



CITY OF BIRMINGHAM

2013 COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2013

OFFICE OF THE DIRECTOR OF FINANCE
J. THOMAS BARNETT, JR.



BIRMINGHAM
— FORWARD —
MAYOR WILLIAM A. BELL, SR.

**City of Birmingham, Alabama
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 2013**

TABLE OF CONTENTS

	Page(s)
INTRODUCTORY SECTION	
Officials of the City of Birmingham, Alabama	1
Letter of Transmittal	2-7
Certificate of Achievement for Excellence in Financial Reporting	8
Organization of the City of Birmingham	9
 FINANCIAL SECTION	
Independent Auditor's Report	10-12
Management's Discussion and Analysis	13-23
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	24-25
Statement of Activities	26
Fund Financial Statements:	
Balance Sheet - Governmental Funds	27
Reconciliation of Governmental Fund balance Sheet	28
Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds	29
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual, General Fund	31
Statement of Net Assets-Proprietary Funds	32
Statement of Revenues, Expenses, and Changes in Net Assets- Proprietary Funds	33
Statement of Cash Flows-Proprietary Funds	34
Statement of Fiduciary Net Assets	35
Statement of Changes in Fiduciary Net Position	36
Statement of Net Assets-Component Units	37
Statement of Activities-Component Units	38
Notes to the Financial Statements	39-69
Required Supplementary Information	
Schedule of Funding Progress - Pension Plans	70
Schedule of Employer Contributions - Pension Plans	71-72
Schedule of Funding Progress - OPEB	73
Other Supplementary Information	
Combining Statement of Fiduciary Net Position - Pension Trust	74
Combining Statement of Fiduciary Changes - Pension Trust	75
Schedule of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual, General Fund	76
Combined Balance Sheet-Nonmajor Governmental Funds	77
Combining Balance Sheet - Nonmajor Governmental Funds	78-81
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	83-86

**City of Birmingham, Alabama
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 2013**

TABLE OF CONTENTS

STATISTICAL SECTION

Financial Trends

Net Position by Components for Last Nine Fiscal Years	87
Changes in Net Position for Last Nine Fiscal Years	88-88A
Fund Balances for Last Nine Fiscal Years	89-89A
Changes in Fund Balances for Last Nine Fiscal Years	90

Revenue Capacity

Sales and Use Tax Revenues	91
Sales and Use Tax Revenues to Total Taxes	92

Debt Capacity

Ratios of Outstanding Debt by Type for Ten Fiscal Years	93
Ratios of General Bonded Debt Outstanding for Last Ten Fiscal Years	94
Assessed Value and Estimated True Value of All Taxable Property	95
Direct and Overlapping Debt for Last Seven Fiscal Years	96
Property Taxes-Direct and Overlapping Governments	97
Legal Debt Calculation	98-99
Property Taxes Levied and Collected	100
Principal Property Taxpayers	101

Demographic and Economic Information

Demographic and Economic Statistics for Last Ten Fiscal Years	102
Principal Employers - Current Fiscal Year and Prior Ten Years Ago	103
Metropolitan Birmingham Employers - By Industry	104

Operating Information

Full-time Equivalent City Government Employees by Function/Program	105
Capital Asset Statistics by Function/Program	106
E911 Call Center Statistics	107
Police Department Statistics	108-109
Municipal Court Statistics	110
Permit Valuations and Counts	111

Debt Service Schedules	112-118
-------------------------------	----------------

INTRODUCTORY SECTION

- **List of City Officials**
- **Finance Director's Letter of Transmittal**
- **Certificate of Achievement-
Government Finance Officers Association**
- **City of Birmingham Organization Chart**





CITY OF BIRMINGHAM

DEPARTMENT OF FINANCE

A-100 CITY HALL
710 NORTH 20TH STREET
BIRMINGHAM, ALABAMA 35203-2227

WILLIAM A. BELL, SR.
MAYOR

J. THOMAS BARNETT, JR.
FINANCE DIRECTOR

TELEPHONE (205) 254-2205
FAX (205) 254-2937

HENRY YOUNG III
DEPUTY DIRECTOR

BARBARA D. MCGRUE
DEPUTY DIRECTOR

December 27, 2013

To the Mayor
City Council Members
Citizens of the City of Birmingham

The City of Birmingham's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2013, is hereby submitted. This report represents the official comprehensive publication of the City's financial position at June 30, 2013. Responsibility for the accuracy, completeness, and fairness of the data, including all disclosures, rests with management of the City of Birmingham. The basis of reliance for the financial statements is a comprehensive framework of internal control. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the statements are free of any material misstatements.

In compliance with the City's Mayor-Council Act, the submitted financial statements were subjected to an independent audit. Banks, Finley, White & Co. has issued an unqualified opinion on the City of Birmingham's financial statements for the year ended June 30, 2013. Their report is located at the front of the financial section of the CAFR.

Additionally, the City of Birmingham is responsible, as a recipient of federal and state assistance, for maintaining an adequate internal control structure to ensure compliance with applicable laws and regulations related to those programs. The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments. Information regarding the single audit, which includes the Schedule of Expenditures of Federal Awards, findings and recommendations, and the auditor's reports on the internal control structure and compliance with applicable laws and regulations is included in a separate report and is available upon request.

Immediately following the auditor's report is the City's Management Discussion and Analysis (MD&A) which provides, in a narrative format, an introduction, overview, and analysis of the basic financial statements. This letter of transmittal should be read in conjunction with the MD&A.

CITY PROFILE AND REPORTING ENTITY

The City of Birmingham was incorporated in 1871 and is centrally located in the State of Alabama. It operates under a mayor-council form of government. The Mayor is elected at large and serves a four year term. The Council is composed of nine members, elected by district and each serves a four year term.

Included in this report is an organizational chart showing the twenty-three departments responsible for the administration and operation of the City of Birmingham. These departments provide valuable services to the citizens such as police and fire protection, maintenance and construction of highways and streets, recreational and cultural activities, sanitation services, and libraries and museums. This report includes, separately, the financial operations of two legal entities – the Birmingham Airport Authority and the Birmingham Parking Authority – for which the City is financially accountable. Additional information regarding these two discretely presented component units is provided in the notes to the financial statements (Note 1A).

Birmingham's diverse economy, once highly dependent on the iron and steel industry, benefits today from a range of businesses including finance and healthcare. Projects that are planned, under construction and recently completed are contributing to the economy. These projects increase tax revenues and provide jobs which will continue to have a positive impact on the Birmingham-Hoover Metro Area unemployment rate, which averaged 6.4% in 2012. The preliminary October, 2013 Metro Area unemployment rate was 5.7%, compared to the State of Alabama's October unemployment rate of 6.5% and 7.3 % for the United States.

Birmingham's banking sector continues to diversify. A number of medium-sized and smaller banks also continue to do well through aggressive new customer recruitment. Cadence Bank has relocated its headquarters and operations center to Birmingham from Starkville, Mississippi. Larger banking institutions are returning to profitability.

The Birmingham Crossplex completed its first full year of operations to rave reviews and had a very successful year, including hosting the NCAA, Division II, Winter Championships. The natatorium, indoor track facility and arena, located approximately 4 miles to the west of the City Center, hosts track and field, volleyball, wrestling and aquatic competition. These first-class athletic facilities are drawing events from national, regional and state athletic organizations. The Birmingham Crossplex was recently awarded eleven NCAA division I, II and III championship events over the next few years. The City has engaged a developer to lead efforts to recruit new retail businesses and hotels to a large track of adjacent city-owned property.

Sustainability of neighborhoods and providing retail shopping opportunities throughout the City is vitally important to the growth of Birmingham's economy. Recruitment of neighborhood grocery stores is seeing success and grocery stores are being recruited for several communities. Many neighborhood projects are currently planned or underway to improve the quality of life for the City's citizens.

In the City Center, more than 9,100 residents live in the area, which was made even more attractive by the City's new Railroad Reservation Park, a 19 acre "green space" located within an easy walk of the Central Business District and UAB. In November, 2012 Railroad Park was awarded the Urban Land Institute's Urban Space Award. The award recognizes parks that help revitalize communities. The park surpassed such renowned new parks such as Riverwalk in Calgary, Alberta; Pier 25 in New York; Tanner Springs Park in Portland and High Line Park in New York. Announcements of new projects to renovate and redevelop older buildings in the City Center occur regularly and approximately 1,100 residential units are in various stages of development. The City received Federal grants to implement a system of walking trails throughout the City and these projects are underway. When completed, the trails will link parks and green-spaces over a large area of the City. The City has begun the development of a transportation hub in the downtown area. The facility will house the Birmingham-Jefferson Transit Authority's metro bus system, Greyhound and Amtrak. A large portion of the funding was provided by a Federal grant.

A new minor league baseball park opened in April, 2013 for its inaugural season adjacent to Railroad Park and is the home of the Birmingham Barons, a double-A farm team for the Chicago White Sox. For the season, the Barons set a Southern League attendance record, with approximately 400,000 attendees, and won the League Championship. The Rotary Club of Birmingham is proceeding with a major project to connect, by greenway, the Railroad Park with Sloss Furnace National Historic Landmark, approximately seven blocks away. Railroad Park and the ball park are catalysts for development in the area. Two apartment projects, each containing over two-hundred units, restaurants and office/retail projects have been announced in the immediate vicinity.

A Westin Hotel and Entertainment District, adjacent to the Birmingham-Jefferson Convention Complex (BJCC) opened in January, 2013. The new hotel brings hotel room availability in the immediate BJCC area to more than 1,000, a convention and tourism industry standard required to attract larger trade shows and conventions. The Entertainment District is currently approximately 90% leased and is in the build-out phase, with most restaurants and bars opening between Winter 2013 and Spring 2014.

Over the past few years, a complex of federal government offices has developed on the northern edge of Birmingham's Central Business District. The complex includes new regional offices for the Bureau of Alcohol, Tobacco, Firearms and Explosives, the Federal Bureau of Investigation, and the Social Security Administration. Growth in the complex continued in 2013 with a groundbreaking for a new location of the Department of the Treasury, formerly located in the City of Homewood. The Veterans

Administration has announced plans for the construction of a \$50 million clinic in the City's Medical District, just south of downtown.

The University of Alabama at Birmingham (UAB), Alabama's largest employer, has a major influence on the economy of the City, providing stability during economic downturns. UAB has several construction projects underway, and completed significant projects in the past year. The recently opened Women and Infants Center on the UAB campus provides a new hospital specializing in women's healthcare services, and premature and newborn infant care.

The general hospital sector of Birmingham's economy remains strong, not only with new development at UAB's Medical Center, but also with facility expansion occurring at St. Vincent's Hospital and at Princeton Baptist Medical Center. A new, 380 bed state-of-the art replacement facility for Children's Hospital opened in March, 2011. The old facility has been converted into research space. Investment in the new facility was approximately \$384 million.

After years of litigation with respect to its Certificate of Need and rulings by the Alabama Supreme Court, Trinity Medical Center has begun renovation and construction of its replacement facility on Highway 280, in a high growth area in the southern section of the City. Trinity Medical Center is a 534-bed facility with a wide range of inpatient and outpatient, emergency and surgical care services. Trinity plans to move its operation from its current Montclair Road campus, in the central part of the City. Efforts to find new uses for the existing campus are underway and such efforts have experienced some success, including Momentum Telecom's decision to move its headquarters to one of the professional office buildings on the campus, bringing approximately 80 new jobs into the City. In an effort to keep the hospital in the City, the City entered into a Project Agreement with Trinity, which is now owned by Community Health Systems, and with affiliates of the Daniel Corporation. The Agreement obligates the City to rebate certain taxes paid to the City by Trinity and Daniel in the amounts of \$40 million and \$15 million, respectively, over an approximate twenty-three year period. The City has notified Trinity and Daniel that it does not have authority under the Constitution and Statutes of the State to rebate all, or portions, of certain ad-valorem taxes that are restricted as to use. Such taxes were estimated to equal approximately 28% of the contemplated rebate amounts. See the note on pages 59 and 60 for a summary of this Agreement.

In November, 2011, Jefferson County filed for bankruptcy protection in Federal Bankruptcy Court. On November 21, 2013 the Bankruptcy Court approved Jefferson County's Plan of Adjustment and its exit from Bankruptcy. The City does not expect long-term adverse consequences as a result of the filing.

On October 9, 2012 City voters approved a bond referendum. The approval authorizes the issuance of up to \$150 million of general obligation bonds for the following purposes: \$6.3 million for landfill expansion, \$20 million for public parks and recreational facilities, \$48.7 million for street and sidewalk improvements, \$19 million

for economic development initiatives, \$45 million for public buildings and equipment and \$11 million for storm and sanitary sewer improvements. The City anticipates that the City's Bond Reserve Fund, which receives 9.2 mills of ad-valorem tax annually, will be sufficient to pay debt service on the bonds, when issued. The City issued approximately \$68 million of the bonds during the spring of 2013. \$2.69 million of the bonds were issued in December, 2013, which will provide funds for the Birmingham Children's Museum at the McWane Center, contribute to the restoration of the historic Lyric Theatre and fund improvements to the Civil Rights Institute and Museum. The City received credit ratings of Aa2, AA, AA and AA from Moody's Investors Service, Standard & Poor's, Fitch Ratings and Kroll Bond Ratings for its bonds. The remainder of the bonds will, most likely, be issued in three to five years.

The City's major pension fund, the Retirement and Relief System, continued the trend of an increasing actuarial unfunded liability for long-term benefits. The trend has continued from the early 2000's and as of July 1, 2012, the unfunded actuarial accrued liability of the Plan was \$303,041,753. While the Plan is currently able to meet all of its obligations and its funding level compares favorably with many plans around the Country, the City and the Pension Board are studying options for reversing this trend, including increasing annual contributions. Additionally, the actuarial methodology smoothed the investment portfolio's market value losses from 2008 over a number of years. The 2008 investment losses have now been fully recognized. The portfolio's market performance has improved significantly in 2013.

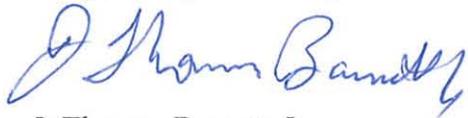
The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2012. The Certificate of Achievement is a prestigious national award presented to state and local governments for publishing an easily readable and efficiently organized CAFR whose contents conform to program standards and complies with generally accepted accounting principles and applicable legal requirements. The Certificate is valid for a period of one year. The City of Birmingham has received the award for the last 34 consecutive years. We believe our current CAFR continues to conform to Certificate of Achievement program requirements, and we are submitting it to the GFOA for consideration.

The City of Birmingham's budget report for the fiscal year beginning July 1, 2012, was awarded the Government Finance Officer's Association Award for Distinguished Budget Presentation. In order to receive this award, a governmental unit must publish a document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. The City believes its current budget report also meets the above criteria, and we are submitting it to the GFOA for consideration.

Preparation of this document was made possible by the dedicated efforts of the staff of the Finance Department and City Administration. I wish to express my appreciation to them and other department employees who contributed to the publication of this report, with particular thanks to the entire General Accounting staff.

Additional information, including the City's Operating and Capital Budgets can be accessed at www.birminghamal.gov

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "J. Thomas Barnett, Jr.", written in a cursive style.

J. Thomas Barnett, Jr.
Director of Finance



Government Finance Officers Association

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

Presented to

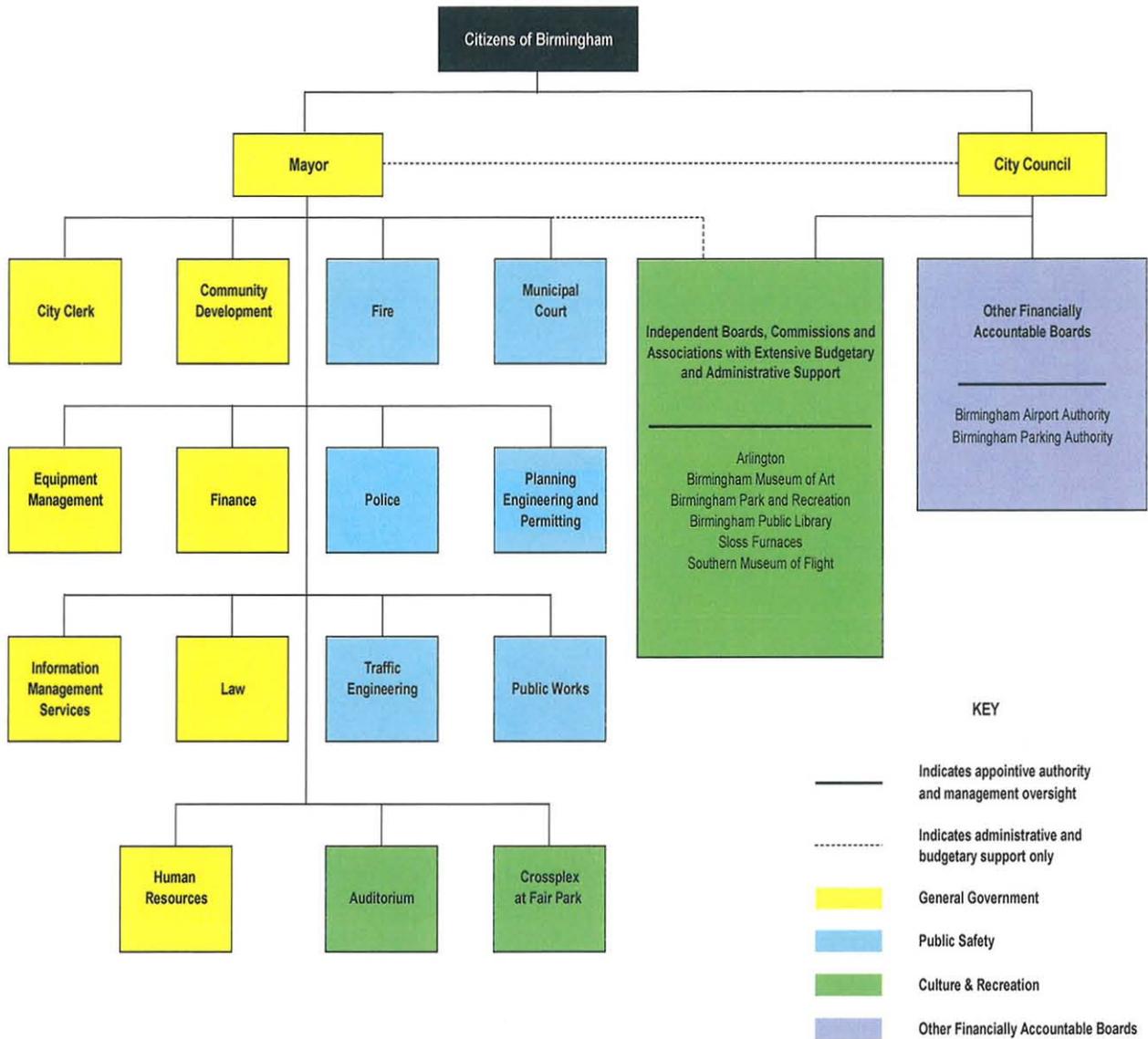
**City of Birmingham
Alabama**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

City of Birmingham, Alabama Organization Chart



FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Notes to the Financial Statements**
- **Required Supplementary Information**



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council of
the City of Birmingham, Alabama

Report on the Financial Statements

We have audited the accompanying 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, and the respective budgetary comparison for the General Fund of the City of Birmingham, Alabama ("the City"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Birmingham Parking Authority, which represents 1.0 percent, 1.2 percent and 10.1 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Birmingham Parking Authority, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our and the report of other auditors, the 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, the aggregate remaining fund information and the respective budgetary comparison for the General Fund of the City of Birmingham, Alabama, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note I.E. to the financial statements, in 2013, the City adopted new accounting guidance, GASB Statement No. 63. *Financial Reporting of Deferred Inflows of Resources and Net Position*. The City also adopted GASB Statement No 65. *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of funding progress and employer contributions - pension plans and schedule of funding progress - OPEB on pages 13-22, pages 70-72, and page 73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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.

Other 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 introductory section, combining statements of fiduciary net assets, combining and individual nonmajor fund financial statements, schedule of revenues, expenditures and changes in fund balance-general fund, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.



To the Honorable Mayor and
Members of the City Council of
the City of Birmingham, Alabama
Page 3

The combining statements of fiduciary net assets, combining and individual nonmajor fund financial statements and the schedule of revenues, expenditures and changes in fund balance-general fund are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements of fiduciary net assets, combining and individual nonmajor fund financial statements and the schedule of revenues, expenditures and changes in fund balance-general fund are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2013, 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 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 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.

December 27, 2013

Banks, Finley White & Co.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This narrative overview and analysis of the financial activities of the City of Birmingham for the fiscal year ended June 30, 2013, is offered by management of the City to the readers of the financial report. Please read it in conjunction with the letter of transmittal presented on pages 2-7 and the financial statements beginning on page 24.

Financial Highlights

- Total net position for the City of Birmingham increased by \$20.5 million during the past fiscal year.
- The assets of the City of Birmingham exceeded its liabilities at the close of June 30, 2013, by \$205 million.
- The City of Birmingham's governmental funds reported combined ending fund balances of \$355 million as of June 30, 2013, an increase of \$57 million over the prior fiscal year.

Overview of Financial Statements

Following this discussion the City of Birmingham's basic financial statements are presented. There are three components to these financial statements.

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

1. The government-wide financial statements give readers a broad overview of the finances of the City of Birmingham in a manner similar to a private-sector business. They are composed of two individual statements – the statement of net position and the statement of activities.

The *statement of net position* presented on pages 24 & 25 reports all of the City of Birmingham's assets, liabilities and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position could serve as a useful indicator as to whether the financial position of the City is improving or deteriorating.

The *statement of activities* presented on page 26 shows the changes in the City of Birmingham's net position during the fiscal year ended June 30, 2013. This statement is prepared on the full accrual basis of accounting meaning that all changes to net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide statements show separately the governmental activities and the business-type activities. The governmental activities are those supported mainly by taxes and intergovernmental revenues. The City of Birmingham's activities (functions) include public safety, streets and sanitation, culture and recreation, and general government. The business-type activity for the City is supported by user charges which are intended to cover all or a significant portion of the activity costs. The City of

Birmingham's business-type activity is the operation of the Emergency Communications District, better known as E-911.

2. Fund financial statements report the City's operations in more detail than what is presented in the government-wide financial statements. Fund financial statements include the statements for governmental, proprietary, and fiduciary funds.

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

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 fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance included in this report provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

In fiscal year 2013, the City of Birmingham reported as major funds the General Fund, the Birmingham Fund, the Debt Reserve and Debt Service Funds, the 2010-B Recovery Zone Warrants Fund, the 2013-A Bonds Fund, the Public Improvement Fund, and the Capital Improvement Fund. The other City funds are reported aggregately as non-major funds. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements found beginning with pages 77 and 86 of this report.

The City of Birmingham adopts an annually appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 27 and 29 of this report.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The City maintains one type of proprietary fund, the Emergency Management Communications District (E-911) which is an enterprise fund. The basic proprietary fund financial statements can be found on pages 32-34 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties external to the City of Birmingham. Fiduciary funds are not reflected in the government-wide financial statements because the resources are not available to support the City's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The basic fiduciary statements can be found on pages 35-36 of this report.

3. Notes to the financial statements are provided to give the reader additional information that is essential to understanding the data presented in the government-wide and fund financial statements.

Other required supplementary information is also presented in this report beginning on pages 70.

The following table summarizes the major features of the basic financial statements of the City of Birmingham.

Table of Financial Statements

Fund Financial Statements

	Government-wide Financial Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds)	Activities of the City that are not proprietary or fiduciary	Activity of the City that operates similar to businesses	Activities for which the City acts as trustee for someone else's resources
Required financial statements	<ul style="list-style-type: none"> •Statement of net position •Statement of activities 	<ul style="list-style-type: none"> •Balance sheet •Statement of revenues, expenditures, and changes in fund balance 	<ul style="list-style-type: none"> •Statement of net position •Statement of revenues, expenses, and changes in net position •Statement of cash flows 	<ul style="list-style-type: none"> •Statement of fiduciary net position •Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be liquidated and liabilities that come due during the year or soon thereafter; no capital assets nor long-term debt included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	<ul style="list-style-type: none"> •Revenues for which cash is received during or soon after the end of the year •Expenditures when goods or services have been received and payment is due during the year or soon thereafter 	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Government-Wide Condensed Financial Information

Net position represents the difference between the City of Birmingham's total assets and its total liabilities. Changes in the net position can be a useful measuring tool to gauge performance over time. The City's net position that is invested in capital assets net of related debt reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for spending. Although the City's investment in 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 revenue sources since the capital assets themselves cannot be liquidated to satisfy these liabilities.

The City of Birmingham's restricted net position of approximately \$189 million is subject to bond and warrant covenants and by federal and state grant requirements. The City's total net position increased by approximately \$20.5 million in fiscal year 2013. For additional details on the reconciliation between the two basis, see page 28 of this report.

The following table presents a condensed statement of the City's net position at June 30, 2013 and 2012:

CONDENSED STATEMENT OF NET POSITION
June 30, 2013 and 2012
(in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	<u>06/30/13</u>	<u>06/30/12</u>	<u>06/30/13</u>	<u>06/30/12</u>	<u>06/30/13</u>	<u>06/30/12</u>
Current and other assets	\$390,140	\$350,294	\$3,462	\$2,477	\$393,602	\$352,771
Capital assets, net	<u>429,425</u>	<u>411,343</u>	<u>1,467</u>	<u>745</u>	<u>430,892</u>	<u>412,088</u>
Total assets	<u>819,565</u>	<u>761,637</u>	<u>4,929</u>	<u>3,222</u>	<u>824,494</u>	<u>764,859</u>
Current and other liabilities	67,927	74,350	346	271	68,273	74,621
Long-term liabilities	<u>550,827</u>	<u>505,357</u>	<u>-</u>	<u>-</u>	<u>550,827</u>	<u>505,357</u>
Total liabilities	<u>618,754</u>	<u>579,707</u>	<u>346</u>	<u>271</u>	<u>619,100</u>	<u>579,978</u>
Net position:						
Invested in capital assets, net of related debt	104,846	133,210	722	919	105,568	134,129
Restricted	189,391	134,295	-	-	189,391	134,295
Unrestricted	<u>(93,426)</u>	<u>(85,574)</u>	<u>3,861</u>	<u>2,032</u>	<u>(89,565)</u>	<u>(83,542)</u>
Net position	<u>\$200,811</u>	<u>\$181,930</u>	<u>\$4,583</u>	<u>\$2,951</u>	<u>\$205,394</u>	<u>\$184,882</u>

CONDENSED STATEMENT OF CHANGES IN NET POSITION
For Years Ended June 30, 2013 and 2012
(in thousands)

Changes in Net Position

	Governmental		Business-Type		Totals	
	Activities		Activities			
	<u>6/30/13</u>	<u>06/30/12</u>	<u>06/30/13</u>	<u>06/30/12</u>	<u>06/30/13</u>	<u>06/30/12</u>
REVENUES:						
Program revenues:						
Charges for services	\$115,910	\$117,156	\$6,196	\$6,608	\$122,106	\$123,764
Operating grants	19,540	25,118	-	-	19,540	25,118
General revenues:						
Sales and use tax	140,832	134,829	-	-	140,832	134,829
Occupational tax	77,844	77,703	-	-	77,844	77,703
Property tax	50,367	55,656	-	-	50,367	55,656
Unrestricted grants and contributions	25,467	19,500	-	-	25,467	19,500
Investment earnings	8,362	5,067	-	4	8,362	5,071
Other	<u>14,352</u>	<u>10,188</u>	<u>-</u>	<u>-</u>	<u>14,352</u>	<u>10,188</u>
Total revenues	<u>452,674</u>	<u>445,217</u>	<u>6,196</u>	<u>6,612</u>	<u>458,870</u>	<u>451,829</u>
EXPENSES:						
Program expenses:						
General government	127,856	126,871			127,856	126,871
Public safety	195,022	194,761	4,564	4,641	199,586	199,402
Streets and sanitation	53,055	56,109			53,055	56,109
Culture and recreation	42,927	42,705			42,927	42,705
Interest on long-term debt	<u>14,933</u>	<u>17,381</u>			<u>14,933</u>	<u>17,381</u>
Total expenses	<u>433,793</u>	<u>437,827</u>	<u>4,564</u>	<u>4,641</u>	<u>438,357</u>	<u>442,468</u>
Increase in net position	18,881	7,390	1,632	1,971	20,513	9,361
Beginning net position	<u>181,930</u>	<u>174,540</u>	<u>2,951</u>	<u>980</u>	<u>184,881</u>	<u>175,520</u>
Ending net position	<u>\$200,811</u>	<u>\$181,930</u>	<u>\$4,583</u>	<u>\$2,951</u>	<u>\$205,394</u>	<u>\$184,881</u>

Fund Analysis

Changes in fund balances for the City's major governmental funds for the fiscal year ended June 30, 2013, are as follows:

	Beginning Balance	Increase (Decrease)	Ending Balance
General Fund	\$ 92,113	\$ 1,385	\$ 93,498
Birmingham Fund	82,973	3,339	86,312
Public Improvement Fund	755	84	839
General Bond Debt Reserve	29,673	(6,531)	23,142
General Bond Debt Service	(14)	396	382
2013-A Bonds		69,488	69,488
Capital Improvement Fund	13,611	4,992	18,603
2010B Recovery Zone	26,508	(10,437)	16,071
	<u>\$245,619</u>	<u>\$ 62,716</u>	<u>\$308,335</u>

Governmental Funds

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

The fund balance of the General Fund increased slightly, as a result of expense control. The Capital Improvement Fund balance increased as appropriation transfers into the fund exceeded the spend-down of projected balances. The Birmingham Fund increased as the market value of the investments increased more than appropriations from the fund. The General Bond Reserve Fund balance decreased according to its programmed reduction to pay debt service on outstanding bonds. The General Bond Debt Service Fund balance increased as a result of excess transfers-in from the Bond Reserve Fund. The fund balance of the Public Improvement Fund increased as a result of additional assessments issued by the City, in excess of project expenditures. The fund balance of the 2010-B Recovery Zone Economic Development Warrants decreased as capital expenditures were made from the fund and the fund balance of the 2013-A Bonds Fund increased due to the issuance of the bonds and these capital funds becoming available for expenditure.

The Statement of Revenues, Expenditures, and Changes in Fund Balances provide additional details for the changes in specific funds. This statement can be found on page 29.

Budget Variances in the General Fund

During the fiscal year, revisions were made to the original budget adopted by the City due to changes in projected revenues. Amendments were also made in the projected expenditures, as needed throughout the year.

Capital Assets and Long-Term Debt Activity

Capital Asset Activity

At June 30, 2013, the City of Birmingham reported approximately \$429 million in net capital assets, including its infrastructure, for governmental activities. The City's Emergency Management Communication District reported approximately \$1.4 million in net capital assets. The notes to the financial statements on pages 49 and 50 provide more information on capital assets, including the changes that occurred during the fiscal year.

A. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows (in thousands):

	<u>June 30,</u> <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30,</u> <u>2013</u>
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$ 138,646	\$ 305	\$ 10	\$ 138,942
Construction in progress	71,254	27,474	47,543	51,185
Land, infrastructure projects	<u>16,647</u>	<u>-</u>	<u>-</u>	<u>16,647</u>
Total nondepreciable capital assets	226,548	27,779	47,553	206,774
Capital assets, depreciable:				
Buildings and capital facilities	185,927	38,555	282	224,199
Furniture and other equipment	152,388	4,103	269	156,222
Infrastructure	<u>197,457</u>	<u>11,310</u>	<u>-</u>	<u>208,768</u>
Total depreciable capital assets	535,772	53,968	551	589,189
Less accumulated depreciation:				
Buildings and capital facilities	104,112	3,967	207	107,872
Furniture and other equipment	113,851	6,102	194	119,759
Infrastructure	<u>133,014</u>	<u>5,894</u>	<u>-</u>	<u>138,908</u>
Total accumulated depreciation	<u>350,977</u>	<u>15,963</u>	<u>401</u>	<u>366,539</u>

Net depreciable capital assets	<u>184,795</u>	<u>38,005</u>	<u>150</u>	<u>222,650</u>
Governmental activities, net capital assets	\$ <u>411,343</u>	\$ <u>65,784</u>	\$ <u>47,703</u>	\$ <u>429,424</u>
Business-type activities:				
Buildings and other capital facilities	\$ 1,025	\$ -	\$ -	\$ 1,025
Furniture and other equipment	<u>2,233</u>	<u>852</u>	<u>-</u>	<u>3,085</u>
Total capital assets	<u>3,258</u>	<u>-</u>	<u>-</u>	<u>4,110</u>
Less accumulated depreciation:				
Buildings and other capital facilities	441	20		461
Furniture and other equipment	<u>2,072</u>	<u>109</u>	<u>-</u>	<u>2,181</u>
Total accumulated depreciation	<u>2,513</u>	<u>129</u>	<u>-</u>	<u>2,642</u>
Business-type activities, net capital assets	\$ <u>745</u>	\$ <u>723</u>	\$ <u>-</u>	\$ <u>1,468</u>

Long-term Debt Activity

At June 30, 2013, the City of Birmingham had approximately \$502 million of outstanding debt consisting of its bonds and warrants; of this amount, approximately \$466 million is considered long-term. The notes to the financial statements, on pages 51-53, include additional details of the City's long-term debt activity.

<u>Governmental Activities</u>	<u>2013</u>	<u>2012</u>
Long Term Debt	\$ 465,514	\$ 430,303
Capitalized Leases	<u>971</u>	<u>-</u>
	\$ 465,514	\$ 430,303

The City's bond ratings are AA, Aa2, AA and AA by Standard & Poor's, Moody's Investors Service Fitch Ratings, and Kroll Bond Ratings, respectively. The City's broad and diverse economy and consistently strong financial performance are the bases for these ratings.

The notes to the financial statements contain more detailed information regarding the City's long-term debt and the changes that occurred during the fiscal year. Debt service schedules are presented for all debt in the statistical section of this report. Please refer to them for additional information including the City's obligations for capitalized equipment leases, workmen's compensation claims, closure and post-closure costs, and compensated absences. The City does not have any debt for its enterprise operation.

On May 9, 2013, the City issued \$2,000,000 of its General Obligation Warrants, Series 2013-RB1. The Warrants were issued for the purpose of currently refunding the City's outstanding Series 2003A Warrants due on June 1, 2014 in the amount of \$1,955,000. The Series 2013-RB1 Warrants mature on June 1, 2014. The refunding resulted in a net present value savings of \$45,684.

On October 9, 2012, City voters approved a \$150 million bond referendum for various capital projects throughout the City. In April, 2013 the City issued \$68,060,535 of its General Obligation Convertible Capital Appreciation Bonds, Series 2013-A for certain capital projects. The City expects to pay debt service on the Bonds from its Bond Reserve Fund. The Bonds were issued as convertible capital appreciation bonds in order to match debt service with expected cash flow in the Bond Reserve Fund, considering other bond debt service. With the exception of the expected issuance of approximately \$2.6 million of bonds in fiscal year 2014, the remainder of the authorization is expected to be issued in the next three to five years.

Economic Factors Affecting the City of Birmingham and the 2013 Budget Information

The City weathered the recession by implementing significant expense reduction and containment measures. In 2012, tax revenues showed some growth and this continued into 2013 and 2014.

The City considered several factors in preparing the City's budget for the 2013 fiscal year. For one, the U. S. economy appeared to have stabilized and is now growing at a slow rate. Low levels of new housing construction continues to hold back economic growth, given housing's large multiplier effect.

Because much of the City's revenue is consumer driven (sales, use, occupational and business license taxes), slow economic growth translates directly into slow growth of a major portion of the City's revenue. Therefore, the City continues to monitor expenses closely and stands ready to adjust its budget as needed.

Availability of Information

The City's current and previous Operating and Capital Budgets, previous CAFRs, Single Audits and this CAFR are available on the City's website at www.birminghamal.gov.

Request for Information

This financial report is designed to give a general overview of the City of Birmingham's finances. Questions concerning any of the information may be sent to the following:

Director of Finance
710 North 20th Street, Suite A-100
Birmingham, AL 35203

This Page Intentionally Left Blank

Basic Financial Statements



City of Birmingham, Alabama
Statement of Net Position
June 30, 2013
(in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
CURRENT ASSETS				
Unrestricted assets				
Cash and investments	\$ 319,226	\$ 2,932	\$ 322,158	\$ 28,465
Cash with escrow agent	3,315	-	3,315	-
Receivables				
Accrued interest	543	-	543	-
Accrued taxes receivable	28,460	-	28,460	-
Accounts (net of uncollectibles)	3,811	530	4,341	1,696
Notes (net of uncollectibles)	119	-	119	-
Loans	1,133	-	1,133	-
Due from other governments	2,403	-	2,403	342
Special assessments	11,298	-	11,298	-
Inventories	1,503	-	1,503	99
Prepaid items	441	-	441	361
Due from component unit	975	-	975	-
Other current assets	401	-	401	-
Restricted assets				
Cash and cash equivalents	-	-	-	24,663
Investments	-	-	-	55,940
Accounts and grants receivable	-	-	-	1,471
Accrued interest receivable	-	-	-	223
Total Current Assets	373,628	3,462	377,090	113,260
NONCURRENT ASSETS				
Capital assets				
Land	155,589	-	155,589	169,842
Buildings and capital facilities	224,200	1,025	225,225	107,795
Furniture and other equipment	156,222	3,086	159,308	16,067
Accumulated depreciation	(227,632)	(2,643)	(230,275)	(81,766)
Infrastructure	208,768	-	208,768	200,495
Accumulated depreciation, infrastructure	(138,908)	-	(138,908)	(92,610)
Construction in progress	51,186	-	51,186	191,225
Total Noncurrent Assets	429,425	1,468	430,893	511,048
Total Assets	\$ 803,053	\$ 4,930	\$ 807,983	\$ 624,308
Deferred Outflows of Resources	16,512	\$ -	\$ 16,512	\$ 5,338
Total Assets And Deferred Outflows of Resources	\$ 819,565	\$ 4,930	\$ 824,495	\$ 629,646

The notes to the financial statements are an integral part of this statement.

City of Birmingham, Alabama
Statement of Net Position
June 30, 2013
(in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Liabilities				
CURRENT LIABILITIES:				
Payable from unrestricted assets				
Accounts and vouchers payable	\$ 9,347	\$ 16	\$ 9,363	\$ 1,238
Contracts payable	451	330	781	-
Contracts payable - retainage	1,388	-	1,388	-
Accrued payroll and payroll taxes payable	1,383	-	1,383	111
Due to primary government	-	-	-	1,149
Estimated claims payable	17,139	-	17,139	-
Other liabilities	(4,510)	-	(4,510)	-
Interest payable	4,927	-	4,927	-
Capitalized leases	103	-	103	-
Compensated absences	974	-	974	35
Bonds and warrants payable	36,725	-	36,725	-
Payable from restricted assets				
Contracts payable	-	-	-	9,291
Accrued Interest payable	-	-	-	5,325
Current portion of revenue bonds payable	-	-	-	5,765
Total Current Liabilities	67,927	346	68,273	22,914
LONG TERM LIABILITIES				
Capitalized leases	971	-	971	-
Compensated absences	13,869	-	13,869	653
Bonds and warrants payable, net	465,514	-	465,514	201,413
Closure and postclosure costs	13,489	-	13,489	-
Workers' compensation claims payable	17,209	-	17,209	-
OPEB liability	25,893	-	25,893	-
Net pension obligation	13,882	-	13,882	-
Total Long Term Liabilities	550,827	-	550,827	202,066
Total Liabilities	618,754	346	619,100	224,980
Net Position				
Invested in capital assets, net of related debt	104,846	722	105,568	347,303
Restricted for:				
Restricted for debt service	24,716	-	24,716	24,101
Restricted for future projects	164,675	-	164,675	5,432
Unrestricted	(93,426)	3,861	(89,565)	27,830
Total Net Position	\$ 200,811	\$ 4,583	\$ 205,394	\$ 404,666

The notes to the financial statements are an integral part of this statement.

City of Birmingham, Alabama
Statement of Activities
For the Year Ended June 30, 2013
(in thousands)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government							
Governmental Activities:							
Public safety	195,022	15,893	8,453	(170,676)	-	(170,676)	-
Street and sanitation	53,055	449	106	(52,500)	-	(52,500)	-
Cultural and recreational	42,927	2,073	-	(40,854)	-	(40,854)	-
General government	127,856	97,495	10,981	(19,380)	-	(19,380)	-
Interest on Long-Term Debt	14,933	-	-	(14,933)	-	(14,933)	-
Total Governmental Activities:	433,793	115,910	19,540	(298,343)	-	(298,343)	-
Business-Type Activities:							
Emergency Management Communication District	4,564	6,196	-	-	1,632	1,632	-
Total Business-Type Activities:	4,564	6,196	-	-	1,632	1,632	-
Total Primary Government:	\$ 438,357	\$ 122,106	\$ 19,540	(298,343)	1,632	(296,711)	-
Component Units							
Birmingham Airport Authority	36,997	37,543	12,759	-	-	-	13,306
Birmingham Parking Authority	6,067	6,135	-	-	-	-	69
Total Component Units:	\$ 43,064	\$ 43,678	\$ 12,759	-	-	-	13,375
Sales and use tax				140,832	-	140,832	-
Occupational tax				77,844	-	77,844	-
Property tax				50,367	-	50,367	-
Grants and contributions-unrestricted				25,467	-	25,467	-
Unrestricted investment earnings				8,362	-	8,362	218
Other				14,351	-	14,351	4,439
Total General Revenues, Special Items, and Transfers				317,223	-	317,223	4,657
Change in Net Position:				18,880	1,632	20,512	18,032
Net Position - Beginning				181,931	2,951	184,882	386,634
Net Position - Ending:				\$ 200,811	\$ 4,583	\$ 205,394	\$ 404,666

The notes to the financial statements are an integral part of this statement.

City of Birmingham, Alabama
Balance Sheet
Governmental Funds
June 30, 2013
(in thousands)

	General	Debt Reserve	Debt Service	Capital Improvement Fund	Birmingham Fund	Public Improvement	2010-Recovery Zone Econ Dev Warrants	2013-A Bonds	Other Governmental Funds	Total Governmental Funds
Assets										
Cash and investments	\$ 61,402	\$ 22,837	\$ 396	\$ 18,957	\$ 86,126	\$ 839	\$ 16,445	\$ 69,781	\$ 42,443	\$ 319,226
Cash with fiscal agent	-	-	-	-	-	-	-	-	3,315	3,315
Receivables:										
Accrued interest	35	122	-	12	291	-	9	-	74	543
Accrued taxes	27,843	183	-	-	-	77	-	-	357	28,460
Accounts (net of uncollectibles)	2,871	-	-	-	-	-	-	-	940	3,811
Notes (net of uncollectibles)	87	-	-	-	-	-	-	-	32	119
Loans	1,014	-	-	-	-	-	-	-	119	1,133
Due from other governments	2,403	-	-	-	-	-	-	-	-	2,403
Special assessments	-	-	-	-	-	11,298	-	-	-	11,298
Due from component units	975	-	-	-	-	-	-	-	-	975
Inventories	1,503	-	-	-	-	-	-	-	-	1,503
Prepaid Items	441	-	-	-	-	-	-	-	-	441
Other	403	-	-	-	-	-	-	-	-	403
Total Assets:	\$ 98,976	\$ 23,142	\$ 396	\$ 18,969	\$ 86,418	\$ 12,214	\$ 16,455	\$ 69,780	\$ 47,280	\$ 373,630
Liabilities and Fund Balances										
Liabilities:										
Accounts and vouchers payable	7,801	-	14	315	106	-	50	199	862	9,347
Contracts payable	451	-	-	-	-	-	-	-	-	451
Contracts payable-retainage	-	-	-	51	-	-	334	93	910	1,388
Accrued payroll and payroll taxes payable	1,378	-	-	-	-	-	-	-	5	1,383
Other liabilities	(4,152)	-	-	-	-	11,375	-	-	(1,111)	6,112
Total Liabilities:	5,478	-	14	366	106	11,375	384	292	666	18,681
Fund Balances:										
Nonspendable:										
Inventory	1,573	-	-	-	-	-	-	-	-	1,573
Prepaid items	344	-	-	-	-	-	-	-	-	344
Spendable:										
Restricted:										
Debt Service	-	23,142	-	-	-	-	-	-	5,147	28,289
Capital Projects	-	-	-	18,603	-	839	16,071	69,488	28,941	133,942
Other	-	-	-	-	-	-	-	-	293	293
Assigned:										
Debt Service	-	-	382	-	-	-	-	-	-	382
Committed to:										
Stabilization	-	-	-	-	86,312	-	-	-	-	86,312
Neighborhood Improvements	-	-	-	-	-	-	-	-	8,376	8,376
Other Purposes	-	-	-	-	-	-	-	-	3,148	3,148
Unassigned	91,581	-	-	-	-	-	-	-	709	92,290
Total Fund Balances:	93,498	23,142	382	18,603	86,312	839	16,071	69,488	46,614	354,949
Total Liabilities and Fund Balances:	\$ 98,976	\$ 23,142	\$ 396	\$ 18,969	\$ 86,418	\$ 12,214	\$ 16,455	\$ 69,780	\$ 47,280	\$ 373,630

The notes to the financial statements are an integral part of this statement.

City of Birmingham, Alabama
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
Year Ended
June 30, 2013

Fund Balance - Total governmental funds \$ 354,949

Amounts reported for governmental activities in the statement of net assets are different because:

Deferred revenues are not recognized until available in the funds. 10,622

Deferred items related to debt issuance used in governmental activities are not current financial resources and therefore are reported in the reported in the governmental funds balance sheet. 16,511

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the balance sheet.

Governmental capital asset	\$ 795,963	
Accumulated depreciation	(366,539)	429,424

Long-term liabilities are not due and payable in the current period and therefore, they are not reported in the governmental funds balance sheet.

Bonds and warrants payable	(502,239)	
Capitalized leases	(1,074)	
Compensated absences	(14,843)	
Accrued interest payable	(4,927)	
Landfill closure cost	(13,489)	
OPEB liability	(25,893)	
Workers' Compensation claims payable	(17,209)	
Estimated claims payable	(17,139)	
Net pension obligation	(13,882)	(610,695)

Net position of governmental activities \$ 200,811

The notes to the financial statements are an integral part of this statement.

City of Birmingham, Alabama
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013
(in thousands)

	General	Debt Reserve	Debt Service	Capital Improvement Fund	Birmingham Fund	Public Improvement	2010-B Recovery Zone Econ Dev Warrants	2013-A Bonds	Other Governmental Funds	Total Governmental Funds
Revenues										
Taxes	\$ 248,960	\$27,977	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,578	\$ 280,515
Licenses and permits	86,709	-	-	-	-	-	-	-	-	86,709
Intergovernmental	11,074	288	-	-	-	-	-	-	33,458	44,820
Charges for services	12,514	-	-	-	-	-	-	-	72	12,586
Fines and forfeitures	2,750	-	-	-	-	-	-	-	2,053	4,803
Investment income	67	(216)	-	(51)	8,200	8	25	2	326	8,361
Other operating revenues	10,764	-	-	22	-	79	-	(1)	4,436	15,300
Total Revenues	372,838	28,049	-	(29)	8,200	87	25	1	43,923	453,094
Expenditures										
Current Expenditures										
Public safety										
Police	84,474	-	-	-	-	-	-	-	3,064	87,538
Fire	53,927	-	-	-	-	-	-	-	1,218	55,145
Planning, Engineering and Permits	11,413	-	-	-	-	-	-	-	1,691	13,104
Traffic Engineering	9,619	-	-	-	-	-	-	-	-	9,619
Municipal Court	4,503	-	-	-	-	-	-	-	2,533	7,036
Nondepartmental	-	-	-	-	-	-	-	-	58	58
Street and Sanitation										
Public Works										
Public Works	46,415	-	-	-	-	-	-	50	(29)	46,436
Cultural and recreational										
Park & Recreation	10,849	-	-	-	-	-	487	-	207	11,543
Library	14,307	-	-	-	-	-	-	-	-	14,307
Arlington Historical Home	494	-	-	-	-	-	-	-	-	494
Boutwell Auditorium	1,163	-	-	-	-	-	-	-	-	1,163
Museum of Art	3,164	-	-	-	-	-	-	-	-	3,164
Sloss Furnace	477	-	-	-	-	-	-	-	-	477
Southern Museum of Flight	700	-	-	-	-	-	-	-	-	700
State Fairgrounds	4,192	-	-	-	-	-	-	-	-	4,192
Nondepartmental	-	-	-	-	-	-	-	-	329	329
General government:										
Finance	9,578	-	-	-	-	-	-	-	622	10,200
Equipment Management	16,238	-	-	-	-	-	-	-	-	16,238
Information Management Services										
City Clerk	1,437	-	-	-	-	-	-	-	-	1,437
Community Development	562	-	-	-	-	-	-	-	13,001	13,563
Council Office	2,675	-	-	-	-	-	-	-	-	2,675
Legal	6,824	-	-	-	-	-	-	-	-	6,824
Mayor's Office	8,175	-	-	-	-	-	-	-	7	8,182
Personnel	6,834	-	-	-	-	-	-	-	-	6,834
Nondepartmental	40,269	-	73	2,171	3,749	3	1,006	-	1,661	48,932
Municipal Court	-	-	-	-	-	-	-	-	9	9
Debt Service:										
Principal	8,828	-	22,225	-	-	-	-	-	7,595	38,648
Interest and fees	5,946	-	11,892	-	-	-	-	670	3,923	22,431
Capital Outlay										
Capital outlays	1,549	-	-	2,309	1,112	-	8,969	3,770	14,099	31,808
Total Expenditures	363,131	-	34,190	4,480	4,861	3	10,462	4,490	49,986	471,603
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,707	28,049	(34,190)	(4,509)	3,339	84	(10,437)	(4,489)	(6,063)	(18,509)
Other financing sources (uses)										
Proceeds from issuance of debt	-	-	2,000	-	-	-	-	68,061	-	70,061
Proceeds from capital lease	1,074	-	-	-	-	-	-	-	-	1,074
(Premium)/Discount on debt issuance	-	-	(39)	-	-	-	-	5,916	-	5,877
Payment to escrow agent	-	-	(1,955)	-	-	-	-	-	-	(1,955)
Transfers in	10	-	34,580	9,501	-	-	-	-	204	44,296
Transfers out	(9,406)	(34,580)	-	-	-	-	-	-	(310)	(44,296)
Total Other financing sources (uses):	(8,322)	(34,580)	34,586	9,501	-	-	-	73,977	(106)	75,057
Net Change in Fund Balances	1,385	(6,531)	396	4,992	3,339	84	(10,437)	69,488	(6,168)	56,548
Fund Balances - Beginning	92,113	29,673	(14)	13,611	82,973	755	26,508	-	52,782	298,401
Fund Balances - Ending	\$ 93,498	\$23,142	\$ 382	\$ 18,603	\$ 86,312	\$ 839	\$ 16,071	\$ 69,488	\$ 46,614	\$ 354,949

The notes to the financial statements are an integral part of this statement.

City of Birmingham, Alabama
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2013
(in thousands)

Net increase in fund balances - total governmental funds		\$ 56,548
<p>Governmental funds report capital outlays as expenditures. In the statement of activities, however, these costs are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
	Capital Outlay	34,128
	Depreciation	(15,963)
		18,165
<p>The repayment of principal of long-term debt uses current resources of governmental funds but has no effect on net assets</p>		
		39,420
<p>Issuance of new bonds, warrants</p>		
		(75,938)
<p>Issuance of capital lease</p>		
		(1,074)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds:</p>		
Change in compensated absences	(301)	
Change in closure and postclosure costs	(313)	
Amortization of deferred charges	528	
Change in interest payable	175	
Change in workers compensation	(2,950)	
Change in OPEB	-	
Change in net pension asset	(5,713)	
Change in estimated claims	(9,477)	
		(18,051)
<p>Revenue not recognized until future years</p>		
		(266)
<p>Loss on disposal of fixed assets</p>		
		76
		76
<p>Increase in net position of governmental activities</p>		
		\$ 18,880

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

City of Birmingham, Alabama
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2013
(in thousands)

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes	\$ 246,208	\$ 255,458	\$ 248,960	\$ (6,498)
Licenses and permits	86,045	86,545	86,709	164
Intergovernmental	10,759	10,759	11,074	315
Charges for services	12,679	12,689	12,514	(175)
Fines and forfeitures	3,017	3,017	2,750	(267)
Investment income	780	780	67	(713)
Other operating revenues	6,361	10,612	10,762	150
Total Revenue	<u>365,849</u>	<u>379,860</u>	<u>372,836</u>	<u>(7,024)</u>
Expenditures				
Current Expenditures				
Public safety	166,263	167,186	163,936	3,250
Street and sanitation	46,641	46,849	46,415	434
Cultural and recreational	36,307	36,370	35,346	1,024
General government	99,465	104,890	101,111	3,779
Debt Service				
Principal	10,480	8,828	8,828	-
Interest and fees	6,215	5,977	5,946	31
Capital Outlay				
Capital outlays	280	525	1,549	(1,024)
Total Expenditures	<u>365,651</u>	<u>370,625</u>	<u>363,131</u>	<u>7,494</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>198</u>	<u>9,235</u>	<u>9,705</u>	<u>470</u>
Other financing sources (uses)	(198)	(9,393)	(8,322)	1,071
Net Change in Fund Balances	-	(158)	1,383	1,541
Fund Balances - Beginning	92,113	92,113	92,113	-
	<u>\$ 92,113</u>	<u>\$ 91,955</u>	<u>\$ 93,496</u>	<u>\$ 1,541</u>

The notes to the financial statements are an integral part of this statement.

City of Birmingham, Alabama
Statement of Net Position
Proprietary Funds
Emergency Management Communication District
June 30, 2013
(in thousands)

Assets

Current assets	
Cash and investments	\$ 2,932
Total Current assets	<u>2,932</u>
Restricted assets	
Accounts and grants receivable	530
Total Restricted assets	<u>530</u>
Property, plant, and equipment	
Buildings and systems	1,025
Machinery and equipment	2,275
Furniture and fixtures	811
Less accumulated depreciation	<u>(2,643)</u>
Total Property, plant, and equipment	<u>1,468</u>
Total Assets	<u><u>4,930</u></u>

Liabilities

Current liabilities	
Accounts payable	347
Total Current liabilities	<u>347</u>
Total Liabilities	<u>347</u>

Net Position

Invested in capital assets	722
Unrestricted	3,861
Total Net Position	<u><u>\$ 4,583</u></u>

The notes to the financial statements are an integral part of this statement.

City of Birmingham, Alabama
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended
Emergency Management Communication District
June 30, 2013
(in thousands)

Operating Revenues	
Service fees	\$ 6,196
Total Operating Revenues	<u>6,196</u>
Operating Expenses	
Public safety	2,959
General and administrative	729
Repairs and maintenance	746
Depreciation	130
Total Operating Expenses	<u>4,564</u>
Operating Income (Loss)	<u>1,632</u>
Nonoperating Revenues (Expenses)	
Income (Loss) Before Contributions and Transfers	<u>1,632</u>
Change in Net Position	1,632
Total Net Position - Beginning	2,951
Total Net Position - Ending	<u>\$ 4,583</u>

The notes to the financial statements are an integral part of this statement.

City of Birmingham, Alabama
Statement of Cash Flows
Proprietary Fund
Emergency Management Communication District
For the Year Ended June 30, 2013
(in thousands)

Cash flows from operating activities	
Cash received from customers	\$ 6,008
Cash payments to suppliers	(4,418)
Net cash from operating activities	1,590
Cash flows from financing and related financing activities	
Acquisition of capital assets	852
Net increase (decrease) in cash and cash equivalents	797
Cash and investments, beginning of year	2,135
Cash and investments, end of year	<u>2,932</u>
Reconciliation of operating loss to net cash used by operating activities	
Operating gain (loss)	1,632
Adjustments to reconcile operating gain (loss) to net cash used by operating activities	
Depreciation	130
Change in accounts receivable	(188)
Change in accounts payable and contracts payable	16
Net cash from operating activities	<u>\$ 1,590</u>

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

City of Birmingham, Alabama
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013
(in thousands)

Assets	
Cash and cash equivalents	\$ 18,579
Receivables	
Member contributions	61
Member loans	11,715
Interest and dividends	4,611
Total Receivables	<u>16,387</u>
Investments, at fair value	
U.S. government obligations	166,108
Domestic corporate bonds	214,872
Domestic stocks	585,458
Total Investments, at fair value	<u>966,438</u>
Total Assets	<u>1,001,404</u>
Liabilities	
Accounts payable and other	1,651
Accrued payroll and payroll taxes payable	23
Total Liabilities	<u>1,674</u>
Net Position	
Held in trust for future pension benefits	999,730
Total Net Position	<u>\$ 999,730</u>

The notes to the financial statements are an integral part of this statement

City of Birmingham, Alabama
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Pension Trust Funds
For the Year Ended June 30, 2013
(in thousands)

Additions	
Additions	
Contributions	
Employer contributions	\$ 17,670
Plan member contributions	15,848
Investment income	
Investment earnings	99,279
Securities lending	471
Other income	4
Total Additions	133,272
Total Additions	133,272
 Deductions	
Deductions	
Benefits	76,884
Refunds of contributions	2,107
Administrative expenses	1,168
Investment expenses	3,567
Total Deductions	83,726
Total Deductions	83,726
Change in Net Position	49,546
Net Position - Beginning	950,184
Net Position - Ending	\$ 999,730

The notes to the financial statements are an integral part of this statement.

City of Birmingham, Alabama
Combining Statement of Net Position
Nonmajor Component Units
June 30, 2013
(in thousands)

	Birmingham Airport Authority	Birmingham Parking Authority	Total Nonmajor Component Units
Assets			
CURRENT ASSETS			
Unrestricted assets			
Cash and investments	\$ 24,681	\$ 3,784	\$ 28,466
Receivables			
Accounts (net of uncollectibles)	1,423	273	1,696
Due from other governments	342	-	342
Inventories	99	-	99
Prepaid items	300	61	361
Restricted assets			
Cash and cash equivalents	24,663	-	24,663
Investments	55,940	-	55,940
Accounts and grants receivable	1,471	-	1,471
Accrued interest receivable	223	-	223
NONCURRENT ASSETS			
Other assets			
Deferred charges	3,788	-	
Capital assets			
Land	167,902	1,940	169,842
Buildings and capital facilities	107,795	-	107,795
Furniture and other equipment	14,890	1,177	16,067
Accumulated depreciation	(80,994)	(772)	(81,766)
Infrastructure	200,495	-	200,495
Accumulated depreciation, infrastructure	(92,610)	-	(92,610)
Construction in progress	191,225	-	191,225
Total Assets	621,633	6,463	624,309
Deferred outflows of resources			
	1,550	-	5,338
Total Assets and Deferred Outflows of Resources	623,183		629,647
Liabilities			
CURRENT LIABILITIES			
Payable from unrestricted assets			
Accounts and vouchers payable	1,114	124	1,238
Accrued payroll and payroll taxes payable	-	111	111
Due to primary government	-	1,149	1,149
Compensated absences	-	35	35
Payable from restricted assets			
Contracts Payable	9,291	-	9,291
Accrued Interest Payable	5,325	-	5,325
Current portion of revenue bonds payable	5,765	-	5,765
LONG TERM LIABILITIES			
Compensated absences	458	195	653
Bonds and warrants payable, net	201,413	-	201,413
Total Liabilities:	223,366	1,614	224,980
Net Assets			
Invested in capital assets, net of related debt	344,958	2,345	347,303
Restricted for			
Restricted for debt service	24,101	-	24,101
Restricted for future projects	5,432	-	5,432
Unrestricted	25,326	2,504	27,830
Total Net Position	\$ 399,817	\$ 4,849	\$ 404,666

The notes to the financial statements are an integral part of this statement.

City of Birmingham, Alabama
Combining Statement of Activities
Nonmajor Component Units
For the Year Ended June 30, 2013
(in thousands)

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Birmingham Airport Authority	Birmingham Parking Authority	Total
Nonmajor Component Units						
Birmingham Airport Authority						
Birmingham Airport Authority	\$ 36,997	\$ 37,543	\$ 12,759	\$ 13,306	\$ -	\$ 13,306
Total Birmingham Airport Authority	36,997	37,543	12,759	13,306	-	13,306
Birmingham Parking Authority						
Birmingham Parking Authority	6,067	6,135	-	-	69	69
Total Birmingham Parking Authority	6,067	6,135	-	-	69	69
Total Nonmajor Component Units	\$ 43,064	\$ 43,678	\$ 12,759	13,306	69	13,375
Unrestricted investment earnings				212	6	218
Other				4,439	-	4,439
Total General Revenues, Special Items, and Transfers				4,651	6	4,657
Change in Position:				17,957	75	18,032
Net Position - Beginning				381,860	4,774	386,634
Net Position - Ending:				\$ 399,817	\$ 4,849	\$ 404,666

The notes to the financial statements are an integral part of this statement

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

I. Organization and Summary of Significant Accounting Policies

A. Reporting Entity

The City of Birmingham, located in Alabama, is a municipal corporation that was incorporated on December 19, 1871. The City operates under a Mayor-Council form of government as provided by Act No. 425 of the Alabama Legislature (The Mayor-Council Act) and is comprised of a Mayor elected at large and a nine-member council that is elected by district.

The financial statements of the City have been presented in conformity with accounting principles accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accompanying financial statements present the City and its component units, entities for which the City of Birmingham is considered to be financially accountable. The City's discretely presented component units are presented in total in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

Discretely presented component units

• The Birmingham Airport Authority (BAA) is a seven-member board appointed by the City and is a public corporation organized under the provisions of the Code of Alabama. The Authority is responsible for the operations of the Birmingham-Shuttlesworth International Airport. Because the City of Birmingham appoints the BAA's governing body, the Authority is included as a component unit in these financial statements. The BAA's fiscal year ends June 30.

The BAA reimburses the City for the cost of providing security and fire protection services to the Airport. Amounts charged by the City for the fiscal year ended June 30, 2013, totaled \$3,729,969.

The Birmingham Parking Authority (BPA) is a three-member board appointed by the City and operates parking facilities in the City and also acts as a financing agent for certain other parking facilities. The City appoints the BPA's governing body and the Authority is included as a component unit in these financial statements. The BPA's fiscal year ends June 30.

Complete financial statements for each component unit may be obtained at the following administrative offices:

Birmingham Airport Authority 5900 Airport Highway Birmingham, Alabama 35222 Financial statement date: June 30, 2013	Birmingham Parking Authority 1732 5 th Avenue North Birmingham, Alabama 35203 Financial statement date: June 30, 2013
--	---

Related Organizations

The City of Birmingham is also responsible for appointing a voting majority of the boards of other organizations, but the City's financial accountability for these organizations does not extend beyond making the appointments. The City appoints a voting majority of the Birmingham-Jefferson County Transit Authority (BJCTA) and the Birmingham Housing Authority (BHA). In fiscal year 2013, the City provided funding to the BJCTA in the amount of \$10,800,000 and

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

\$39,565 to the BHA. These organizations are related organizations that have not been included within the City's financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements of the City consist of the statement of net position and the statement of activities for all of the nonfiduciary activities of the City and its two component units. The effect of interfund activity has been removed from these statements. The statements report separately the *governmental activities* from the *business-type activities*. Governmental activities are normally supported by taxes and intergovernmental revenues, whereas business-type activities rely on fees and charges for support. The City, as the *primary government*, is shown separately from its two legally separate *component units*.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function; *program revenues* include (a) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. *General revenues* include taxes and other items not included in program revenues.

Included in this report are separate financial statements for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The City reports its major individual governmental funds as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements, the proprietary fund financial statements, and the fiduciary fund financial statements are all reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this focus and basis, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the cash is received or expended.

Property taxes are recognized as revenues in the year of their levy; grants and similar items are recognized as revenue when all the eligibility requirements of the providers have been met.

All governmental funds are accounted for using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recorded when they are both measurable and available. The City of Birmingham considers revenues to be *available* if they are collected within 60 days of the end of the current fiscal period; the major sources of accrued revenue are the various business and ad valorem taxes the City collects as well as grant revenues. Expenditures are recorded when the liability is incurred, consistent with accrual accounting. Debt service expenditures, claims and judgments, as well as expenditures related to compensated absences are recorded only when payment is due.

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

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

Subsequent events were evaluated through the date the financial statements were issued.

For the purposes of the statement of cash flows, highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

The City of Birmingham reports the following major governmental funds:

The *General Fund* is the City's primary operating fund and accounts for all financial resources except those required to be accounted for in other funds.

The *General Bond Debt Reserve Fund* accounts for the receipt of property taxes earmarked for debt service.

The *General Bond Debt Service Fund* accounts for the payment of principal and interest on general obligation bonds.

The *Birmingham Fund* is considered a Special Revenue Fund and accounts for proceeds the City received from the sale of the Industrial Water Board. The Birmingham fund is considered a reserve fund set aside for use in emergency situations and/or as revenue shortages or budgetary imbalances occur. Funds may be appropriated as follows: (a) Operating Budget Amendments or other appropriations for any fiscal year, not exceeding 5% of the five year average market value of the fund, by majority council vote; (b) Any other additional amount for any lawful purpose with majority Council vote and a declaration of extraordinary circumstance.

The *Capital Improvement Fund* accounts for funds from miscellaneous sources used for various capital improvement projects which are financed by these warrants.

The *2010 Recovery Zone Economic Development Warrants Fund* account for funds used for various capital improvement projects.

The *Public Improvement Fund* accounts for construction of Public Improvements which are to be paid wholly or in part from assessments levied against the property benefited by the improvements.

The *2013-A Bonds Capital Appreciation Bonds* are used to account for various capital projects financed by these bonds.

The City reports its only proprietary fund as a *major* proprietary fund:

The *Emergency Management Communications District* accounts for the operation of the Enhanced Universal Emergency Number Service (E911).

The *Pension Trust Funds* account for the activities of the City's seven pension plans.

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

The accompanying financial statements reflect the elimination of interfund activity with the exception of the charges to the City's proprietary fund. These amounts are shown on the statement of net position as *internal balances*.

The operating revenues of the proprietary fund include charges to customers for the operation of the 911 telephone service. Nonoperating revenues include investment earnings. The operating expenses of the proprietary fund are those expenses incurred in the normal operations of providing the 911 services, as well as depreciation of the capital assets.

D. Assets, Liabilities, and Deferred Outflows/Inflows of Resources and Net Position or Fund Balance

1. Deposits and Investments – Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. State statutes authorize the City to invest in U. S. government obligations, U. S. government agency obligations, U.S. corporate stock, U.S. debt, State of Alabama obligations, county obligations, and other municipal obligations. The City invests its funds in accordance with State law

All investments, including those of the City's component units, are reported at fair value, market value, or best available estimates. Short-term investments are reported at cost which approximates market value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. All investments have established markets to determine their fair value.

2. Receivables and Payables – The City shows “due to/from other funds” at the end of the fiscal year to show any current outstanding balances from lending/borrowing arrangements between funds.

The City shows receivables at June 30, 2013 consist of the following:

	Governmental Activities	Business - Type Activities	Total Primary Government
Taxes Receivable	\$ 28,459,836	\$ -	\$ 28,459,836
Customers and Other	9,503,613	529,833	10,033,446
Other Governments	3,377,928	-	3,377,928
Gross Receivable	41,341,377	529,833	41,871,210
Less: allowance for Uncollectible	(5,632,583)	-	(5,632,583)
Net Receivable	<u>\$ 35,708,794</u>	<u>\$ 529,833</u>	<u>\$ 36,238,627</u>

Taxes Receivable – All property taxes levied by the State of Alabama, the City, Jefferson and Shelby Counties, are assessed by the Jefferson and Shelby Counties Tax assessors and collected by their tax collectors. The property tax calendars specify the following actions and dates:

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

Levy (assessment date)	September 30
Lien date	September 30
Due date	October 1
Collection dates	October 1 to December 31
Delinquent date	January 1

The City of Birmingham receives a 4% sales tax for the sale of tangible goods within the City limits and a 1% occupational tax on wages of persons employed within the City limits. Tax collections are remitted to the City on a monthly basis. All amounts remitted within the bill paying period are included in revenue; taxes due within the fiscal year but remitted to the City after year-end are accrued in both the government-wide and fund financial statements.

3. Inventories and Prepaid Items – Inventories are valued on the average cost basis. Inventory consists of expendable supplies held in the General Fund for consumption. The cost is recorded as expenditure at the time individual items are used (consumption method). Payments made to vendors for services that will benefit periods beyond June 30, 2013, are recorded as prepaid items.
4. Restricted assets – Certain assets of the Birmingham Airport Authority (component unit) are restricted by the terms of federal grants and programs. These particular funds are restricted for designated capital projects and any debt incurred to finance the construction of those projects.
5. Capital assets – Capital assets include property, buildings, furniture and other equipment, and infrastructure. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital outlays are recorded as expenditures of the governmental funds. Capital assets, other than infrastructure, are defined by the City as items with an estimated useful life of three years or more and an individual cost in excess of \$5,000. Capital assets are recorded at cost where historical cost is available or at estimated historical cost if actual cost is not available. Donated capital assets are recorded at their estimated fair value at time of donation. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend useful lives are expensed. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>ASSETS</u>	<u>YEARS</u>
Buildings, capital facilities and improvements	50
Furniture and equipment	3 – 20
Infrastructure	25 – 50

The City recognizes the intrinsic value of historical works and collections. As such, the City has adopted a policy that these items will not be considered capital items and subject to depreciation. This policy covers the historical works and collections housed at the

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

City's various museums. Should the sale of any of these items occur, the City is committed to using the funds generated from the sale to purchasing other similar collectibles.

6. Compensated absences – City of Birmingham employees earn vacation leave at graduated rates based on the employee's length of service (one day per month of service, initially), and up to 40 days of unused leave may be carried over to the following year. Vacation pay is accrued when incurred in the government-wide financial statements. The City does not have a policy for vested sick pay, thus no liability for accumulated unpaid sick leave is accrued.
7. Long-term obligations – Long-term debt and other long-term obligations are reported in the government-wide financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premiums and discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, any bond premiums and issuance costs have been recognized in the current period. The face amount of the new debt issued and the premiums received are reported as other financing sources; issuance costs are reported as debt service expenditures.

8. Equity classification – In the government-wide statements, equity is classified as net position and displayed in three components: a. Invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets; b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional or enabling legislation; c. Unrestricted net position – all other net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form-prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by ordinances of the City Council, the government's

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes, or changes the commitment by taking the same action it employed to impose the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been committed for use in satisfying those contractual requirements.

Assigned fund balance – This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. The City council and Finance Director have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use externally restricted resources first, then unrestricted resources-committed, assigned, and unassigned-in order as needed.

9. Deferred outflows/inflows of resources – In addition to assets, the statement of net 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 position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded (old) or refunding debt (new debt).

Currently effective pronouncements

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This standard provides guidance on the reporting of deferred outflows of resources, deferred inflows of resources and net position. Application is effective for periods beginning after December 15, 2011 (fiscal year 2013).

Future pronouncements

The GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This standard attempts to improve financial reporting by clarifying the appropriate use of deferred outflows of resources and deferred inflows of resources, thereby ensuring financial reporting consistency. Application is effective for periods beginning December 15, 2012 (fiscal year 2014).

The GASB issued Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, the objective of this statement is to resolve conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

usefulness of the financial reports. Application is effective for periods beginning after December 15, 2012 (fiscal year 2014).

The GASB issued Statement No. 67, *Financial Reporting for Pension Plans- an amendment to GASB Statement No. 25*. The objective of this statement is to improve financial reporting primarily through the enhancement of note disclosures and schedules of required supplementary information that will be presented by the pension plans that are within its scope. Application is effective for fiscal years beginning after June 15, 2013 (fiscal year 2014).

The GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. Application is effective for fiscal years beginning after June 15, 2013. (fiscal year 2014).

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

The annual budget for the City of Birmingham's General Fund is adopted on a basis consistent with generally accepted accounting principles. Budgets for the Special Revenue and Capital Projects Funds are adopted on an individual project basis. Budgets are prepared for the Debt Service Funds based on general obligation bond resolutions.

On or before May 20, the Mayor submits to the City Council a proposed General Fund operating budget for the upcoming fiscal year commencing July 1. The proposed budget includes proposed expenditures and the means of financing them. Subsequently, a public hearing is held to obtain taxpayer comments; and prior to July 1, the official budget is enacted through passage of an ordinance.

The City's budget is prepared by fund, function, and department. The individual departments are authorized by the Mayor to make transfers of appropriations within their departments; however, any revisions that alter the total expenditures of any fund or transfer between departments must be approved by City Council. The legal level of budgetary control is the department level. This year's General Fund budget was amended as needed throughout the year by City Council action provided that adequate funds were available at the time of the amendments.

Encumbrance accounting is used in governmental funds. All general fund purchase orders lapse at year end and are reestablished along with their appropriations as needed in the new fiscal year. All purchase orders in capital projects and special revenue funds do not lapse and appropriations are reappropriated in the next fiscal year.

B. Fund Deficits of Non-Major Funds

Deficits in net position/fund balance of non-major funds at June 30, 2013 are as follows:

Special Revenue Fund

Grants Fund	\$1,778,874
-------------	-------------

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

Deficits in the Grant Fund results from expenses incurred for projects that were not reimbursed at June 2013.

III. Detailed Notes on All Funds

A. Deposits and Investments

Deposits - At June 30, 2013, the carrying amount of the City's demand deposits, certificates of deposits, and money market investments in all funds was \$200,260,277 and the bank balance was \$212,700,975.

Financial institutions utilized as depositories by the City must provide evidence of its designation by the Alabama State Treasurer as a qualified public depository under the Security of Alabama Funds Enhancement Act (SAFE). The City requires that the qualified public depository (QPD) hold collateral for all its public depositories on a pooled basis in a custody account established by the State Treasurer as SAFE administrator. In the unlikely event a public entity should suffer a deposit loss due to QPD insolvency or default; a claim form would be filed with the State Treasurer who would use the SAFE pool collateral or other means to reimburse the loss.

Investments - At June 30, 2013, the City of Birmingham had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Avg. Maturity (years)</u>
U.S. Govt. agency obligations	\$ 139,068,243	7.67
U.S. Treasuries	99,012,623	5.14
U.S. Corporate debt	243,537,478	6.56
U.S. Corporate stock	626,667,509	-
Total fair value	<u>\$ 1,108,285,853</u>	
Portfolio weighted avg. maturity		6.58

Birmingham Fund

The voters of the City authorized a trust fund, called the Birmingham Fund. The Council, by ordinance in 1999, established guidelines for the appropriation, withdrawal and investment of the Fund, which is actively managed by a professional management firm. For each fiscal year of the City the Annual Limit, or maximum amount of money that shall be disbursed, cannot exceed five percent of the five year average market value of the Fund, calculated at the end of each fiscal year. The Council may, with five affirmative votes, expend more than the five percent by declaring an extraordinary circumstance in an ordinance specifying the amount and purpose of the expenditure, with approval of the Mayor. The Fund's current investment policy provides for investment allocations of 50%, or more, in fixed income securities and 50%, or less, in a broadly diversified portfolio of equity securities.

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

Retirement & Relief System

The City's investment policy for its Retirement and Relief System does limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investments Highly Sensitive to Interest Rate Changes

The City invests in mortgage-backed securities, representing U.S. government agency obligations with a fair value of \$17,921,529. Mortgage-backed securities are based on cash flows from the collection of mortgages. Prepayments arise when, for example, mortgage holders redeem their mortgages early. The investor's investment is returned early, or in extreme cases not returned at all. Mortgage-backed securities may be considered to be investments with terms that may cause their fair values to be highly sensitive to interest rate changes.

Credit Risk: Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. GASB statement Number 40 requires disclosure of credit quality ratings for investments in debt securities as well as investments in external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities.

Investments may be aggregated by rating category within the disclosure. Ratings are set by nationally recognized statistical rating organizations (Fitch Ratings, Moody's Investors Service, and Standard & Poor's). In cases where an investment is unrated, a disclosure noting that the investment is unrated is required.

The City's investments included the following bonds at June 30, 2013:

<u>Description</u>	<u>Rating</u>		<u>Fair Value</u>
U.S. Govt Agency Discount Notes, Bonds	AA	136,510,243	
	A	<u>2,558,000</u>	
			139,068,243
U.S. Corporate Bonds:	AAA	\$ 4,303,838	
	AA	34,527,966	
	A	118,339,716	
	BBB	72,580,103	
	BB	4,213,540	
	B	<u>9,572,315</u>	
			<u>243,537,478</u>
			\$ <u>382,605,721</u>

The City, at this time, does not have a formal credit risk policy.

Concentration of Credit Risk - A concentration in credit risk exists when investments in any one type represents 5 percent or more of total investments and must be disclosed. Excluded from this requirement are investments issued or explicitly guaranteed by the U.S.

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

government and investments in mutual funds, external investment pools and other pooled investments.

There were no investments held at June 30, 2013, which represented 5 percent or more of total investments, other than the exceptions noted above.

Securities Lending Transactions – Under the provisions of State statutes, the City lends securities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. One of the City’s custodial banks manages the securities lending program and receives both cash and domestic bonds as collateral. The collateral securities cannot be pledged nor sold by the City unless the borrower defaults. Collateral securities are initially pledged at 102% of the market value of the securities lent and this collateral is adjusted weekly to maintain the 102% level. The City’s Pension Plans authorize the lending of domestic bonds and equity securities. The cash collateral is invested in commingled short-term fixed income accounts. The City, as a program participant, assumes the risk that (a) the overnight investment will not equal or exceed the rebate rate, (b) a loss of principal in the overnight investment, and (c) the collateral will not be sufficient if called upon to repurchase the lost security. The market value of collateral held and the market value (USD) of securities on loan for the client as of June 30, 2013 was \$158,900,332 and \$155,152,468, respectively. The City has incurred no loss through its participation in the securities lending program, and has no anticipated risk exposure.

B. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows (in thousands):

	<u>June 30,</u> <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30,</u> <u>2013</u>
Governmental activities:				
Capital assets, nondepreciable:				
Land	\$ 138,646	\$ 305	\$ 10	\$ 138,942
Construction in progress	71,254	27,474	47,543	51,185
Land, infrastructure projects	<u>16,647</u>	<u>-</u>	<u>-</u>	<u>16,647</u>
Total nondepreciable capital assets	226,548	27,779	47,553	206,774
Capital assets, depreciable:				
Buildings and capital facilities	185,927	38,555	282	224,199
Furniture and other equipment	152,388	4,103	269	156,222
Infrastructure	<u>197,457</u>	<u>11,310</u>	<u>-</u>	<u>208,768</u>
Total depreciable capital assets	535,772	53,968	551	589,189

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

Less accumulated depreciation:				
Buildings and capital facilities	104,112	3,967	207	107,872
Furniture and other equipment	113,851	6,102	194	119,759
Infrastructure	<u>133,014</u>	<u>5,894</u>	<u>-</u>	<u>138,908</u>
Total accumulated depreciation	<u>350,977</u>	<u>15,963</u>	<u>401</u>	<u>366,539</u>
Net depreciable capital assets	<u>184,795</u>	<u>38,005</u>	<u>150</u>	<u>222,650</u>
Governmental activities, net capital assets	<u>\$ 411,343</u>	<u>\$ 65,784</u>	<u>\$ 47,703</u>	<u>\$ 429,424</u>
Business-type activities:				
Buildings and other capital facilities	\$ 1,025	\$ -	\$ -	\$ 1,025
Furniture and other equipment	<u>2,233</u>	<u>852</u>	<u>-</u>	<u>3,085</u>
Total capital assets	<u>3,258</u>	<u>-</u>	<u>-</u>	<u>4,110</u>
Less accumulated depreciation:				
Buildings and other capital facilities	441	20		461
Furniture and other equipment	<u>2,072</u>	<u>109</u>	<u>-</u>	<u>2,181</u>
Total accumulated depreciation	<u>2,513</u>	<u>129</u>	<u>-</u>	<u>2,642</u>
Business-type activities, net capital assets	<u>\$ 745</u>	<u>\$ 723</u>	<u>\$ -</u>	<u>\$ 1,468</u>

Depreciation expense was charged to the following functions (in thousands):

Governmental activities:	
Public safety, including depreciation of infrastructure assets	\$ 9,456
Streets and sanitation	2,363
Cultural and recreation	2,977
General government	<u>1,167</u>
Total depreciation - governmental activities	<u>\$ 15,963</u>

Business-type activities:

E-911 operations	<u>\$ 129</u>
------------------	---------------

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

C. Interfund Transfers

During the course of normal operations, the City incurs numerous transactions between funds to provide services, construct assets, service debt, etc. Their transactions are generally reported as interfund transfers. No expectation of repayment between funds is expected related to these interfund transfers. The composition of interfund transfer balances at June 30, 2013, is as follows (in thousands):

<u>Transfers Out</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Non-Major Funds</u>	<u>Totals</u>
General Fund	\$ -	\$ -	\$ 9,202	\$ 204	\$ 9,406
Debt Reserve	-	34,580	-	-	34,580
Non-Major Funds	10	-	300	-	310
	<u>\$ 10</u>	<u>\$ 34,580</u>	<u>\$ 9,502</u>	<u>\$ 204</u>	<u>\$ 44,296</u>

D. Long-term Debt

General obligation bonds

The City issues general obligation bonds to provide funds for the acquisition and/or construction of capital assets. The bonds are direct obligations of the City and the full faith and credit of the City is pledged against the bonds. The bonds outstanding at June 30, 2013, are as follows (in thousands):

<u>Bond Series/Interest Rate</u>	<u>Maturity</u>	
2002-B; 2.25%-5.25%	12/01/2015	145
2005-A; 3.75%-5.75%	11/01/2023	23,845
2006-A; 4.00%-5.00%	04/01/2024	63,505
2006-B; 4.00%-5.00%	10/01/2015	34,655
2007-A; 4.00%-5.00%	12/01/2032	111,795
2013-A; 1.36%-5.00%	03/01/2043	68,061
Total		<u>302,006</u>
		<u>\$ 302,006</u>

Annual debt service requirements to maturity for general obligation bonds are as follows (in thousands):

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
-----------------	------------------	-----------------

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

2014	\$	20,225	\$	10,863
2015		21,230		9,823
2016		20,065		8,843
2017		14,171		8,053
2018		15,835		11,307
2019-2023		52,233		48,073
2024-2028		50,437		37,321
2029-2033		70,606		23,174
2034-2038		16,343		12,880
2039-2043		20,860		8,365
Total	\$	<u>302,006</u>	\$	<u>178,702</u>

General obligation warrants and revenue warrants

The City issues general obligation warrants for the same purposes as general obligation bonds. The warrants are also direct obligations of the City for which it pledges its full faith and credit. Under state statute, general obligation warrants can be issued without an election and must be issued for a period of maturity of not longer than thirty years. Revenue warrants are tax increment financing district warrants in which ad valorem taxes are collected to fund the debt service. The original amounts of warrants issued were \$259,535,000. The warrants outstanding at June 30, 2013, are as follows (in thousands):

<u>Bond Series/Interest Rate</u>	<u>Maturity</u>	
2003-B; 1.2%-5%	07/01/2014	3,265
2004-B; 2.3%-4%	04/01/2020	4,695
2006-C; 4%-5%	04/01/2033	24,740
2007-B; 4%-5%	03/01/2030	22,095
2009-A; 3%-4.5%	06/01/2026	14,940
2010-A; 2%-4.5%	02/01/2018	44,065
2010-B; 4.2%-7%	02/01/2040	39,115
2012-RB; 3.99%	08/01/2025	5,400
2012-CBT; 4.375%	08/01/2022	900
2013-RB1; 0.85 %	06/01/2014	2,000
Total		\$ <u>161,215</u>
 Revenue Warrants:		
2009-A Tax Increment Financing		\$ 6,510
2009-B Tax Increment Financing		13,105
Total		\$ <u>19,615</u>

Annual debt service requirements to maturity for the City's general obligation warrants and revenue warrants are as follows (in thousands):

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>
----------------	------------------	-----------------

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

2014	\$	16,500	\$	7,409
2015		12,905		6,810
2016		13,485		6,245
2017		15,015		5,661
2018		15,695		4,983
2019-2023		42,265		18,146
2024-2028		27,175		11,155
2029-2033		22,025		5,649
2034-2038		10,835		2,250
2039-2040		4,930		286
Total	\$	<u>180,830</u>	\$	<u>68,456</u>

Total outstanding bonds and warrants payable (in thousands):

Bonds payable	\$	302,006
Warrants payable		161,215
Revenue warrants		19,615
		<u>482,836</u>
Less current maturities		(36,725)
Unamortized premium and discount		19,403
		<u>465,514</u>
Total bonds and warrants payable(noncurrent)	\$	<u>465,514</u>

Changes in long-term liabilities (in thousands):

	Balance July 1, 2012	Addition	Reduction	Balance June 30, 2013	Due Within One Year
Governmental activities:					
Bonds and warrants payable (net of premium/discounts)	\$ 468,168	\$ 70,060	\$ (35,989)	\$ 502,239	\$ 36,725
Capitalized leases	-	1,074	(103)	971	103
Worker's compensation claims	14,259	2,950	-	17,209	-
Compensated absences	14,541	311	-	14,852	974
Closure and postclosure costs	13,175	313	-	13,488	-
OPEB liability	25,893	-	-	25,893	-
Total	<u>\$ 536,036</u>	<u>\$ 74,708</u>	<u>\$ (36,092)</u>	<u>\$ 574,652</u>	<u>\$ 37,802</u>

The City's general fund is typically used to liquidate long-term liabilities with the exception of bond debt service which is paid from the City's Bond Debt Reserve Fund.

On May 9, 2013, the City issued \$2,000,000 of its General Obligation Warrants Series 2013 RB1. The Warrants were issued for the purpose of currently refunding the City's outstanding Series 2003A Warrants due on June 1, 2014 in the amount of \$1,955,000. The Series 2013 RB1

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

Warrants mature on June 1, 2014. The refunding resulted in a net present value savings of \$45,684.

E. Risk Management

The City of Birmingham is exposed to various risks of loss related to torts, theft, errors and omissions, job-related illnesses and injuries, and natural disasters. Risk management is the process of managing the City's activities to minimize the adverse effects of certain types of losses and to obtain resources to provide for or restore the economic damages of those losses. The City finances its risk through self-insurance (risk retention) and through the purchase of insurance with a commercial insurance carrier (risk transfer).

The City is self-insured for its Workers' Compensation liability. The city currently has in force an excess workers compensation insurance policy, whereby the City retains the first \$1,000,000 of liability per claim and has a \$2,000,000 corridor deductible. The City had a professional actuary estimate its' liability at June 30, 2013. This amount was calculated to be \$17,209,038 and has been accrued on the government-wide financial statements. The changes to the liability for workers compensation claims are shown below:

<u>June 30</u>	<u>Beginning Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
2013	14,259	2,950	-	17,209
2012	14,265	(6)	-	14,258
2011	11,947	2,318	-	14,265
2010	2,836	9,111	-	11,947
2009	2,836	-	-	2,836

The City is a defendant in numerous suits and has been notified of numerous claims against it arising from alleged defective sidewalks and streets, alleged negligence relating to motor vehicles and other matters relating to the normal operation of a municipality such as employment and contract disputes, as well as suits and claims arising from the alleged denial of civil rights. Section 11-93-1 *et seq.* of the Code of Alabama 1975, as amended, places a limit of \$100,000 with respect to the City's liability for any bodily injury or death resulting from a negligent or wrongful act of one of the City's agents, officers, or employees. That provision further places a limit of \$300,000 with respect to the City's liability, in the aggregate, where more than two persons have claims or judgments on account of personal injuries and deaths arising from a single occurrence. The Supreme Court of Alabama has upheld the constitutionality of this statute. The City is self-insured, any liability resulting from a suit or claim is covered by funds of the City which are available to discharge such liability without impairing the City's ability to perform any of its other obligations. The City covers all legal claims out of its General Fund resources. Claims and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. At June 30, 2013, the

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

estimated amount of these liabilities totaled \$18,501,857.00 and is considered a current liability. The liability is the City's best estimate based on available information.

Below is a list of significant pending claims or litigation.

CSX Transportation, Inc. v. City of Birmingham, CV2010-901772, in the Tenth Judicial Circuit for the State of Alabama, CSX has filed a lawsuit for a refund of sales and use taxes paid by it to the City with respect to diesel fuel purchases for the years 2004, 2005 and 2006. The amount of refund sought is \$2,200,000.

CSX Transportation, Inc. v. City of Birmingham, CV-12-904061, in the Tenth Judicial Circuit for the State of Alabama, CSX has filed a lawsuit seeking a refund of sales and use taxes paid by it to the City with respect to diesel fuel purchases for the years 2007 and 2008. The amount of refund sought is \$3,000,000.

BNSF Railroad v. City of Birmingham, CV-2013-901031, under appeal, Plaintiff is seeking a refund of approximately \$1,000,000. Plaintiff alleges that refund is due under a Federal Statute that protects railroads from discrimination. BNSF alleges a time period that may be excluded under the statute of limitations. The City is proceeding with discovery and will file a motion to dismiss, upon completion of discovery based on the statute of limitations and the Plaintiff's failure to exhaust all remedies with the Department of Finance before filing suit.

Anthony Warren v. City of Birmingham CV09-RRA-1025-S, in the United States District Court for the Northern District of Alabama, Southern Division, is a lawsuit against the City of Birmingham and various named police officers alleging violations of Mr. Warren's civil rights, including alleged use of excessive force by the police arising out of an arrest following a chase. The City has filed a motion for Summary Judgment. The City is actively defending the Case.

ACIPCO v. City, CV-12-01210 and CV-12-90390, filed in the Tenth Judicial Circuit for the State of Alabama, is a lawsuit in which ACIPCO claims that it was improperly assessed business license tax as a manufacturer on gross receipts. ACIPCO maintains it stores pipe outside the City of Birmingham; therefore, any pipes stored outside the City should not be taxed in Birmingham. Discovery has begun in the case, but no trial date has been set. The City is actively defending the case and asserts various defenses.

Birmingham Fire Fighters v. City, CV-10-903512, is an action alleging the City failed to pay full salaries to classified employees of the Birmingham Fire and Rescue Service ("BFRS") as required under the merit system statute regulating public employment in Jefferson County, AL and the withholding of excessive pension contributions from the salaries of BFRS employees. The City is actively defending the case and asserts various defenses.

J.W., et al. v. Birmingham Bd. of Edu., et al., 2:10-CV-3314-AKK, filed in the United States District Court for the Northern District of Alabama, Southern Division, is a lawsuit against the Birmingham Board of Education, Birmingham Police Chief, and various Birmingham police officers. Plaintiffs assert claims arising under 42 U.S.C. § 1983 based on the officers' allegedly unconstitutional use of force against Plaintiffs while Plaintiffs were enrolled as students in Birmingham City Schools. Plaintiffs also assert state law tort claims for assault and battery and outrage. In addition to their individual claims, Plaintiffs assert allegations on behalf of a class composed of all current and future students who are or will be enrolled in any high school in the Birmingham City School system, seeking declaratory and injunctive relief pursuant to Fed. R. Civ. P. 23(b)(2) to require a separate

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

policy and training in the Birmingham Police Department regarding the use of mace in high schools, which was certified by the District Court. Defendants moved for summary judgment as to all Plaintiffs' claims. The District Court partially denied the City's motion for summary judgment. The City appealed the partial denial of summary judgment in the United States Court of Appeals for the Eleventh Circuit. The Eleventh Circuit Court of Appeals affirmed the District Court ruling and rejected the appeal of the Chief of Police. The City will continue to vigorously defend all remaining allegations against it.

Michael E. Carroll v. City of Birmingham, et al., 2:10-cv-02244-KOB. Carroll, and those similarly situated, allege violations of the Fair Labor Standards Act ("FLSA") in regards to the pay of firefighters. Specifically, Carroll claims that firefighters were not paid overtime pay for hours worked over 40 in a workweek. Carroll seeks unpaid compensation, liquidated damages, interest, attorney's fees and equitable relief. The City and Mayor Bell answered the Complaint, denied the material allegations, and asserted that firefighters are partially exempt from the FLSA overtime requirement. One hundred seventy-two firefighters filed consents to join in the action. Mayor Bell filed a Motion for Summary Judgment. Counsel for Carroll agreed to dismiss all claims against Mayor Bell. The Court dismissed Mayor Bell as a party defendant to the case. On December 17, 2013, the Court granted summary judgment in favor of the City and dismissed the case. An appeal period of 30 days expires on January 16, 2014.

Ensley Revitalization Committee, et al. v. City of Birmingham, CV-2012-903289.00, filed in the Tenth Judicial Circuit for the State of Alabama. Plaintiffs assert claims for personal injuries and real property damages from the willful, wanton, and reckless neglect by the City of a city owned building. Discovery has begun in this civil matter. The City will vigorously defend all allegations and assert various defenses on behalf of the City.

Methvin et al. v. City of Birmingham, CV-2012-000881- Case is an appeal of a Final Assessment of Business License taxes for 2009-2011. A six person law firm claims that their gross receipts from out-of-state clients and cases filed in other states were exempt from the City's Business License tax. \$46,216.56 was assessed, individually, against each of the six attorneys. The trial court held in Methvin's favor and the case is currently on appeal to the Alabama Civil Court of Appeals. The case has been submitted on briefs and is awaiting a decision.

Changes in the General Fund's claims liability amount in the last five fiscal years are as follows (in thousands):

June 30	Beginning Liability	Changes in Estimates	Claim Payments	Ending Liability
2013	7,662	11,291	1,814	17,139
2012	1,589	7,901	1,828	7,662
2011	1,696	953	1,060	1,589
2010	1,948	613	865	1,696
2009	3,087	449	1,588	1,948

Commitments and Contingencies

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

Birmingham Zoo Obligations – The City is obligated to make a contribution of \$1,500,000 each year for a period of ten years, commencing in the fiscal year ended June 30, 2010, and thereafter the contribution of \$500,000 in each year for a period of fifteen years, to the Birmingham Zoo to pay the costs of operation and capital projects, including certain new exhibits.

Honda Plant Obligation - The City participates in the East Central Alabama Industrial Development Authority (the "East Central Alabama Authority"), a public corporation created pursuant to Chapter 92A, Title 11 (Section 11-92A-1, *et seq.*) of the Code of Alabama of 1975, as amended. The East Central Alabama Authority has issued bonds in the amount of \$15,475,000 to provide financing for a portion of the costs of (i) making certain improvements with respect to a parcel of land located in Talladega County, Alabama upon which American Honda Motor Company, Inc. (or an affiliate thereof) has constructed an automobile assembly plant and (ii) acquiring, constructing and/or installing a facility to teach skills relating to the automobile manufacturing industry. The City, along with nine other cities and four counties, has entered into a funding agreement with the East Central Alabama Authority and First Commercial Bank, as trustee, whereby the City agrees to make annual payments on February 1 in each of the years 2001 through 2015, in an annual average amount of approximately \$195,000, to pay principal and interest on the outstanding principal amount of \$389,265. The obligation of the City to make these payments constitutes a general obligation of the City for which the full faith, credit and taxing power of the City is pledged.

Tax Increment Financing Warrants

On November 6, 2009, the City issued its Tax Increment Financing District No. I Revenue Warrant No. 1, dated November 6, 2009, in aggregate principal amount of \$14,000,000 and its Tax Increment Financing District No. I Revenue Warrant No. 2, dated November 6, 2009, in aggregate principal amount of \$7,000,000 (collectively, the "TIF Warrants"). The TIF Warrants were issued to refund certain prior tax increment secured obligations and to fund certain capital improvements in the TIF. The TIF Warrants bear interest at fixed interest rates and are subject to monthly amortization beginning in December 2010, in the case of Warrant No.1 and November 2012, in the case of Warrant No.2, in stated principal amounts, and mature on November 1, 2020.

The TIF Warrants are limited obligations of the City payable solely from and secured by a pledge of that amount of the revenue produced in each year from the levy of certain local ad valorem taxes by the City and Jefferson County in the Tax Increment District (generally the downtown city center) which is in excess of the amount of such revenue produced from the levy of such taxes in such District in the year in which such District was established (1998), less commissions required by law to be paid to the Tax Assessor and Tax Collector of Jefferson County.

The TIF Warrants are additionally secured by (1) the obligations of the City pursuant to separate Annual Appropriation Agreements, dated November 6, 2009 between the City and the trustee for the TIF Warrants, for each series of the TIF Warrants that obligate the City to appropriate funds in each fiscal year of the City for the payment of the principal of and interest on the TIF Warrants in such fiscal year in an amount necessary to pay such principal

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

of and interest on the TIF Warrants in such fiscal year and certain expenses related thereto; provided, such obligations are year-to-year obligations of the City and may be terminated unilaterally, without penalty, by the City at the end of any fiscal year of the City after satisfaction by the City of its obligations under such Annual Appropriation Agreements for such fiscal year.

Public Athletic, Cultural and Entertainment Board of the City of Birmingham 2011 Funding Agreement

The City increased its Lodgings Tax by 3.5%, effective January 15, 2011. The proceeds of the tax increase are dedicated to the repayment of obligations issued by the PACE Board. The Board's bonds funded the construction of a minor league baseball stadium, the home of the Birmingham Barons minor league baseball team, and will be used to construct a Negro League baseball museum in the downtown area of the City. On December 15, 2011, the City entered into a Funding Agreement with the Public Athletic, Cultural and Entertainment Facilities Board of the City of Birmingham (the "Board"). The Funding Agreement pledged the increased Lodgings Tax portion (3.5%) and certain revenue from the operations of the baseball stadium to pay debt service on the Board's Series 2011A and Series 2011B Bonds, issued to provide financing for the construction. The Bonds are currently outstanding in the amount of \$62,920,000, with annual debt service payments of approximately \$3,665,000, including interest at rates ranging from 3.09% to 4.87%. The Funding Agreement is a general obligation of the City and has a term equal to the term of the Board's Series 2011A and Series 2011B Bonds, which mature on October 1, 2041, subject to mandatory tender on December 14, 2026. The Barons' played their first game in the stadium on April 10, 2013 and attendance, for the first season, set a Southern League record.

Commercial Development Authority of the City of Birmingham 2011 Funding Agreement

The Bonds supported by this Funding Agreement, currently outstanding in the amount of \$70,555,000, were issued by The Commercial Development Authority of the City of Birmingham, a public corporation of the City, to finance a four-star convention hotel of approximately 300 guest rooms and related meeting rooms, restaurant and exercise facilities, approximately 60,000 square feet of storefront space for lease to food service and entertainment facilities, and related streets and public infrastructure, all adjacent to the civic center complex, in the downtown area of the City, for use by the Birmingham – Jefferson Civic Center Authority (the "Civic Center Authority"). The Civic Center Authority, a public corporation, shall own and operate the facilities financed by such bonds. The Mayor of the City is a member of the board of directors of the Civic Center Authority. The City has pledged as a source of payment and security for its obligations under this Funding Agreement the following amounts received in each fiscal year: (i) \$3,000,000 of the Occupational Tax and (ii) 2/3rds of the proceeds of the Lodgings Tax levied at the rate of 3.00%. This Funding Agreement is a full faith and credit general obligation of the City. The agreement calls for annual payments through fiscal year 2041 of approximately \$4,995,000. The hotel, which opened in January 2013, is operated as the Westin Hotel Birmingham and the entertainment space is currently 90% leased.

Economic Development Incentive Obligations

The City has entered into agreements in recent years with other entities for economic development purposes. Pursuant to these agreements, the City will make payments over stated periods of years for the development of various projects and facilities that the City believes will promote the tax and revenue base of the City and increase employment opportunities in the City. The City's economic development office generally expects, based upon the information provided to it and upon certain assumptions, that these agreements will result in greater tax revenues for the City than the City is obligated to pay under such agreement. In certain cases, the City's obligations are capped at an amount not to exceed the tax revenues it actually receives.

The aggregate outstanding obligation of the City under these other agreements is approximately \$86,496,500. These obligations are limited obligations of the City and generally payable as rebates of taxes received by the City from the private entity.

Serra Automobile Dealerships Development Agreement – In May of 2013, through a business retention and expansion program, the City agreed to provide an annual rebate of sales taxes generated, not exceeding \$753,000 annually, until a total rebate of \$5,271,000 has been provided.

Limbaugh Toyota Redevelopment Agreement – Based upon the agreement, the City agreed to support an expansion of the business by deeding certain real property to the Company and to make six annual payments of \$315,000 and one payment of \$310,000, totaling \$2,200,000 during the first seven years of the agreement after completion of construction; and to rebate 25% of New Sales Tax Revenue in 2020 through 2022. The first payment is due on October 31, 2015.

Trinity/Daniel Agreement (the "Agreement") – In October, 2008 the City entered into a Project Agreement with the owner of Trinity Medical Center, a full-service in-patient hospital, currently located in Birmingham ("Trinity"). Affiliates of Daniel Corporation, a real-estate development firm, ("Daniel") were also parties to the Agreement. The Agreement provides incentives for the hospital to relocate to the fast growing Highway 280 area of the City. Daniel proposed to build ancillary buildings and a hotel. The move required Trinity to secure a Certificate of Need from the State licensing board. The CON was granted and years of litigation ensued, brought by competing hospitals. In March, 2013 the Alabama Supreme Court settled the matter and Trinity has begun its construction project which, when completed, was expected to cause the City to retain approximately 2,300 employees and Daniel projected that it's development would generate approximately 600 employees. The Agreement obligates the City to rebate various taxes during construction periods and during operational periods to both Trinity and Daniel. The rebate requirements are summarized below. The summary is not intended to be a reproduction of the entire agreement. Other provisions may apply. The City has advised Trinity and Daniel that it does not have the authority to rebate ad-valorem taxes that are earmarked for specific uses, whether by the Constitution and Statutes of the State and/or by the referendums approving the taxes. In addition to the City's 9 mill general ad-valorem tax, the Agreement contemplates the rebate of the 9.2 mill Bond Debt Service Tax and the .5 mill Library Tax, all three of which are earmarked, in whole or in part, for specific uses.

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

Trinity:

During Construction:		
Trinity Receives:		
100% sales and use taxes		
100% non-educational ad-valorem taxes		
Operational Period:		
Trinity Receives:	Years 1-10	Years 11-20
Non-educational ad-valorem taxes	80%	40%
Occupational Tax	80%	40%

Daniel:

During Construction:	
Daniel Receives:	
100% sales and use taxes	
100% non-educational ad-valorem taxes	
Operational Period:	
Daniel Receives:	Years 1-20
Non-educational ad-valorem taxes	90%
Occupational tax	90%

The term of the Agreement is 23 years from the commencement of construction. The total amount payable to Trinity and to Daniel during the operating periods will not exceed \$40 million and \$15 million, respectively.

The Children’s Hospital of Alabama (“TCHA) Agreement (“Agreement”) – On May 13, 2008 the City entered into an incentive agreement with the Children’s Hospital of Alabama relating to the construction of a replacement hospital in the medical district of the City. The agreement provides that the City will rebate certain construction related permits/taxes during construction and then rebate occupational taxes which exceed a baseline according to the following formula: years 1-4: 50%; years 5-12: 80% and years 13-20: 50%. The occupational tax baseline is the amount of occupational tax paid to the City for the twelve-month period ending September 30, 2007. The term of the Agreement is the earlier of May 13, 2028 or when the total amount rebated by the City equals \$20 million. The remaining maximum obligation is approximately \$17.7 million. The new hospital’s cost was approximately \$375 million and the old facility has been converted into research space. The new hospital opened in March, 2011.

F. Closure and Post Closure Cost

State and federal laws and regulations require the City to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of the estimated closure and postclosure cost liability as a long-term liability. The liability is increased or decreased each period based on landfill capacity used as of each balance sheet date.

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

The approximate \$13,488,649 reported as closure and postclosure cost liability at June 30, 2013, represents the cumulative amount reported to date based on the use of approximately 95 percent of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all closure and postclosure care in 2013. Actual costs may be higher due to inflation, deflation, changes in technology, and/or changes in laws or regulations. Officials estimate the landfills' remaining lives to be approximately three years.

G. Pension Funds

The City of Birmingham maintains seven single-employer defined benefit pension plans covering substantially all employees. These plans consist of the Retirement and Relief System, Firemen's and Policemen's Supplemental Pension System, Firemen's Pension and Relief System, Policemen's Pension and Relief System, Limited Firemen's Retirement and Relief, Limited Policemen's Retirement and Relief, and the Unclassified Employees Pension and Relief System. Each of the seven plans was established by state law and is administered by a separate board of managers.

Plan descriptions

The funding methods and determination of benefits payable were established by the legislative acts creating such plans and provide that the pension plan funds are to be accumulated from employee contributions, employer contributions, and income from the investment of accumulated funds. The cost of administering the plans is funded by the City. The City acts as the trustee for six of these plans. Separate financial statements are presented in this report for the pension funds.

Summary of significant accounting policies

The activities and the financial statements of the pension plans are accounted for on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Each pension plans' cash assets are invested in equity and fixed-income securities. All plan assets are reported at fair value. Investments traded in publicly traded markets are valued at the last reported sales price on the government's balance sheet date. Actuarial valuations are performed annually, and the latest are all dated July 1, 2012. The plans do not issue stand-alone financial reports, and all required disclosures are included in this report. Estimates have been prepared through June 30, 2012 for the City of Birmingham Retirement and Relief System and the Fireman and Police Supplemental Pension Plan.

Plan descriptions and disclosures as of the last actuarial study of July 1, 2012 for each pension plan follow.

City of Birmingham Retirement and Relief System – This system covers all civil service employees, elected officials, and appointed employees. Membership is mandatory for covered employees and is effective upon employment. Appointed and elected employees have the option of participating in this plan or in an alternative retirement plan. The City and employees each contribute one-half of the required contribution payable as a percent of compensation for the year,

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

exclusive of overtime and subject to statutory limits. The plan is funded by contributions from employees, the City, and income from the investment of accumulated funds.

Supplementary Information for Retirement & Relief System

Actuarial Valuation:

Frequency	Annual
Latest Date	7/1/2012
Basis for Contributions	7/1/2012
Cost Method	Entry Age Normal

Amortization:

Method	Level percent of payroll
Remaining Amortization Period	Rolling 30 years
Equivalent Single Period Remaining	30
Asset Valuation Method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.

Assumptions:

Investment Earnings	7.00
Salary Increase:	
Inflation	3.0%
Merit, Longevity, etc.	Varies from .00% to 6.5%
Administrative Expense	\$270,000

Plan Membership:

Retired participants and beneficiaries receiving benefits	2,802
Terminated participants entitled to, but not yet receiving benefits	250
Active participants	<u>3,907</u>
Total membership	<u>6,959</u>

**Retirement and Relief System
Development of the Net Pension Obligation and the Annual Pension Cost**

Fiscal Year Ended June	Employer Annual Required	Employer Amount	Interest on	ARC	Amortization	Pension	Change in	NPO
------------------------	--------------------------	-----------------	-------------	-----	--------------	---------	-----------	-----

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

30,	Contribution	Contributed	NPO @ 7%	Adjustment	Factor	Cost	NPO	Balance
2003	9,756,787	10,697,621	(1,332,150)	(2,022,300)	8.7831	10,446,937	(250,684)	(18,012,681)
2005	12,875,198	10,881,632	(1,299,835)	(2,035,605)	8.514	13,610,968	2,729,336	(14,601,802)
2006	13,742,543	11,398,732	(1,095,135)	(1,150,095)	12.6962	13,797,503	2,398,771	(12,203,031)
2007	14,173,353	12,006,508	(915,227)	(919,064)	13.2777	14,177,190	2,170,682	(10,032,349)
2008	14,818,900	12,061,584	(702,264)	(755,580)	13.2777	14,872,216	2,810,632	(7,221,717)
2009	17,050,689	12,770,110	(505,520)	(543,899)	13.2777	17,089,068	4,318,958	(2,902,759)
2010	21,118,910	13,224,808	(203,193)	(218,620)	13.2777	21,134,337	7,909,529	5,006,770
2011	18,147,791	13,772,490	350,474	274,789	18.2204	18,223,476	4,450,896	9,457,756
2012	18,904,668	13,676,554	662,043	519,075	18.2204	19,047,636	5,371,082	14,828,838
2013	20,516,939	13,591,898	1,038,019	813,858	18.2204	20,741,098	7,149,250	21,978,088

Fiscal Year Ending	Cost (APC)	Contributed	Net Pension Obligation (Asset)
06/30/09	17,089	75%	\$(2,903)
06/30/10	21,134	63%	5,007
06/30/11	18,233	* 76%	9,458
06/30/12	19,048	72%	14,829
06/30/13	20,741	66%	21,978

City of Birmingham Firemen's and Policemen's Supplemental Pension System- This system covers sworn firemen and policemen and provides retirement benefits for twenty or twenty-five years of service. Membership is mandatory for such personnel and is effective upon employment. Employees hired prior to May 2, 1978, contribute 3.3% of payroll, exclusive of overtime; those hired on or subsequent to May 2, 1978, contribute 5.22% and the City matches these amounts. The plan is funded by contributions from employees, the City, and income from the investment of accumulated funds.

Supplementary Information for Firemen's & Policemen's Supplemental Pension Plan

Actuarial Valuation:

Frequency	Annual
Latest Date	7/1/2012
Basis for Contributions	7/1/2012
Cost Method	Entry Age Normal

Amortization:

Method	Level Percent of Payroll
Remaining Amortization Period	Rolling 30 years

Asset Valuation Method Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.

Assumptions:

Investment Earnings	7.00
Salary Increase:	
Inflation	3.0%
Merit, Longevity, etc.	Varies from .50% to 6.50%

Plan Membership:

Retired participants and beneficiaries receiving benefits	323
Active participants	<u>1,478</u>
Total membership	<u>1,801</u>

Firemen's and Policemen's Supplemental Pension Plan

Development of the Net Pension Obligation and the Annual Pension Cost

Fiscal Year Ended June 30	Employer Annual Required Contribution	Employer Amount Contributed	Interest on NPO @ 7%	ARC Adjustment	Amortization Factor	Pension Cost	Change in NPO	NPO Balance
2003	2,722,342	3,039,000	(13,492)	(18,109)	9.9343	2,726,959	(312,041)	(491,939)
2004	2,570,134	3,260,000	(36,895)	(50,584)	9.7252	2,583,823	(676,177)	(1,168,116)
2005	2,647,128	3,244,000	(87,609)	(120,538)	9.6908	2,680,057	(563,943)	(1,732,059)
2006	2,630,520	3,463,000	(129,904)	(136,424)	12.6962	2,637,040	(825,960)	(2,558,020)
2007	2,888,088	3,599,000	(179,061)	(192,656)	13.2777	2,901,683	(697,317)	(3,255,337)
2008	3,072,635	3,405,000	(227,874)	(245,174)	13.2777	3,089,935	(315,065)	(3,570,402)
2009	4,381,216	4,127,000	(249,928)	(268,903)	13.2777	4,400,191	273,191	(3,297,211)
2010	5,043,635	3,945,000	(230,805)	(248,327)	13.2777	5,061,157	1,116,157	(2,181,054)
2011	4,912,926	3,988,000	(152,674)	(119,704)	18.2204	4,879,956	891,956	(1,289,098)
2012	4,922,811	4,561,000	(90,237)	(70,750)	18.2204	4,903,325	342,325	(946,773)
2013	4,899,765	4,039,735	(66,274)	(51,962)	18.2204	4,885,473	845,738	(101,035)

Annual Pension Percentage of APC

Fiscal Year	Cost (APC)	Contributed	Net Pension Obligation
-------------	------------	-------------	------------------------

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

Ending			(Asset)
06/30/09	4,400	94%	(3,297)
06/30/10	5,061	78%	(2,181)
06/30/11	4,879	81%	(1,289)
06/30/12	4,903	93%	(947)
06/30/13	4,885	83%	(101)

City of Birmingham Unclassified Employees Pension and Relief System – This system covers laborers not hired under civil service. Employees contribute \$10.00 bi-weekly. The City is required by City ordinance to contribute a sum, computed as a percentage of payroll, to fund the annual cost of the unfunded liability over thirty years. The membership of this plan is closed and is funded by City contributions approximately equal to current benefit payments.

Information about funded status and funding progress is presented using the entry age normal actuarial cost method. This presentation is intended to serve as a surrogate for the funding progress of the plan.

Supplementary information for the Unclassified Employees Pension & Relief Fund

Actuarial Valuation:

Frequency	Annual
Latest Date	7/1/2012
Basis for Contributions	7/1/2012
Actuarial Cost Method	Aggregate Cost Method
Asset Valuation Method	

Market Value

Assumptions:

Investment Earnings	7.00
Salary Increase	N/A

Plan Membership:

Retired participants and beneficiaries receiving benefits	21
Active participants	<u>3</u>
Total membership	<u>24</u>

Policemen's Pension and Relief Fund – This system covers policemen employed prior to September 1939. There are 2 beneficiaries currently in the plan.

Analysis of Funding Progress

This plan is frozen and has 2 participants receiving benefits. The City pays benefits as they become due.

Supplementary information for Policemen's Pension & Relief

Actuarial Valuation:

Frequency	Annual
Latest Date	7/1/2012

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

Basis for Contributions	7/1/2012
Cost Method	Funded Frozen Plan
Assumptions:	
Investment Earnings	7%
Mortality Table	1994 Group Annuity Mortality Table

Limited Firemen's Retirement and Relief System – This system covers certain designated firemen formerly members of the Firemen's Pension and Relief Fund. Current membership includes 1 beneficiary.

Analysis of Funding Progress

This plan is frozen with 1 participants receiving benefits. The City pays benefits as they come due.

Supplementary information for Limited Firemen's Pension & Relief

Actuarial Valuation:	
Frequency	Annual
Latest Date	7/1/2012
Basis for Contributions	7/1/2012
Cost Method	Frozen Plan
Assumptions:	
Investment Earnings	7%
Mortality Table	1994 Group Annuity Mortality Table

Limited Policemen's Retirement and Relief System – This system covers certain designated policemen formerly members of the Policemen's Pension and Relief Fund. Current membership includes 2 beneficiaries.

This plan is frozen with two participants receiving benefits. The City pays benefits as they come due.

Supplementary information for Limited Policemen's Retirement and Relief

Actuarial Valuation:	
Frequency	Annual
Latest Date	7/1/2012
Basis for Contributions	7/1/2012
Cost Method	Frozen Plan
Assumptions:	
Investment Earnings	7%
Mortality Table	1994 Group Annuity Mortality Table

City of Birmingham Retirement and Relief System Health Department Employees– This system covers certain employees of the Jefferson County Health Department who have not transferred to

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

the Retirement Systems of Alabama. The plan is funded by contributions from employees, the Department, and income from the investment of accumulated funds.

Supplementary Information for Retirement & Relief System Health Department Employees

Actuarial Valuation:

Frequency	Annual
Latest Date	7/1/2012
Basis for Contributions	7/1/2012
Actuarial Cost Method	Aggregate Cost Method

Amortization:

Method	Level Dollar
Open/Closed	Open/Rolling 30 years
Equivalent Single Period Remaining	30
Asset Valuation Method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.

Assumptions:

Investment Earnings	7.00
Salary Increase:	
Inflation	3.0%
Merit, Longevity, etc.	Varies from .00% to 1.84%

Plan Membership:

Retired participants and beneficiaries receiving benefits	39
Active participants	<u>15</u>
Total membership	<u>50</u>

Post-Retirement Benefits

In addition to the pension benefits described above, the City provides post-retirement health care benefits to retired employees who are eligible for pension benefits. The plan requires retirees to *reduce their life insurance coverage, which retirees are required to pay in its entirety, and in exchange, the City will subsidize a portion of the retiree's health insurance premiums.* The amount of the subsidy is based on the type of health insurance coverage chosen by retirees and the percentage of the retiree's life insurance reduction. The City's subsidy for each covered retired employee ranges from \$42 to \$121 per month, and total insurance premiums range from \$164 to \$829 per month for health insurance. Dental insurance ranges from \$13 to \$79. Expenditures for post-retirement health care insurance costs are made and recognized monthly in the City's financial statements.

The City's annual other postemployment benefit (OPEB) expense is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with GASB

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

Statement No. 45. The actuarial cost method used in this valuation to determine the actuarial accrued liability and the ARC in the entry age normal, level dollar method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities over a period not to exceed 30 years. The City has elected to amortize the unfunded actuarial accrued liability over 30 years using a level dollar, closed amortization period. The remaining amortization period at June 30, 2011 was 26 years. The discount rate used for the determination of the expense for fiscal year 2012 is 4.00%. Total employer contributions for fiscal year 2012 were approximately \$3.9 million net of participants' and pension plans' contributions. The following table shows the components of the City's annual OPEB cost for fiscal year 2012 and 2011, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (in thousands):

	2012	2011
Annual required contribution	\$ 6,796	\$ 8,705
Interest on net OPEB obligation	939	536
ARC adjustment	(1,412)	(350)
Annual OPEB Cost	6,323	9,802
Contributions Made	(3,900)	(3,800)
Increase in Net OPEB	2,423	5,282
Net OPEB Obligation, beginning of year	23,470	18,188
Net OPEB Obligation, end of year	\$ 25,893	\$ 23,470

The City's annual OPEB cost, the percentage of annual OPEB cost contribution to the plan, and the net OPEB obligation for fiscal year 2011 and 2012 are as follows (in thousands):

Fiscal Year Ended	Net OPEB Obligation Beginning of Year	Annual OPEB Cost	Employer Contributions	Net OPEB Obligation End of Year	Percentage Annual OPEB Cost Contributed
2011	18,188	9,082	3,800	23,470	41.84%
2012	23,470	6,322	3,900	25,893	61.70%

The actuarial accrued liability of \$64,475 includes \$31,572 for active members and \$32,903 for retirees, beneficiaries, dependents, and terminated vested members. This table presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Valuations

City of Birmingham, Alabama
Notes to the Financial Statements
June 30, 2013

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Estimates include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continue revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

At June 30, 2011 plan valuation date, membership was as follows:	(in thousands)
Current retirees, beneficiaries and dependents receiving medical and prescription drug benefits or life insurance coverage	\$ 2,177
Current active members	<u>3,826</u>
Total plan members	<u>\$ 6,003</u>

Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The rates shown below are “net” and are applied to the net per capita costs shown above. The trend shown for a particular plan year is the rate that must be applied to that year’s cost to yield the next year’s projected cost.

Year Ending June 30,	Rate (%)	
	Medical	Prescription Drug
2012	8.5%	10.0%
2013	8.0%	9.5%
2014	7.5%	9.0%
2015	7.0%	8.5%
2016	6.5%	8.0%
2017	6.0%	7.5%
2018	5.5%	7.0%
2019 & Later	5.0%	5.0%

H. Subsequent Events

The Mayor/Council Act, under which the City operates, requires that the Mayor present a balanced budget to the Council no later than May 20th for the fiscal year beginning on the next July 1st. For Fiscal year 2014, beginning July 1, 2013, the Mayor presented his budget to the Council before May 20, 2013, the Council responded with changes and the Mayor and Council did not reach agreement until October 1, 2013, when the Council passed the budget. For the period July 1, 2013 through September 30, 2013, the City operated under the Fiscal Year 2013 budget, which became the Fiscal Year 2014 budget on July 1, 2013, in accordance with the Mayor/Council Act. No material problems were encountered as a result.

**REQUIRED SUPPLEMENTARY
INFORMATION**

City of Birmingham, Alabama
Required Supplementary Information
Year Ended June 30, 2013

Schedule of Funding Progress-Pension Plans

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)-Entry Age	Unfunded (Overfunded) AAL (UAAL)	Funded Ratio %	Covered Payroll	UAAL as a Percentage of Covered Payroll %
Retirement and Relief System						
7/1/2007	\$935,821,094	\$992,864,448	\$57,043,354	94.25	\$167,807,596	33.99
7/1/2008	953,079,670	1,050,785,799	97,706,129	90.70	174,113,556	56.12
7/1/2009	910,769,192	1,083,256,135	172,486,943	84.08	186,523,480	92.47
7/1/2010	913,077,824	1,113,441,433	200,363,609	82.01	193,229,880	103.69
7/1/2011	892,096,375	1,158,070,396	265,974,021	77.03	177,977,161	149.44
7/1/2012	878,048,507	1,181,090,260	303,041,753	74.34	181,406,586	167.05
Firemen's and Policemen's Supplemental System						
7/1/2007	\$40,990,266	\$68,629,929	\$27,639,663	59.73	\$67,702,728	40.83
7/1/2008	42,802,299	90,449,029	47,646,730	47.32	71,066,835	67.04
7/1/2009	44,956,837	101,215,788	56,258,951	44.42	78,881,652	71.32
7/1/2010	46,373,242	107,747,064	61,373,822	43.04	83,274,992	73.70
7/1/2011	47,775,761	109,761,716	61,985,955	43.53	79,533,564	77.94
7/1/2012	49,847,983	110,597,569	60,749,586	45.07	79,126,245	76.78
Unclassified Employee's Pension and Relief System*						
7/1/2007	\$1,864,000	\$1,265,192	(\$598,808)	147.33	N/A	N/A
7/1/2008	1,591,000	1,136,772	(454,228)	139.96	N/A	N/A
7/1/2009	1,128,000	1,083,359	(44,641)	104.12	N/A	N/A
7/1/2010	1,134,000	934,841	(199,159)	121.30	N/A	N/A
7/1/2011	1,079,000	834,784	(44,216)	129.25	N/A	N/A
7/1/2012	1,012,000	756,559	(255,441)	133.76	N/A	N/A
Retirement and Relief System Health Department Employees						
7/1/2007	\$14,650,709	\$9,952,490	(\$4,698,219)	147.21	\$1,086,800	0
7/1/2008	14,785,353	10,426,208	(4,359,145)	141.81	975,021	0
7/1/2009	14,016,807	10,874,279	(3,142,528)	128.90	848,765	0
7/1/2010	13,930,505	11,398,718	(2,531,787)	122.21	855,816	0
7/1/2011	13,796,682	11,314,924	(2,481,758)	121.93	858,395	0
7/1/2012	13,552,480	11,504,197	(2,048,283)	117.80	594,298	0

*Information about funded status and funding progress is presented using the entry age normal actuarial method. This presentation is intended to serve as a surrogate for the funding progress of the plan.

City of Birmingham, Alabama
Required Supplementary Information
Year Ended June 30, 2013

Schedule of Employer Contributions-Pension Plans

<u>Fiscal Year Ended</u>	<u>Annual Required Contributions</u>	<u>Actual Contributions</u>	<u>Percentage Contributed %</u>
Retirement and Relief System			
2008	\$14,818,900	\$12,061,584	81.4
2009	17,050,689	12,770,110	74.9
2010	21,118,910	13,224,808	62.6
2011	18,147,791	13,772,490	75.9
2012	18,904,668	13,676,554	72.3
2013	20,516,938	13,591,848	66.2
Firemen's and Policemen's Supplemental Pension System			
2008	\$3,072,634	\$3,405,000	110.8
2009	4,381,216	4,127,000	94.2
2010	5,043,635	3,945,000	78.2
2011	4,912,926	3,988,000	81.2
2012	4,922,812	4,561,000	92.7
2013	4,899,785	4,039,735	82.4
Policemen's Pension and Relief System*			
2007	\$24,488	-	100
2008	18,807	-	100
2009	18,934	-	100
2010	17,549	-	100
2011	15,529	-	100
2012	14,013	-	100

*This plan is frozen and has 2 participants receiving benefits. The City pays benefits as they become due.

City of Birmingham, Alabama
Required Supplementary Information
Year Ended June 30, 2013

Schedule of Employer Contributions-Pension Plans

<u>Fiscal Year Ended</u>	<u>Annual Required Contributions</u>	<u>Actual Contributions</u>	<u>Percentage Contributed %</u>
Limited Firemen's Retirement and Relief System**			
2007	\$29,927	-	100
2008	29,650	-	100
2009	26,460	-	100
2010	20,918	-	100
2011	17,425	-	100
2012	8,587	-	100
Limited Policemen's Retirement and Relief System*			
2007	\$19,841	-	100
2008	19,454	-	100
2009	15,867	-	100
2010	14,301	-	100
2011	14,948	-	100
2012	11,007	-	100
Retirement and Relief System Health Department Employees			
2007	-	\$32,492	100
2008	-	25,416	100
2009	-	21,592	100
2010	-	20,397	100
2011	-	20,618	100
2012	-	17,900	100

*This plan is frozen and has 2 participants receiving benefits. The City pays benefits as they become due.

**This plan is frozen with 1 participant receiving benefits. The City pays benefits as they become due.

City of Birmingham, Alabama
Required Supplementary Information
Year Ended June 30, 2013

Schedule of Funding Progress-OPEB

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio %	Covered Payroll	UAAL as a Percentage of Covered Payroll %
7/1/2007	-	\$97,800,828	\$97,800,828	0.00	\$168,939,625	57.89
7/1/2008	-	77,707,254	77,707,254	0.00	187,456,624	41.45
7/1/2011	-	64,475,329	64,475,329 *	0.00	178,835,557	36.05

*The actuarial accrued liability of \$64,475,329 includes \$31,572,295 for active members and \$32,903,034 for retirees, beneficiaries, dependents and terminated vested members. This table presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

OTHER SUPPLEMENTARY INFORMATION

City of Birmingham, Alabama
Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2013
(in thousands)

	Retirement & Relief	Firemen & Policemen Supplemental	Firemen's Pension Relief	Unclassified Pension	Total Pension Trust Funds
Assets					
Cash and cash equivalents	\$ 16,590	\$ 932	\$ 104	\$ 953	\$ 18,579
Receivables:					
Member contributions	61	-	-	-	61
Member loans	11,715	-	-	-	11,715
Interest and dividends	4,342	269	-	-	4,611
Total Receivables:	<u>16,118</u>	<u>269</u>	<u>-</u>	<u>-</u>	<u>16,387</u>
Investments, at fair value:					
U.S. government obligations	155,866	10,242	-	-	166,108
Domestic corporate bonds	198,586	16,285	-	-	214,872
Domestic stocks	562,880	22,578	-	-	585,458
Total Investments, at fair value:	<u>917,332</u>	<u>49,105</u>	<u>-</u>	<u>-</u>	<u>966,438</u>
Total Assets:	<u>950,040</u>	<u>50,306</u>	<u>104</u>	<u>953</u>	<u>1,001,404</u>
Liabilities					
Accounts payable and other	1,546	102	-	2	1,651
Accrued payroll and payroll taxes payable	21	2	-	-	23
Total Liabilities:	<u>1,567</u>	<u>104</u>	<u>-</u>	<u>2</u>	<u>1,674</u>
Net Assets					
Held in trust for future pension benefits	948,473	50,203	104	951	999,730
Total Net Position:	<u>\$ 948,473</u>	<u>\$ 50,203</u>	<u>\$ 104</u>	<u>\$ 951</u>	<u>\$ 999,730</u>

The notes to the financial statements are an integral part of this statement.

City of Birmingham, Alabama
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended June 30, 2013
(in thousands)

	Retirement & Relief	Firemen & Policemen Supplemental	Firemen's Pension Relief	Policemen's Pension Relief	Limited Firemen's Pension Relief	Limited Policemen's Pension	Unclassified Pension	Total Pension Trust Funds
Additions								
Additions								
Contributions								
Employer Contributions	\$ 13,606	\$ 4,040	\$ -	\$ 9	\$ 6	\$ 9	\$ -	\$ 17,670
Plan member contributions	11,822	4,025	-	-	-	-	1	15,848
Investment income:								
Investment earnings	95,304	3,925	-	-	-	-	50	99,279
Securities lending	471	-	-	-	-	-	-	471
Other income	2	-	2	-	-	-	-	4
Total Additions	121,205	11,990	2	9	6	9	51	133,272
Total Additions	121,205	11,990	2	9	6	9	51	133,272
Deductions								
Deductions								
Benefits	68,383	8,385	-	8	6	9	93	76,884
Refunds of contributions	1,607	500	-	-	-	-	-	2,107
Administrative expenses	156	992	-	-	-	-	20	1,168
Investment Expenses	3,171	396	-	-	-	-	-	3,567
Total Deductions	73,317	10,273	-	8	6	9	113	83,726
Total Deductions	73,317	10,273	-	8	6	9	113	83,726
Change in Net Assets	47,888	1,717	2	1	-	-	(62)	49,546
Net Position- Beginning	900,584	48,485	102	-	-	-	1,013	950,184
Net Position - Ending	\$ 948,472	\$ 50,202	\$ 104	\$ 1	\$ -	\$ -	\$ 951	\$ 999,730

The notes to the financial statements are an integral part of this statement.

City of Birmingham
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2013
(in thousands)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes	\$ 246,208	\$ 255,458	\$ 248,960	\$ (6,498)
Licenses and permits	86,045	86,545	86,709	164
Intergovernmental	10,759	10,759	11,074	315
Charges for services	12,679	12,689	12,514	(175)
Fines and forfeitures	3,017	3,017	2,750	(267)
Investment income	780	780	67	(713)
Other operating revenues	6,361	10,612	10,762	150
Total Revenues:	365,849	379,860	372,836	(7,024)
Expenditures				
Current Expenditures:				
Public safety:				
Police	86,931	87,024	84,474	2,550
Fire	53,604	53,675	53,927	(252)
Planning, Engineering & Permits	11,547	11,980	11,413	567
Traffic Engineering	9,876	9,943	9,619	324
Municipal Court	4,305	4,564	4,503	61
Street and sanitation:				
Public Works	46,641	46,849	46,415	434
Cultural & recreational:				
Park & Recreation	11,401	11,433	10,849	584
Library	14,826	14,833	14,307	526
Arlington Historical Home	517	527	494	33
Boutwell Auditorium	1,228	1,242	1,163	79
Museum of Art	3,236	3,236	3,164	72
Sloss Furnace	492	492	477	15
Southern Museum of Flight	702	702	700	2
State Fairgrounds	3,905	3,905	4,192	(287)
General government:				
Finance	9,758	9,788	9,578	210
Equipment Management	14,994	16,011	16,238	(227)
Information Management Services	8,142	8,431	8,519	(88)
City Clerk	1,828	1,742	1,437	305
Community Development	581	581	562	19
Council Office	3,025	2,988	2,675	313
Legal	6,157	7,057	6,824	233
Mayor's Office	7,190	8,455	8,175	280
Personnel	5,854	7,368	6,834	534
Nondepartmental	41,936	42,469	40,269	2,200
Debt Service:				
Principal	10,480	8,828	8,828	-
Interest and fees	6,215	5,977	5,946	31
Capital Outlay:				
Capital outlays	280	525	1,549	(1,024)
Total Expenditures:	365,651	370,625	363,131	7,494
Excess (Deficiency) of Revenues Over (Under) Expenditures:	198	9,235	9,705	470
Other financing sources (uses):				
Proceeds from capital lease	-	-	1,074	1,074
Transfers in	-	13	10	(3)
Transfers out	(198)	(9,406)	(9,406)	-
Total Other financing sources (uses):	(198)	(9,393)	(8,322)	1,071
Net Change in Fund Balances:	-	(158)	1,383	1,541
Fund Balances - Beginning	92,113	92,113	92,113	-
Fund Balances - Ending:	\$ 92,113	\$ 91,955	\$ 93,496	\$ 1,541

The notes to the financial statements are an integral part of this statement

City of Birmingham, Alabama
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013
(in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 11,355	\$ 2,920	\$ 28,168	\$ 42,443
Cash with fiscal agent	-	3,315	-	3,315
Receivables:				0
Accrued interest	-	-	74	74
Accrued taxes	357	-	-	357
Accounts (net of uncollectibles)	938	2	-	940
Notes (net of uncollectibles)	32	-	-	32
Loans	119	-	-	119
Total Assets:	\$ 12,801	\$ 6,237	\$ 28,242	47,280
Liabilities and Fund Balances				
Liabilities:				
Accounts and vouchers payable	572	-	289	862
Contracts payable-retainage	28	117	765	910
Accrued payroll and payroll taxes payable	5	-	-	5
Deferred revenue	(1,073)	-	-	(1,073)
Other liabilities	(38)	-	-	(38)
Total Liabilities:	(506)	117	1,054	666
Fund Balances:				
Spendable:				
Restricted:				
Debt Service	-	5,147	-	5,147
Capital Projects	781	972	27,187	28,941
Other	293	-	-	293
Assigned:				-
Committed to:				-
Neighborhood Improvements	8,376	-	-	8,376
Other Purposes	3,148	-	-	3,148
Unassigned	709	-	-	709
Total Fund Balances:	13,307	6,119	27,187	46,614
Total Liabilities and Fund Balances:	\$ 12,801	\$ 6,236	\$ 28,241	\$ 47,280

The notes to the financial statements are an integral part of this statement.

City of Birmingham, Alabama
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013
(in thousands)

	Special Revenue Funds							
	Neighborhood Allocation	Grants Fund	Highway Improvement Fund	Fuel Tax Fund	Storm Water Fees	Technology	Correction Fund	
Assets								
Cash and investments	\$ 8,453	\$ (1,948)	\$ -	\$ 441	\$ 696	\$ 41	\$ 2,490	\$ 297
Cash with fiscal agent	-	-	-	-	-	-	-	-
Receivables:								
Accrued interest	-	-	-	-	-	-	-	-
Accrued taxes	-	-	234	106	16	-	-	-
Accounts (net of uncollectibles)	90	324	-	-	-	-	-	-
Notes (net of uncollectibles)	-	-	-	-	-	-	-	-
Loans	119	-	-	-	-	-	-	-
Total Assets:	\$ 8,662	\$ (1,624)	\$ 234	\$ 547	\$ 712	\$ 41	\$ 2,490	\$ 297
Liabilities and Fund Balances								
Liabilities:								
Accounts and vouchers payable	56	155	-	-	3	23	14	4
Contracts payable-retainage	-	-	-	-	-	-	-	-
Accrued payroll and payroll taxes payable	-	-	-	-	-	-	1	-
Deferred revenue	268	-	-	-	-	-	-	-
Other liabilities	(38)	-	-	-	-	-	-	-
Total Liabilities:	286	155	-	-	3	23	15	4
Fund Balances:								
Spendable:								
Restricted:								
Debt Service	-	-	-	-	-	-	-	-
Capital Projects	-	-	234	546	-	-	-	-
Other	-	-	-	-	-	-	-	293
Assigned:								
Committed to:								
Neighborhood Improvements	8,376	-	-	-	-	-	-	-
Other Purposes	-	(1,779)	-	-	-	19	2,474	-
Unassigned	-	-	-	-	709	-	-	-
Total Fund Balances:	8,376	(1,779)	234	546	709	19	2,474	293
Total Liabilities and Fund Balances:	\$ 8,662	\$ (1,624)	\$ 234	\$ 546	\$ 712	\$ 42	\$ 2,489	\$ 297

The notes to the financial statements are an integral part of this statement

City of Birmingham, Alabama
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013
(in thousands)

	Debt Service Funds							
	HUD Block Grant Fund	Home Fund	Special Lodging Tax Revenue	Total	Tax Increment Financing	Alabama Trust Fund	Total	1992 Bonds
Assets								
Cash and investments	\$ (1,115)	\$ (432)	\$ 2,434	\$ 11,357	\$ 1,948	\$ 972	\$ 2,920	\$ 52
Cash with fiscal agent	-	-	-	-	3,315	-	3,315	-
Receivables:								
Accrued interest	-	-	-	-	-	-	-	-
Accrued taxes	-	-	-	356	-	-	-	-
Accounts (net of uncollectibles)	419	104	-	937	2	-	2	-
Notes (net of uncollectibles)	32	-	-	32	-	-	-	-
Loans	-	-	-	119	-	-	-	-
Total Assets:	\$ (664)	\$ (328)	\$ 2,434	\$ 12,801	\$ 5,265	\$ 972	\$ 6,237	\$ 52
Liabilities and Fund Balances								
Liabilities:								
Accounts and vouchers payable	209	109	-	573	-	-	-	-
Contracts payable-retainage	28	-	-	28	117	-	117	-
Accrued payroll and payroll taxes payable	4	-	-	5	-	-	-	-
Deferred revenue	(904)	(437)	-	(1,073)	-	-	-	-
Other liabilities	-	-	-	(38)	-	-	-	-
Total Liabilities:	(663)	(328)	-	(505)	117	-	117	-
Fund Balances:								
Spendable:								
Restricted:								
Debt Service	-	-	-	-	5,147	-	5,147	-
Capital Projects	-	-	-	780	-	972	972	52
Other	-	-	-	293	-	-	-	-
Assigned:								
Committed to:								
Neighborhood Improvements	-	-	-	8,376	-	-	-	-
Other Purposes	-	-	2,434	3,148	-	-	-	-
Unassigned	-	-	-	709	-	-	-	-
Total Fund Balances:	-	-	2,434	13,306	5,147	972	6,119	52
Total Liabilities and Fund Balances:	\$ (663)	\$ (328)	\$ 2,434	\$ 12,801	\$ 5,264	\$ 972	\$ 6,236	\$ 52

The notes to the financial statements are an integral part of this statement

City of Birmingham, Alabama
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013
(in thousands)

	Capital Projects Funds							
	1993 Bonds	1995 Bonds	1997 Bonds	1998-A Warrants	1998-B Warrants	1999-B Bonds	2000-A Warrants	2001-A School Warrants
Assets								
Cash and investments	\$ 228	\$ 438	\$ 531	\$ 572	\$ 271	\$ 60	\$ 540	\$ 93
Cash with fiscal agent	-	-	-	-	-	-	-	-
Receivables:								
Accrued interest	-	-	-	-	-	-	-	-
Accrued taxes	-	-	-	-	-	-	-	-
Accounts (net of uncollectibles)	-	-	-	-	-	-	-	-
Notes (net of uncollectibles)	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Total Assets:	\$ 228	\$ 438	\$ 531	\$ 572	\$ 271	\$ 60	\$ 540	\$ 93
Liabilities and Fund Balances								
Liabilities:								
Accounts and vouchers payable	-	-	4	5	-	-	-	-
Contracts payable-retainage	-	8	-	412	-	-	46	-
Accrued payroll and payroll taxes payable	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Total Liabilities:	-	8	4	417	-	-	46	-
Fund Balances:								
Spendable:								
Restricted:								
Debt Service	-	-	-	-	-	-	-	-
Capital Projects	228	430	527	156	271	60	495	93
Other	-	-	-	-	-	-	-	-
Assigned:								
Committed to:								
Neighborhood Improvements	-	-	-	-	-	-	-	-
Other Purposes	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances:	228	430	527	156	271	60	495	93
Total Liabilities and Fund Balances:	\$ 228	\$ 438	\$ 531	\$ 573	\$ 271	\$ 60	\$ 541	\$ 93

The notes to the financial statements are an integral part of this statement

**City of Birmingham, Alabama
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013
(in thousands)**

						Permanent Funds		Total Nonmajor Governmental Funds
	2002 Bonds	2006-C G.O. Warrants	2007-B G.O. Warrants	2007-A G. O. Bonds	2009-A Warrants	Total	Total	
Assets								
Cash and investments	\$ 2,391	\$ 1,554	\$ 1,806	\$ 19,484	\$ 147	\$ 28,167	\$ -	\$ 42,443
Cash with fiscal agent	-	-	-	-	-	-	-	3,315
Receivables:								
Accrued interest	-	-	1	72	-	73	-	74
Accrued taxes	-	-	-	-	-	-	-	357
Accounts (net of uncollectibles)	-	-	-	-	-	-	-	940
Notes (net of uncollectibles)	-	-	-	-	-	-	-	32
Loans	-	-	-	-	-	-	-	119
Total Assets:	\$ 2,391	\$ 1,554	\$ 1,807	\$ 19,556	\$ 147	\$ 28,240	\$ -	\$ 47,280
Liabilities and Fund Balances								
Liabilities:								
Accounts and vouchers payable	60	-	-	221	-	290	-	862
Contracts payable-retainage	-	13	48	239	-	766	-	910
Accrued payroll and payroll taxes payable	-	-	-	-	-	-	-	5
Deferred revenue	-	-	-	-	-	-	-	(1,073)
Other liabilities	-	-	-	-	-	-	-	(38)
Total Liabilities:	60	13	48	460	-	1,056	-	666
Fund Balances:								
Spendable:								
Restricted:								
Debt Service	-	-	-	-	-	-	-	5,147
Capital Projects	2,331	1,541	1,760	19,097	147	27,187	-	28,941
Other	-	-	-	-	-	-	-	293
Assigned:								
Committed to:								
Neighborhood Improvements	-	-	-	-	-	-	-	8,376
Other Purposes	-	-	-	-	-	-	-	3,148
Unassigned	-	-	-	-	-	-	-	709
Total Fund Balances:	2,331	1,541	1,760	19,097	147	27,187	-	46,614
Total Liabilities and Fund Balances:	\$ 2,391	\$ 1,554	\$ 1,808	\$ 19,557	\$ 147	\$ 28,243	\$ -	\$ 47,280

The notes to the financial statements are an integral part of this statement

City of Birmingham, Alabama
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2013
(in thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 3,190	\$ 387	\$ -	\$ 3,578
Intergovernmental	28,687	4,770	-	33,458
Charges for services	72	-	-	72
Fines and forfeitures	2,053	-	-	2,053
Investment income	41	-	285	326
Other operating revenues	2,001	2,435	-	4,436
Total Revenues:	36,044	7,592	285	43,923
Expenditures				
Current Expenditures:				
Public safety:				
Police	3,064	-	-	3,064
Fire	1,218	-	-	1,218
Planning, Engineering & Permits	1,296	-	394	1,690
Municipal Court	2,533	-	-	2,533
Nondepartmental	-	-	56	56
Street and sanitation:				
Public Works	16	-	(45)	(29)
Cultural & recreational:				
Park & Recreation	126	-	81	207
Nondepartmental	-	-	329	329
General government:				
Finance	622	-	-	622
Community Development	13,001	-	-	13,001
Mayor's Office	7	-	-	7
Nondepartmental	1,089	43	529	1,661
Municipal Court	9	-	-	9
Debt Service:				
Principal	3,835	3,760	-	7,595
Interest and fees	2,138	1,785	-	3,923
Capital Outlay:				
Capital outlays	7,742	20	6,338	14,100
Total Expenditures:	36,696	5,608	7,682	49,986
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(652)	1,984	(7,397)	(6,063)
Other financing sources (uses)::				
Transfers in	204	-	-	204
Transfers out	(310)	-	-	(310)
Total Other financing sources (uses)::	(106)	-	-	(106)
Net Change in Fund Balances:	(758)	1,984	(7,397)	(6,168)
Fund Balances - Beginning	14,064	4,133	34,585	52,782
Fund Balances - Ending:	\$ 13,306	\$ 6,117	\$ 27,188	\$ 46,614

The notes to the financial statements are an integral part of this statement.

City of Birmingham, Alabama
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2013
(in thousands)

	Special Revenue Funds								
	Neighborhood Allocation	Grants Fund	Highway Improvement Fund	Fuel Tax Fund	Storm Water Fees	Technology	Correction Fund	Fair Trial Tax Fund	Municipal Court Judicial Admin
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	15	14,693	2,629	1,223	820	-	-	-	-
Charges for services	72	-	-	-	-	-	-	-	-
Fines and forfeitures	-	30	-	-	-	53	1,240	427	301
Investment income	37	-	-	-	-	-	4	-	-
Other operating revenues	635	1,329	-	-	-	-	-	-	-
Total Revenues:	759	16,052	2,629	1,223	820	53	1,244	427	301
Expenditures									
Current Expenditures:									
Public safety:									
Police	322	2,717	-	-	-	-	26	-	-
Fire	-	1,218	-	-	-	-	-	-	-
Planning, Engineering & Permits	-	451	-	-	845	-	-	-	-
Municipal Court	-	729	-	-	-	62	1,445	297	-
Nondepartmental	-	-	-	-	-	-	-	-	-
Street and sanitation:									
Public Works	16	-	-	-	-	-	-	-	-
Cultural & recreational:									
Park & Recreation	110	16	-	-	-	-	-	-	-
Nondepartmental	-	-	-	-	-	-	-	-	-
General government:									
Finance	-	622	-	-	-	-	-	-	-
Community Development	597	3,058	-	-	-	-	-	-	-
Mayor's Office	-	7	-	-	-	-	-	-	-
Nondepartmental	326	-	144	488	-	-	-	-	-
Municipal Court	-	-	-	-	-	-	-	-	9
Debt Service:									
Principal	-	-	2,195	560	-	-	-	-	-
Interest and fees	-	-	219	203	-	-	-	-	-
Capital Outlay:									
Capital outlays	65	7,567	(29)	-	54	-	84	-	-
Total Expenditures:	1,436	16,385	2,529	1,251	899	62	1,555	297	9
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(677)	(333)	100	(28)	(79)	(9)	(311)	130	292
Other financing sources (uses):									
Transfers in	204	-	-	-	-	-	-	-	-
Transfers out	(310)	-	-	-	-	-	-	-	-
Total Other financing sources (uses):	(106)	-	-	-	-	-	-	-	-
Net Change in Fund Balances:	(783)	(333)	100	(28)	(79)	(9)	(311)	130	292
Fund Balances - Beginning	9,158	(1,446)	135	575	788	27	2,785	(130)	1
Fund Balances - Ending:	\$ 8,375	\$ (1,779)	\$ 235	\$ 547	\$ 709	\$ 18	\$ 2,474	\$ -	\$ 293

The notes to the financial statements are an integral part of this statement.

City of Birmingham, Alabama
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2013
(in thousands)

						Debt Service Funds			
	BWWB Proceeds	HUD Block Grant Fund	Home Fund	Special Lodging Tax Revenue	Total	Tax Increment Financing	Alabama Trust Fund	Total	
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ 3,190	\$ 3,190	\$ 387	\$ -	\$ 387	\$ -
Intergovernmental	-	8,123	1,185	-	28,688	-	4,770	4,770	-
Charges for services	-	-	-	-	72	-	-	-	-
Fines and forfeitures	-	-	-	-	2,051	-	-	-	-
Investment income	-	-	-	-	41	-	-	-	-
Other operating revenues	-	12	25	-	2,001	2,435	-	2,435	-
Total Revenues:	-	8,135	1,210	3,190	36,043	2,822	4,770	7,592	-
Expenditures									
Current Expenditures:									
Public safety:									
Police	-	-	-	-	3,065	-	-	-	-
Fire	-	-	-	-	1,218	-	-	-	-
Planning, Engineering & Permits	-	-	-	-	1,296	-	-	-	-
Municipal Court	-	-	-	-	2,533	-	-	-	-
Nondepartmental	-	-	-	-	-	-	-	-	-
Street and sanitation:									
Public Works	-	-	-	-	16	-	-	-	-
Cultural & recreational:									
Park & Recreation	-	-	-	-	126	-	-	-	-
Nondepartmental	-	-	-	-	-	-	-	-	-
General government:									
Finance	-	-	-	-	622	-	-	-	-
Community Development	-	8,135	1,211	-	13,001	-	-	-	-
Mayor's Office	-	-	-	-	7	-	-	-	-
Nondepartmental	1	-	-	131	1,090	43	-	43	-
Municipal Court	-	-	-	-	9	-	-	-	-
Debt Service:									
Principal	-	-	-	1,080	3,835	855	2,905	3,760	-
Interest and fees	-	-	-	1,717	2,139	892	893	1,785	-
Capital Outlay:									
Capital outlays	-	-	-	-	7,741	20	-	20	-
Total Expenditures:	1	8,135	1,211	2,928	36,698	1,810	3,798	5,608	-
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(1)	-	(1)	262	(655)	1,012	972	1,984	-
Other financing sources (uses):									
Transfers in	-	-	-	-	204	-	-	-	-
Transfers out	-	-	-	-	(310)	-	-	-	-
Total Other financing sources (uses):	-	-	-	-	(106)	-	-	-	-
Net Change in Fund Balances:	(1)	-	(1)	262	(761)	1,012	972	1,984	-
Fund Balances - Beginning	1	-	-	2,171	14,065	4,133	-	4,133	52
Fund Balances - Ending:	\$ -	\$ -	\$ (1)	\$ 2,433	\$ 13,304	\$ 5,145	\$ 972	\$ 6,117	\$ 52

The notes to the financial statements are an integral part of this statement.

City of Birmingham, Alabama
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2013
(in thousands)

	Capital Projects Funds								
	1993 Bonds	1995 Bonds	1997 Bonds	1998-A Warrants	1998-B Warrants	1999-B Bonds	2000-A Warrants	2001-A School Warrants	2002 Bonds
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	1	2	2	2	-	-	-	13
Other operating revenues	-	-	-	-	-	-	-	-	-
Total Revenues:	-	1	2	2	2	-	-	-	13
Expenditures									
Current Expenditures:									
Public safety:									
Police	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-
Planning, Engineering & Permits	-	-	17	-	125	26	4	-	-
Municipal Court	-	-	-	-	-	-	-	-	-
Nondepartmental	-	-	-	-	-	-	-	-	56
Street and sanitation:									
Public Works	(72)	-	4	-	-	-	-	-	23
Cultural & recreational:									
Park & Recreation	-	-	7	-	-	-	-	-	73
Nondepartmental	-	-	-	-	-	-	-	-	-
General government:									
Finance	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-
Mayor's Office	-	-	-	-	-	-	-	-	-
Nondepartmental	-	-	-	-	-	-	-	-	-
Municipal Court	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-	-	-	-
Capital Outlay:									
Capital outlays	-	103	-	39	-	-	76	-	53
Total Expenditures:	(72)	103	28	39	125	26	80	-	205
Excess (Deficiency) of Revenues Over (Under) Expenditures:	72	(102)	(26)	(37)	(123)	(26)	(80)	-	(192)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total Other financing sources (uses):	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances:	72	(102)	(26)	(37)	(123)	(26)	(80)	-	(192)
Fund Balances - Beginning	156	533	552	193	395	86	575	93	2,524
Fund Balances - Ending:	\$ 228	\$ 431	\$ 526	\$ 156	\$ 272	\$ 60	\$ 495	\$ 93	\$ 2,332

The notes to the financial statements are an integral part of this statement.

City of Birmingham, Alabama
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2013
(in thousands)

	2006-C G.O. Warrants	2007-B G.O. Warrants	2007-A G. O. Bonds	2009-A Warrants	Total	Total Nonmajor Governmental Funds
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,578
Intergovernmental	-	-	-	-	-	33,458
Charges for services	-	-	-	-	-	72
Fines and forfeitures	-	-	-	-	-	2,053
Investment income	-	(8)	271	-	283	326
Other operating revenues	-	-	-	-	-	4,436
Total Revenues:	-	(8)	271	-	283	43,923
Expenditures						
Current Expenditures:						
Public safety:						
Police	-	-	-	-	-	3,064
Fire	-	-	-	-	-	1,218
Planning, Engineering & Permits	-	63	159	-	394	1,690
Municipal Court	-	-	-	-	-	2,533
Nondepartmental	-	-	-	-	56	56
Street and sanitation:						
Public Works	-	-	-	-	(45)	(29)
Cultural & recreational:						
Park & Recreation	-	-	-	-	80	207
Nondepartmental	-	-	329	-	329	329
General government:						
Finance	-	-	-	-	-	622
Community Development	-	-	-	-	-	13,001
Mayor's Office	-	-	-	-	-	7
Nondepartmental	494	4	31	-	529	1,661
Municipal Court	-	-	-	-	-	9
Debt Service:						
Principal	-	-	-	-	-	7,595
Interest and fees	-	-	-	-	-	3,923
Capital Outlay:						
Capital outlays	-	741	5,324	-	6,336	14,100
Total Expenditures:	494	808	5,843	-	7,679	49,986
Excess (Deficiency) of Revenues Over (Under) Expenditures:	(494)	(816)	(5,572)	-	(7,396)	(6,063)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	204
Transfers out	-	-	-	-	-	(310)
Total Other financing sources (uses):	-	-	-	-	-	(106)
Net Change in Fund Balances:	(494)	(816)	(5,572)	-	(7,396)	(6,168)
Fund Balances - Beginning	2,035	2,577	24,668	147	34,586	52,782
Fund Balances - Ending:	\$ 1,541	\$ 1,761	\$ 19,096	\$ 147	\$ 27,190	\$ 46,614

The notes to the financial statements are an integral part of this statement.

City of Birmingham, Alabama
Net Position by Component
Last Nine Fiscal Years
(in thousands)

Table A-1

	Fiscal Year Ended June 30								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:									
Invested in capital assets, net of related debt	(\$18,295)	\$53,708	\$73,876	\$74,322	\$65,727	\$72,325	\$90,213	\$133,210	\$104,846
Restricted	361,917	205,388	271,686	277,817	264,602	157,454	146,478	134,295	189,391
Unrestricted	<u>(25,033)</u>	<u>24,187</u>	<u>(91,459)</u>	<u>(78,863)</u>	<u>(88,588)</u>	<u>(51,384)</u>	<u>(62,151)</u>	<u>(85,574)</u>	<u>(93,426)</u>
Total governmental activities net assets	318,589	283,283	254,103	\$273,276	\$241,741	\$178,395	\$174,540	\$181,931	\$200,811
Business-type activities:									
Invested in capital assets, net of related debt	764	942	922	901	1,022	855	919	919	722
Unrestricted	<u>290</u>	<u>(8)</u>	<u>74</u>	<u>(464)</u>	<u>(1,167)</u>	<u>(1,522)</u>	<u>61</u>	<u>2,032</u>	<u>3,861</u>
Total business-type activities net assets	1,054	934	996	437	(145)	(667)	980	2,951	4,583
Primary Government:									
Invested in capital assets, net of related debt	(17,531)	54,650	74,798	75,223	66,749	73,180	91,132	134,129	105,568
Restricted	361,917	205,388	271,686	277,817	264,602	157,454	146,478	134,295	189,391
Unrestricted	<u>(24,743)</u>	<u>24,179</u>	<u>(91,385)</u>	<u>(79,327)</u>	<u>(89,755)</u>	<u>(52,906)</u>	<u>(62,090)</u>	<u>(83,542)</u>	<u>(89,565)</u>
Total primary government net assets	<u>\$ 319,643</u>	<u>\$ 284,217</u>	<u>\$ 255,099</u>	<u>\$ 273,713</u>	<u>\$ 241,596</u>	<u>\$ 177,728</u>	<u>\$ 175,520</u>	<u>\$ 184,882</u>	<u>\$ 205,394</u>

Source: City Finance Department Data

City of Birmingham, Alabama
Changes in Net Position
Last Nine Fiscal Years
(in thousands)

Table A-2
(1 of 2)

	Fiscal Year Ended June 30			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses:				
Governmental activities:				
	\$94,662	\$122,163	\$106,000	\$ 88,799
Public safety	160,097	181,014	163,704	163,149
Streets & sanitation	80,229	68,749	95,381	93,821
Culture & recreation	39,047	38,547	42,222	43,895
Interest on long-term debt	13,000	22,414	23,989	27,643
Total governmental activities expenses	<u>387,035</u>	<u>432,887</u>	<u>431,296</u>	<u>417,307</u>
Business-type activities:				
E-911 Services	<u>3,258</u>	<u>3,157</u>	<u>3,196</u>	<u>3,935</u>
Total primary government expenses	<u>\$390,293</u>	<u>\$436,044</u>	<u>\$434,492</u>	<u>\$421,242</u>
Program Revenues:				
Governmental activities:				
Charges for services				
General government:				
Business licenses & permits	50,334	54,951	60,002	85,721
Non-business licenses & permits	5,288	5,613	5,347	5,342
Public safety	18,328	17,244	17,327	14,739
Streets & sanitation	1,533	1,706	1,971	1,450
Culture & recreation	999	977	1,252	1,275
Operating grants and contributions	13,797	8,221	18,606	19,830
Total governmental activities program revenues	<u>90,279</u>	<u>88,712</u>	<u>104,505</u>	<u>128,357</u>
Business-type activities:				
E-911 Services	<u>2,954</u>	<u>2,998</u>	<u>3,156</u>	<u>3,308</u>
Total primary government program revenues	<u>\$93,233</u>	<u>\$91,710</u>	<u>\$107,661</u>	<u>\$131,665</u>
Net (Expense)/Revenue				
Governmental activities	(\$296,756)	(\$344,175)	(\$326,791)	(\$288,950)
Business-type activities	(304)	(159)	(40)	(627)
	<u>(\$297,060)</u>	<u>(\$344,334)</u>	<u>(\$326,831)</u>	<u>(\$289,577)</u>
General Revenues and Other Changes in Net Assets:				
Governmental activities:				
Taxes:				
Sales and use taxes	\$107,271	\$109,085	\$109,665	\$129,732
Occupational taxes	69,346	72,297	75,269	76,918
Property taxes	50,618	52,669	54,920	62,698
Unrestricted grants and contributions	21,618	19,585	23,853	19,975
Investment earnings	12,562	10,834	21,168	10,684
Other	7,682	10,189	12,736	8,116
Total governmental activities	<u>269,097</u>	<u>274,659</u>	<u>297,611</u>	<u>308,123</u>
Business-type activities:				
Investment earnings	<u>34</u>	<u>39</u>	<u>102</u>	<u>68</u>
Total primary government	<u>\$269,131</u>	<u>\$274,698</u>	<u>\$297,713</u>	<u>\$308,191</u>
Change (decrease) in Net Assets:				
Governmental activities	(\$27,659)	(\$69,516)	(\$29,180)	\$19,173
Business-type activities	(270)	(120)	62	(559)
Total primary government	<u>(\$27,929)</u>	<u>(\$69,636)</u>	<u>(\$29,118)</u>	<u>\$18,614</u>

Source: City Finance Department Data

City of Birmingham, Alabama
Changes in Net Position
Last Nine Fiscal Years
(in thousands)

Table A-2
(2 of 2)

	Fiscal Year Ended June 30				
	2009	2010	2011	2012	2013
Expenses:					
Governmental activities:					
General government	\$ 121,554	\$ 163,581	\$ 114,375	\$ 126,871	\$ 127,856
Public safety	169,083	210,132	202,706	194,761	195,022
Streets & sanitation	121,848	59,822	54,553	56,109	53,055
Culture & recreation	36,132	41,907	40,024	42,705	42,927
Interest on long-term debt	25,381	21,473	19,861	17,381	14,933
Total governmental activities expenses	473,998	496,915	431,519	437,827	433,793
Business-type activities:					
E-911 Services	4,044	4,937	4,754	4,641	4,571
Total primary government expenses	\$478,042	\$501,852	\$436,273	\$442,468	\$438,364
Program Revenues:					
Governmental activities:					
Charges for services					
General government:					
Business licenses & permits	91,493	82,726	90,139	97,443	97,495
Non-business licenses & permits	4,506	3,747	0	0	0
Public safety	17,502	21,488	17,778	17,011	15,893
Streets & sanitation	1,577	595	966	1,196	449
Culture & recreation	1,341	1,327	1,171	1,506	2,073
Operating grants and contributions	15,094	18,898	24,276	25,118	19,540
Total governmental activities program revenues	131,513	128,781	134,330	142,274	135,450
Business-type activities:					
E-911 Services	3,447	4,517	6,392	6,608	6,196
Total primary government program revenues	\$134,960	\$133,298	\$140,722	\$148,882	\$141,646
Net (Expense)/Revenue					
Governmental activities	(\$342,485)	\$368,134	\$297,186	\$295,553	\$298,343
Business-type activities	(597)	420	(1,638)	1,967	1,632
	<u>(\$343,082)</u>	<u>\$368,554</u>	<u>\$295,548</u>	<u>\$293,583</u>	<u>\$296,711</u>
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Taxes:					
Sales and use taxes	\$131,904	\$127,197	\$131,162	\$134,829	\$140,832
Occupational taxes	76,325	73,008	74,909	77,703	77,844
Property taxes	61,663	56,699	51,369	55,656	50,367
Unrestricted grants and contributions	26,060	23,730	22,548	19,500	25,467
Investment earnings	(4,201)	8,233	13,560	5,067	8,362
Other	8,407	7,145	(217)	10,188	14,353
Total governmental activities	300,158	296,012	293,331	302,943	317,225
Business-type activities:					
Investment earnings	15	1	11	4	-
Total primary government	\$300,173	\$296,013	\$293,342	\$302,947	\$317,225
Change (decrease) in Net Position:					
Governmental activities	(\$42,327)	(\$72,122)	(\$3,855)	\$7,393	\$18,880
Business-type activities	(582)	(419)	1,649	1,971	1,632
Total primary government	(\$42,909)	(\$72,541)	(\$2,206)	\$9,364	\$20,512

Source: City Finance Department Data

City of Birmingham, Alabama
Fund Balances, Governmental Funds
Last Nine Fiscal Years
(in thousands)

Table A-3
Page 1 of 2

Fiscal Year Ended June 30

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund						
Reserved	\$13,969	\$7,584	\$10,448	\$11,417	\$280	\$253
Unreserved	60,209	70,389	85,368	106,065	94,501	92,027
Total general fund	<u>\$74,178</u>	<u>\$77,973</u>	<u>\$95,816</u>	<u>\$117,482</u>	<u>\$94,781</u>	<u>\$92,280</u>
Other Governmental Funds:						
Reserved, reported in:						
Special revenue funds	\$216,063	\$160,123	\$134,246	\$113,754	\$96,755	\$77,026
Debt service funds	53,097	46,674	45,394	44,216	40,175	50,947
Capital projects funds	99,964	76,151	155,487	160,696	138,479	94,500
	<u>369,124</u>	<u>282,948</u>	<u>335,127</u>	<u>318,666</u>	<u>275,409</u>	<u>222,473</u>
Unreserved, reported in:						
Special revenue funds	(2,663)	(1,744)	(2,278)	(2,484)	(1,847)	(1,866)
Debt service funds					(3,666)	(5,805)
Capital projects funds	(731)	(102)				
	<u>(3,394)</u>	<u>(1,846)</u>	<u>(2,278)</u>	<u>(2,484)</u>	<u>(5,513)</u>	<u>(7,671)</u>
Total other governmental funds	<u>\$365,730</u>	<u>\$281,102</u>	<u>\$332,849</u>	<u>\$433,664</u>	<u>\$364,677</u>	<u>\$307,082</u>

Source: City Finance Department Data

City of Birmingham, Alabama
Fund Balances, Governmental Funds
Last Nine Fiscal Years
(in thousands)

Fiscal Year Ended June 30

Table A-3
Page 2 of 2

	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund			
Nonspendable:			
Prepaid	280	344	344
Inventory	-	1573	1573
Spendable:			
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	<u>98,935</u>	<u>90,197</u>	<u>91,581</u>
Total General Fund	<u>\$99,215</u>	<u>\$92,114</u>	<u>\$93,498</u>
Other Governmental Funds:			
Restricted	117,183	109,846	162,524
Committed	\$1,338	\$95,668	\$97,836
Assigned	104,963	(14)	382
Unassigned	<u>(4,627)</u>	<u>788</u>	<u>709</u>
Total other governmental funds	<u>218,857</u>	<u>206,288</u>	<u>261,451</u>
Total Fund Balance	<u>\$318,072</u>	<u>\$298,402</u>	<u>\$354,949</u>

Change in fund balance Designation due to GASB Statemtent 54

Source: City Finance Department

City of Birmingham, Alabama
 Changes in Fund Balances, Governmental Funds
 Last Nine Fiscal Years
 (in thousands)

Table A-4

	Fiscal Year Ended June 30								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
REVENUES:									
Taxes	\$ 227,235	\$ 234,051	\$ 239,854	\$ 269,348	\$ 276,738	\$ 265,398	\$ 267,324	\$ 280,062	\$ 280,515
Licenses and permits	55,622	60,564	65,349	91,063	87,525	78,556	79,984	87,671	86,709
Intergovernmental	33,699	39,273	41,669	39,805	41,327	44,298	45,954	45,729	44,820
Charges for services	16,119	15,746	16,432	12,927	14,069	13,943	13,856	12,826	12,586
Fines and forfeitures	4,741	4,181	4,118	4,537	7,944	6,770	5,483	4,964	4,803
Investment income	12,562	10,834	21,168	10,684	(4,199)	8,235	13,560	5,066	8,361
Other operating revenues	6,862	5,471	9,934	8,157	7,622	9,168	20,959	10,888	15,297
TOTAL REVENUES	356,840	370,120	398,524	436,521	431,026	426,368	447,120	447,206	453,091
EXPENDITURES:									
Current:									
Public safety	140,215	145,688	148,485	155,120	177,188	194,348	181,158	178,555	172,498
Street and sanitation	77,573	68,483	64,359	66,788	52,414	57,871	49,886	48,340	46,436
Cultural and recreational	37,854	38,547	40,752	42,480	34,990	37,699	34,797	33,856	36,369
General government	91,708	126,133	102,804	82,681	118,030	141,660	123,338	125,548	123,411
Other	416	416	242	139	-	-	-	-	-
Total current operations	347,350	379,267	356,642	347,208	382,622	431,578	389,179	386,299	378,714
Debt service:									
Principal	19,457	23,669	24,918	27,424	25,935	42,050	33,193	38,306	38,648
Interest	18,180	15,975	20,508	25,418	24,204	24,302	22,701	23,130	22,431
Total debt service	37,637	39,644	45,426	52,842	50,139	66,352	55,894	61,436	61,079
Capital outlays	31,079	38,075	34,641	31,749	93,751	10,983	37,854	19,172	31,808
Warrant/Bond issue costs	217	541	11,772	-	-	-	-	-	-
TOTAL EXPENDITURES	416,283	457,527	448,481	431,799	526,513	508,913	482,927	466,907	471,599
Excess (deficiency) of revenues over (under) expenditures	(59,443)	(87,407)	(49,957)	4,722	(95,487)	(82,545)	(35,807)	(19,701)	(18,508)
Other financing sources (uses):									
Proceeds from sale of property	887	4,812	4,634	278	-	-	-	-	-
Proceeds of issuance of debt	-	-	-	-	-	21,000	110,476	-	70,061
Issuance of refunding bonds	8,985	28,230	316,880	-	-	19,960	-	8,400	-
Refunded bonds redeemed	-	-	-	-	-	(19,967)	-	-	-
Capital lease	431	1,845	-	-	26,500	-	-	-	1,074
Premiums/(discounts) on warrants/bonds	(35)	1,767	12,300	-	-	316	3,834	(164)	5,877
Payment to escrow agent	(8,733)	(30,080)	(214,267)	-	-	-	(67,511)	(8,205)	(1,955)
Transfers in	63,764	49,221	40,559	69,971	63,250	59,742	40,169	43,988	44,295
Transfers out	(63,764)	(49,221)	(40,559)	(69,971)	(63,250)	(59,742)	(40,169)	(43,988)	(44,295)
Net other financing sources	1,535	6,574	119,547	278	26,500	21,309	46,799	31	75,056
Net change in fund balances	(57,908)	(80,833)	69,590	5,000	(68,987)	(61,236)	10,992	(19,670)	56,548
Debt service as a percentage of noncapital expenditures	10.50%	10.00%	11.60%	14.20%	13.10%	15.37%	14.36%	15.90%	16.13%

Source: City Finance Department Data

City of Birmingham, Alabama
Sales and Use Tax Revenues
Last Ten Fiscal Years
(in thousands)

Table B-1

	Fiscal Year Ended June 30									
	2004	2005	2006	2007	2008 *	2009	2010	2011	2012	2013
Sales and Use Tax Revenue	\$100,608	\$107,271	\$109,085	\$109,665	\$129,732	\$131,904	\$127,197	\$131,162	\$134,869	\$140,832
Percentage Change from Prior Year	-1.20%	6.62%	1.69%	0.53%	18.30%	1.67%	-3.57%	3.12%	2.83%	4.50%
Breakdown of Sales/Use Tax By Industry Type:										
Apparel	5,594	5,950	5,001	6,298	6,402	6,190	6,685	7,432	7,724	8,016
Automotive, RV's, Motor Homes	9,419	9,154	8,581	9,951	10,787	9,845	10,312	12,328	12,297	12,891
Building & Construction Related	10,013	11,103	10,241	11,836	11,423	14,551	12,667	13,821	14,730	15,401
Communications	1,794	1,481	1,520	1,886	2,182	2,677	2,155	1,946	2,047	2,130
Equipment & Machinery	9,422	9,633	8,636	10,680	10,758	10,884	9,855	10,404	11,148	11,650
Food and Restaurants	* 18,809	18,436	16,239	18,661	15,853	23,804	22,041	24,974	24,333	25,389
Furniture and Furnishings	2,261	2,457	2,154	2,804	2,852	3,447	3,329	4,241	4,351	4,550
Insurance, Finance, Real Estate	1,022	811	459	528	2,071	2,751	2,516	2,302	1,760	1,840
Medical	2,874	2,418	1,332	1,647	1,958	3,556	3,448	4,995	5,179	5,410
Personal Services, Entertainment	7,891	7,508	6,483	7,615	7,588	6,623	6,495	6,750	6,519	6,800
All Other Industries	31,509	38,320	48,439	37,759	57,858	47,576	47,694	41,969	44,781	46,755
	<u>100,608</u>	<u>107,271</u>	<u>109,085</u>	<u>109,665</u>	<u>129,732</u>	<u>131,904</u>	<u>127,197</u>	<u>131,162</u>	<u>134,869</u>	<u>140,832</u>

* The City of Birmingham increased its sales tax on retail sales of automotive vehicles, house trailers, and mobile home set-up materials and supplies; retail sales of machines, machinery, or equipment used in mining, quarrying, compounding, processing, and manufacturing tangible personal property from 1% to 2% in FY 2008. The City also increased its sales tax on the retail sales of other tangible personal property from 3% to 4% in FY2008.

Source: City of Birmingham Revenue Division

City of Birmingham
Sales and Use Tax Revenues to Total Taxes
Last Nine Years
(in thousands)

Table B-2

Fiscal Year Ended June 30

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Breakdown of Tax Revenues:											
Sales and Use Tax	\$ 101,434	\$ 100,608	\$ 107,271	\$ 109,085	\$ 109,665	\$ 129,732	\$ 131,904	\$ 127,197	\$ 131,162	\$ 134,829	\$ 140,832
Occupational Tax	64,522	65,537	69,346	72,297	75,269	76,918	76,325	73,008	74,909	77,703	77,844
Property Tax	42,858	48,596	50,618	52,669	54,920	62,698	61,663	56,699	51,369	55,656	56,388
	<u>\$ 208,814</u>	<u>\$ 214,741</u>	<u>\$ 227,235</u>	<u>\$ 234,051</u>	<u>\$ 239,854</u>	<u>\$ 269,348</u>	<u>\$ 269,892</u>	<u>\$ 256,904</u>	<u>\$ 257,440</u>	<u>\$ 268,188</u>	<u>\$ 275,064</u>
% of Sales & Use to Total Taxes	48.58%	46.85%	47.21%	46.61%	45.72%	48.17%	48.87%	49.51%	50.95%	50.27%	51.20%

Note: Prior to 2010, the portion of ad valorem tax revenues due to be paid, by statute, to the Jefferson County Board of Health (“Board of Health”) and the Birmingham-Jefferson County Transit Authority (the “Transit Authority”) were included in the total amount of property taxes collected as revenue on the City’s financial statements and were also deducted as an expense. Prior to and after 2010, the amounts owing to the Board of Health and the Transit Authority were and continue to be remitted directly to Transit Authority and Board of Health by the City’s tax collector. As a result of a change in accounting procedures, the City no longer treats the portion of the ad valorem tax revenues due the Transit Authority and the Board of Health as an item of revenue and expense on the City’s financial statements. Accounting for the amounts due the Transit Authority on the City’s financial statements ceased beginning in 2010 and accounting for the amounts due the Board of Health ceased beginning in 2011. The ad valorem tax revenue due the Transit Authority after the accounting procedure change and not included in the “Property (ad valorem) tax” calculation above was \$3,483,527.49, \$3,947,279.83, \$3,144,824.23 and \$4,009,941 in 2010, 2011, 2012 and 2013, respectively. The ad valorem tax revenue due the Board of Health after the accounting procedure change and not included in the “Property (ad valorem) tax” calculation above was \$1,534,510.60, \$1,159,722.18 and \$1,172,297 in 2011, 2012 and 2013, respectively.

Source: Finance Department Data

City of Birmingham, Alabama
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table C-1

Fiscal Year	General Obligation Bonds	General Obligation Warrants	Revenue Warrants	Capital Leases	Total	Aggregate Income	Percentage of Personal Income	Per Capita
2004	344,655,000	212,695,000	13,000,000	0	570,350,000	3,803,289,660	15.00%	\$2,349
2005	325,340,000	205,935,000	12,430,000	417,000	544,122,000	3,803,289,660	14.31%	\$2,241
2006	309,920,000	197,435,000	11,835,000	2,094,000	521,284,000	3,803,289,660	13.71%	\$2,147
2007	353,750,000	237,885,000	11,210,000	1,690,000	604,535,000	3,803,289,660	15.90%	\$2,490
2008	337,120,000	229,445,000	7,365,000	1,266,000	575,196,000	3,803,289,660	15.12%	\$2,369
2009	318,045,000	219,805,000	7,365,000	27,331,000	572,546,000	3,803,289,660	15.05%	\$2,358
2010	298,070,000	138,615,000	21,000,000	20,950,000	478,635,000	3,803,289,660	12.58%	\$1,971
2011	277,260,000	192,185,000	20,810,000	51,779	490,306,779	3,927,870,159	12.48%	\$2,310
2012	256,170,000	175,555,000	20,410,000	0	452,135,000	3,927,870,159	11.51%	\$2,130
2013	302,005,535	161,215,000	19,615,000	971,093	483,806,628	3,927,870,159	12.32%	\$2,280

Source: City Finance Department data

Personal income computed from 2000 census population and per capita income data (see table D-1).

City of Birmingham, Alabama
Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Table C-2

Fiscal year	Census Year	Population Number	Assessed Value*	Gross Bonded Debt**	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value (%)	Net Bonded Debt Per Capita
2004	2000	242,820	2,422,011,707	570,350,000	58,850,000	511,500,000	21.12%	2,106
2005	2000	242,820	2,515,810,000	543,705,000	51,208,000	492,497,000	19.58%	2,028
2006	2000	242,820	2,567,735,000	519,190,000	45,161,000	474,029,000	18.46%	1,952
2007	2000	242,820	2,631,971,182	602,845,000	44,153,000	558,692,000	20.07%	2,301
2008	2000	242,820	2,810,565,632	566,565,000	43,205,000	523,360,000	19.88%	2,155
2009	2000	242,820	2,937,624,552	537,850,000	40,175,000	497,675,000	17.70%	2,050
2010	2000	242,820	2,880,265,253	436,685,000	36,317,088	400,367,912	13.63%	1,649
2011	2010	212,237	2,826,110,356	469,445,000	32,191,620	437,253,380	15.47%	2,060
2012	2010	212,237	2,755,748,375	431,725,000	29,668,690	402,056,310	14.59%	1,849
2013	2010	212,237	2,689,227,218	463,220,535	23,538,147	439,682,388	16.35%	2,072

*Source: Jefferson County Tax Assessor and Department of Revenue; Shelby County Property Tax Commissioner and Judge of Probate

**Does not include revenue warrants and capitalized leases.

City of Birmingham, Alabama
Assessed Value and Estimated True Value of All Taxable Property
Last Seven Tax Years

Table C-3

Tax Year Ending 30-Sep	Class 1 Property of Utilities		Class 2 All Unclassified Real and Personal Property		Class 3 Agriculture, Forest, Residential, Historic Property		Class 4 Motor Vehicles		Total	Total	Ratio of Assessed Value to Estimated True Value
	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated Value	Assessed Value	Estimated True Value	
2006	221,316,191	737,720,637	1,715,444,558	8,577,222,790	409,710,653	4,097,106,530	285,499,780	1,903,331,867	2,631,971,182	15,315,381,824	17.19%
2007	218,646,340	728,821,134	1,866,230,738	9,331,153,690	440,451,774	4,404,517,740	285,236,780	1,901,578,534	2,810,565,632	16,366,071,098	17.17%
2008	209,898,240	699,660,800	1,984,448,984	9,922,244,920	462,407,628	4,624,076,280	280,869,700	1,872,464,667	2,937,624,552	17,118,446,667	17.16%
2009	215,101,040	717,003,467	1,972,102,351	9,860,511,755	448,535,382	4,485,353,820	244,526,480	1,630,176,534	2,880,265,253	16,693,045,576	17.25%
2010	212,316,380	707,721,267	1,944,617,951	9,723,089,755	433,674,085	4,336,740,850	235,501,940	1,570,012,934	2,826,110,356	16,337,564,806	17.30%
2011	212,799,421	709,331,403	1,870,926,188	9,354,630,940	439,146,266	4,391,462,660	232,876,500	1,552,510,000	2,755,748,375	16,007,935,003	17.22%
2012	208,111,380	693,704,600	1,835,441,332	9,177,206,660	391,699,466	3,916,994,660	253,975,040	1,693,166,933	2,689,227,218	15,481,072,853	17.37%

^[1] The classifications of property for ad valorem taxation, as set forth above, are established by Amendment No. 373 to the Constitution of Alabama of 1901, as amended. The assessed values are provided by:
For Class I, II and III Property in Birmingham in Jefferson County, Alabama: Tax Assessor of Jefferson County
For Class I, II and III Property in Birmingham in Shelby County, Alabama: Property Tax Commissioner of Shelby County
For Class IV Property in Birmingham in Jefferson County, Alabama: Jefferson County Department of Revenue
For Class IV Property in Birmingham in Shelby County, Alabama: Judge of Probate of Shelby County

The estimated market values of property are the quotient of the assessed values of property in a classification divided by the assessment ratio applicable to that classification, as set forth below.

^[2] Class I Property consists of all property of utilities used in the business of such utilities and is assessed at the rates of thirty percent (30%) of the fair and reasonable market value thereof.

^[3] Class II Property consists of all real and personal property not otherwise classified in another class (generally commercial property) and is assessed at the ratio of twenty percent (20%) of the fair and reasonable market value thereof. Class II amounts do not include the amounts or values of any abatements, industrial exemptions, other exemptions or penalties with respect to such property.

^[4] Class III Property consists of all agricultural, forest, single-family owner-occupied residential property, and historic buildings and sites, and is assessed, upon application by the owner, at the ratio of ten percent of the current use value (not fair and reasonable market values of such property). The amounts shown above as assessed values of Class III property are net of, and do not include, the amount of any homestead exemptions with respect to such property.

^[5] Class IV Property consists of motor vehicles owned and operated by individuals for personal or private use, and not for hire, rent or compensation, and is assessed at the ratio of fifteen percent percent of the fair and reasonable market value thereof.

City of Birmingham, Alabama
Schedule of Direct and Overlapping Debt
Last Seven Fiscal Years
(in thousands)

Table C-4

<u>Direct Debt</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
City of Birmingham:							
Gross bonded debt and warrants outstanding*	\$ 602,845	\$ 566,565	\$ 537,850	\$ 436,685	\$ 469,445	431,725	463,221
Less debt service funds net assets	(44,153)	(43,205)	(40,175)	(36,317)	(32,192)	(29,688)	(23,538)
Direct Debt	558,692	523,360	497,675	400,368	437,253	402,037	439,683
 Overlapping Debt							
Jefferson County, Alabama overlapping debt ¹	1,407,225	1,328,870	1,266,885	1,141,290	1,190,200	1,014,595	982,080
Jefferson County Board of Education ²	90,910	86,150	81,160	75,930	81,680	85,930	78,990
Total bonds and warrants outstanding	1,498,135	1,415,020	1,348,045	1,217,220	1,271,880	1,100,525	1,061,070
% of debt applicable to City of Birmingham	31.7%	31.8%	31.4%	31.5%	31.3%	31.3%	31.3%
City of Birmingham Debt Burden	474,909	449,976	423,286	383,424	398,098	344,464.33	332,115
 Shelby County, Alabama ³							
Shelby County, Alabama Board of Education ⁴	-	-	-	-	-	-	-
	161,420	154,930	155,390	161,610	155,120	144,080	181,530
	161,420	154,930	155,390	161,610	155,120	144,080	181,530
% of debt applicable to City of Birmingham	1.6%	1.7%	1.7%	1.7%	1.8%	1.8%	1.8%
City of Birmingham Debt Burden	2,583	2,634	2,642	2,747	2,792	2,593	3,268
Total Overlapping Debt	477,492	452,610	425,928	386,172	400,891	347,058	335,382
Total Direct and Overlapping Debt	\$ 1,036,184	\$ 975,970	\$ 923,603	\$ 786,540	\$ 838,144	\$ 749,095	\$ 775,065

The debt for schools of the Board of Education of the City of Birmingham, Alabama, is included in the City's general obligation debt shown above.

The figures for Jefferson County, the Jefferson County Board of Education, and the Shelby County Board of Education are for their fiscal years ended 9/30.

¹ Source: Jefferson County Director of Finance

² The entire debt of the Jefferson County Board of Education is paid by appropriations from specifically pledged taxes. No portion of this debt is paid from the school funds of the City of Birmingham.
Source: Jefferson County Board of Education

³ Shelby County reports no debt. Source: Shelby County Finance Manager

⁴ All of the gross debt of Shelby County Board of Education is payable from one of several specially pledged revenues, each of which produces a substantial margin of revenue above the necessary debt service requirements.
Source: Shelby County Board of Education

*Does not include capitalized leases and revenue warrants

City of Birmingham, Alabama
Property Taxes - Direct and Overlapping Governments
Birmingham, Jefferson and Shelby Counties
Last Ten Fiscal Years

Table C-5

(Per \$100 of Assessed Value)

City of Birmingham						Jefferson County				
Fiscal Year	General Fund	Debt Service Fund	Board of Education		Total	County	County		State of Alabam:	Total Tax
			Fund	Library			Schools	Total		
2004	\$0.90	\$1.20	\$1.98	\$0.05	\$4.13	\$1.35	\$0.82	\$2.17	\$0.65	\$6.95
2005	\$0.90	\$1.20	\$1.98	\$0.05	\$4.13	\$1.35	\$0.82	\$2.17	\$0.65	\$6.95
2006	\$0.90	\$1.20	\$1.98	\$0.05	\$4.13	\$1.35	\$0.82	\$2.17	\$0.65	\$6.95
2007	\$0.90	\$1.20	\$1.98	\$0.05	\$4.13	\$1.35	\$0.82	\$2.17	\$0.65	\$6.95
2008	\$0.90	\$1.20	\$1.98	\$0.05	\$4.13	\$1.35	\$0.82	\$2.17	\$0.65	\$6.95
2009	\$0.90	\$1.20	\$1.98	\$0.05	\$4.13	\$1.35	\$0.82	\$2.17	\$0.65	\$6.95
2010	\$0.90	\$1.20	\$1.98	\$0.05	\$4.13	\$1.35	\$0.82	\$2.17	\$0.65	\$6.95
2011	\$0.90	\$1.20	\$1.98	\$0.05	\$4.13	\$1.35	\$0.82	\$2.17	\$0.65	\$6.95
2012	\$0.90	\$1.20	\$1.98	\$0.05	\$4.13	\$1.35	\$0.82	\$2.17	\$0.65	\$6.95
2013	\$0.90	\$1.20	\$1.98	\$0.05	\$4.13	\$1.35	\$0.82	\$2.17	\$0.65	\$6.95

Source: Jefferson County Tax Assessor

City of Birmingham						Shelby County				
Fiscal Year	General Fund	Debt Service Fund	Board of Education		Total	County	County		State of Alabam:	Total Tax
			Fund	Library			Schools	Total		
2004	\$0.90	\$1.20	\$2.07	\$0.05	\$4.22	\$0.75	\$1.60	\$2.35	\$0.65	\$7.22
2005	\$0.90	\$1.20	\$2.07	\$0.05	\$4.22	\$0.75	\$1.60	\$2.35	\$0.65	\$7.22
2006	\$0.90	\$1.20	\$2.07	\$0.05	\$4.22	\$0.75	\$1.60	\$2.35	\$0.65	\$7.22
2007	\$0.90	\$1.20	\$2.07	\$0.05	\$4.22	\$0.75	\$1.60	\$2.35	\$0.65	\$7.22
2008	\$0.90	\$1.20	\$1.47	\$0.05	\$3.62	\$0.75	\$1.60	\$2.35	\$0.65	\$6.62
2009	\$0.90	\$1.20	\$1.47	\$0.05	\$3.62	\$0.75	\$1.60	\$2.35	\$0.65	\$6.62
2010	\$0.90	\$1.20	\$1.47	\$0.05	\$3.62	\$0.75	\$1.60	\$2.35	\$0.65	\$6.62
2011	\$0.90	\$1.20	\$1.47	\$0.05	\$3.62	\$0.75	\$1.60	\$2.35	\$0.65	\$6.62
2012	\$0.90	\$1.20	\$1.47	\$0.05	\$3.62	\$0.07	\$1.60	\$2.35	\$0.65	\$6.62
2013	\$0.90	\$1.20	\$1.98	\$0.05	\$4.13	\$0.07	\$1.60	\$2.35	\$0.65	\$6.62

Source: Shelby County Tax Assessor

City of Birmingham
Estimated Legal Debt Margin
As of June 30, 2013

Table C-6

Net Assessed Value of Real and Personal Property(1)	\$2,689,227,218
Debt Limit (20% of Assessed Value, see note below)	537,845,443
Outstanding General Obligation Bonds, Warrants and Leases(2)	\$ 483,532,346
Less Exemption for School and Sewer Debt(3)	(83,504,680)
Less Debt Service Fund Balance(4)	<u>(23,538,147)</u>
	<u>376,489,519</u>
Legal Debt Margin	\$ 161,355,924

(1) As reported by the Jefferson County Tax Assessor, Jefferson County Department of Revenue (motor vehicles) Shelby County Property Tax Commissioner and Shelby County License Officer (motor vehicles).

(2) Includes the aggregate principal amount of general obligation bonds, general obligation warrants, Economic Development Incentive Obligations (\$2,451,453), Birmingham Zoo Obligations (\$16,500,000), a lease (\$971,093) and the Funding Agreement for the Honda Project (\$389,265), all as of June 30, 2012. Does not include any other obligation of the City and does not reflect principal payments made on any obligations after June 30, 2013. Does not included the obligations of the city incurred pursuant to Amendment No. 772 to the Constitution of Alabama, as amended.

(3) Not less than the stated amount was issued for schools, water works or sewers and is not chargeable against the City's constitutional debt limit.

(4) Book Value as of June 30, 2013

Note: Section 225, as amended, of the Constitution of the State of Alabama limits debt of the City of Birmingham to 20% of the assessed value of taxable property. Excluded from this limitation is debt issued for schools and sewers (General Constitutional Debt Limitation).

Special Constitutional Debt Limitation for Economic Development Obligations

Amendment No. 772 to the constitution of Alabama authorizes the counties and municipalities within the State to use public funds for certain purposes intended to further the economic development of such political subdivisions. Amendment 772 authorizes any county or municipality to (i) acquire real property, buildings, plants, factories, facilities, machinery and equipment of any kind and to improve and develop such properties for use as sites for industry of any kind or as industrial parks, (ii) lease, sell, grant, exchange or otherwise convey all or any part of any real property, buildings, plants, factories, machinery and equipment or any industrial park project to any individual, firm, corporation or other entity, public or private, for the purpose of constructing, developing, equipping and operating industrial, commercial, research or service facilities of any kind or (iii) lend its credit to, or grant public funds and things of value for the benefit of any individual, firm, corporation or other entity, public or private, for the purpose of promoting the economic and industrial development of such political subdivision.

Amendment 772 also authorizes counties and municipalities to issue bonds, warrants, notes and other evidences of indebtedness and to use the proceeds thereof in furtherance of the powers discussed in the paragraph immediately above, subject to the limitation that the aggregate principal amount of obligations issued for such purposes may not exceed fifty percent (50%) of the assessed value of taxable property in such county or municipality. Amendment No. 772 provides that the bonds, warrants, notes or other evidences of indebtedness may be secured by the full faith and credit of the issuer or may be limited as to the source of payment.

The issuance of bonds, warrants, notes and other evidences of indebtedness pursuant to Amendment No. 772 is not subject to the City's twenty percent constitutional debt limit. Pursuant to, and in accordance with, Amendment No. 772, in recent years the City has delivered agreements with various entities for economic development purposes as provided in Amendment No. 772, whereby the City agrees to rebate, over a stated period of years, to the other parties to such agreements, certain percentages of the proceeds of various City taxes received by the City from the construction and operation by such other parties of the facilities described in such agreements. The obligations of the City under such agreements (the "Amendment No. 772 Obligations") (i) are not general obligations of the City and (ii) are limited obligations of the City payable solely from the tax proceeds specified in such agreements, and produced solely from the facilities and projects described in such agreements, when and if such tax proceeds are actually received by the City, except a Funding Agreement with the Commercial Development Authority of the City of Birmingham, which is a general obligation and a Funding Agreement with the Public Athletic, Cultural and Entertainment Board of the City of Birmingham, which is a general obligation. The economic development office of the City, based on certain assumptions which it believes to be reasonable, has projected the total tax revenues to be received by the City from each of the facilities for which such a tax rebate agreement is in effect, will exceed the amount of the City tax proceeds to be rebated pursuant to such agreement.

The City has obligations outstanding under Amendment No. 772 in the aggregate amount of approximately \$217,520,048. These obligations are limited obligations of the City payable generally as rebates of taxes received by the City from the private entity, except for funding agreements to cover bonds issued by the Commercial Development Authority of the City of Birmingham (currently outstanding in the principal amount of \$70,555,000) and the Public Athletic and Entertainment Board of the City of Birmingham (currently outstanding in the principal amount of \$62,920,000), both, of which, are general obligations of the City. The City treats the obligations thereof under Amendment No. 772 (i) as exempt from the general constitutional debt limitation and (ii) as subject to the special constitutional debt limit under Amendment No. 772.

**City of Birmingham, Alabama
Property Taxes Levied and Collected for
The City of Birmingham
Last Ten Fiscal Years**

Table C-7

City of Birmingham			
Beginning October 1	Total Taxes Levied	Total Taxes	
		Collected	Percentage
2003	59,048,850	58,356,048	98.83%
2004	61,440,447	61,078,411	99.41%
2005	62,890,413	62,386,134	99.20%
2006	66,224,605	64,416,414	97.27%
2007	71,268,264	69,999,820	98.22%
2008	74,939,011	71,593,360	95.54%
2009	74,462,772	71,390,609	95.87%
2010	72,971,185	68,536,652	93.92%
2011	71,571,040	67,909,751	94.88%
2012	68,753,822	66,151,831	96.22%

*Jefferson County only

Sources: Jefferson County Tax Assessor and Tax Collector

**City of Birmingham, Alabama
Principal Property Taxpayers
Current Fiscal Year and Ten Year Prior**

Table C-8

Assessed Entity	Fiscal Year Ended June 30, 2013			Fiscal Year Ended June 30, 2003		
	Total Assessed Value of Property Within City Limits	Rank	% of Total Assessed Valuation	Total Assessed Value of Property Within City Limits	Rank	% of Total Assessed Valuation
Alabama Power Company	\$121,989,780	1	4.54%	\$98,528,400	1	4.34%
American Cast Iron & Pipe Company	\$50,549,619	2	1.88%	\$14,322,238	4	0.63%
AT & T Property Tax Group	39,184,960	3	1.46%	13,116,960	5	0.58%
GSA Birmingham Realty	29,020,540	4	1.08%		3	0.00%
BBVA Compass Bank	22,477,980	5	0.84%		6	0.00%
SL Regions LLC	20,345,980	6	0.76%			0.00%
AT&T Mobility	18,258,540	7	0.68%			0.00%
Alabama Gas Corp	16,107,320	8	0.60%		8	0.00%
Chase Bank of Texas NA	13,336,000	9	0.50%	14,722,900	9	0.65%
Tish Robert Preston	11,716,000	10	0.44%	14,933,500	7	0.66%
Bellsouth Telecommunications				64,186,020	2	2.83%
HealthSouth Corporation				19,749,960		0.87%
St. Vincent Hospital				16,284,300		0.72%
Energen Corporation				16,000,440		0.70%
Murray-Ash Communications				15,684,300	10	0.69%
	<u>\$342,986,719</u>		<u>12.75%</u>	<u>\$287,529,018</u>		<u>10.17%</u>

Source: Jefferson and Shelby Counties Tax Collectors

**City of Birmingham, Alabama
Demographic and Economic Statistics
Last Ten Fiscal Years**

Table D-1

Year	Population	Median Household Income	Per Capita Personal Income	Unemployment Rate	Birmingham Hoover MA Annual Average Unemployment Rate
2004	242,820	31,851	15,663	8.2%	4.4%
2005	242,820	31,851	15,663	5.0%	3.5%
2006	242,820	31,851	15,663	4.7%	3.2%
2007	242,820	31,851	15,663	3.7%	3.1%
2008	242,820	31,851	15,663	4.9%	4.5%
2009	242,820	31,851	15,663	12.4%	9.2%
2010	242,820	31,851	15,663	9.7%	8.9%
2011	212,237	30,212	18,507	11.2%	8.3%
2012	212,237	30,212	18,507	8.9%	7.0%
2013	212,237	30,212	18,507	7.9%	5.9%

Population figures based on 2000 and 2010 census

Unemployment rates source: Alabama Department of Labor in cooperation with the Bureau of Labor Statistics. 2013 City and MA rate is preliminary June 2013 rate.

Personal income and per capita personal income source: U. S. Bureau of the Census 2010

**Birmingham Metro Employers
Principal Private Sector Employers
Current and Ten Years Prior**

Table D-2

Employer	-----December 2013-----		-----May 2003-----	
	# of Employees	Rank	# of Employees	Rank
University of Alabama in Birmingham	23,000	1	16,271	1
Regions Financial Corporation/AmSouth	7,668	2	6,624	3
Bellsouth/ATT	5,750	3	5,750	2
St. Vincent's Health System	4,644	4		not ranked
Honda Manufacturing of Alabama, LLC**	4,500	5		-
Blue Cross-Blue Shield of Alabama	4,000	6	2,750	12
Alabama Power Company	3,982	7	3,000	9
Children's Health System	3,975	8	2,800	11
Mercedes-Benz U. S International, Inc.**	3,500	9		-
Baptist Health System	3,200	10	6,000	4
United States Postal Service	2,800	11		not ranked
Univ of Alabama Health Services Foundation	2,800	11		13
BBVA Compass Bank	2,606	12	2371	15
American Cast Iron Pipe	2,400	13	2,400	14
Buffalo Rock Company	2,200	14		not ranked
Southern Company Services*	2,116	15	3,207	7
Bruno's Inc.			5,374	5
HealthSouth Corporation			3,960	6
SouthTrust Bank			3,207	8
Drummond Company			2,900	10
USX			2,400	14

*Part of Southern Company

**Located Outside Metro Area

Does not include aggregated multiple location employers

Source: Birmingham Business Alliance/Birmingham Chamber of Commerce

**Metropolitan Birmingham Largest Employers
by Industry**

Table D-3

Rank	Company	Employment	Product	Presence
1	University of Alabama at Birmingham*	23,000	Education and Healthcare Services	Headquarters
2	Regions Financial Corporation	7,668	Financial Services (Banking)	Headquarters
3	AT&T	5,750	Communications	Regional
4	St. Vincent's Health System	4,644	Healthcare Services	Headquarters
5	Honda Manufacturing of Alabama, LLC**	4,500	Automotive Manufacturing	Major Operations
6	Blue Cross-Blue Shield of Alabama	4,000	Health Insurance Headquarters	Headquarters
7	Alabama Power Company	3,982	Utilities Services, Electrical	Headquarters
8	Children's Health System/Children's of Alabama	3,975	Healthcare Services/Pediatrics	Headquarters
9	Mercedes-Benz U.S. International, Inc.**	3,500	Automotive Manufacturing	Major Operations
10	Baptist Health System, Inc.	3,200	Healthcare Services/Management	Headquarters
11	United States Postal Service	2,800	Government/Postal Processing/Delivery	Major Operations
11	Univ. of Alabama Health Services Foundation	2,800	UAB Physician Practice/Kirklind Clinic	Major Operations
12	BBVA Compass	2,606	Financial Services (Banking)	Headquarters
13	American Cast Iron Pipe Company	2,400	Manufacturing Metal Fabrication	Headquarters
14	Buffalo Rock Company	2,200	Food Products, Pepsi Bottler	Headquarters
15	Southern Company Services	2,116	Utilities/Engineering	Major Operations
16	Brookwood Medical Center	2,037	Healthcare and Management Services	Headquarters
17	U. S. Steel	1,900	Manufacturing/Pipe Mill	Major Operations
18	Trinity Medical Center	1,879	Healthcare and Management Services	Major Operations
19	U.S. Social Security Administration	1,800	U.S. Government, Benefits	Regional
20	Drummond Company, Inc.	1,625	Mining and Natural Resources	Headquarters
21	Birmingham Veterans Affairs Medical Center	1,525	Healthcare and Management Services	Headquarters
22	Wells Fargo	1,466	Financial Services (Banking)	Major Operations
23	Protective Life Corporation	1,340	Financial Services (Insurance)	Headquarters
24	State Farm Insurance	1,300	Insurance, Regional Operations Center	Regional
25	McDonalds (CLP Corporation)	1,300	Management Franchise Operation	Major Operations

Source: Birmingham Business Alliance

* University of Alabama at Birmingham (UAB) and University of Alabama at Birmingham

** Not located in metropolitan Birmingham

*** December 2013

City of Birmingham, Alabama
Number of City Employees by Function/Program
Last Nine Fiscal Years

Table E-1

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government:										
City Clerk	8	8	8	12	12	12	12	8	10	10
City Council	43	43	44	44	44	44	43	39	40	37
Community Development	11	11	11	11	11	11	9	7	7	7
Finance	116	119	118	117	111	115	112	104	106	104
Law	34	38	36	35	34	34	34	36	38	40
Mayor's Office	53	53	53	67	65	82	78	79	89	89
Equipment Management	86	86	86	86	83	83	99	89	85	88
Information Management Services	58	65	61	61	55	45	53	42	43	47
Personnel	17	18	19	38	35	35	32	29	32	31
Public Safety:										
Planning, Engineering, & Permits	226	225	213	204	194	194	172	141	149	150
Communications	0	0	0	0	0	0	9	0	0	0
Parole & Probation	10	10	10	10	10	10	0	0	0	0
Municipal Court	67	66	64	66	63	61	66	66	66	69
Traffic Engineering	86	86	84	86	84	84	78	63	65	66
Police:										
Officers	862	864	859	859	859	909	822	839	854	842
Civilians	327	323	620	320	322	373	373	283	289	285
Fire:										
Officers	628	628	648	648	648	648	626	634	617	603
Civilians	58	58	75	61	61	61	61	63	73	62
Streets & Sanitation:										
Public Works	1,177	1,174	1,166	1,164	1,088	1,071	982	906	878	928
Horticulture & Urban Forestry	0	0	0	0	0	0	153	0	0	0
Culture & Recreation:										
State Fairgrounds	1	1	1	5	5	5	4	3	14	17
Auditorium	34	34	23	23	21	21	21	31	28	26
Arlington	8	8	7	12	12	12	10	9	10	10
Library	305	305	305	300	300	326	320	290	292	298
Museum of Art	30	30	28	42	42	42	40	39	39	39
Parks & Recreation	264	265	263	269	305	303	172	257	245	237
Southern Museum of Flight	6	6	6	9	9	9	9	8	9	11
Sloss Furnaces	17	17	14	14	14	14	12	8	5	13
Totals	4,532	4,541	4,822	4,563	4,487	4,604	4,402	4,073	4,083	4109

Source: City Budget Office

City of Birmingham, Alabama
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Table E-2

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police precincts	4	4	4	4	4	4	4	5	4	4
Police substations	6	6	6	6	6	6	4	3	6	5
Fire stations	30	30	31	31	31	31	31	31	31	32
Street lights	28,000	28,000	28,000	28,000	39,000	39,000	39,000	39,000	32,000	32,000
Traffic signals	700	700	700	700	710	710	710	710	702	702
Street miles	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Parks & recreation:										
# of Parks	106	106	106	106	111	111	112	114	114	115
Acreage of Parks	2,137	2,137	2,137	2,137	2,635	2,635	2,635	2,683	2,683	2,746
Recreation/community centers	18	18	18	18	18	18	19	20	22	23
Playgrounds	73	73	73	73	79	79	79	81	78	125
Baseball/softball fields	45	45	45	45	40	40	40	42	35	41
Soccer/football fields	18	18	18	18	15	15	15	16	15	12
Libraries:										
Central	1	1	1	1	1	1	1	1	1	1
Branches	19	19	19	19	19	19	19	18	18	18

Source: Various City departments

**City of Birmingham
E911 Call Center Statistics**

Table E3

Calls Answered		2008	2009	2010	2011	2012	2013
911 Calls				398,862	421,071	245,198	413,033
328-9311 Calls				220,728	188,382	44,248	154,669
254-0800 Calls				150,113	161,572	93,984	38,582
254-2000 Calls							60,899
Total				769,703	771,025	383,430	667,183
Calls Dispatched 2013		2008	2009	2010	2011	2012	2013
Day		261,598	252,292	256,855	261,347	236,061	254,080
Evening		330,979	320,503	313,418	321,500	276,779	284,828
Morning		155,872	142,710	154,531	137,162	124,639	117,952
Total		748,449	715,505	724,804	720,009	637,479	656,860
Arrest/Traffic Calls	2007	2008	2009	2010	2011	2012	2013
Arrest Calls	21,171	26,784	25,591	24,863	17,170	14,808	8,695
Traffic Citations Calls	26,132	37,861	32,846	37,375	28,815	25,999	26,442
Total	47,303	64,645	58,437	62,238	45,985	40,807	35,137

**City of Birmingham
Police Department Statistics**

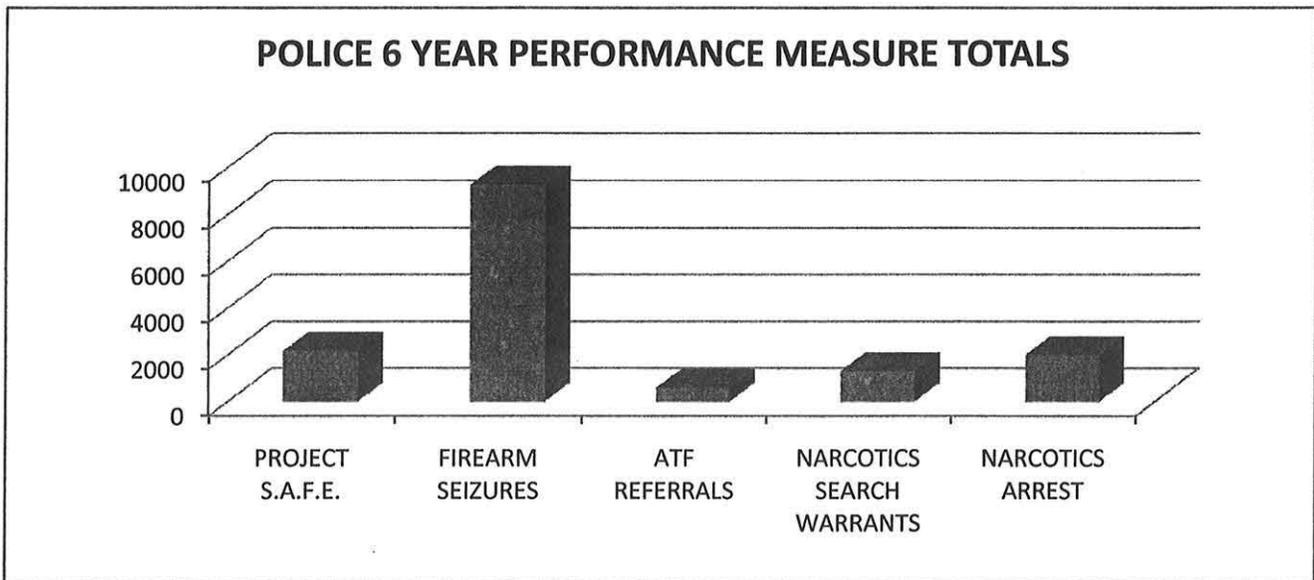
Table E-4

2013/JANUARY - JUNE								
CRIME	HOMICIDE	RAPE	ROBBERY	ASSAULT	BURGLARY	THEFT	AUTO THEFT	TOTAL PART ONES
TOTAL	39	79	455	895	1,942	3,964	451	7,825
CLEARED	27	9	168	222	341	243	77	1,087
RATE	69%	11%	37%	25%	18%	6%	17%	14%
2012								
CRIME	HOMICIDE	RAPE	ROBBERY	ASSAULT	BURGLARY	THEFT	AUTO THEFT	TOTAL PART ONES
TOTAL	67	152	983	2,035	4,704	9,042	1,042	18,025
CLEARED	38	27	380	477	623	892	170	2,607
RATE	57%	18%	39%	23%	13%	10%	16%	14%
2011								
CRIME	HOMICIDE	RAPE	ROBBERY	ASSAULT	BURGLARY	THEFT	AUTO THEFT	TOTAL PART ONES
TOTAL	54	182	1,011	1,916	5,806	10,522	1,325	20,816
CLEARED	30	52	309	536	627	891	217	2,662
RATE	56%	29%	31%	28%	11%	8%	16%	13%
2010								
CRIME	HOMICIDE	RAPE	ROBBERY	ASSAULT	BURGLARY	THEFT	AUTO THEFT	TOTAL PART ONES
TOTAL	58	155	881	1,702	5,464	11,042	1,299	20,601
CLEARED	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RATE	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2009								
CRIME	HOMICIDE	RAPE	ROBBERY	ASSAULT	BURGLARY	THEFT	AUTO THEFT	TOTAL PART ONES
TOTAL	65	198	1,150	1,399	5,019	11,546	1,594	20,971
CLEARED	37	89	341	245	411	1,012	138	2,273
RATE	57%	45%	30%	18%	8%	9%	9%	11%
2008								
CRIME	HOMICIDE	RAPE	ROBBERY	ASSAULT	BURGLARY	THEFT	AUTO THEFT	TOTAL PART ONES
TOTAL	82	212	1,499	1,456	5,153	12,761	2,140	23,303
CLEARED	51	76	650	256	411	1,312	251	3,007
RATE	62%	36%	43%	18%	8%	10%	12%	13%
2007								
CRIME	HOMICIDE	RAPE	ROBBERY	ASSAULT	BURGLARY	THEFT	AUTO THEFT	TOTAL PART ONES
TOTAL	86	229	1,609	1,396	4,864	12,528	2,246	22,958
CLEARED	32	91	665	236	487	1,374	302	3,187
RATE	37%	40%	41%	17%	10%	11%	18%	15%
2006								
CRIME	HOMICIDE	RAPE	ROBBERY	ASSAULT	BURGLARY	THEFT	AUTO THEFT	TOTAL PART ONES
TOTAL	104	220	1,429	1,422	4,813	12,113	2,081	22,182
CLEARED	67	93	646	230	511	1,305	374	3,226
RATE	64%	42%	45%	16%	11%	11%	18%	15%
2005								
CRIME	HOMICIDE	RAPE	ROBBERY	ASSAULT	BURGLARY	THEFT	AUTO THEFT	TOTAL PART ONES
TOTAL	104	241	1,429	1,675	4,933	11,962	2,028	22,372
CLEARED	65	101	661	832	481	1,316	292	3,748
RATE	63%	42%	46%	50%	10%	11%	14%	17%
2004								
CRIME	HOMICIDE	RAPE	ROBBERY	ASSAULT	BURGLARY	THEFT	AUTO THEFT	TOTAL PART ONES
TOTAL	59	240	1,369	1,593	5,156	11,970	2,351	22,738
CLEARED	36	110	740	870	440	1,406	437	4,039
RATE	61%	46%	54%	55%	9%	12%	19%	18%

**City of Birmingham
Police Department Supplemental Statistics**

E-5

YEAR	PROJECT S.A.F.E.	FIREARM SEIZURES	ATF REFERRALS	NARCOTICS SEARCH WARRANTS	NARCOTICS ARREST
2008	449	1996	N/A	206	331
2009	406	1600	95	214	355
2010	406	1714	144	206	355
2011	435	1493	144	225	315
2012	318	1468	116	248	268
2013	154	970	87	203	378
6 Year Totals	2,168	9,241	586	1,302	2,002



SOURCE: Police Department

MUNICIPAL COURT STATISTICS						
Last Five Fiscal Years						
COURT CASE STATISTICS	2009	2010	2011	2012	2013	TOTAL
DRUG/ALCOHOL RELATED CASES	2,851	2,182	1,919	1,793	793	9,538
GUN COURT CASES	121	250	309	383	490	1,553
TRAFFIC CASES	71,844	61,276	66,862	58,300	57,208	315,490
NON-TRAFFIC CASES	13,733	14,480	7,539	9,276	12,218	57,246
TICKETS ISSUED						
	2009	2010	2011	2012	2013	TOTAL
PARKING TICKETS	146,728	84,261	94,194	60,626	61,573	447,382
EQUIPMENT REPAIR TICKETS(LIGH	5,179	5,850	6,200	6,531	5,279	29,039

Source: Municipal Court

City of Birmingham
Permit Valuations and Counts
2008-2013

Table E-7

2008 Permits		
Permit Type	Valuation	Count
BLD	\$590,076,464	2,646
ELE	\$85,320,203	4,169
GAS	\$3,634,460	954
MEC	\$61,915,171	1,028
MFD	\$558,207	26
PLB	\$23,736,864	1,166
Totals	\$765,241,369	9,989

2012 Permits		
Permit Type	Valuation	Count
BLD	\$866,620,673	2,446
ELE	\$49,121,362	3,780
GAS	\$1,125,387	829
MEC	\$32,280,820	823
MFD	\$355,427	13
PLB	\$15,993,395	878
Totals	\$965,497,064	8,769

2009 Permits		
Permit Type	Valuation	Count
BLD	\$479,714,373	2,245
ELE	\$99,314,427	3,287
GAS	\$2,448,995	889
MEC	\$46,375,977	741
MFD	\$158,788	9
PLB	\$15,451,502	939
Totals	\$643,464,062	8,110

2013 Permits*		
Permit Type	Valuation	Count
BLD	\$683,307,370	2,446
ELE	\$68,414,761	3,780
GAS	\$10,117,775	829
MEC	\$34,565,101	823
MFD	\$262,565	13
PLB	\$18,443,964	878
Totals	\$815,111,536	8,769

*first six months of calendar year totals

2010 Permits		
Permit Type	Valuation	Count
BLD	\$431,983,703	2,117
ELE	\$56,307,331	2,989
GAS	\$230,061	1,035
MEC	\$79,027,620	813
MFD	\$228,272	15
PLB	\$46,690,811	868
Totals	\$614,467,798	7,837

2011 Permits		
Permit Type	Valuation	Count
BLD	\$304,101,510	2,441
ELE	\$107,042,361	3,506
GAS	\$1,179,574	991
MEC	\$37,734,485	926
MFD	\$490,545	14
PLB	\$19,360,273	1,001
Totals	\$469,908,748.00	8,879

City of Birmingham, Alabama
 Debt Service Schedules
 General Obligation Warrants and Bonds

Table F-1

Fiscal Year Ending June 30	General Obligation Warrants			General Obligation Bonds			Total General Obligation Debt		
	Principal	Interest (Net)	Total Debt Service	Principal	Interest (Net)	Total Debt Service	Principal	Interest (Net)	Total Debt Service
2014	15,360,000	6,584,867	21,944,867	20,225,000	10,862,924	31,087,924	35,585,000	17,447,791	53,032,791
2015	11,735,000	6,033,519	17,768,519	21,230,000	9,822,643	31,052,643	32,965,000	15,856,162	48,821,162
2016	12,230,000	5,518,788	17,748,788	20,065,000	8,843,499	28,908,499	32,295,000	14,362,286	46,657,286
2017	13,730,000	4,987,454	18,717,454	14,171,200	8,053,318	22,224,518	27,901,200	13,040,772	40,941,972
2018	14,360,000	4,364,222	18,724,222	15,835,000	11,306,818	27,141,818	30,195,000	15,671,040	45,866,040
2019	5,880,000	3,835,983	9,715,983	16,303,833	10,612,361	26,916,193	22,183,833	14,448,344	36,632,176
2020	6,060,000	3,606,436	9,666,436	10,126,813	9,927,181	20,053,993	16,186,813	13,533,617	29,720,429
2021	5,460,000	3,365,099	8,825,099	8,646,610	9,560,573	18,207,183	14,106,610	12,925,672	27,032,282
2022	5,620,000	3,158,053	8,778,053	7,589,413	9,156,393	16,745,805	13,209,413	12,314,446	25,523,858
2023	5,815,000	2,927,602	8,742,602	9,566,135	8,816,648	18,382,783	15,381,135	11,744,250	27,125,385
2024	5,680,000	2,696,441	8,376,441	7,623,570	8,357,810	15,981,380	13,303,570	11,054,251	24,357,821
2025	5,840,000	2,469,414	8,309,414	8,019,249	7,972,977	15,992,225	13,859,249	10,442,391	24,301,639
2026	6,030,000	2,220,012	8,250,012	11,038,171	7,522,392	18,560,563	17,068,171	9,742,404	26,810,574
2027	4,710,000	1,969,739	6,679,739	11,591,214	7,006,148	18,597,363	16,301,214	8,975,887	25,277,102
2028	4,915,000	1,763,257	6,678,257	12,165,136	6,461,964	18,627,100	17,080,136	8,225,220	25,305,357
2029	5,135,000	1,542,527	6,677,527	12,775,545	5,893,467	18,669,013	17,910,545	7,435,994	25,346,540
2030	5,370,000	1,311,178	6,681,178	13,416,833	5,294,030	18,710,863	18,786,833	6,605,208	25,392,041
2031	3,680,000	1,068,984	4,748,984	14,085,485	4,666,290	18,751,775	17,765,485	5,735,274	23,500,759
2032	3,845,000	909,713	4,754,713	14,793,259	4,006,616	18,799,875	18,638,259	4,916,329	23,554,588
2033	3,995,000	757,925	4,752,925	15,535,155	3,313,295	18,848,450	19,530,155	4,071,220	23,601,375
2034	2,010,000	597,597	2,607,597	2,955,295	2,886,205	5,841,500	4,965,295	3,483,802	8,449,097
2035	2,085,000	522,423	2,607,423	3,099,556	2,737,694	5,837,250	5,184,556	3,260,117	8,444,673
2036	2,165,000	444,444	2,609,444	3,264,426	2,584,824	5,849,250	5,429,426	3,029,268	8,458,694
2037	2,245,000	363,473	2,608,473	3,425,174	2,421,076	5,846,250	5,670,174	2,784,549	8,454,723
2038	2,330,000	279,510	2,609,510	3,598,288	2,250,212	5,848,500	5,928,288	2,529,722	8,458,010
2039	2,420,000	189,805	2,609,805	3,771,401	2,068,849	5,840,250	6,191,401	2,258,654	8,450,055
2040	2,510,000	96,635	2,606,635	3,965,124	1,881,377	5,846,500	6,475,124	1,978,012	8,453,135
2041	-	-	-	4,154,724	1,681,276	5,836,000	4,154,724	1,681,276	5,836,000
2042	-	-	-	4,377,299	1,476,702	5,854,000	4,377,299	1,476,702	5,854,000
2043	-	-	-	4,591,630	1,256,871	5,848,500	4,591,630	1,256,871	5,848,500
Total	161,215,000	63,585,099	224,800,099	302,005,535	178,702,429	480,707,964	463,220,535	242,287,528	705,508,063

General obligation warrants are paid from the City's General Fund and general obligation bonds are paid from the City's Bond Reserve Fund, which receives 12 mills of ad-valorem tax.

City of Birmingham
Debt Service Schedules

Debt of Conduit Issuers that is a General Obligation of the City

The Commercial Development Authority of the City of Birmingham, Revenue Bonds

Table F-2

Fiscal Year Ending June 30	Series 2011-A (Tax-Exempt)			Series 2011-B (Federally Taxable)			Total		
	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service
2014	-	\$3,118,988	\$3,118,988	\$940,000	\$739,500	\$1,679,500	\$940,000	\$3,858,488	\$4,798,488
2015	-	3,118,988	3,118,988	1,045,000	683,100	1,728,100	1,045,000	3,802,088	4,847,088
2016	-	3,118,988	3,118,988	1,160,000	620,400	1,780,400	1,160,000	3,739,388	4,899,388
2017	-	3,118,988	3,118,988	1,280,000	550,800	1,830,800	1,280,000	3,669,788	4,949,788
2018	-	3,118,988	3,118,988	1,400,000	474,000	1,874,000	1,400,000	3,592,988	4,992,988
2019	-	3,118,988	3,118,988	1,485,000	390,000	1,875,000	1,485,000	3,508,988	4,993,988
2020	-	3,118,988	3,118,988	1,575,000	300,900	1,875,900	1,575,000	3,419,888	4,994,888
2021	-	3,118,988	3,118,988	1,670,000	206,400	1,876,400	1,670,000	3,325,388	4,995,388
2022	-	3,118,988	3,118,988	1,770,000	106,200	1,876,200	1,770,000	3,225,188	4,995,188
2023	1,875,000	3,118,988	4,993,988	-	-	-	1,875,000	3,118,988	4,993,988
2024	1,970,000	3,025,238	4,995,238	-	-	-	1,970,000	3,025,238	4,995,238
2025	2,070,000	2,926,738	4,996,738	-	-	-	2,070,000	2,926,738	4,996,738
2026	2,170,000	2,823,238	4,993,238	-	-	-	2,170,000	2,823,238	4,993,238
2027	2,280,000	2,714,738	4,994,738	-	-	-	2,280,000	2,714,738	4,994,738
2028	2,395,000	2,600,738	4,995,738	-	-	-	2,395,000	2,600,738	4,995,738
2029	2,515,000	2,480,988	4,995,988	-	-	-	2,515,000	2,480,988	4,995,988
2030	2,645,000	2,348,950	4,993,950	-	-	-	2,645,000	2,348,950	4,993,950
2031	2,785,000	2,210,088	4,995,088	-	-	-	2,785,000	2,210,088	4,995,088
2032	2,805,000	2,063,875	4,868,875	-	-	-	2,805,000	2,063,875	4,868,875
2033	3,085,000	1,909,600	4,994,600	-	-	-	3,085,000	1,909,600	4,994,600
2034	3,255,000	1,739,925	4,994,925	-	-	-	3,255,000	1,739,925	4,994,925
2035	3,435,000	1,560,900	4,995,900	-	-	-	3,435,000	1,560,900	4,995,900
2036	3,620,000	1,371,975	4,991,975	-	-	-	3,620,000	1,371,975	4,991,975
2037	3,820,000	1,172,875	4,992,875	-	-	-	3,820,000	1,172,875	4,992,875
2038	4,030,000	962,775	4,992,775	-	-	-	4,030,000	962,775	4,992,775
2039	4,255,000	741,125	4,996,125	-	-	-	4,255,000	741,125	4,996,125
2040	4,485,000	507,100	4,992,100	-	-	-	4,485,000	507,100	4,992,100
2041	4,735,000	260,425	4,995,425	-	-	-	4,735,000	260,425	4,995,425
Total	\$58,230,000	\$64,611,163	\$122,841,163	\$12,325,000	\$4,071,300	\$16,396,300	\$70,555,000	\$68,682,463	\$139,237,463

The above amounts are a line item in the City's General Fund Budget for each fiscal year pursuant to the associated Funding Agreement. The Bonds financed the construction of a hotel and entertainment district adjacent to the Birmingham-Jefferson Convention Center, located in downtown Birmingham. The appropriation continues a long-standing amount appropriated for the BJCC.

City of Birmingham
Debt Service Schedules

Table F-3

Debt of Conduit Issuers that is a General Obligation of the City
The Public Athletic Cultural and Entertainment Board of the City of Birmingham, Revenue Bonds

Fiscal Year Ending June 30	Series 2011-A (Tax-Exempt)			Series 2011-B (Federally Taxable) No. R-2			Series 2011-B (Federally Taxable) No. R-1			Series B
	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service	Total Debt Service
2014	\$1,390,000	\$1,675,553	\$3,065,553	\$0	\$223,600	\$223,600	\$0	\$194,800	\$194,800	\$418,400
2015	1,435,000	1,631,906	3,066,906	70,000	221,644	291,644	85,000	192,730	277,730	569,374
2016	1,480,000	1,586,870	3,066,870	75,000	217,591	292,591	90,000	188,469	278,469	571,060
2017	1,525,000	1,540,442	3,065,442	80,000	213,259	293,259	90,000	184,086	274,086	567,345
2018	1,570,000	1,492,625	3,062,625	85,000	208,647	293,647	95,000	179,581	274,581	568,228
2019	1,620,000	1,443,339	3,063,339	90,000	203,756	293,756	100,000	174,833	274,833	568,589
2020	1,670,000	1,392,509	3,062,509	95,000	198,585	293,585	105,000	169,841	274,841	568,426
2021	1,720,000	1,340,133	3,060,133	100,000	193,135	293,135	110,000	164,606	274,606	567,741
2022	1,775,000	1,286,135	3,061,135	105,000	187,405	292,405	115,000	159,127	274,127	566,532
2023	1,830,000	1,230,438	3,060,438	110,000	181,396	291,396	125,000	153,405	278,405	569,801
2024	1,885,000	1,173,041	3,058,041	115,000	175,107	290,107	130,000	147,318	277,318	567,424
2025	1,945,000	1,113,868	3,058,868	125,000	168,399	293,399	135,000	140,865	275,865	569,264
2026	2,005,000	1,052,840	3,057,840	130,000	161,272	291,272	140,000	134,169	274,169	565,440
2027	2,065,000	1,363,569	3,428,569	120,000	172,794	292,794	120,000	154,105	274,105	566,899
2028	1,385,000	1,667,188	3,052,188	105,000	184,275	289,275	100,000	173,950	273,950	563,225
2029	1,460,000	1,588,950	3,048,950	115,000	176,575	291,575	105,000	166,600	271,600	563,175
2030	1,540,000	1,506,450	3,046,450	120,000	168,175	288,175	115,000	158,725	273,725	561,900
2031	1,625,000	1,419,413	3,044,413	130,000	159,250	289,250	125,000	150,325	275,325	564,575
2032	1,715,000	1,327,563	3,042,563	140,000	149,800	289,800	135,000	141,225	276,225	566,025
2033	1,810,000	1,230,625	3,040,625	150,000	139,650	289,650	140,000	131,600	271,600	561,250
2034	1,905,000	1,128,463	3,033,463	160,000	128,800	288,800	150,000	121,450	271,450	560,250
2035	2,010,000	1,020,800	3,030,800	170,000	117,250	287,250	165,000	110,600	275,600	562,850
2036	2,125,000	907,088	3,032,088	185,000	104,825	289,825	175,000	98,875	273,875	563,700
2037	2,240,000	787,050	3,027,050	200,000	91,525	291,525	190,000	86,275	276,275	567,800
2038	2,365,000	660,413	3,025,413	210,000	77,350	287,350	200,000	72,800	272,800	560,150
2039	2,495,000	526,763	3,021,763	230,000	62,125	292,125	215,000	58,450	273,450	565,575
2040	2,630,000	385,825	3,015,825	245,000	45,850	290,850	230,000	43,225	273,225	564,075
2041	2,775,000	237,188	3,012,188	260,000	28,350	288,350	250,000	26,775	276,775	565,125
2042	<u>2,925,000</u>	<u>80,438</u>	<u>3,005,438</u>	<u>280,000</u>	<u>9,625</u>	<u>289,625</u>	<u>265,000</u>	<u>9,100</u>	<u>274,100</u>	<u>563,725</u>
Total	\$54,920,000	\$33,797,480	\$88,717,480	\$4,000,000	\$4,370,011	\$8,370,011	\$4,000,000	\$3,887,910	\$7,887,910	\$16,257,920

These bonds financed the acquisition of property for, and the construction of, a minor league baseball park in the City center. The Series A bonds are payable from the a lodgings tax in the City, levied at a rate of 3.5%. The Series B bonds are payable from project revenues. The Bonds are subject to Mandatory Tender on December 14, 2026. The Series A bonds carry an interest rate of 3.09%. The above schedule assumes an interest rate of 5.50% after the tender date. The Series B R-1 bonds carry an interest rate of 4.87%. The Series B R-2 bonds carry an interest rate of 5.59%. The above schedule assumes an interest rate of 7.00% after the tender date. Interest on the Series B bonds coming due through October 1, 2013 is on deposit with the Trustee. The Bonds are prepayable with a yield maintenance premium.

City of Birmingham
Special Lodgings Tax Fund
Revenue from 3.5% Lodgings Tax

Table F-4

Fiscal Year	Revenue	
2011	\$1,338,321	*
2012	\$3,271,345	
2013	\$3,190,203	

*Reflects five months' collections. Tax became effective January 15, 2011

The tax is pledged to the payment of a Funding Agreement with the Public Athletic, Cultural and Entertainment Board of the City of Birmingham

City of Birmingham
Debt Service Schedules
Privately Placed Debt
General Obligation Warrants Series 2012-RB and 2012-CTB

Table F-5

Fiscal Year Ending June 30	Series 2012-RB (Federally Taxable)			Series 2012-CTB (Federally Taxable)			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
			Debt Service			Debt Service			Debt Service
2014	\$325,000	\$208,976	\$533,976	\$75,000	\$37,734	\$112,734	\$400,000	\$246,711	\$646,711
2015	335,000	195,809	530,809	75,000	34,453	109,453	410,000	230,262	640,262
2016	350,000	182,144	532,144	80,000	31,063	111,063	430,000	213,206	643,206
2017	365,000	167,879	532,879	85,000	27,453	112,453	450,000	195,332	645,332
2018	380,000	153,017	533,017	85,000	23,734	108,734	465,000	176,751	641,751
2019	395,000	137,555	532,555	90,000	19,906	109,906	485,000	157,462	642,462
2020	410,000	121,496	531,496	95,000	15,859	110,859	505,000	137,355	642,355
2021	430,000	104,738	534,738	100,000	11,594	111,594	530,000	116,331	646,331
2022	445,000	87,281	532,281	105,000	7,109	112,109	550,000	94,391	644,391
2023	465,000	69,127	534,127	110,000	2,406	112,406	575,000	71,533	646,533
2024	480,000	50,274	530,274				480,000	50,274	530,274
2025	500,000	30,723	530,723				500,000	30,723	530,723
2026	520,000	10,374	530,374				520,000	10,374	530,374
Total	\$5,400,000	\$1,519,392	\$6,919,392	\$900,000	\$211,313	\$1,111,313	\$6,300,000	\$1,730,705	\$8,030,705

The Warrants pay principal annually on August 1 and interest on February 1 and August 1. The Series 2012-RB warrants carry an interest rate of 3.99% and the Series 2012-CTB warrants carry an interest rate of 4.375%. Both Series are prepayable until August 1, 2013 with a 3% premium, August 1, 2013 through July 31, 2014 with a 2% premium, August 1, 2014 through July 31, 2015 with a 1% premium and thereafter with no premium.

**City of Birmingham
 Debt Service Schedules
 Privately Placed Debt
 General Obligation Refunding Warrants Series 2013-RB1**

Table F-6

**Fiscal
 Year
 Ended
 June 30**

	Principal	Interest	Total Debt Service
2014	\$2,000,000	\$17,000	\$2,017,000

**The Warrants pay principal on June 1 and interest on June 1 and Decemer 1.
 The Warrants carry an interst rate of .85% and are not prepayable.**

City of Birmingham
 Debt Service Schedules
 Privately Placed Debt
 Tax Increment Financing District I, Revenue Warrants

Table F-7

Fiscal Year Ending June 30	Warrant No. 1			Warrant No. 2			Total		
	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service
2014	\$365,000	\$575,774	\$940,774	\$775,000	\$248,729	\$1,023,729	\$1,140,000	\$824,504	\$1,964,504
2015	380,000	559,254	939,254	790,000	217,184	1,007,184	1,170,000	776,437	1,946,437
2016	415,000	541,639	956,639	840,000	184,224	1,024,224	1,255,000	725,863	1,980,863
2017	425,000	522,931	947,931	860,000	150,187	1,010,187	1,285,000	673,118	1,958,118
2018	435,000	503,888	938,888	900,000	114,433	1,014,433	1,335,000	618,321	1,953,321
2019	475,000	483,678	958,678	945,000	77,467	1,022,467	1,420,000	561,145	1,981,145
2020	485,000	462,299	947,299	975,000	38,734	1,013,734	1,460,000	501,033	1,961,033
2021	10,125,000	186,233	10,311,233	425,000	4,293	429,293	10,550,000	190,525	10,740,525
2022									
Total	\$13,105,000	\$3,835,696	\$16,940,696	\$6,510,000	\$1,035,250	\$7,545,250	\$19,615,000	\$4,870,946	\$24,485,946

The Warrant No. 1 carries an interest rate of 4.45% and Warrant No. 2 carries an interest rate of 4.04%. Principal and interest on both warrants is payable monthly. Both Warrants are prepayable beginning November 5, 2019 with a yield maintenance premium.

The Warrants are payable from Ad-valorem taxes collected in the TIF District in excess of a base year amount. The District includes a large portion of the city center of the City. The Warrants are also secured by an appropriation agreement whereby the City agreed to appropriate funds from any legally available source to pay principal and interest on the Warrants as it comes due, subject to an annual appropriation for such amounts.