

City of Flint,
Michigan



Year Ended
June 30, 2023

Annual
Comprehensive
Financial Report

Prepared by:
City of Flint Finance Department

This page intentionally left blank.

CITY OF FLINT, MICHIGAN

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Elected and City Officials	1
Letter of Transmittal	3
Organizational Chart	9
Government Finance Officers Association Certificate	10
FINANCIAL SECTION	
Independent Auditors' Report	11
Management's Discussion and Analysis	15
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	29
Statement of Activities	30
Fund Financial Statements:	
Balance Sheet – Governmental Funds	32
Reconciliation of Fund Balances of Governmental Funds to Net Position of Governmental Activities	33
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	34
Reconciliation of Net Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	35
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund	36
Grants Special Revenue Fund	37
Major Streets Special Revenue Fund	38
American Rescue Plan Act Special Revenue Fund	39
Statement of Net Position – Proprietary Funds	40
Reconciliation of Net Position of Enterprise Funds to Net Position of Business-type Activities	41
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	42
Reconciliation of Change in Net Position of Enterprise Funds to Change in Net Position of Business-type Activities	43
Statement of Cash Flows – Proprietary Funds	44
Statement of Fiduciary Net Position – Fiduciary Funds	46
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	47
Combining Statement of Net Position – Discretely Presented Component Units	50
Combining Statement of Activities – Discretely Presented Component Units	51
Notes to Financial Statements	53

CITY OF FLINT, MICHIGAN

Table of Contents

	<u>Page</u>
Required Supplementary Information	
Municipal Employees Retirement System of Michigan:	
Schedule of Changes in the City's Net Pension Liability and Related Ratios	110
Schedule of Contributions	113
Notes to Required Supplementary Information	114
Other Postemployment Benefits Plan:	
Schedule of Changes in the City's Total OPEB Liability and Related Ratios	116
Schedule of Contributions	118
Notes to Required Supplementary Information	119
Combining and Individual Fund Financial Statements and Schedules	
Nonmajor Governmental Funds:	
Combining Balance Sheet	122
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	123
Combining Balance Sheet – Nonmajor Special Revenue Funds	126
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	128
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Local Streets Special Revenue Fund	130
Public Safety Special Revenue Fund	131
Neighborhood Policing Special Revenue Fund	132
Parks and Recreation Special Revenue Fund	133
Street Light Special Revenue Fund	134
Rubbish Collection Special Revenue Fund	135
EDA Revolving Loan Special Revenue Fund	136
State Act 251 – Forfeiture Special Revenue Fund	137
Building Inspection Special Revenue Fund	138
CARES Act Special Revenue Fund	139
Combining Balance Sheet – Nonmajor Debt Service Funds	142
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	143
Internal Service Funds:	
Combining Statement of Net Position	146
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	147
Combining Statement of Cash Flows	148
Custodial Funds:	
Combining Statement of Fiduciary Net Position	149
Combining Statement of Changes in Fiduciary Net Position	152
Economic Development Corporation Component Unit:	
Government-wide Financial Statements:	
Statement of Net Position	154
Statement of Activities	155

CITY OF FLINT, MICHIGAN

Table of Contents

	<u>Page</u>
Fund Financial Statements:	
Balance Sheet – Governmental Funds	158
Reconciliation of Fund Balances of Governmental Funds to Net Position of Governmental Activities	159
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	160
Reconciliation of Net Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	161
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund	162
Statement of Net Position – Proprietary Fund	163
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	164
Statement of Cash Flows – Proprietary Fund	165

STATISTICAL SECTION (UNAUDITED)

TABLE

1	Net Position by Component	170
2	Changes in Net Position – Governmental Activities	172
3	Changes in Net Position – Business-type Activities	174
4	Fund Balances Governmental Funds	176
5	Changes in Fund Balances Governmental Funds	178
6	Taxable Value and Actual Value of Taxable Property	180
7	Direct and Overlapping Property Tax Rates	182
8	Principal Property Taxpayers	186
9	Property Tax Levies and Collections	187
10	Ratios of Outstanding Debt	188
11	Ratios of General Bonded Debt Outstanding	190
12	Direct and Overlapping Governmental Activities Debt	191
13	Legal Debt Margin	192
14	Pledged-Revenue Coverage	194
15	Demographic and Economic Statistics	195
16	Principal Employers	196
17	Full-time Equivalent Government Employees	198
18	Operating Indicators by Function/Program	202
19	Capital Asset Statistics by Function/Program	204
20	Employees' Retirement System	206

This page intentionally left blank.

INTRODUCTORY SECTION

This page intentionally left blank.

CITY OF FLINT, MICHIGAN

ELECTED AND CITY OFFICERS

For the Year Ended June 30, 2023

Elected Officials

Sheldon Neeley – Elected Mayor November 2022

City Council

(Elected November 2021 for four-year terms)

Eric Mays – First Ward

Ladel Lewis – Second Ward

Quincy Murphy – Third Ward

Judy Priestley – Fourth Ward

Jerri Winfrey-Carter – Fifth Ward

Tonya Burns – Sixth Ward

Allie Herkenroder – Seventh Ward

Dennis Pfeiffer – Eighth Ward

Eva Worthing – Ninth Ward

Appointed and Other City Officials

Clyde Edwards – City Administrator

William Kim – City Attorney

Ed Taylor – Chief of Staff

Phillip Moore – Chief Financial Officer

Davina Donahue – City Clerk

Terence Green – Chief of Police

Theron Wiggins – Interim Fire Chief

Eddie Smith – Human Resources & Labor Relations Director

Vacant as of June 30, 2023– Department of Public Works Director

Emily Doerr – Planning & Development Director

Amanda Trujillo – City Treasurer

Stacey Kaake – City Assessor

Aaron Cottrell – Fleet Administrator

Jeff Keen – Information Technology Director

Lauren Rowley – Purchasing Manager

Rodney McGaha – Transportation Director

This page intentionally left blank.



Sheldon Neeley
Mayor

CITY OF FLINT, MICHIGAN Department of Finance

Clyde Edwards
City Administrator

Phillip J. Moore
Chief Financial Officer

Paul Borle
Deputy CFO

November 1, 2024

To the Mayor, Members of the City Council, City Administrator, and Citizens of the City of Flint:

Michigan Public Act 2 of 1968 as amended, requires that all local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of Flint for the fiscal year ended June 30, 2023.

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

Rehmann Robson, Certified Public Accountants, have audited the City of Flint's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Flint for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Flint's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Flint was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Flint's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Flint's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Flint, incorporated in 1855, is in the eastern part of the State of Michigan. The City currently occupies a land area of 32.8 square miles and serves a population of 81,252 (2020 Census). The City is empowered to levy a property tax on both real and personal properties located within its boundaries, as well as a 1% income tax for those who live within the City limits (or .5% for those who only work within the City limits).

The City of Flint has operated under the strong mayor / council form of government since November 4, 1975, when the previous charter was adopted. The new charter adopted August 7, 2017, and in effect since January 1, 2018, reestablished this form of government. According to the Charter, legislative authority is vested in a City Council consisting of nine members elected from each of the nine wards in the City and serving a four-year term. The City Council is responsible for, among other things, passing ordinances, adopting the budget, approving resolutions and appointing committees. The Mayor is an elected official who serves as the chief executive officer of the City for a four-year term of office (the Mayor may be re-elected for additional terms and the newly adopted Charter mandates a three-year term to align the election of City Council with that of the Mayor). The Mayor appoints a City Administrator to be the chief administrative officer of the City, overseeing the day-to-day operations of the government. The Mayor also appoints the principal officials responsible for budget, personnel, planning, legal counsel, and administrative services. In addition, the Mayor may appoint department heads over such departments as may be necessary to administer the responsibilities of the City for public safety, public works, utilities, parks and recreation, transportation, finance, community development, and environmental protection. The City Council must approve these appointments. The City Council and the Mayor are elected on a non-partisan basis.

The City of Flint provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructures, recreational activities and cultural events, water and sewer services, and contracts for municipal solid waste pickup services. The Board of Hospital Managers has the exclusive authority to manage and operate Hurley Medical Center. The Flint Downtown Development Authority Board promotes the rehabilitation of the downtown area. The City of Flint Economic Development Corporation provides financing and development opportunities for businesses located in the City of Flint.

The Board of Hospital Managers has the exclusive authority to manage and operate Hurley Medical Center. The Flint Downtown Development Authority Board promotes the rehabilitation of the downtown area. The City of Flint Economic Development Corporation provides financing and development opportunities for businesses located in the City of Flint.

The annual budget serves as the foundation for the City of Flint's financial planning and control. Under the Charter, all departments and agencies of the City of Flint are required to submit requests for appropriations to the Chief Financial Officer. The Chief Financial Officer uses these requests as the starting point for developing a proposed budget. The Mayor then presents this proposed budget to the City Council on the first Monday in March (as per the new Charter, which was previously the first Monday in April). The Council is required to hold public hearings on the proposed budget and to adopt a final budget, by charter, on the first Monday in June. The City's fiscal year ends on June 30. The current appropriated budget is prepared by fund, function (e.g., public safety), department (e.g., police), and line item. Budget-to-actual comparisons are provided in this document for governmental funds for which an appropriated annual budget has been adopted.

Factors Affecting Economic and Financial Condition

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

Property and Income Taxes. Property values in Flint are increasing. The table below shows that property values in Flint are increasing at faster than the rate of inflation:

Tax Year	Taxable Value	% Change	State Equalized Value	% Change
2019	\$ 816,346,043		\$ 956,599,547	
2020	842,901,370	3.25%	1,029,344,080	7.06%
2021	869,416,591	3.15%	1,088,988,064	5.79%
2022	897,153,237	3.19%	1,150,925,303	5.69%

The State Equalized Value is estimated to be half the true cash value of all the property in Flint. The Taxable Value is the value of the property that is capped by the rate of inflation. From TY 2019 to TY 2022, the estimate true cash value of the property has increased by 20%. We are optimistic that Flint has begun sustained growth in property values.

The Administration, through the City's Economic Development Department, will continue to seek community development opportunities as well as to work with the Genesee County Land Bank to bring vacant properties back onto the City tax rolls.

Economic Development. Over the past year, the City of Flint's economic development function has merged back within the Planning and Development Department for better coordination between economic development, zoning, and building permits/inspections. This increased focus on customer service for business and property owners - referred to as a "Concierge Program" - is being headed up by the new Deputy Director of Business Services who was previously working as the city's Small Business Specialist. This promotion is notable because the ability to use the foundation of prior small business support work while adding a formalized partnership between these different city functions is good government!! Because of this new structure, the Concierge Program has increased the city's ability to facilitate investment in the community.

Additionally, from November 2021- present, the City of Flint has been a pilot site of the Small Business Administration's Community Navigator Pilot Program to assist businesses with preparing for and accessing capital. To date, that program has helped small businesses in Flint access over \$1,500,000 to expand their businesses and create 365 new jobs. These efforts have leveraged private as well as public (state and federal) funding and support systems to diversify the city's economy.

The Flint Commerce Center redevelopment project in progress at the former Buick City site was aided through the passage of a Brownfield Plan to reimburse upfront development costs totaling over \$72M. This project is projected to bring 3,000 new jobs and new real and personal property investment beyond \$300 million - this is all within the light industrial redevelopment project itself. The ripple effect on the surrounding housing and business supply chain is unparalleled in the last 50 years of Flint's history.

The next addition to this Concierge Program is to bring the Business Licensing function over from the Clerk's Office to utilize data from recent building permits / inspections to ensure that all businesses are meeting basic public safety expectations.

Grants. The City received a \$94,726,664 American Recue Plan Act grant. The grant provides the City with flexibility over how the funds are allocated and spent. The City have developed a plan and budget for using the funds. The table below summarizes how, as of June 30, 2023, the funds will be expended:

Category	Budget	FY23 Expenditures	Lifetime Expenditures	Available Balance
Neighborhood improvement	\$ 40,135,000	\$ 8,733,151	\$ 8,733,152	\$ 31,401,848
Economic Development	8,275,000	-	-	8,275,000
Public Safety	4,320,000	558,207	553,207	3,766,793
Public Health	6,500,000	450,000	450,000	6,050,000
Infrastructure	2,200,000	2,123,288	2,152,952	47,048
Revenue Replacement	21,526,952	1,152,835	1,227,405	20,299,547
Contingency	5,000,000	93,983	93,983	4,906,017
Premium Pay	2,769,712	12,687	2,788,762	(19,050)
Administration	4,000,000	737,962	925,525	3,074,475
Grand Total	\$ 94,726,664	\$ 13,862,113	\$ 16,924,986	\$ 77,801,678

Over the past several years, the City has done an excellent job in obtaining grant funding to move the City forward. Additionally, the City was successful in receiving or renewing several grants from local foundations that granted increased staffing capacity, parks maintenance, support for public safety and more, two grants from the U.S. Department of Housing and Urban Development for residential lead abatement, the most recent received in 2021 for \$2.2 million and the five-year renewal of SAMHSA’s ReCAST grant for \$5 million. The grant is nearing the end. A new residential lead abatement grant has is under consideration. There were several other grants received including the \$10 million for Berston Field House, \$20 million for Clean Water, \$2.5 million for recycling carts, and \$2.5 million for the sexual assault kit initiative. The City also received many smaller grants that helped to increase capacity of community partnerships and deepen the impact of city initiatives.

Infrastructure. The City is consistently working to upgrade infrastructure, particularly in the Department of Public Works, including the Water Plant, Water Pollution Control Facilities, and Transportation.

Water Plant - The City of Flint has undertaken to fully restore and upgrade the Water Treatment Plant to a new, modern, fully automated, D-1 Limited Treatment Water Plant. Engineering studies listed several areas that the City of Flint would need to develop or improve upon to achieve the “Ten State Standards” for Water Treatment. The restoration of the Dort Reservoir began in 2019 and was completed in January of 2021 for a cost of \$2.1 million. For the secondary backup water source to replace the Flint River, engineering included tremendous excavating and infrastructure upgrades costing \$14.7 million and taking place from 2020 to 2023. The project included a new chemical feed building on the main water plant grounds, which began in August of 2020 and was completed 2023 with a cost of \$4 million. The Dort Pump Station, a \$3.6 million venture, is being renovated and was completed in May 2022. In FY2023, more lead service lines were replaced. Also, in FY2023, the City replaced the water main on Miller Road.

Water Pollution Control - The Water Pollution Control Facility has secured Clean Water State Revolving Fund (CWSRF) loans to update, replace, and refurbish old, broken, and obsolete equipment. In FY 2023, the major projects included:

The aeration improvements for the activated sludge included the replacing three 1,750 horsepower (HP) blowers with three new turbo blowers. The new blowers can be operated at variable speeds using from 300 HP to 700 HP each. Additional blowers come online automatically when more air is needed. Most of the time only one blower is needed which saves substantial energy and operational costs.

The sludge dewatering project replaced the biosolids dewatering belt filter presses with two centrifuges. Dewatered biosolids from the plant processes are landfilled and the disposal cost is based on the tons of material delivered to the landfill. The centrifuges provide two benefits: they dewater the solids more efficiently, removing more water, and they are easier to operate. Removing excess water saves money at the landfill by taking a drier product so that we are not paying for the disposal of water.

The Ultraviolet Light Disinfection project allowed WPC to meet all the environmental requirements for disinfection of the plant effluent and eliminated two very dangerous chemicals previously used: Chlorine and Sulfur Dioxide. The use of the chemicals was a CF Trans.

Transportation - From July 2019 to June 2021, the City of Flint has completed several projects: Kersley Street from Beach Street to Chevrolet Ave both resurfacing road and replacement of the water main; Dupont Street from University Ave. to Copeman Blvd and from Pasadena Ave to Bishop Ave rebuilding of the road, storm sewer, and new water main replacement; Atherton Road from Van Slyke Rd to Dort Hwy (M-54) rebuilding of the road, storm sewer, and new water main replacement; Robert T. Longway Blvd from Chavez Drive to E. Boulevard Dr. resurfacing the road and about 500 feet of water main replacement; Court Street was a multiyear project that was completed in FY2023. The project included road resurfacing, storm sewer, and new water main replacement. Fenton Bridge over the Thread Creek was reconstructed. Miller Road was reconstructed. The Saginaw Street brick project and the reconstruction of 12th Street began in FY2023.

Pension and Other Post-employment Benefits. The City of Flint is a member of the Municipal Employees Retirement System (MERS). MERS is a statewide multiple employer pension system which administers various defined benefit and defined contribution pension plans for its public safety and most non-public safety employees. New non-public safety employees hired after FY2013 are to be enrolled in a hybrid plan administered by MERS; similar plans for new public safety employees were made effective in FY2014.

The Flint pension system has been on a downward spiral since 2014. According to its own meeting minutes in 2017, the Receivership Transition Advisory Board acknowledged that the pension system was in serious trouble. The City of Flint has lost more than \$100 million dollars in pension assets since 2014. To address the massive leaks in the pension system, the city has had to increase contributions by over \$10 million a year beginning in FY 2021. For FY 2022, the pension contribution was \$33 million, but will again increase to \$39 million in FY 2024. The pension contribution is the biggest expenditure in the city budget.

Each year, an independent actuary engaged by the pension system calculates the amount of the annual contribution that the City of Flint must make to the pension system to ensure that the plan will be able to meet its obligations to retired employees. The City of Flint makes monthly contributions to the system in accordance with the contribution rate determined by the independent actuary. Despite the City of Flint's funding activities, the overall retirement system as of December 31, 2022 (the latest actuarial report) was only 27% funded. As of that same date, there are 1,673 retirees and beneficiaries receiving pension benefits from the City of Flint, but only 444 active employees working toward earning that benefit.

Thanks to the strong fiscal diligence of Mayor Neeley, his Administration, and our Lansing partners, the City of Flint has received a cash infusion of \$170,000,000 directly into our pension system. The Mayor and his team are working toward securing an additional \$50,000,000 for the pension fund. While the large infusion of cash greatly helps our pension system, it does not solve all our pension funding problems. The City will need to continue to focus on solving our pension funding problems.

The City of Flint also provides post-retirement health and vision care benefits for retirees and their dependents. As of June 30, 2023 (the most recent actuarial valuation), there were 1,321 retirees receiving benefits, but only 174 active employees working toward earning that benefit in retirement. Retiree healthcare benefits are financed on a pay-as-you-go basis, meaning the City is zero percent prefunded. The actuarially calculated liability related to these benefits is just over \$100 million. During the year ended June 30, 2023, the City paid \$9.1 million in premiums and other benefits. Starting in FY2015, new employees are no longer eligible for retiree healthcare but are, instead, enrolled in a retiree medical savings account. This program will eventually eliminate retiree health care liabilities for the City. Currently, there are a number of lawsuits pending against the City related to retiree health care. Additional information on the City of Flint's retiree healthcare plan can be found in Note 14 of the June 30, 2023, audited financial statements.

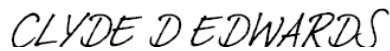
Awards and Acknowledgments

We are pleased to report that the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Flint for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that this Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023, continues to meet the Certificate of Achievement Program's requirements and we are submitting our report to the GFOA to determine its eligibility for another certificate. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance administration department and City. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Most importantly, we would like to acknowledge the contributions and sacrifices made by taxpayers, employees, and the public necessary for the City of Flint to regain its financial solvency and to become an effective force in making Flint an attractive place to live, learn, visit, and conduct business.

Respectfully Submitted,

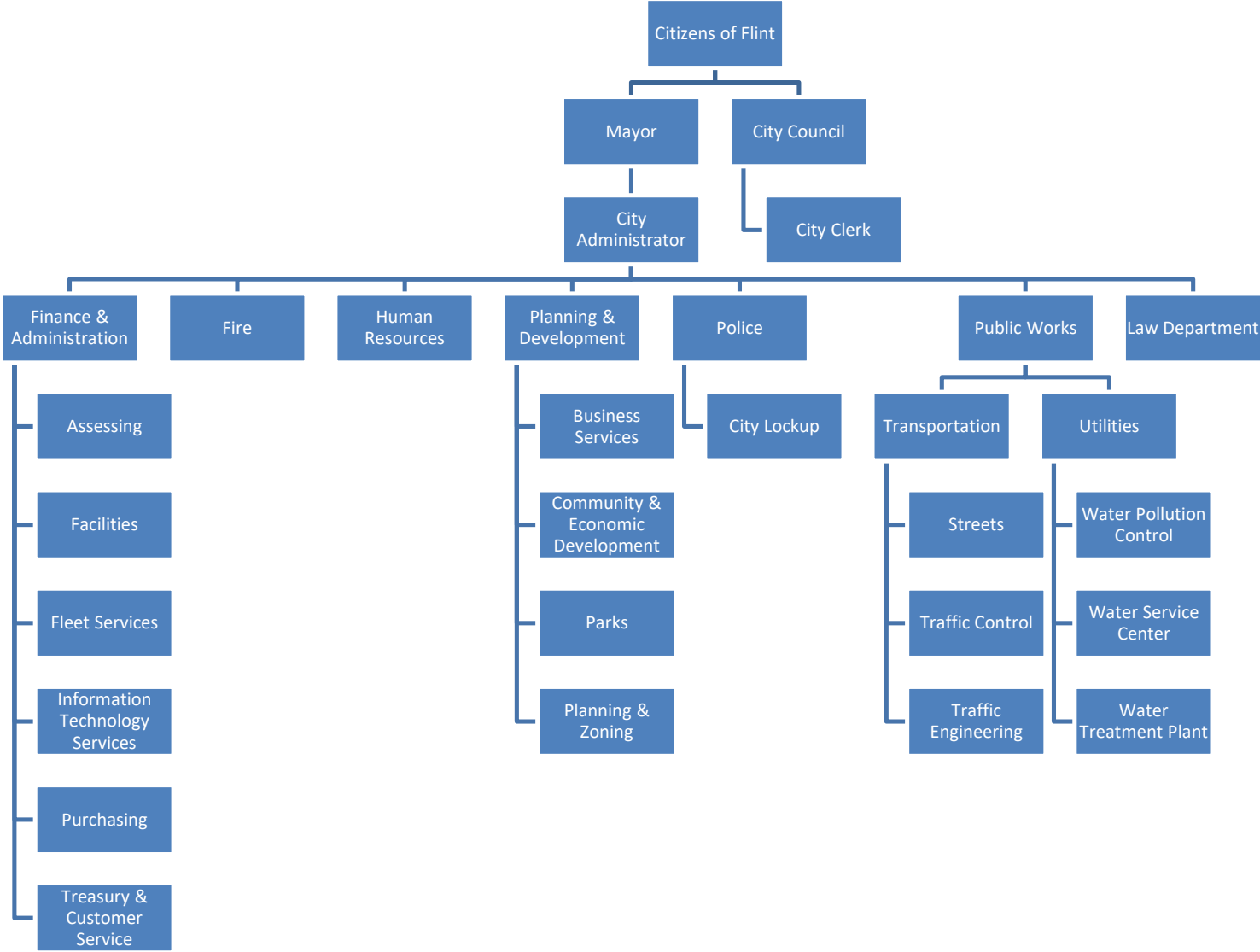


Phillip J. Moore
Chief Financial Officer



Clyde Edwards
City Administrator

CITY OF FLINT - ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Flint
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

INDEPENDENT AUDITORS' REPORT

November 1, 2024

Members of the City Council
City of Flint, Michigan

Report on the Audit of the Financial Statements

Opinions

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 of the **City of Flint, Michigan** (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Flint, Michigan, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the general fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

	Percent of Assets and Deferred Outflows	Percent of Revenues	Percent of Net Position
Hurley Medical Center	96.2%	99.5%	89.6%
Downtown Development Authority	2.3%	0.5%	8.8%

Those statements were audited by other auditors whose reports thereon were furnished to us, and our opinions, insofar as they relate to the amounts included for the above entities, are based solely on the reports of the other auditors. The financial statements of the Downtown Development Authority were not audited in accordance with *Government Auditing Standards*.



Implementation of GASB Statement No. 96

As described in Note 11 and 20, the City implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, in the current year. Accordingly, beginning net position of the Hurley Medical Center component unit was restated. There was no change to the beginning net position of the City. Our opinion is not modified with respect to this matter.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Independent Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for the pension and other postemployment benefit plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated November 1, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF FLINT, MICHIGAN

Management's Discussion and Analysis

The following is a brief overview and analysis of the financial statements for the City of Flint, Michigan (the "City") for the 2023 fiscal year, which began on July 1, 2022 and ended on June 30, 2023 (FY 2022/23). The reader is encouraged to not only consider the comments made here but to review the statements in their entirety.

The City provides a full range of municipal services, including police and fire protection, construction and maintenance of streets, sidewalks, and other infrastructure, maintenance and operation of water and sewer systems, maintenance of parks, and solid waste collection. These activities comprise the majority of the City's governmental and business-type activities.

In addition to governmental and business-type activities, the financial statements include the activities of Hurley Medical Center, Flint Downtown Development Authority, and Flint Economic Development Corporation. While part of the City government, these entities are presented as "discrete component units" because of their independent management authority.

Financial Highlights

The City returned to local government control in April 2015. This process was completed in April 4, 2018 with the removal of the State appointed Receivership Transition Advisory Board, which was put in place to oversee and approve City operational decisions. (The City had been in state receivership under an Emergency Manager since December 1, 2011).

The City has adopted a two-year operating budget and new ordinances addressing the achievement and maintenance of financial stability. These ordinances include requirements for creating and maintaining a strategic plan; adopting a biennial budget and five year financial projections; establishing a fund balance reserve, including a budget stabilization fund; and an update of the City's purchasing ordinance.

The City's general fund ended FY 2022/23 with a fund balance of \$14.8 million. The City's cash on hand at June 30, 2023 was \$142.5 million compared to \$233.8 million on June 30, 2022 across all governmental and business-type activities.

In FY 2022/23, the City billed \$203.7 million in taxes, fees, and grants for governmental and business-type activities, and spent \$127.1 million to provide City services. During the course of the year, the City's capital assets decreased by approximately \$200 thousand in governmental activities. The City's capital assets for business-type activities increased approximately \$33.4 million, which was due mainly to major additions to the sewer and water fund including aeration system (\$4.6M), UV disinfection (\$90K), sewer relining (\$1.3M), dewatering system (\$75K), secondary water supply (\$254K), lead line replacement (\$9.3M), Dort & Cedar pump station (\$2.2M), primary clarifiers (\$14M), Third Avenue pumping station (\$2.2M), Saginaw Street watermain (\$254K) and Miller Road watermain (\$1.8M). The increase in governmental activities is mainly in the infrastructure category and can be attributed to the Saginaw Street bricks (\$476K) and Miller Road (\$556K).

The City's statement of net position on June 30, 2023, highlights primary government assets, including deferred outflows, totaling \$801.6 million and liabilities and deferred inflows totaling \$796.3 million, for a total net position of \$5.3 million. Unrestricted net position was a deficit of \$368.1 million in governmental activities and a deficit of \$9.6 million in the business-type activities. This amount was netted against restricted net position and net investment in capital assets to reach \$5.3 million total net position on the statement of net position.

The City has a 1 percent income tax for residents and a ½ percent income tax for non-residents. Non-residents do not live in the City but work in the City. In FY 2022/23, the City's income tax revenue generated \$18.7 million (a decrease from the \$19.1 million figure from FY 2021/22).

For the year ended June 30, 2023, the City has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of June 30, 2023. The City's annual Other Post Employment Benefit (OPEB) expenses recognized in FY 2022/23 was a benefit of \$(52.8) million. The City made OPEB contributions of \$9.1 million, on a pay-as-you-go basis for the fiscal year. The City's total OPEB liability decreased from \$162.6 million in 2022 to \$100.8 million in 2023.

The City adopted Governmental Accounting Standards Board (GASB) Statements 75 effective June 30, 2018. This GASB statement required the City to recognize the long-term obligation for OPEB benefits as a liability and to measure the annual costs of the OPEB benefits. Although these items existed prior to implementation of the Statement, they were not required to be reported. Additional information regarding the City's \$100.8 million total OPEB liability may be found in Note 16 to the financial statements.

Management's Discussion and Analysis

The City's pension legacy costs continue to be a significant issue for the City. During calendar year 2022 (the plan's activity is measured and reported by the calendar year instead of the fiscal year), the City contributed \$33.0 million to the MERS pension system; however, benefits paid to retirees totaled \$48.9 million. The funded status of the plan decreased from 28.9% as of December 31, 2021 to 23.6% as of December 31, 2022. As of December 31, 2022, the City's unfunded pension liability totals \$411.4 million. For FY 2023/24 the City was notified of the approval of a \$170,000,000 grant under the Protecting MI Pension Grant Award. This grant is specifically aimed at bolstering the financial stability of municipal pension plans. The funds will be deposited into the MERS pension plan, significantly enhancing the fiduciary net position of the City's pension plan and ensuring long-term sustainability for its beneficiaries. On September 7, 2023 the City received a supplemental grant award for \$2,436,378 which will also be deposited into the MERS pension plan.

Administration of the pension system was transferred to the Municipal Employees' Retirement System, a state-wide multi-employer system in FY 2012/13.

Overview of the Financial Statements

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

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

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include legislative, general government, judicial, public safety, public works, health and welfare, recreation and culture, community development, and facilities maintenance. The business-type activities of the City include water and sewer operations.

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

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

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

The City maintains numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances for the general, grants, major streets, and American Rescue Plan Act funds, each of which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and schedules elsewhere in this report.

Management's Discussion and Analysis

Proprietary Funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for water and sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for fringe benefits, data processing, central maintenance garage and self-insurance.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water fund and sewer fund, both of which are considered to be major funds of the City. The City's internal service fund is presented in the proprietary fund financial statements in the Governmental Activities - Internal Service Fund column.

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

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the City's pension and other postemployment benefits plans.

Government-wide Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. Total assets and deferred outflows of resources of the City are \$801.6 million. Total liabilities and deferred inflows of resources are \$796.3 million. The largest portion of these liabilities are \$411.4 million of net pension liability and \$100.8 million of other postemployment benefit liabilities.

Total net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources) is \$5.3 million, this includes \$308.4 million of net investment in capital assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the remaining portion of the City's total net position, \$74.5 million represents resources which are subject to external restrictions on how they may be used. The unrestricted deficit at year end was \$377.6 million, which decreased from the FY 2021/22 deficit of \$429.7 million. There is no remaining balance of unrestricted net position that may be used to meet the government's ongoing obligations to citizens and creditors. Net position is divided between governmental activities and business-type activities. Governmental activities and business-type activities show a \$368.1 million and \$9.6 million deficit in unrestricted net position, respectively. The \$210.7 million in total governmental activities deficit is primarily driven by the pension and OPEB liability. Business-type activities show a total net position of \$215.9 million.

CITY OF FLINT, MICHIGAN

Management's Discussion and Analysis

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 211,588,462	\$ 210,435,677	\$ 197,261,963	\$ 201,293,037	\$ 408,850,425	\$ 411,728,714
Capital assets, net	88,323,768	88,558,227	275,203,386	241,794,691	363,527,154	330,352,918
	<u>299,912,230</u>	<u>298,993,904</u>	<u>472,465,349</u>	<u>443,087,728</u>	<u>772,377,579</u>	<u>742,081,632</u>
Total deferred outflows of resources	<u>23,633,533</u>	<u>20,874,465</u>	<u>5,596,791</u>	<u>3,984,710</u>	<u>29,230,324</u>	<u>24,859,175</u>
Liabilities						
Long-term liabilities	23,083,873	26,231,249	135,641,762	119,366,991	158,725,635	145,598,240
Pension and OPEB liabilities	399,445,045	435,638,841	112,748,520	118,638,908	512,193,565	554,277,749
Current and other liabilities	109,751,497	112,518,213	13,360,999	13,095,546	123,112,496	125,613,759
	<u>532,280,415</u>	<u>574,388,303</u>	<u>261,751,281</u>	<u>251,101,445</u>	<u>794,031,696</u>	<u>825,489,748</u>
Total deferred inflows of resources	<u>1,918,010</u>	<u>10,648,874</u>	<u>371,966</u>	<u>2,036,291</u>	<u>2,289,976</u>	<u>12,685,165</u>
Net position						
Net investment in capital assets	82,916,210	84,743,776	225,510,594	209,087,788	308,426,804	293,831,564
Restricted	74,495,664	64,659,396	-	-	74,495,664	64,659,396
Unrestricted (deficit)	(368,064,536)	(414,571,980)	(9,571,701)	(15,153,086)	(377,636,237)	(429,725,066)
Total net position	<u>\$ (210,652,662)</u>	<u>\$ (265,168,808)</u>	<u>\$ 215,938,893</u>	<u>\$ 193,934,702</u>	<u>\$ 5,286,231</u>	<u>\$ (71,234,106)</u>

Governmental Activities

Changes in net position provide some insight into current year activities as compared to those of the prior year. Total net position for governmental activities increased by \$54.5 million. Total assets and deferred outflows of resources increased by \$3.7 million and total liabilities and deferred inflows of resources decreased by \$50.8 million from FY 2021/22. At a high level, the increase in total net position is primarily attributed to increased activity throughout the City as they return to work after the COVID-19 pandemic. Revenues in FY 2022/23 were \$22.3 million higher than in FY 2021/22. The increase is mainly attributable to the increase in charges for services of \$6.6 million due to return traditional indirect cost allocation between funds. The City also had an increase in operating grants of \$900 thousand due to additional grants. The City had an increase in grants and contributions not restricted to specific programs of \$10.2 million when it began to spend APRA funds for City operations. Further, unrestricted investment earnings (losses) increased by \$5.0 million mainly due to market fluctuations. The FY 2022/23 expenses decreased by \$20.5 million mainly due to public safety expenses decreasing \$22.0 million as a result of unplanned vacancies in personnel and adjustments for pension and OPEB expenses.

Business-type Activities

Business-type activities have \$215.9 million of total net position. Business-type activities do not usually encumber at year-end and normally do not appropriate net position as part of the budget process. Total net position for business-type activities increased by \$22.0 million. Expenses increased by \$6.2 million in FY 2022/23 from FY 2021/22, while revenue increased by \$5.0 million. Business-type activities, Water and Sewer services, have \$215.9 million of total net position; however, it is important to look at the components of net position to understand the financial state of these activities. That \$215.9 million is made up of two components - \$225.5 million of capital assets net of related debt and depreciation/amortization and \$(9.6) million deficit of other assets and liabilities, including a proportionate share of the City's legacy costs. Net position, in total, improved by \$22.0 million. Capital grants revenue increased \$3.6 million due to increases in State Capital Grants/DWSRF. Further, sewer expenses increased \$10.6 million and water fund expenses decreased \$4.4 million from the previous year primarily due maintenance projects in the sewer plant, the pump stations and in the clarifiers. The water fund expenses decrease from the previous year was primarily due to settlements that occurred in the prior year not occurring in the current year.

CITY OF FLINT, MICHIGAN

Management's Discussion and Analysis

	Change in Net position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program revenues						
Charges for services	\$ 14,291,846	\$ 7,679,986	\$ 58,514,406	\$ 59,500,490	\$ 72,806,252	\$ 67,180,476
Operating grants	38,517,932	37,630,061	-	5,106	38,517,932	37,635,167
Capital grants	494,472	519,585	16,782,833	13,203,536	17,277,305	13,723,121
General revenues						
Property taxes	23,277,946	22,745,182	-	-	23,277,946	22,745,182
Income taxes	18,700,983	19,076,507	-	-	18,700,983	19,076,507
Grants and contributions not restricted to specific progra	13,579,993	3,349,993	-	-	13,579,993	3,349,993
State revenue sharing	16,195,063	16,845,764	-	-	16,195,063	16,845,764
Unrestricted investments earnings (losses)	2,369,769	(2,676,422)	938,336	(1,443,020)	3,308,105	(4,119,442)
Gain on sale of capital assets	-	-	-	-	-	-
Total revenues	127,428,004	105,170,656	76,235,575	71,266,112	203,663,579	176,436,768
Expenses						
Legislative	955,752	936,704	-	-	955,752	936,704
General government	11,259,693	8,514,812	-	-	11,259,693	8,514,812
Judicial	1,097,668	1,059,999	-	-	1,097,668	1,059,999
Public safety	15,454,109	37,434,383	-	-	15,454,109	37,434,383
Public works	25,507,913	26,996,784	-	-	25,507,913	26,996,784
Recreation and culture	1,320,927	579,527	-	-	1,320,927	579,527
Community development	12,794,395	13,418,113	-	-	12,794,395	13,418,113
Facilities	1,717,078	1,615,661	-	-	1,717,078	1,615,661
Interest on long-term liabilities	719,194	802,497	-	-	719,194	802,497
Sewer	-	-	24,035,951	13,427,145	24,035,951	13,427,145
Water	-	-	32,280,562	36,645,294	32,280,562	36,645,294
Total expenses	70,826,729	91,358,480	56,316,513	50,072,439	127,143,242	141,430,919
Change in net position, before transfers	56,601,275	13,812,176	19,919,062	21,193,673	76,520,337	35,005,849
Transfers	(2,085,129)	924,141	2,085,129	-	-	924,141
Change in net position	54,516,146	14,736,317	22,004,191	21,193,673	76,520,337	35,929,990
Net position:						
Beginning of year	(265,168,808)	(279,905,125)	193,934,702	172,741,029	(71,234,106)	(107,164,096)
End of year	\$ (210,652,662)	\$ (265,168,808)	\$ 215,938,893	\$ 193,934,702	\$ 5,286,231	\$ (71,234,106)

During 2022, the City chose to close the death benefit fiduciary fund and transferred all remaining funds in the amount of \$924,141 into the fringe benefit internal service fund. As such, this is reported as an uneliminated internal transfer in the statement of activities.

Management's Discussion and Analysis

Analysis of Fund Financial Statements

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the City's financing requirements. In particular, 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.

As of June 30, 2023, the City's governmental funds reported combined ending fund balance of \$61.9 million, a decrease of \$1.6 million in comparison to the prior year. Of that total fund balance of \$61.9 million, \$300 thousand is considered nonspendable, \$3.0 million is considered assigned, and \$7.0 million is unassigned. \$51.6 million is considered restricted for various reasons and can only be used for its particular restricted purpose. Examples of restrictions are dedicated millages or the terms of a particular grant as determined by the granting agency.

The City's governmental funds include the general, grants, major streets, American Rescue Plan Act, and nonmajor governmental funds. The general fund pays for most of the City's governmental services. The general fund recorded \$60.7 million in expenditures to provide City services in fiscal year FY 2022/23. The most significant expenditures were for public safety (police & fire). Public safety must account for at least 55.5% of the general fund budget per Ordinance.

Public safety services are partially supported by two special millages, a public safety millage and a neighborhood policing millage. These millages are recorded in separate special revenue funds. The neighborhood policing fund had expenditures of \$1.8 million and the public safety fund had expenditures of \$4.9 million. The public safety fund includes both police and fire.

A combined \$14.4 million was spent in FY 2022/23 on major and local road repairs. In the City's rubbish collection fund, the City spent \$6.8 million to collect and dispose of the City's solid waste, recyclables, and leaves in FY 2022/23. The City spent \$2.2 million in the street lights assessment fund to cover the expenditures of the street lights and upgrades in the City.

Fund balance in the governmental funds decreased \$1.6 million from the prior year, general fund accounted for \$4.3 million of that decrease offset mainly by the major streets increase of \$3.4 million, as discussed below. In FY 2022/23, general fund revenues increased \$1.5 million, primarily due to normal market fluctuations returning to positive rates of return. General fund expenditures increased \$2.1 million due primarily to writing off old account receivable accounts and increase in internal service fund allocations.

The major streets fund increased its fund balance by \$3.4 million primarily due to delays in street reconstruction projects meant the budgeted expenditures were not made.

The City received \$94.7 million in American Rescue Plan Act (ARPA) funding during a prior year. After extensive community engagement, discussions with the City Council, key partners and stakeholders, and internal review, the City presented the plan to invest the City's \$94.7 million in the community. During FY 2022/23, the City spent \$13.6 million of the ARPA funds resulting in \$78.2 million available for expenditure in the future.

The other significant change to governmental fund balance came from the nonmajor governmental funds decrease of \$1.2 million from a variety of sources.

CITY OF FLINT, MICHIGAN

Management's Discussion and Analysis

Proprietary Funds

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

Net position in the sewer fund is \$64.3 million for FY2022/23, increasing \$8.2 million from the net position of \$56.1 million in FY2021/22. The sewer fund had a net operating income of \$3.3 million in FY 2022/23. For FY 2022/23 sewer fund expenses totaled \$23.9 million. Operating expenses increased \$9.1 million mostly due to an increase in maintenance projects and writing off of old receivables.

Total net position in the water fund is \$144.9 million, including an operating loss of \$1.0 million during the year. For FY 2022/23 water fund expenses totaled \$32.2 million. Operating expenses decreased \$7.7 million mostly due to fewer maintenance projects than in FY FY2021/22 and a reduction in other post employment benefits.

Capital Assets

At June 30, 2023, the City's investment in capital assets for the governmental and business-type activities amounted to \$363.5 million. The investment in capital assets covers a broad variety of land, construction in progress, land improvement, infrastructure, buildings and improvements, machinery and equipment, and vehicles and is reduced by the amount of related outstanding debt. The City's investment in capital assets increased \$32.7 million.

Major capital asset funded during the current fiscal year included the following:

- Water service line replacement and restoration
- Primary clarifiers and B-Grit rehabilitation
- Third Avenue pump station
- Saginaw Street watermain replacement
- Sewer relining
- Miller Road water main replacement
- Dort pump station rehabilitation
- Street sweepers
- Saginaw Street bricks
- Fire equipment replacement

	Capital Assets (Net of Depreciation/Amortization)					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 14,817,714	\$ 14,816,445	\$ 1,175,844	\$ 1,175,844	\$ 15,993,558	\$ 15,992,289
Construction in progress	5,712,074	2,893,597	73,171,339	67,280,245	78,883,413	70,173,842
Land improvements	944,453	1,039,989	2,731,186	2,905,069	3,675,639	3,945,058
Infrastructure	49,986,581	54,419,370	152,810,691	121,373,647	202,797,272	175,793,017
Buildings and improvements	5,507,890	4,671,023	10,201,546	11,065,420	15,709,436	15,736,443
Machinery and equipment	1,941,755	2,058,099	34,566,760	37,826,068	36,508,515	39,884,167
Vehicles	8,101,124	7,771,272	546,020	168,398	8,647,144	7,939,670
Lease equipment	913,181	888,432	-	-	913,181	888,432
Subscription asset	398,996	459,486	-	-	398,996	459,486
Total capital assets, net	\$ 88,323,768	\$ 89,017,713	\$ 275,203,386	\$ 241,794,691	\$ 363,527,154	\$ 330,812,404

Additional information on the City's capital assets can be found in Note 8.

CITY OF FLINT, MICHIGAN

Management's Discussion and Analysis

Debt Administration

Debt is administered through three debt service funds and the public improvement fund. In addition, the water fund services debt for bonds issued for Karegnondi Water Authority ("KWA").

General Obligation Bonds

The City issued \$10 million in General Obligation Bonds in fiscal year 2008 on behalf of the Flint Downtown Development Authority (the "DDA") for construction of the new Rutherford parking structure. The City has pledged a portion of state-shared revenue as security for the bond. The DDA has pledged net revenue from the parking operations for the repayment of the bond. However, in the City's approved deficit elimination plan, it was determined by the City that the DDA's commitment to funding its portion of the debt service for the parking ramp was unrealistic given the decline in property values and revenues expected to be received through operations were not realized. The City as the guarantor continues to make the debt service payments.

Long-term Debt

At year end, the City had \$23.1 million in long-term debt outstanding for governmental activities and \$135.6 million outstanding for business-type activities. Additional information on the City's long-term debt can be found in Note 9.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Bonds payable	\$ 10,450,000	\$ 11,165,000	\$ 41,376,079	\$ 22,647,391	\$ 51,826,079	\$ 33,812,391
Loans payable	7,402,392	9,876,942	-	-	7,402,392	9,876,942
Bond premium	785,560	864,116	-	-	785,560	864,116
Subscription liability	368,123	333,546	-	-	368,123	333,546
Lease liability	340,368	383,472	-	-	340,368	383,472
Agreement payable	-	-	93,720,799	96,267,194	93,720,799	96,267,194
Installment purchases payable	1,016,034	1,742,566	-	-	1,016,034	1,742,566
Compensated absences	2,721,396	2,582,625	544,884	452,406	3,266,280	3,035,031
Total	\$ 23,083,873	\$ 26,948,267	\$ 135,641,762	\$ 119,366,991	\$ 158,725,635	\$ 146,315,258

During the year, the City issued new debt of \$13.8 million and \$5.6 million of the Sewage Disposal System Junior Lien Revenue Bond, SRF Series 2021 and 2020, respectively.

The City entered into an agreement with KWA to purchase raw water and pledge the City's full faith and credit towards the repayment of a portion of KWA debt. Subsequent to this agreement the City transferred 97% of those water rights to the Great Lakes Water Authority (GLWA). The City has a liability of \$93.7 million to the KWA and a receivable from GLWA of \$90.9 million. The sale of the water rights to GLWA is being paid in the form of a credit on the City's water bill from GLWA. The other three percent represents an intangible asset on the City's books.

Limitations on Debt

The State limits the amount of general obligation debt the City can issue to up to 10 percent of the assessed value of all taxable property within the City's corporate limits. The amount of debt available to the City (unused portion of the debt limitation) is \$88.3 million. The City can issue bonds through the Michigan Municipal Bonding Authority's state-shared revenue program. This program may require a pledge of the City's future state-shared revenues.

Bond Ratings

The City does not have an underlying bond rating from any rating agency at this time.

CITY OF FLINT, MICHIGAN

Management's Discussion and Analysis

General Fund Budgetary Highlights

The City reviews its budgets on a monthly basis and makes various amendments to address unexpected operating events throughout the year. The general fund originally budgeted for a decrease in fund balance of \$14.1 million and was amended for a decrease in fund balance of \$14.4 million, a decrease of approximately \$300 thousand. The general fund transfers out budget was increased by \$250 thousand. There were no significant changes between the original and final budget in any of the functions.

The general fund budgeted for a decrease in fund balance of \$14.4 million and the actual change in fund balance was a decrease of \$4.3 million. Significant budgetary variances are as follows:

- Income tax revenue was over budget by \$4.7 million due to being cautious in estimating the expected revenue.
- State sources revenue was under budget by \$1.4 million due to over estimating the amount of two state grants the City thought they were likely to receive.
- Charges for services were over budget by \$0.9 million due to number of different charges. Among the larger items were indirect cost charges, property affidavit fees, impound related fees, and structural fire fees.
- Other revenues were over budget by \$1.1 million due to several line items. The largest three were higher revenue from the marijuana tax, proceeds from an auction of surplus material and reimbursements.
- Investment appreciation (depreciation) was over budget by \$1.0 million due primarily to market fluidity.
- Total general government expenditures were under budget by \$1.1 million due to less overtime and unplanned vacancies.
- Police expenditures were under budget by \$1.9 million due to less overtime and unplanned vacancies.

Economic Factors and Next Year's Budgets and Rates

The City has made great progress toward rebuilding to full financial strength. However, the City will continue to be challenged for several more years as it works to enhance its level of services. A sound vision for the provision of quality services while remaining solvent is crucial to redevelop the City as an attractive place to live, play, study, work, and visit.

In summary, challenges include:

- Attracting new business and industry to Flint
- An continued aging and reduced workforce, resulting in an increase in the ratio of retirees to active employees, affecting pension and health care costs
- Aging sewer, water, street, and sidewalk infrastructure
- Providing safe and affordable drinking water, independent of state support as the water crisis continues
- Combating high levels of crime
- Abate blight throughout the City
- Relatively higher water and sewer rates
- A shrinking population

There are, however, many positive steps being taken by and within the City to insure the path of financial solvency, including:

- Ongoing commitment to new policies, practices, and organizational changes focused on financial stability
- Taking steps to improve and maintain long-term financial solvency, including seeking innovative ways to reduce costs and improve efficiencies within City operations
- The State's Fiscal Year 2023-24 budget includes funding for a new grant program aimed at helping underfunded municipal pension plans, this included \$172 million for the City alone.
- Strong partnership with entities such as the Greater Regional Flint Chamber of Commerce and the State of Michigan to promote economic development
- Strong support – financial and otherwise – from the Mott Foundations, the Kellogg Foundation and Ford Foundation to support a variety of activities and programs in Flint
- Continued diversification of Flint's economic base, especially in higher education and health care

CITY OF FLINT, MICHIGAN

Management's Discussion and Analysis

Long-term Financial Planning

- The City will continue to seek additional income tax revenue, primarily through the work of the newly established Economic Development Department and by partnership the Michigan Department of Treasury.
- The City will continue to carefully manage resources that are available for operations and improvements.
- The City will continue to monitor all operating programs in order to determine if the program provides a quality level of service at a fair cost.
- The City will continue to implement the rules established by the City Charter, including establishing a Revenue Estimating Committee charged with providing revenue estimates that are reasonable and fair.
- The City will continue to follow adopted Ordinances including the adoption of a biennial budget with a five year projection. Through this long term planning, the City will continue to evaluate and monitor its budgets. Adjustments will be made to address changes in economic conditions and other events as they present themselves.
- The Capital Improvement Plan was developed, reviewed by the public, and approved by the Planning Commission and the City Council and is updated on a yearly basis.
- The City has a Master Plan. The plan paints a new vision for the City and is focused on making Flint an attractive place to live, work, learn, and play.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the financial position of the City. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, City of Flint, 1101 South Saginaw Street, Room #203, Flint, Michigan 48502.

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

CITY OF FLINT, MICHIGAN

Statement of Net Position

June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
Assets				
Cash and investments	\$ 94,568,357	\$ 47,929,915	\$ 142,498,272	\$ 91,652,364
Receivables, net	34,241,343	128,057,585	162,298,928	77,540,134
Internal balances	(6,665,245)	6,665,245	-	-
Other assets	12,714,209	7,677,465	20,391,674	11,103,193
Restricted cash and investments	76,729,798	6,931,753	83,661,551	153,319,224
Investment in joint venture	-	-	-	7,306,377
Capital assets not being depreciated/amortized	20,529,788	74,347,183	94,876,971	20,570,723
Capital assets being depreciated/amortized, net	67,793,980	200,856,203	268,650,183	126,323,579
Net OPEB asset	-	-	-	11,016,662
Total assets	299,912,230	472,465,349	772,377,579	498,832,256
Deferred outflows of resources				
Deferred charge on refunding	80,373	-	80,373	1,193,026
Deferred pension amounts	23,553,160	5,596,791	29,149,951	73,891,851
Deferred OPEB amounts	-	-	-	4,034,522
Total deferred outflows of resources	23,633,533	5,596,791	29,230,324	79,119,399
Liabilities				
Accounts payable and accrued liabilities	17,619,917	13,360,999	30,980,916	119,489,134
Unearned revenue	92,131,580	-	92,131,580	-
Bonds, notes and other long-term liabilities:				
Due within one year	3,340,163	4,142,611	7,482,774	6,528,216
Due in more than one year	19,743,710	131,499,151	151,242,861	92,364,972
Net pension liability (due in more than one year)	332,445,802	78,997,022	411,442,824	264,029,887
Total OPEB liability (due in more than one year)	66,999,243	33,751,498	100,750,741	-
Total liabilities	532,280,415	261,751,281	794,031,696	482,412,209
Deferred inflows of resources				
Deferred pension amounts	1,565,355	371,966	1,937,321	3,180,277
Deferred OPEB amounts	-	-	-	21,019,774
Deferred lease amounts	352,655	-	352,655	2,204,296
Total deferred inflows of resources	1,918,010	371,966	2,289,976	26,404,347
Net position				
Net investment in capital assets	82,916,210	225,510,594	308,426,804	56,181,632
Restricted for:				
Public safety	8,650,568	-	8,650,568	-
Public works	35,909,255	-	35,909,255	-
Recreation and culture	394,070	-	394,070	-
Community development	680,954	-	680,954	867,891
Opioid remediation	7,945,636	-	7,945,636	-
Grants	10,965,004	-	10,965,004	-
Debt service	9,950,177	-	9,950,177	-
Donor restricted	-	-	-	2,095,921
Unrestricted (deficit)	(368,064,536)	(9,571,701)	(377,636,237)	9,989,655
Total net position (deficit)	\$ (210,652,662)	\$ 215,938,893	\$ 5,286,231	\$ 69,135,099

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

CITY OF FLINT, MICHIGAN

Statement of Activities

For the Year Ended June 30, 2023

Functions / Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenues
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government						
Governmental activities:						
Legislative	\$ 955,752	\$ -	\$ -	\$ -	\$ -	\$ (955,752)
General government	16,438,168	(5,178,475)	1,547,729	2,641,609	115,469	(6,954,886)
Judicial	1,097,668	-	-	-	-	(1,097,668)
Public safety	14,409,020	1,045,089	4,053,148	5,967,785	-	(5,433,176)
Public works	24,937,571	570,342	19,291	14,675,136	379,003	(10,434,483)
Health and welfare	-	-	7,945,636	-	-	7,945,636
Recreation and culture	985,358	335,569	-	637,080	-	(683,847)
Community development	12,794,395	-	726,042	14,595,814	-	2,527,461
Facilities maintenance	1,717,078	-	-	508	-	(1,716,570)
Interest on long-term liabilities	719,194	-	-	-	-	(719,194)
Total governmental activities	74,054,204	(3,227,475)	14,291,846	38,517,932	494,472	(17,522,479)
Business-type activities:						
Sewer	22,334,884	1,701,067	27,156,633	-	4,774,188	7,894,870
Water	30,754,154	1,526,408	31,357,773	-	12,008,645	11,085,856
Total business-type activities	53,089,038	3,227,475	58,514,406	-	16,782,833	18,980,726
Total primary government	\$ 127,143,242	\$ -	\$ 72,806,252	\$ 38,517,932	\$ 17,277,305	\$ 1,458,247
Component units						
Downtown Development Authority	\$ 2,401,591	\$ -	\$ 1,263,660	\$ 149,999	\$ -	\$ (987,932)
Economic Development Corporation	860,607	-	307,377	-	-	(553,230)
Hurley Medical Center	542,733,342	-	393,091,867	92,360,648	-	(57,280,827)
Total component units	\$ 545,995,540	\$ -	\$ 394,662,904	\$ 92,510,647	\$ -	\$ (58,821,989)

continued...

CITY OF FLINT, MICHIGAN

Statement of Activities

For the Year Ended June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
Changes in net position				
Net (expense) revenues	\$ (17,522,479)	\$ 18,980,726	\$ 1,458,247	\$ (58,821,989)
General revenues:				
Property taxes	23,277,946	-	23,277,946	849,475
Income taxes	18,700,983	-	18,700,983	-
Grants and contributions not restricted to specific programs	13,579,993	-	13,579,993	-
State shared revenue	16,195,063	-	16,195,063	-
Unrestricted investment appreciation (depreciation)	2,369,769	938,336	3,308,105	1,579,219
Other revenues	-	-	-	234,127
Transfers - internal activities	(2,085,129)	2,085,129	-	-
Total general revenues and transfers	72,038,625	3,023,465	75,062,090	2,662,821
Change in net position	54,516,146	22,004,191	76,520,337	(56,159,168)
Net position (deficit), beginning of year, as restated	(265,168,808)	193,934,702	(71,234,106)	125,294,267
Net position (deficit), end of year	<u>\$ (210,652,662)</u>	<u>\$ 215,938,893</u>	<u>\$ 5,286,231</u>	<u>\$ 69,135,099</u>

concluded

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

CITY OF FLINT, MICHIGAN

Balance Sheet

Governmental Funds

June 30, 2023

	Special Revenue Funds					Totals
	General	Grants	Major Streets	American Rescue Plan Act	Nonmajor Governmental Funds	
Assets						
Cash and investments	\$ 10,840,958	\$ 2,444,710	\$ 23,862,978	\$ -	\$ 27,010,207	\$ 64,158,853
Restricted cash and investments	-	-	-	76,729,798	-	76,729,798
Receivables:						
Accounts, net	861,293	6,247,840	-	32,500	41,423	7,183,056
Property taxes	84,426	-	-	-	123,826	208,252
Income taxes, net	1,608,891	-	-	-	-	1,608,891
Loans	-	4,168,000	-	-	15,000	4,183,000
Leases	349,024	-	-	-	-	349,024
Prepays	135,690	129,800	10,638	-	-	276,128
Restricted deposits held by others	-	10,000,000	-	1,500,000	-	11,500,000
Due from other governments	3,341,400	8,089,578	1,949,611	-	911,391	14,291,980
Due from component unit	-	-	-	-	6,387,084	6,387,084
Total assets	<u>\$ 17,221,682</u>	<u>\$ 31,079,928</u>	<u>\$ 25,823,227</u>	<u>\$ 78,262,298</u>	<u>\$ 34,488,931</u>	<u>\$ 186,876,066</u>
Liabilities						
Accounts payable	\$ 1,262,400	\$ 2,437,281	\$ 1,950,409	\$ 460,620	\$ 574,792	\$ 6,685,502
Accrued and other liabilities	306,189	32,902	29,189	-	81,955	450,235
Due to other governments	183,943	-	-	-	109	184,052
Deposits payable	-	-	-	-	1,812,163	1,812,163
Unearned revenue	-	14,187,794	-	77,801,678	142,108	92,131,580
Total liabilities	<u>1,752,532</u>	<u>16,657,977</u>	<u>1,979,598</u>	<u>78,262,298</u>	<u>2,611,127</u>	<u>101,263,532</u>
Deferred inflows of resources						
Unavailable revenue - loans	-	4,168,000	-	-	5,765,528	9,933,528
Unavailable revenue - grants	208,609	6,797,004	-	-	49,103	7,054,716
Unavailable revenue - taxes	67,197	-	-	-	98,556	165,753
Unavailable revenue - other long-term receivables	-	6,241,574	-	-	-	6,241,574
Deferred lease amounts	352,655	-	-	-	-	352,655
Total deferred inflows of resources	<u>628,461</u>	<u>17,206,578</u>	<u>-</u>	<u>-</u>	<u>5,913,187</u>	<u>23,748,226</u>
Fund balances						
Nonspendable	135,690	129,800	10,638	-	-	276,128
Restricted	-	1,704,062	23,832,991	-	26,031,154	51,568,207
Assigned	3,000,000	-	-	-	-	3,000,000
Unassigned (deficit)	11,704,999	(4,618,489)	-	-	(66,537)	7,019,973
Total fund balances	<u>14,840,689</u>	<u>(2,784,627)</u>	<u>23,843,629</u>	<u>-</u>	<u>25,964,617</u>	<u>61,864,308</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,221,682</u>	<u>\$ 31,079,928</u>	<u>\$ 25,823,227</u>	<u>\$ 78,262,298</u>	<u>\$ 34,488,931</u>	<u>\$ 186,876,066</u>

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

CITY OF FLINT, MICHIGAN

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2023

Fund balances for governmental funds	\$ 61,864,308
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statement.	
Capital assets not being depreciated/amortized	17,873,377
Capital assets being depreciated/amortized	58,111,664
The focus of governmental funds is on short-term financing. Accordingly, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows of resources in the governmental funds, and thus are not included in fund balance.	
Deferred inflow for loans receivable	9,933,528
Deferred inflow for grants receivable	7,054,716
Deferred inflow for taxes receivable	165,753
Deferred inflow for other long-term receivables	6,241,574
Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities.	
Net position of internal service funds	33,872,191
Internal service funds net position accounted for in business-type activities	(6,665,245)
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Bonds, notes and other long-term liabilities	(18,066,862)
Deferred charge on bond refunding	80,373
Bond premium, net	(785,560)
Accrued interest on bonds, notes and other long-term liabilities	(153,843)
Compensated absences	(2,721,396)
Certain pension and other postemployment benefit-related amounts, such as the net pension and other postemployment benefit liabilities and deferred amounts, are not due and payable in the current period or do not represent current financial resources, and therefore are not reported in the funds.	
Net pension liability	(332,445,802)
Deferred outflows related to the net pension liability	23,553,160
Deferred inflows related to the net pension liability	(1,565,355)
Total OPEB liability	<u>(66,999,243)</u>
Net position of governmental activities	<u>\$ (210,652,662)</u>

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

CITY OF FLINT, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2023

	Special Revenue Funds				Nonmajor Governmental Funds	Totals
	General	Grants	Major Streets	American Rescue Plan Act		
Revenues						
Property taxes	\$ 6,330,875	\$ -	\$ -	\$ -	\$ 16,965,589	\$ 23,296,464
Income taxes	18,700,983	-	-	-	-	18,700,983
Cable franchise fees	794,297	-	-	-	-	794,297
Federal sources	-	10,430,842	-	13,574,993	1,304,050	25,309,885
State sources	20,309,952	736,840	12,123,624	-	4,568,100	37,738,516
Charges for services	7,884,426	2,209,062	19,291	-	75,534	10,188,313
Fines and forfeitures	-	-	-	-	35,104	35,104
Licenses and permits	66,443	-	-	-	2,938,887	3,005,330
Local contributions	-	2,609,932	-	-	634,625	3,244,557
Investment appreciation	1,015,205	197,101	285,787	-	310,214	1,808,307
Other revenues	1,292,820	734	194,323	5,000	152,472	1,645,349
Total revenues	56,395,001	16,184,511	12,623,025	13,579,993	26,984,575	125,767,105
Expenditures						
Current:						
Legislative	955,752	-	-	-	-	955,752
General government	17,987,663	82,552	-	13,579,993	-	31,650,208
Judicial	1,097,668	-	-	-	-	1,097,668
Public safety	37,579,032	2,093,633	-	-	9,210,491	48,883,156
Public works	-	14,495	9,042,073	-	14,170,243	23,226,811
Recreation and culture	-	-	-	-	2,205,012	2,205,012
Community development	1,291,421	11,371,784	-	-	1,121,487	13,784,692
Facilities maintenance	1,717,078	-	-	-	-	1,717,078
Debt service:						
Principal	58,593	1,895,000	177,183	-	1,242,633	3,373,409
Interest and other fiscal charges	6,788	168,651	4,070	-	518,981	698,490
Total expenditures	60,693,995	15,626,115	9,223,326	13,579,993	28,468,847	127,592,276
Revenues over (under) expenditures	(4,298,994)	558,396	3,399,699	-	(1,484,272)	(1,825,171)
Other financing sources (uses)						
Issuance of debt	273,063	-	-	-	-	273,063
Transfers in	-	15,641	-	-	1,948,981	1,964,622
Transfers out	(265,641)	-	-	-	(1,698,981)	(1,964,622)
Total other financing sources (uses)	7,422	15,641	-	-	250,000	273,063
Net change in fund balances	(4,291,572)	574,037	3,399,699	-	(1,234,272)	(1,552,108)
Fund balances (deficit), beginning of year	19,132,261	(3,358,664)	20,443,930	-	27,198,889	63,416,416
Fund balances (deficit), end of year	\$ 14,840,689	\$ (2,784,627)	\$ 23,843,629	\$ -	\$ 25,964,617	\$ 61,864,308

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

CITY OF FLINT, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds \$ (1,552,108)

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

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

Capital assets purchased/constructed	8,146,264
Depreciation and amortization	(8,382,689)
Governmental activities transfer of capital assets to other funds	(3,423,920)
Loss on sale of capital assets	(317,578)

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

Net change in deferred other long-term receivables	5,940,229
--	-----------

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

Principal payments on bonds, notes and other long-term liabilities	3,373,409
Issuance of bonds, notes and other long-term liabilities	(273,063)

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

Change in accrued interest payable on bonds, notes and other long-term liabilities	16,487
Amortization of bond premium	78,556
Net change in deferred charge	(7,062)
Change in the net pension liability and related deferred amounts	8,010,234
Change in the total OPEB liability and related deferred amounts	40,007,055
Change in compensated absences	(138,771)

An internal service fund is used by management to charge the costs of certain services to individual governmental funds. The net revenue (expense) attributable to those funds is reported with governmental activities.

Total change in net position of the internal service funds	4,145,240
Internal service fund change in net position accounted for in business-type activities	(1,106,137)

Change in net position of governmental activities \$ 54,516,146

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

CITY OF FLINT, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 6,770,300	\$ 6,770,300	\$ 6,330,875	\$ (439,425)
Income taxes	14,000,000	14,000,000	18,700,983	4,700,983
Cable franchise fees	950,000	950,000	794,297	(155,703)
State sources	21,730,299	21,730,299	20,309,952	(1,420,347)
Charges for services	6,945,965	6,945,965	7,884,426	938,461
Fines and forfeitures	700	700	-	(700)
Licenses and permits	50,000	50,000	66,443	16,443
Investment appreciation	57,307	57,307	1,015,205	957,898
Other revenues	207,510	207,510	1,292,820	1,085,310
Total revenues	<u>50,712,081</u>	<u>50,712,081</u>	<u>56,395,001</u>	<u>5,682,920</u>
Expenditures				
Current:				
Legislative :				
City council	1,053,022	1,053,022	955,752	(97,270)
General government:				
Mayor's office	1,101,780	1,101,780	1,000,925	(100,855)
Finance	6,365,104	6,365,104	5,738,494	(626,610)
Clerk	1,610,932	1,610,932	1,252,137	(358,795)
Law office	1,505,162	1,505,162	1,277,717	(227,445)
Human resources	934,505	934,505	774,848	(159,657)
General government	7,022,921	7,022,921	7,475,143	452,222
City administrator	512,326	512,326	468,399	(43,927)
Total general government	<u>19,052,730</u>	<u>19,052,730</u>	<u>17,987,663</u>	<u>(1,065,067)</u>
Judicial:				
68th district court	1,417,000	1,417,000	1,097,668	(319,332)
Public safety:				
Police	26,807,817	26,807,817	24,931,026	(1,876,791)
Fire	13,292,855	13,292,855	12,648,006	(644,849)
Total public safety	<u>40,100,672</u>	<u>40,100,672</u>	<u>37,579,032</u>	<u>(2,521,640)</u>
Community development	1,528,016	1,528,016	1,291,421	(236,595)
Facilities maintenance	1,638,908	1,726,708	1,717,078	(9,630)
Debt service:				
Principal	-	-	58,593	58,593
Interest and other fiscal charges	-	-	6,788	6,788
Total debt service	<u>-</u>	<u>-</u>	<u>65,381</u>	<u>65,381</u>
Total expenditures	<u>64,790,348</u>	<u>64,878,148</u>	<u>60,693,995</u>	<u>(4,184,153)</u>
Revenues over (under) expenditures	<u>(14,078,267)</u>	<u>(14,166,067)</u>	<u>(4,298,994)</u>	<u>9,867,073</u>
Other financing sources (uses)				
Issuance of debt	-	-	273,063	273,063
Transfers out	(15,641)	(265,641)	(265,641)	-
Total other financing sources (uses)	<u>(15,641)</u>	<u>(265,641)</u>	<u>7,422</u>	<u>273,063</u>
Net change in fund balance	<u>(14,093,908)</u>	<u>(14,431,708)</u>	<u>(4,291,572)</u>	<u>10,140,136</u>
Fund balance, beginning of year	19,132,261	19,132,261	19,132,261	-
Fund balance, end of year	<u>\$ 5,038,353</u>	<u>\$ 4,700,553</u>	<u>\$ 14,840,689</u>	<u>\$ 10,140,136</u>

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

CITY OF FLINT, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Grants Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal sources	\$ -	\$ 50,482,710	\$ 10,430,842	\$ (40,051,868)
State sources	-	23,975,420	736,840	(23,238,580)
Charges for services	-	505,000	2,209,062	1,704,062
Local contributions	-	17,641,960	2,609,932	(15,032,028)
Investment appreciation	-	201,120	197,101	(4,019)
Other revenues	-	450	734	284
Total revenues	-	92,806,660	16,184,511	(76,622,149)
Expenditures				
Current:				
General government:				
Human resources	-	227,821	780	(227,041)
City administrator	-	944,439	81,772	(862,667)
Total general government	-	1,172,260	82,552	(1,089,708)
Public safety:				
Police	-	7,012,249	2,093,633	(4,918,616)
Fire	-	2,020	-	(2,020)
Total public safety	-	7,014,269	2,093,633	(4,920,636)
Public works	-	20,077,241	14,495	(20,062,746)
Community development	-	49,606,223	11,371,784	(38,234,439)
Debt service:				
Principal	-	1,895,000	1,895,000	-
Interest and other fiscal charges	-	221,245	168,651	(52,594)
Total debt service	-	2,116,245	2,063,651	(52,594)
Total expenditures	-	79,986,238	15,626,115	(64,360,123)
Revenues over (under) expenditures	-	12,820,422	558,396	(12,262,026)
Other financing sources				
Transfers in	-	15,641	15,641	-
Net change in fund balance	-	12,836,063	574,037	(12,262,026)
Fund balance (deficit), beginning of year	-	(3,358,664)	(3,358,664)	-
Fund balance (deficit), end of year	\$ -	\$ 9,477,399	\$ (2,784,627)	\$ (12,262,026)

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

CITY OF FLINT, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Major Streets Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
State sources	\$ 11,947,316	\$ 11,947,316	\$ 12,123,624	\$ 176,308
Charges for services	21,500	21,500	19,291	(2,209)
Investment appreciation	13,192	13,192	285,787	272,595
Other revenues	82,500	82,500	194,323	111,823
Total revenues	<u>12,064,508</u>	<u>12,064,508</u>	<u>12,623,025</u>	<u>558,517</u>
Expenditures				
Current:				
Public works:				
Streets	17,038,074	18,393,785	9,042,073	(9,351,712)
Debt service:				
Principal	177,183	177,183	177,183	-
Interest and other fiscal charges	4,070	4,070	4,070	-
Total expenditures	<u>17,219,327</u>	<u>18,575,038</u>	<u>9,223,326</u>	<u>(9,351,712)</u>
Net change in fund balance	(5,154,819)	(6,510,530)	3,399,699	9,910,229
Fund balance, beginning of year	<u>20,443,930</u>	<u>20,443,930</u>	<u>20,443,930</u>	<u>-</u>
Fund balance, end of year	<u>\$ 15,289,111</u>	<u>\$ 13,933,400</u>	<u>\$ 23,843,629</u>	<u>\$ 9,910,229</u>

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

CITY OF FLINT, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - American Rescue Plan Act Special Revenue Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal sources	\$ -	\$ 91,376,671	\$ 13,574,993	\$ (77,801,678)
Other revenues	-	-	5,000	5,000
Total revenues	-	91,376,671	13,579,993	(77,796,678)
Expenditures				
Current:				
General government	-	44,699,095	13,579,993	(31,119,102)
Net change in fund balance	-	46,677,576	-	(46,677,576)
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ 46,677,576	\$ -	\$ (46,677,576)

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

CITY OF FLINT, MICHIGAN

Statement of Net Position

Proprietary Funds
June 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer	Water	Totals	Internal Service Funds
Assets				
Current assets:				
Cash and investments	\$ 41,534,776	\$ 6,395,139	\$ 47,929,915	\$ 30,409,504
Accounts receivable, net	11,227,969	11,585,089	22,813,058	4,648
Due from other governments	4,518,799	9,816,553	14,335,352	25,408
Due from GLWA	-	2,589,561	2,589,561	-
Inventory	782,389	299,683	1,082,072	125,223
Prepays	15,065	3,906,889	3,921,954	812,858
Total current assets	58,078,998	34,592,914	92,671,912	31,377,641
Noncurrent assets:				
Due from GLWA, net of current portion	-	88,319,614	88,319,614	-
Right to use asset	-	2,673,439	2,673,439	-
Restricted cash and investments	6,931,753	-	6,931,753	-
Capital assets not being depreciated/amortized	59,164,683	15,182,500	74,347,183	2,656,411
Capital assets being depreciated/amortized, net	47,420,234	153,435,969	200,856,203	9,682,316
Total noncurrent assets	113,516,670	259,611,522	373,128,192	12,338,727
Total assets	171,595,668	294,204,436	465,800,104	43,716,368
Deferred outflows of resources				
Deferred pension amounts	3,089,895	2,506,896	5,596,791	-
Liabilities				
Current liabilities:				
Accounts payable	5,815,746	5,900,063	11,715,809	3,716,472
Accrued liabilities	73,937	43,198	117,135	156,658
Deposits payable	-	1,331,116	1,331,116	-
Accrued interest	196,939	-	196,939	37,967
Current portion of claims payable	-	-	-	2,625,561
Current portion of compensated absences	29,028	17,682	46,710	-
Current portion of bonds, notes and other long-term liabilities	1,426,250	2,669,651	4,095,901	1,053,572
Total current liabilities	7,541,900	9,961,710	17,503,610	7,590,230
Noncurrent liabilities:				
Claims payable, net of current portion	-	-	-	1,797,464
Compensated absences, net of current portion	309,592	188,582	498,174	-
Bonds, notes and other long-term liabilities, net of current portion	39,949,829	91,051,148	131,000,977	456,483
Net pension liability	43,612,939	35,384,083	78,997,022	-
Total OPEB liability	18,739,638	15,011,860	33,751,498	-
Total noncurrent liabilities	102,611,998	141,635,673	244,247,671	2,253,947
Total liabilities	110,153,898	151,597,383	261,751,281	9,844,177
Deferred inflows of resources				
Deferred pension amounts	205,356	166,610	371,966	-
Net position				
Net investment in capital assets	59,962,423	165,548,171	225,510,594	10,828,672
Unrestricted (deficit)	4,363,886	(20,600,832)	(16,236,946)	23,043,519
Total net position	\$ 64,326,309	\$ 144,947,339	\$ 209,273,648	\$ 33,872,191

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

CITY OF FLINT, MICHIGAN

Reconciliation

Net Position of Enterprise Funds
to Net Position of Business-type Activities
June 30, 2023

Net position - total enterprise funds \$ 209,273,648

Amounts reported for *business-type activities* in the statement of net position are different because:

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

Net position of business-type activities accounted for in governmental activities internal service funds 6,665,245

Net position of business-type activities \$ 215,938,893

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

CITY OF FLINT, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer	Water	Totals	Internal Service Funds
Operating revenues				
Charges for services	\$ 26,350,406	\$ 31,294,444	\$ 57,644,850	\$ 41,279,138
Other	806,227	63,329	869,556	24,227,012
Total operating revenues	<u>27,156,633</u>	<u>31,357,773</u>	<u>58,514,406</u>	<u>65,506,150</u>
Operating expenses				
Salaries and benefits	9,431,976	4,989,059	14,421,035	3,950,886
Supplies	935,165	1,022,998	1,958,163	1,269,286
Contractual services	2,355,066	935,568	3,290,634	3,556,752
Utilities	1,670,805	492,689	2,163,494	-
Equipment operation	492,145	289,912	782,057	-
Repairs and maintenance	1,113,014	103,281	1,216,295	152,774
Insurance	-	-	-	1,506,655
Costs of materials and services rendered	-	12,736,873	12,736,873	-
Retirement, OPEB and fringes	-	-	-	49,150,472
Bad debts	4,308,020	4,648,751	8,956,771	-
Other	(369,332)	2,014,618	1,645,286	345,547
Depreciation/amortization	3,933,472	4,950,689	8,884,161	3,001,538
Total operating expenses	<u>23,870,331</u>	<u>32,184,438</u>	<u>56,054,769</u>	<u>62,933,910</u>
Operating income (loss)	<u>3,286,302</u>	<u>(826,665)</u>	<u>2,459,637</u>	<u>2,572,240</u>
Nonoperating revenues (expenses)				
Investment appreciation	727,155	211,181	938,336	758,563
Interest expense and fees	(579,386)	-	(579,386)	(108,685)
Loss on sale of capital assets	(185,661)	(602,834)	(788,495)	(415,669)
Total nonoperating revenues (expenses)	<u>(37,892)</u>	<u>(391,653)</u>	<u>(429,545)</u>	<u>234,209</u>
Income (loss) before transfers and capital contributions	<u>3,248,410</u>	<u>(1,218,318)</u>	<u>2,030,092</u>	<u>2,806,449</u>
Transfers				
Transfers in	214,198	1,870,931	2,085,129	1,552,989
Transfers out	-	-	-	(214,198)
Total transfers	<u>214,198</u>	<u>1,870,931</u>	<u>2,085,129</u>	<u>1,338,791</u>
Capital contributions				
Federal	688,598	-	688,598	-
State	4,085,590	12,008,645	16,094,235	-
Total capital contributions	<u>4,774,188</u>	<u>12,008,645</u>	<u>16,782,833</u>	<u>-</u>
Change in net position	<u>8,236,796</u>	<u>12,661,258</u>	<u>20,898,054</u>	<u>4,145,240</u>
Net position, beginning of year	<u>56,089,513</u>	<u>132,286,081</u>	<u>188,375,594</u>	<u>29,726,951</u>
Net position, end of year	<u>\$ 64,326,309</u>	<u>\$ 144,947,339</u>	<u>\$ 209,273,648</u>	<u>\$ 33,872,191</u>

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

CITY OF FLINT, MICHIGAN

Reconciliation

Change in Net Position of Enterprise Funds
to Change in Net Position of Business-type Activities
For the Year Ended June 30, 2023

Change in net position - total enterprise funds \$ 20,898,054

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

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

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

1,106,137

Change in net position of business-type activities

\$ 22,004,191

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

CITY OF FLINT, MICHIGAN

Statement of Cash Flows

Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer	Water	Totals	Internal Service Funds
Cash flows from operating activities				
Cash received from customers	\$ 25,346,092	\$ 29,305,103	\$ 54,651,195	\$ -
Cash received from interfund services	-	-	-	65,508,459
Cash payments for goods and services	(6,621,515)	(17,051,870)	(23,673,385)	(56,480,974)
Cash payments to employees	(13,571,337)	(9,900,577)	(23,471,914)	(4,232,719)
Net cash provided by (used in) operating activities	<u>5,153,240</u>	<u>2,352,656</u>	<u>7,505,896</u>	<u>4,794,766</u>
Cash flows from noncapital financing activities				
Payments received from GLWA	-	2,470,003	2,470,003	-
Transfers in	214,198	-	214,198	-
Transfers out	-	-	-	(214,198)
Net cash flows provided by (used in) noncapital financing activities	<u>214,198</u>	<u>2,470,003</u>	<u>2,684,201</u>	<u>(214,198)</u>
Cash flows from capital and related financing activities				
Capital contributions	6,778,841	8,541,658	15,320,499	-
Acquisition/construction of capital assets	(27,452,281)	(13,758,139)	(41,210,420)	(4,981,818)
Proceeds from issuance of bonds, notes and other long-term liabilities	19,461,688	-	19,461,688	-
Principal paid on bonds, notes and other long-term liabilities	(733,000)	(2,546,395)	(3,279,395)	(990,641)
Interest paid	(486,564)	-	(486,564)	(70,718)
Net cash provided by (used in) capital and related financing activities	<u>(2,431,316)</u>	<u>(7,762,876)</u>	<u>(10,194,192)</u>	<u>(6,043,177)</u>
Cash flows from investing activities				
Investment appreciation	727,155	211,181	938,336	758,563
Net change in cash and investments	<u>3,663,277</u>	<u>(2,729,036)</u>	<u>934,241</u>	<u>(704,046)</u>
Cash and investments, beginning of year	44,803,252	9,124,175	53,927,427	31,113,550
Cash and investments, end of year	<u>\$ 48,466,529</u>	<u>\$ 6,395,139</u>	<u>\$ 54,861,668</u>	<u>\$ 30,409,504</u>
Reconciliation to statement of net position				
Cash and investments	\$ 41,534,776	\$ 6,395,139	\$ 47,929,915	\$ 30,409,504
Restricted cash and investments	6,931,753	-	6,931,753	-
	<u>\$ 48,466,529</u>	<u>\$ 6,395,139</u>	<u>\$ 54,861,668</u>	<u>\$ 30,409,504</u>

continued...

CITY OF FLINT, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer	Water	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 3,286,302	\$ (826,665)	\$ 2,459,637	\$ 2,572,240
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Bad debts	4,308,020	4,648,751	8,956,771	-
Depreciation/amortization	3,933,472	4,950,689	8,884,161	3,001,538
Change in operating assets and liabilities that provided (used) cash:				
Accounts receivable	(1,810,541)	(2,075,438)	(3,885,979)	(4,069)
Due from other governments	-	-	-	6,378
Inventory	24,142	(41,628)	(17,486)	22,315
Prepays	(5,065)	(91,396)	(96,461)	98,071
Right to use asset	-	106,938	106,938	-
Accounts payable	(425,978)	3,011,755	2,585,777	(56,097)
Accrued liabilities	14,074	9,363	23,437	(281,833)
Due to other governments	(17,751)	(2,441,600)	(2,459,351)	(22,739)
Claims payable	-	-	-	(541,038)
Deposits	-	22,768	22,768	-
Compensated absences	59,648	32,830	92,478	-
Change in net pension liability	9,554,399	6,446,347	16,000,746	-
Change in deferred outflows - pensions	(935,587)	(676,494)	(1,612,081)	-
Change in deferred inflows - pensions	(895,552)	(768,773)	(1,664,325)	-
Change in total OPEB liability	(11,936,343)	(9,954,791)	(21,891,134)	-
Net cash provided by (used in) operating activities	<u>\$ 5,153,240</u>	<u>\$ 2,352,656</u>	<u>\$ 7,505,896</u>	<u>\$ 4,794,766</u>
Noncash capital and related financing activities				
Purchase of capital assets through issuance of debt	\$ -	\$ -	\$ -	\$ 166,378
Capital assets transferred from governmental activities	\$ -	\$ 1,870,931	\$ 1,870,931	\$ 1,552,989

concluded

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

CITY OF FLINT, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2023

	Custodial Funds
Assets	
Cash and cash equivalents	\$ 7,117,945
Loans receivable	75,000
Total assets	<u>7,192,945</u>
Liabilities	
Accounts payable	7,985
Undistributed receipts	6,628,000
Due to other governments	106
Total liabilities	<u>6,636,091</u>
Net position	
Restricted for:	
Individuals, organizations, and other governments	<u>\$ 556,854</u>

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

CITY OF FLINT, MICHIGAN

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2023

	Custodial Funds
Additions	
Investment appreciation	\$ 62
Other taxes collected for other governments	<u>34,105,044</u>
Total additions	34,105,106
Deductions	
Payments of other taxes to other governments	<u>34,105,044</u>
Change in net position	62
Net position, beginning of year	<u>556,792</u>
Net position, end of year	<u><u>\$ 556,854</u></u>

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

This page intentionally left blank.

COMPONENT UNITS

CITY OF FLINT, MICHIGAN

Combining Statement of Net Position

Discretely Presented Component Units

June 30, 2023

	Downtown Development Authority	Economic Development Corporation	Hurley Medical Center	Totals
Assets				
Cash and investments	\$ 467,762	\$ 455,332	\$ 90,729,270	\$ 91,652,364
Receivables, net	1,059,777	7,007,613	69,472,744	77,540,134
Other assets	31,019	-	11,072,174	11,103,193
Restricted cash and investments	-	930,175	152,389,049	153,319,224
Investment in joint venture	-	-	7,306,377	7,306,377
Capital assets not being depreciated/amortized	4,878,067	93,860	15,598,796	20,570,723
Capital assets being depreciated/amortized, net	6,970,319	171,973	119,181,287	126,323,579
Net OPEB asset	-	-	11,016,662	11,016,662
Total assets	13,406,944	8,658,953	476,766,359	498,832,256
Deferred outflows of resources				
Deferred charge on refunding	38,101	15,489	1,139,436	1,193,026
Deferred pension amounts	-	-	73,891,851	73,891,851
Deferred OPEB amounts	-	-	4,034,522	4,034,522
Total deferred outflows of resources	38,101	15,489	79,065,809	79,119,399
Liabilities				
Accounts payable and accrued liabilities	1,315,820	82,410	118,090,904	119,489,134
Bonds, notes and other long-term liabilities:				
Due within one year	544,939	232,686	5,750,591	6,528,216
Due in more than one year	5,522,264	6,920,295	79,922,413	92,364,972
Net pension liability (due in more than one year)	-	-	264,029,887	264,029,887
Total liabilities	7,383,023	7,235,391	467,793,795	482,412,209
Deferred inflows of resources				
Deferred pension amounts	-	-	3,180,277	3,180,277
Deferred OPEB amounts	-	-	21,019,774	21,019,774
Deferred lease amounts	-	287,993	1,916,303	2,204,296
Total deferred inflows of resources	-	287,993	26,116,354	26,404,347
Net position				
Net investment in capital assets	5,819,284	265,833	50,096,515	56,181,632
Restricted	-	867,891	2,095,921	2,963,812
Unrestricted	242,738	17,334	9,729,583	9,989,655
Total net position	\$ 6,062,022	\$ 1,151,058	\$ 61,922,019	\$ 69,135,099

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

CITY OF FLINT, MICHIGAN

Combining Statement of Activities

Discretely Presented Component Units
For the Year Ended June 30, 2023

	Downtown Development Authority	Economic Development Corporation	Hurley Medical Center	Totals
Expenses				
Downtown Development Authority	\$ 2,401,591	\$ -	\$ -	\$ 2,401,591
Economic Development Corporation	-	860,607	-	860,607
Hurley Medical Center	-	-	542,733,342	542,733,342
Total expenses	<u>2,401,591</u>	<u>860,607</u>	<u>542,733,342</u>	<u>545,995,540</u>
Program revenues				
Charges for services	1,263,660	307,377	393,091,867	394,662,904
Operating grants and contributions	149,999	-	92,360,648	92,510,647
Total program revenues	<u>1,413,659</u>	<u>307,377</u>	<u>485,452,515</u>	<u>487,173,551</u>
Net program revenue (expense)	<u>(987,932)</u>	<u>(553,230)</u>	<u>(57,280,827)</u>	<u>(58,821,989)</u>
General revenues				
Property taxes	849,475	-	-	849,475
Unrestricted investment appreciation	-	26,461	1,552,758	1,579,219
Other revenue	7,045	11,488	215,594	234,127
Total general revenues	<u>856,520</u>	<u>37,949</u>	<u>1,768,352</u>	<u>2,662,821</u>
Change in net position	<u>(131,412)</u>	<u>(515,281)</u>	<u>(55,512,475)</u>	<u>(56,159,168)</u>
Net position, beginning of year, as restated	<u>6,193,434</u>	<u>1,666,339</u>	<u>117,434,494</u>	<u>125,294,267</u>
Net position, end of year	<u>\$ 6,062,022</u>	<u>\$ 1,151,058</u>	<u>\$ 61,922,019</u>	<u>\$ 69,135,099</u>

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

This page intentionally left blank.

NOTES TO FINANCIAL STATEMENTS

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City of Flint, Michigan (the "City") conform in all material respects to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). Following is a summary of the significant policies:

Reporting Entity

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The financial data of the component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Discretely Presented Component Units

Discretely presented component units are entities that are legally separate from the City but for which the City is financially accountable, or their relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The discretely presented component units, each with a June 30 fiscal year end, are as follows:

The Flint Downtown Development Authority (the "DDA") was created under state law to promote and rehabilitate the downtown area. The DDA sponsors downtown events and manages parking facilities. State law provides for a specific tax levy for the operations of the DDA. The City appoints the board and has to approve the annual budget and the issuance of any debt. Any surplus funds remaining at the termination of the DDA vest to the City. The DDA has both governmental and business-type activities.

The Flint Economic Development Corporation (the "EDC") was created under state law to provide financing and development opportunities for businesses located within the City. The City appoints the board. The EDC provides loans to start-up or expanding businesses and manages rental property that leases space to commercial and light industrial manufacturing companies. Surplus funds existing at the termination of the EDC vest to the City. The EDC has both governmental and business-type activities. The EDC does not issue a separate audit report.

The Hurley Medical Center (the "HMC" or the "Medical Center") provides inpatient, outpatient, and emergency care services in Genesee and surrounding counties. The financial statements present HMC and its wholly owned subsidiary, Hurley Health Services, Inc., on a consolidated basis. HMC is the sole member of Hurley Health Services, Inc. (HHS), a municipal support organization organized on a non-profit, non-stock membership basis. HHS, on a consolidated basis, is comprised of two non-profit entities (HHS and The Hurley Clinics, THC) and one "for-profit" corporation (Hurley Practice Management Services). HHS began operations January 1, 1998. The City appoints the board of directors and there is an ongoing financial benefit/burden relationship between the City and Hurley Medical Center. HMC is presented as a governmental activity.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Component Unit Financial Statements

Complete financial statements for the individual component units may be obtained from each entity's administrative offices.

Flint Downtown Development Authority
Suite 206
412 S. Saginaw Street
Flint, Michigan 48502

Hurley Medical Center
One Hurley Plaza
Flint, Michigan 48503

Joint Ventures

The Hurley Medical Center participates in a privately held joint venture. The corporate joint venture is recorded in the financial statements under the equity method of accounting. Joint venture financial statements can be obtained by contacting the Medical Center. The Medical Center is unaware of any circumstances that would cause an additional financial benefit or burden to the Medical Center in the near future.

Genesys Hurley Cancer Institute (GHCI) is a joint venture between Hurley Medical Center and Genesys Regional Medical Center. The venture was established during 2001 to provide outpatient oncology services, including laboratory and radiation oncology. The Medical Center's net investment at June 30, 2023 was \$7,306,377. The arrangement provides that the two entities will share equally in the income or losses of the joint venture. The equity gain (loss) to the Medical Center from this joint venture was \$186,554 for the year ended June 30, 2023, and is included in other revenue (expense) on the statement of activities. No distributions were made to the Medical Center during the year ended June 30, 2023. GHCI paid the Medical Center \$636,058 for leased employees for the year ended June 30, 2023. The following is a summary of financial position and results of operations of GHCI as of and for the year ended June 30, 2023 (in thousands):

Total assets	\$	17,712
Total liabilities		<u>3,093</u>
Net assets	\$	<u><u>14,619</u></u>
Operating revenues	\$	8,653
Operating expenses		<u>8,777</u>
Operating income (loss)		(124)
Nonoperating income (expense)		<u>684</u>
Excess of revenue over expense	\$	<u><u>560</u></u>

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues reported in the governmental funds to be available if they are collected within three months after year-end, except for income taxes that use a 45-day collection period and property taxes that use a 60-day collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all the financial resources of the primary government, except those accounted for and reported in another fund.

The *grants fund* accounts for entitlement and specific purpose grants received from the U.S. Department of Housing and Urban Development and other grantors.

The *major streets fund* accounts for the maintenance and improvement activities for streets designated as "major" within the City. Funding is primarily through state-shared gas and weight taxes.

The *American Rescue Plan Act fund* accounts for receipt and use of the funds related to the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds.

The City reports the following major enterprise funds:

The *sewer fund* accounts for the activities of the City's sewage disposal and treatment system.

The *water fund* accounts for the activities of the City's water distribution and treatment system.

Additionally, the City reports the following fund types:

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects and require separate accounting because of legal or regulatory provisions or administrative requirements.

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal, interest and related costs.

Internal service funds account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

Custodial funds. The custodial funds account for assets held by the City in a fiduciary capacity.

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

The City allocates indirect expenses primarily comprised of central governmental services to operating functions and programs benefiting from those services. Central services include City management, accounting, financial reporting, customer service center, procurement contracting and oversight, payroll, personnel services, and other central administrative services. Allocations are charged to programs based on use of central services determined by various allocating methodologies. These charges are separately reported in the statement of activities.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

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

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

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Property Tax Revenue

Property taxes are levied on each July 1 on the taxable valuation of property as of the preceding December 31 and are payable in two installments. Summer taxes are considered delinquent on September 1, at which time penalties and interest are assessed. Winter taxes are considered delinquent on February 15 of the following year, at which time a 3 percent penalty is assessed. Summer and winter taxes (including any penalty and interest) are turned over to Genesee County for collection.

The City 2022 tax is levied and collectible on July 1, 2022 and is recognized as revenue in the year ended June 30, 2023, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2022 taxable valuation of the City totaled approximately \$835 million, on which taxes levied consisted of 7.5 mills for operating purposes, 2.5 mills for public improvement, 0.5 mills for parks and recreation, 6.0 for public safety, and 2.0 mills for neighborhood police.

Notes to Financial Statements

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Deposits and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments. The State's Pension Investment Act, as amended, authorizes the pension trust fund to invest in common stocks, real estate, and various other investment instruments, subject to certain limitations.

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have established market values are reported at estimated fair value. Cash deposits are reported at carrying amounts, which reasonably approximates fair value.

Restricted Cash and Investments

The American Rescue Plan Act fund restricted cash and investments relates to advanced grant funds received restricted to use under the American Rescue Plan Act. Restricted cash and investments in the sewer fund consists of amounts restricted for operations and maintenance and bond redemption in accordance with the terms of the Junior Lien Revenue Bonds, SRF Series 2020 and 2021. Restricted assets recorded in the Hurley Medical Center discretely presented component unit consist of (1) proceeds of debt issues and funds of HMC deposited with a trustee and limited to use in accordance with the requirements of an indenture (2) assets restricted by outside donors.

Receivables and Payables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Inventories and Prepaids

All inventories are valued at cost using the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financials.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Restricted Deposits Held by Others

Amounts consist of deposits paid by the City for the Bertson Field House improvements that have not been started during the year. These amounts will be reported in restricted fund balance at year-end.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets having a useful life in excess of one year and whose costs exceed \$25,000 or more (\$5,000 or more for federal grant purchased assets). Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are recorded at their estimated acquisition cost as of the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the asset constructed.

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

	Years
Land improvements	5-50
Buildings	50
Building improvements	40-50
Improvements other than buildings	5-50
Public domain infrastructure	10-50
Water and sewer infrastructure	10-50
Machinery and equipment	3-20
Other furnishings	5-7

Leases

Lessee. The City is a lessee for several noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$25,000 or more (\$5,000 or more for federal grant purchased assets).

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

Notes to Financial Statements

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

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

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

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

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

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

Subscription-Based Information Technology Arrangements (SBITA)

The City has noncancellable subscription-based information technology arrangements. The City recognizes a subscription liability and an intangible right-to-use subscription asset in the financial statements. The City recognizes subscription liabilities with an initial, individual value of \$25,000 or more (\$5,000 or more for federal grant purchased assets).

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

Notes to Financial Statements

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

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

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources until then. The City reports deferred outflows for the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also reports deferred outflows of resources related to the pension and OPEB plans.

Compensated Absences

The City's policy concerning compensated absences changed as of July 1, 2014. All time off including vacation, personal time as well as health, maternity leave and FMLA was reclassified to paid time off (PTO). All employees had up to 200 hours of their accumulated annual bank placed in the employee's maximum accumulation hours bank. PTO time in excess of 200 hours was placed in a holding bank to be paid out at retirement, death, termination of employment at the rate of 100% of the employee's straight time hourly rate in effect as of July 1, 2014. Such payment shall not be included as final average compensation for the purpose of computing retirement benefits. PTO time is computed and accrued on a basis of each payroll period that a regular employee has at least 72 straight time hours or a part time employee has at least 29 straight time hours. PTO time is based on City seniority as defined in the article entitled Seniority of this Agreement.

Unearned Revenue

Within the government-wide statement of net position and the grants and American Rescue Plan Act special revenue funds balance sheet, grant moneys received in advance of incurring eligible expenditures is recorded as unearned revenue.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expense when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has deferred inflows of resources related to the pension and OPEB plans as well as lease agreements. The deferred lease amounts are amortized over the remaining life of the lease. The governmental funds also report unavailable revenues, which arise only under a modified accrual basis of accounting, that are reported as deferred inflows of resources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Balances

Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. *Committed fund balance* is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-makers, the City Council. A formal resolution of the City Council is required to establish, modify, or rescind a fund balance commitment. The City reports *assigned fund balance* for amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. The City Council has not delegated the authority to assign fund balance. Unassigned fund balance is the residual classification for the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers. The amounts recorded as subsidies or advances are determined by the City. Balances outstanding at year-end are reported as due to/from other funds. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. Internal service funds are used to record charges for services to all City departments and funds as transfers or operating revenue. All City funds record these payments to the internal service funds as transfers or operating expenditures/expenses. The general fund records charges for services to funds as operating revenue. All City funds record these payments to the general fund as operating expenditures/expenses.

Pensions and Other Postemployment Benefits

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

Use of Estimates

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

Hurley Medical Center – Patient Accounts Receivable

Patient accounts receivable at June 30, 2023 and revenue for the year then ended include estimated amounts due from various third party payors which are computed in accordance with their respective reimbursement formulas. In addition, the Medical Center has established an estimated allowance for uncollectible accounts of approximately \$8,000,000 for 2023. The Medical Center grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements.

Hurley Medical Center – Net Patient Service Revenue

The Medical Center has agreements with third-party payers that provide for payments to the Medical Center at amounts different from its established rates. Cost report settlements result from the adjustment of interim payments to final reimbursement under the Medicare, Medicaid, and Blue Cross/Blue Shield of Michigan programs and are subject to audit by fiscal intermediaries. The Medical Center recognized an insignificant decrease in net patient service revenue during the year ended June 30, 2023 as a result of unfavorable and favorable changes to prior year settlement estimates and activity.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Hurley Medical Center – Charity Care

The Medical Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Charity care is determined based on established policies, using patient income and assets to determine payment ability. The amount reflects the cost of free or discounted health services, net of contributions and other revenue received, as direct assistance for the provision of charity care. The estimated cost of providing charity services is based on data derived from the Medical Center's cost accounting system using the ratio of cost to charges.

2. BUDGETARY INFORMATION

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

1. On June 6, 2022, the City Council approved adopting the operating budget for the fiscal year commencing the following July 1. The legally adopted operating budgets included expenditures and the means of financing them for the general and special revenue funds (these funds are required to have budgets per Michigan law). Informational summaries of projected revenue and expenditures/expenses were provided for all City funds, as well as estimated total costs and proposed methods of financing all capital construction projects.
2. Department heads are authorized to transfer budgeted amounts with departmental appropriation accounts, except as those designated by the City's "Amendment of Adopted Budgets" ordinance. Revisions that require Council approval must be adopted by resolution.
3. Formal budgetary integration was employed as a management control device during the year for all budgetary funds. Also, all budgets, except for the grant funds, were adopted on a basis consistent with generally accepted accounting principles. The grant budgets were rolled from the prior year based on the budget balances of the grants at year end. Budget appropriations lapse at year end.
4. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end do not constitute expenditures or liabilities because the goods or services have not been received as of year-end; the commitments will be re-appropriated and honored during the subsequent year.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Expenditures in Excess of Appropriations

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. Excess of expenditures or transfers out over appropriated amounts in individual funds are as follows:

	Final Budget	Actual	Over Budget
General fund			
General government:			
General government	\$ 7,022,921	\$ 7,475,143	\$ 452,222
Debt service:			
Principal	-	58,593	58,593
Interest and other fiscal charges	-	6,788	6,788

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

4. DEPOSITS AND INVESTMENTS

State of Michigan statutes authorize the City to invest in bonds and other direct and certain indirect obligations of the US Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a member of the Federal Deposit Insurance Corporation, or National Credit Union Administration; and commercial paper must be rated within the two highest classifications established by not less than two standard rating services. The City is also authorized to invest in U.S. government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds comprised of investments as outlined above. The City's investment policy allows for all of these types of investments.

As of June 30, 2023, the City's deposits and investments were reported in the basic financial statements in the following categories:

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and investments	\$ 142,498,272	\$ 91,652,364	\$ 234,150,636
Restricted cash and investments	83,661,551	153,319,224	236,980,775
	226,159,823	244,971,588	471,131,411
Statement of Fiduciary Net Position			
Custodial funds:			
Cash and cash equivalents	7,117,945	-	7,117,945
Total	\$ 233,277,768	\$ 244,971,588	\$ 478,249,356
Deposits and investments			
Bank deposits (checking and savings accounts)			\$ 207,779,470
Certificates of deposit with maturities less than one year			11,590,402
Certificates of deposit with maturities greater than one year			20,784,393
Investments:			
Commercial paper		963,746	
Treasury obligations		88,611,888	
U.S. government bonds		13,605,863	
Money market accounts		2,166,334	
Municipal bonds		8,646,937	
Michigan CLASS		33,360,889	
Total investments			147,355,657
Hurley Medical Center restricted cash and investments			90,729,270
Cash on hand			10,164
Total			\$ 478,249,356

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Investment and Deposit Risk

Interest Rate Risk. Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. State law limits investment maturities for commercial paper to no more than 270 days after date of purchase. The City's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest. The City's weighted average maturity dates are disclosed below:

	Fair Value	Weighted Average Maturity (Years)
U.S. government bonds	\$ 13,605,863	3.28
Municipal bonds	<u>8,646,937</u>	6.92
Total	<u>\$ 22,252,800</u>	

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investments. Commercial paper must be rated within the two highest classifications established by not less than two standard rating services. The City's investment policy does not have specific limits in excess of state law on investment credit risk. As of June 30, 2023, the City's investment ratings are disclosed below:

	Fair Value	Standard & Poor's Rating
Commercial paper	\$ 963,746	A
Treasury obligations	88,611,888	N/A
U.S. government bonds	13,605,863	N/A
Money market accounts	2,166,334	N/A
Municipal bonds	7,411,045	AA
Municipal bonds	1,235,892	A
Michigan CLASS	<u>33,360,889</u>	AAAm
Total	<u>\$ 147,355,657</u>	

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. State law does not require and the City does not have a policy for deposit custodial credit risk. As of year end, \$153,684,238 of the City's bank balance of \$155,334,238 was exposed to custodial credit risk because it was uninsured and uncollateralized.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Custodial Credit Risk – Investments. As of June 30, 20223, the City's investments consisted of mutual funds, government obligations and other assets. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that investment securities be held in third-party safekeeping by a designated institution and that the safekeeping agent follow the procedure of delivery vs. payment. As of June 30, 2023, none of the City's investments were exposed to risk since the securities are held in the City's name by the counterparty.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The City's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year end are reported above.

Fair Value Measurements. The City categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs – other than quoted prices – included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. These levels are determined by the City's management review of the type and substance of investments held by the City.

The City had the following recurring fair value measurements as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Commercial paper	\$ -	\$ 963,746	\$ -	\$ 963,746
Treasury obligations	-	88,611,888	-	88,611,888
U.S. government bonds	-	13,605,863	-	13,605,863
Municipal bonds	-	8,646,937	-	8,646,937
Total investments at fair value	\$ -	\$ 111,828,434	\$ -	111,828,434
Investments not measured at fair value:				
Money market funds (carried at amortized cost)				2,166,334
Michigan CLASS (carried at net asset value)				33,360,889
				<u>\$ 147,355,657</u>

Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. After the initial offering period, commercial paper, treasury obligations, U.S. government bonds, and municipal bonds are valued based on active trade data for comparable investments.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

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

Investments in Entities that Calculate Net Asset Value per Share

The City holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At June 30, 2023, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Carrying Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Michigan CLASS	\$ 33,360,889	-	N/A	N/A

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated A1 or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

Hurley Medical Center Component Unit

All required cash and investment disclosures for the Hurley Medical Center are available in the separately issued Hurley Medical Center financial statements.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

5. RECEIVABLES

Receivables, of which \$5,513,508 of accounts receivable, \$7,337,774 of loans receivable, \$341,080 of leases receivable, and \$5,913,528 in due from component units in governmental activities, \$88,239,524 in due from GLWA in business-type activities, and \$6,505,000 of installment sales agreement receivable and \$1,469,226 of leases receivable in the component units are not expected to be collected within one year, are as follows:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 8,140,812	\$ 49,374,835	\$ 14,437,388
Property taxes	406,991	-	-
Income taxes	14,115,528	-	-
Patient	-	-	57,904,863
Estimated third-party payor settlements	-	-	4,838,289
Loans	7,337,774	-	-
Installment sales agreement	-	-	6,710,000
Leases	349,024	-	1,675,062
Due from other governments	14,441,130	14,339,190	3,500
Due from GLWA	-	90,909,175	-
Due from component units	6,387,084	-	-
Less: allowance for uncollectibles	<u>(16,937,000)</u>	<u>(26,565,615)</u>	<u>(8,028,968)</u>
	<u>\$ 34,241,343</u>	<u>\$ 128,057,585</u>	<u>\$ 77,540,134</u>

The \$6,387,084 amount due from the DDA component unit to the City is a result of the City's issuance of bonds on the Authority's behalf for the James Rutherford Parking Deck. The Authority has pledged tax increment revenue and net operating revenue of the parking system to repay the obligations. The DDA has not been able to make the full bond payments to date and each year an amount is determined to be forgiven.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

6. INTANGIBLE ASSET - RIGHT TO USE

Effective December 1, 2017, the City, Great Lakes Water Authority ("GLWA"), Karegnondi Water Authority (KWA), Genesee County Drain Commission ("GCDC") and the State of Michigan entered into a long-term partnership agreement to satisfy a number of critical water service needs across the region. Key provisions of a master agreement includes: 1) a 30-year water service contract with the City of Flint that establishes the Authority as the long-term water source for the City of Flint and credits the City of Flint for its debt service payment obligations on existing KWA bonds for the building of its raw water intake and supply line; 2) a long-term lease to GLWA of the 72-inch line serving the City of Flint; and 3) a 30-year contract for reciprocal, emergency water services between GLWA and GCDC.

The 30-year water service contract with the City includes a license to raw water rights of 18 MGD purchased by Flint as part of KWA bond obligation of which 97% (17.46 MGD) was transferred to GLWA through an agreement between GLWA and the City (see FN 9). The remaining 3% constitute an intangible right to use asset for the City under governmental accounting standards. The City is amortizing the intangible asset over the agreement period of 30 years.

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

An interfund balance existed between governmental activities and business-type activities in the amount of \$6,665,245. This resulted from the allocation of a portion of internal service fund net position of governmental activities internal service funds to business-type activities.

Interfund transfers between the funds within the primary government were as follows:

Transfers out	Transfers In			Totals
	Grants	Nonmajor Governmental Funds	Sewer	
General fund	\$ 15,641	\$ 250,000	\$ -	\$ 265,641
Nonmajor governmental funds	-	1,698,981	-	1,698,981
Internal service funds	-	-	214,198	214,198
	<u>\$ 15,641</u>	<u>\$ 1,948,981</u>	<u>\$ 214,198</u>	<u>\$ 2,178,820</u>

Transfers are used to: (1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (3) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due. Governmental activities transferred capital assets of \$1,552,989 to internal service funds and \$1,870,931 to the water fund during 2023 for capital assets that were purchased in the grants fund initially.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

8. CAPITAL ASSETS

Capital asset activity for the current year was as follows:

Primary Government

	Beginning Balance*	Additions	Disposals	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated/amortized:					
Land	\$ 14,816,445	\$ 5,771	\$ (4,502)	\$ -	\$ 14,817,714
Construction in progress	2,893,597	6,790,285	(1,975)	(3,969,833)	5,712,074
	<u>17,710,042</u>	<u>6,796,056</u>	<u>(6,477)</u>	<u>(3,969,833)</u>	<u>20,529,788</u>
Capital assets, being depreciated/amortized:					
Land improvements	14,602,605	108,995	(6,974)	-	14,704,626
Infrastructure	392,388,276	1,158,712	(22,839,361)	2,081,125	372,788,752
Buildings, additions and improvements	23,476,105	1,221,604	(79,368)	-	24,618,341
Machinery and equipment	14,719,488	465,665	(6,933,474)	17,777	8,269,456
Vehicles	22,159,223	3,111,957	(2,915,715)	-	22,355,465
Lease equipment (Note 10)	1,612,763	264,850	-	-	1,877,613
Subscription asset (Note 11)	459,486	166,621	-	-	626,107
	<u>469,417,946</u>	<u>6,498,404</u>	<u>(32,774,892)</u>	<u>2,098,902</u>	<u>445,240,360</u>
Less accumulated depreciation/amortization for:					
Land improvements	(13,562,616)	(202,761)	5,204	-	(13,760,173)
Infrastructure	(337,968,906)	(7,209,433)	22,376,168	-	(322,802,171)
Buildings, additions and improvements	(18,805,082)	(373,716)	68,347	-	(19,110,451)
Machinery and equipment	(12,661,389)	(599,786)	6,933,474	-	(6,327,701)
Vehicles	(14,387,951)	(2,531,319)	2,664,929	-	(14,254,341)
Lease equipment (Note 10)	(724,331)	(240,101)	-	-	(964,432)
Subscription asset (Note 11)	-	(227,111)	-	-	(227,111)
	<u>(398,110,275)</u>	<u>(11,384,227)</u>	<u>32,048,122</u>	<u>-</u>	<u>(377,446,380)</u>
Total capital assets being depreciated/amortized, net	<u>71,307,671</u>	<u>(4,885,823)</u>	<u>(726,770)</u>	<u>2,098,902</u>	<u>67,793,980</u>
Governmental activities capital assets, net	<u>\$ 89,017,713</u>	<u>\$ 1,910,233</u>	<u>\$ (733,247)</u>	<u>\$ (1,870,931)</u>	<u>\$ 88,323,768</u>

* The City implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, in the current year. In accordance with this Statement, subscription assets have been added to the beginning balances shown above and in instances where these were not prepaid a corresponding subscription liability has been recorded for the same amount.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type Activities					
Capital assets,					
not being depreciated/amortized:					
Land	\$ 1,175,844	\$ -	\$ -	\$ -	\$ 1,175,844
Construction in progress	67,280,245	29,499,135	(498,759)	(23,109,282)	73,171,339
	<u>68,456,089</u>	<u>29,499,135</u>	<u>(498,759)</u>	<u>(23,109,282)</u>	<u>74,347,183</u>
Capital assets, being depreciated/amortized:					
Land improvements	6,249,260	-	-	-	6,249,260
Infrastructure	221,071,749	11,078,117	(8,187)	24,980,213	257,121,892
Buildings, additions and improvements	57,690,286	-	(865)	-	57,689,421
Machinery and equipment	116,937,127	176,477	(1,144,448)	-	115,969,156
Vehicles	4,320,334	456,691	(781,286)	-	3,995,739
	<u>406,268,756</u>	<u>11,711,285</u>	<u>(1,934,786)</u>	<u>24,980,213</u>	<u>441,025,468</u>
Less accumulated depreciation/amortization for:					
Land improvements	(3,344,191)	(173,883)	-	-	(3,518,074)
Infrastructure	(99,698,102)	(4,617,845)	4,746	-	(104,311,201)
Buildings, additions and improvements	(46,624,866)	(863,874)	865	-	(47,487,875)
Machinery and equipment	(79,111,059)	(3,160,093)	868,756	-	(81,402,396)
Vehicles	(4,151,936)	(68,466)	770,683	-	(3,449,719)
	<u>(232,930,154)</u>	<u>(8,884,161)</u>	<u>1,645,050</u>	<u>-</u>	<u>(240,169,265)</u>
Total capital assets being depreciated/amortized, net	<u>173,338,602</u>	<u>2,827,124</u>	<u>(289,736)</u>	<u>24,980,213</u>	<u>200,856,203</u>
Business-type activities capital assets, net	<u>\$ 241,794,691</u>	<u>\$ 32,326,259</u>	<u>\$ (788,495)</u>	<u>\$ 1,870,931</u>	<u>\$ 275,203,386</u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

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

Depreciation/amortization of governmental activities by function	
General government	\$ 648,226
Public works	7,442,983
Recreation and culture	291,480
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>3,001,538</u>
Total depreciation/amortization expense - governmental activities	<u><u>\$ 11,384,227</u></u>
Depreciation/amortization of business-type activities by function	
Sewer	\$ 3,933,472
Water	<u>4,950,689</u>
Total depreciation/amortization expense - business-type activities	<u><u>\$ 8,884,161</u></u>

Construction Commitments

The City has active construction projects as of June 30, 2023. The projects and City commitments with contractors were as follows:

	Spent to Date	Remaining Commitment
Water supply improvements	\$ 20,874,739	\$ 13,222,180
Road rehabilitation	2,121,613	4,608,262
Water pollution control	52,916,314	15,085,612
Planning and development	422,274	19,933
Facilities	<u>571,806</u>	<u>163,075</u>
Total	<u><u>\$ 76,906,746</u></u>	<u><u>\$ 33,099,062</u></u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Discretely Presented Component Units

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Component Unit -					
Downtown Development Authority					
Capital assets, not being depreciated/amortized -					
Land	\$ 4,878,067	\$ -	\$ -	\$ -	\$ 4,878,067
Capital assets, being depreciated/amortized:					
Land improvements	10,934,166	-	-	-	10,934,166
Parking deck and improvements	5,794,466	30,108	-	-	5,824,574
Buildings, additions and improvements	331,632	-	-	-	331,632
Machinery and equipment	1,874,977	-	-	-	1,874,977
Vehicles	45,251	-	-	-	45,251
	<u>18,980,492</u>	<u>30,108</u>	<u>-</u>	<u>-</u>	<u>19,010,600</u>
Less accumulated depreciation/amortization for:					
Land improvements	(4,655,714)	(289,355)	-	-	(4,945,069)
Parking deck and improvements	(5,692,802)	(4,539)	-	-	(5,697,341)
Buildings, additions and improvements	(61,902)	(8,291)	-	-	(70,193)
Machinery and equipment	(1,222,665)	(75,946)	-	-	(1,298,611)
Vehicles	(23,736)	(5,331)	-	-	(29,067)
	<u>(11,656,819)</u>	<u>(383,462)</u>	<u>-</u>	<u>-</u>	<u>(12,040,281)</u>
Total capital assets being depreciated/amortized, net	<u>7,323,673</u>	<u>(353,354)</u>	<u>-</u>	<u>-</u>	<u>6,970,319</u>
Downtown Development Authority capital assets, net	<u>\$ 12,201,740</u>	<u>\$ (353,354)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,848,386</u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Component Unit -					
Economic Development Corporation					
Capital assets, not being depreciated/amortized -					
Land	\$ 93,860	\$ -	\$ -	\$ -	\$ 93,860
Capital assets, being depreciated/amortized:					
Buildings	514,782	-	-	-	514,782
Building improvements	772,538	-	-	-	772,538
Machinery and equipment	276,502	-	-	-	276,502
	<u>1,563,822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,563,822</u>
Less accumulated depreciation/amortization for:					
Buildings	(514,782)	-	-	-	(514,782)
Building improvements	(582,870)	(17,695)	-	-	(600,565)
Machinery and equipment	(276,502)	-	-	-	(276,502)
	<u>(1,374,154)</u>	<u>(17,695)</u>	<u>-</u>	<u>-</u>	<u>(1,391,849)</u>
Total capital assets being depreciated/amortized, net	<u>189,668</u>	<u>(17,695)</u>	<u>-</u>	<u>-</u>	<u>171,973</u>
Economic Development Corporation capital assets, net	<u>\$ 283,528</u>	<u>\$ (17,695)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 265,833</u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

	Beginning Balance*	Additions	Disposals and Transfers	Ending Balance
Component Unit -				
Hurley Medical Center				
Capital assets, not being depreciated/amortized:				
Land	\$ 4,635,373	\$ -	\$ (99,387)	\$ 4,535,986
Construction in progress	9,001,613	21,725,028	(19,663,831)	11,062,810
	<u>13,636,986</u>	<u>21,725,028</u>	<u>(19,763,218)</u>	<u>15,598,796</u>
Capital assets, being depreciated/amortized:				
Land improvements	3,732,886	125,534	(191,081)	3,667,339
Buildings	185,918,141	11,025,951	(16,630,957)	180,313,135
Machinery and equipment	125,104,410	8,620,269	(8,557,732)	125,166,947
Automotive equipment	223,765	65,285	(29,170)	259,880
Equipment and furnishings	739,011	-	(96,680)	642,331
Leasehold improvements	274,931	-	(4,364)	270,567
Right-to-use asset - Buildings (Note 10)	5,580,887	2,431,948	(2,104,186)	5,908,649
Right-to-use asset - Equipment (Note 10)	4,623,614	52,558	(635,751)	4,040,421
Right-to-use asset - SBITA (Note 11)	6,119,650	1,015,123	(310,011)	6,824,762
	<u>332,317,295</u>	<u>23,336,668</u>	<u>(28,559,932)</u>	<u>327,094,031</u>
Less accumulated depreciation/amortization for:				
Land improvements	(2,004,167)	(273,537)	191,081	(2,086,623)
Buildings	(112,581,784)	(5,511,498)	15,157,156	(102,936,126)
Machinery and equipment	(95,520,015)	(8,099,187)	8,402,161	(95,217,041)
Automotive equipment	(173,269)	(21,115)	29,170	(165,214)
Equipment and furnishings	(652,528)	(7,448)	57,860	(602,116)
Leasehold improvements	(180,737)	(7,724)	3,193	(185,268)
Right-to-use asset - Buildings (Note 10)	(2,106,544)	(993,724)	885,031	(2,215,237)
Right-to-use asset - Equipment (Note 10)	(1,279,362)	(986,142)	509,751	(1,755,753)
Right-to-use asset - SBITA (Note 11)	(1,327,997)	(1,765,579)	344,210	(2,749,366)
	<u>(215,826,403)</u>	<u>(17,665,954)</u>	<u>25,579,613</u>	<u>(207,912,744)</u>
Total capital assets being depreciated/amortized, net	<u>116,490,892</u>	<u>5,670,714</u>	<u>(2,980,319)</u>	<u>119,181,287</u>
Hurley Medical Center capital assets, net	<u>\$ 130,127,878</u>	<u>\$ 27,395,742</u>	<u>\$ (22,743,537)</u>	<u>\$ 134,780,083</u>

* The Medical Center implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, in the current year. In accordance with this Statement, subscription assets have been added to the beginning balances shown above and in instances where these were not prepaid a corresponding subscription liability has been recorded for the same amount.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

9. BONDS, NOTES AND OTHER LONG-TERM LIABILITIES

Primary Government

The City issues bonds to provide for the acquisition and construction of major capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the City. City contractual agreements, capital leases, and installment purchase agreements are also general obligations of the City. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Long-term debt activity for the primary government for the year ended June 30, 2023 was as follows:

	Beginning Balance*	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable	\$ 11,165,000	-	\$ (715,000)	\$ 10,450,000	\$ 740,000
Direct borrowings and direct placements -					
Loans payable	9,876,942	-	(2,474,550)	7,402,392	1,177,125
Installment purchase payables	1,742,566	-	(726,532)	1,016,034	754,173
	<u>11,619,508</u>	<u>-</u>	<u>(3,201,082)</u>	<u>8,418,426</u>	<u>1,931,298</u>
Total installment debt	22,784,508	-	(3,916,082)	18,868,426	2,671,298
Bond premium	864,116	-	(78,556)	785,560	78,556
Subscription liability (Note 11)	333,546	174,590	(140,013)	368,123	218,447
Leases liability (Note 10)	383,472	264,851	(307,955)	340,368	132,182
Compensated absences	2,582,625	298,250	(159,479)	2,721,396	239,680
Total governmental activities	<u>\$ 26,948,267</u>	<u>\$ 737,691</u>	<u>\$ (4,602,085)</u>	<u>\$ 23,083,873</u>	<u>\$ 3,340,163</u>
Business-type Activities					
Direct borrowings and direct placements -					
KWA agreement payable Sewage Disposal System Junior Lien Revenue Bond, SRF Series 2020	\$ 96,267,194	\$ -	\$ (2,546,395)	\$ 93,720,799	\$ 2,669,651
Sewage Disposal System Junior Lien Revenue Bond, SRF Series 2021	22,647,391	5,640,609	(733,000)	27,555,000	750,000
	<u>-</u>	<u>13,821,079</u>	<u>-</u>	<u>13,821,079</u>	<u>676,250</u>
Total installment debt	118,914,585	19,461,688	(3,279,395)	135,096,878	4,095,901
Compensated absences	452,406	108,407	(15,929)	544,884	46,710
Total business-type activities	<u>\$ 119,366,991</u>	<u>\$ 19,570,095</u>	<u>\$ (3,295,324)</u>	<u>\$ 135,641,762</u>	<u>\$ 4,142,611</u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

For the governmental activities, compensated absences, net pension liability and total OPEB liability are generally liquidated by the general fund.

* The City implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, in the current year. In accordance with this Statement, a subscription liability has been added to the beginning balances shown above and in instances where these were not prepaid corresponding intangible subscription assets have been recorded for the same amount.

Installment debt outstanding for governmental activities as of the end of the year are as follows:

	Interest Rate	Year of Maturity	Outstanding Principal	Original Amount
Bonds payable:				
2019A Local Government Loan Program	5.00%	2033	\$ 5,005,000	\$ 6,475,000
2019B Local Government Loan Program	2.36-3.56%	2036	5,445,000	6,795,000
Loans payable:				
Section 108 Loan - 500 Block	1.34-4.13%	2026	888,000	3,840,000
Section 108 Loan - Guaranteed Funds	0.56-4.28%	2028	1,670,000	5,180,000
Section 108 Loan - W. Carpenter Rd	LIBOR + 1.50%	2029	600,000	1,875,000
SIB 3rd Avenue Reconstruction Loan	0.50%	2029	699,392	2,241,000
Emergency Loan - G.O. Limited Tax 2014-15	2.09%	2030	3,545,000	7,000,000
Installment purchase agreements payable:				
Tri-County International Trucks	4.75%	2024	140,315	787,747
Vactor	3.15%	2024	362,635	1,757,120
Snow Plows	3.80%	2025	513,084	1,491,805
Total			<u>\$ 18,868,426</u>	<u>\$ 37,442,672</u>

Revenues Pledged in Connection with Component Unit Debt – The City has pledged, as security for bonds issued by the City on behalf of the Flint Downtown Development Authority, a portion of the City’s state-shared revenues. The bonds issued during 2008 in the amount of \$10,000,000 were used to provide funding for the James Rutherford Parking Deck capital project and upgrade of the Riverfront Parking Deck. The bonds are payable through 2032. The Flint Downtown Development Authority has pledged tax increment revenues and net operating revenues of the parking system to repay the obligations. Cash flow projections indicate that the DDA’s annual debt service to the City for repayment of the bonds will not coincide with the City’s annual debt service obligation.

Section 108 Loans – The Section 108 loans were obtained through an economic development loan program administered by the U.S. Department of Housing and Urban Development (HUD). The proceeds of the loans were then loaned to private entities for economic development purposes. Loans under the programs are owed to HUD and are secured by future federal grant allocations to the City through the Community Development Block Grant Program.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Revenues Pledged in Connection with Sewer Fund Debt – Revenue bonds are secured by pledged sewer revenues. Proceeds of these bonds were utilized for capital improvements to the sewer system. For the year ended June 30, 2023, the sewer fund principal and interest expense of \$733,000 and \$482,842, respectively. Net revenue pledged for debt service was \$3,286,302 for the year ended June 30, 2023.

Defeased Debt

In 2023, the City allocated \$1,419,477 of CDBG grant funds that were placed in an escrow fund for the purpose of funding future debt service payments of \$1,419,477 of the Section 108 Loan - Guaranteed Funds loan payable. As a result, the \$1,390,000 of the loans payable are considered defeased and the liability has been removed from the statement of net position.

Annual debt service requirements to maturity for installment debt for governmental activities are as follows:

Year Ended June 30,	Governmental Activities			
	Direct Borrowings and Direct Placements		Bonds Payable	
	Principal	Interest	Principal	Interest
2024	\$ 1,931,298	\$ 300,633	\$ 740,000	\$ 407,358
2025	1,417,562	238,458	770,000	378,094
2026	1,007,280	190,837	810,000	347,072
2027	721,861	159,511	835,000	314,253
2028	2,052,445	89,729	870,000	259,693
2029-2033	1,287,980	36,838	4,955,000	808,332
2034-2036	-	-	1,470,000	88,555
	<u>\$ 8,418,426</u>	<u>\$ 1,016,006</u>	<u>\$ 10,450,000</u>	<u>\$ 2,603,356</u>

KWA Agreement Payable - Karegnondi Water Authority (KWA) was formed in 2013 for the purpose of constructing a new raw water supply system (the "System"). Effective August 1, 2013, the City entered into an agreement (the "Agreement") with KWA and Genesee County (the "County") to issue debt to acquire, construct, and operate the System, which became operational in 2018. The County's share of the debt is 65.8 percent and the City's share of the debt is 34.2 percent. The City pledged its full faith and credit of certain state revenue as security of the repayment of the City's portion of this debt. During the year ended June 30, 2023, the City made total payments on this agreement in the amount of \$2,546,395. In addition, the City reached a 30-year agreement with the Great Lakes Water Authority ("GLWA") to purchase water. The contract with GLWA includes a monthly credit to the City equal to 97% (17.46 MGD of the 18 MGD) of the City's obligation under the Agreement, which offsets the debt and is recorded as a receivable in the City's water fund. The City pays the debt service payments to KWA on a monthly basis.

Sewage Disposal System Junior Lien Revenue Bond, SRF Series 2020 - The City issued \$28,288,000 of Series 2020, Sewer Revenue bonds. Principal payments ranging from \$733,000 to \$1,345,000 are due annually on April 1 through fiscal year 2050. Interest is charged on the outstanding balance at 2.25% and is due April 1 and October 1 of each year.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Sewage Disposal System Junior Lien Revenue Bond, SRF Series 2021 - The City issued \$27,941,250 of Series 2021, Sewer Revenue bonds. Principal payments ranging from \$676,250 to \$1,245,000 are due annually on October 1 through fiscal year 2053. Interest is charged on the outstanding balance at 2.125% and is due April 1 and October 1 of each year.

Annual debt service requirements to maturity for the installment debt for business-type activities are as follows:

Business-type Activities		
Direct Borrowings and Direct Placements		
Year Ended June 30,	Principal	Interest
2024	\$ 4,095,901	\$ 5,965,082
2025	4,267,134	5,808,264
2026	4,430,407	5,631,488
2027	4,613,149	5,447,949
2028	4,809,154	5,252,320
2029-2033	27,264,806	22,952,707
2034-2038	33,570,317	16,504,393
2039-2043	38,060,181	10,344,984
2044-2048	19,471,000	2,030,031
2049-2053	8,635,000	412,847
	<u>149,217,049</u>	<u>80,350,065</u>
Remaining available to draw	<u>(14,120,171)</u>	<u>-</u>
	<u>\$ 135,096,878</u>	<u>\$ 80,350,065</u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Discretely Presented Component Units

Downtown Development Authority

The DDA issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City of Flint. Long-term obligation activity is summarized as follows:

	Year of Maturity	Interest Rates	Original Amount	Amount
Downtown Development Authority				
Direct placement:				
James Rutherford Parking Deck				
Note Payable (Refunded)	2033	5.00%	\$ 6,475,000	\$ 5,005,000
Electric Vehicle Charging Loan	2026	6.69%	31,494	17,059
Parking System Improvement Revenue Bonds	2027	2.50%	648,964	<u>259,584</u>
Total				<u><u>\$ 5,281,643</u></u>

Debt service requirements to maturity for the DDA's long-term debt are as follows:

Year Ended June 30,	Direct Placement		Bonds Payable	
	Principal	Interest	Principal	Interest
2024	\$ 401,487	\$ 241,316	\$ 64,896	\$ 5,678
2025	421,934	220,619	64,896	4,056
2026	443,638	198,821	64,896	2,434
2027	460,000	176,250	64,896	811
2028	480,000	176,250	-	-
2029-2033	<u>2,815,000</u>	<u>518,375</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,022,059</u>	<u>\$ 1,531,631</u>	<u>\$ 259,584</u>	<u>\$ 12,979</u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Changes in long-term debt. Long-term debt activity for fiscal year 2023 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Downtown Development Authority					
Notes from direct borrowings and direct placements -					
James Rutherford Parking -					
Deck Note Payable	\$ 5,380,000	\$ -	\$ (375,000)	\$ 5,005,000	\$ 395,000
Electric Vehicle Charging Loan	23,123	-	(6,064)	17,059	6,487
	<u>5,403,123</u>	<u>-</u>	<u>(381,064)</u>	<u>5,022,059</u>	<u>401,487</u>
Parking System Improvement					
Revenue Bonds	324,481	-	(64,897)	259,584	64,896
Total installment debt	<u>5,727,604</u>	<u>-</u>	<u>(445,961)</u>	<u>5,281,643</u>	<u>466,383</u>
Bond premium	<u>864,116</u>	<u>-</u>	<u>(78,556)</u>	<u>785,560</u>	<u>78,556</u>
Total	<u>\$ 6,591,720</u>	<u>\$ -</u>	<u>\$ (524,517)</u>	<u>\$ 6,067,203</u>	<u>\$ 544,939</u>

Contractual Obligations - The above contractual obligations to the City for the James Rutherford Parking Deck are the result of the City's issuance of bonds on the Authority's behalf. The Authority has pledged tax increment revenue and net operating revenue of the parking system to repay the obligations. During the current year, the operating loss from the parking operations was \$861,098 and TIF payments were \$762,805.

At year end, the funds generated by the Authority from the parking structure, net operating revenue, and tax increment revenue did cover its debt obligation for the bonds. Therefore, the City did not forgive any debt payments made on behalf of the DDA.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Economic Development Corporation

On December 1, 2011, the Authority issued \$8,435,000 of Series 2011, Limited Obligation Revenue bonds. Principal payments ranging from \$110,000 to \$790,000 are due annually on October 1 through fiscal year 2042. Interest is charged on the outstanding balance at 2.00% to 5.25% and is due April 1 and October 1 of each year. During 2023, the Series 2011 bonds were refunded.

On August 30, 2022, the Authority issued \$6,710,000 of Limited Obligation Revenue Refunding Bonds, Series 2022. Principal payments ranging from \$205,000 to \$530,000 are due annually on October 1 through fiscal year 2039. Beginning in fiscal year 2033 principal becomes due semi-annually on April 1 and October 1. Interest is charged on the outstanding balance at 3.75% to 5.00% and is due April 1 and October 1 of each year.

Long-term liability activity for EDC for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Economic Development Corporation					
Limited obligation revenue bonds, Series 2011, due in principal payments ranging from \$110,000 to \$790,000 with interest ranging from 2.00% to 5.25%, refunded in 2023	\$ 7,305,000	-	\$ (7,305,000)	-	-
Limited obligation revenue refunding bonds, Series 2022, due in principal payments ranging from \$205,000 to \$700,000 with interest ranging from 3.75% to 5.00%	-	6,710,000	-	6,710,000	205,000
Total installment debt	7,305,000	6,710,000	(7,305,000)	6,710,000	205,000
Bond premium	-	470,667	(27,686)	442,981	27,686
Total	\$ 7,305,000	\$ 7,180,667	\$ (7,332,686)	\$ 7,152,981	\$ 232,686

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Debt service requirements to maturity for the EDC's bond are as follows:

Year Ending June 30,	Principal	Interest
2024	\$ 205,000	\$ 293,550
2025	245,000	282,300
2026	255,000	269,800
2027	270,000	256,675
2028	300,000	242,425
2029-2033	2,200,000	942,375
2034-2038	2,705,000	403,525
2039	530,000	14,156
	<u>\$ 6,710,000</u>	<u>\$ 2,704,806</u>

Refunded and Defeased Debt

The EDC issued \$6,710,000 of Limited Obligation Revenue Refunding Bonds, Series 2022 to provide resources to purchase U.S. government securities that were placed in an escrow fund for the purpose of generating resources for all future debt service payments of \$7,305,000 of the Limited obligation revenue bonds, Series 2011. As a result, the bonds are considered defeased and the liability has been removed from the statement of net position. The refunding resulted in a savings of \$2,415,784 and an economic gain of \$936,842.

Pledged Revenue

Revenue bonds are secured by pledged Authority revenues. Proceeds of these bonds were utilized for economic development. The related bond agreements require future principal and interest payments totaling \$9,414,806 through 2039. For the year ended June 30, 2023, the Economic Development Corporation component unit incurred principal and interest expense of \$0 and \$434,736, respectively. Net revenue pledged for debt service was \$412,240 for the year ended June 30, 2023.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Hurley Medical Center

Long-term debt activity for Hurley Medical Center for the year ended June 30, 2023 was as follows:

	Beginning Balance*	Additions	Deductions	Ending Balance	Due Within One Year
Hurley Medical Center					
Notes from direct borrowings and direct placements:					
Series 2013A	\$ 19,160,000	\$ -	\$ (1,365,000)	\$ 17,795,000	\$ 1,435,000
Series 2013B	7,975,000	-	(1,390,000)	6,585,000	1,035,000
Series 2020	45,650,000	-	(185,000)	45,465,000	195,000
Mortgage payable	200,905	-	(200,905)	-	-
	<u>72,985,905</u>	<u>-</u>	<u>(3,140,905)</u>	<u>69,845,000</u>	<u>2,665,000</u>
Lease liability (Note 10)	7,097,122	2,484,506	(3,373,811)	6,207,817	1,562,005
Subscription liability (Note 11)	4,613,279	1,006,623	(1,658,365)	3,961,537	1,523,586
Unamortized bond premium	6,170,052	-	(511,402)	5,658,650	-
	<u>6,170,052</u>	<u>-</u>	<u>(511,402)</u>	<u>5,658,650</u>	<u>-</u>
Total Hurley Medical Center	<u>\$ 90,866,358</u>	<u>\$ 3,491,129</u>	<u>\$ (8,684,483)</u>	<u>\$ 85,673,004</u>	<u>\$ 5,750,591</u>

* Hurley Medical Center implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, in the current year. In accordance with this Statement, a subscription liability has been added to the beginning balances shown above and in instances where these were not prepaid corresponding intangible subscription assets have been recorded for the same amount.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Year Ended June 30,	Notes from Direct Borrowings and Direct Placements	
	Principal	Interest
2024	\$ 2,665,000	\$ 3,073,175
2025	3,515,000	2,932,875
2026	3,635,000	2,750,000
2027	3,775,000	2,560,050
2028	3,925,000	2,362,525
2029-2033	15,995,000	9,675,138
2034-2038	18,800,000	5,921,700
2039-2042	17,535,000	1,718,925
	<u>\$ 69,845,000</u>	<u>\$ 30,994,388</u>

Direct Borrowings and Direct Placements

The Medical Center's outstanding revenue refunding bonds are payable from the revenue of the Medical Center pursuant to lease/purchase agreements between the Medical Center and the City of Flint Hospital Building Authority. Under terms of the lease/purchase agreements, the Medical Center transferred title to substantially all of its facilities to the Authority and leases such facilities from the Authority. Ownership of the facilities reverts to the Medical Center upon payment of the bonds. Rental payments to the Authority are equal to the amounts required to make principal and interest payments on the bonds. Payments on Series 2013A range from \$1,435,000 in 2024 to \$930,000 in 2040, plus interest from 5.0 to 5.25 percent through 2040. Payments on Series 2013B range from \$1,035,000 in 2024 to \$1,305,000 in 2029, plus interest ranging from 4.75 percent to 5.0 percent over the life of the bond. Payments on Series 2020 range from \$195,000 in 2024 to \$4,605,000 in 2035, plus interest from 4.0 to 5.0 percent over the life of the bond.

The net revenue of the Medical Center is pledged for payment of principal and interest on the revenue rental and revenue refunding bonds. Accordingly, the basic financial statements of the Medical Center include the facilities as if owned by the Medical Center and the bonds as if issued by the Medical Center.

The contract of lease with the Authority includes certain restrictive covenants, including maintaining a certain debt service coverage ratio and minimum days cash on hand. Under the contract of lease, if the Medical Center fails to achieve the required debt service ratio, then the Medical Center is required to promptly retain a consultant to examine the rates, fees, and charges of the Medical Center, and the methods of operation, and to make such recommendations as to rates, fees, and charges as the consultant agrees are appropriate. The Medical Center did not meet the debt service coverage ratio covenant as of June 30, 2023 and is in the process of hiring a consultant as required under the contract of lease.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Other Debt

The outstanding installment purchase agreement contains certain restrictive covenants, including maintaining a certain minimum debt service ratio and minimum days cash on hand.

During 2016, HHS entered into a mortgage note payable to acquire real property and a building in Lapeer, Michigan. The mortgage note payable is due in monthly installment of \$5,728, including interest of 5 percent. The mortgage note payable is collateralized by the building and real property. The Lapeer building that was associated with the note payable was sold during fiscal year 2023, and the remaining debt was paid off as part of the sale.

10. LEASES

Lessee - The City is involved in several agreements as a lessee that qualify as long-term lease agreements. Below is a summary of the nature of these agreements. These agreements qualify as intangible, right-to-use assets and not financed purchases, as the City will not own the asset at the end of the contract term and the noncancelable term of the agreement surpasses one year. The present values are discounted using the City's incremental borrowing rate for the leases.

Asset Type	Remaining Term of Agreements
Equipment	1 to 4 years

The right-to-use assets and the related activity are included in Note 6, Capital Assets. The lease liability and related activity are presented in Note 9, Bonds, Notes and Other Long-Term Liabilities.

The net present value of future minimum payments as of June 30, 2023, were as follows:

Governmental Activities		
Year Ended June 30,	Principal	Interest
2024	\$ 132,182	\$ 1,737
2025	97,739	4,175
2026	54,396	2,570
2027	56,051	915
Total	<u>\$ 340,368</u>	<u>\$ 9,397</u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Lessor - The City is involved in four agreements as a lessor that qualify as long-term lease agreements. Below is a summary of these agreements included in governmental activities and the economic development corporation component unit. These agreements qualify as long-term lease agreements as the City and EDC will not surrender control of the asset at the end of the term and the noncancelable term of the agreement surpasses one year. Total lease revenue for the year ended June 30, 2023 for the City and EDC was \$36,347 and \$37,415, respectively.

Asset Type	Remaining Term of Agreements
Land	2 to 8 years

Hurley Medical Center Component Unit

The Medical Center leases certain assets from various third parties. The assets leased include equipment and buildings. Payments are generally fixed monthly with certain variable payments included in the measurement of the lease liability required based on Consumer Price Index.

Future principal and interest payment requirements related to the Medical Center's lease liability at June 30, 2023 are as follows:

Year Ended June 30,	Principal	Interest
2024	\$ 1,562,005	\$ 139,994
2025	1,279,109	100,796
2026	964,139	70,936
2027	705,897	50,666
2028	408,757	38,543
2029-2034	1,287,910	70,834
	\$ 6,207,817	\$ 471,769

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

11. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT

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

Asset Type	Remaining Term of Arrangement
Subscription assets	2 to 3 years

The right-to-use asset and the related activity are included in Note 6, Capital Assets. The subscription liability and related activity are presented in Note 9, Bonds, Notes and Other Long-term Liabilities.

The net present value of future minimum payments as of June 30, 2023, were as follows:

Year Ended June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 218,447	\$ 10,920
2025	144,467	4,356
2026	5,209	46
Total	\$ 368,123	\$ 15,322

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Hurley Medical Center Component Unit

In accordance with GASB 96, the Medical Center also obtains the right to use vendors' information technology software through various long-term contracts. Payments are generally fixed monthly, with certain variable payments not included in the measurement of the subscription liability. Subscription asset activity of the Medical Center is included in Note 9.

Future principal and interest payment requirements related to the Medical Center's subscription-based liabilities at June 30, 2023 are as follows:

Year Ended June 30,	Principal	Interest
2024	\$ 1,523,586	\$ 92,396
2025	1,501,488	44,900
2026	744,761	15,113
2027	94,415	3,691
2028	97,287	754
	<u>\$ 3,961,537</u>	<u>\$ 156,854</u>

12. RISK MANAGEMENT

Primary Government

The City is a defendant in various civil and administrative legal actions arising during the normal course of its activities. The City accrues for loss contingencies when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The City is exposed to various risks of loss related to property loss torts, errors and omissions, employee injuries, unemployment benefits, as well as medical and worker's compensation benefits provided to employees. The City has purchased commercial insurance for fleet equipment and tort claims, boiler and machinery, certain property and equipment damage and theft, employee theft, and limited tort claims for specific City facilities or events.

The City Attorney protects the legal interests of the City by vigorously defending these actions. The City has estimated the claims that have been incurred through the end of the year, including both those claims that have been reported as well as those that have not yet been reported to the City. The estimate is based on legal counsel's recommendation and past settlement history. Often, the City Attorney negotiates expedient settlements on behalf of the City in amounts substantially less than the amount sought by the claimants. The City does not admit liability, however, in any of the cases settled.

The City has a commercial insurance policy that covers certain general tort liability. The per claim limit is \$10,000,000 with a \$3,000,000 deductible per occurrence and a \$10,000,000 aggregate claim annually. The commercial policy covers public officials, employment practices, employee benefits, law enforcement, and commercial auto.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Component Units

The Flint Economic Development Corporation is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The government has purchased commercial insurance for all claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three years.

The Flint Downtown Development Authority is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The government has purchased commercial insurance for all claims.

The Medical Center is exposed to various risks of loss, including hospital professional and patient general liability claims. The Medical Center has established an irrevocable trust to assist in accumulating resources to fund excess insurance premiums and to pay claims.

Conditional Asset Retirement Obligation

The Medical Center has an obligation related to various diagnostic imaging radiation equipment. As the disposal of this equipment is included as part of the service agreement when purchasing new equipment, no liability has been recorded at this time.

13. SELF INSURANCE

General Liability

The self-insurance program for general liability is accounted for in the self-insurance internal service fund for claims not covered by the commercial insurance policy. The revenues for this fund's operation are reimbursements from various funds and a transfer from the general fund. Funds are charged for general liability insurance based on total budget. Losses, deductibles, legal and administrative fees are paid from this fund. The liability for known claims is estimated by the City as determined by the City Attorney.

Changes in the reported liability for the fiscal years 2022 and 2023 are as follows:

Fiscal Year	Liability at Beginning of Year	Current-Year Claims and Changes in Estimates	Claim Payments	Liability at End of Year
2022	\$ 1,001,013	\$ 2,673,029	\$ (649,591)	\$ 3,024,451
2023	3,024,451	286,667	(676,603)	2,634,515

As of June 30, 2023, general liability insurance has \$837,051 of current claims payable, and the remaining \$1,797,464 is classified as long-term and is recorded in the self-insurance internal service fund. Other types of risk are covered by commercial insurance. There were no insurance settlements that exceeded coverage in the last three years.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Health, Dental and Eye Insurance

The City is self-insured for medical benefits provided to active employees and retirees. The benefits are funded on a pay-as-you-go basis. Claims are being paid out of the fringe benefits internal service fund for active employee and retirees. The two plans are administered by Blue Cross/Blue Shield (BCBSM) and HAP of Michigan. Once the individual contract or aggregate stop-loss amount is reached. Reinsurance provides the remaining benefits. The City is protected from catastrophic claims by an excess insurance policy which provides \$2,000,000 in coverage per specific contract with a \$175,000 self-insured retention (SIR). The City did not have any claims in excess of the stop-loss deductible during the year. The self-insured coverages provided through BCBSM were protected by specific stop-loss coverage, which provided an unlimited excess with a \$175,000 deductible. The City also provides fully insured HMO health insurance coverage to a limited number of employees.

Changes in the reported liability for the fiscal years 2022 and 2023 are as follows:

Fiscal Year	Liability at Beginning of Year	Current-Year Claims and Changes in Estimates	Claim Payments	Liability at End of Year
2022	\$ 910,600	\$ 6,877,871	\$ (6,923,085)	\$ 865,386
2023	865,386	6,165,223	(6,241,010)	789,599

As of June 30, 2023, \$865,386 is considered current claims payable and is recorded in the fringe benefit internal service fund.

The City is self-insured for active employee dental and eye care benefits on a pay-as-you-go basis. The self-insurance program is administered by a third-party administrator. All claims and benefits are paid out of the fringe benefits internal service fund. The amount of estimated claims payable at June 30, 2023 was not material.

Workers' Compensation

The City is self-insured for worker's compensation on a pay-as-you go basis for claims up to \$1,000,000, with reinsurance coverage provided once claims exceed \$1,000,000 in the aggregate. The self-insurance program is administered by a third-party administrator. All workers' compensation benefits are paid out of the fringe benefits internal service fund.

Changes in the reported liability for the fiscal years 2022 and 2023 are as follows:

Fiscal Year	Liability at Beginning of Year	Current-Year Claims and Changes in Estimates	Claim Payments	Liability at End of Year
2022	\$ 1,862,292	\$ (699,481)	\$ (88,585)	\$ 1,074,226
2023	1,074,226	18,726	(94,041)	998,911

As of June 30, 2023, \$998,911 is considered current claims payable and is recorded in the fringe benefit internal service fund.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Hurley Medical Center Component Unit

The Medical Center's self-insured retention is \$6 million per occurrence annually, with excess claims made coverage up to \$20 million annually. The Medical Center employs the use of an actuary to provide an analysis of the existing claims and to estimate the liability for incurred but not reported (IBNR) claims.

Changes in the aggregate malpractice claims for the fiscal years 2022 and 2023 are as follows:

Fiscal Year	Liability at Beginning of Year	Current-Year Claims and Changes in Estimates	Claim Payments	Liability at End of Year
2022	\$ 24,437,000	\$ 6,224,299	\$ (2,712,299)	\$ 27,949,000
2023	27,949,000	18,033,395	(9,167,395)	36,815,000

Professional liability for claims is reported in accounts payable and accrued liabilities for the year ending June 30, 2023. Of this amount, \$16,700,000 is considered to be current. The carrying amount of the insurance trust assets (at market) amounted to \$13,874,000 at June 30, 2023.

The Medical Center is self-insured for workers' compensation claims with a self-insured retainer of \$600,000 per claim. As of June 30, 2023, the Medical Center has recorded long-term accrued liabilities for workers' compensation of \$1,191,129. The changes in the aggregate workers' compensation claims for the past two years were as follows:

Fiscal Year	Liability at Beginning of Year	Current-Year Claims and Changes in Estimates	Claim Payments	Liability at End of Year
2022	\$ 1,723,983	\$ 493,158	\$ (858,162)	\$ 1,358,979
2023	1,358,979	298,039	(465,889)	1,191,129

As of June 30, 2023, \$1,191,129 is considered long-term and reported in accounts payable and accrued liabilities.

There are various legal actions pending against HHS, its subsidiaries, and certain employees. Due to the inconclusive nature of these actions, it is not possible for legal counsel of HHS to determine in the aggregate either the probable outcome of these actions or a reasonable estimate of HHS' ultimate liability, if any. HHS maintains what it believes to be adequate coverage of malpractice, errors and omissions, and directors and officers insurances to cover any possible claims.

14. CONTINGENT LIABILITIES

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

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Hurley Medical Center’s management believes that it is in compliance with all applicable laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Numerous cases arising out of the Flint Water Crisis were previously filed, naming the City or one or more of its former officials or employees (including, for these purposes, former state-appointed Emergency Managers). A settlement agreement was negotiated and approved by the U.S. District Court for the Eastern District of Michigan and the 7th Circuit Court in Genesee County. That settlement agreement resolves both the class actions and individual cases against the City of Flint and its former officials and employees. It is currently being implemented. The courts have entered dismissals of the pending cases.

The last remaining potential liability against the City as a result of the Flint Water Crisis will likely consist of claims of minors, who are subject to special protections under the law and will be able to bring claims until they reach 19 years of age (“future minor claimants”). To minimize those risks, the settlement agreement explicitly reserves funds for such future minor claimants. Combined with restrictive case management orders, exposure of the City to future Flint Water Crisis claims should be minimized to the extent possible.

The City was previously involved in long-standing litigation regarding the City’s water rates in state court. Those matters were dismissed by the trial court and the dismissal was upheld by the Michigan Court of Appeals. An application for leave to appeal is currently pending.

Related to other litigation, the City of Flint is a party in a variety of lawsuits involving matters ranging from discrimination, retaliation, personal injury, rental code violations, election law, tort, civil rights claims, pension, healthcare and other benefits for City of Flint retirees, licensing appeals, and other legal proceedings and investigations that occur in the normal course of governmental operations.

Notes to Financial Statements

15. PENSION PLANS

Michigan Municipal Employees' Retirement System

General Information about the Pension Plan

Plan Description. The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits Provided. Benefits provided include plans with multipliers ranging from 1.50% to 2.60%. Vesting periods range from 6 to 15 years. Normal retirement age ranging from 55 to 60 years with early retirement ranging from 50 to 60 with 10 to 30 years of service, including some plans that have 23 to 25 years and out options. Final average compensation is calculated based on 3 years. Member contributions range from 0% to 12%.

Employees Covered by Benefit Terms. At the December 31, 2022 valuation date, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	1,673
Inactive employees entitled to but not yet receiving benefits	137
Active employees	<u>444</u>
Total membership	<u><u>2,254</u></u>

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. The City is required to contribute an amount equal to a percentage of covered payroll, which is based on a flat rate as determined by the actuary. The contribution requirements of the City are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the City, depending on the MERS contribution program adopted by the City.

Net Pension Liability. The City's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.00%, net of investment and administrative expense including inflation

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

The base mortality tables used are constructed as described below and are based on amount weighted sex distinct rates:

- Pre-retirement mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 100% of PubG-2010 Employee Mortality Tables for Ages 18-80, and 100% of PubG-2010 Healthy Retiree Tables for ages 81-120
- Non-disabled retired plan members and beneficiaries mortality based on 106% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 106% of PubG-2010 Employee Mortality Tables for Ages 18-49, and 106% of PubG-2010 Healthy Retiree Tables for ages 50-120
- Disabled retired plan members mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, and 100% of PubNS-2010 Disabled Retiree Tables for ages 18-120

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

Long-term Expected Rate of Return. The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.0%	4.50%	2.70%
Global fixed income	20.0%	2.00%	0.40%
Private investments	20.0%	7.00%	1.40%
	<u>100.00%</u>		
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u><u>7.25%</u></u>

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2022 was 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Changes in Net Pension Liability

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2021	\$ 550,984,891	\$ 159,356,072	\$ 391,628,819
Changes for the year:			
Service cost	2,090,051	-	2,090,051
Interest	38,230,217	-	38,230,217
Differences between expected and actual experience	(3,874,642)	-	(3,874,642)
Employer contributions	-	32,986,514	(32,986,514)
Employee contributions	-	1,109,332	(1,109,332)
Net investment income (loss)	-	(17,189,615)	17,189,615
Benefit payments, including refunds of employee contributions	(48,851,508)	(48,851,508)	-
Administrative expense	-	(274,610)	274,610
Net changes	<u>(12,405,882)</u>	<u>(32,219,887)</u>	<u>19,814,005</u>
Balances at December 31, 2022	<u>\$ 538,579,009</u>	<u>\$ 127,136,185</u>	<u>\$ 411,442,824</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.25%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
\$ 460,922,988	\$ 411,442,824	\$ 369,122,024

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

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

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

For the year ended June 30, 2023, the City recognized pension expense of \$37,287,876. The City reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 1,937,321	\$ (1,937,321)
Net difference between projected and actual earnings on pension plan investments	12,850,432	-	12,850,432
Contributions subsequent to the measurement date	16,299,519	-	16,299,519
Total	<u>\$ 29,149,951</u>	<u>\$ 1,937,321</u>	<u>\$ 27,212,630</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2024. Other amounts reported as deferred outflows of resources related to the pension will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2024	(1,165,550)
2025	2,477,880
2026	3,965,383
2027	<u>5,635,398</u>
Total	<u>\$ 10,913,111</u>

Payable to the Pension Plan. At June 30, 2023, the City had \$2,838,834 payable for contributions to the pension plan.

Hurley Medical Center Component Unit

The Hurley Medical Center also participates in MERS and has a defined contribution plan, profit-sharing plan and deferred compensation plan. Detailed information on these plans, including all required footnote disclosures, is available in the separately issued Hurley Medical Center financial statements.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

16. OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The City administers a single-employer defined-benefit other postemployment benefits plan (the "Plan"). The Plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the Plan through employer contributions. The Plan does not cover Hurley Medical Center employees. City Council has the authority to establish and amend the contribution requirements of the City and the Plan members.

Benefits Provided. The City provides retiree healthcare benefits to eligible employees and their spouses. Benefits are provided to public safety and general employees. The benefits are provided under collective bargaining agreements of Local 1799, Local 1600, and Fire Local 352.

The City also provides postemployment death benefits to certain retirees who retired after July 1, 1978, under the terms of collective bargaining agreements with two employee unions. If the retiree was a member of one of the bargaining units at the time of retirement, his or her designated beneficiary will receive a death benefit at the time of the retiree's death. The death benefit ranges from \$2,000 to \$38,000 depending on the employee's contract. Employees who retired as of June 30, 2012 are eligible for this benefit.

Employees Covered by Benefit Terms. At July 1, 2023 (the date of the most recent actuarial valuation report rolled back to June 30, 2023), the following employees were covered by the benefit terms:

Inactive employees/beneficiaries receiving benefits	1,321
Active employees	<u>174</u>
Total membership	<u><u>1,495</u></u>

Contributions. The collective bargaining agreements require a contribution of 20% of premiums toward retiree health plan insurance. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment. The City recognizes the expenses in the funds on a "pay-as-you-go" basis. The costs of administering the plan are borne by the City's general fund.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Total OPEB Liability

The City is not prefunding the plan and the total OPEB liability was measured as of June 30, 2023.

Actuarial Assumptions. The total OPEB liability in the July 1, 2023 valuation was determined using the following actuarial assumptions, applied consistently to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00% per year for wage inflation plus merit and productivity increase
Investment rate of return	Not applicable; OPEB plan is unfunded
Retirement age	Experience-type of eligibility condition
Healthcare cost trend rate	7.00% non-Medicare / 6.00% Medicare gradually decreasing to an ultimate rate of 3.94%

Mortality rates were based on the following tables: (1) General retirees: Pub-2010 General Employee or Retiree Headcount-Weighted Mortality Table projected fully generationally using Scale MP-2021, (2) Police and Fire retirees: Pub-2010 Safety Employee or Retiree Headcount-Weighted Mortality Table fully generational using Scale MP-2021 and (3) Survivors: Pub-2010 Safety or General Contingent Survivors Headcount-Weighted Mortality Table fully generational using Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study done within the last five years.

Discount Rate. The discount rate used to measure the total OPEB liability was 4.13%. The projection of cash flows used to determine the discount rate assumed that Plan does not require and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Plan is funded on a pay-as-you-go basis, therefore, the AA/Aa or higher municipal index bond rate of 4.13% was applied for future periods. The municipal index bond rate was obtained from the S&P Municipal Bond 20 Year High Grade Rate Index.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Changes in the Total OPEB Liability. The components of the change in the total OPEB liability are summarized as follows:

	Total OPEB Liability
Balances at June 30, 2022	<u>\$ 162,648,930</u>
Changes for the year:	
Service cost	1,223,223
Interest on total OPEB liability	6,518,767
Differences between expected and actual experience	(50,528,008)
Changes in assumptions	(10,043,088)
Benefit payments	<u>(9,069,083)</u>
Net changes	<u>(61,898,189)</u>
Balances at June 30, 2023	<u><u>\$ 100,750,741</u></u>

Changes in assumptions. In 2023, the amounts reported as changes in assumptions resulted primarily from health care trend rates from (1) an initial rate of 8.00% for fiscal year ending June 30, 2022 decreasing by 0.50% annually to an ultimate rate of 4.50% to (2) Getzen 2023 table with an initial rate of 7.00% non-Medicare / 6.00% Medicare decreasing gradually to an ultimate rate of 3.94% by 2075, and the discount rate was been updated from 4.09% to 4.13%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, calculated using the discount rate of 4.13%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.13%) or 1% higher (5.13%) than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
City's total OPEB liability	\$ 116,778,131	\$ 100,750,741	\$ 88,017,020

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the City, calculated using the healthcare cost trend rate of 7.00% non-Medicare / 6.00% Medicare (decreasing to an ultimate rate of 3.94%), as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower (6.00% non-Medicare / 5.00% Medicare trending to 2.94%) or 1% higher (8.00% non-Medicare / 7.00% Medicare trending to 4.94%) than the current rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
City's total OPEB liability	\$ 88,002,989	\$ 100,750,741	\$ 116,680,728

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

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

For the year ended June 30, 2023, the City recognized OPEB expense (benefit) of \$(52,829,106). The City reported no deferred outflows or inflows of resources related to OPEB.

Payable to the OPEB Plan. At June 30, 2023, the City had no amount payable to the OPEB plan.

Hurley Medical Center Component Unit

The Hurley Medical Center operates its own Retiree Health Benefits Plan. Detailed information on this plan, including all required footnote disclosures, is available in the separately issued Hurley Medical Center financial statements.

17. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of June 30, 2023, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated/amortized	\$ 20,529,788	\$ 74,347,183	\$ 20,570,723
Capital assets being depreciated/amortized, net	67,793,980	200,856,203	126,323,579
	<u>88,323,768</u>	<u>275,203,386</u>	<u>146,894,302</u>
Total installment debt	18,868,426	135,096,878	81,836,643
Net premium/discount	785,560	-	6,887,191
Less noncapital debt:			
Grant program related debt	(3,158,000)	-	-
Debt used for noncapital purposes	(13,995,000)	(93,720,799)	(7,152,981)
Deferred charge on advanced refunding	-	-	(1,177,537)
Net premium/discount	(785,560)	-	-
Lease liability	340,368	-	6,207,817
Subscription liability	368,123	-	3,961,537
Capital related payables and retainage	2,983,641	8,316,713	150,000
	<u>5,407,558</u>	<u>49,692,792</u>	<u>90,712,670</u>
Net investment in capital assets	<u>\$ 82,916,210</u>	<u>\$ 225,510,594</u>	<u>\$ 56,181,632</u>

Certain loans payable are not considered capital-related, as they were used for grant programs or government operations.

The KWA agreement payable is not considered to be capital-related debt, in that it is partially offset by a long-term receivable from GLWA and the City does not have ownership of the related capital assets, which are owned by KWA.

18. TAX ABATEMENTS

The City received reduced property tax revenues during the current year as a result of industrial facilities tax exemptions (IFT's) entered into by the City.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the City. The abatements for the current year amounted to approximately \$267,000 in reduced tax revenues.

Payment in Lieu of Taxes (PILOT)

The Michigan State Housing Development Authority uses the State Housing Development Authority Act of 1966 MCL 125.1415a, referred to as PILOT (payment in lieu of taxes), as a means to exempt subsidized housing from taxes. The City approves an ordinance for each PILOT service charge that details the actual fee as a percentage of rents, as well as the length of time. These properties are then excluded from the ad valorem tax roll.

For the fiscal year ended June 30, 2023, the City abated \$518,605 of taxes under PILOT tax exemptions. There are no provisions to recapture taxes.

In addition to the above abatement programs, there are no significant abatements made by other governments that reduce the City's tax revenue.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

19. DETAILS OF FUND BALANCE CATEGORIES AND CLASSIFICATIONS

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

	General	Grants	Major Streets
Nonspendable			
Prepays	\$ 135,690	\$ 129,800	\$ 10,638
Restricted			
Roads	-	-	23,832,991
Opioid remediation	-	1,704,062	-
Public safety	-	-	-
Police	-	-	-
Parks and recreation	-	-	-
Street lights	-	-	-
Garbage collection	-	-	-
Revolving loans	-	-	-
State forfeitures	-	-	-
Building inspections	-	-	-
Debt service	-	-	-
	-	1,704,062	23,832,991
Assigned			
Subsequent years expenditures	3,000,000	-	-
Unassigned (deficit)			
	11,704,999	(4,618,489)	-
Total fund balances, governmental funds	\$ 14,840,689	\$ (2,784,627)	\$ 23,843,629

continued...

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

	American Rescue Plan Act	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable			
Prepays	\$ -	\$ -	\$ 276,128
Restricted			
Roads	-	5,825,830	29,658,821
Opioid remediation	-	-	1,704,062
Public safety	-	769,463	769,463
Police	-	1,846,686	1,846,686
Parks and recreation	-	389,590	389,590
Street lights	-	5,979,443	5,979,443
Garbage collection	-	260,353	260,353
Revolving loans	-	667,885	667,885
State forfeitures	-	1,028,508	1,028,508
Building inspections	-	4,934,234	4,934,234
Debt service	-	4,329,162	4,329,162
	-	26,031,154	51,568,207
Assigned			
Subsequent years expenditures	-	-	3,000,000
Unassigned (deficit)	-	(66,537)	7,019,973
Total fund balances, governmental funds	\$ -	\$ 25,964,617	\$ 61,864,308

concluded

Deficit Fund Equity

The water enterprise fund reported a deficit in unrestricted net position in the amount of \$20,600,832 at June 30, 2023. The fund had total net position of \$144,947,339.

The grants fund and CARES Act fund reported an unassigned fund balance deficit of \$4,618,489 and \$66,537, respectively, at June 30, 2023.

Notes to Financial Statements

20. RESTATEMENTS

Hurley Medical Center Component Unit

During the current year, the Medical Center adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. As a result, the statements now include a liability for the present value of payments expected to be made and subscription assets. Subscription activity is further described in Note 11. The financial statements for the year ended June 30, 2022 have been restated in order to adopt GASB Statement No. 96. The Medical Center's net position was previously reported as \$117,830,422 as of June 30, 2022, adjusted by \$395,928 for GASB Statement No. 96. net position as of June 30, 2022, as restated, is \$117,434,494. In addition, the capital asset and long-term debt footnotes were restated as of July 1, 2021 to include GASB 96 SBITAs.

21. OPIOID SETTLEMENT

The City is part of a \$21 billion nationwide settlement reached in July 2021 to resolve all Opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors: McKesson, Cardinal Health, and AmerisourceBergen (Distributors), and a \$5 billion nationwide settlement with manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (Janssen). The term of the settlement varies by entity; however, the City expects to receive eighteen (18) installments from the Distributors with the first two installments being paid early in 2023 and the remaining 16 installments expected to be made annually beginning in 2024. Additionally, the City expects to receive eleven (11) installments from Janssen with the first five installments being paid early in 2023 and the remaining installments expected to be made annually beginning in 2026. The City is currently allocated approximately 2.849% of the total State of Michigan local unit settlement and the total amount of the settlement is expected to be \$7,301,868 and \$500,945 from the Distributors and Janssen, respectively.

In 2022, additional settlements with pharmacies and manufacturers were announced, including CVS, Walgreens, Walmart, Allergan, and Teva, and the associated state-subdivision agreement was finalized in 2023. In 2023, additional settlements with Mallinckrodt and Meijer were announced. The term of the settlement varies by pharmacy and manufacturer; however, the City expects to receive installment payments beginning in 2024. The total amount of these settlements is expected to be \$797,464. Additional settlements with other pharmacies and manufacturers may be forthcoming as well. However, as of June 30, 2023, the amounts to be allocated to and collected by the City were not able to be determined, and as such, no amounts have been reported related to these settlements in the financial statements.

The receivable for the various settlement agreements was recorded at the net present value, using a discount rate for payments to be received subsequent to 2023 of 3%. The net present value of the combined settlement payments to be received as of June 30, 2023 is \$6,241,574.

22. SUBSEQUENT EVENTS

Subsequent to June 30, 2023 the City has committed to various capital and development projects for approximately \$149 million.

On September 6, 2024 the City issued Sewage Disposal System Junior Lien Revenue Bonds (SRF Project #6014-01), Series 2024, for \$46,745,000 to fund future Sewer fund capital projects.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

On July 28, 2023, the City was notified of the approval of a \$170,000,000 grant under the Protecting MI Pension Grant Award. This grant is specifically aimed at bolstering the financial stability of municipal pension plans. The funds were deposited into the MERS pension plan, significantly enhancing the fiduciary net position of the City's pension plan and ensuring long-term sustainability for its beneficiaries. On September 7, 2023 the City received a supplemental grant award for \$2,436,378 which will also be deposited into the MERS pension plan.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FLINT, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Changes in the City's Net Pension Liability and Related Ratios

	Year Ended June 30,			
	2023	2022	2021	2020
Change in total pension liability				
Service cost	\$ 2,090,051	\$ 2,100,246	\$ 2,222,725	\$ 2,164,613
Interest	38,230,217	39,792,036	39,680,575	41,008,971
Differences between expected and actual experience	(3,874,642)	(4,793,675)	(4,373,958)	55,724
Changes in assumptions	-	16,118,960	13,913,983	17,084,353
Benefit payments, including refunds of member contributions	(48,851,508)	(49,523,955)	(50,307,036)	(51,377,003)
Other changes	-	-	-	-
Net change in total pension liability	<u>(12,405,882)</u>	<u>3,693,612</u>	<u>1,136,289</u>	<u>8,936,658</u>
Total pension liability, beginning	<u>550,984,891</u>	<u>547,291,279</u>	<u>546,154,990</u>	<u>537,218,332</u>
Total pension liability, ending (a)	<u>538,579,009</u>	<u>550,984,891</u>	<u>547,291,279</u>	<u>546,154,990</u>
Change in plan fiduciary net position				
Contributions - employer	32,986,514	32,436,120	28,790,184	23,133,233
Contributions - member	1,109,332	1,152,231	1,286,075	1,523,222
Net investment income (loss)	(17,189,615)	19,586,970	18,651,212	20,591,049
Benefit payments, including refunds of member contributions	(48,851,508)	(49,523,955)	(50,307,036)	(51,377,003)
Administrative expense	(274,610)	(233,683)	(292,390)	(353,408)
Net change in plan fiduciary net position	<u>(32,219,887)</u>	<u>3,417,683</u>	<u>(1,871,955)</u>	<u>(6,482,907)</u>
Plan fiduciary net position, beginning	<u>159,356,072</u>	<u>155,938,389</u>	<u>157,810,344</u>	<u>164,293,251</u>
Plan fiduciary net position, ending (b)	<u>127,136,185</u>	<u>159,356,072</u>	<u>155,938,389</u>	<u>157,810,344</u>
City's net pension liability, ending (a)-(b)	<u>\$ 411,442,824</u>	<u>\$ 391,628,819</u>	<u>\$ 391,352,890</u>	<u>\$ 388,344,646</u>
Plan fiduciary net position as a percentage of the total pension liability	23.61%	28.92%	28.49%	28.89%
Covered payroll	\$ 23,752,277	\$ 24,634,006	\$ 24,083,465	\$ 22,736,587
City's net pension liability as a percentage of covered payroll	1732.22%	1589.79%	1624.99%	1708.02%

See notes to required supplementary information.

Year Ended June 30,				
2019	2018	2017	2016	2015
\$ 2,225,716	\$ 2,271,177	\$ 2,233,013	\$ 2,240,734	\$ 2,288,673
41,507,314	41,968,824	42,351,721	41,160,626	41,626,038
1,196,815	823,878	1,729,337	(3,016,376)	-
-	-	-	24,031,996	-
(50,880,152)	(50,739,893)	(51,497,082)	(50,963,762)	(51,039,410)
-	(3)	(882)	1,705,992	1,293,199
<u>(5,950,307)</u>	<u>(5,676,017)</u>	<u>(5,183,893)</u>	<u>15,159,210</u>	<u>(5,831,500)</u>
<u>543,168,639</u>	<u>548,844,656</u>	<u>554,028,549</u>	<u>538,869,339</u>	<u>544,700,839</u>
<u>537,218,332</u>	<u>543,168,639</u>	<u>548,844,656</u>	<u>554,028,549</u>	<u>538,869,339</u>
23,514,772	18,869,912	22,022,738	8,119,213	20,420,923
1,624,560	1,558,004	1,665,719	2,128,481	2,999,208
(6,736,753)	24,736,166	22,386,661	(3,316,770)	16,151,453
(50,880,152)	(50,739,893)	(51,497,082)	(50,963,762)	(51,039,410)
<u>(357,675)</u>	<u>(395,183)</u>	<u>(443,862)</u>	<u>(512,817)</u>	<u>(584,862)</u>
<u>(32,835,248)</u>	<u>(5,970,994)</u>	<u>(5,865,826)</u>	<u>(44,545,655)</u>	<u>(12,052,688)</u>
<u>197,128,499</u>	<u>203,099,493</u>	<u>208,965,319</u>	<u>253,510,974</u>	<u>265,563,662</u>
<u>164,293,251</u>	<u>197,128,499</u>	<u>203,099,493</u>	<u>208,965,319</u>	<u>253,510,974</u>
<u>\$ 372,925,081</u>	<u>\$ 346,040,140</u>	<u>\$ 345,745,163</u>	<u>\$ 345,063,230</u>	<u>\$ 285,358,365</u>
30.58%	36.29%	37.00%	37.72%	47.04%
\$ 22,408,172	\$ 22,010,179	\$ 21,427,792	\$ 18,783,674	\$ 18,635,475
1664.24%	1572.18%	1613.54%	1837.04%	1531.26%

This page intentionally left blank.

CITY OF FLINT, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan
Schedule of Contributions

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2023	\$ 32,575,623	\$ 32,575,623	\$ -	\$ 24,642,683	132.2%
2022	33,397,553	33,397,553	-	25,323,610	131.9%
2021	32,359,819	32,359,819	-	23,413,002	138.2%
2020	24,218,053	24,218,053	-	23,351,589	103.7%
2019	22,023,688	22,023,688	-	23,282,295	94.6%
2018	18,869,913	22,756,482	(3,886,569)	22,649,859	100.5%
2017	17,325,673	16,964,535	361,138	21,927,937	77.4%
2016	17,194,662	16,598,425	596,237	22,376,956	74.2%
2015	16,676,472	16,545,459	131,013	24,228,491	68.3%
2014	16,409,676	16,409,676	-	26,648,918	61.6%

See notes to required supplementary information.

CITY OF FLINT, MICHIGAN

Notes to Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Notes to Schedule of Changes in the City's Net Pension Liability and Related Ratios

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Changes in assumptions. The 2022 assumption changes resulted from a decrease in the assumed rate of return from 7.35% to 7.00%.

Changes in assumptions. The 2021 assumption changes resulted from a 5-year experience study analyzing historical experience from 2013 through 2018 was completed in February 2020. In addition to changes to the economic assumptions which took effect with the fiscal year 2021 contribution rates, the experience study recommended updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.

Changes in assumptions. The 2020 assumption changes resulted primarily from a decrease in the assumed rate of return from 7.75% to 7.35%, and a decrease in the assumed rate of wage inflation from 3.75% to 3.00%.

Changes in assumptions. The 2016 assumption changes resulted from a change in the investment rate of return from 8.00% to 7.75% and the mortality table was adjusted to reflect longer lifetimes. In 2019, amounts reported as changes of assumptions resulted primarily from a decrease in the assumed rate of return from 7.75% to 7.35%, and a decrease in the assumed rate of wage inflation from 3.75% to 3.00%.

CITY OF FLINT, MICHIGAN

Notes to Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Notes to Schedule of Contributions

GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Valuation Date Actuarially determined contribution rates are calculated as of the December 31 that is 18 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates (2023, based on the 12/31/2020 actuarial valuation):

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, open
Remaining amortization period	18 years
Asset valuation method	5-year smoothed fair value
Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.35%, net of investment and administrative expense including inflation
Normal retirement age	Age 60
Mortality	Pre-retirement mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 100% of PubG-2010 Employee Mortality Tables for Ages 18-80, and 100% of PubG-2010 Healthy Retiree Tables for ages 81-120 Non-disabled retired plan members and beneficiaries mortality based on 106% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 106% of PubG-2010 Employee Mortality Tables for Ages 18-49, and 106% of PubG-2010 Healthy Retiree Tables for ages 50-120 Disabled retired plan members mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, and 100% of PubNS-2010 Disabled Retiree Tables for ages 18-120

CITY OF FLINT, MICHIGAN

Required Supplementary Information

Other Postemployment Benefits Plan

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

	Year Ended June 30,		
	2023	2022	2021
Total OPEB liability			
Service cost	\$ 1,223,223	\$ 1,713,717	\$ 2,202,617
Interest	6,518,767	4,227,070	6,990,415
Differences between expected and actual experience	(50,528,008)	21,290,420	(92,199,811)
Changes of assumptions	(10,043,088)	(51,139,695)	24,262,502
Benefit payments, including refunds of employee contributions	(9,069,083)	(9,440,430)	(11,629,273)
Net change in total OPEB liability	<u>(61,898,189)</u>	<u>(33,348,918)</u>	<u>(70,373,550)</u>
Total OPEB liability, beginning of year	<u>162,648,930</u>	<u>195,997,848</u>	<u>266,371,398</u>
Total OPEB liability, end of year	<u><u>\$ 100,750,741</u></u>	<u><u>\$ 162,648,930</u></u>	<u><u>\$ 195,997,848</u></u>
Covered-employee payroll	\$ 11,067,410	\$ 20,375,654	\$ 19,639,185
City's total OPEB liability as a percentage of covered-employee payroll	910.34%	798.25%	997.99%

The City funds this plan on a pay-as-you-go basis and therefore there are no assets accumulated in a trust to pay the future benefits.

See notes to required supplementary information.



Year Ended June 30,		
2020	2019	2018
\$ 1,694,385	\$ 1,919,202	\$ 2,312,576
8,625,830	10,625,304	11,083,100
(12,188,738)	(42,174,650)	(23,163,328)
30,062,708	13,670,455	(12,462,521)
<u>(11,656,543)</u>	<u>(13,557,337)</u>	<u>(14,730,209)</u>
16,537,642	(29,517,026)	(36,960,382)
<u>249,833,756</u>	<u>279,350,782</u>	<u>316,311,164</u>
<u>\$ 266,371,398</u>	<u>\$ 249,833,756</u>	<u>\$ 279,350,782</u>
\$ 13,104,499	\$ 14,281,760	\$ 17,034,088
2032.67%	1749.32%	1639.95%

CITY OF FLINT, MICHIGAN

Required Supplementary Information

Other Postemployment Benefits Plan

Schedule of Contributions

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as Percentage of Covered-Employee Payroll
2023	\$ 6,184,382	\$ 9,069,083	\$ (2,884,701)	\$ 11,067,410	81.9%
2022	9,440,430	9,440,430	-	20,375,654	46.3%
2021	14,196,422	11,629,273	2,567,149	19,639,185	59.2%
2020	14,011,557	11,656,543	2,355,014	13,104,499	89.0%
2019	16,291,451	13,557,337	2,734,114	14,281,760	94.9%
2018	14,730,209	14,730,209	-	17,034,088	86.5%

See notes to required supplementary information.

CITY OF FLINT, MICHIGAN

Notes to Required Supplementary Information

Other Postemployment Benefits Plan

Notes to Schedule of Changes in the City's Net OPEB Liability and Related Ratios

The amounts presented for each fiscal year were determined as of June 30 of the preceding year.

GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Changes in assumptions. In 2023, the amounts reported as changes in assumptions resulted primarily from health care trend rates from (1) an initial rate of 8.00% for fiscal year ending June 30, 2022 decreasing by 0.50% annually to an ultimate rate of 4.50% to (2) Getzen 2023 table with an initial rate of 7.00% non-Medicare / 6.00% Medicare decreasing gradually to an ultimate rate of 3.94% by 2075, and the discount rate was been updated from 4.09% to 4.13%.

Changes in assumptions. In 2022, the amounts reported as changes in assumptions resulted primarily from health care trend rates were reset to an initial rate of 7.5% decreasing by 0.5% annually to an ultimate rate of 4.5% for pre-Medicare and post-Medicare medical/rx costs, and the discount rate was been updated from 2.19% to 4.09%.

Changes in assumptions. In 2021, the amounts reported as changes in assumptions resulted primarily from health care trend rates were reset to an initial rate of 8.0% decreasing by 0.5% annually to an ultimate rate of 4.5% for pre-Medicare and post-Medicare medical/rx costs, mortality tables were updated from using Scale MP-2019 to Scale MP-2020, the salary scale for Merit and Longevity was updated based on the MERS December 31, 2020 actuarial valuation, and the discount rate was been updated from 2.66% to 2.19%.

Changes in assumptions. In 2020, the amounts reported as changes in assumptions resulted primarily from health care trend rates were updated to an initial rate of 7.50% decreasing by 0.5% annually to an ultimate rate of 4.5% for pre-Medicare and post-Medicare medical/rx costs and the discount rate was been updated from 3.51% to 2.66%.

Changes in assumptions. In 2019, the amounts reported as changes in assumptions resulted primarily from updates to the mortality tables used, health care trend rates were updated to an initial rate of 8.0% decreasing by 0.5% annually to an ultimate rate of 4.5% for pre-Medicare and post-Medicare medical/rx costs, the Michigan Hard Cap healthcare cost trend rate was updated from 4% annually to 3.5% annually based on historical increases, and the discount rate was been updated from 3.87% to 3.51%.

Changes in assumptions. In 2018, the amounts reported as changes in assumptions resulted primarily from updates to the mortality tables used and health care trend rates were updated to an initial rate of 9.0% decreasing by 0.5% annually to an ultimate rate of 4.5% for pre-Medicare period and 8.0% decreasing by 0.5% annually to an ultimate rate of 4.5% for Medicare period.

CITY OF FLINT, MICHIGAN

Notes to Required Supplementary Information

Other Postemployment Benefits Plan

Notes to Schedule of Contributions

Note: GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	27 years
Asset valuation method	Smoothed fair value
Discount rate	4.09%
Inflation	2.50%
Salary increases	3.00%,
Retirement age	Experience-based tables of rates are specific to the type of eligibility condition
Healthcare cost trend rate	7.50% and gradually decreasing to an ultimate trend rate of 4.50%
Mortality	(1) General retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019, (2) Police and Fire retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019 and (3) Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019.

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

CITY OF FLINT, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2023

	Special Revenue	Debt Service	Totals
Assets			
Cash and investments	\$ 23,211,584	\$ 3,798,623	\$ 27,010,207
Receivables:			
Accounts, net	41,423	-	41,423
Property taxes	95,683	28,143	123,826
Loans	15,000	-	15,000
Due from other governments	911,391	-	911,391
Due from component unit - loan	-	6,387,084	6,387,084
Total assets	<u>\$ 24,275,081</u>	<u>\$ 10,213,850</u>	<u>\$ 34,488,931</u>
Liabilities			
Accounts payable	\$ 464,962	\$ 109,830	\$ 574,792
Accrued and other liabilities	81,955	-	81,955
Due to other governments	109	-	109
Deposits payable	1,812,163	-	1,812,163
Unearned revenue	142,108	-	142,108
Total liabilities	<u>2,501,297</u>	<u>109,830</u>	<u>2,611,127</u>
Deferred inflows of resources			
Unavailable revenue - loans	13,069	5,752,459	5,765,528
Unavailable revenue - grants	49,103	-	49,103
Unavailable revenue - taxes	76,157	22,399	98,556
Total deferred inflows of resources	<u>138,329</u>	<u>5,774,858</u>	<u>5,913,187</u>
Fund balances			
Restricted	21,701,992	4,329,162	26,031,154
Unassigned (deficit)	(66,537)	-	(66,537)
Total fund balances	<u>21,635,455</u>	<u>4,329,162</u>	<u>25,964,617</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 24,275,081</u>	<u>\$ 10,213,850</u>	<u>\$ 34,488,931</u>

CITY OF FLINT, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue	Debt Service	Totals
Revenues			
Property taxes	\$ 15,060,225	\$ 1,905,364	\$ 16,965,589
Federal sources	1,304,050	-	1,304,050
State sources	4,283,396	284,704	4,568,100
Charges for services	75,534	-	75,534
Fines and forfeitures	35,104	-	35,104
Licenses and permits	2,938,887	-	2,938,887
Local contributions	-	634,625	634,625
Investment appreciation	264,501	45,713	310,214
Other revenues	152,472	-	152,472
Total revenues	<u>24,114,169</u>	<u>2,870,406</u>	<u>26,984,575</u>
Expenditures			
Current:			
Public safety	9,210,491	-	9,210,491
Public works	14,170,243	-	14,170,243
Recreation and culture	855,914	1,349,098	2,205,012
Community development	1,121,487	-	1,121,487
Debt service:			
Principal	62,633	1,180,000	1,242,633
Interest	-	518,981	518,981
Total expenditures	<u>25,420,768</u>	<u>3,048,079</u>	<u>28,468,847</u>
Revenues over (under) expenditures	<u>(1,306,599)</u>	<u>(177,673)</u>	<u>(1,484,272)</u>
Other financing sources (uses)			
Transfers in	250,000	1,698,981	1,948,981
Transfers out	-	(1,698,981)	(1,698,981)
Total other financing sources (uses)	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Net change in fund balances	(1,056,599)	(177,673)	(1,234,272)
Fund balances, beginning of year	<u>22,692,054</u>	<u>4,506,835</u>	<u>27,198,889</u>
Fund balances, end of year	<u>\$ 21,635,455</u>	<u>\$ 4,329,162</u>	<u>\$ 25,964,617</u>

This page intentionally left blank.

CITY OF FLINT, MICHIGAN

Nonmajor Special Revenue Funds

Local Streets Fund – This fund accounts for the City’s share of proceeds from gas and weight taxes levied by the State and distributed to local government units for local street construction and maintenance.

Public Safety Fund – This fund accounts for a special property tax levy approved by voters to provide support for public safety departments.

Neighborhood Policing Fund – This fund is used to account for a special property tax levy approved by voters to provide additional police protection for neighborhoods.

Parks and Recreation Fund – This fund was established to account for the annual ½ mil tax levy for the purpose of providing dedicated funds for the improvement and maintenance of City parks, forestry, and recreation services.

Street Light Fund - This fund accounts for a special property tax assessment allowed to provide support for utility cost of the City’s street lighting.

Rubbish Collection Fund – This fund accounts for a special property tax assessment allowed to provide garbage and compost collection services.

EDA Revolving Loan Fund – This fund accounts is used to account for monies received from the U.S. Economic Development Administration. The grant was used to establish a revolving loan fund to loan money to economic development projects which meet program criteria.

State Act 251 Forfeiture Fund – This fund accounts is used to account for proceeds from the sale of confiscated property seized in drug-related crimes.

Building Inspection Fund – This fund accounts for the operational revenues and expenditures of the City’s code inspection and building inspection department in accordance with State Construction Code Act of 1999 (PA 245 of 1999).

CARES Act Fund – This fund accounts for Coronavirus Relief Funds which provides for payments to State, Local, and Tribal governments navigating the impact of the COVID-19 outbreak.

CITY OF FLINT, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2023

	Local Streets	Public Safety	Neighborhood Policing	Parks and Recreation
Assets				
Cash and investments	\$ 5,442,784	\$ 782,945	\$ 1,847,736	\$ 425,777
Receivables:				
Accounts, net	-	-	8,938	-
Property taxes	-	67,541	22,513	5,629
Loans	-	-	-	-
Due from other governments	568,239	-	-	-
Total assets	<u>\$ 6,011,023</u>	<u>\$ 850,486</u>	<u>\$ 1,879,187</u>	<u>\$ 431,406</u>
Liabilities				
Negative equity in pooled cash	\$ -	\$ -	\$ -	\$ -
Accounts payable	165,152	503	4,567	36,308
Accrued and other liabilities	20,041	26,762	10,015	1,028
Due to other governments	-	-	-	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>185,193</u>	<u>27,265</u>	<u>14,582</u>	<u>37,336</u>
Deferred inflows of resources				
Unavailable revenue - loans	-	-	-	-
Unavailable revenue - grants	-	-	-	-
Unavailable revenue - taxes	-	53,758	17,919	4,480
Total deferred inflows of resources	<u>-</u>	<u>53,758</u>	<u>17,919</u>	<u>4,480</u>
Fund balances				
Restricted	5,825,830	769,463	1,846,686	389,590
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>5,825,830</u>	<u>769,463</u>	<u>1,846,686</u>	<u>389,590</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,011,023</u>	<u>\$ 850,486</u>	<u>\$ 1,879,187</u>	<u>\$ 431,406</u>

Street Light	Rubbish Collection	EDA Revolving Loan	State Act 251 - Forfeiture	Building Inspection	CARES Act	Totals
\$ 6,138,888	\$ 262,382	\$ 666,063	\$ 1,158,659	\$ 6,624,031	\$ -	\$ 23,349,265
-	260	-	19,108	13,117	-	41,423
-	-	-	-	-	-	95,683
-	-	15,000	-	-	-	15,000
-	-	-	-	-	343,152	911,391
<u>\$ 6,138,888</u>	<u>\$ 262,642</u>	<u>\$ 681,063</u>	<u>\$ 1,177,767</u>	<u>\$ 6,637,148</u>	<u>\$ 343,152</u>	<u>\$ 24,412,762</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,681	137,681
159,445	1,328	-	4,940	14,511	78,208	464,962
-	961	-	4,160	16,399	2,589	81,955
-	-	109	-	-	-	109
-	-	-	140,159	1,672,004	-	1,812,163
-	-	-	-	-	142,108	142,108
<u>159,445</u>	<u>2,289</u>	<u>109</u>	<u>149,259</u>	<u>1,702,914</u>	<u>360,586</u>	<u>2,638,978</u>
-	-	13,069	-	-	-	13,069
-	-	-	-	-	49,103	49,103
-	-	-	-	-	-	76,157
-	-	13,069	-	-	49,103	138,329
5,979,443	260,353	667,885	1,028,508	4,934,234	-	21,701,992
-	-	-	-	-	(66,537)	(66,537)
<u>5,979,443</u>	<u>260,353</u>	<u>667,885</u>	<u>1,028,508</u>	<u>4,934,234</u>	<u>(66,537)</u>	<u>21,635,455</u>
<u>\$ 6,138,888</u>	<u>\$ 262,642</u>	<u>\$ 681,063</u>	<u>\$ 1,177,767</u>	<u>\$ 6,637,148</u>	<u>\$ 343,152</u>	<u>\$ 24,412,762</u>

CITY OF FLINT, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended June 30, 2023

	Local Streets	Public Safety	Neighborhood Policing	Parks and Recreation
Revenues				
Property taxes	\$ -	\$ 4,566,204	\$ 1,524,256	\$ 380,956
Federal sources	-	-	-	-
State sources	3,835,450	293,254	97,751	56,941
Charges for services	-	17,280	34,001	-
Fines and forfeitures	-	-	-	-
Licenses and permits	-	-	-	-
Investment appreciation	65,290	12,508	22,683	5,297
Other revenues	92,854	-	1,068	2,455
Total revenues	3,993,594	4,889,246	1,679,759	445,649
Expenditures				
Current:				
Public safety	-	4,853,793	1,778,180	-
Public works:				
Streets	5,192,522	-	-	-
Street lights	-	-	-	-
Garbage and rubbish	-	-	-	-
Recreation and culture	-	-	-	855,914
Community development	-	-	-	-
Debt service:				
Principal	62,633	-	-	-
Total expenditures	5,255,155	4,853,793	1,778,180	855,914
Revenues over (under) expenditures	(1,261,561)	35,453	(98,421)	(410,265)
Other financing sources (uses)				
Transfers in	-	-	-	250,000
Net change in fund balances	(1,261,561)	35,453	(98,421)	(160,265)
Fund balances, beginning of year	7,087,391	734,010	1,945,107	549,855
Fund balances, end of year	\$ 5,825,830	\$ 769,463	\$ 1,846,686	\$ 389,590

Street Light	Rubbish Collection	EDA Revolving Loan	State Act 251 - Forfeiture	Building Inspection	CARES Act	Totals
\$ 2,537,631	\$ 6,051,178	\$ -	\$ -	\$ -	\$ -	\$ 15,060,225
-	-	-	-	-	1,304,050	1,304,050
-	-	-	-	-	-	4,283,396
-	-	-	4,066	20,187	-	75,534
-	-	-	35,104	-	-	35,104
-	-	-	-	2,938,887	-	2,938,887
71,585	3,065	249	13,516	70,308	-	264,501
23	1,553	-	54,519	-	-	152,472
<u>2,609,239</u>	<u>6,055,796</u>	<u>249</u>	<u>107,205</u>	<u>3,029,382</u>	<u>1,304,050</u>	<u>24,114,169</u>
-	-	-	196,602	2,381,916	-	9,210,491
-	-	-	-	-	-	5,192,522
2,196,092	-	-	-	-	-	2,196,092
-	6,781,629	-	-	-	-	6,781,629
-	-	-	-	-	-	855,914
-	-	13,142	-	-	1,108,345	1,121,487
-	-	-	-	-	-	62,633
<u>2,196,092</u>	<u>6,781,629</u>	<u>13,142</u>	<u>196,602</u>	<u>2,381,916</u>	<u>1,108,345</u>	<u>25,420,768</u>
413,147	(725,833)	(12,893)	(89,397)	647,466	195,705	(1,306,599)
-	-	-	-	-	-	250,000
413,147	(725,833)	(12,893)	(89,397)	647,466	195,705	(1,056,599)
<u>5,566,296</u>	<u>986,186</u>	<u>680,778</u>	<u>1,117,905</u>	<u>4,286,768</u>	<u>(262,242)</u>	<u>22,692,054</u>
<u>\$ 5,979,443</u>	<u>\$ 260,353</u>	<u>\$ 667,885</u>	<u>\$ 1,028,508</u>	<u>\$ 4,934,234</u>	<u>\$ (66,537)</u>	<u>\$ 21,635,455</u>

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Local Streets Special Revenue Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
State sources	\$ 3,759,595	\$ 3,759,595	\$ 3,835,450	\$ 75,855
Investment appreciation	7,080	7,080	65,290	58,210
Other revenues	126,180	126,180	92,854	(33,326)
Total revenues	<u>3,892,855</u>	<u>3,892,855</u>	<u>3,993,594</u>	<u>100,739</u>
Expenditures				
Current:				
Public works:				
Streets	7,090,467	7,090,467	5,192,522	(1,897,945)
Debt service:				
Principal	62,633	62,633	62,633	-
Total expenditures	<u>7,153,100</u>	<u>7,153,100</u>	<u>5,255,155</u>	<u>(1,897,945)</u>
Net change in fund balance	(3,260,245)	(3,260,245)	(1,261,561)	1,998,684
Fund balance, beginning of year	<u>7,087,391</u>	<u>7,087,391</u>	<u>7,087,391</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,827,146</u>	<u>\$ 3,827,146</u>	<u>\$ 5,825,830</u>	<u>\$ 1,998,684</u>

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Public Safety Special Revenue Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 4,999,600	\$ 4,999,600	\$ 4,566,204	\$ (433,396)
State sources	284,000	284,000	293,254	9,254
Investment appreciation	1,658	1,658	12,508	10,850
Charges for services	40,000	40,000	17,280	(22,720)
Total revenues	5,325,258	5,325,258	4,889,246	(436,012)
Expenditures				
Current:				
Public safety	5,192,337	5,192,337	4,853,793	(338,544)
Net change in fund balance	132,921	132,921	35,453	(97,468)
Fund balance, beginning of year	734,010	734,010	734,010	-
Fund balance, end of year	<u>\$ 866,931</u>	<u>\$ 866,931</u>	<u>\$ 769,463</u>	<u>\$ (97,468)</u>

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Neighborhood Policing Special Revenue Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 1,666,600	\$ 1,666,600	\$ 1,524,256	\$ (142,344)
State sources	95,000	95,000	97,751	2,751
Investment appreciation	1,860	1,860	22,683	20,823
Charges for services	30,000	30,000	34,001	4,001
Other revenues	-	-	1,068	1,068
Total revenues	1,793,460	1,793,460	1,679,759	(113,701)
Expenditures				
Current:				
Public safety	2,170,249	2,170,249	1,778,180	(392,069)
Net change in fund balance	(376,789)	(376,789)	(98,421)	278,368
Fund balance, beginning of year	1,945,107	1,945,107	1,945,107	-
Fund balance, end of year	\$ 1,568,318	\$ 1,568,318	\$ 1,846,686	\$ 278,368

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Parks and Recreation Special Revenue Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 417,100	\$ 417,100	\$ 380,956	\$ (36,144)
State sources	32,000	32,000	56,941	24,941
Investment appreciation	480	480	5,297	4,817
Other revenues	1,800	1,800	2,455	655
Total revenues	451,380	451,380	445,649	(5,731)
Expenditures				
Current:				
Recreation and culture	785,215	1,170,215	855,914	(314,301)
Revenues over (under) expenditures	(333,835)	(718,835)	(410,265)	308,570
Other financing sources (uses)				
Transfers in	-	250,000	250,000	-
Net change in fund balance	(333,835)	(468,835)	(160,265)	308,570
Fund balance, beginning of year	549,855	549,855	549,855	-
Fund balance, end of year	\$ 216,020	\$ 81,020	\$ 389,590	\$ 308,570

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Street Light Special Revenue Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 2,908,210	\$ 2,908,210	\$ 2,537,631	\$ (370,579)
Investment appreciation	4,205	4,205	71,585	67,380
Other revenues	-	-	23	23
Total revenues	2,912,415	2,912,415	2,609,239	(303,176)
Expenditures				
Current:				
Public works:				
Street lights	2,912,415	2,912,415	2,196,092	(716,323)
Net change in fund balance	-	-	413,147	413,147
Fund balance, beginning of year	5,566,296	5,566,296	5,566,296	-
Fund balance, end of year	\$ 5,566,296	\$ 5,566,296	\$ 5,979,443	\$ 413,147

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Rubbish Collection Special Revenue Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 6,792,169	\$ 6,792,169	\$ 6,051,178	\$ (740,991)
Licenses and permits	1,500	1,500	-	(1,500)
Investment appreciation	2,503	2,503	3,065	562
Other revenues	-	-	1,553	1,553
Total revenues	6,796,172	6,796,172	6,055,796	(740,376)
Expenditures				
Current:				
Public works:				
Garbage and rubbish	6,796,172	6,796,172	6,781,629	(14,543)
Net change in fund balance	-	-	(725,833)	(725,833)
Fund balance, beginning of year	986,186	986,186	986,186	-
Fund balance, end of year	\$ 986,186	\$ 986,186	\$ 260,353	\$ (725,833)

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - EDA Revolving Loan Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Investment appreciation	\$ 225	\$ 225	\$ 249	\$ 24
Expenditures				
Current:				
Community development	426,275	426,275	13,142	(413,133)
Net change in fund balance	(426,050)	(426,050)	(12,893)	413,157
Fund balance, beginning of year	680,778	680,778	680,778	-
Fund balance, end of year	<u>\$ 254,728</u>	<u>\$ 254,728</u>	<u>\$ 667,885</u>	<u>\$ 413,157</u>

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - State Act 251 Forfeiture Special Revenue Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Charges for services	\$ -	\$ -	\$ 4,066	\$ 4,066
Fines and forfeitures	-	-	35,104	35,104
Investment appreciation	1,204	1,204	13,516	12,312
Other revenues	-	-	54,519	54,519
Total revenues	1,204	1,204	107,205	106,001
Expenditures				
Current:				
Public safety	298,341	298,341	196,602	(101,739)
Net change in fund balance	(297,137)	(297,137)	(89,397)	207,740
Fund balance, beginning of year	1,117,905	1,117,905	1,117,905	-
Fund balance, end of year	<u>\$ 820,768</u>	<u>\$ 820,768</u>	<u>\$ 1,028,508</u>	<u>\$ 207,740</u>

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Building Inspection Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Charges for services	\$ 14,000	\$ 14,000	\$ 20,187	\$ 6,187
Licenses and permits	1,300,000	1,300,000	2,938,887	1,638,887
Investment appreciation	4,295	4,295	70,308	66,013
Total revenues	1,318,295	1,318,295	3,029,382	1,711,087
Expenditures				
Current:				
Public safety	2,984,290	2,984,290	2,381,916	(602,374)
Net change in fund balance	(1,665,995)	(1,665,995)	647,466	2,313,461
Fund balance, beginning of year	4,286,768	4,286,768	4,286,768	-
Fund balance, end of year	<u>\$ 2,620,773</u>	<u>\$ 2,620,773</u>	<u>\$ 4,934,234</u>	<u>\$ 2,313,461</u>

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - CARES Act Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal sources	\$ -	\$ 4,555,267	\$ 1,304,050	\$ (3,251,217)
Expenditures				
Current:				
Community development	-	3,758,712	1,108,345	(2,650,367)
Net change in fund balance	-	796,555	195,705	(600,850)
Fund balance (deficit), beginning of year	(262,242)	(262,242)	(262,242)	-
Fund balance (deficit), end of year	<u>\$ (262,242)</u>	<u>\$ 534,313</u>	<u>\$ (66,537)</u>	<u>\$ (600,850)</u>

This page intentionally left blank.

CITY OF FLINT, MICHIGAN

■ Nonmajor Debt Service Funds

Parking Deck Fund – This fund was established to accumulate resources for the payment of bonds issued to construct a parking deck facility.

Public Improvement Fund – This fund was established to account for the annual 2.5 mill tax levy reserved by Section 7 201 of the City Charter for capital improvements and servicing of general obligation debt.

CITY OF FLINT, MICHIGAN

Combining Balance Sheet

Nonmajor Debt Service Funds

June 30, 2023

	Parking Deck	Public Improvement Fund	Totals
Assets			
Cash and investments	\$ 527,816	\$ 3,270,807	\$ 3,798,623
Receivables:			
Property taxes	-	28,143	28,143
Due from component unit - loan	-	6,387,084	6,387,084
Total assets	<u>\$ 527,816</u>	<u>\$ 9,686,034</u>	<u>\$ 10,213,850</u>
Liabilities			
Accounts payable	\$ -	\$ 109,830	\$ 109,830
Deferred inflows of resources			
Unavailable revenue - loans	-	5,752,459	5,752,459
Unavailable revenue - taxes	-	22,399	22,399
Total deferred inflows of resources	<u>-</u>	<u>5,774,858</u>	<u>5,774,858</u>
Fund balances			
Restricted	<u>527,816</u>	<u>3,801,346</u>	<u>4,329,162</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 527,816</u>	<u>\$ 9,686,034</u>	<u>\$ 10,213,850</u>

CITY OF FLINT, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds
For the Year Ended June 30, 2023

	Parking Deck	Public Improvement Fund	Totals
Revenues			
Property taxes	\$ -	\$ 1,905,364	\$ 1,905,364
State sources	-	284,704	284,704
Local contributions	-	634,625	634,625
Investment appreciation	6,155	39,558	45,713
Total revenues	<u>6,155</u>	<u>2,864,251</u>	<u>2,870,406</u>
Expenditures			
Current:			
Recreation and culture	-	1,349,098	1,349,098
Debt service:			
Principal	1,180,000	-	1,180,000
Interest	518,981	-	518,981
Total expenditures	<u>1,698,981</u>	<u>1,349,098</u>	<u>3,048,079</u>
Revenues over (under) expenditures	<u>(1,692,826)</u>	<u>1,515,153</u>	<u>(177,673)</u>
Other financing sources (uses)			
Transfers in	1,698,981	-	1,698,981
Transfers out	-	(1,698,981)	(1,698,981)
Total other financing sources (uses)	<u>1,698,981</u>	<u>(1,698,981)</u>	<u>-</u>
Net change in fund balances	6,155	(183,828)	(177,673)
Fund balances, beginning of year	<u>521,661</u>	<u>3,985,174</u>	<u>4,506,835</u>
Fund balances, end of year	<u><u>\$ 527,816</u></u>	<u><u>\$ 3,801,346</u></u>	<u><u>\$ 4,329,162</u></u>

This page intentionally left blank.

CITY OF FLINT, MICHIGAN

Internal Service Funds

Fringe Benefits Fund – This fund is used as a clearing account for the City's payroll and related fringe benefits, and to make payments for workers' compensation and unemployment claims. Monies are accumulated in this fund as a result of payroll allocations made on a departmental and/or bargaining unit basis.

Data Processing Fund – This fund distributes the costs of central data processing services to the various user departments.

Central Maintenance Garage Fund – This fund accounts for the costs of vehicles and equipment provided to City funds.

Self-Insurance Fund – This fund was established to accumulate monies which are available to settle claims against the City when no insurance coverage exists and to make insurance premium payments. The fund is reimbursed by the user departments for insurance premium payments made and monies accumulated for self-insurance.

CITY OF FLINT, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

June 30, 2023

	Fringe Benefits	Data Processing	Central Maintenance Garage	Self-Insurance	Totals
Assets					
Current assets:					
Cash and investments	\$ 19,386,402	\$ 1,845,176	\$ 1,989,307	\$ 7,188,619	\$ 30,409,504
Accounts receivable, net	4,648	-	-	-	4,648
Due from other governments	-	-	-	25,408	25,408
Inventory	-	-	125,223	-	125,223
Prepays	-	188,655	23,452	600,751	812,858
Total current assets	19,391,050	2,033,831	2,137,982	7,814,778	31,377,641
Noncurrent assets:					
Capital assets not being depreciated/amortized	-	-	2,656,411	-	2,656,411
Capital assets being depreciated/amortized, net	42,590	1,232,001	8,383,418	24,307	9,682,316
Total noncurrent assets	42,590	1,232,001	11,039,829	24,307	12,338,727
Total assets	19,433,640	3,265,832	13,177,811	7,839,085	43,716,368
Liabilities					
Current liabilities:					
Accounts payable	3,151,530	219,768	135,967	209,207	3,716,472
Accrued liabilities	143,063	8,982	4,613	-	156,658
Accrued interest	1,125	8,709	28,072	61	37,967
Current portion of claims payable	1,788,510	-	-	837,051	2,625,561
Current portion of bonds, notes and other long-term liabilities	19,763	189,521	835,125	9,163	1,053,572
Total current liabilities	5,103,991	426,980	1,003,777	1,055,482	7,590,230
Noncurrent liabilities:					
Claims, net of current portion	-	-	-	1,797,464	1,797,464
Bonds, notes and other long-term liabilities, net of current portion	21,406	113,126	306,807	15,144	456,483
Total noncurrent liabilities	21,406	113,126	306,807	1,812,608	2,253,947
Total liabilities	5,125,397	540,106	1,310,584	2,868,090	9,844,177
Net position					
Net investment in capital assets	1,421	929,354	9,897,897	-	10,828,672
Unrestricted	14,306,822	1,796,372	1,969,330	4,970,995	23,043,519
Total net position	\$ 14,308,243	\$ 2,725,726	\$ 11,867,227	\$ 4,970,995	\$ 33,872,191

CITY OF FLINT, MICHIGAN

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

Internal Service Funds

For the Year Ended June 30, 2023

	Fringe Benefits	Data Processing	Central Maintenance Garage	Self-Insurance	Totals
Operating revenues					
Charges for services	\$ 33,929,140	\$ 3,588,271	\$ 3,761,727	\$ -	\$ 41,279,138
Other	16,779,058	27,951	59,573	7,360,430	24,227,012
Total operating revenues	50,708,198	3,616,222	3,821,300	7,360,430	65,506,150
Operating expenses					
Salaries and benefits	665,836	1,566,373	1,573,707	144,970	3,950,886
Supplies	-	1,949	1,267,337	-	1,269,286
Contractual services	225,402	997,214	83,209	2,250,927	3,556,752
Repairs and maintenance	-	10,320	142,454	-	152,774
Insurance	-	-	-	1,506,655	1,506,655
Retirement, OPEB and fringes	49,150,472	-	-	-	49,150,472
Other	38,432	250,824	54,864	1,427	345,547
Depreciation/amortization	18,576	433,609	2,544,920	4,433	3,001,538
Total operating expenses	50,098,718	3,260,289	5,666,491	3,908,412	62,933,910
Operating income (loss)	609,480	355,933	(1,845,191)	3,452,018	2,572,240
Nonoperating revenues (expenses)					
Investment appreciation	612,001	22,265	25,865	98,432	758,563
Interest expense and fees	(1,125)	(9,162)	(98,006)	(392)	(108,685)
Gain (loss) on sale of capital assets	-	(27,498)	(388,171)	-	(415,669)
Total nonoperating revenues (expenses)	610,876	(14,395)	(460,312)	98,040	234,209
Income (loss) before transfers	1,220,356	341,538	(2,305,503)	3,550,058	2,806,449
Transfers in	-	-	1,552,989	-	1,552,989
Transfers out	-	-	-	(214,198)	(214,198)
Change in net position	1,220,356	341,538	(752,514)	3,335,860	4,145,240
Net position, beginning of year	13,087,887	2,384,188	12,619,741	1,635,135	29,726,951
Net position, end of year	\$ 14,308,243	\$ 2,725,726	\$ 11,867,227	\$ 4,970,995	\$ 33,872,191

CITY OF FLINT, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2023

	Fringe Benefits	Data Processing	Central Maintenance Garage	Self-Insurance	Totals
Cash flows from operating activities					
Cash received from interfund services	\$ 50,704,129	\$ 3,616,222	\$ 3,822,410	\$ 7,365,698	\$ 65,508,459
Cash payments for goods and services	(49,317,483)	(1,291,971)	(1,484,068)	(4,387,452)	(56,480,974)
Cash payments to employees	(949,543)	(1,564,300)	(1,573,906)	(144,970)	(4,232,719)
Net cash provided by (used in) operating activities	<u>437,103</u>	<u>759,951</u>	<u>764,436</u>	<u>2,833,276</u>	<u>4,794,766</u>
Cash flows from noncapital financing activities					
Transfers out	-	-	-	(214,198)	(214,198)
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	-	-	(4,981,818)	-	(4,981,818)
Principal paid on bonds, notes and other long-term liabilities	(19,997)	(107,371)	(858,840)	(4,433)	(990,641)
Interest paid on long-term debt	-	(453)	(69,934)	(331)	(70,718)
Net cash used in capital and related financing activities	<u>(19,997)</u>	<u>(107,824)</u>	<u>(5,910,592)</u>	<u>(4,764)</u>	<u>(6,043,177)</u>
Cash flows from investing activities					
Investment appreciation	612,001	22,265	25,865	98,432	758,563
Net change in cash and investments	1,029,107	674,392	(5,120,291)	2,712,746	(704,046)
Cash and investments, beginning of year	18,357,295	1,170,784	7,109,598	4,475,873	31,113,550
Cash and investments, end of year	<u>\$ 19,386,402</u>	<u>\$ 1,845,176</u>	<u>\$ 1,989,307</u>	<u>\$ 7,188,619</u>	<u>\$ 30,409,504</u>

continued...

CITY OF FLINT, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2023

	Fringe Benefits	Data Processing	Central Maintenance Garage	Self-Insurance	Totals
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ 609,480	\$ 355,933	\$ (1,845,191)	\$ 3,452,018	\$ 2,572,240
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation/amortization	18,576	433,609	2,544,920	4,433	3,001,538
Change in operating assets and liabilities that provided (used) cash:					
Accounts receivable, net	(4,069)	-	-	-	(4,069)
Due from other governments	-	-	1,110	5,268	6,378
Inventory	-	-	22,315	-	22,315
Prepays	408,942	(183,001)	(12,276)	(115,594)	98,071
Accounts payable	(138,446)	151,337	53,925	(122,913)	(56,097)
Accrued liabilities	(283,707)	2,073	(199)	-	(281,833)
Due to other governments	(22,571)	-	(168)	-	(22,739)
Claims payable	(151,102)	-	-	(389,936)	(541,038)
Net cash provided by (used in) operating activities	<u>\$ 437,103</u>	<u>\$ 759,951</u>	<u>\$ 764,436</u>	<u>\$ 2,833,276</u>	<u>\$ 4,794,766</u>
Noncash capital and related financing activities					
Purchase of capital assets through issuance of debt	\$ 61,166	\$ 76,472	\$ -	\$ 28,740	\$ 166,378
Capital assets transferred from governmental activities	\$ -	\$ -	\$ 1,552,989	\$ -	\$ 1,552,989

concluded

This page intentionally left blank.

CITY OF FLINT, MICHIGAN

Custodial Funds

Tax Collection Fund – This fund is used to account for delinquent property taxes levied by other taxing units and other assets held by the City as an agent for individuals, private organizations, other governments, and other funds.

County Revolving Loan Fund – This fund is used to account for monies held in a custodial capacity for the use of the Genesee County Economic Development Corporation.

CITY OF FLINT, MICHIGAN

Combining Statement of Fiduciary Net Position

Custodial Funds

June 30, 2023

	Tax Collection	County Revolving Loan	Totals
Assets			
Cash and investments	\$ 6,635,985	\$ 481,960	\$ 7,117,945
Loans receivable	-	75,000	75,000
Total assets	<u>6,635,985</u>	<u>556,960</u>	<u>7,192,945</u>
Liabilities			
Accounts payable	7,985	-	7,985
Undistributed receipts	6,628,000	-	6,628,000
Due to other governments	-	106	106
Total liabilities	<u>6,635,985</u>	<u>106</u>	<u>6,636,091</u>
Net position			
Restricted for:			
Individuals, organizations, and other governments	<u>\$ -</u>	<u>\$ 556,854</u>	<u>\$ 556,854</u>

CITY OF FLINT, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended June 30, 2023

	Tax Collection	County Revolving Loan	Totals
Additions			
Investment appreciation (depreciation)	\$ -	\$ 62	\$ 62
Other taxes collected for other governments	34,105,044	-	34,105,044
Total additions	34,105,044	62	34,105,106
Deductions			
Payments of other taxes to other governments	34,105,044	-	34,105,044
Change in net position	-	62	62
Net position, beginning of year	-	556,792	556,792
Net position, end of year	<u>\$ -</u>	<u>\$ 556,854</u>	<u>\$ 556,854</u>

CITY OF FLINT, MICHIGAN

Statement of Net Position

Economic Development Corporation Component Unit

June 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 209,209	\$ 246,123	\$ 455,332
Receivables, net	6,710,000	297,613	7,007,613
Restricted cash and investments	930,175	-	930,175
Capital assets not being depreciated/amortized	-	93,860	93,860
Capital assets being depreciated/amortized, net	-	171,973	171,973
Total assets	7,849,384	809,569	8,658,953
Deferred outflows of resources			
Deferred charge on refunding	15,489	-	15,489
Liabilities			
Accounts payable	65,153	17,257	82,410
Long-term liabilities:			
Due within one year	232,686	-	232,686
Due in more than one year	6,920,295	-	6,920,295
Total liabilities	7,218,134	17,257	7,235,391
Deferred inflows of resources			
Deferred lease amounts	-	287,993	287,993
Net Position			
Investment in capital assets	-	265,833	265,833
Restricted for economic development activity	867,891	-	867,891
Unrestricted	(221,152)	238,486	17,334
Total net position	\$ 646,739	\$ 504,319	\$ 1,151,058

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

CITY OF FLINT, MICHIGAN

Statement of Activities

Economic Development Corporation Component Unit

For the Year Ended June 30, 2023

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Economic development	\$ 740,882	\$ 155,638	\$ -	\$ (585,244)
Business-type activities:				
Rental operations	119,725	151,739	-	32,014
Total	<u>\$ 860,607</u>	<u>\$ 307,377</u>	<u>\$ -</u>	<u>\$ (553,230)</u>

continued...

CITY OF FLINT, MICHIGAN

Statement of Activities

Economic Development Corporation Component Unit

For the Year Ended June 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Changes in net position			
Net (expense) revenue	\$ (585,244)	\$ 32,014	\$ (553,230)
General revenues:			
Investment appreciation	23,585	2,876	26,461
Other revenue	5	11,483	11,488
Total general revenues	23,590	14,359	37,949
Change in net position	(561,654)	46,373	(515,281)
Net position, beginning of year	1,208,393	457,946	1,666,339
Net position, end of year	<u>\$ 646,739</u>	<u>\$ 504,319</u>	<u>\$ 1,151,058</u>

concluded

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

CITY OF FLINT, MICHIGAN

Economic Development Corporation Component Unit

General fund – This fund is used to account for activity of Flint’s Economic Development Corporation (the “EDC”). The EDC was created under state law to provide financing and development opportunities for businesses located within the City. The EDC provides loans to start-up or expanding businesses and manages rental property that leases space to commercial and light industrial manufacturing companies.

State loan revolving fund – This fund is used to account for monies loaned by the EDC from the revolving loan fund program.

Oak business center enterprise fund – This fund is used to account for the activity of the Oak Business Center. The Oak Business Center works to create jobs by helping entrepreneurs and small businesses access needed resources for growth and long-term success. Conveniently located just north of downtown Flint, the incubator provides high quality space for companies to conduct business. It accommodates more than a dozen offices, two conference rooms, kitchen, and work center.

CITY OF FLINT, MICHIGAN

Balance Sheet – Governmental Funds

Economic Development Corporation Component Unit
June 30, 2023

	General Fund	State Loan Revolving Fund	Total Governmental Funds
Assets			
Cash and investments	\$ 209,209	\$ -	\$ 209,209
Restricted cash and investments	385,011	545,164	930,175
Receivables:			
Installment sales agreement	6,710,000	-	6,710,000
Total assets	<u>\$ 7,304,220</u>	<u>\$ 545,164</u>	<u>\$ 7,849,384</u>
Liabilities			
Accounts payable	\$ 2,869	\$ -	\$ 2,869
Due to other governments	-	60	60
Total liabilities	<u>2,869</u>	<u>60</u>	<u>2,929</u>
Deferred inflows of resources			
Unavailable revenues - loans receivable	-	4,165	4,165
Unavailable revenues - installment sales agreement receivable	6,710,000	-	6,710,000
Total deferred inflows of resources	<u>6,710,000</u>	<u>4,165</u>	<u>6,714,165</u>
Fund balances			
Restricted for economic development activity	385,011	540,939	925,950
Unassigned	206,340	-	206,340
Total fund balances	<u>591,351</u>	<u>540,939</u>	<u>1,132,290</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,304,220</u>	<u>\$ 545,164</u>	<u>\$ 7,849,384</u>

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

CITY OF FLINT, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
Economic Development Corporation Component Unit
June 30, 2023

Fund balances - total governmental funds	\$ 1,132,290
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows in the governmental funds, and thus are not included in fund balance.	
Unavailable loans receivable	4,165
Unavailable installment sales agreement receivable	6,710,000
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Bonds, notes and other long-term liabilities	(6,710,000)
Deferred charge on bond refunding	15,489
Bond premium, net	(442,981)
Accrued interest on bonds, notes and other long-term liabilities	<u>(62,224)</u>
Net position of governmental activities	<u><u>\$ 646,739</u></u>

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

CITY OF FLINT, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Economic Development Corporation Component Unit

For the Year Ended June 30, 2023

	General Fund	State Loan Revolving Fund	Total Governmental Funds
Revenue			
Charges for services	\$ 45,365	\$ -	\$ 45,365
Rental income	703,191	-	703,191
Interest	23,008	577	23,585
Other	5	-	5
Total revenue	<u>771,569</u>	<u>577</u>	<u>772,146</u>
Expenditures			
Current:			
General government	359,329	4,549	363,878
Debt service:			
Interest	434,736	-	434,736
Total expenditures	<u>794,065</u>	<u>4,549</u>	<u>798,614</u>
Revenues over (under) expenditures	<u>(22,496)</u>	<u>(3,972)</u>	<u>(26,468)</u>
Other financing sources (uses)			
Issuance of refunding bonds	6,710,000	-	6,710,000
Payments to refunded bond escrow agent	(7,321,457)	-	(7,321,457)
Premium on issuance of refunding bonds	470,667	-	470,667
Total other financing sources (uses)	<u>(140,790)</u>	<u>-</u>	<u>(140,790)</u>
Net change in fund balances	<u>(163,286)</u>	<u>(3,972)</u>	<u>(167,258)</u>
Fund balances, beginning of year	<u>754,637</u>	<u>544,911</u>	<u>1,299,548</u>
Fund balances, end of year	<u>\$ 591,351</u>	<u>\$ 540,939</u>	<u>\$ 1,132,290</u>

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

CITY OF FLINT, MICHIGAN

Reconciliation

Net Changes in Fund Balance of Governmental Funds
to Change in Net Position of Governmental Activities
Economic Development Corporation Component Unit
For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds	\$ (167,258)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.	
Net change in deferred long-term receivables	(592,918)
Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Proceeds from issuance of long-term liabilities	(6,710,000)
Premium on issuance of long-term debt	(470,667)
Payments to refunded bond escrow agent	7,321,457
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Change in accrued interest payable on long-term liabilities	<u>57,732</u>
Change in net position of governmental activities	<u><u>\$ (561,654)</u></u>

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

CITY OF FLINT, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - General Fund

Economic Development Corporation Component Unit

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Charges for services	\$ -	\$ -	\$ 45,365	\$ 45,365
Rental income	-	-	703,191	703,191
Interest revenue	-	-	23,008	23,008
Other revenue	-	38,035	5	(38,030)
Total revenues	-	38,035	771,569	733,534
Expenditures				
Current:				
General government:				
Professional services	-	38,035	359,329	321,294
Debt service:				
Interest	-	-	434,736	434,736
Total expenditures	-	38,035	794,065	756,030
Revenues over (under) expenditures	-	-	(22,496)	(22,496)
Other financing sources (uses)				
Issuance of refunding bonds	-	-	6,710,000	6,710,000
Payments to refunded bond escrow agent	-	-	(7,321,457)	(7,321,457)
Premium on issuance of refunding bonds	-	-	470,667	470,667
Total other financing sources (uses)	-	-	(140,790)	(140,790)
Net change in fund balance	-	-	(163,286)	(163,286)
Fund balance, beginning of year	754,637	754,637	754,637	-
Fund balance, end of year	\$ 754,637	\$ 754,637	\$ 591,351	\$ (163,286)

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

CITY OF FLINT, MICHIGAN

Statement of Net Position

Proprietary Fund
 Economic Development Corporation Component Unit
 June 30, 2023

	Enterprise Fund
	Oak Business Center
Assets	
Current assets:	
Cash and investments	\$ 246,123
Receivables:	
Accounts, net	6,120
Leases	287,993
Due from other governments	<u>3,500</u>
Total current assets	<u>543,736</u>
Noncurrent assets:	
Capital assets not being depreciated/amortized	93,860
Capital assets being depreciated/amortized, net	<u>171,973</u>
Total noncurrent assets	<u>265,833</u>
Total assets	<u>809,569</u>
Liabilities	
Current liabilities:	
Accounts payable	<u>17,257</u>
Deferred inflows of resources	
Deferred lease amounts	<u>287,993</u>
Net Position	
Investment in capital assets	265,833
Unrestricted	<u>238,486</u>
Total net position	<u>\$ 504,319</u>

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

CITY OF FLINT, MICHIGAN

Statement of Revenue, Expenses and Changes in Fund Net Position

Proprietary Fund
Economic Development Corporation Component Unit
For the Year Ended June 30, 2023

	Enterprise Fund
	Oak Business Center
Operating revenue	
Lease income	\$ 151,739
Operating expenses	
Utilities	57,281
Professional services	5,616
Insurance	17,942
Supplies	1,138
Depreciation/amortization	17,695
Repairs and maintenance	12,075
Bad debts	7,978
Total operating expenses	<u>119,725</u>
Operating income	<u>32,014</u>
Nonoperating revenues	
Investment appreciation	2,876
Other revenue	11,483
Total nonoperating revenues	14,359
Change in net position	46,373
Net position, beginning of year	<u>457,946</u>
Net position, end of year	<u>\$ 504,319</u>

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

CITY OF FLINT, MICHIGAN

Statement of Cash Flows

Proprietary Fund
Economic Development Corporation Component Unit
For the Year Ended June 30, 2023

	Enterprise Fund
	Oak Business Center
Cash flows from operating activities	
Cash received from customers and users	\$ 151,739
Cash payments to suppliers for goods and services	<u>(77,672)</u>
Net cash provided by (used in) operating activities	74,067
Cash flows from noncapital financing activities	
Federal grant proceeds	11,483
Cash flows from investing activities	
Investment appreciation	<u>2,876</u>
Net change in cash and investments	88,426
Cash and investments, beginning of year	<u>157,697</u>
Cash and investments, end of year	<u><u>\$ 246,123</u></u>
Cash flows from operating activities	
Operating income	\$ 32,014
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Depreciation/amortization	17,695
Bad debts	7,978
Change in:	
Accounts receivable, net	(3,173)
Prepays	15,057
Due from other governments	(83)
Accounts payable	<u>4,579</u>
Net cash provided by (used in) operating activities	<u><u>\$ 74,067</u></u>

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

This page intentionally left blank.

STATISTICAL SECTION

This page intentionally left blank.

CITY OF FLINT, MICHIGAN

Statistical Section Table of Contents

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

		<u>Page</u>
Financial Trends	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	170-179
Revenue Capacity	These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	180-187
Debt Capacity	These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	188-194
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	195-197
Operating Information	These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	198-206

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

CITY OF FLINT, MICHIGAN

Net Position by Component

Last Ten Fiscal Years

	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 138,929,966	\$ 127,601,186	\$ 120,193,431	\$ 112,083,639
Restricted	40,976,633	38,525,638	17,600,308	17,288,837
Unrestricted (deficit)	<u>(151,887,277)</u>	<u>(348,263,708)</u>	<u>(335,931,410)</u>	<u>(339,067,428)</u>
Total governmental activities	<u>\$ 28,019,322</u>	<u>\$ (182,136,884)</u>	<u>\$ (198,137,671)</u>	<u>\$ (209,694,952)</u>
Business-type activities				
Net investment in capital assets	\$ 76,669,716	\$ 77,042,464	\$ 75,805,935	\$ 75,820,800
Restricted	5,848,116	5,848,116	5,113,523	5,113,523
Unrestricted	<u>13,212,790</u>	<u>(33,880,794)</u>	<u>(23,158,249)</u>	<u>(20,785,595)</u>
Total business-type activities	<u>\$ 95,730,622</u>	<u>\$ 49,009,786</u>	<u>\$ 57,761,209</u>	<u>\$ 60,148,728</u>
Primary government				
Net investment in capital assets	\$ 215,599,682	\$ 204,643,650	\$ 195,999,366	\$ 187,904,439
Restricted	46,824,749	44,373,754	22,713,831	22,402,360
Unrestricted (deficit)	<u>(138,674,487)</u>	<u>(382,144,502)</u>	<u>(359,089,659)</u>	<u>(359,853,023)</u>
Total primary government	<u>\$ 123,749,944</u>	<u>\$ (133,127,098)</u>	<u>\$ (140,376,462)</u>	<u>\$ (149,546,224)</u>

Table 1 - Unaudited

2018	2019	2020	2021	2022	2023
\$ 102,839,672	\$ 98,672,771	\$ 92,077,130	\$ 89,750,681	\$ 84,743,776	\$ 82,916,210
10,289,601	35,841,677	53,687,493	51,833,997	64,659,396	74,495,664
(412,970,756)	(393,768,702)	(442,526,378)	(421,243,500)	(414,571,980)	(368,064,536)
<u>\$ (299,841,483)</u>	<u>\$ (259,254,254)</u>	<u>\$ (296,761,755)</u>	<u>\$ (279,658,822)</u>	<u>\$ (265,168,808)</u>	<u>\$ (210,652,662)</u>
\$ 106,432,575	\$ 143,175,417	\$ 169,838,283	\$ 207,317,158	\$ 209,087,788	\$ 225,510,594
6,786,490	-	-	-	-	-
(72,377,243)	(85,962,501)	(84,664,020)	(34,576,129)	(15,153,086)	(9,571,701)
<u>\$ 40,841,822</u>	<u>\$ 57,212,916</u>	<u>\$ 85,174,263</u>	<u>\$ 172,741,029</u>	<u>\$ 193,934,702</u>	<u>\$ 215,938,893</u>
\$ 209,272,247	\$ 241,848,188	\$ 261,915,413	\$ 297,067,839	\$ 293,831,564	\$ 308,426,804
17,076,091	35,841,677	53,687,493	51,833,997	64,659,396	74,495,664
(485,347,999)	(479,731,203)	(527,190,398)	(455,819,629)	(429,725,066)	(377,636,237)
<u>\$ (258,999,661)</u>	<u>\$ (202,041,338)</u>	<u>\$ (211,587,492)</u>	<u>\$ (106,917,793)</u>	<u>\$ (71,234,106)</u>	<u>\$ 5,286,231</u>

CITY OF FLINT, MICHIGAN

Changes in Net Position

Governmental Activities
Last Ten Fiscal Years

	2014	2015	2016	2017
Expenses				
Legislative	\$ -	\$ -	\$ -	\$ -
General government	7,691,189	10,540,197	14,042,753	15,334,791
Judicial	5,031,863	5,032,427	5,143,547	530,845
Public safety	41,576,320	36,224,195	49,407,091	48,981,359
Building inspection	2,452,420	1,282,613	1,254,516	1,561,223
Public works	27,278,596	26,380,580	27,140,462	25,165,859
Recreation and culture	3,096,360	4,112,910	1,723,835	1,825,123
Community development	6,751,200	5,617,598	8,988,332	5,750,353
Facilities maintenance	-	-	-	-
Interest on long-term debt	1,203,196	1,166,786	1,280,956	1,306,639
	<u>95,081,144</u>	<u>90,357,306</u>	<u>108,981,492</u>	<u>100,456,192</u>
Program revenues				
Charges for services:				
General government	9,223,175	7,017,607	8,466,185	7,356,125
Judicial	1,826,600	1,449,274	680,908	177,055
Public safety	2,180,536	2,531,669	2,285,236	2,313,574
Building inspection	2,004,074	2,726,592	3,149,559	2,232,541
Public works	35,085	25,798	106,319	47,301
Health and welfare	-	-	-	-
Community development	6,816	495	523	5,224
Recreation and culture	4,190	5,171	1,236	61,208
Operating grants and contributions	14,562,573	16,880,612	18,497,749	18,821,609
Capital grants and contributions	11,218,347	1,924,929	6,240,235	2,092,816
	<u>41,061,396</u>	<u>32,562,147</u>	<u>39,427,950</u>	<u>33,107,453</u>
Net (expenses) revenues	<u>(54,019,748)</u>	<u>(57,795,159)</u>	<u>(69,553,542)</u>	<u>(67,348,739)</u>
General revenues and other changes in net position				
Property taxes	21,292,833	19,757,581	18,429,084	19,861,396
Income taxes	13,038,276	14,012,171	15,540,594	15,487,439
Grants and contributions not restricted to specific programs	-	-	-	-
State shared revenues	14,140,573	14,458,731	14,451,256	14,899,242
Franchise fees	-	-	-	1,022,650
Unrestricted investment earnings (losses)	860,821	742,926	1,113,097	773,736
Gain (loss) on capital assets	16,800	1,567,571	-	-
Other revenues	2,942,613	2,990,000	1,028,722	967,327
Transfers	2,990,000	-	2,990,000	2,779,668
	<u>55,281,916</u>	<u>53,528,980</u>	<u>53,552,753</u>	<u>55,791,458</u>
Total governmental activities changes in net position	<u>\$ 1,262,168</u>	<u>\$ (4,266,179)</u>	<u>\$ (16,000,789)</u>	<u>\$ (11,557,281)</u>

Table 2 - Unaudited

2018	2019	2020	2021	2022	2023
\$ -	\$ 810,869	\$ 1,160,836	\$ 925,090	\$ 936,704	\$ 955,752
6,992,491	4,328,789	16,723,478	13,911,324	8,514,812	11,259,693
964,009	750,288	850,055	1,133,385	1,059,999	1,097,668
34,029,935	27,666,372	83,877,208	44,064,111	37,434,383	15,454,109
667,157	-	-	-	-	-
23,447,961	20,423,068	27,795,199	22,716,601	26,996,784	25,507,913
2,080,501	918,638	1,022,805	822,757	579,527	1,320,927
5,283,465	9,222,386	4,275,895	7,399,573	13,418,113	12,794,395
-	1,590,576	1,643,599	1,493,134	1,615,661	1,717,078
1,239,453	1,055,294	1,182,972	871,065	802,497	719,194
<u>74,704,972</u>	<u>66,766,280</u>	<u>138,532,047</u>	<u>93,337,040</u>	<u>91,358,480</u>	<u>70,826,729</u>
9,742,833	9,065,826	11,089,629	11,741,163	4,537,704	1,547,729
128,854	-	-	-	-	-
2,419,312	3,265,430	2,942,936	3,234,396	2,433,980	4,053,148
1,687,234	-	-	-	-	-
47,437	68,115	38,692	16,825	29,544	19,291
-	-	-	-	-	7,945,636
692	553,645	569,752	551,621	678,758	726,042
1,124,316	-	-	-	-	-
23,094,453	35,960,712	32,657,667	39,028,986	37,630,061	38,517,932
1,734,315	-	-	-	519,585	494,472
<u>39,979,446</u>	<u>48,913,728</u>	<u>47,298,676</u>	<u>54,572,991</u>	<u>45,829,632</u>	<u>53,304,250</u>
<u>(34,725,526)</u>	<u>(17,852,552)</u>	<u>(91,233,371)</u>	<u>(38,764,049)</u>	<u>(45,528,848)</u>	<u>(17,522,479)</u>
19,452,524	20,279,812	20,927,464	23,710,945	22,745,182	23,277,946
15,277,949	16,019,035	17,020,456	15,028,812	19,076,507	18,700,983
-	-	-	-	3,349,993	13,579,993
15,199,286	15,576,579	14,595,029	16,910,747	16,845,764	16,195,063
-	-	-	-	-	-
1,160,090	1,439,377	1,182,921	177,770	(2,676,422)	2,369,769
-	-	-	38,708	-	-
1,094,886	-	-	-	-	-
1,536,235	2,570,708	-	-	924,141	(2,085,129)
<u>53,720,970</u>	<u>55,885,511</u>	<u>53,725,870</u>	<u>55,866,982</u>	<u>60,265,165</u>	<u>72,038,625</u>
<u>\$ 18,995,444</u>	<u>\$ 38,032,959</u>	<u>\$ (37,507,501)</u>	<u>\$ 17,102,933</u>	<u>\$ 14,736,317</u>	<u>\$ 54,516,146</u>

CITY OF FLINT, MICHIGAN

Changes in Net Position

Business-type Activities
Last Ten Fiscal Years

	2014	2015	2016	2017
Operating revenue				
Sale of water	\$ 43,552,152	\$ 33,777,658	\$ 32,355,881	\$ 30,057,960
Sewage disposal charges	28,605,162	30,435,699	29,031,074	29,504,500
Other charges for services	-	123,224	37,051	-
	<u>72,157,314</u>	<u>64,336,581</u>	<u>61,424,006</u>	<u>59,562,460</u>
Operating expenses				
Cost of water produced/purchased	21,508,040	-	8,354,748	17,307,301
Water supply	17,381,525	18,805,048	22,478,663	26,786,020
Sewage disposal	20,180,686	18,898,748	22,052,088	26,003,071
Depreciation	8,806,180	6,036,783	7,039,991	7,067,711
	<u>67,876,431</u>	<u>43,740,579</u>	<u>59,925,490</u>	<u>77,164,103</u>
Operating income (loss)	<u>4,280,883</u>	<u>20,596,002</u>	<u>1,498,516</u>	<u>(17,601,643)</u>
Nonoperating revenue (expenses)				
Federal grants	-	-	-	1,253,227
State grants	-	-	6,000,000	19,109,149
Local grants	-	-	2,374,748	1,745,252
Investment income	155,578	247,222	613,207	362,738
Interest expense	(572,376)	(565,869)	(170,301)	-
Gain (loss) on disposal of assets	3,593,677	225,465	-	(490)
Capital grants and contributions	-	-	-	-
Debt forgiveness	-	-	-	-
Miscellaneous revenue	(6,319)	(6,571)	(5,981)	298,954
	<u>3,170,560</u>	<u>(99,753)</u>	<u>8,811,673</u>	<u>22,768,830</u>
Income (loss) before transfers and capital grants	<u>7,451,443</u>	<u>20,496,249</u>	<u>10,310,189</u>	<u>5,167,187</u>
Grants for capital improvements	-	-	-	-
Transfers from other funds	800,000	800,000	-	210,332
Transfers to other funds	(3,790,000)	(3,790,000)	(2,990,000)	(2,990,000)
Total business-type activities changes in net position	<u>\$ 4,461,443</u>	<u>\$ 17,506,249</u>	<u>\$ 7,320,189</u>	<u>\$ 2,387,519</u>
Change in net position - primary government	<u>\$ 5,723,611</u>	<u>\$ 13,240,070</u>	<u>\$ (8,680,600)</u>	<u>\$ (9,169,762)</u>

Table 3 - Unaudited

	2018	2019	2020	2021	2022	2023
\$	28,154,629	\$ 31,007,646	\$ 29,500,861	\$ 29,864,096	\$ 31,455,385	\$ 31,357,773
	30,542,329	25,727,230	25,550,538	25,883,624	28,045,105	27,156,633
	-	20,077	330,134	-	5,106	-
	<u>58,696,958</u>	<u>56,754,953</u>	<u>55,381,533</u>	<u>55,747,720</u>	<u>59,505,596</u>	<u>58,514,406</u>
	14,798,508	11,566,113	11,052,227	12,354,561	13,620,399	12,736,873
	31,868,876	19,989,864	26,834,751	(11,639,719)	18,220,102	14,593,000
	21,385,475	35,638,165	12,575,247	1,768,216	9,820,118	20,102,479
	6,932,145	7,044,520	7,658,571	7,977,481	8,411,820	8,884,161
	<u>74,985,004</u>	<u>74,238,662</u>	<u>58,120,796</u>	<u>10,460,539</u>	<u>50,072,439</u>	<u>56,316,513</u>
	<u>(16,288,046)</u>	<u>(17,483,709)</u>	<u>(2,739,263)</u>	<u>45,287,181</u>	<u>9,433,157</u>	<u>2,197,893</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	645,390	1,244,819	1,321,264	80,889	(1,443,020)	938,336
	(24,396)	-	-	-	-	-
	-	-	-	(37,150)	-	-
	31,735,104	-	-	-	-	-
	20,770,336	-	-	-	-	-
	173,574	-	-	-	-	-
	<u>53,300,008</u>	<u>1,244,819</u>	<u>1,321,264</u>	<u>43,739</u>	<u>(1,443,020)</u>	<u>938,336</u>
	37,011,962	(16,238,890)	(1,417,999)	45,330,920	7,990,137	3,136,229
	-	37,946,742	29,379,346	42,235,846	13,203,536	16,782,833
	336,041	-	-	-	-	2,085,129
	<u>(1,872,276)</u>	<u>(2,570,708)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>35,475,727</u>	<u>\$ 19,137,144</u>	<u>\$ 27,961,347</u>	<u>\$ 87,566,766</u>	<u>\$ 21,193,673</u>	<u>\$ 22,004,191</u>
\$	<u>54,471,171</u>	<u>\$ 57,170,103</u>	<u>\$ (9,546,154)</u>	<u>\$ 104,669,699</u>	<u>\$ 35,929,990</u>	<u>\$ 76,520,337</u>

CITY OF FLINT, MICHIGAN

Fund Balances Governmental Funds

Last Ten Fiscal Years

	2014	2015	2016	2017
General fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Assigned	-	-	-	-
Unassigned (deficit)	<u>(8,961,427)</u>	<u>3,346,327</u>	<u>10,037,581</u>	<u>17,073,792</u>
Total general fund	<u>(8,961,427)</u>	<u>3,346,327</u>	<u>10,037,581</u>	<u>17,073,792</u>
All other governmental funds				
Nonspendable	-	-	-	-
Restricted	28,491,942	26,419,102	28,279,651	30,676,075
Unassigned (deficit)	<u>-</u>	<u>(108,770)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>28,491,942</u>	<u>26,310,332</u>	<u>28,279,651</u>	<u>30,676,075</u>
Total all governmental funds	<u>\$ 19,530,515</u>	<u>\$ 29,656,659</u>	<u>\$ 38,317,232</u>	<u>\$ 47,749,867</u>

Table 4 - Unaudited

2018	2019	2020	2021	2022	2023
\$ -	\$ -	\$ 37,192	\$ 61,757	\$ 49,836	\$ 135,690
-	2,070,811	1,632,576	13,087,906	14,094,070	3,000,000
<u>20,374,004</u>	<u>22,366,581</u>	<u>15,925,521</u>	<u>9,789,704</u>	<u>4,988,355</u>	<u>11,704,999</u>
<u>20,374,004</u>	<u>24,437,392</u>	<u>17,595,289</u>	<u>22,939,367</u>	<u>19,132,261</u>	<u>14,840,689</u>
-	-	76,529	152,501	34,589	140,438
35,677,268	36,051,327	38,679,911	45,207,609	47,894,423	51,568,207
-	-	(76,529)	(753,258)	(3,644,857)	(4,685,026)
<u>35,677,268</u>	<u>36,051,327</u>	<u>38,679,911</u>	<u>44,606,852</u>	<u>44,284,155</u>	<u>47,023,619</u>
<u>\$ 56,051,272</u>	<u>\$ 60,488,719</u>	<u>\$ 56,275,200</u>	<u>\$ 67,546,219</u>	<u>\$ 63,416,416</u>	<u>\$ 61,864,308</u>

CITY OF FLINT, MICHIGAN

Changes in Fund Balances Governmental Funds

Last Ten Fiscal Years

	2014	2015	2016	2017
Revenues				
Property taxes	\$ 18,189,649	\$ 16,696,873	\$ 15,581,099	\$ 16,960,809
Income taxes	13,038,276	14,314,826	15,864,085	15,644,292
Cable franchise fees	-	-	-	1,022,650
Special assessments	-	13,493,216	-	-
Federal sources	20,035,608	21,699,780	7,007,040	5,783,334
State sources	19,467,727	1,144,948	36,047,846	30,386,628
Charges for services	9,627,796	582,869	8,390,598	11,181,260
Fines and forfeitures	3,090,045	7,975,310	3,081,246	429,860
Licenses and permits	1,502,536	2,450,924	1,154,277	2,227,748
Local contributions	632,458	4,976,610	275,028	1,046,885
Interest	7,016,496	-	983,837	672,739
Other revenues	-	-	1,460,982	1,499,523
Total revenues	92,600,591	83,335,356	89,846,038	86,855,728
Expenditures				
Legislative	338,638	557,841	841,240	870,950
General government	7,466,619	11,033,750	10,771,374	10,339,533
Judicial	5,181,415	5,294,069	3,783,089	901,361
Public safety	44,816,440	40,331,305	38,680,868	41,497,939
Public works	14,608,856	15,801,065	6,155,898	10,714,513
Recreation and culture	2,729,358	2,980,851	358,444	584,219
Community development	6,750,331	5,582,858	7,745,212	5,576,085
Facilities maintenance	-	-	1,661,747	1,643,145
Transportation	-	-	12,012,988	6,084,566
Debt service:				
Interest	1,218,524	1,239,070	1,659,622	1,755,725
Principal	1,203,212	1,168,901	1,292,981	1,233,055
Total expenditures	84,313,393	83,989,710	84,963,463	81,201,091
Revenues over (under) expenditures	8,287,198	(654,354)	4,882,575	5,654,637
Other financing sources (uses)				
Issuance of long-term liabilities	-	7,000,000	-	-
Proceeds from sale of capital assets	16,800	500	-	-
Transfers in	6,669,791	5,454,157	5,085,992	5,092,663
Transfers out	(2,608,248)	(1,676,159)	(1,307,994)	(1,314,665)
Total other financing sources	4,078,343	10,778,498	3,777,998	3,777,998
Net change in fund balance	\$ 12,365,541	\$ 10,124,144	\$ 8,660,573	\$ 9,432,635
Debt service as a percentage of noncapital expenditures	3.0%	3.1%	3.8%	4.0%

Table 5 - Unaudited

	2018	2019	2020	2021	2022	2023
\$	16,443,315	\$ 20,279,812	\$ 20,927,464	\$ 23,710,945	\$ 22,813,977	\$ 23,296,464
	15,471,994	16,019,035	17,020,456	15,028,812	19,076,507	18,700,983
	979,569	941,961	881,931	919,339	887,414	794,297
	-	-	-	-	-	-
	7,905,710	10,995,680	10,038,406	10,654,495	12,586,174	25,309,885
	33,417,100	36,389,470	32,998,037	39,471,430	39,875,551	37,738,516
	13,871,362	10,586,067	12,107,288	13,598,528	5,658,592	10,188,313
	273,269	235,651	273,802	231,576	44,250	35,104
	1,605,360	2,132,138	2,260,879	1,714,741	1,977,744	3,005,330
	1,800,813	1,910,797	1,949,539	3,800,540	3,392,140	3,244,557
	930,348	1,284,586	971,971	368,354	(1,994,680)	1,808,307
	1,739,879	1,039,167	1,139,018	880,819	1,958,829	1,645,349
	<u>94,438,719</u>	<u>101,814,364</u>	<u>100,568,791</u>	<u>110,379,579</u>	<u>106,276,498</u>	<u>125,767,105</u>
	900,620	765,717	1,020,917	833,422	936,704	955,752
	12,688,374	17,194,733	19,805,631	19,600,468	18,459,978	31,650,208
	858,955	750,288	850,055	1,133,385	1,059,999	1,097,668
	44,776,943	43,483,079	51,180,023	42,428,740	50,612,222	48,883,156
	11,105,954	19,832,593	21,421,183	22,022,675	21,201,495	23,226,811
	360,304	617,174	532,917	697,735	485,088	2,205,012
	5,585,435	9,667,090	6,761,698	8,778,703	13,402,003	13,784,692
	1,799,705	1,531,620	1,470,117	1,347,172	1,615,661	1,717,078
	6,813,018	-	-	-	-	-
	2,629,731	1,115,884	1,288,223	1,840,679	1,756,981	3,373,409
	1,278,549	1,620,288	1,790,849	801,381	876,170	698,490
	<u>88,797,588</u>	<u>96,578,466</u>	<u>106,121,613</u>	<u>99,484,360</u>	<u>110,406,301</u>	<u>127,592,276</u>
	<u>5,641,131</u>	<u>5,235,898</u>	<u>(5,552,822)</u>	<u>10,895,219</u>	<u>(4,129,803)</u>	<u>(1,825,171)</u>
	-	-	519,785	375,800	-	273,063
	-	-	-	-	-	-
	6,035,471	6,755,396	4,390,222	7,264,431	1,731,420	1,964,622
	(3,375,197)	(3,396,690)	(3,570,704)	(7,264,431)	(1,731,420)	(1,964,622)
	<u>2,660,274</u>	<u>3,358,706</u>	<u>1,339,303</u>	<u>375,800</u>	<u>-</u>	<u>273,063</u>
\$	<u>8,301,405</u>	<u>\$ 8,594,604</u>	<u>\$ (4,213,519)</u>	<u>\$ 11,271,019</u>	<u>\$ (4,129,803)</u>	<u>\$ (1,552,108)</u>
	<u>4.5%</u>	<u>3.0%</u>	<u>2.9%</u>	<u>2.9%</u>	<u>2.4%</u>	<u>3.4%</u>

CITY OF FLINT, MICHIGAN

Taxable Value and Actual Value of Taxable Property

Last Ten Years

Tax Year	Fiscal year ended June 30,	Taxable Value by Property Type:					Total Taxable Value
		Real Property			Personal Property		
		Residential	Commercial	Industrial			
2013	2014	\$ 362,867,708	\$ 181,351,218	\$ 77,833,577	\$ 154,602,400	\$ 776,654,903	
2014	2015	358,826,466	174,669,232	78,779,274	146,551,100	758,826,072	
2015	2016	351,627,021	175,031,857	67,448,512	155,838,600	749,945,990	
2016	2017	344,250,125	171,595,307	66,040,606	129,048,800	710,934,838	
2017	2018	341,664,450	173,709,042	66,063,625	133,145,700	714,582,817	
2018	2019	337,466,043	177,932,764	73,668,354	144,818,600	733,885,761	
2019	2020	338,527,026	179,959,673	73,750,141	150,681,900	742,918,740	
2020	2021	345,535,505	181,032,421	81,445,564	163,343,400	771,356,890	
2021	2022	370,785,448	203,019,229	119,664,514	175,947,400	869,416,591	
2022	2023	380,256,033	191,887,169	88,776,414	175,371,100	836,290,716	

Notes: An additional one-time Court-Ordered Levy of 6.7100 (Genesee Towers Judgement) was placed on the Winter Roll 2010-11.

Under Michigan law, the revenue base is referred to as "Taxable Value". This amount represents assessed value (50% of true cash value), limited for each property by the lower of 5% or inflation.

Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year. Tax rates are per \$1,000 of assessed value.

Using the assessed value instead of estimated actual value starting TY2020.

Source: City Assessor

Table 6 - Unaudited

Tax Rate (mills)	Estimated Actual Value	Taxable Value as a % of Actual	Industrial Facilities Tax Abated Taxable Value
66.4550	\$ 1,590,344,800	48.84%	\$ 27,773,300
66.4550	1,563,630,500	48.53%	17,607,300
66.9603	1,550,764,900	48.36%	19,771,400
67.9853	1,594,595,400	44.58%	29,670,872
68.1838	1,623,760,348	44.01%	32,175,818
68.1838	1,623,760,348	45.20%	38,387,229
69.1083	1,623,760,348	45.75%	39,887,165
70.7929	1,029,344,080	74.94%	34,508,149
71.6245	1,088,988,064	79.84%	31,295,200
71.1328	1,226,382,034	68.19%	28,420,500

CITY OF FLINT, MICHIGAN

Direct and Overlapping Property Tax Rates

Last Ten Years

Fiscal Year Ending	Millage Rates - Direct City Taxes				
	General Operating	Public Improvements	Police	Public Transport	Parks and Recreation
2014	7.5000	2.5000	2.0000	0.6000	0.5000
2015	7.5000	2.5000	2.0000	0.6000	0.5000
2016	7.5000	2.5000	2.0000	0.6000	0.5000
2017	7.5000	2.5000	2.0000	0.6000	0.5000
2018	7.5000	2.5000	2.0000	0.6000	0.5000
2019	7.5000	2.5000	2.0000	0.6000	0.5000
2020	7.5000	2.5000	2.0000	0.6000	0.5000
2021	7.5000	2.5000	2.0000	0.6000	0.5000
2022	7.5000	2.5000	2.0000	0.6000	0.5000
2023	7.5000	2.5000	2.0000	0.6000	0.5000

Note: The City's property tax rates may be increased only by a majority vote of the City's residents.

** Overlapping rates are those of local and county governments that apply to property owners within the City.*

*** Under Charter & Applicable State Law - Under the Michigan Home Rule Cities Act, a Home Rule City is allowed to extend the operating millage not to exceed two percent (2% or 20 mills) of assessed value of all real and personal property in the City.*

Source: City Audit Dept. / City Assessor

Table 7 - Unaudited



Millage Rates - Direct City Taxes			Overlapping Tax Rates*		
Public Safety	Total Direct Taxes**	Waste Collection	Paramedic Services	Genesee County	County Parks & Recreation
6.0000	19.1000	-	0.4847	7.3072	0.4847
6.0000	19.1000	-	0.4847	7.5472	0.7500
6.0000	19.1000	-	0.4847	7.5472	0.7500
6.0000	19.1000	-	0.4847	7.5472	0.7500
6.0000	19.1000	-	0.4847	7.5472	0.7500
6.0000	19.1000	-	0.4837	8.4920	0.7485
6.0000	19.1000	-	0.4805	8.4371	0.7436
6.0000	19.1000	-	0.4775	9.3251	0.7390
6.0000	19.1000	-	0.4775	9.2898	0.7390
6.0000	19.1000	-	0.4775	9.2898	0.7390

continued...

CITY OF FLINT, MICHIGAN

Direct and Overlapping Property Tax Rates

Last Ten Years

Tax Year	Overlapping Tax Rates*					Mott Community College
	Bishop Airport	MTA	District Library	Michigan S.E.T.		
2014	0.4847	0.8000	3.4000	6.0000		2.8596
2015	0.4847	0.8000	3.4000	6.0000		2.8596
2016	0.4847	1.2250	4.0000	6.0000		2.8596
2017	0.4847	1.2250	4.0000	6.0000		2.8096
2018	0.4847	1.2250	4.0000	6.0000		2.8096
2019	0.4837	1.2225	4.0000	6.0000		2.8047
2020	0.4805	1.2250	5.8200	6.0000		2.7605
2021	0.4775	1.2175	5.8200	6.0000		2.7472
2022	0.4775	1.2175	5.6700	6.0000		2.6638
2023	0.4775	1.2175	5.6700	6.0000		2.6638

Table 7 - Unaudited



Overlapping Tax Rates*			Total Tax Rate	
Intermediate School District	School: Homestead	School: Non-homestead	Homestead	Non-homestead
3.5341	4.0000	22.0000	48.4550	66.4550
3.5341	4.0000	22.0000	48.9603	66.9603
3.5341	4.0000	22.0000	49.9853	67.9853
3.7826	4.0000	22.0000	50.1838	68.1838
3.7826	4.0000	22.0000	50.1838	68.1838
3.7732	4.0000	22.0000	51.1083	69.1083
3.7457	4.0000	22.0000	52.7929	70.7929
3.7207	4.0000	22.0000	53.6245	71.6245
3.6950	4.0000	22.0000	53.3301	71.3301
3.6950	4.0000	22.0000	53.3301	71.3301

concluded

Principal Property Taxpayers

Current Year and Nine Years Ago

Taxpayer	2023			2014		
	Assessed Value	Rank	Percentage of Total City Assessed Value	Assessed Value	Rank	Percentage of Total City Assessed Value
Consumers Energy	\$ 128,586,219	1	10.49%	\$ 60,287,200	1	7.71%
General Motors Company	27,148,625	2	2.21%			
General Motors LLC *	22,490,595	3	1.83%	52,703,900	2	6.74%
Sealy Matthew Drive LLC	6,782,450	4	0.55%			
Continental Drive LP	5,279,800	5	0.43%			
Comcast of Flint, Inc.	5,107,100	6	0.42%	4,463,100	7	0.57%
4500 Matthews Drive LLC	5,049,030	7	0.41%	5,328,600	4	0.68%
Ground Effects LLC	4,670,000	8	0.38%			
MCD Flint, LLC	4,152,492	9	0.34%			
Phoenix Flint Center Road LLC	4,080,294	10	0.33%			
Barette Outdoor Living, Inc				6,430,500	3	0.82%
IINN, Inc.				5,272,500	5	0.67%
Saginaw & Court Assoc.				4,539,000	6	0.58%
A I - Genesee LLC				3,936,700	8	0.50%
WJRT, Inc.				3,832,800	9	0.49%
Citizens Bank (First Merit)				3,388,700	10	0.43%
Total Assessed Value, Top Ten	<u>\$ 213,346,605</u>		<u>17.40%</u>	<u>\$ 150,183,000</u>		<u>19.21%</u>
Total Ad Valorem Assessed Value	<u>\$ 1,226,382,034</u>			<u>\$ 781,815,250</u>		

* Includes AC Rochester

Source: City Assessor

Property Tax Levies and Collections

Last Ten Years

Tax Year (1)	Fiscal ended June 30,	Total Tax Levy (2)	Current Tax Collections	Percent of Current Taxes Collected (3)	Delinquent Tax Collections (4)	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
2013	2014	\$ 25,902,601	\$ 16,943,948	65.41%	\$ 5,443,506	\$ 22,387,454	86.43%
2014	2015	25,961,448	16,852,314	64.91%	4,665,668	21,517,982	82.88%
2015	2016	23,794,281	16,075,993	67.56%	3,305,153	19,381,146	81.45%
2016	2017	21,805,219	15,198,951	69.70%	3,252,939	18,451,890	84.62%
2017	2018	21,953,878	15,190,410	69.19%	4,624,255	19,814,665	90.26%
2018	2019	24,255,558	15,941,933	65.72%	5,905,902	21,847,835	90.07%
2019	2020	24,755,237	17,655,252	71.32%	5,597,984	23,253,236	93.93%
2020	2021	25,146,224	18,690,868	74.33%	6,080,160	24,771,028	98.51%
2021	2022	25,720,002	19,264,603	74.90%	4,708,719	23,973,322	93.21%
2022	2023	26,331,130	19,755,363	75.03%	6,569,205	26,324,568	99.98%

- 1 Taxes are levied on the first day of the subsequent fiscal year.
- 2 Does not include the taxes levied by the Flint Downtown Development Authority.
- 3 This column reflects the percent of the levy for a given year which was collected during that year.
- 4 Delinquent taxes from any previous years which were collected in the given year plus payments of delinquent taxes by Genesee County.

Note: All delinquent real property taxes outstanding as of March 1 were returned to and paid for by Genesee County Treasurer as provided for in the Michigan General Property Tax Laws. Thus, the extraordinarily high level of current and delinquent tax collections, and the correspondingly low level of outstanding delinquent tax.

Note: In 2013, Refuse Collection and Street Lighting became special assessments. A public safety millage was by also passed by citizens to support police and fire.

Source: City finance department - audit division

CITY OF FLINT, MICHIGAN

Debt Capacity Information

Ratios of Outstanding Debt
Last Ten Fiscal Years

	2014	2015	2016	2017
Governmental activities				
General obligation bonds	\$ 8,955,000	\$ 8,665,000	\$ 8,355,000	\$ 8,025,000
Local government loan	7,620,000	7,420,000	7,210,000	6,990,000
Emergency Loan	-	7,000,000	6,610,000	6,200,000
Notes payable	12,214,143	11,465,073	10,715,453	9,920,278
Installment purchase agreements	195,390	818,935	597,648	433,737
Bond premium	-	-	-	-
Subscription liability	-	-	-	-
Lease liability	-	-	-	-
Total governmental activities	28,984,533	35,369,008	33,488,101	31,569,015
Business type activities				
Revenue bonds	21,675,336	20,770,336	20,770,336	20,770,336
KWA agreement payable	-	-	-	-
Installment purchase agreements	-	1,763,688	1,188,473	901,815
Total business-type activities	21,675,336	22,534,024	21,958,809	21,672,151
Total debt of the government	\$ 50,659,869	\$ 57,903,032	\$ 55,446,910	\$ 53,241,166
Total residential personal income	\$ 308,782,006	\$ 341,319,125	\$ 385,227,365	\$ 375,944,196
Total debt as percentage of personal income	16.41%	16.96%	14.39%	14.16%
Total population	99,763	99,002	98,310	97,386
Total debt per capita	\$ 508	\$ 585	\$ 564	\$ 547

Table 10 - Unaudited

	2018	2019	2020	2021	2022	2023
\$	7,680,000	\$ 7,320,000	\$ 6,075,000	\$ 5,735,000	\$ 5,380,000	\$ 5,005,000
	6,765,000	6,530,000	6,445,000	6,120,000	5,785,000	5,445,000
	5,780,000	5,350,000	4,910,000	4,465,000	4,010,000	3,545,000
	8,280,547	7,685,257	7,084,409	6,478,922	5,866,942	3,857,392
	264,558	751,292	3,612,908	3,428,313	1,742,566	1,016,034
	-	-	1,021,228	942,672	864,116	785,560
	-	-	-	-	-	368,123
	-	-	-	-	383,472	340,368
	28,770,105	27,636,549	28,127,317	27,169,907	24,032,096	20,362,477
	-	-	-	6,327,420	22,647,391	41,376,079
	-	103,265,747	101,029,474	98,703,117	96,267,194	93,720,799
	607,348	294,002	-	-	-	-
	607,348	103,559,749	101,029,474	105,030,537	118,914,585	135,096,878
\$	29,377,453	\$ 131,196,298	\$ 129,156,791	\$ 132,200,444	\$ 142,946,681	\$ 155,459,355
\$	320,705,960	\$ 294,137,699	\$ 298,770,767	\$ 268,077,633	\$ 250,412,769	\$ 303,945,857
	9.16%	44.60%	43.23%	49.31%	57.08%	51.15%
	96,448	95,943	95,538	97,386	80,628	79,846
\$	305	\$ 1,367	\$ 1,352	\$ 1,357	\$ 1,773	\$ 1,947

Debt Capacity Information

Ratios of General Bonded Debt Outstanding
Last Ten Years

Fiscal Year	Tax-Limited General Obligation Bonds (LTGO)	Other General Obligation Debt	Unamortized Bond Premium	Net General Bonded Debt	Taxable Value	Debt as a Percentage of Taxable Value	Population	Debt per Capita
2014	\$ 8,955,000	\$ 19,834,143	\$ -	\$ 28,789,143	\$ 758,826,072	3.79%	99,763	\$ 289
2015	8,665,000	25,885,073	-	34,550,073	749,945,990	4.61%	99,002	349
2016	8,355,000	24,535,453	-	32,890,453	710,934,838	4.63%	98,310	335
2017	8,025,000	23,110,278	-	31,135,278	760,702,865	4.09%	97,386	320
2018	7,680,000	20,825,547	-	28,505,547	714,582,817	3.99%	96,448	296
2019	7,320,000	19,565,257	-	26,885,257	738,359,099	3.64%	95,943	280
2020	6,075,000	17,063,922	1,021,228	25,535,637	771,356,890	3.31%	95,538	267
2021	5,735,000	15,661,942	942,672	23,741,594	804,246,571	2.95%	97,386	244
2022	5,380,000	15,661,942	864,116	21,906,058	869,416,591	2.52%	80,628	272
2023	5,005,000	12,847,392	785,560	18,637,952	836,290,716	2.23%	79,661	234

Note: The City has no Tax Supported Bonds (UTGO) or Pledged Debt Service Funds.

Debt Capacity Information

Direct and Overlapping Governmental Activities Debt
Current Fiscal Year

Governmental Unit	Debt Outstanding	Estimated % Applicable *	Estimated Share of Overlapping Debt
Overlapping Debt:			
Genesee County	\$ 43,655,784	7.56%	\$ 3,300,377
Genesee Intermediate School District	6,776,007	7.09%	480,419
Bishop Airport Authority	2,292,776	7.56%	173,334
Mott Community College	52,340,000	7.09%	3,710,906
Carman-Ainsworth School District	12,160,000	5.14%	625,024
Swartz Creek School District	46,168,190	2.31%	1,066,485
Westwood Heights School District	3,951,728	2.14%	84,567
Flint Public Library	10,713,633	100.00%	10,713,633
Total Overlapping Debt			20,154,745
Direct City Debt			20,362,477
Total Direct and Overlapping Debt			<u>\$ 40,517,222</u>

Sources: Assessed value data used to estimate applicable percentages provided by the City Assessor. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Flint. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

* For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF FLINT, MICHIGAN

Debt Capacity Information

Legal Debt Margin
Last Ten Fiscal Years

	2014	2015	2016	2017
Calculation of legal debt limit				
Assessed valuation	\$ 733,003,752	\$ 771,238,344	\$ 790,981,093	\$ 811,340,683
7% of assessed valuation *				
(** 10% for 2018- current)	<u>51,310,263</u>	<u>53,986,684</u>	<u>55,368,677</u>	<u>56,793,848</u>
Calculation of debt subject to limit:				
Total bonded debt at June 30	49,357,871	42,751,574	53,660,787	51,905,612
Less debt not subject to limitation under City Charter and State Statute:				
Revenue bonds and notes	<u>20,770,336</u>	<u>20,770,336</u>	<u>20,770,336</u>	<u>20,770,336</u>
Debt subject to limitation (net debt)	<u>28,587,535</u>	<u>21,981,238</u>	<u>32,890,451</u>	<u>31,135,276</u>
Legal debt margin (unused debt limitation)	<u>\$ 22,722,728</u>	<u>\$ 32,005,446</u>	<u>\$ 22,478,226</u>	<u>\$ 25,658,572</u>
Net debt subject to limit as % of debt limit	55.72%	40.72%	59.40%	54.82%

* Bond limit: Section 7-302 of the City Charter, adopted November 4, 1975, limits "net" debt to 7% of assessed valuation but does not define net debt. Calculations for 2009-2017 continue previous practice and are consistent with State Statutes.

** Bond limit - Section 7-302 of the City Charter, adopted on August 7, 2017 and became effective on January 1, 2018 limits net bonded indebtedness for general obligations to 10% of the assessed valuation.

Note: Corrections for FY2018 and FY2019 to remove capital leases.

Table 13 - Unaudited



	2018	2019	2020	2021	2022	2023
\$	841,624,456	\$ 874,376,920	\$ 956,599,547	\$ 1,029,344,080	\$ 1,088,988,064	\$ 1,079,909,610
	<u>84,162,446</u>	<u>87,437,692</u>	<u>95,659,955</u>	<u>102,934,408</u>	<u>108,898,806</u>	<u>107,990,961</u>
	28,505,547	26,885,257	24,514,409	33,497,327	46,296,015	61,030,065
	-	-	-	6,327,420	22,647,391	41,376,079
	<u>28,505,547</u>	<u>26,885,257</u>	<u>24,514,409</u>	<u>27,169,907</u>	<u>23,648,624</u>	<u>19,653,986</u>
\$	<u>55,656,899</u>	<u>\$ 60,552,435</u>	<u>\$ 71,145,546</u>	<u>\$ 75,764,501</u>	<u>\$ 85,250,182</u>	<u>\$ 88,336,975</u>
	33.87%	30.75%	25.63%	26.40%	21.72%	18.20%

Debt Capacity Information

Pledged-Revenue Coverage - Revenue Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Applicable Expenses	Net Revenues	Debt Service			Coverage*
				Principal	Interest	Total	
2021	25,957,586	8,874,201	17,083,385	-	-	-	N/A
2022	27,094,603	12,082,545	15,012,058	-	238,108	238,108	63.05
2023	27,156,633	25,698,068	1,458,565	733,000	579,386	1,312,386	1.11

Notes: Depreciation, amortization, loss on sale of capital assets, post-employment health care expenses, and bad debt expense are not included in applicable expenses.

*Calculation of revenue bond coverage of 1.25 to 1 is required by the State of Michigan.

Demographic and Economic Statistics

Last Ten Calendar Years

Calendar Year	Population	Personal Income	Per Capita Personal Income *	Michigan Labor Market - Jobless Rate for Flint only
2013	99,763	\$ 308,782,006	\$ 3,095	15.6%
2014	99,002	341,319,125	3,448	11.7%
2015	98,310	385,227,365	3,918	11.0%
2016	97,386	375,944,196	3,860	9.3%
2017	96,448	320,705,960	3,325	9.5%
2018	95,943	294,137,699	3,066	10.3%
2019	95,538	298,770,767	3,127	3.7%
2020	97,386	268,077,633	2,753	8.3%
2021	80,628	250,412,769	3,106	6.1%
2022	79,846	303,945,857	3,807	4.1%

Sources: US Bureau of Labor Statistics
 Unemployment Statistics - not seasonally adjusted
 U.S. Census Dept.
 City of Flint Income Tax Division

* Per capita income includes only earned wages; it does not include social security, pension income, welfare programs, etc.

Note: Population per Munetrix; Personal Income per Innovative; Local Area Unemployment Statistics per US Bureau of Labor Statistics

CITY OF FLINT, MICHIGAN

Principal Employers (# of W-2s)

Current Year and Nine Years Ago

Taxpayer	FY 2023 (2022) Employees	Percentage of Total	2022 Rank
General Motors Corp/Motors Liquidation Co	8,768	29.38%	1
Hurley Medical Center	2,851	9.55%	2
McLaren Regional Medical Center	2,441	8.18%	3
University of Michigan	1,948	6.53%	4
Express Services Inc	1,547	5.18%	5
Intelligen LLC	1,445	4.84%	6
Genesee County	1,339	4.49%	7
Employbridhe Midwest	929	3.11%	8
Logistics Insight, Corp.	874	2.93%	9
Adecco USA, Inc.	866	2.90%	10
Flint School District			
CS Mott College			
Employment Plus			
State of Michigan			
Kettering University			
	23,008	77.10%	
Total Employees Working in City	29,843		

Source: City of Flint Income Tax Division

Table 16 - Unaudited

FY 2014 (2013) Employees	Percentage of Total	2013 Rank
13,975	27.33%	1
2,949	5.77%	3
3,014	5.90%	2
2,624	5.13%	4
2,361	4.62%	6
2,559	5.01%	5
2,022	3.95%	7
1,214	2.37%	8
1,183	2.31%	9
1,010	1.98%	10
<u>32,911</u>	<u>64.37%</u>	
<u>51,128</u>		

CITY OF FLINT, MICHIGAN

Full-time Equivalent Government Employees

Last Ten Fiscal Years (as of June 30)

Function / Program	2014	2015	2016
Administration			
City Administration	2.0	3.0	3.0
Mayor's Office	2.0	2.0	3.0
Blight	-	-	-
Legal Department	8.0	8.0	8.0
City Clerk's Office <i>(not including election workers)</i>	5.0	5.0	6.0
City Council	2.0	2.0	3.0
Ombudsman's Office	-	-	-
Human Resources - Personnel & Labor Relations	7.0	5.0	7.0
Union Representatives	1.0	1.0	1.0
68th District Court	30.0	28.0	-
Finance Administration			
Finance Department/Payroll/Retirement	8.0	8.0	8.0
Treasury/Customer Service/Income Tax Assessment	18.0	20.0	19.0
Information Services/Data Processing	9.0	9.0	9.0
Facilities Maintenance/Grounds	5.0	4.0	5.0
Fleet Management	1.0	2.0	2.0
	8.0	9.0	9.0
Purchasing			
Administration	2.0	2.0	2.0
Planning & Development			
Community & Economic Development/Major Grants	10.0	12.0	14.0
Parks & Recreation Administration	1.0	-	-
Building Inspections/Development/Demolition	12.0	13.0	13.0
Fire Department	79.0	68.0	68.0
Emergency 9-1-1 (After 2015 Flint no longer has its own 9-1-1)	22.0	18.0	-
Police Department			
Sworn Officers	121.0	97.0	106.0
Civilians	17.0	14.0	16.0
<i>School Crossing Guards (not FTEs)</i>	29.0	29.0	30.0

Table 17 - Unaudited



2017	2018	2019	2020	2021	2022	2023
3.0	3.0	8.0	7.0	5.0	6.0	6.0
3.0	5.0	5.0	6.0	13.0	11.0	18.0
-	-	-	1.0	3.0	5.0	6.0
8.0	8.0	8.0	7.0	7.0	8.0	10.0
6.0	6.0	6.0	6.0	7.0	8.0	8.0
3.0	3.0	3.0	3.0	3.0	3.0	3.0
-	-	-	-	1.0	3.0	3.0
7.0	7.0	7.0	7.0	8.0	7.0	6.0
1.0	1.0	1.0	-	-	-	1.0
-	-	-	-	-	-	-
9.0	9.0	9.0	8.0	9.0	8.0	12.0
20.0	22.0	22.0	19.0	20.0	20.0	21.0
9.0	9.0	9.0	7.0	9.0	9.0	9.0
5.0	6.0	6.0	6.0	6.0	6.0	8.0
3.0	3.0	3.0	2.0	3.0	3.0	3.0
9.0	9.0	9.0	7.0	8.0	8.0	8.0
2.0	2.0	2.0	2.0	2.0	2.0	2.0
16.0	19.0	20.0	19.0	19.0	20.0	20.0
-	-	-	-	-	-	-
14.0	13.0	15.0	13.0	12.0	11.0	15.0
68.0	97.0	97.0	99.0	83.0	83.0	84.0
-	-	-	-	-	-	-
111.0	111.0	112.0	112.0	118.0	118.0	116.0
15.0	14.0	14.0	26.0	24.0	24.0	27.0
30.0	30.0	-	-	-	-	-

continued...

CITY OF FLINT, MICHIGAN

Full-time Equivalent Government Employees

Last Ten Fiscal Years (as of June 30)

Function / Program	2014	2015	2016
Public Works & Utilities Administration			
Street Maintenance	16.0	17.0	22.0
Traffic Engineering	11.0	10.0	11.0
Transportation-Director/Administration	4.0	4.0	7.0
Utilities Administration	3.0	3.0	3.0
Water Service Center-Sewer Maintenance	26.0	27.0	33.0
Water Service Center- Water Distribution	34.0	33.0	33.0
Water Plant	23.0	22.0	24.0
Water Pollution Control	38.0	35.0	38.0
Total Staffing (excluding school crossing guards)	525.0	481.0	473.0

Source: City of Flint Finance Office

Table 17 - Unaudited

2017	2018	2019	2020	2021	2022	2023
21.0	21.0	26.0	30.0	27.0	29.0	26.0
10.0	10.0	10.0	10.0	8.0	8.0	6.0
6.0	7.0	8.0	7.0	7.0	6.0	6.0
3.0	3.0	3.0	3.0	3.0	3.0	3.0
34.0	34.0	34.0	32.5	34.5	33.0	34.0
34.0	34.0	34.0	32.5	34.5	33.0	34.0
25.0	25.0	18.0	19.0	18.0	18.0	19.0
38.0	38.0	38.0	39.0	37.0	36.0	38.0
483.0	519.0	527.0	530.0	529.0	529.0	552.0

concluded

CITY OF FLINT, MICHIGAN

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function / Program	2014	2015	2016
Finance			
Accounting/Risk Management:			
Payroll checks processed	18,192	17,962	16,605
Fleet Maintenance			
Repair work orders	1,725	1,574	1,500
Planned maintenance work orders	551	412	481
Election Data (Calendar Year - November Elections):			
Registered voters	78,992	79,206	75,437
Voters (at the polls or absentee)	15,161	23,182	14,041
Percent voting	19.2%	29.3%	18.6%
68th District Court (Calendar Year):			
Number of new court cases	28,219	27,959	30,887
Police:			
Physical arrests (fiscal year 2010-2017 & 2019, calendar year 2018)	2,933	1,553	1,464
Traffic violations/misdemeanors/civil infractions (fiscal)	7,408	6,300	7,285
Investigations (fiscal year 2010-2017 & 2019, calendar year 2018)	11,576	12,527	10,513
Fire (Calendar Year):			
Fire runs	2,679	2,695	3,211
Emergency medical runs	1,755	1,281	1,109
Inspections	224	380	400
Public Works:			
Miles of streets resurfaced	-	1	3
Tree removals	48	846	1179
Street and Parks Planting (partnership w/Genesee Conserv. District)	100	857	470
Refuse Collection:			
Household waste & residential compost - cubic yards	114,949	101,889	102,137
Tire Buyback Program (incl. Blight Division collection of tires)		4,242	1,975
Parks and Recreation (Calendar Year):			
Recreation Centers - Senior & Youth Participants	1,045	1,208	3,657
Water:			
Number of customers billed	32,085	29,596	31,468
Total consumption (ccf)	8,114,852	2,857,898	2,826,200
Average consumption per user (ccf)	253	97	90
Wastewater (Calendar Year):			
Average daily sewage treatment - gallons	19,900,000	19,900,000	19,900,000

Sources: Various City Departments - please note that some information is not available (N/A) because these statistics were not tracked/compiled in the past or the records are unavailable.

Notes: Operating Indicators are not available for the general government function.

*Enforcement initiatives increased FY17

**Water consumption changed significantly in FY15 due to the fact that the City no longer purchased water from DWSD and sold water to City residents only.

General Motors began purchasing water from Genesee County, which resulted in a decrease in consumption for the City.

*** The 68th District Court consolidated/merged with the 67th District Court beginning January 1, 2016

**** Flint 911 Dispatch Center merged with Genesee County 911

***** Police traffic violations and investigations were estimated for 2022 based on average from 2021 and 2020 due to data not being available. Police data for 2023 was not being available.

Table 18 - Unaudited

2017	2018	2019	2020	2021	2022	2023
16,109	16,114	15,994	15,886	15,198	15,701	15,237
1,536	1,695	1,378	1,220	1,320	1,258	1,440
486	561	572	422	472	487	390
76,276	74,128	73,613	76,778	75,552	75,288	76,049
33,858	20,190	26,614	34,339	6,675	10,938	23,484
44.4%	27.2%	36.2%	44.7%	8.8%	14.5%	30.9%
-	-	-	-	-	-	-
1,664	1,250	555	593	325	756	-
*17,072	18,874	17,714	4,829	5,168	4,998	-
10,500	9,427	8,165	9,456	8,300	8,878	-
2,609	2,457	2,075	2,117	2,166	2,382	3,584
1,776	1,580	2,383	2,048	1,486	1,063	397
508	564	503	381	316	476	200
-	-	-	Not available	11	34.30	17.65
373	182	390	127	492	245	173
410	125	123	103	200	438	305
103,716	107,117	102,651	Not available	130,545	143,113	102,746
2,183	1,707	2,728	804	873	1,651	2,847
1,654	1,444	1,323	2,498	2,416	3,207	1,148
30,404	29,984	27,355	27,623	28,572	29,086	29,804
3,035,655	2,866,888	2,617,923	2,594,352	2,619,949	2,875,440	2,875,440
100	96	96	94	92	99	96
19,900,000	20,200,000	19,253,761	20,600,000	15,400,000	20,300,000	20,300,000

CITY OF FLINT, MICHIGAN

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2014	2015	2016
Police:			
Stations	1	1	1
Mini-Stations	6	6	5
Patrol units *	94	91	91
Fire:			
Stations	5	5	5
Fire response vehicles	14	14	14
Emergency medical response vehicles	3	3	3
Public Works:			
City Streets (miles):	508.18	508.18	508.18
Major streets	152.33	152.33	152.33
Local streets	355.85	355.85	355.85
Interstate Highways	10.93	10.93	10.93
Sidewalks	986.50	986.50	986.50
Streetlights	11,292	11,292	11,292
Traffic Signals/Beacons	252	252	252
Parks and Recreation:			
Acreage	1,084	1,084	1,084
Developed parks/playgrounds	63	63	63
Baseball/softball stadiums/diamonds	29	29	29
Soccer/football/rugby fields	14	14	14
Community centers **	5	5	5
Golf courses **	4	4	4
Water:			
Water mains (miles)	540	540	540
Fire hydrants	5,200	5,200	5,200
Storage capacity (gallons)	57,000,000	57,000,000	57,000,000
Sewer:			
Sanitary sewers (miles)	570	570	570
Storm sewers (miles)	350	350	350
Treatment capacity (gallons/day)	80,000,000	80,000,000	80,000,000

Source: Various City Departments

* Marked and unmarked police vehicles are included in this number

*** For 2022 due to ongoing CWSRF construction projects related to the aeration tanks, primary tanks, and grit channels treatment capacity is temporarily reduced to 40 million gallons/day.

Note: No capital asset indicators are available for the general government function.

Table 19 - Unaudited

2017	2018	2019	2020	2021	2022	2023
1	1	1	1	1	1	1
5	6	3	-	-	4	4
100	101	67	67	66	70	70
5	5	5	5	5	5	5
14	14	12	14	15	15	15
3	3	3	2	2	9	9
508.18	508.18	508.18	506.15	506.15	506.18	506.18
152.33	152.33	152.33	152.26	152.26	152.33	152.33
355.85	355.85	355.85	353.89	353.89	355.85	355.85
10.93	10.93	10.93	10.93	10.93	10.93	10.93
986.50	986.50	986.50	926.50	1,038.50	986.50	986.50
11,292	11,731	11,881	11,521	11,521	11,292	11,292
252	252	252	198	198	252	252
1,084	1,092	1,092	1,092	1,092	1,092	1,092
63	63	63	63	63	65	65
29	43	43	43	43	34	34
14	12	12	12	12	12	12
5	5	5	5	5	5	5
4	4	4	4	4	2	2
540	540	540	583	583	583	583
5,200	5,200	5,200	3,871	3,871	4,000	4,000
57,000,000	57,000,000	57,000,000	22,000,000	22,000,000	22,000,000	22,000,000
570	570	570	570	570	570	570
350	350	350	350	350	350	350
80,000,000	80,000,000	80,000,000	80,000,000	80,000,000	40,000,000	40,000,000

Employees' Retirement System - Comparative Schedule - Actuarial Valuations

Last 10 Actuarial Reports

(\$ amounts expressed in thousands)

Valuation Date	Continuation Indicators						
	Valuation Assets	APVCPB	Funded Ratio	UAPVCPB	Ratio of UAPVCPB to APVCPB	Member Payroll	Ratio of UAPVCPB to Payroll
12/31/2013	\$ 291,869	\$ 552,783	52.8%	\$ 260,914	0.0%	\$ 23,285	1120.5%
12/31/2014	264,000	550,119	48.0%	286,120	52.0%	51,039	560.6%
12/31/2015	242,518	565,954	48.0%	323,436	57.1%	50,964	634.6%
12/31/2016	203,100	548,845	37.0%	345,745	63.0%	51,497	671.4%
12/31/2017	197,129	543,169	36.3%	346,040	63.7%	50,740	682.0%
12/31/2018	179,957	537,218	33.5%	357,261	66.5%	50,476	707.8%
12/31/2019	159,890	557,614	28.7%	397,724	71.3%	50,527	787.2%
12/31/2020	149,785	559,118	26.8%	409,333	73.2%	50,038	818.0%
12/31/2021	158,007	563,053	28.1%	405,046	71.9%	49,299	821.6%
12/31/2022	146,546	549,637	26.7%	403,091	73.3%	47,669	845.6%

*APVCPB – actuarial accrued liability**UAPVCPB – unfunded actuarial present value of credited projected benefits*

No actuary report in 2013

Actuarial assumptions were revised in 2015