler Center</b>	<b>Total</b>
\$ 98	\$ -	\$ 298
14,075,983	930,848	48,452,298
-	1,297	60,535
-	-	2,784
2,091,998	-	3,237,965
-	-	1,484,929
<u>16,168,079</u>	<u>932,145</u>	<u>53,238,809</u>
-	-	90,005
-	-	12,230,146
-	-	12,320,151
<u>16,168,079</u>	<u>932,145</u>	<u>65,558,960</u>
3,292,905	80,250	4,057,584
-	-	2,331
-	-	1,042,968
-	-	447,586
225,045	-	225,045
<u>3,517,950</u>	<u>80,250</u>	<u>5,775,514</u>
-	-	413,463
<u>1,753,418</u>	-	<u>1,753,418</u>
<u>1,753,418</u>	-	<u>2,166,881</u>
<u>5,271,368</u>	<u>80,250</u>	<u>7,942,395</u>
-	-	11,459,102
<u>10,896,711</u>	<u>851,895</u>	<u>46,157,463</u>
<u>\$ 10,896,711</u>	<u>\$ 851,895</u>	<u>\$ 57,616,565</u>

# CITY OF ANN ARBOR, MICHIGAN

## Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Year Ended June 30, 2024

	Central Stores	Fleet Services	Information Technology	Project Management
<b>Operating revenues</b>				
Charges for services	\$ 1,117,523	\$ 8,736,898	\$ 11,175,037	\$ 4,845,346
<b>Operating expenses</b>				
Personal services	220,060	1,541,597	4,590,864	2,795,229
Municipal service charge	21,576	196,812	889,920	182,004
Information technology charges	9,996	106,530	536,882	516,845
Other operating costs	839,898	2,417,628	3,643,617	1,346,722
Depreciation and amortization	187	2,467,661	805,594	26,897
<b>Total operating expenses</b>	<u>1,091,717</u>	<u>6,730,228</u>	<u>10,466,877</u>	<u>4,867,697</u>
Operating income (loss)	<u>25,806</u>	<u>2,006,670</u>	<u>708,160</u>	<u>(22,351)</u>
<b>Nonoperating revenues (expenses)</b>				
Investment earnings	94,159	1,200,828	189,049	63,376
Gain on sale of capital assets	-	336,133	-	-
Interest and fiscal charges	-	-	(38,029)	-
<b>Total nonoperating revenues (expenses)</b>	<u>94,159</u>	<u>1,536,961</u>	<u>151,020</u>	<u>63,376</u>
Income (loss) before contributions and transfers	119,965	3,543,631	859,180	41,025
<b>Capital contributions</b>	-	2,639,027	-	-
<b>Transfers in</b>	-	-	35,184	-
<b>Transfers out</b>	<u>(47,352)</u>	<u>(633,511)</u>	<u>(1,170,023)</u>	<u>(86,676)</u>
<b>Change in net position</b>	72,613	5,549,147	(275,659)	(45,651)
Net position, beginning of year	<u>2,699,201</u>	<u>32,294,341</u>	<u>4,558,468</u>	<u>1,015,499</u>
<b>Net position, end of year</b>	<u>\$ 2,771,814</u>	<u>\$ 37,843,488</u>	<u>\$ 4,282,809</u>	<u>\$ 969,848</u>



<b>Insurance</b>	<b>Wheeler Center</b>	<b>Total</b>
<u>\$ 34,635,797</u>	<u>\$ 893,803</u>	<u>\$ 61,404,404</u>
939,944	44,300	10,131,994
406,560	121,788	1,818,660
64,596	23,400	1,258,249
34,685,971	651,411	43,585,247
-	-	3,300,339
<u>36,097,071</u>	<u>840,899</u>	<u>60,094,489</u>
<u>(1,461,274)</u>	<u>52,904</u>	<u>1,309,915</u>
761,874	43,617	2,352,903
-	-	336,133
-	-	(38,029)
<u>761,874</u>	<u>43,617</u>	<u>2,651,007</u>
(699,400)	96,521	3,960,922
-	-	2,639,027
-	-	35,184
-	-	(1,937,562)
(699,400)	96,521	4,697,571
<u>11,596,111</u>	<u>755,374</u>	<u>52,918,994</u>
<u>\$ 10,896,711</u>	<u>\$ 851,895</u>	<u>\$ 57,616,565</u>

## CITY OF ANN ARBOR, MICHIGAN

### Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2024

	Central Stores	Fleet Services	Information Technology	Project Management
<b>Cash flow from operating activities</b>				
Payments to suppliers	\$ (947,565)	\$ (2,930,913)	\$ (5,932,005)	\$ (1,959,353)
Payments on behalf of employees	(220,060)	(1,541,597)	(4,592,125)	(2,795,229)
Payments received for interfund services	1,117,523	8,736,898	11,175,037	4,845,346
<b>Net cash provided by (used in) operating activities</b>	<u>(50,102)</u>	<u>4,264,388</u>	<u>650,907</u>	<u>90,764</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers in	-	-	35,184	-
Transfers out	(47,352)	(633,511)	(1,170,023)	(86,676)
<b>Net cash used in noncapital financing activities</b>	<u>(47,352)</u>	<u>(633,511)</u>	<u>(1,134,839)</u>	<u>(86,676)</u>
<b>Cash flows from capital and related financing activities</b>				
Capital contributions	-	2,639,027	-	-
Purchase of capital assets	-	(2,547,295)	(582,560)	(41,898)
Proceeds from sale of capital assets	-	336,133	-	-
Principal paid on long-term liabilities	-	-	(551,962)	-
Interest paid on long-term liabilities	-	-	(38,029)	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>-</u>	<u>427,865</u>	<u>(1,172,551)</u>	<u>(41,898)</u>
<b>Cash flows from investing activities</b>				
Interest and dividends on investments	94,159	1,200,828	189,049	63,376
<b>Net change in cash and cash equivalents</b>	<u>(3,295)</u>	<u>5,259,570</u>	<u>(1,467,434)</u>	<u>25,566</u>
Cash and cash equivalents, beginning of the year	2,020,961	21,590,365	3,907,377	2,112,557
<b>Cash and cash equivalents, end of the year</b>	<u>\$ 2,017,666</u>	<u>\$ 26,849,935</u>	<u>\$ 2,439,943</u>	<u>\$ 2,138,123</u>
<b>Reconciliation to statement of net position</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 200
Equity in pooled cash and investments	2,017,666	26,849,935	2,439,943	2,137,923
<b>Cash and cash equivalents, end of year</b>	<u>\$ 2,017,666</u>	<u>\$ 26,849,935</u>	<u>\$ 2,439,943</u>	<u>\$ 2,138,123</u>



<b>Insurance</b>	<b>Wheeler Center</b>	<b>Total</b>
\$ (36,157,866)	\$ (750,185)	\$ (48,677,887)
(1,247,488)	(44,300)	(10,440,799)
<u>34,635,797</u>	<u>893,803</u>	<u>61,404,404</u>
<u>(2,769,557)</u>	<u>99,318</u>	<u>2,285,718</u>
-	-	35,184
-	-	<u>(1,937,562)</u>
-	-	<u>(1,902,378)</u>
-	-	2,639,027
-	-	(3,171,753)
-	-	336,133
-	-	(551,962)
-	-	<u>(38,029)</u>
-	-	<u>(786,584)</u>
<u>761,874</u>	<u>43,617</u>	<u>2,352,903</u>
(2,007,683)	142,935	1,949,659
<u>16,083,764</u>	<u>787,913</u>	<u>46,502,937</u>
<u>\$ 14,076,081</u>	<u>\$ 930,848</u>	<u>\$ 48,452,596</u>
\$ 98	\$ -	\$ 298
<u>14,075,983</u>	<u>930,848</u>	<u>48,452,298</u>
<u>\$ 14,076,081</u>	<u>\$ 930,848</u>	<u>\$ 48,452,596</u>

continued...

**CITY OF ANN ARBOR, MICHIGAN**

**Combining Statement of Cash Flows**

Internal Service Funds

For the Year Ended June 30, 2024

	Central Stores	Fleet Services	Information Technology	Project Management
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>				
Operating income (loss)	\$ 25,806	\$ 2,006,670	\$ 708,160	\$ (22,351)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	187	2,467,661	805,594	26,897
Changes in assets and liabilities:				
Accounts receivable	-	1,212	3,133	(616)
Due from other governments	-	(2,309)	15,091	-
Prepaid items	-	(15,105)	(628,846)	-
Inventories	(73,558)	(188,271)	-	-
Accounts payable	(2,537)	(5,470)	(250,964)	5,191
Accrued liabilities	-	-	(1,261)	-
Deposits payable	-	-	-	81,643
Estimated claims payable	-	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (50,102)</u>	<u>\$ 4,264,388</u>	<u>\$ 650,907</u>	<u>\$ 90,764</u>





<b>Insurance</b>	<b>Wheeler Center</b>	<b>Total</b>
\$ (1,461,274)	\$ 52,904	\$ 1,309,915
-	-	3,300,339
-	(511)	3,218
-	-	12,782
(955,347)	-	(1,599,298)
-	-	(261,829)
(45,392)	46,925	(252,247)
-	-	(1,261)
-	-	81,643
<u>(307,544)</u>	<u>-</u>	<u>(307,544)</u>
<u>\$ (2,769,557)</u>	<u>\$ 99,318</u>	<u>\$ 2,285,718</u>

concluded

## CITY OF ANN ARBOR, MICHIGAN

### Combining Statement of Fiduciary Net Position

Pension and Other Employee Benefits Trust Funds

June 30, 2024

	Employees' Retirement System	Retiree Health Care Trust	Total
<b>Assets</b>			
Equity in pooled cash and investments	\$ 4,723,693	\$ 346,989	\$ 5,070,682
Investments, at fair value:			
Equities	425,624,662	164,141,665	589,766,327
Fixed income	89,524,147	51,341,420	140,865,567
Other	130,421,578	62,017,838	192,439,416
Accrued interest and dividends	665,721	287,998	953,719
Due from the City of Ann Arbor	411,514	-	411,514
Capital assets being depreciated, net	288,402	-	288,402
<b>Total assets</b>	<u>651,659,717</u>	<u>278,135,910</u>	<u>929,795,627</u>
<b>Liabilities</b>			
Accounts payable	<u>3,968,368</u>	<u>423,842</u>	<u>4,392,210</u>
<b>Net position</b>			
Investment in capital assets	288,402	-	288,402
Restricted for:			
Pension benefits	647,402,947	-	647,402,947
Other postemployment benefits	<u>-</u>	<u>277,712,068</u>	<u>277,712,068</u>
<b>Total net position</b>	<u>\$ 647,691,349</u>	<u>\$ 277,712,068</u>	<u>\$ 925,403,417</u>

## CITY OF ANN ARBOR, MICHIGAN

### Combining Statement of Changes in Fiduciary Net Position

Pension and Other Employee Benefits Trust Funds

For the Year Ended June 30, 2024

	Employees' Retirement System	Retiree Health Care Trust	Total
<b>Additions</b>			
Investment income:			
<i>From investing activities:</i>			
Net appreciation in fair value of investments	\$ 50,895,567	\$ 21,897,509	\$ 72,793,076
Interest and dividends	11,485,202	5,851,828	17,337,030
Total investment income:	62,380,769	27,749,337	90,130,106
Investment management fees	(766,395)	(217,418)	(983,813)
Net investment income from investing activities	61,614,374	27,531,919	89,146,293
<i>From securities lending activities:</i>			
Gross earnings	133,647	48,955	182,602
Borrower rebates paid	(243,463)	(81,859)	(325,322)
Securities lending fees	113,125	39,235	152,360
Net investment income from securities lending activities	3,309	6,331	9,640
Total net investment income	61,617,683	27,538,250	89,155,933
Contributions:			
Employer	17,066,036	16,315,925	33,381,961
Plan members	4,084,981	-	4,084,981
Total contributions	21,151,017	16,315,925	37,466,942
<b>Total additions</b>	<b>82,768,700</b>	<b>43,854,175</b>	<b>126,622,875</b>
<b>Deductions</b>			
Benefits	45,230,618	15,586,298	60,816,916
Refunds	662,707	-	662,707
Administrative expenses	798,407	388,433	1,186,840
<b>Total deductions</b>	<b>46,691,732</b>	<b>15,974,731</b>	<b>62,666,463</b>
<b>Change in net position</b>	<b>36,076,968</b>	<b>27,879,444</b>	<b>63,956,412</b>
Net position, beginning of year	611,614,381	249,832,624	861,447,005
<b>Net position, end of year</b>	<b>\$ 647,691,349</b>	<b>\$ 277,712,068</b>	<b>\$ 925,403,417</b>

# CITY OF ANN ARBOR, MICHIGAN

## Combining Statement of Fiduciary Net Position

Custodial Funds

June 30, 2024

	15th District Court Depository	Treasurer's Delinquent Tax	Treasurer's Current Tax	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 56,049	\$ -	\$ 7,520	\$ 63,569
Equity in pooled cash and investments	-	93,528	3,966	97,494
<b>Total assets</b>	56,049	93,528	11,486	161,063
<b>Liabilities</b>				
Due to other governments	56,049	91,263	-	147,312
<b>Net position</b>				
Restricted for individuals, organizations, and other governments	\$ -	\$ 2,265	\$ 11,486	\$ 13,751

## CITY OF ANN ARBOR, MICHIGAN

### Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended June 30, 2024

	15th District Court Depository	Treasurer's Delinquent Tax	Treasurer's Current Tax	Total
<b>Additions</b>				
Taxes collected for other governments	\$ -	\$ -	\$ 318,420,431	\$ 318,420,431
Court fines, fees, and costs	1,876,090	-	-	1,876,090
Interest	2,130	2,265	11,486	15,881
<b>Total additions</b>	<u>1,878,220</u>	<u>2,265</u>	<u>318,431,917</u>	<u>320,312,402</u>
<b>Deductions</b>				
Payments of taxes to other governments	-	-	318,420,431	318,420,431
Court disbursements	1,878,220	-	-	1,878,220
<b>Total deductions</b>	<u>1,878,220</u>	<u>-</u>	<u>318,420,431</u>	<u>320,298,651</u>
<b>Total change in net position</b>	-	2,265	11,486	13,751
Net position, beginning of year	-	-	-	-
<b>Net position, end of year</b>	<u>\$ -</u>	<u>\$ 2,265</u>	<u>\$ 11,486</u>	<u>\$ 13,751</u>

# CITY OF ANN ARBOR, MICHIGAN

## Component Unit Balance Sheet

SmartZone Local Development Finance Authority

June 30, 2024

### SmartZone Local Development Finance Authority

#### Assets

Equity in pooled cash and investments  
Loans receivable

\$ 1,829,742  
145,523

#### Total assets

\$ 1,975,265

#### Liabilities

Accounts payable  
Unearned revenue

\$ 1,201,884  
145,523

#### Total liabilities

1,347,407

#### Fund balance

Committed for community and economic development

627,858

#### Total liabilities and fund balance

\$ 1,975,265

# CITY OF ANN ARBOR, MICHIGAN

## Component Unit Statement of Revenues, Expenditures, and Changes in Fund Balance

SmartZone Local Development Finance Authority

For the Year Ended June 30, 2024

	<b>SmartZone Local Development Finance Authority</b>
<b>Revenues</b>	
Taxes	\$ 5,357,621
Investment income	112,050
	<hr/>
<b>Total revenues</b>	5,469,671
<b>Expenditures</b>	
Current -	
Community and economic development	5,310,286
	<hr/>
<b>Net change in fund balance</b>	159,385
Fund balance, beginning of year	468,473
	<hr/>
<b>Fund balance, end of year</b>	<u><u>\$ 627,858</u></u>

## CITY OF ANN ARBOR, MICHIGAN

### Component Unit Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

SmartZone Local Development Finance Authority

For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes	\$ 5,236,506	\$ 5,236,506	\$ 5,357,621	\$ 121,115
Investment income	84,396	84,396	112,050	27,654
<b>Total revenues</b>	5,320,902	5,320,902	5,469,671	148,769
<b>Expenditures</b>				
Current -				
Community and economic development	5,358,941	5,758,941	5,310,286	(448,655)
<b>Net change in fund balance</b>	(38,039)	(438,039)	159,385	597,424
Fund balance, beginning of year	468,473	468,473	468,473	-
<b>Fund balance, end of year</b>	\$ 430,434	\$ 30,434	\$ 627,858	\$ 597,424



## **STATISTICAL SECTION**

**This page intentionally left blank.**

# CITY OF ANN ARBOR, MICHIGAN

## Statistical Section Table of Contents

This part of the City of Ann Arbor, Michigan's (the "City") annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

		<u>Page</u>
<b>Financial Trends</b>	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	170
<b>Revenue Capacity</b>	These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	181
<b>Debt Capacity</b>	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.	186
<b>Demographic and Economic Information</b>	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	192
<b>Operating Information</b>	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.	196

Sources: Unless otherwise noted, the information in these schedules are derived from the annual financial reports for the applicable year.

## CITY OF ANN ARBOR, MICHIGAN

### Net Position by Component

(Accrual Basis of Accounting)

Last Ten Fiscal Years

	2024	2023	2022	2021
<b>Governmental activities</b>				
Net investment in capital assets	\$ 895,627,939	\$ 876,961,867	\$ 859,218,155	\$ 862,022,341
Restricted	98,012,443	102,136,516	97,821,345	74,937,129
Unrestricted (deficit)	5,258,517	(31,827,017)	(59,121,357)	(62,743,620)
<b>Total governmental activities net position</b>	<u>\$ 998,898,899</u>	<u>\$ 947,271,366</u>	<u>\$ 897,918,143</u>	<u>\$ 874,215,850</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 364,917,213	\$ 294,076,585	\$ 289,662,026	\$ 273,699,074
Restricted	52,412,955	36,785,774	34,572,747	34,200,616
Unrestricted	109,092,471	146,147,387	109,261,293	83,268,136
<b>Total business-type activities net position</b>	<u>\$ 526,422,639</u>	<u>\$ 477,009,746</u>	<u>\$ 433,496,066</u>	<u>\$ 391,167,826</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 1,260,545,152	\$ 1,171,038,452	\$ 1,148,880,181	\$ 1,135,721,415
Restricted	150,425,398	138,922,290	132,394,092	109,137,745
Unrestricted (deficit)	114,350,988	114,320,370	50,139,936	20,524,516
<b>Total primary government net position</b>	<u>\$ 1,525,321,538</u>	<u>\$ 1,424,281,112</u>	<u>\$ 1,331,414,209</u>	<u>\$ 1,265,383,676</u>

Source: City of Ann Arbor Financial Services, Accounting Services Unit

Note: GASB Statement No. 74 was implemented in 2017 and previous years were not restated.

Note: Net position was restated for fiscal year 2021 in 2022 and previous years were not restated

2020	2019	2018	2017	2016	2015
\$ 653,605,138	\$ 664,619,342	\$ 701,307,637	\$ 700,165,724	\$ 696,101,749	\$ 876,961,867
71,507,486	66,516,345	57,546,687	55,228,918	57,396,259	102,136,516
(81,833,606)	(64,115,536)	(92,031,983)	(430,810)	526,827	(31,827,017)
<u>\$ 643,279,018</u>	<u>\$ 667,020,151</u>	<u>\$ 666,822,341</u>	<u>\$ 754,963,832</u>	<u>\$ 754,024,835</u>	<u>\$ 947,271,366</u>
\$ 251,130,814	\$ 234,555,667	\$ 216,805,278	\$ 210,361,709	\$ 198,917,535	\$ 294,076,585
33,752,565	33,863,408	33,448,566	32,956,794	33,715,282	36,785,774
76,353,673	66,288,021	66,043,566	70,350,912	66,341,759	146,147,387
<u>\$ 361,237,052</u>	<u>\$ 334,707,096</u>	<u>\$ 316,297,410</u>	<u>\$ 313,669,415</u>	<u>\$ 298,974,576</u>	<u>\$ 477,009,746</u>
\$ 904,735,952	\$ 899,175,009	\$ 918,112,915	\$ 910,527,433	\$ 895,019,284	\$ 1,171,038,452
105,260,051	100,379,753	90,995,253	88,185,712	91,111,541	138,922,290
(5,479,933)	2,172,485	(25,988,417)	69,920,102	66,868,586	114,320,370
<u>\$ 1,004,516,070</u>	<u>\$ 1,001,727,247</u>	<u>\$ 983,119,751</u>	<u>\$ 1,068,633,247</u>	<u>\$ 1,052,999,411</u>	<u>\$ 1,424,281,112</u>

**CITY OF ANN ARBOR, MICHIGAN**

**Changes in Net Position**  
(Accrual Basis of Accounting)  
Last Ten Fiscal Years

	2024	2023	2022	2021
<b>Expenses</b>				
Governmental activities:				
General government	\$ 16,934,540	\$ 16,786,947	\$ 22,756,099	\$ 15,690,533
Public safety	45,857,101	48,124,880	55,560,167	40,110,094
Public works	46,282,400	31,716,206	27,876,386	64,673,932
Community/economic development	21,690,080	10,599,184	4,728,505	3,919,158
Culture and recreation	17,704,057	21,130,037	16,217,984	11,390,116
Public transportation	13,728,350	12,911,467	12,225,468	12,063,787
Interest on long-term liabilities	3,102,038	3,245,518	3,031,127	3,120,035
<b>Total governmental activities expenses</b>	<b>165,298,566</b>	<b>144,514,239</b>	<b>142,395,736</b>	<b>150,967,655</b>
Business-type activities:				
Water	25,347,315	20,902,115	19,390,604	19,677,049
Sewer	22,739,865	21,588,195	18,934,433	24,059,586
Parking	1,629,794	1,661,660	1,727,152	1,736,718
Airport	1,027,821	818,222	929,227	832,231
Stormwater	8,216,726	9,288,550	6,199,548	7,291,027
Solid waste	14,514,784	17,059,032	11,429,026	12,821,555
Technology fiber	278,808	-	-	-
<b>Total business-type activities expenses</b>	<b>73,755,113</b>	<b>71,317,774</b>	<b>58,609,990</b>	<b>66,418,166</b>
<b>Total primary government expenses</b>	<b>239,053,679</b>	<b>215,832,013</b>	<b>201,005,726</b>	<b>217,385,821</b>
<b>Program revenues</b>				
Governmental activities:				
Charges for services:				
General government	8,481,224	9,268,174	10,452,231	6,107,653
Public safety	13,625,358	12,188,775	10,438,351	5,317,199
Public works	4,087,316	3,788,887	2,694,880	4,862,025
Community/economic development	220,468	148,991	27,204	-
Culture and recreation	5,867,074	5,214,729	4,631,558	3,196,872
Interest on long-term liabilities	5,483,298	5,658,238	5,433,673	5,418,941
Operating grants and contributions	31,700,749	29,319,053	23,883,134	26,835,761
Capital grants and contributions	5,250,621	7,642,938	780,957	1,536
<b>Total governmental activities program revenues</b>	<b>74,716,108</b>	<b>73,229,785</b>	<b>58,341,988</b>	<b>51,739,987</b>
Business-type activities:				
Charges for services:				
Water	34,731,553	36,193,513	30,553,152	29,580,802
Sewer	36,086,874	34,808,098	36,316,978	32,394,186
Parking	308,601	309,700	561,600	550,100
Airport	1,020,430	952,188	975,774	926,112
Stormwater	15,322,479	15,106,097	14,175,091	13,150,716
Solid waste	1,781,420	4,263,230	4,588,982	3,637,240
Technology fiber	234,009	-	-	-
Operating grants and contributions	176,577	-	23,000	-
Capital grants and contributions	956,821	-	228,164	95,519
<b>Total business-type activities program revenues</b>	<b>90,618,764</b>	<b>91,632,826</b>	<b>87,422,741</b>	<b>80,334,675</b>
<b>Total primary government program revenues</b>	<b>165,334,872</b>	<b>164,862,611</b>	<b>145,764,729</b>	<b>132,074,662</b>

	2020	2019	2018	2017	2016	2015
\$	20,385,283	\$ 18,166,147	\$ 19,219,630	\$ 17,463,340	\$ 15,951,143	\$ 16,550,948
	58,996,948	47,984,733	46,868,877	46,375,914	45,158,518	43,882,972
	62,633,254	53,143,075	49,591,083	40,196,459	38,305,144	33,619,237
	3,937,980	2,696,878	2,063,185	2,098,986	2,925,711	2,749,048
	15,150,651	14,009,824	13,779,455	14,074,974	12,865,261	13,374,937
	11,408,712	10,864,768	10,524,383	10,269,099	10,038,406	9,735,605
	3,583,704	3,272,391	3,527,743	3,340,791	4,837,529	4,691,976
	<u>176,096,532</u>	<u>150,137,816</u>	<u>145,574,356</u>	<u>133,819,563</u>	<u>130,081,712</u>	<u>124,604,723</u>
	19,798,550	24,075,346	19,737,572	19,288,471	19,188,325	18,494,776
	23,155,043	21,258,970	19,382,437	18,621,741	17,880,966	16,842,294
	1,754,222	1,789,366	1,831,512	1,871,468	2,048,444	2,144,727
	827,366	909,745	727,902	791,342	670,167	746,680
	6,770,918	9,615,145	5,747,664	5,802,413	5,616,057	5,986,171
	17,001,298	17,748,336	14,890,852	15,624,601	18,301,294	12,986,803
	-	-	-	-	-	-
	<u>69,307,397</u>	<u>75,396,908</u>	<u>62,317,939</u>	<u>62,000,036</u>	<u>63,705,253</u>	<u>57,201,451</u>
	<u>245,403,929</u>	<u>225,534,724</u>	<u>207,892,295</u>	<u>195,819,599</u>	<u>193,786,965</u>	<u>181,806,174</u>
	13,783,296	9,052,049	9,796,913	8,200,188	8,691,577	9,296,146
	8,993,203	11,031,951	10,613,768	9,807,563	9,026,629	8,847,862
	2,452,173	3,752,184	2,630,025	3,611,282	4,262,035	2,662,357
	-	-	-	-	-	657
	3,461,681	4,666,251	4,738,164	4,548,675	5,121,351	4,097,635
	5,402,027	4,181,335	4,306,049	4,291,510	4,283,146	4,287,804
	16,424,627	16,661,456	14,948,746	13,756,071	12,273,077	11,030,886
	1,070,562	2,480,753	4,086,170	1,025,460	638,182	865,776
	<u>51,587,569</u>	<u>51,825,979</u>	<u>51,119,835</u>	<u>45,240,749</u>	<u>44,295,997</u>	<u>41,089,123</u>
	25,277,253	27,143,417	27,002,482	26,602,226	24,053,722	22,697,619
	31,984,321	32,549,393	28,329,519	27,363,541	23,926,479	22,137,470
	1,271,600	1,994,288	2,036,188	2,657,169	2,732,541	2,820,269
	933,066	1,137,674	935,786	923,228	924,141	888,809
	12,485,490	11,505,361	9,444,063	7,404,199	6,915,369	6,343,928
	3,714,281	3,920,945	4,035,824	4,164,508	2,965,288	2,875,575
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	118,425	54,384	359,981	600,945	4,645,758
	<u>75,666,011</u>	<u>78,369,503</u>	<u>71,838,246</u>	<u>69,474,852</u>	<u>62,118,485</u>	<u>62,409,428</u>
	<u>127,253,580</u>	<u>130,195,482</u>	<u>122,958,081</u>	<u>114,715,601</u>	<u>106,414,482</u>	<u>103,498,551</u>

continued...

## CITY OF ANN ARBOR, MICHIGAN

### Changes in Net Position

(Accrual Basis of Accounting)

Last Ten Fiscal Years

	2024	2023	2022	2021
<b>Net (expense) revenue</b>				
Governmental activities	\$ (90,582,458)	\$ (71,284,454)	\$ (84,053,748)	\$ (99,227,668)
Business-type activities	16,863,651	20,315,052	28,812,751	13,916,509
<b>Total primary government net expense</b>	<u>(73,718,807)</u>	<u>(50,969,402)</u>	<u>(55,240,997)</u>	<u>(85,311,159)</u>
<b>General revenues and other changes in net position</b>				
Governmental activities:				
Taxes:				
Property taxes, levied for general purposes	83,400,638	69,268,471	79,943,311	64,431,379
Property taxes, levied for designated purpose	34,306,354	34,306,354	18,145,588	24,312,199
Property taxes, levied for debt services	822	822	2,340	2,063
State shared revenues and grants (unrestricted)	15,578,058	17,894,383	15,340,846	11,960,256
Investment income (loss)	12,656,180	3,950,479	(4,111,794)	151,705
Gain on sale of capital assets	2,198,738	-	-	903,655
Other	569,279	534,630	-	1,497,936
Transfers	(6,500,078)	(5,317,462)	(1,564,250)	(1,115,702)
Total governmental activities	<u>142,209,991</u>	<u>120,637,677</u>	<u>107,756,041</u>	<u>102,143,491</u>
Business-type activities:				
Property taxes, levied for general purposes	16,561,936	15,522,511	14,699,709	14,264,703
Investment income (loss)	9,430,428	2,336,896	(2,959,410)	181,798
Other	56,800	21,759	210,940	452,062
Transfers	6,500,078	5,317,462	1,564,250	115,702
Total business-type activities	<u>32,549,242</u>	<u>23,198,628</u>	<u>13,515,489</u>	<u>15,014,265</u>
<b>Total primary government</b>	<u>174,759,233</u>	<u>143,836,305</u>	<u>121,271,530</u>	<u>117,157,756</u>
<b>Change in net position</b>				
Governmental activities	51,627,533	49,353,223	23,702,293	2,915,823
Business-type activities	49,412,893	43,513,680	42,328,240	28,930,774
<b>Total primary government</b>	<u>\$ 101,040,426</u>	<u>\$ 92,866,903</u>	<u>\$ 66,030,533</u>	<u>\$ 31,846,597</u>

Source: City of Ann Arbor Financial Services, Accounting Services Unit



2020	2019	2018	2017	2016	2015
\$ (124,508,963)	\$ (98,311,837)	\$ (94,454,521)	\$ (88,578,814)	\$ (85,785,715)	\$ (83,515,600)
6,358,614	2,972,595	9,520,307	7,474,816	(1,586,768)	5,207,977
<u>(118,150,349)</u>	<u>(95,339,242)</u>	<u>(84,934,214)</u>	<u>(81,103,998)</u>	<u>(87,372,483)</u>	<u>(78,307,623)</u>
60,987,539	58,071,684	56,134,197	54,617,165	53,396,465	51,977,008
23,034,375	22,078,216	19,233,238	18,501,675	18,145,558	17,626,382
2,134	2,117	2,091	2,129	2,340	2,129
11,845,757	11,493,427	11,034,159	10,712,412	10,215,633	10,317,088
6,303,600	5,269,825	655,430	10,347	1,558,594	1,262,302
-	-	-	-	-	-
-	351,982	162,745	500,138	320,426	150,905
<u>(1,405,575)</u>	<u>2,002,648</u>	<u>2,093,810</u>	<u>5,173,955</u>	<u>460,882</u>	<u>4,831,153</u>
<u>100,767,830</u>	<u>99,269,899</u>	<u>89,315,670</u>	<u>89,517,821</u>	<u>84,099,898</u>	<u>86,166,967</u>
13,728,287	13,064,727	12,638,680	12,306,559	12,072,979	11,728,679
5,037,480	4,361,262	472,977	(11,349)	1,774,739	1,293,959
-	13,750	35,500	98,767	59,648	67,250
<u>1,405,575</u>	<u>(2,002,648)</u>	<u>(2,093,810)</u>	<u>(5,173,955)</u>	<u>(460,884)</u>	<u>(4,831,153)</u>
<u>20,171,342</u>	<u>15,437,091</u>	<u>11,053,347</u>	<u>7,220,022</u>	<u>13,446,482</u>	<u>8,258,735</u>
<u>120,939,172</u>	<u>114,706,990</u>	<u>100,369,017</u>	<u>96,737,843</u>	<u>97,546,380</u>	<u>94,425,702</u>
(23,741,133)	958,062	(5,138,851)	939,007	(1,685,817)	2,651,367
26,529,956	18,409,686	20,573,654	14,694,838	11,859,714	13,466,712
<u>\$ 2,788,823</u>	<u>\$ 19,367,748</u>	<u>\$ 15,434,803</u>	<u>\$ 15,633,845</u>	<u>\$ 10,173,897</u>	<u>\$ 16,118,079</u>

concluded.

## CITY OF ANN ARBOR, MICHIGAN

### Fund Balances

(Modified Accrual Basis of Accounting)

Governmental Funds

Last Ten Fiscal Years

	2024	2023	2022	2021
<b>General fund</b>				
Nonspendable	\$ 174,232	\$ 125,800	\$ 65,511	\$ 46,196
Restricted	32,541	159,938	-	-
Committed	1,433,877	1,059,897	697,537	533,506
Assigned	21,299,475	13,901,830	7,576,646	9,888,296
Unassigned	25,870,084	26,816,753	25,534,780	21,604,204
<b>Total general fund</b>	<b>\$ 48,810,209</b>	<b>\$ 42,064,218</b>	<b>\$ 33,874,474</b>	<b>\$ 32,072,202</b>
<b>All other governmental funds</b>				
Nonspendable	\$ 2,171,345	\$ 2,014,569	\$ 2,011,482	\$ 2,027,000
Restricted	93,064,487	99,112,163	95,810,194	70,662,974
Committed	1,158,049	842,518	819,733	1,918,790
Assigned	5,367,271	3,259,269	4,051,877	6,835,506
Unassigned (deficit)	-	-	(673,851)	(1,962,868)
<b>Total all other governmental funds</b>	<b>\$ 101,761,152</b>	<b>\$ 105,228,519</b>	<b>\$ 102,019,435</b>	<b>\$ 79,481,402</b>

Source: City of Ann Arbor Financial Services, Accounting Services Unit

2020	2019	2018	2017	2016	2015
\$ 286,295	\$ 386,772	\$ 462,384	\$ 540,869	\$ 619,311	\$ 765,634
-	-	-	-	-	-
498,352	-	-	-	-	-
7,292,712	5,537,411	7,714,673	6,414,602	9,185,273	4,482,510
<u>19,554,234</u>	<u>19,713,016</u>	<u>11,143,139</u>	<u>16,243,676</u>	<u>15,330,765</u>	<u>17,235,156</u>
<u>\$ 27,631,593</u>	<u>\$ 25,637,199</u>	<u>\$ 19,320,196</u>	<u>\$ 23,199,147</u>	<u>\$ 25,135,349</u>	<u>\$ 22,483,300</u>
\$ 1,984,000	\$ 1,984,000	\$ 1,984,000	\$ 1,984,000	\$ 1,984,000	\$ 1,984,000
64,888,488	64,482,671	55,440,810	53,939,042	56,176,316	55,120,246
2,953,568	2,674,688	929,257	5,494,990	4,584,590	3,984,155
10,258,267	16,674,824	3,709,223	6,327,002	5,832,928	2,642,775
(1,681,092)	-	-	-	-	-
<u>\$ 78,403,231</u>	<u>\$ 85,816,183</u>	<u>\$ 62,063,290</u>	<u>\$ 67,745,034</u>	<u>\$ 68,577,834</u>	<u>\$ 63,731,176</u>

**CITY OF ANN ARBOR, MICHIGAN**

**Changes in Fund Balances**

(Modified Accrual Basis of Accounting)

Governmental Funds

Last Ten Fiscal Years

	2024	2023	2022	2021
<b>Revenues</b>				
Taxes	\$ 117,707,814	\$ 103,575,647	\$ 98,091,239	\$ 87,745,640
Special assessments/improvement charges	-	-	-	90,423
Licenses, permits, and registrations	11,702,516	10,014,234	9,315,238	7,898,206
Intergovernmental	48,227,453	51,208,502	37,755,173	18,415,936
Charges for services	20,024,775	20,220,376	19,429,696	12,661,629
Fines and forfeits	3,543,805	3,340,972	3,222,346	3,125,206
Interest and penalties	-	-	-	-
Investment earnings (loss)	10,303,277	3,400,130	(3,262,910)	75,071
Rental	879,843	714,131	875,550	847,243
Contributions and donations	3,605,274	3,770,389	4,181,190	6,184,114
Intra-governmental sales	-	-	-	239,533
Other	1,656,526	2,037,036	936,721	1,087,777
<b>Total revenues</b>	<b>217,651,283</b>	<b>198,281,417</b>	<b>170,544,243</b>	<b>138,370,778</b>
<b>Expenditures</b>				
Current:				
General government	25,950,744	21,825,361	20,513,902	18,101,639
Public safety	57,176,645	56,742,198	56,233,799	51,387,902
Public works	23,799,722	22,958,401	22,192,811	22,491,092
Community/economic development	22,737,772	11,392,917	4,646,493	3,164,360
Culture and recreation	18,598,077	21,983,685	15,809,272	12,612,966
Public transportation	13,728,350	12,911,467	12,225,468	12,063,787
Capital outlay	37,463,478	22,271,761	18,915,364	20,038,436
Debt service:				
Principal	13,218,585	8,671,930	6,868,000	6,694,000
Interest and fiscal charges	3,301,586	3,407,769	65,010	3,205,397
Bond issuance costs	-	-	3,062,290	-
<b>Total expenditures</b>	<b>215,974,959</b>	<b>182,165,489</b>	<b>160,532,409</b>	<b>149,759,579</b>
Revenues over (under) expenditures	1,676,324	16,115,928	10,011,834	(11,388,801)
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	6,200,000	-	-	123,801
Issuance of long-term debt	-	-	13,605,000	-
Payment to refunded bond escrow agent	-	-	-	-
Premium/discount on issuance of long-term debt	-	-	1,421,037	-
Transfers in	26,036,262	16,055,588	12,163,339	15,619,555
Transfers out	(30,633,962)	(20,772,688)	(12,860,905)	(15,835,775)
<b>Total other financing sources (uses)</b>	<b>1,602,300</b>	<b>(4,717,100)</b>	<b>14,328,471</b>	<b>(92,419)</b>
<b>Net change in fund balances</b>	<b>\$ 3,278,624</b>	<b>\$ 11,398,828</b>	<b>\$ 24,340,305</b>	<b>\$ (11,481,220)</b>
Debt service as a percentage of noncapital expenditures	8.9%	7.9%	7.5%	8.2%

Source: City of Ann Arbor Financial Services, Accounting Services Unit

	2020	2019	2018	2017	2016	2015
\$	84,024,048	\$ 80,152,017	\$ 75,369,504	\$ 73,118,985	\$ 71,544,363	\$ 69,605,308
	74,263	136,227	63,746	93,373	-	52,373
	7,617,172	8,678,516	8,927,341	7,710,797	7,371,840	7,619,826
	28,548,327	27,664,334	26,152,120	23,800,709	22,749,178	21,826,308
	15,418,166	17,632,847	16,437,936	14,770,842	15,515,836	14,034,309
	3,770,147	4,611,776	4,283,940	4,704,380	4,596,544	4,601,589
	-	-	-	2,604	-	211
	4,829,585	4,145,380	535,299	3,926	1,190,815	928,186
	778,765	761,445	735,822	661,086	634,819	637,366
	1,537,299	2,439,867	3,775,006	3,343,936	334,247	981,965
	267,765	412,620	306,526	297,201	2,627,905	213,511
	990,079	512,211	402,002	432,973	594,470	678,652
	<u>147,855,616</u>	<u>147,147,240</u>	<u>136,989,242</u>	<u>128,940,812</u>	<u>127,160,017</u>	<u>121,179,604</u>
	17,063,537	16,845,714	17,140,624	15,153,388	14,257,197	14,501,593
	52,532,154	51,918,701	48,947,304	48,503,006	47,189,457	45,217,288
	23,051,857	18,974,405	24,532,861	19,366,244	18,863,228	17,869,057
	3,615,970	2,879,621	2,146,752	2,169,450	3,007,207	2,808,976
	14,387,053	13,091,727	13,172,050	13,197,781	12,072,443	12,567,890
	11,697,544	10,864,768	10,524,383	10,269,099	10,038,406	9,735,605
	24,171,714	16,964,124	24,016,528	21,162,097	18,043,661	14,237,971
	6,213,000	5,393,000	5,189,000	4,793,000	4,148,000	4,150,000
	3,747,600	2,430,211	3,558,867	3,448,031	4,080,504	4,920,544
	-	646,298	-	555,599	-	-
	<u>156,480,429</u>	<u>140,008,569</u>	<u>149,228,369</u>	<u>138,617,695</u>	<u>131,700,103</u>	<u>126,008,924</u>
	<u>(8,624,813)</u>	<u>7,138,671</u>	<u>(12,239,127)</u>	<u>(9,676,883)</u>	<u>(4,540,086)</u>	<u>(4,829,320)</u>
	-	36,500	26,750	32,850	16,350	3,598
	-	57,305,000	-	24,030,000	17,710,000	16,235,000
	-	(39,206,297)	-	(24,509,365)	(18,439,571)	(16,486,836)
	-	2,789,032	-	479,365	416,162	(135,652)
	18,916,182	10,617,994	11,198,070	15,062,028	21,803,130	13,294,382
	<u>(15,709,927)</u>	<u>(7,850,752)</u>	<u>(8,546,388)</u>	<u>(8,186,997)</u>	<u>(9,467,278)</u>	<u>(7,679,086)</u>
	<u>3,206,255</u>	<u>23,691,477</u>	<u>2,678,432</u>	<u>6,907,881</u>	<u>12,038,793</u>	<u>5,231,406</u>
\$	<u>(5,418,558)</u>	<u>\$ 30,830,148</u>	<u>\$ (9,560,695)</u>	<u>\$ (2,769,002)</u>	<u>\$ 7,498,707</u>	<u>\$ 402,086</u>
	8.1%	7.3%	7.8%	8.2%	8.0%	8.5%

**This page intentionally left blank.**

**Taxable Value of Property**  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Real Property	Personal Property	Total Taxable Value	Total Assessed Value	True Cash Value	Total Direct Tax Rate
2015	\$ 4,739,348,866	\$ 230,309,300	\$ 4,969,658,166	\$ 6,118,573,700	\$ 12,237,147,400	16.4501
2016	4,870,231,067	240,179,600	5,110,410,667	6,643,622,400	13,287,244,800	16.4436
2017	5,035,021,720	258,429,800	5,293,451,520	7,134,355,100	14,268,710,200	16.3003
2018	5,242,521,458	253,065,300	5,495,586,758	7,527,133,730	15,054,267,460	16.1390
2019	5,539,356,212	251,477,400	5,790,833,612	8,217,852,850	16,435,705,700	15.8885
2020	5,887,823,600	264,810,400	6,152,634,000	8,177,422,349	16,354,844,698	15.7131
2021	6,192,607,215	309,486,300	6,502,093,515	8,686,447,970	17,372,895,940	15.6215
2022	6,360,653,252	283,981,300	6,644,634,552	9,115,126,235	18,230,252,470	16.8215
2023	6,775,385,344	277,540,900	7,052,926,244	9,456,136,680	18,912,273,360	16.7083
2024	7,248,445,375	258,115,000	7,506,560,375	9,993,247,000	19,986,494,000	17.7083

Notes:

Taxable property in the City is assessed by the City Assessor and is subject to review by the County Board of Equalization. Tax levies on property in Michigan are applied against the taxable value of all property. Current statutes require assessments to be 50% of the true cash value of both personal and real property for equalization purposes.

In accordance with Act 409, Public Acts of Michigan, 1965, and Article 9, Section 2 of the Michigan Constitution, as amended by Joint Resolution S on March 15, 1994, state equalized value shall not exceed 50% of the true cash value. With the passage of Proposal "A", another value is required on each property. The new value is termed "taxable value". Increases in taxable value are limited to 5%, the Consumer Price Index, or State Equalized Value, whichever is less.

For the Industrial Facilities tax roll, the millage rate is 50% of the normal millage rate.

Source: City of Ann Arbor Financial Services, Assessing Unit

**CITY OF ANN ARBOR, MICHIGAN**

**Direct and Overlapping Property Tax Rates (per \$1,000 of Taxable Value)**  
Last Ten Fiscal Years

	City of Ann Arbor Direct Rate					
	Fiscal Year	General Operating	Refuse Collection	Transportation*	Employee Benefits	Parks
Principal Residence Exemption (PRE)	2015	6.1682	2.4670	2.0560	2.0560	1.5779
Non-PRE	2015	6.1682	2.4670	2.0560	2.0560	1.5779
Principal Residence Exemption (PRE)	2016	6.1657	2.4660	2.0552	2.0552	1.5773
Non-PRE	2016	6.1657	2.4660	2.0552	2.0552	1.5773
Principal Residence Exemption (PRE)	2017	6.1120	2.4445	2.0373	2.0373	1.5635
Non-PRE	2017	6.1120	2.4445	2.0373	2.0373	1.5635
Principal Residence Exemption (PRE)	2018	6.0343	2.4134	2.0114	2.0114	1.5435
Non-PRE	2018	6.0343	2.4134	2.0114	2.0114	1.5435
Principal Residence Exemption (PRE)	2019	5.9407	2.3759	1.9802	1.9802	1.5195
Non-PRE	2019	5.9407	2.3759	1.9802	1.9802	1.5195
Principal Residence Exemption (PRE)	2020	5.8884	2.3549	1.9627	1.9627	1.5463
Non-PRE	2020	5.8884	2.3549	1.9627	1.9627	1.5463
Principal Residence Exemption (PRE)	2021	5.8359	2.3339	1.9452	1.9452	1.5324
Non-PRE	2021	5.8359	2.3339	1.9452	1.9452	1.5324
Principal Residence Exemption (PRE)	2022	5.8359	2.3339	1.9452	1.9452	1.5324
Non-PRE	2022	5.8359	2.3339	1.9452	1.9452	1.5324
Principal Residence Exemption (PRE)	2023	5.7967	2.3182	1.9321	1.9321	1.5220
Non-PRE	2023	5.7967	2.3182	1.9321	1.9321	1.5220
Principal Residence Exemption (PRE)	2024	5.7967	2.3182	1.9321	1.9321	1.5220
Non-PRE	2024	5.7967	2.3182	1.9321	1.9321	1.5220

\* Represents millage collected for Ann Arbor Area Transportation Authority.

\*\* Includes Washtenaw Intermediate School Ann Arbor District millage and State Education Tax on both Principal Residence and Non-Principal Residence properties. On Non-Principal Residence properties, an additional 18 mills is included for School Operating Tax. On Principal Residence properties, Hold Harmless mills levied in lieu of School Operating Tax.

Source: City of Ann Arbor Financial Services, Assessing Unit



City of Ann Arbor Direct Rate				Total Direct Tax Rate	Overlapping Rates					Total
Major Street Repair	Major New Sidewalk	Major Affordable Housing	Community Climate		Ann Arbor Area Transportation Authority	Ann Arbor Public Schools**	Ann Arbor District Library	Washtenaw County	Washtenaw Community College	
2.1250	0.0000	0.0000	0.0000	16.4501	0.7000	17.9172	1.5500	6.2838	3.4576	46.3587
2.1250	0.0000	0.0000	0.0000	16.4501	0.7000	31.4245	1.5500	6.2838	3.4576	59.8660
2.1242	0.0000	0.0000	0.0000	16.4436	0.7000	17.7692	1.6500	6.3058	3.4576	46.3262
2.1242	0.0000	0.0000	0.0000	16.4436	0.7000	31.3913	1.6500	6.3058	3.4576	59.9483
2.1057	0.0000	0.0000	0.0000	16.3003	0.6943	17.4740	1.9000	6.2432	3.4360	46.0478
2.1057	0.0000	0.0000	0.0000	16.3003	0.6943	30.9674	1.9000	6.2432	3.4360	59.5412
2.1250	0.0000	0.0000	0.0000	16.1390	0.6860	20.7173	1.8913	6.2122	3.4267	49.0725
2.1250	0.0000	0.0000	0.0000	16.1390	0.6860	33.9566	1.8913	6.2122	3.4267	62.3118
2.0920	0.0000	0.0000	0.0000	15.8885	0.6773	20.4255	1.8663	7.1532	3.3978	49.4086
2.0920	0.0000	0.0000	0.0000	15.8885	0.6773	34.2813	1.8663	7.1532	3.3978	63.2644
1.9981	0.0000	0.0000	0.0000	15.7131	0.6936	20.1954	1.8519	7.1093	3.3763	48.9396
1.9981	0.0000	0.0000	0.0000	15.7131	0.6936	34.2267	1.8519	7.1093	3.3763	62.9709
2.0289	0.0000	0.0000	0.0000	15.6215	0.6880	21.8689	1.8365	7.0962	3.3538	50.4649
2.0289	0.0000	0.0000	0.0000	15.6215	0.6880	36.1903	1.8365	7.0962	3.3538	64.7863
2.0289	0.2000	1.0000	0.0000	16.8215	0.6862	20.9923	1.8333	7.0856	3.3759	50.7948
2.0289	0.2000	1.0000	0.0000	16.8215	0.6862	36.1656	1.8333	7.0856	3.3759	65.9681
2.0153	0.1986	0.9933	0.0000	16.7083	0.6805	20.7515	1.8228	7.0413	3.3548	50.3592
2.0153	0.1986	0.9933	0.0000	16.7083	0.6805	36.1092	1.8228	7.0413	3.3548	65.7169
2.0153	0.1986	0.9933	1.0000	17.7083	0.6805	20.6513	1.8228	7.0413	3.3548	51.2590
2.0153	0.1986	0.9933	1.0000	17.7083	0.6805	36.1092	1.8228	7.0413	3.3548	66.7169

**Principal Property Taxpayers**  
Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Taxable Value	Rank	Percentage of Total City Assessed Value	Taxable Value	Rank	Percentage of Total City Assessed Value
DTE Electric Company	\$ 52,318,000	1	0.70%	\$ 23,229,700	6	0.47%
GEDR Landmark LLC 1300 S University	49,896,108	2	0.66%			
Brixmor (formerly AMCAP) Arborland, LLC	44,733,809	3	0.60%	29,835,543	3	0.60%
BVK HSRE Ann Arbor, LLC	43,865,000	4	0.58%			
CPI Foundry, LLC	41,202,600	5	0.55%			
Briarwood Shopping Complex	40,794,100	6	0.54%	38,282,500	1	0.77%
The Standard at Ann Arbor, LLC	36,233,200	7	0.48%			
Northstar Fund IV, LLC	31,709,308	8	0.42%			
MI-UM Holdings, LLC	31,270,127	9	0.42%			
CCSHP Ann Arbor I, LLC (The Yard)	29,929,569	10	0.40%			
Campus Investors 601 Forest				30,990,844	2	0.62%
Ann Arbor Campus Housing, LLC				28,125,324	4	0.57%
HUB Eisenhower Property				24,892,000	5	0.50%
THC Ann Arbor WP, LLC				19,754,799	7	0.40%
Varsity at Ann Arbor, LLC				18,753,974	8	0.38%
DTE Gas Company				16,518,500	9	0.33%
Serling 4 Eleven, LP				15,629,584	10	0.31%
<b>Total</b>	<u>\$ 401,951,821</u>		<u>5.35%</u>	<u>\$ 246,012,768</u>		<u>4.95%</u>

Source: City of Ann Arbor Financial Services, Assessing Unit

**Property Tax Levies and Collections**  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year*	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (Real)	Collections in Subsequent Years (Personal)	Total Collections to Date	
		Amount	Percentage of Levy			Amounts	Percentage of Levy
2015	\$ 81,742,181	\$ 80,666,319	98.68%	\$ 819,344	\$ 206,946	\$ 81,692,609	99.94%
2016	83,995,895	83,115,705	98.95%	733,314	72,910	83,921,929	99.91%
2017	86,216,588	85,305,863	98.94%	753,004	43,685	86,102,553	99.87%
2018	88,485,078	87,698,238	99.11%	670,466	23,305	88,392,008	99.89%
2019	91,688,677	90,786,330	99.02%	772,637	18,151	91,577,118	99.88%
2020	96,323,717	95,370,692	99.01%	774,399	410	96,145,502	99.81%
2021	100,950,080	99,844,706	98.91%	957,920	35,152	100,837,778	99.89%
2022	110,422,305	109,532,160	99.19%	724,978	36,947	110,294,085	99.88%
2023	111,900,758	110,935,579	99.14%	438,084	73,037	111,446,700	99.59%
2024	125,954,273	124,847,697	99.12%	951,111	779	125,799,587	99.88%

Ad valorem taxes are levied July 1st annually, and are due July 31st. Delinquent real property taxes are turned over to the County for collection the following March 1st. The County pays all its municipalities from a revolving fund for delinquent real property taxes. Delinquent personal property taxes are negligible.

\* Adjusted tax roll for City millages only at time of settlement with the County. Figures include DDA capture of City taxes and excludes administrative fees and interest.

Source: City of Ann Arbor Financial Services, Treasury Unit

## CITY OF ANN ARBOR, MICHIGAN

### Ratios of Outstanding Debt by Type

(Dollars in thousands except for per capita)

Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities			
	General Obligation Bonds	Special Assessment Bonds	Installment Purchase Agreements	Lease and Subscription Liabilities	General Obligation Bonds	Lease Contract Payable	[1] Revenue Bonds	Other Long-term Debt
2015	\$ 115,624	\$ 35	\$ -	\$ -	\$ 12,140	\$ 106	\$ 159,195	\$ 13,827
2016	111,919	15	-	-	9,855	63	177,852	14,721
2017	108,284	-	-	-	7,623	21	181,546	16,187
2018	103,060	-	-	-	5,689	-	180,204	15,778
2019	119,183	-	-	-	3,761	-	168,805	15,232
2020	112,790	-	-	-	2,533	-	160,418	14,474
2021	107,188	-	-	-	728	-	148,630	13,770
2022	113,842	-	799	109	1,460	-	134,436	14,626
2023	105,112	-	468	1,585	1,206	-	164,600	13,541
2024	91,659	-	308	1,083	915	-	152,279	12,439

Note: For fiscal year 2024 and 2023 percent of personal income, the divisor used was for 2022 since more recent data was not available at this time.

Source: City of Ann Arbor Financial Services, Accounting Services Unit

[1] Includes State revolving loan fund debt which is payable from enterprise fund revenues.

<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
\$ 300,927	1.63%	\$ 2,641
314,425	1.63%	2,760
313,661	1.51%	2,753
304,731	1.38%	2,675
306,981	1.37%	2,694
290,215	1.24%	2,547
270,316	1.07%	2,183
265,272	1.01%	2,142
286,512	1.10%	2,313
258,683	0.99%	2,089

**Ratios of Net General Bonded Debt Outstanding**

(Dollars in thousands except for per capita)  
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Less: Self-supported Portion	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2015	\$ 127,764	\$ 1,123	\$ 35	\$ 126,606	2.55%	\$ 1,111
2016	121,774	1,087	15	120,672	2.36%	1,059
2017	115,907	1,071	-	114,836	2.17%	1,008
2018	108,749	477	-	108,272	1.97%	950
2019	122,944	629	-	122,315	2.11%	1,074
2020	115,323	554	-	114,769	1.87%	1,007
2021	107,916	516	-	107,400	1.65%	867
2022	115,302	-	-	115,302	1.74%	931
2023	106,318	-	-	106,318	1.51%	858
2024	92,574	-	-	92,574	1.23%	747

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

Source: City of Ann Arbor Financial Services, Accounting Services Unit

**Direct and Overlapping Governmental Activities Debt**

(dollars in thousands)

As of June 30, 2024

Government Unit	Net Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Direct debt</b>			
General obligation bonds	\$ 91,659	100.00%	\$ 91,659
Installment purchase agreements	308	100.00%	308
Lease and subscription liabilities	1,083	100.00%	1,083
<b>Total direct debt</b>	<u>\$ 93,050</u>		<u>93,050</u>
<b>Overlapping debt</b>			
Ann Arbor School District	\$ 302,780	64.56%	195,475
Washtenaw Intermediate School District	33,965	35.52%	12,064
Washtenaw Community College	3,531	35.99%	1,271
Washtenaw County, at large	22,689	35.19%	7,984
<b>Total overlapping debt</b>	<u>\$ 362,965</u>		<u>216,794</u>
<b>Total direct and overlapping debt</b>			<u>\$ 309,845</u>

**Overlapping Debt** – The issuer's proportionate share of the debt of other local governmental units that either overlap it (the issuer is located either wholly or partly within the geographic limits of the other units) or underlie it (the other units are located within the geographic limits of the issuer). The debt is generally apportioned based upon relative Assessed Values.

Source: City of Ann Arbor Financial Services, Accounting Services Unit

**Legal Debt Margin Information**  
Last Ten Fiscal Years

**Legal Debt Margin Calculation for Fiscal Year 2024**

Assessed value of real and personal property	<u>\$ 9,978,186,800</u>
Debt limit (10% of assessed value)	\$ 997,818,680
Debt applicable to limit - Net direct debt	<u>93,050,000</u>
<b>Legal debt margin</b>	<u>\$ 904,768,680</u>

	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2015	\$ 544,734,050	\$ 115,624,000	\$ 429,110,050	21.23%
2016	587,315,552	111,919,000	475,396,552	19.06%
2017	664,362,240	108,284,000	556,078,240	16.30%
2018	686,875,930	103,060,000	583,815,930	15.00%
2019	726,197,693	119,183,000	607,014,693	16.41%
2020	791,747,775	112,790,000	678,957,775	14.25%
2021	838,444,077	105,893,000	732,551,077	12.63%
2022	912,221,924	113,842,057	798,379,867	12.48%
2023	942,237,543	105,579,000	836,658,543	11.21%
2024	997,818,680	93,050,000	904,768,680	9.33%

Source: City of Ann Arbor Financial Services, Accounting Services Unit



**Pledged-revenue Coverage**

Last Ten Fiscal Years

Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service		Total	Coverage
				Principal	Interest		
<b>Water Supply System:</b>							
2015	\$ 22,948,029	\$ 13,856,800	\$ 9,091,229	\$ 3,199,396	\$ 1,407,456	\$ 4,606,852	2.0 %
2016	24,338,898	14,280,849	10,058,049	3,400,000	1,399,170	4,799,170	2.1
2017	26,605,701	14,221,866	12,383,835	3,905,001	980,599	4,885,600	2.5
2018	27,138,794	14,953,353	12,185,441	3,155,000	887,888	4,042,888	3.0
2019	28,343,557	14,930,505	13,413,052	3,250,000	797,653	4,047,653	3.3
2020	26,544,997	14,491,553	12,053,444	3,310,000	728,050	4,038,050	3.0
2021	29,769,645	15,861,664	13,907,981	3,525,000	656,605	4,181,605	3.3
2022	29,842,392	18,522,274	11,320,118	3,811,571	621,921	4,433,492	2.6
2023	36,650,221	17,282,287	19,367,934	4,350,181	587,183	4,937,364	3.9
2024	38,110,939	18,876,703	19,234,236	3,724,450	1,761,204	5,485,654	3.5
<b>Sewage Disposal System:</b>							
2015	\$ 22,878,298	\$ 11,410,773	\$ 11,467,525	\$ 2,670,000	\$ 2,300,267	\$ 4,970,267	2.3 %
2016	25,025,055	11,944,408	13,080,647	2,995,000	2,621,008	5,616,008	2.3
2017	27,336,885	11,868,538	15,468,347	4,427,832	2,673,422	7,101,254	2.2
2018	28,515,463	12,327,225	16,188,238	6,358,045	3,068,958	9,427,003	1.7
2019	34,230,942	11,397,305	22,833,637	8,075,000	3,021,187	11,096,187	2.1
2020	33,971,553	12,513,295	21,458,258	8,000,000	2,850,467	10,850,467	2.0
2021	32,589,166	15,329,254	17,259,912	8,175,000	2,663,330	10,838,330	1.6
2022	35,275,887	13,320,169	21,955,718	8,355,000	2,471,751	10,826,751	2.0
2023	35,897,726	13,157,620	22,740,106	8,625,000	2,316,764	10,941,764	2.1
2024	39,055,202	15,126,031	23,929,171	8,824,672	2,117,277	10,941,949	2.2

(1) Includes investment earnings (loss); revenue pledged is covered by charges for services.

(2) Excludes depreciation expense and change in accrued net pension liability.

Source: City of Ann Arbor Financial Services, Accounting Services Unit

**Demographic and Economic Statistics**  
Last Ten Calendar Years

Year	Population (1)	Personal income (2)	Per Capita Personal Income (2)	Unemployment Rate % (3)
2015	113,934	\$ 18,446,608	\$ 51,400	4.4
2016	113,934	19,261,779	52,814	4.2
2017	113,934	20,715,000	56,312	3.8
2018	113,934	22,021,358	58,823	3.5
2019	113,934	22,365,853	60,843	3.4
2020	113,934	23,327,716	63,655	10.5
2021	123,851	25,372,530	68,688	5.3
2022	123,851	26,147,662	71,368	4.1
2023	123,851	N/A	N/A	3.9
2024	123,851	N/A	N/A	4.2

Sources:

- (1) U. S. Census Bureau  
<https://www.census.gov/quickfacts/annarborcitymichigan>
- (2) Bureau of Economic Analysis, Ann Arbor Metropolitan Statistical Area, Personal Income and Employment by County and Metro Area  
<http://www.bea.gov/>  
\*Note: 2023 and 2024 data has not been released at this time.
- (3) Michigan Employment Security Commission statistics for Washtenaw County as of June 2024  
[http://stats.bls.gov/eag/eag.mi\\_annarbor\\_msa.htm](http://stats.bls.gov/eag/eag.mi_annarbor_msa.htm)

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

Taxpayer	2024			2015		
	Employees	Rank	Percentage	Employees	Rank	Percentage
University of Michigan	36,700	1	67.59%	29,068	1	69.18%
Trinity Health System (formerly St. Joseph's Health System)	5,500	2	10.13%	5,307	2	12.63%
Ann Arbor Public Schools	2,700	3	4.97%	2,300	3	5.47%
Veterans Administration Ann Arbor Healthcare System	2,700	3	4.97%			
Integrated Health Associates, Inc.	1,600	5	2.95%	1,125	5	2.68%
Washtenaw County Government	1,300	6	2.39%	1,332	4	3.17%
Toyota	1,200	7	2.21%			
Domino's Pizza	1,200	7	2.21%	600	8	1.43%
RealTruck	700	9	1.29%			
City of Ann Arbor	700	9	1.29%	686	7	1.63%
Truven Health Analytics				730	6	1.74%
Washtenaw Community College				567	9	1.35%
Con-way Inc				302	10	0.72%
<b>Total</b>	<b>54,300</b>		<b>100.00%</b>	<b>42,017</b>		<b>100.00%</b>

Source: Ann Arbor Spark, January 2024: Top Regional Employers  
<https://annarborusa.org/news/top-regional-employers/>

## CITY OF ANN ARBOR, MICHIGAN

### Full-time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	2024	2023	2022	2021
General government				
Financial Services	65	64	64	64
Community Services	95	91	89	73
Parks & Recreation	41	40	37	38
City Administrator Services	86	74	74	70
Mayor & Council	1	1	1	2
Safety Services				
Police	153	151	149	156
Fire	88	88	86	87
Public Services				
Engineering	35	35	34	32
Water	29	30	28	27
Wastewater Treatment	36	36	36	36
Public Works	97	96	93	90
Other	40	35	36	40
15th District Court	35	35	35	35
Retirement System	4	4	4	4
Downtown Development Authority	10	8	6	6
City Attorney	15	15	14	14
Per Budget Book	<u>830</u>	<u>802</u>	<u>785</u>	<u>773</u>

Source: City of Ann Arbor Financial Services, Accounting Services Unit

2020	2019	2018	2017	2016	2015
62	62	61	60	61	61
71	67	66	63	59	57
38	37	23	24	24	24
65	63	37	34	34	34
2	1	1	1	1	1
154	150	149	149	149	149
87	87	87	87	87	87
30	30	17	16	16	12
27	27	27	26	26	26
36	36	35	35	35	35
90	90	117	117	117	120
40	36	63	62	59	61
35	35	35	34	34	34
4	4	4	4	4	4
6	6	6	4	4	4
13	13	13	13	12	12
<b>759</b>	<b>744</b>	<b>741</b>	<b>729</b>	<b>722</b>	<b>721</b>

## CITY OF ANN ARBOR, MICHIGAN

### Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	2024	2023	2022	2021
Police				
Physical arrests	1,035	1,053	941	998
Parking violations	81,215	72,669	69,279	51,289
Traffic violations	5,756	4,691	3,134	3,354
Fire				
Emergency responses	8,668	8,642	10,156	7,870
Fire extinguished	289	572	367	303
Inspections (1st inspections)	1,171	1,374	867	981
Refuse Collection				
Refuse collected (tons/day)	137.22	133.09	137.64	133.12
Recyclables collected (tons/day)	29.56	30.53	33.35	32.99
Other Public works				
Street resurfacing and reconstruction (miles)	15.10	11.70	15.40	5.92
Capital Preventative Maintenance (miles) (a)	17.45	6.76	36.37	52.61
Potholes repaired (tons)	431.00	426.00	844.00	428.00
Parks and Recreation				
Athletic field permits issued	846	745	720	141
Community center admissions	28,500	27,500	26,400	24,700
Water				
Connections	29,231	28,949	28,891	28,765
Water main breaks	97	93	75	80
Average daily consumption (millions of gallons)	12.7860	13.2049	12.4929	12.5260
Peak daily consumption (millions of gallons)	17.3870	19.4944	23.1536	20.2160
Wastewater				
Average daily sewage treatment (millions of gallons)	13.17	13.12	18.84	15.69

Source: Various services areas within City of Ann Arbor

(a) This includes crack sealing and thin mill and fill.

2020	2019	2018	2017	2016	2015
1,178	1,678	1,467	1,289	1,542	1,461
69,605	99,079	102,981	117,221	118,041	108,759
7,889	8,748	9,515	11,022	12,548	12,205
8,293	8,504	7,214	7,234	6,947	6,572
258	260	206	205	259	220
767	1,140	1,257	1,182	1,339	1,218
135.03	140.69	151.22	73.21	72.52	72.87
34.36	35.89	36.32	40.27	40.31	40.17
7.20	7.35	3.71	3.91	5.91	6.13
21.85	1.69	42.44	55.39	7.70	2.12
596.00	733.88	648.43	397.60	482.32	570.92
456	629	987	692	733	866
23,950	21,524	19,750	19,750	12,500	12,000
28,674	28,592	28,565	28,496	28,452	28,418
59	106	66	73	65	91
12.8360	13.5800	14.0803	13.9020	13.8240	13.5760
18.6680	22.8200	21.7170	21.2620	20.1310	19.1740
18.19	18.30	17.90	16.81	17.00	17.76

## CITY OF ANN ARBOR, MICHIGAN

### Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2024	2023	2022	2021
Police				
Station	1	1	1	1
Zone offices	1	1	1	1
Patrol units	35	35	35	35
Fire stations	5	5	5	5
Refuse collection				
Collection trucks	19	19	19	19
Other public works				
Streets (miles)	298	298	298	298
Streetlights	8,063	8,005	7,940	7,811
Traffic signals	124	124	128	159
Parks and recreation				
Acreage	2,210	2,210	2,210	2,195
Playgrounds	80	80	80	80
Baseball/softball diamonds	34	34	34	34
Soccer/football fields	24	24	24	24
Community centers	2	2	2	2
Water				
Water mains (miles)	465	463	463	462
Fire hydrants	3,755	3,492	3,447	3,398
Storage capacity (millions of gallons)	19.0	19.0	19.0	19.0
Wastewater				
Sanitary sewers (miles)	366	366	366	365
Storm sewers (miles)	312	309	289	290
Treatment capacity (millions of gallons)	48	48	48	48

Source: Various services areas within City of Ann Arbor



2020	2019	2018	2017	2016	2015
1	1	1	1	1	1
1	1	1	1	2	2
35	35	35	36	35	35
5	5	5	5	5	5
28	28	27	26	26	27
298	298	298	297	297	297
7,721	7,592	7,572	7,567	7,562	7,497
159	159	159	159	159	159
2,195	2,187	2,110	2,110	2,110	2,074
80	80	80	79	79	77
34	34	34	34	34	34
24	24	24	24	24	24
2	2	2	2	2	2
461	461	459	456	455	488
3,370	3,947	3,887	3,239	3,178	3,741
19.0	19.0	19.0	19.0	19.0	19.0
375	367	364	362	362	362
290	298	294	294	294	266
48	48	48	48	48	48

**This page intentionally left blank.**