

CITY OF FLINT MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2015



City of Flint, Michigan
Comprehensive Annual Financial Report
June 30, 2015

Prepared by:
Department of Finance and Administration
Jody Lundquist, Director of Finance
Dawn Steele, Deputy Director of Finance

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**Dr. Karen Weaver
Mayor**

CITY OF FLINT, MICHIGAN Department of Finance

**Natasha Henderson
City Administrator**

**Jody Lundquist
Chief Financial Officer**

**Dawn Steele
Deputy Finance Director**

December 28, 2015

To the City Administrator, Mayor, Members of City Council, Receivership Transition Advisory Board, and Citizens of the City of Flint:

State law requires that all general-purpose 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 Comprehensive Annual Financial Report of the City of Flint for the fiscal year ended June 30, 2015.

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.

Yeo & Yeo, P.C., a firm of licensed certified public accountants, has audited the City of Flint's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Flint for the fiscal year ended June 30, 2015, 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 unqualified opinion that the City of Flint's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's 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 require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement 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 located 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 102,434 (2010 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 present charter was adopted. 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 (he may be reelected for additional terms). 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, appointing up to ten principal staff officials who serve at the pleasure of the Mayor. In addition, the Mayor may appoint up to ten executive 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 sanitation/garbage 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 Flint Area Enterprise Community works with community partners to coordinate the federal enterprise community plan and help leverage resources for the zone.

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 Mayor's appointed Budget Director in March each year. The Budget Director 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 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. The Administration may not make transfers of appropriations within department line items, or transfers of appropriations between departments or funds, without the approval of the City Council. Budget-to-actual comparisons are provided in this report for each major governmental fund for which an appropriated annual budget has been adopted. The comparison is presented in the required supplementary information subsection of

this report.

However, on December 1, 2011, the Governor of the State of Michigan appointed an Emergency Manager for the City of Flint, due in part to a consistent deficit in the general fund, the decline in pooled cash, budget issues, and unfunded liabilities for post-employment benefits. The appointed Emergency Manager was authorized by virtue of his appointment to “act for and in the place and stead of the governing body and the office of chief administrative officer of the City of Flint.” The Emergency Manager assumed control at the mid-point of the FY12 budget, which was found to be significantly out of balance. Consequently, FY12 ended with a General Fund deficit of \$19.2 million

Due to the suspension and subsequent repeal of Public Act 4, Emergency Manager Law, the Governor of the State of Michigan subsequently appointed an Emergency Financial Manager for the City of Flint, effective August 9, 2012, under the authorization of the statute preceding PA4. On March 28, 2013, a new Emergency Manager Law, Public Act 436 was passed, the Governor of the State of Michigan appointed another Emergency Manager. In all of these instances, the appointed Emergency Manager (or Emergency Financial Manager) was authorized by virtue of his appointment to “act for and in the place and stead of the governing body and the office of chief administrative officer of the City of Flint.”

The preparation and adoption of the FY13, FY14, and FY15 budgets were under the control of the Emergency Manager. Under the direction of these Emergency Managers, considerable progress was made in reducing the City's June 30, 2012 accumulated General Fund deficit of \$19.2 million. As of June 30, 2012, the deficit had been reduced to \$12.9 million, and by June 30, 2015 a positive fund balance in the amount of \$3.3 million was achieved. Significant steps have also been taken to reduce OPEB liabilities, which currently stand at \$241 million, compared to more than \$862 million four years ago. As a result of these significant achievements, Governor Snyder declared that the City's financial emergency had been resolved. With the ongoing oversight of a receivership transition advisory board, City operations have returned to the City Administrator, Mayor and Charter-designated leaders.

The detail of the many difficult steps taken to achieve this deficit reduction and to put the City on a path the sustainable financial solvency can be found in the Financial and Operating Plan and subsequent updates and quarterly reports filed with the State Treasurer by the various Emergency Managers, located on the City of Flint web site.

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 within which the City of Flint operates.

Local Economy. As an urban center whose vibrancy flowed with the dominance of the U.S. automotive industry, the economy of Flint declined sharply as the automotive presence declined. In 1978, over 80,000 Flint-area residents were employed by GM; however by 1990 the number had declined to 23,000, and was reported to be as low as 8,000 in 2006. As a result of this and other factors affecting most older urban centers, the City has seen a significant population loss (18% from 2000 to 2010); a significant increase in housing vacancies (from 8.2% in 1990 to 21.1% in 2010); a decrease in owner occupied housing (73% in 1960 to 45% in 2010); an increase in unemployment (16% in 1990 to 23% in 2010), and median income that is 32% less than surrounding Genesee County as a whole.

While the City of Flint's economy was strongly tied to the automobile industry, it has diversified over the last ten years. Most notable is the expansion of higher education, where it is estimated that some 30,000 students attend Kettering University, the University of Michigan-Flint, Mott Community College,

and Baker College. Aggressive efforts continue by many entities within the Flint/Genesee area to encourage new development, including the redevelopment of the 452 acre vacant "Buick City" property.

Property values within the City are believed to have hit the bottom, declining from \$1.804 billion in 2002 to \$1.192 in 2011 and further declining to \$969.13 million in 2012. The rate of decline has ceased, and slight increases are projected over the next few years. While property values for Flint's ten largest employers are well below the 2009 value of \$279.7 million, the 2014 values of \$151.4 million are significantly increased from \$145.8 million in 2013. The total number of employees in the City was projected at 51,128 in 2013, an increase from 2012, but still below the 79,312 reported in 2004. Following the trend of decreased employment and median income, income tax revenues have decreased significantly as well.

Cash management policies and practices. Cash flow for the City has been a concern for several years, but in 2015 it continues to improve. It is closely monitored and is currently sufficient for operations. Safety of principal is the foremost objective of the City of Flint. Each investment transaction shall seek to ensure that capital losses are avoided, whether from institutional default, broker-dealer default, or erosion of market value of securities. The surplus funds of the City of Flint were invested in accordance with Act 20 of the Public Acts of 1943, as amended, and the City's Code of Ordinances. These funds were invested in obligations of the U.S. Treasury, certificates of deposit, commercial paper and investment pools. The maturity dates of the investments range from one day to 5 years. Additional information on the City of Flint's deposits and investments can be found in Section 4 of the Notes of the June 30, 2015 Audited Financial Statements.

Risk Management. The City of Flint has established a comprehensive Risk Management program in order to protect the assets of the City from the risk of loss. This is accomplished through a combination of risk financing and loss control activities, which are designed to avoid, reduce or transfer various risk exposures. The City utilizes a combination of commercial insurance and self-insurance to finance these exposures. The risk of loss is reduced through the use of various control techniques, such as contract review, safety training and site inspections.

The Workers' Compensation function resides in the Human Resources Department, which allows for a coordinated effort to minimize accident-related losses. Additional information on the City of Flint's risk management activities can be found in Section 13 of the Notes of the June 30, 2015 Audited Financial Statements.

Pension and other post-employment benefits. The City of Flint is a member of the Municipal Employees Retirement System, a statewide multiple employer pension system which administers various defined benefit pension plans for its public safety and most non-public safety employees. At June 30, 2015, some employees continued to participate in a defined contribution plan, whose administration was subsequently transferred to MERS. New non-public safety employees hired after FY13 will be enrolled in a hybrid plan administered by MERS, similar plans for new public safety employees were made effective in FY14.

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 fully meet its obligations to retired employees. The City of Flint makes quarterly 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, 2014 (the latest actuarial report) was 48% funded. As of the December 31, 2014 valuation there were 1,826 retirees and beneficiaries receiving pension benefits from the City of Flint.

The City of Flint also provides post-retirement health and vision care benefits for retirees and their dependents. As of the end of the current fiscal year, there were 1,592 retired employees and beneficiaries receiving insurance benefits. The benefits are financed on a pay-as-you-go basis. For fiscal year

2015, the City paid \$16.2 million for post-employment health benefits premiums. The City had an actuarial accrued liability for other post-employment benefits (OPEB) of \$241 million at June 30, 2015. The City has made and continues to pursue changes in pension and retiree healthcare to due legacy costs, which are among the highest in the State of Michigan per capita. Beginning in FY15, new employees are not eligible for retiree health care but are, instead, enrolled in a retiree medical savings account. Many of the changes to retiree health care have resulted in litigation which is currently underway. Additional information on the City of Flint's Retirement Plan can be found in Section 4-4 of the Notes of the June 30, 2015 Audited Financial Statements.

Awards and Acknowledgements

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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The City has now received this award twelve years in a row. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015, 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. 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,



Jody Lundquist,
Chief Financial Officer



Dawn Steele
Deputy Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Flint
Michigan**

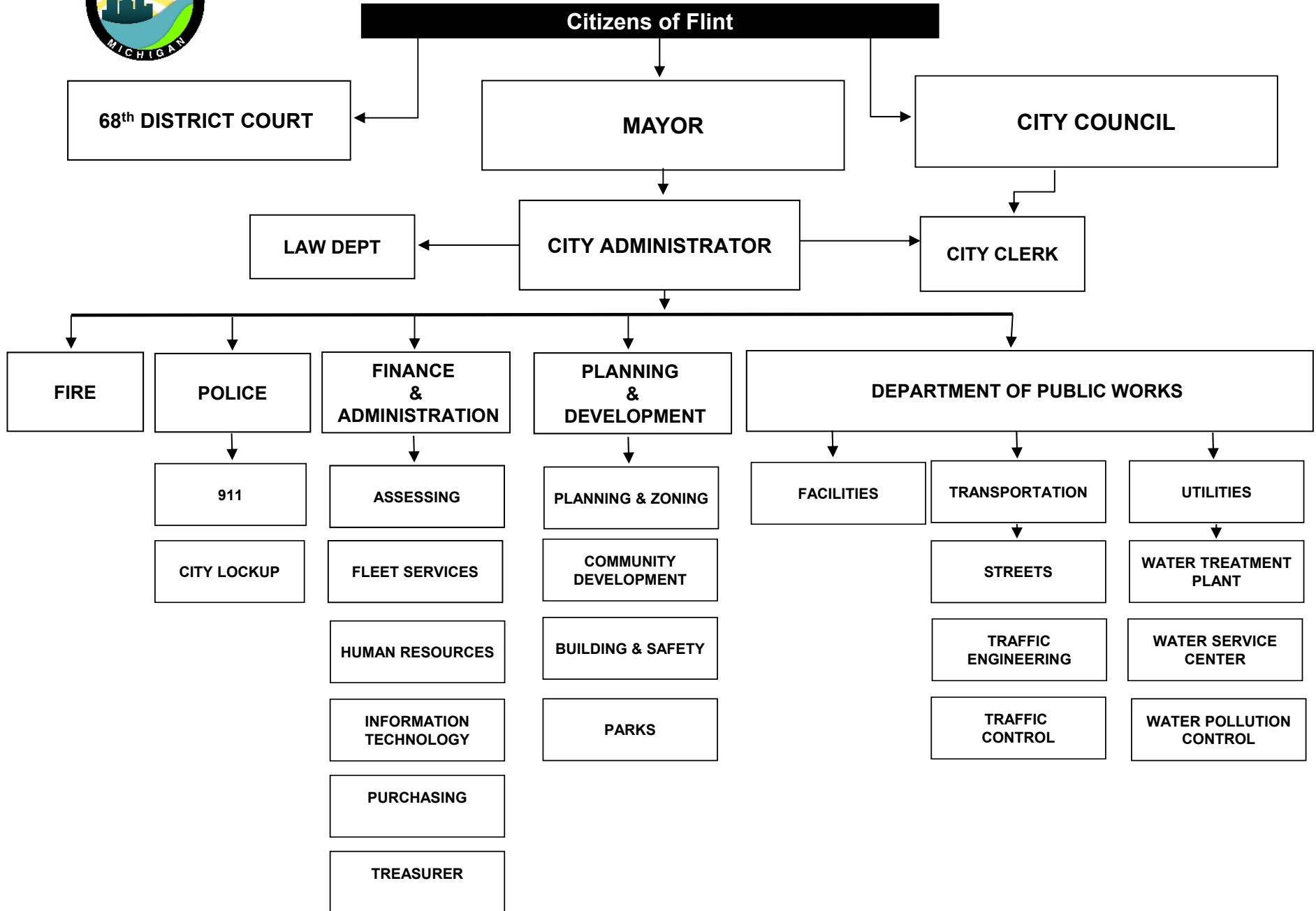
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



CITY OF FLINT – ORGANIZATIONAL CHART



City of Flint
List of Elected, Civil Service, and Appointed Officials
June 30, 2015

Elected Officials

Dayne Walling – Elected Mayor November 2011

City Council

(Elected November 4, 2013, for four-year terms)

Eric Mays – First Ward

Jacqueline Foster Poplar – Second Ward

Kerry Nelson – Third Ward

Joshua M. Freeman – Fourth Ward

Wantwaz D. Davis – Fifth Ward

Herbert Winfrey – Sixth Ward

Monica Calloway – Seventh Ward

Vicki VanBuren – Eighth Ward

Scott Kincaid – Ninth Ward

Appointed and Other City Officials

Natasha Henderson – City Administrator

Jody Lundquist – Director of Finance

Tracy Atkinson – Director, Department of Community & Economic Development

Peter Bade – Chief Legal Officer

Rob Bincsik – Water Service Center Supervisor

City of Flint
List of Elected, Civil Service, and Appointed Officials
June 30, 2015

Appointed and Other City Officials (continued)

Douglas Bingaman – City Treasurer

Inez M. Brown - City Clerk

Gerard Burnash – Chief Operating Officer, Downtown Development Authority

Robert Case – Water Pollution Control Supervisor

Anthony Chubb – Acting Director of Human Resources & Labor Relations & Human Relations Commission

Pamela Coleman - Emergency 911 Administrator

David Cox – Fire Chief

Howard Croft – Infrastructure & Development Director

William Fowler – City Assessor

Mike Glasgow – Utilities Admin/Water Service Center

Megan Hunter – Planning & Development Director

Derrick Jones – Purchasing Manager

Paul Knific – Information Technology Services Administrator

Jason Lorenz – Communications Director

Paula McGlown – 68th District Court Administrator

Kay Muhammad – Transportation Director

Michael Rule – Fleet & Yards Superintendent

James Tolbert – Chief of Police

Brent Wright – Water Plant Supervisor

Independent Auditors' Report

To the Honorable Mayor, Receivership Transition Advisory Board, and Members of the City Council
City of Flint, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Flint (the "City"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Hurley Medical Center, which represent 95.1 percent, 61.6 percent, and 99.6 percent, respectively, of the assets, net position, and revenues of the total component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for total component units, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Hurley Medical Center, the Downtown Development Authority, and the Flint Area Enterprise Community were not audited under *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the 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, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Deficit Fund Balance

The Economic Development Corporation has an unassigned deficit of \$139,926 as of June 30, 2015, which resulted from operating deficits. The Economic Development Corporation will need to file a Deficit Elimination Plan with the State. Our opinions are not modified with respect to this matter.

Prior Period Adjustment:

As described in Note 18 to the financial statements, the beginning net position has been restated to correct a misstatement. Our opinions are not modified with respect to this matter.

Adoption of New Accounting Standards

As described in Note 1 to the financial statements, during the year ended June 30, 2015, the Government adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*, and Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinions are not modified with respect to this matter.

Other Matters:

Required Supplementary Information

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Flint's basic financial statements. The introductory section, other supplementary information, and statistical section, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2015 on our consideration of the City of Flint's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Flint's internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Flint, Michigan
December 28, 2015

City of Flint, Michigan
Management's Discussion and Analysis
June 30, 2015

Following is a brief overview and analysis of the financial statements for the City of Flint, Michigan (the "City") for the 2015 fiscal year, which began on July 1, 2014 and ended on June 30, 2015. 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 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, Flint Economic Development Corporation, and Flint Area Enterprise Community. While part of the City government, these entities are presented as "discrete component units" because of their independent management authority. In previous years, Hurley Medical Center has been included as a business-type activity of the City government, but a review of its status has concluded that it can be more appropriately presented as a discrete component unit.

Financial Highlights

On April 29, 2015 the City was released from its Emergency status when the Emergency Manager relinquished his position and recommended the appointment of a Receivership Transition Advisory Board (RTAB) stating that substantial changes have been implemented and the financial emergency had been sufficiently addressed. The City had been in state receivership under an Emergency Manager since December 1, 2011 based on the recommendation of a state appointed review team, whose recommendation was made in part because of a consistent deficit in the General Fund, the decline in pooled cash, unrealistic budgeting, and unfunded liabilities for postemployment benefits. As a result of the tremendous efforts of the Emergency Managers, City leadership and staff, for the first time in twelve years there are no funds in a deficit. On April 29, 2015 the City was able to secure a \$7.0 million Emergency Stabilization Loan which helped eliminate the deficit in the General Fund. The City's General Fund ended FY15 with a fund balance of \$3.3 million. The City's cash on hand at June 30, 2015 totaled more than \$76.6 million compared to \$44.9 million in FY14.

In fiscal year 2015, the City billed \$147.9 million in taxes, fees, and grants for governmental and business-type activities, and spent \$106.4 million to provide the services. During the course of the year, the City's capital assets decreased by \$10.8 million in governmental activities due to prior period adjustments necessary to remove duplicated capital assets reported in the previous year end balance. The City acquired capital assets of \$1.2 million in building improvements and equipment in business-type activities. At the end of the year, the assets of the City's governmental and business-type activities including deferred outflows totaled \$386.6 million and liabilities totaled \$519.7 million, for net position totaling negative \$133.1 million. Unrestricted net position totaled a negative \$348.3 million in the governmental activity and \$33.9 in the business-type activities.

The City adopted Governmental Accounting Standards Board Statements 68 and 71 effective June 30, 2015. These GASB statements required the City to recognize the long-term obligation for pension benefits as a liability and to measure the annual costs of the pension benefits. Although these items existed prior to the implementation of the statements, they were not required to be reported. This change required prior period adjustments to beginning net position and resulted in negative ending unrestricted net positions for both the governmental and business-type activities. Additional information regarding the City's \$285.4 million net pension liability and \$151.4 million net other postemployment benefits

City of Flint, Michigan
Management's Discussion and Analysis
June 30, 2015

obligation may be found in Section 4-4 and Note 15.

Major efforts have been taken by the emergency managers to reduce legacy costs associated with health care and pensions. Actions taken since FY13 to date with respect to healthcare benefits for current employees and retirees have had a significant impact on current costs and long-term liabilities, reducing the City's unfunded actuarial accrued liability from more than \$850 million in 2012 to \$241 million in 2015. Restructuring health benefits has involved consolidating and updating plans, imposing premium sharing, limiting access of spouses and dependents, and eliminating the promise of retiree health care for new employees. Similar changes have taken place with respect to retirement benefits, with increased contributions, changes in multipliers, and enrollment of new employees into hybrid pension plans in lieu of the traditional defined benefits plans. Administration of the pension system has been transferred to the Municipal Employees' Retirement System, a state wide multi-employer system.

Other significant steps in rectifying the City's financial emergency included implementing budgetary and financial best practices, restructuring the City departmental organization, implementing new means and levels of service provision, and preparing the City for long term stability. A new city administrator has been hired, selected on the basis of professional expertise, and has been designated with expanded control over daily activities of the City. The City has maintained the twenty percent reduction in workforce established in FY14 and City operations have been reorganized into four program areas. Collective bargaining contracts have also been revised; increasing flexibility for management and setting the stage for permanent reductions in legacy costs. 911 operations were transferred to the County on August 18, 2015 and operations of the City-funded 68th District Court will be consolidated with the County's funded 67th District Court in January 2016. In FY2017 the City will begin purchasing its water supply from the Karegnondi Water Authority. Partnerships have been established to improve the level of parks maintenance. Senior Centers continue to be run by independent non-profit organizations, with reduced assistance from the City; and the City golf courses continue to be leased to private operators.

New ordinances addressing the achievement and maintenance of financial stability have been enacted by the City Council, with support from the Mayor. These ordinances include the requirement for creation and maintenance of a strategic plan; requirement for creation and maintenance of a biennial budget and five year financial projections; establishment of a fund balance reserve, including establishment of a budget stabilization fund; establishment of a requirement to begin funding of OPEB liabilities; and an update to the City's purchasing ordinance.

The City has also put into place a plan for long term stabilization and future development. A new Master Plan (the first since the 1960's) has been adopted, a new Capital Improvement Plan has been completed, and a new framework for a Blight Elimination Plan has been developed. A new zoning ordinance is well on its way to completion. Each of these major planning pieces significantly engaged members of the community and the final products were approved by the Flint City Council, with the support of the Mayor.

The steps deemed necessary for complete transition of City operations to its Charter designated leaders have been outlined in a Seven-Point Transition Plan presented by the Emergency Manager. Consistent with that plan, the voters of the City approved the formation of a Charter Revision Commission, who will focus on updating the City's Charter. Members of the Charter review Commission were elected in May 2015 and began meeting in June.

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Continuing Challenges

Although significant work has been accomplished to resolve the conditions which put the City of Flint into State Receivership, there are still major challenges which will require continued work on the part of City leaders. The retiree healthcare federal lawsuit has not been resolved; there is a new water lawsuit concerning water rates and unsafe drinking water, which has resulted in national attention; and the five year revenue projections identify an impending structural deficit beginning in FY18. The City’s water and sewer rates are among the highest in the state. This confluence of events continues to impede the City’s ability to attract and retain businesses and residents.

The City will need the community and voter support for special millages for public safety that are due to expire in June 2017. Without renewal, the resulting level of public safety services, even with the current level of greatly appreciated State Police support, would be unworkable. An evaluation of the Police and Fire Departments found that both departments are substantially understaffed. It was noted the police department compared to other departments of its size has 100 less officers on the street.

The support of the Mayor and City Council will be crucial to maintain the City’s current path towards financial stability and ability to overcome fiscal hurdles as they arise.

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 supplemental information in addition to the basic financial statements themselves.

Table 1 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Table 1 - Major Features of the City of Flint, Michigan’s Government-wide and Fund Financial Statements

Type of Statements	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and the City’s component units	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks	Activities the City operates similar to private businesses: the water and sewer system	Instances in which the City is the trustee or agent for someone else’s resources, such as the retirement plan for City employees

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Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in fund net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short term and long term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short term and long term	All assets and liabilities, both short term and long term; the City's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

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 and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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The statement of activities presents information showing how the City'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 general government, police, fire, transportation, public works, parks and recreation, and community enrichment and development. The business-type activities of the City include the water system and sewer system.

The government-wide financial statements include not only the City itself (known as the primary government), but also the legally separate component units of Hurley Medical Center, Downtown Development Authority, Economic Development Corporation, Atwood Stadium Building Authority, and the Flint Area Enterprise Community, for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 3-1 to 3-3 of this report.

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 of Flint, 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 fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Federal Grants Fund. Data from the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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The City adopts an appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 3-4 through 3-9 of this report.

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 its water and sewer activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's funds. The City uses internal service funds to account for its data processing, central maintenance garage, fringe benefits, and self-insurance activities. Because these services predominantly benefit governmental rather than business-type activities, they have been included within governmental activities in the government-wide financial statements.

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 and the Sewer Funds, both of which are considered to be major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 3-10 through 3-15 of this report.

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. The basic fiduciary fund financial statements can be found on pages 3-16 and 3-17 of this report.

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. The notes to the financial statements can be found on pages 3-21 through 3-55 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplemental information can be found on pages 4-1 through 4-10 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplemental information on pensions. Combining and individual fund statements and schedules can be found on pages 5-1 through 5-23 of this report.

Government-wide Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. Total assets of the City are \$374.9 million. Total net position (total assets less total liabilities) is a negative \$133.1 million, of which the largest portion of \$499.9 million reflects its long-term liabilities. The City adopted Governmental Accounting Standards Board Statements 68 & 71 effective for the fiscal year ended June 30, 2015. These GASB

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statements required the City to recognize the long-term obligation for pension benefits as a liability and to measure the annual costs of the pension benefits. 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, \$44.2 million represents resources which are subject to external restrictions on how they may be used. The unrestricted deficit at year end was \$382.1 million, which is up from 2014 deficit of \$138.7 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 show a \$348.3 million deficit in unrestricted net position. The \$348.3 million deficit results from the increase in the short-term and long-term liabilities, mainly \$151.4 million in postemployment healthcare liability and the recording of the City's pension liability of \$285.4 million, which is required by GASB 68.

Table 2 - City of Flint's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current assets	\$ 74,383,724	\$ 60,337,519	\$ 70,943,373	\$ 51,675,967	\$ 145,327,097	\$ 112,013,486
Capital assets	130,020,196	140,835,499	99,576,488	98,345,052	229,596,684	239,180,551
Total assets	<u>204,403,920</u>	<u>201,173,018</u>	<u>170,519,861</u>	<u>150,021,019</u>	<u>374,923,781</u>	<u>351,194,037</u>
Deferred outflows	8,838,046	-	2,801,682	-	11,639,728	-
Current liabilities	14,858,063	12,881,140	4,901,914	3,953,905	19,759,977	16,835,045
Long-term liabilities	<u>380,520,785</u>	<u>160,272,556</u>	<u>119,409,843</u>	<u>50,336,492</u>	<u>499,930,628</u>	<u>210,609,048</u>
Total liabilities	<u>395,378,848</u>	<u>173,153,696</u>	<u>124,311,757</u>	<u>54,290,397</u>	<u>519,690,605</u>	<u>227,444,093</u>
Net position:						
Net investment in capital assets	127,601,188	138,929,966	77,042,464	76,669,716	204,643,652	215,599,682
Restricted	38,525,638	40,976,633	5,848,116	5,848,116	44,373,754	46,824,749
Unrestricted (deficit)	<u>(348,263,708)</u>	<u>(151,887,277)</u>	<u>(33,880,794)</u>	<u>13,212,790</u>	<u>(382,144,502)</u>	<u>(138,674,487)</u>
Total net position	<u>\$ (182,136,882)</u>	<u>\$ 28,019,322</u>	<u>\$ 49,009,786</u>	<u>\$ 95,730,622</u>	<u>\$ (133,127,096)</u>	<u>\$ 123,749,944</u>

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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 decreased by \$210.1 million. This was due to the \$220.2 million increase in long-term liabilities. Revenues in 2015 were \$10.2 million lower than in 2014. This decrease in revenue is mainly due to a loss in grant revenues. The 2015 expenses were \$4.75 million lower than in 2014.

Business-type Activities - Business-type activities have \$49.0 million of total net position. Business-type activities do not encumber at year end and normally do not appropriate net position as part of the budget process. Total net position for business type activities decreased by \$46.7 million. This was due to the \$69 million increase in long term liabilities.

Table 3 - City of Flint's Change in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 12,763,995	\$ 14,232,326	\$ 64,213,357	\$ 72,157,314	\$ 76,977,352	\$ 86,389,640
Operating grants and contributions	16,880,612	14,562,573	-	-	16,880,612	14,562,573
Capital grants and contributions	1,924,929	11,218,347	-	-	1,924,929	11,218,347
General revenues:						
Property taxes	19,757,581	21,292,833	-	-	19,757,581	21,292,833
Income taxes	14,012,171	13,038,276	-	-	14,012,171	13,038,276
State shared revenue	14,458,731	14,140,573	-	-	14,458,731	14,140,573
Cable franchise fees	992,611	1,048,150	-	-	992,611	1,048,150
Unrestricted investments earnings	742,426	860,821	247,722	155,578	990,148	1,016,399
Gain on sale of capital assets	500	16,800	225,465	3,593,677	225,965	3,610,477
Miscellaneous	1,567,571	2,942,613	123,224	-	1,690,795	2,942,613
Total revenues	<u>83,101,127</u>	<u>93,353,312</u>	<u>64,809,768</u>	<u>75,906,569</u>	<u>147,910,895</u>	<u>169,259,881</u>
Expenses:						
General government	10,540,197	7,691,189	-	-	10,540,197	7,691,189
Judicial	5,032,427	5,031,863	-	-	-	-
Public safety	36,224,195	41,576,320	-	-	36,224,195	41,576,320
Building inspection	1,282,613	2,452,420	-	-	1,282,613	2,452,420
Public works	26,380,580	27,278,596	-	-	26,380,580	27,278,596
Community development	5,617,598	6,751,200	-	-	5,617,598	6,751,200
Facilities, parks, and recreation	4,112,910	3,096,360	-	-	4,112,910	3,096,360
Interest on long-term debt	1,166,786	1,203,196	-	-	1,166,786	1,203,196
Sewer	-	-	22,141,176	24,209,301	-	24,209,301
Water	-	-	21,196,932	44,245,825	21,196,932	44,245,825
Total expenses	<u>90,357,306</u>	<u>95,081,144</u>	<u>43,338,108</u>	<u>68,455,126</u>	<u>106,521,811</u>	<u>158,504,407</u>
Excesss (deficiency) before transfers	(7,256,179)	(1,727,832)	21,471,660	7,451,443	41,389,084	10,755,474
Transfers	<u>2,990,000</u>	<u>2,990,000</u>	<u>(2,990,000)</u>	<u>(2,990,000)</u>	-	-
Increase (decrease) in net position	(4,266,179)	1,262,168	18,481,660	4,461,443	41,389,084	10,755,474
Net position, beginning of year (restated)	<u>(177,870,703)</u>	<u>26,757,154</u>	<u>30,528,126</u>	<u>91,269,179</u>	<u>(147,342,577)</u>	<u>118,026,333</u>
Net position, end of year	<u>\$ (182,136,882)</u>	<u>\$ 28,019,322</u>	<u>\$ 49,009,786</u>	<u>\$ 95,730,622</u>	<u>\$ (105,953,493)</u>	<u>\$ 128,781,807</u>

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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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City's governmental funds show an operating surplus (or fund balance) of \$29.6 million as of June 30, 2015. This is an increase of \$10.1 million compared to fund balance of \$19.5 million at the end of FY14. One significant factor is the continuing emphasis on containing expenses wherever possible. Another contributing factor was the City was approved for a \$7 million emergency loan that helped to pay off the city's general fund deficit. Finally, the financial impact of changes in active and retiree health care benefits began to be seen. The City was able to collect premiums from the retirees in amount of \$1.5 million in FY15.

The elimination of the General Fund deficit was the result of projecting a realistic budget, managing it and receiving the \$7 million Emergency Stabilization Loan. Managing the General Fund has been difficult due to significant reductions in property tax revenues, income tax revenues, and state-shared revenues. However, the Emergency Manager and his team took the necessary and difficult steps needed to reduce costs.

The remaining governmental funds have a fund balance of \$27.2 million, of which virtually all is invested in infrastructure and equipment or restricted for specific purposes. The largest fund balances among the governmental funds are the public improvement, \$8.1 million, and the major street fund, \$6.4 million. Other special revenue funds are maintained primarily to demonstrate accountability. Federal and state laws place restrictions on how these funds can be spent.

State law requires the preparation of a deficit elimination plan for all fund deficits, unless current assets of the fund exceed current liabilities. The Economic Development Corporation will be filing its own deficit elimination plan to address its \$143,318 deficit.

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

Total net position in the Water Fund is \$9.8 million, a decrease of \$ 18.4 million from the previous year. Net operating income was \$13.1 million. The Water Fund has a bond reserve account of \$2.8 million and an equipment reserve account of \$3 million.

Net position in the Sewer Fund is \$38.4 million, a decrease of \$29.3 million from 2014. Net operating income was \$7.4 million.

The 2013 rate increases averaging 25 percent was necessary to restore the financial solvency of the water and sewer systems. Rate increases for FY14 and FY15 average approximately 6%, and were determined based on the recommendations of a rate study commissioned by the City.

Because of the age of the system, and the significant loss of customer base over the past years, water and sewer rates are high in comparison to other municipalities. Significant steps are being taken to assure the systems future financial viability, including the decision to terminate a long

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standing relationship with the Detroit Water and Sewer System as the City's water supplier and to join with Genesee County in the formation of the Karegnondi Water Authority, which is now in the process of constructing a water supply pipeline from Lake Huron.

Capital Assets and Debt Administration

Capital Assets - The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2015 amounts to \$229.6 million (net of accumulated depreciation), a net decrease of \$10.2 million. This net investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges (see Table 4). Additional information on the City's capital assets can be found in Note 6.

Table 4 City of Flint's Capital Assets - Net of Depreciation

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Land	\$ 14,409,836	\$ 14,409,836	\$ 762,394	\$ 762,394	\$ 15,172,230	\$ 15,172,230
Construction in progress	-	-	4,661,681	-	4,661,681	-
Land improvements	2,955,605	3,324,345	3,281,808	3,480,436	6,237,413	6,804,781
Infrastructure	104,560,875	114,391,562	-	-	104,560,875	114,391,562
Buildings, additions, and improvements	4,500,611	5,360,901	15,109,700	15,994,353	19,610,311	21,355,254
Machinery and equipment	3,593,269	3,868,526	75,760,905	78,216,138	79,354,174	82,084,664
Total	\$ 130,020,196	\$ 141,355,170	\$ 99,576,488	\$ 98,453,321	\$ 229,596,684	\$ 239,808,491

Total capital improvements, as a result of governmental activities, were \$5.0 million. Depreciation was \$15.6 million.

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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 plant improvements (see Table 5).

Table 5 - City of Flint's Long-term Debt

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation debt	\$ 8,665,000	\$ 8,955,000	\$ -	\$ -	\$ 8,665,000	\$ 8,955,000
Local government loan	7,420,000	7,620,000	-	-	7,420,000	7,620,000
Emergency loan	7,000,000	-	-	-	7,000,000	-
Revenue bonds and notes	-	-	20,770,336	21,675,336	20,770,336	21,675,336
Other notes	11,465,073	12,214,143	-	-	11,465,073	12,214,143
Capital leases	818,935	195,390	1,763,688	-	2,582,623	195,390
Accrued annual and sick pay	3,923,155	5,591,879	579,744	565,750	4,502,899	6,157,629
Total	\$ 39,292,163	\$ 34,576,412	\$ 23,113,768	\$ 22,241,086	\$ 62,405,931	\$ 56,817,498

General Obligation Bonds - The City issued \$10 million in General Obligation Bonds in fiscal year 2008 on behalf of the Flint Downtown Development Authority 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 is making the debt service payments.

Long-term Debt - At year end, the City had \$39.3 million in bonds and notes and compensated absences outstanding for governmental activities and \$21.3 million in bonds and notes and compensated absences outstanding for business-type activities. Additional information on the City's long-term debt can be found in Note 9.

Limitations on Debt - The State limits the amount of general obligation debt the City can issue to 7 percent of the assessed value of all taxable property within the City's corporate limits. The City's legal debt limit is \$115.4 million. The amount of debt available to the City (unused portion of the debt limitation) is \$102.6 million. The City can issue bonds through the Michigan Municipal Bonding Authority's state-shared revenue program. The program pledges the City's future state-shared revenues.

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Bond Ratings - There are no current ratings for the City. Prior ratings were withdrawn as the City's financial position led to consideration of the City being placed into receivership. Moody's Investors Service last rated the City's general obligation unlimited bonds at Ba1, with a stable outlook in February 2006.

Economic Factors - The reinvention of Flint and Genesee County is underway with increased investment and job creation as well as an enhanced quality of life that makes the area more attractive to residents, businesses, students, and visitors.

The region offers a strong business climate with growing businesses, new jobs, declining unemployment, strong neighborhoods, and great schools. Through private and public collaboration, the City and County are harnessing the community's many resources to support greater diversification, innovation, and entrepreneurship. The Flint and Genesee County Chamber of Commerce has identified the City and County as one of Michigan's major success stories. Indeed, with the City of Flint's financial health markedly improved, it can continue on the path towards further recovery and growth.

The following is a list of measurable achievements:

New investment projects underway in 2015

- Karegnondi Water Authority 67-mile pipeline is under construction from Lake Huron to Flint; \$267 million investment; 1,100 jobs at peak; Completion in 2016.
- General Motors assembly expansions including new body shop; \$877 million invested. This brings \$1.8 billion total investments since 2011 at Flint Assembly. It does not create new jobs but is an important step in improving production and retaining jobs.
- Redevelopment of the Chevy-in-the-Hole property now known as Chevy Commons; a former vacant and blighted General Motors complex that is being transformed into a community green space with woodlands and open grasslands with accessible walking trails for the public along the Flint River connecting downtown, the Carriage Town and Grand Traverse neighborhoods, UM-Flint, and Kettering University.
- Eagle's Nest Academy, a new charter academy off Clio Road, opened in September 2015 at the former Selby Elementary School Building. This is an investment in the community, particularly on the north side of Flint.
- Communities First, Inc. spearheaded a \$5 million project that rehabbed the old Oak School, which is just west of downtown Flint, into a 24-unit apartment complex for low-income seniors in 2015. There are barrier free units, along with a community room, computer room and library, health service and salon room, an activity room and on-site laundry facilities.

Growing enrollment in higher education institutions

- In the past Michigan has not embraced higher education as a critical path to prosperity and growth even though they have one of the top Universities in the Nation. According to a report by Business Leaders for Michigan, Michigan is going to need to almost double the amount of college graduates living in the state by the end of the decade in order to be competitive. Higher education has a major role in Michigan's economic growth strategy. At the present time, Michigan is well behind in degree attainment. Fewer than one half of working age Michiganders have college degrees or training certificates. Kettering University, University of Michigan Flint and Mott Community College are doing their part to change this statistic and to help Flint and the State of Michigan's economies grow.

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- The University of Michigan-Flint has made major improvements to the campus and its surroundings. They installed a new ventilation system in the Murchie Science Building and made upgrades to the recreation center. In addition, their presence in downtown is getting bigger as they have bought part of the historic downtown bank building. This is the first major expansion for the campus since the addition of on-campus housing in 2008. The space will be used for academic and administrative programs.
- Mott Community College has a major impact on the economic viability of this community and it remains an educational leader in skill development, career readiness & transfer programs. Flint is being seen as an area of hope and determination. They established the commitment for employee and student success and have created more opportunities to transfer to a 4-year degree program. They have launched a new student success initiative to improve student completion. They secured more than \$3 million in grant funding from the Community College Skilled Trades Equipment Program to purchase new equipment for technical and health care degree programs. They have implemented a new degree & certificate programs in Criminal Justice, Counseling & Business. They have been approved to be one of six training sites for the Michigan Program Academy. This program is required training for individuals interested in entry level correction officer jobs at the state level.
- Kettering University was rated among the nation's best by U.S. Department of Education College Scorecard released in September 2015 in several categories. They were ranked "Best in the Midwest" in 2015 by the Princeton Review. They are ranked #1 in the Midwest and 12th nationally in "Return on Investment" according to PayScale.com's 2015 rankings. They are ranked 15th nationally in non-Ph.D. engineering programs; seventh nationally in non-Ph.D. Mechanical Engineering programs; 23rd among all Midwestern universities according to 2016 *U.S. News and World Report* 'Best Colleges.'
- Kettering University created a 10 year master plan to bring growth to the campus & Flint community through new projects and programs; create new green space and facilities; enhance student life; and connect the Kettering Campus to surrounding community assets. Kettering University is West of Downtown Flint and continues to be a major asset to the City of Flint.
- The General Motors Foundation gave \$2 million to fund the automotive research area at Kettering, a blighted 19-acre piece of the old Chevy in the Hole property will be transformed into an automotive research area for Kettering students, faculty and other companies. Another \$2 million came from General Motors Corporation to fund the General Motors Advanced Powertrain Research Laboratory at C.S. Mott Science and Engineering Building.
- Diplomat Pharmacy donated \$2 million to U of M Flint School of Management for a new center designed to grow entrepreneurs in Flint. The hope is to create a space to foster new ideas, businesses and opportunities while attracting students to Flint and persuading them to remain in the City.
- Flint's revitalization depends on economic growth, college collaborations and deeper community partnerships. Flint has a unique combination of higher education institutions that truly offer something for everyone. Employers are attracted to communities with a strong educational base.

Growing downtown and surrounding area

- Flint Food Work launches at the Flint Farmers Market. The project is designed to help entrepreneurs get their small food business off the ground.
- Totem Book Store & Café is slated to come to downtown Flint which should help revitalize the neighborhood and improve business downtown.

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- Flint is getting its first Jimmy Johns' sandwich shop. Jimmy John's restaurant will occupy one space in a building purchased by Kettering in 2014 with the intent of attracting family friendly, positive economic growth to the University Avenue Corridor region.
- Communities First, Inc. with the support of \$5 million in state and federal grants rehabbed an old school building west of downtown Flint into a 24-unit apartment complex for low-income seniors. There are wheel chair accessible units, energy efficient lights and appliances, own storage units, community room, computer room and library, health service and salon room, an activity room and on-site laundry facilities.
- More than \$1 billion in General Motors investment in the past three years, including their most recent announcement of plans for a \$677 million expansion of GM Assembly Plant for a new body shop.

Improving health outcomes, quality of life, and environmental sustainability

- The Crim Fitness Foundation continues to be actively involved in Flint. The Crim Foundation has initiated Flint's Community Education Initiative which is a community-wide system to support students and families. They are working with other organizations to establish schools in the Flint Community School District to be neighborhood hubs, helping to create strong families, healthier neighborhoods, higher performing schools and higher rates of student academic achievement and success;
- Safe & Active Genesee For Everyone (SAGE) is a collaborative of local advocates, non-profit, private and government organizations working together to advocate for and support active living initiatives that promote safe opportunities for people to be physically active throughout Flint and Genesee County;
- Commit to Fit, a growing Flint-based initiative of the Greater Flint Health Coalition continues to promote healthy habits;
- Public safety collaboration has significantly improved the City's quality of life with federal, state, county, city and institutional partners actively involved;
- The City received \$1.9 million grant from the U.S. Environment Protection Agency to clean up the old General Motors' Chevy in the Hole site and redevelop it into Chevy Commons, a massive park with nature trails and fishing spots.
- Charles Stewart Mott has donated \$5 million to the Flint Cultural Center, which was created in 1950 and sits on 33 acres east of downtown. The Flint Institute of Arts received \$2.2; The Flint Cultural Center (Longway Planetarium, Sloan Museum and Whiting Auditorium) received \$1.7 million and Flint Institute of Music received \$1.1 million. The grant was to help increase support for free and low cost programs. The value the Flint Cultural Center adds in quality of life of children and families cannot be overestimated;
- The Flint Schools received \$500,000 to put their District Education Plan into action. It is imperative that the City of Flint and the school district work together if the City and the community want to obtain financial stability and growth.
- Kettering University took over ownership of Atwood Stadium which was built in 1929 and more than \$2 million has been invested in the state of the art Field Turf, which has brought high school athletics back at the forefront. After a year of no athletic events, high school officially returned to Flint's historic Atwood Stadium in August 2015. Atwood Stadium is located just west of Downtown and has always been an anchor for the community.
- Ruth Mott Foundation continued its support to the city and the community by donating \$100,000 for the restoration of Atwood Stadium.
- Flint was awarded an MDOT Safe Routes to School grant to improve the area around International Academy and South Saginaw corridor.

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Expanding Healthcare Facilities & Wellness Programs

- In health care, our three major medical centers represent over 8,700 direct employees. Hurley Hospital is among thirteen percent of hospitals in the country to reach the second highest level for its technology capabilities. Hurley is one of forty eight hospitals in Michigan to reach stage 6 and is the only one in Genesee County, according to HIMSS Analytics. There is only one health system in Michigan at stage 7, which is the highest. McLaren Flint and Genesys are both at stage 5 with stage 6 in their sights, according to hospital officials. A hospital at stage 6 means it has made a commitment to becoming an all-electronic hospital. Going electronic means less errors and less likelihood of duplicating tests.
- Hurley Children's Hospital is in the planning stages of expanding its pediatric ward and transforming the 11th floor of the hospital into a child-friendly penthouse suite. It is being created for better safety and less stress on children and their families.
- McLaren-Flint is a tertiary teaching facility with 416 beds. McLaren has added a new high-tech birth simulator to the Women's Health education and training program at McLaren. The advanced childbirth simulator is capable of running any type of obstetric situation including breech and cesarean birth, medication sensitivity and distress in mom or a baby, according to McLaren. It should provide hands-on experience to better assess and respond to a wide array of labor and delivery scenarios. McLaren will be centralizing its 10 patient accounting departments into one location in Macomb County. The relocation will affect 54 Flint employees in the spring of 2016.
- Genesys Health System new PACE (Program of all inclusive care for the elderly) clinic in downtown Flint officially opened in July 2015. The center is designed to bring a better model of care to residents 55 or older who need more specialized and individualized care. All three hospitals are actively engaged in medical education and research activities at their facilities.
- Diplomat Pharmacy is the largest independent specialty pharmacy in the U.S. based in Flint. Its third-quarter revenue in 2015 was up 59 percent, compared with the same time last year, largely because of drugs new to the market. Diplomat made \$947 million in the quarter that ended September 30, 2015. In addition Diplomat acquired BioRx, LLC, which is a highly specialized pharmacy and infusion services provider that gives treatment to patients with ultra-orphan and rare chronic diseases. They also became a public company in October 2014 when it began trading on the New York Stock Exchange. They continue to grow ahead of plans at the Great Lakes Technology Center in Flint which has become their corporate headquarters.
- Diplomat Pharmacy was picked as one of Michigan's "Best and Brightest in Wellness" for the third straight year. The award recognizes companies and organizations that celebrate quality and excellence in health and wellness. They have an on-site fitness facility at their facility headquarters that employees can use for free. Flint's Diplomat Pharmacy was honored as a top innovator and was recognized in 2015 for its education training program during a specialty pharmacy competition.

Long Term Financial Planning

- The Capital Improvement Plan was developed, reviewed by the Public, and approved by the Planning Commission and the City Council.
- The City of Flint approved a new Master Plan for the City, the first new plan in sixty years. The plan paints a new vision for the City and is focused on making Flint an attractive place to live, work, learn, and play. The development of the plan attracted several thousand residents as active participants, many of whom have not traditionally been involved in local municipal activities.
- The City continues to receive valuable support in the form of grants from local organizations including the Ruth Mott Foundation, Charles Stewart Mott and the Community Foundation; the State of Michigan and the Federal Government. For 2015 the City received grants

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from these organizations that totaled over \$4.5 million. This does not include the support the City receives from HUD for its Community Development Block Grant, Home Investment Partnerships Program (HOME) and Emergency Shelter Grants.

- There have been ongoing repairs and improvement to the City's water treatment and distribution system. The City received two grants from the State of Michigan. One for \$1.1 million for the incinerator shutdown and the second for \$900,000 for water main leak detection. Valve replacement and meter replacements are also underway.

Budgets - The placement of the City into state receivership twice in the past 12 years emphasizes the City's precarious and long standing financial position. Flint still has one of the highest unemployment rates in the nation; the change from homeownership to rentals as substantially increased over the years; crime continues to grow even with the support from the State; and our infrastructure continues to age without any plans in the near future for its replacement.

Despite the City's release from Emergency Management and the establishment of positive fund balances. The City will be challenged for several more years as it works to rebuild financial stability while providing a vision and basic level of services. A sound vision for the provision of quality services while remaining solvent is crucial to redevelop the City of Flint as an attractive place to live, play, study, work, and visit.

The challenges are many, including:

- Property values are still stagnate, made more dire by the phase-out of personal property tax
- Uncertain renewal of essential public safety special millages
- Minimal increases in income tax revenues as unemployment and poverty remain highest in the nation
- An aging and reduced workforce, resulting in an increase in the ratio of retirees to active employees, affecting pension and health care costs
- Relatively low levels of educational attainment by many
- Aging sewer, water, street, and sidewalk infrastructure
- Providing safe and affordable drinking water
- Continuing high levels of crime
- High water and sewer rates
- Reduced population

There are, however, many positive steps being taken which give strong hope that the City will regain its financial solvency and be a key part of restoring the community of Flint, including:

- Ongoing commitment to new policies, practices, and organizational changes focused on financial stability
- The willingness by those managing the City to make the necessary decisions to maintain financial solvency, as evidenced by the implementation of a balanced budget for FY15, paying off the accumulated deficit, and the adoption of balanced budgets for FY16 and FY17
- Taking steps to improve and maintain long-term financial solvency, including seeking innovative ways to reduce costs and improve efficiencies within City operations
- Working collaboratively with other municipalities to share services, as evidenced by the consolidation of 911 with Genesee County as of August 2015 and the consolidation of the 68th District court with the 67th District Court as of January 2, 2016.

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- 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 to support a variety of activities and programs in Flint
- Diversification of Flint's economic base, especially in higher education and health care.
- Continuing support from the State of Michigan to assist the City with Public Safety, including increases in state trooper presence and assisting financially in keeping the City's lockup open.

Requests for Information - This financial report is designed to provide a general overview of the City of Flint'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.

City of Flint
Statement of Net Position
June 30, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 1,142,231	\$ -	\$ 1,142,231	\$ 63,763,555
Pooled cash and investments	42,762,305	44,220,561	86,982,866	-
Investments	974,167	-	974,167	49,815,758
Receivables, net of allowance, where applicable				
Property taxes receivable	1,898,770	-	1,898,770	-
Customers	-	19,297,434	19,297,434	52,982,236
Other receivables	2,784,062	387	2,784,449	508,812
Accrued interest	113,175	66,095	179,270	251,307
Due from other units of government	6,834,761	-	6,834,761	-
Internal balances	(636,011)	636,011	-	-
Due from component unit, net of allowance	7,045,685	-	7,045,685	-
Notes and leases receivable, net	9,958,226	-	9,958,226	699,080
Inventories	118,089	874,769	992,858	5,723,734
Prepaid items	1,005,949	-	1,005,949	3,004,722
Restricted assets				
Cash and cash equivalents	382,315	5,848,116	6,230,431	11,903,027
Investments	-	-	-	24,659,447
Other assets	-	-	-	968,750
Investment in joint venture	-	-	-	6,764,046
Land held for resale	-	-	-	20,000
Capital assets not being depreciated	14,409,836	5,424,075	19,833,911	17,530,255
Capital assets, net of accumulated depreciation	115,610,360	94,152,413	209,762,773	102,005,962
Total assets	<u>204,403,920</u>	<u>170,519,861</u>	<u>374,923,781</u>	<u>340,600,691</u>
Deferred outflows of resources				
Deferred amount of pension expense related to net pension liability	8,838,046	2,801,682	11,639,728	9,565,403
Deferred amount on refunding	-	-	-	1,011,306
Total deferred outflows of resources	<u>8,838,046</u>	<u>2,801,682</u>	<u>11,639,728</u>	<u>10,576,709</u>
Total assets and deferred outflows of resources	<u>213,241,966</u>	<u>173,321,543</u>	<u>386,563,509</u>	<u>351,177,400</u>

See Accompanying Notes to Financial Statements

City of Flint
Statement of Net Position
June 30, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Accounts payable	\$ 8,957,639	\$ 2,495,070	\$ 11,452,709	\$ 19,735,157
Checks written against future deposits	31,927	-	31,927	-
Accrued and other liabilities	2,128,509	1,444,665	3,573,174	31,837,576
Due to primary government	-	-	-	8,800,685
Due to other units of government	530,027	-	530,027	-
Deposits payable	574,365	962,179	1,536,544	
Claims payable	374,410	-	374,410	1,093,257
Payable from restricted assets	-	-	-	462,364
Unearned revenue	2,261,186	-	2,261,186	10,380
Noncurrent liabilities				
Claims payable	749,942	-	749,942	26,507,791
Other noncurrent liabilities	-	-	-	13,688,513
Net pension liability	216,672,607	68,685,758	285,358,365	130,935,730
Debt due within one year	1,879,909	1,925,846	3,805,755	5,843,712
Debt due in more than one year	37,412,254	21,187,922	58,600,176	91,802,040
Other postemployment benefit obligations	123,806,073	27,610,317	151,416,390	-
Total liabilities	<u>395,378,848</u>	<u>124,311,757</u>	<u>519,690,605</u>	<u>330,717,205</u>
Net position				
Net investment in capital assets	127,601,188	77,042,464	204,643,652	28,369,098
Restricted for:				
Roads	7,815,695	-	7,815,695	-
Police	677,840	-	677,840	-
Community development	11,240,833	-	11,240,833	42,105
Economic development	753,347	-	753,347	-
Revolving loan program	-	-	-	1,963,567
Capital projects	8,378,504	-	8,378,504	-
Parks and recreation	130,045	-	130,045	-
Building inspection	1,734,320	-	1,734,320	-
Public safety	6,154,356	-	6,154,356	-
Public works	901,321	-	901,321	-
Street lighting	728,657	-	728,657	-
Debt service	10,720	2,811,626	2,822,346	-
Capital replacement	-	3,036,490	3,036,490	-
Donor restricted and other	-	-	-	6,955,557
Unrestricted (deficit)	<u>(348,263,708)</u>	<u>(33,880,794)</u>	<u>(382,144,502)</u>	<u>(16,870,132)</u>
Total net position	<u>\$ (182,136,882)</u>	<u>\$ 49,009,786</u>	<u>\$ (133,127,096)</u>	<u>\$ 20,460,195</u>

See Accompanying Notes to Financial Statements

City of Flint
Statement of Activities
For the Year Ended June 30, 2015

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Functions/Programs								
Primary government								
Governmental activities								
General government	\$ 9,980,218	\$ 6,024,996	\$ 38,358	\$ -	\$ (3,916,864)	\$ -	\$ (3,916,864)	\$ -
Judicial	5,032,427	1,449,274	-	-	(3,583,153)	-	(3,583,153)	-
Public safety								
Police	27,107,723	985,858	3,402,782	-	(22,719,083)	-	(22,719,083)	-
Fire	5,875,613	243,369	-	-	(5,632,244)	-	(5,632,244)	-
Building inspection	1,282,613	2,726,592	-	-	1,443,979	-	1,443,979	-
Emergency dispatch	3,240,859	1,302,442	-	-	(1,938,417)	-	(1,938,417)	-
Public works	15,235,870	12,717	-	-	(15,223,153)	-	(15,223,153)	-
Legislative	559,979	-	-	-	(559,979)	-	(559,979)	-
Community development	5,617,598	495	625,148	42,871	(4,949,084)	-	(4,949,084)	-
Facilities, parks, and recreation	4,112,910	5,171	3,247,938	642,419	(217,382)	-	(217,382)	-
Transportation	11,144,710	13,081	9,566,386	1,239,639	(325,604)	-	(325,604)	-
Interest on long-term debt	1,166,786	-	-	-	(1,166,786)	-	(1,166,786)	-
Total governmental activities	<u>90,357,306</u>	<u>12,763,995</u>	<u>16,880,612</u>	<u>1,924,929</u>	<u>(58,787,770)</u>	<u>-</u>	<u>(58,787,770)</u>	<u>-</u>
Business-type activities								
Sewer	22,141,176	30,435,699	-	-	-	8,294,523	8,294,523	-
Water	21,196,932	33,777,658	-	-	-	12,580,726	12,580,726	-
Total business-type activities	<u>43,338,108</u>	<u>64,213,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,875,249</u>	<u>20,875,249</u>	<u>-</u>
Total primary government	<u>\$ 133,695,414</u>	<u>\$ 76,977,352</u>	<u>\$ 16,880,612</u>	<u>\$ 1,924,929</u>	<u>(58,787,770)</u>	<u>20,875,249</u>	<u>(37,912,521)</u>	<u>-</u>
Component Units								
Downtown Development Authority	\$ 1,658,053	\$ 951,793	\$ -	\$ -	-	-	-	(706,260)
Economic Development Corporation	238,748	137,186	30,822	-	-	-	-	(70,740)
Flint Area Enterprise Community	49,767	-	-	-	-	-	-	(49,767)
Hurley Medical Center	414,757,168	440,765,076	-	-	-	-	-	26,007,908
Total component units	<u>\$ 416,703,736</u>	<u>\$ 441,854,055</u>	<u>\$ 30,822</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,181,141</u>
General revenues								
Property taxes					19,757,581	-	19,757,581	392,805
Income taxes					14,012,171	-	14,012,171	-
State shared revenue					14,458,731	-	14,458,731	-
Cable franchise fees					992,611	-	992,611	-
Unrestricted investment earnings					742,426	247,722	990,148	207,938
Gain on sale of capital assets					500	225,465	225,965	-
Gain on extinguishment of debt					-	-	-	395,828
Miscellaneous					1,567,571	123,224	1,690,795	680,123
Transfers					2,990,000	(2,990,000)	-	-
Total general revenues					<u>54,521,591</u>	<u>(2,393,589)</u>	<u>52,128,002</u>	<u>1,676,694</u>
Change in net position					(4,266,179)	18,481,660	14,215,481	26,857,835
Net position - beginning of year, as restated					(177,870,703)	30,528,126	(147,342,577)	(6,397,640)
Net position - end of year					<u>\$ (182,136,882)</u>	<u>\$ 49,009,786</u>	<u>\$ (133,127,096)</u>	<u>\$ 20,460,195</u>

See Accompanying Notes to Financial Statements

City of Flint
Governmental Funds
Balance Sheet
June 30, 2015

	General	Federal Grants	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ -	\$ 235,390	\$ 404,274	\$ 639,664
Pooled cash and investments	4,452,506	589,175	20,647,372	25,689,053
Investments	-	974,167	-	974,167
Receivables				
Property taxes receivable	986,276	-	912,494	1,898,770
Other receivables	2,605,641	-	-	2,605,641
Accrued interest and other	-	-	86,525	86,525
Due from other units of government	2,905,353	2,335,801	1,593,607	6,834,761
Due from component unit, net of allowance	135,685	-	6,910,000	7,045,685
Notes and leases receivable	-	9,618,125	340,101	9,958,226
Restricted assets				
Cash and cash equivalents	-	382,315	-	382,315
Total assets	<u>\$ 11,085,461</u>	<u>\$ 14,134,973</u>	<u>\$ 30,894,373</u>	<u>\$ 56,114,807</u>
Liabilities				
Accounts payable	\$ 988,202	\$ 1,095,141	\$ 1,890,404	\$ 3,973,747
Checks written against future deposits	31,927	-	-	31,927
Deposits and advances	-	-	574,365	574,365
Accrued and other liabilities	610,284	32,159	1,134,913	1,777,356
Due to other funds	4,216,455	-	-	4,216,455
Due to other units of government	530,027	-	-	530,027
Unearned revenue	<u>375,690</u>	<u>1,875,610</u>	<u>9,886</u>	<u>2,261,186</u>
Total liabilities	<u>6,752,585</u>	<u>3,002,910</u>	<u>3,609,568</u>	<u>13,365,063</u>
Deferred inflows of resources				
Property taxes	986,549	-	901,049	1,887,598
Notes and leases receivable	-	9,618,125	346,969	9,965,094
Grants	-	1,240,393	-	1,240,393
Total deferred inflows of resources	<u>986,549</u>	<u>10,858,518</u>	<u>1,248,018</u>	<u>13,093,085</u>

See Accompanying Notes to Financial Statements

City of Flint
Governmental Funds
Balance Sheet
June 30, 2015

	General	Federal Grants	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances				
Restricted for:				
Roads	\$ -	\$ -	\$ 7,815,695	\$ 7,815,695
Police	-	-	534,071	534,071
Community Development	-	382,315	-	382,315
Economic development	-	-	406,378	406,378
Debt service	-	-	10,720	10,720
Capital projects	-	-	8,174,463	8,174,463
Parks and recreation	-	-	94,346	94,346
Building inspection	-	-	1,734,154	1,734,154
Public safety	-	-	6,019,150	6,019,150
Public works	-	-	590,337	590,337
Street lighting	-	-	657,473	657,473
Unassigned (deficit)	<u>3,346,327</u>	<u>(108,770)</u>	<u>-</u>	<u>3,237,557</u>
Total fund balances	<u>3,346,327</u>	<u>273,545</u>	<u>26,036,787</u>	<u>29,656,659</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,085,461</u>	<u>\$ 14,134,973</u>	<u>\$ 30,894,373</u>	<u>\$ 56,114,807</u>

City of Flint
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2015

Total fund balances for governmental funds	\$ 29,656,659
Total net position for governmental activities in the statement of net position is different because:	
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds.	113,545,015
Capital assets not being depreciated used in governmental activities are not financial resources and therefore are not reported in the funds.	14,409,836
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	13,093,085
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(287,484)
Compensated absences	(3,923,155)
Net pension liability	(216,672,607)
Net other post employment obligation	(123,806,073)
Deferred outflows (inflows) of resources	
Deferred outflow of resources resulting from net pension liability	8,838,046
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	(34,550,073)
Internal service funds are included as part of governmental activities.	<u>17,559,869</u>
Net position of governmental activities	<u>\$ (182,136,882)</u>

City of Flint
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2015

	General	Federal Grants	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 4,720,086	\$ -	\$ 11,978,787	\$ 16,698,873
Income taxes	14,314,826	-	-	14,314,826
Licenses, permits and cable franchise fees	1,144,948	-	-	1,144,948
Federal grants	-	4,685,071	8,808,145	13,493,216
State revenue	17,861,513	1,158,285	2,679,982	21,699,780
Charges for services	7,923,206	645	51,459	7,975,310
Fines and forfeitures	1,562,201	-	888,723	2,450,924
Investment income	265,967	275,984	156,327	698,278
Local contributions	-	582,869	-	582,869
Miscellaneous	968,581	429,726	2,880,025	4,278,332
Total revenues	<u>48,761,328</u>	<u>7,132,580</u>	<u>27,443,448</u>	<u>83,337,356</u>
Expenditures				
Current				
General government	11,033,750	-	-	11,033,750
Judicial - 68th District Court	5,294,069	-	-	5,294,069
Police department	17,461,186	2,629,073	1,609,812	21,700,071
Combined public safety department	-	-	6,317,243	6,317,243
Fire	7,488,781	-	-	7,488,781
Building inspection	-	-	1,573,780	1,573,780
Emergency dispatch	3,251,430	-	-	3,251,430
Public works	-	-	4,615,516	4,615,516
Legislative	557,841	-	-	557,841
Community development	1,000,780	4,576,099	5,979	5,582,858
Facilities maintenance	1,795,029	-	-	1,795,029
Parks and recreation	-	-	1,185,822	1,185,822
Transportation	-	-	11,185,549	11,185,549

See Accompanying Notes to Financial Statements

City of Flint
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2015

	<u>General</u>	<u>Federal Grants</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Debt service				
Principal retirement	\$ -	\$ 639,000	\$ 600,070	\$ 1,239,070
Interest and fiscal charges	-	325,946	842,955	1,168,901
Total expenditures	<u>47,882,866</u>	<u>8,170,118</u>	<u>27,936,726</u>	<u>83,989,710</u>
Excess (deficiency) of revenues over expenditures	<u>878,462</u>	<u>(1,037,538)</u>	<u>(493,278)</u>	<u>(652,354)</u>
Other financing sources (uses)				
Transfers in	4,577,998	50,066	826,093	5,454,157
Transfers out	(149,206)	-	(1,526,953)	(1,676,159)
Sale of capital assets	500	-	-	500
Issuance of debt	<u>7,000,000</u>	<u>-</u>	<u>-</u>	<u>7,000,000</u>
Total other financing sources and uses	<u>11,429,292</u>	<u>50,066</u>	<u>(700,860)</u>	<u>10,778,498</u>
Net change in fund balance	12,307,754	(987,472)	(1,194,138)	10,126,144
Fund balance (deficit) - beginning of year	<u>(8,961,427)</u>	<u>1,261,017</u>	<u>27,230,925</u>	<u>19,530,515</u>
Fund balance - end of year	<u>\$ 3,346,327</u>	<u>\$ 273,545</u>	<u>\$ 26,036,787</u>	<u>\$ 29,656,659</u>

See Accompanying Notes to Financial Statements

City of Flint
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015

Net change in fund balances - Total governmental funds	\$ 10,126,144
Total change in net position reported for governmental activities in the statement of activities is 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 expense.	
Depreciation expense	(15,641,710)
Capital outlay	3,868,108
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Grants	(82,277)
Property taxes	348,652
Notes and leases receivable	(585,610)
Expenses are recorded when incurred in the statement of activities	
Accrued interest	2,115
Compensated absences	1,668,724
Net other post employment obligation	1,529,890
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions	
Net change in net pension liability	(4,723,748)
Net change in the deferred outflow of resources related to the net pension liability	2,915,209
Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.	
Debt issued	(7,000,000)
Repayments of long-term debt	1,239,070
Internal service funds are also included as governmental activities	<u>2,069,254</u>
Change in net position of governmental activities	<u>\$ (4,266,179)</u>

See Accompanying Notes to Financial Statements

City of Flint
Proprietary Funds
Statement of Net Position
June 30, 2015

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Assets				
Current assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 502,567
Pooled cash and investments	30,071,312	14,149,249	44,220,561	17,073,252
Receivables				
Other	155	232	387	-
Customers	8,723,752	10,573,682	19,297,434	178,421
Accrued interest and other	-	-	-	26,650
Due from other funds	-	-	-	4,216,455
Inventories	577,910	296,859	874,769	118,089
Prepaid items	-	-	-	1,005,949
Total current assets	<u>39,373,129</u>	<u>25,020,022</u>	<u>64,393,151</u>	<u>23,121,383</u>
Noncurrent assets				
Restricted assets				
Cash and cash equivalents	-	5,848,116	5,848,116	-
Accrued interest receivable	66,095	-	66,095	-
Capital assets not being depreciated	1,621,365	3,802,710	5,424,075	-
Capital assets, net of accumulated depreciated	<u>52,048,105</u>	<u>42,104,308</u>	<u>94,152,413</u>	<u>2,065,345</u>
Total noncurrent assets	<u>53,735,565</u>	<u>51,755,134</u>	<u>105,490,699</u>	<u>2,065,345</u>
Total assets	<u>93,108,694</u>	<u>76,775,156</u>	<u>169,883,850</u>	<u>25,186,728</u>
Deferred Outflows of Resources				
Deferred amount of pension expense related to net pension liability	<u>1,508,509</u>	<u>1,293,173</u>	<u>2,801,682</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>94,617,203</u>	<u>78,068,329</u>	<u>172,685,532</u>	<u>25,186,728</u>

See Accompanying Notes to Financial Statements

City of Flint
Proprietary Funds
Statement of Net Position
June 30, 2015

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Liabilities				
Current liabilities				
Accounts payable	\$ 1,142,316	\$ 1,352,754	\$ 2,495,070	\$ 4,983,892
Accrued and other liabilities	497,275	947,390	1,444,665	63,669
Claims payable - current	-	-	-	374,410
Deposits payable	-	962,179	962,179	-
Current portion of noncurrent liabilities	176,792	1,749,054	1,925,846	221,287
Total current liabilities	<u>1,816,383</u>	<u>5,011,377</u>	<u>6,827,760</u>	<u>5,643,258</u>
Noncurrent liabilities				
Claims payable	-	-	-	749,942
Other postemployment benefit	16,215,265	11,395,052	27,610,317	-
Net pension liability	36,982,444	31,703,314	68,685,758	-
Long-term debt net of current portion	1,120,945	20,066,977	21,187,922	597,648
Total noncurrent liabilities	<u>54,318,654</u>	<u>63,165,343</u>	<u>117,483,997</u>	<u>1,347,590</u>
Total liabilities	<u>56,135,037</u>	<u>68,176,720</u>	<u>124,311,757</u>	<u>6,990,848</u>
Net position				
Net investment in capital assets	52,640,506	24,401,958	77,042,464	1,246,410
Restricted for:				
Debt service	-	2,811,626	2,811,626	-
Capital replacement	-	3,036,490	3,036,490	-
Unrestricted (deficit)	(14,158,340)	(20,358,465)	(34,516,805)	16,949,470
Total net position	<u>\$ 38,482,166</u>	<u>\$ 9,891,609</u>	48,373,775	<u>\$ 18,195,880</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service funds assets and liabilities are reported with business-type activities			636,011	
Net position of business-type activities			<u>\$ 49,009,786</u>	

See Accompanying Notes to Financial Statements

City of Flint
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2015

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Operating revenue				
User charges	\$ 30,435,699	\$ 33,777,658	\$ 64,213,357	\$ 54,176,592
Other revenue	92,073	31,151	123,224	105,355
 Total operating revenue	 <u>30,527,772</u>	 <u>33,808,809</u>	 <u>64,336,581</u>	 <u>54,281,947</u>
Operating expenses				
Salaries and benefits	11,564,083	10,651,521	22,215,604	1,986,018
Supplies	1,075,398	2,563,742	3,639,140	1,077,156
Contractual services	1,658,425	538,061	2,196,486	3,016,753
Claims	-	-	-	702,453
Utilities	2,526,971	1,080,454	3,607,425	35,117
Equipment operation	286,949	1,127,786	1,414,735	-
Repairs and maintenance	542,379	2,074,044	2,616,423	668,955
Insurance	-	-	-	726,768
Other expenses	1,244,543	769,440	2,013,983	48,881
Costs of materials and services rendered	-	-	-	41,561,131
Depreciation	4,196,407	1,840,376	6,036,783	718,008
 Total operating expenses	 <u>23,095,155</u>	 <u>20,645,424</u>	 <u>43,740,579</u>	 <u>50,541,240</u>
 Operating income	 <u>7,432,617</u>	 <u>13,163,385</u>	 <u>20,596,002</u>	 <u>3,740,707</u>

See Accompanying Notes to Financial Statements

City of Flint
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2015

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Nonoperating revenue (expenses)				
Investment income	\$ 147,486	\$ 100,236	\$ 247,722	\$ 82,506
Gain on sale of assets	-	225,465	225,465	45,113
Miscellaneous expense	(6,571)	-	(6,571)	-
Interest expense	(14,361)	(551,508)	(565,869)	(36,163)
	126,554	(225,807)	(99,253)	91,456
Total nonoperating revenues (expenses)				
Income before transfers	7,559,171	12,937,578	20,496,749	3,832,163
Transfers in	800,000	-	800,000	-
Transfers out	(2,660,000)	(1,130,000)	(3,790,000)	(787,998)
	5,699,171	11,807,578	17,506,749	3,044,165
Change in net position				
Net position - beginning of year, as restated	32,782,995	(1,915,969)	30,758,758	15,151,715
Net position - end of year	\$ 38,482,166	\$ 9,891,609	48,265,507	\$ 18,195,880
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities			974,911	
Change in net position of business-type activities			\$ 18,481,660	

See Accompanying Notes to Financial Statements

City of Flint
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2015

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Cash flows from operating activities				
Receipts from customers	\$ 31,114,210	\$ 34,449,196	\$ 65,563,406	\$ 54,176,215
Payments to suppliers	(6,559,260)	(8,187,140)	(14,746,400)	(47,255,072)
Payments to employees	(11,516,597)	(10,576,185)	(22,092,782)	(1,986,018)
Claims paid	-	-	-	(598,105)
Net cash provided by operating activities	<u>13,038,353</u>	<u>15,685,871</u>	<u>28,724,224</u>	<u>4,337,020</u>
Cash flows from noncapital financing activities				
Transfer from other funds	800,000	-	800,000	-
Transfers to other funds	(2,660,000)	(1,130,000)	(3,790,000)	(787,998)
Advances from other funds	<u>9,000,000</u>	<u>-</u>	<u>9,000,000</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>7,140,708</u>	<u>(1,130,232)</u>	<u>6,010,476</u>	<u>(787,998)</u>
Cash flows from capital and related financing activities				
Proceeds from capital debt	1,240,767	956,190	2,196,957	948,013
Purchases/construction of capital assets	(2,708,579)	(4,451,371)	(7,159,950)	(1,156,636)
Principal and interest paid on long-term debt	(134,538)	(1,677,974)	(1,812,512)	(360,631)
Proceeds from sale of capital assets	<u>-</u>	<u>225,465</u>	<u>225,465</u>	<u>45,113</u>
Net cash used by capital and related financing activities	<u>(1,602,350)</u>	<u>(4,947,690)</u>	<u>(6,550,040)</u>	<u>(524,141)</u>

See Accompanying Notes to Financial Statements

City of Flint
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2015

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Cash flows from investing activities				
Interest received	\$ 145,474	\$ 100,236	\$ 245,710	\$ 82,506
Net change in cash and cash equivalents	18,722,185	9,708,185	28,430,370	3,107,387
Cash and cash equivalents - beginning of year	11,349,127	4,441,064	15,790,191	14,468,432
Cash and cash equivalents - end of year	<u>\$ 30,071,312</u>	<u>\$ 14,149,249</u>	<u>\$ 44,220,561</u>	<u>\$ 17,575,819</u>
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income	\$ 7,432,617	\$ 13,163,385	\$ 20,596,002	\$ 3,740,707
Adjustments to reconcile operating income to net cash from operating activities				
Depreciation and amortization expense	4,196,407	1,840,376	6,036,783	718,008
Noncash portion of changes in net pension liability	806,266	691,174	1,497,440	-
Changes in assets and liabilities				
Receivables (net)	586,438	498,969	1,085,407	(105,732)
Inventories	(29,611)	71,956	42,345	67,130
Prepaid items	5,442	-	5,442	(1,005,949)
Deferred outflows	(497,578)	(426,550)	(924,128)	-
Accounts payable	707,496	(513,028)	194,468	977,568
Accrued and other liabilities	204,664	407,459	612,123	(159,060)
Customer deposits payable	-	141,418	141,418	104,348
Other post employment benefit obligation	(261,202)	(223,887)	(485,089)	-
Compensated absences	(112,586)	34,599	(77,987)	-
Net cash provided by operating activities	<u>\$ 13,038,353</u>	<u>\$ 15,685,871</u>	<u>\$ 28,724,224</u>	<u>\$ 4,337,020</u>

See Accompanying Notes to Financial Statements

City of Flint
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2015

	<u>Pension and Benefit Trust Funds</u>	<u>Agency Funds</u>
Assets		
Cash and cash equivalents	\$ 2,015,480	\$ 1,277,833
Pooled cash and investments	-	872,207
Investments:		
U.S government obligations	196,163	-
Agency securities	13,267,548	-
Corporate stocks	21,005,679	-
Corporate bonds	15,998,781	-
Receivables		
Taxes	-	3,700,059
Accrued interest and other	177,534	-
	<u>52,661,185</u>	<u>\$ 5,850,099</u>
Liabilities		
Accounts payable	3,500	4,446,922
Checks written against future deposits	575,500	4
Due to other units of government	-	1,403,173
	<u>579,000</u>	<u>\$ 5,850,099</u>
Net position		
Held in trust for pension benefits and other purposes	<u>\$ 52,082,185</u>	

See Accompanying Notes to Financial Statements

City of Flint
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2015

	<u>Pension and Other Employee Benefit Trust Funds</u>
Additions	
Contributions	
Employer	\$ 12,116,490
Retiree	<u>1,992,304</u>
Total contributions	<u>14,108,794</u>
Investment earnings (expenses)	
Interest and dividends	927,206
Change in fair value	1,114,333
Investment related expenses	<u>(244,639)</u>
Total investment earnings	<u>1,796,900</u>
Total additions	<u>15,905,694</u>
Deductions	
Benefits	<u>6,066,922</u>
Change in net position	9,838,772
Net position - beginning of year	<u>42,243,413</u>
Net position - end of year	<u><u>\$ 52,082,185</u></u>

See Accompanying Notes to Financial Statements

City of Flint
Combining Statement of Net Position
Component Units
June 30, 2015

	Downtown Development Authority	Economic Development Corporation	Flint Area Enterprise Community	Hurley Medical Center	Total
Assets					
Cash and cash equivalents	\$ 308,057	\$ 251,514	\$ 1,039,104	\$ 62,164,880	\$ 63,763,555
Investments	-	-	-	49,815,758	49,815,758
Receivables					
Customers	99,308	-	-	52,882,928	52,982,236
Accrued interest receivable	-	-	-	251,307	251,307
Other	-	-	3,440	505,372	508,812
Notes and leases receivable, net	-	582,835	116,245	-	699,080
Inventories	-	-	-	5,723,734	5,723,734
Prepaid items	10,627	14,012	-	2,980,083	3,004,722
Restricted assets					
Cash and cash equivalents	158,457	462,364	-	11,282,206	11,903,027
Investments	-	-	-	24,659,447	24,659,447
Other assets	-	-	-	968,750	968,750
Investment in joint ventures	-	-	-	6,764,046	6,764,046
Land held for resale	-	-	20,000	-	20,000
Capital assets not being depreciated	4,878,067	93,860	-	-	4,971,927
Capital assets, net of accumulated depreciation	8,845,449	380,865	-	105,337,976	114,564,290
Total assets	<u>14,299,965</u>	<u>1,785,450</u>	<u>1,178,789</u>	<u>323,336,487</u>	<u>340,600,691</u>
Deferred outflows of resources					
Deferred amount of pension expense related to net pension liability	-	-	-	9,565,403	9,565,403
Deferred amount on refunding	-	-	-	1,011,306	1,011,306
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,576,709</u>	<u>10,576,709</u>
Total assets and deferred outflows of resources	<u>14,299,965</u>	<u>1,785,450</u>	<u>1,178,789</u>	<u>333,913,196</u>	<u>351,177,400</u>

See Accompanying Notes to Financial Statements

City of Flint
Combining Statement of Net Position
Component Units
June 30, 2015

	Downtown Development Authority	Economic Development Corporation	Flint Area Enterprise Community	Hurley Medical Center	Total
Liabilities					
Accounts payable	\$ 12,231	\$ 15,128	\$ -	\$ 19,707,798	\$ 19,735,157
Accrued and other liabilities	82,447	3,242	-	31,738,307	31,823,996
Claims payable	-	-	-	1,093,257	1,093,257
Due to primary government	8,665,000	135,685	-	-	8,800,685
Deposits and advances	13,580	-	-	-	13,580
Payable from restricted assets	-	462,364	-	-	462,364
Unearned revenue	-	10,380	-	-	10,380
Noncurrent liabilities					
Net pension liability	-	-	-	130,935,730	130,935,730
Due within one year	-	-	-	5,843,712	5,843,712
Due in more than one year	-	-	-	91,802,040	91,802,040
Claims payable	-	-	-	26,507,791	26,507,791
Other noncurrent liabilities	-	-	-	13,688,513	13,688,513
Total liabilities	8,773,258	626,799	-	321,317,148	330,717,205
Net position					
Net investment in capital assets	5,216,973	474,725	-	22,677,400	28,369,098
Restricted					
Community development	-	-	42,105	-	42,105
Revolving loan program	-	827,244	1,136,323	-	1,963,567
Donor restricted and other	-	-	-	6,955,557	6,955,557
Unrestricted (deficit)	309,734	(143,318)	361	(17,036,909)	(16,870,132)
	\$ 5,526,707	\$ 1,158,651	\$ 1,178,789	\$ 12,596,048	\$ 20,460,195

See Accompanying Notes to Financial Statements

City of Flint
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Charges for services	Operating grants and contributions	Net (expense) revenue
DDA activities	\$ 1,658,053	\$ 951,793	\$ -	\$ (706,260)
Economic Development Corporation	238,748	137,186	30,822	(70,740)
Flint Area Enterprise Community	49,767	-	-	(49,767)
Hurley Medical Center	<u>414,757,168</u>	<u>440,765,076</u>	<u>-</u>	<u>26,007,908</u>
Total component unit activities	<u>\$ 416,703,736</u>	<u>\$ 441,854,055</u>	<u>\$ 30,822</u>	<u>\$ 25,181,141</u>

Component Units

	DDA activities	Economic development corporation activities	Flint area enterprise community activities	Hurley Medical Center activities	Total
Changes in net position					
Net expense	<u>\$ (706,260)</u>	<u>\$ (70,740)</u>	<u>\$ (49,767)</u>	<u>\$ 26,007,908</u>	<u>\$ 25,181,141</u>
General revenues:					
Property taxes	392,805	-	-	-	392,805
Unrestricted investment earnings	236	25,924	55,365	126,413	207,938
Miscellaneous	15,878	51	1,640	662,554	680,123
Gain on extinguishment of debt	<u>395,828</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>395,828</u>
Total general revenues	<u>804,747</u>	<u>25,975</u>	<u>57,005</u>	<u>788,967</u>	<u>1,676,694</u>
Change in net position	98,487	(44,765)	7,238	26,796,875	26,857,835
Net position, beginning of year, as restated	<u>5,428,220</u>	<u>1,203,416</u>	<u>1,171,551</u>	<u>(14,200,827)</u>	<u>(6,397,640)</u>
Net position, end of year	<u>\$ 5,526,707</u>	<u>\$ 1,158,651</u>	<u>\$ 1,178,789</u>	<u>\$ 12,596,048</u>	<u>\$ 20,460,195</u>

See Accompanying Notes to Financial Statements

City of Flint
Notes to the Financial Statements
June 30, 2015

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the City of Flint, Michigan (the "City") conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies used by the City of Flint:

Reporting Entity

The City of Flint was governed and administered by an emergency manager (EM) appointed pursuant to state statute by the governor of the State of Michigan until the end of April 2015. At that time, the City moved from being under the control of the EM to the transitional state of oversight by a Receivership Transition Advisory Board (RTAB), as defined by Public Act 436. The City remains under state receivership.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (see discussion below for description).

Blended Component Units

The City of Flint Retirees Health Care Plan and Trust is a defined benefit plan that provides retiree healthcare benefits to certain City retirees. The Health Care Plan and Trust was established and is governed by City ordinance, with the board of trustees comprised of City officials and two members from each participating collective bargaining unit. The plan is reported as a Benefit Trust Fiduciary Fund.

Discretely Presented Component Units

The component unit column in the government-wide financial statements include the financial data of the City's four component units. These units are reported in a separate column to emphasize that they are legally separate from the City. Separately issued financial statements are prepared for all of the discretely presented component units.

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 City of Flint Economic Development Corporation (the "Corporation") was created under state law to provide financing and development opportunities for businesses located within the City. The City appoints the board. The Corporation 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 Corporation vest to the City. The Corporation has both governmental and business-type activities.

The Flint Area Enterprise Community (FAEC) is a non-profit organization, established under state law. FAEC is responsible for coordinating and implementing a strategic plan to advocate and develop business and community development in a federally designated zone that includes portions of Mt. Morris Township and the City of Flint. The City appoints a majority of the board of directors, provides the majority of its funding for operations, and any assets remaining at the cessation of its operating activities would be returned to the City of Flint. The FAEC is presented as a governmental activity.

City of Flint
Notes to the Financial Statements
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The FAEC plans to cease operations during the fiscal year ending 2016. They are currently working with the State to determine which organization will take over the loans.

Hurley Medical Center (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.

Complete financial statements for Atwood Stadium Building Authority are not available. Complete financial statements for the following individual component units may be obtained at the entity's administrative offices:

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

Flint Economic Development Corporation
1101 S. Saginaw Street
Flint, Michigan 48502

Flint Area Enterprise Community
805 Welch Boulevard
Flint, Michigan 48504

Hurley Medical Center
One Hurley Plaza
Flint, MI 48503

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. *Government 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 legally separate *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 segments 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.

City of Flint
Notes to the Financial Statements
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Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for property taxes and within 90 days for all other sources. 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, licenses, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

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

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

The government reports the following major proprietary funds:

The Water Fund accounts for the activities of the government's water distribution and treatment system.

The Sewer Fund accounts for the activities of the government's sewage disposal and treatment system.

Additionally, the government reports the following:

Internal service funds account for data processing, self-insurance, fleet, and fringe benefit provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

The pension and other employee benefits trust funds account for the activities of the three different funds utilized to pay death and healthcare benefits for the City of Flint and Hurley Medical Center retirees, which accumulate resources for pension and health benefit payments for qualified employees.

Agency funds are used to account for assets held for other governments in an agency capacity, including tax collections.

City of Flint
Notes to the Financial Statements
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Pension and other employee benefits trust funds and agency funds are reported as fiduciary funds and are not included in the government-wide statement of net position and statement of activities.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer and water funds and the internal service funds are charges to customers for sales and services. The enterprise funds also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for sewer and water 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.

Property Tax Revenue

Property taxes are levied on each July 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

Taxes on the operating, public improvement, parks, public safety, and neighborhood police levies are billed July 1 and may be paid in three equal installments due by July 31, October 31, and February 28, following the levy date. Taxes on the paramedic service levy are billed on December 1 and due in one installment by February 28. Property tax receivables are recorded as a receivable and offsetting deferred revenue when levied and due. Property taxes are recognized as revenues when collected or when considered measurable and available. The City considers property taxes as available if they are collected within 60 days after year end.

The 2015 taxable valuation of the City totaled \$737 million. Taxes were levied as follows:

Purpose	Millage Rate	Revenue
General operating	7.5	\$ 4,699,113
Public improvement	2.5	1,609,072
Parks and recreation	0.5	323,951
Public safety	6.0	3,842,853
Neighborhood police	2.0	1,293,783
Total	18.5	\$ 11,768,772

Assets, Liabilities, and Net Position or Equity

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

City of Flint
Notes to the Financial Statements
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Pooled cash and investments – Cash resources of certain individual funds are combined to form a pool of cash and investments which is managed by the city treasurer. Investments in the pooled cash and investments account consist primarily of certificates of deposit with a maturity date greater than three months from the date acquired by the City, top grade commercial paper and government securities, and money market funds, and are carried at fair value.

At June 30, 2015, some funds have overdrawn their share of the pooled cash and investments. Fund overdrafts of pooled cash and investments are reported as checks written against future deposits.

Interest income earned as a result of pooling cash and investments is distributed to the participating funds monthly utilizing a formula based on the average daily balance of each fund's share of the total pooled cash and investments. Funds that have overdrawn their share of pooled cash and investments are charged interest costs.

For the purpose of the statement of cash flows, pooled cash and investments have been considered as cash and cash equivalents.

Investments – Investments for the City, as well as for its component units, are stated at fair market value (national or international exchange rates). Investments that do not have an established market are reported at estimated fair market value. Gains or losses on investments sold or exchanged are recognized when the transactions are completed (settlement date). Certificates of deposit with a maturity date of greater than three months at time of purchase are recorded as investments on the financial statements.

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

Activity between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to

as either “due to / from other funds” (i.e., the current portion of interfund loans) or “advances to / from other funds” (i.e., the 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”.

All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

Inventories and prepaid items – Inventories are valued at cost (Special Revenue Funds) or at the lower of cost or market using the first-in/first out method (Enterprise and Internal Service Funds). Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the City follows the consumption method, and they therefore are capitalized as prepaid items in both entity-wide and fund financial statements.

Restricted assets – These assets are restricted through bond or grant agreements or represent donated assets whose disposition is specified by the donor. Restricted assets recorded in the Federal Grants Fund are restricted through grant agreements.

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.

Restricted assets recorded in the Water Fund consist of amounts set aside for equipment replacement and debt service as required by the Drinking Water Revolving Fund Revenue Bonds.

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Notes to the Financial Statements
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Capital assets – Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the government values these capital assets at the estimated fair value of the item at the date of its donation.

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 assets constructed. No such interest expense was incurred during the current fiscal year.

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

Buildings	50 years
Building improvements	40 – 50 years
Improvements other than buildings	5 – 50 years
Land improvements	5 – 50 years
Public domain infrastructure	10 – 50 years
Water and sewer infrastructure	10 – 75 years
Machinery and equipment	3 – 20 years
Other furnishings	5 – 7 years

Deferred outflows of resources – A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. The City reports deferred outflows of resources as a result of pension earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension expense. The City also reported deferred outflows of resources for pension contributions made after the measurement date. This amount will reduce net pension liability in the following year.

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.

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 effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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Deferred inflows of resources – A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period.

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.

Pension and Retiree Healthcare Benefits – The City offers both pension and retiree healthcare benefits to retirees. The City receives an actuarial valuation to compute the annual determined contribution necessary to fund the obligations over the remaining amortization period. In the governmental funds, pension and OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the City reports the full accrual cost equal to the current year required contribution, adjusted for interest and “adjustment to the annual determined contribution” on the beginning of year underpaid amount, if any. The net pension obligation and the net OPEB obligation will be liquidated from the funds that the individual employee’s salaries are paid from, the general fund and certain special revenue funds.

Fund Equity – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable – amounts that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts constrained by the government’s highest level decision-makers, the Mayor/City Council/City Administrator, subject to the approval of the RTAB. A fund balance commitment may be established, modified, or rescinded by a resolution, subject to approval of the RTAB.

Assigned – amounts intended to be used for specific purposes. The City Council may assign fund balance for a specific purpose, subject to the approval of the RTAB. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable restrictions, restrictions, commitments and assignments.

Until April 2015, the authority to commit and assign fund balances rested with the City’s emergency manager.

While the City remains under state receivership, emergency manager orders remain in effect and any actions taken by the Mayor/City Council must comply with Public Act 436 and emergency manager orders, and receive approval by the RTAB.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the government’s policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the government’s policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

City of Flint
Notes to the Financial Statements
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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 – Cost-based Reimbursement

Patient accounts receivable at June 30, 2015 and revenues 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 \$26,000,000 for 2015.

Hurley Medical Center – Revenues and Expenses Accounting Policy

Net patient service revenue – Net patient service revenue is reported at the estimated net realized amounts from patients and third-party payors for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Approximately 85 percent of the Medical Center's revenues are based on participation in the Blue Cross/Blue Shield, Medicare, and Medicaid programs for the year ended June 30, 2015.

Charity care – The Medical Center provides care without charge to patients who meet certain criteria under its charity care policy. Because the Medical Center does not pursue collection of amounts

determined to qualify as charity care, they are not reported as revenue. The eligibility criteria are based on levels of income.

Adoption of New Accounting Standards

The Governmental Accounting Standards Board ("The GASB") has issued Statement No. 68 *Accounting and Financial Reporting for Pensions*, and Statement 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Statement 68 requires governments participating in public employee pension plans to recognize their portion of the long-term obligation for the pension benefits as a liability and to measure the annual costs of the pension benefits. The net pension liability is recorded on the government-wide statements and, if applicable, the proprietary fund statements. Statement 71 amends Statement 68 to address an issue concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of Statement 68 by employers and non-employer contributing entities. Statements 68 and 71 are effective for the year ending June 30, 2015.

The GASB has also issued Statement No. 69 *Government Combinations and Disposals of Government Operations*. Statement 69 provides detailed requirements for the accounting and disclosure of various types of government combinations, such as mergers, acquisitions, and transfers of operations. The guidance available previously was limited to nongovernmental entities, and therefore did not provide practical examples for situations common in government-specific combinations and disposals. The accounting and disclosure requirements for these events vary based on whether a significant payment is made, the continuation or termination of services, and the legal structure of the new or continuing entity. Statement 69 is effective for the year ending June 30, 2015.

Upcoming Accounting and Reporting Changes

The Governmental Accounting Standards Board ("The GASB") has issued Statement No. 72 *Fair Value Measurements and Applications*. Statement 72 addresses accounting and financial reporting issues

City of Flint
Notes to the Financial Statements
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related to fair value measurements. Fair value is defined as an exit price (what a government would get to sell the asset), and fair value measurements primarily apply to investments. The statement enhances fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. This statement requires additional disclosures about fair value measurements, the level of fair value hierarchy, and valuation techniques. Statement 72 is effective for the year ending June 30, 2016, although earlier application is allowed.

In addition, the Governmental Accounting Standards Board has released the following three Statements.

Statement No. 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*. The purpose of this Statement is provide the readers of the financial statements information about the effects of the pension-related transactions on the financial statements of state and local government employers. It will assist in assessing the relationship between a government's inflows of resources and its total cost (including pension expense) of providing government services each period in addition to providing information about the government's pension obligation. The first objective of this Statement is to improve the information about financial support provided by certain nonemployer entities for pensions that are provided to the employees of other entities that are not within the scope of Statement No. 68. These requirements are effective for the fiscal year ending June 30, 2017. The second objective is to improve the quality of information associated with governments that hold assets accumulated for purposes of providing defined benefit pensions that are not within the scope of Statement 68 and the third objective is to clarify the application of certain provisions of Statement No. 67 and 68. These two requirements are effective for the fiscal year ending June 30, 2016.

Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses the other postemployment benefits plans (OPEB) – defined benefit and defined contribution – administered through trusts. This Statement will improve the financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts. This information will enhance the transparency by providing information about measures of net OPEB liabilities and explanations of how and why those liabilities changed from year to year. Statement No. 74 is effective for the fiscal year ending June 30, 2017.

Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined OPEB plans, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee services. It also requires additional note disclosures and required supplementary information. Statement No. 75 is effective for the fiscal year ending June 30, 2018.

The City is evaluating the impact GASB 72 and 75 will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

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

On June 26, 2014, the emergency fiscal manager signed Order No. 13, adopting the operating budget for the fiscal year commencing the following July 1. The legally adopted operating budgets included

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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.

Department heads are authorized to transfer budgeted amounts with departmental appropriation accounts, except as those designated by the City's newly adopted "Amendment of Adopted Budgets" ordinance. Revisions that require Council approval must be adopted by resolution, confirmed by the RTAB and finally approved by the State of Michigan Treasurer.

Formal budgetary integration was employed as a management control device during the year for all budgetary funds. Also, all budgets, except for the Federal Grants Fund, were adopted on a basis consistent with generally accepted accounting principles. The budget for the Federal Grants Fund includes grant revenue and expenditures which were passed through to other City funds and recorded as revenue and expenditures in the grant receiving fund. For the fund financial statements, the Federal Grants Fund includes only those revenue and expenditures incurred directly by that fund.

Budget appropriations lapse at year end, except for certain projects which are appropriated on a project length basis.

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.

Excess of Expenditures over Appropriations

The following funds had excess expenditures over appropriation at the legal level of budgetary control:

	<u>Appropriations</u>	<u>Actual</u>	<u>Budget Variance</u>
General Fund			
General government	10,796,527	11,033,750	237,223
Transfers out	99,140	149,206	50,066

State Construction Code Act

The City oversees building construction, in accordance with the State's Construction Code Act, including inspection on building construction renovation to ensure compliance with the building codes. The City charges fees for these services. Beginning January 1, 2000, the law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs.

Note 3 - Pooled Cash and Investments

The pooled cash and investments account at June 30, 2015 is comprised of the following:

Cash deposits and restricted cash	\$ 56,065,107
Investments	30,917,759
Total	<u>\$ 86,982,866</u>

Note 4 - Deposits and Investments

Michigan Compiled Laws section 129.91 (Public Act 20 of 1943, as amended), authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The City is allowed to invest in bonds, securities, and other direct obligations, of the United States, or any agency or instrumentality of the United

City of Flint
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States, repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivision, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The investment policy adopted by the City Council, in accordance with Public Act 196 of 1997, is in accordance with statutory authority. The City's investment policy authorizes the City and its component units to invest in obligations of the U.S. Treasury and obligation of U.S. agencies, where the principal and interest are fully guaranteed by the United States, deposit agreements with federally insured financial institutions within the State of Michigan, high grade commercial paper, repurchase agreements secured by obligations of the U.S. Government and U.S. Agencies, banker's acceptances of U.S. banks, and mutual funds comprised of the above authorized investments. The City's investment policy further requires that investments held in the pooled investment fund be limited by the investment type and financial institution. The City's pooled cash investments are limited as follows:

- Negotiable certificates of deposit cannot exceed 25% of investment holdings
- Commercial paper cannot exceed 50% of investment holdings
- Bankers acceptances cannot exceed 10% of investment holdings
- Mutual funds cannot exceed 15% of the investment holdings
- Banker acceptances cannot exceed a maturity of 270 days
- Bankers acceptances in one financial institution cannot exceed 10% of investment holdings
- Commercial paper holdings of any one corporation cannot exceed 10% of investment holdings

The City was in compliance with all aspects of its investment policy at June 30, 2015.

Hurley Medical Center's Chief Financial Officer controls the Medical Center Enterprise Fund's investing. Hurley limits any single investment to 10% (except cash or US Treasuries), and combined mortgage-backed securities to less than 50% of holdings. Hurley also must adhere to donor restrictions on the investing of any restricted funds received.

The City deals only with qualified banks and primary investment firms that adhere to the specific guidelines established by industry practice for repurchase agreements. The City's cash and investments are subject to several types of risk, which are examined in more detail below. Amounts noted as the City's for each type of risk that follows also include Hurley Medical Center, unless otherwise noted.

No single investment of the City or Hurley exceeded 5% of the investment portfolio at June 30, 2015.

Custodial Credit Risk of Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City's bank deposits (certificates of deposit, checking, and savings) in the name of the City totaling \$129,173,576 were uninsured and uncollateralized. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the city evaluates each financial institution it deposits its funds, and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk of 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 does not have a policy for custodial credit risk. Hurley does have a deposit policy for custodial credit risk that

City of Flint
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requires the investments be held by a nationally chartered custodian bank. The chief investment officer shall select the custodian bank based on various factors including bank stability.

Hurley's balance of investment securities that were uninsured and unregistered held by the counterparty or by its trust department is as follows:

Investment Type	Carrying Value	How Held
Primary government:		
U.S government or agency bonds	\$ 27,701,953	Counterparty trust dept.
Fiduciary fund - corporate stocks		
	\$ 623,788	Counterparty trust dept.
Component unit:		
U.S government or agency bonds	\$ 74,644,161	Counterparty trust dept.
Corporate stocks	20,288,196	Counterparty trust dept.
Corporate bonds	15,998,781	Counterparty trust dept.
Repurchase agreements	10,019	Counterparty
Mutual funds	450,205	Counterparty
Total	\$ 111,391,362	

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy for investment of general City monies limits investments in securities with maturities greater than five years to 15% of the balance available to invest. Hurley Medical Center's investment policy indicates that each investment account should approximate the duration of its specific benchmark within a range of 80 to 120 percent.

As of June 30, 2015, the following securities were subject to interest rate risk:

Investment	Fair Value	Weighted Average Maturity (Years)
Primary government:		
U.S. government or agency bonds	\$ 27,701,953	6.59
Money market funds	2,183,063	< 1 year
Certificates of deposit	11,554,836	1.5
Total	\$ 41,439,852	
Fiduciary fund:		
Fixed income bond fund	\$ 78,541	< 1 year
Money market funds	15,154	< 1 year
Total	\$ 93,695	
Component unit:		
U.S. government or agency bonds	\$ 74,644,161	3.66
GNMA pool	1,009,366	17.69
U.S. government mortgage backed securities	11,835,184	17.10
Corporate bonds	15,998,781	6.14
Money market funds	14,204,001	< 1 year
Repurchase agreement	10,019	< 1 year
Total	\$ 117,701,512	

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Credit Risk

Credit risk is the risk that the government will not be able to recover the value of its securities. The City follows state law, which limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices for general City funds. As of June 30, 2015, the following are credit quality ratings of the City's debt securities subject to credit risk:

Investment	Fair Value	Rating	Rating Organization
Primary government:			
U.S. government bonds	\$ 26,834,890	AA+	S&P
U.S. government bonds	867,063	AAA	S&P
Money market funds	382,315	A1/A2	S&P
Money market funds	75,799	AAA	S&P
Money market funds	1,724,949	AAA/AA	S&P
Total	<u>\$ 29,885,016</u>		
Fiduciary fund:			
Fixed income bond fund	\$ 78,541	AAA/AA	S&P
Money market funds	15,154	AAA/AA	S&P
Total	<u>\$ 93,695</u>		
Component unit:			
U.S. agency bonds	\$ 5,541,041	AA+	S&P
U.S. government mortgage backed securities	11,835,184	Not rated	Not rated
Corporate bonds	5,171,260	AA+/A-	S&P
Corporate bonds	1,677,454	AAA	S&P
Corporate bonds	5,834,242	BBB+/B-	S&P
Corporate bonds	3,315,825	Not rated	Not rated
Money market funds	14,204,001	Not rated	Not rated
Repurchase agreements	10,019	Not rated	Not rated
Total	<u>\$ 47,589,026</u>		

The City of Flint Economic Development Corporation's (EDC) cash is subject to one type of risk, which is examined in more detail below.

Custodial credit risk is the risk that in the event of a bank failure, EDC's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At year end, EDC had no bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The Flint Area Enterprise Community's (FAEC) cash is subject to one type of risk, which is examined in more detail below:

Custodial credit risk is the risk that in the event of a bank failure, FAEC's deposits may not be returned to it. FAEC has a deposit policy for custodial credit risk. At year end, FAEC had \$539,827 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. FAEC believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, FAEC evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The Flint Downtown Development Authority's (DDA) cash and investments are subject to various types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, DDA's deposits may not be returned to it. DDA does not have a deposit policy for custodial credit risk. At year end, DDA had \$240,871 that was uninsured and uncollateralized.

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Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. DDA has no investment policy that would further limit its investment choices. As of year-end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating
Money market	\$ 158,457	Not Available

Note 5 - Receivables

Receivables as of year-end for the City's governmental and business-type activities in the aggregate, are as follows:

	Government Activities	Business Type Activities	Component Units
Primary government			
Income taxes, net of allowance of \$4,592,717	\$ 2,528	\$ -	\$ -
Accounts	-	19,297,434	52,982,236
Property taxes	2,700,745	-	-
Other receivables, net of allowance of \$804,503	1,979,559	387	508,812
Accrued interest and other	113,175	66,095	251,307
Due from other units of governments, net of allowance of \$1,755,000	13,880,446	-	-
Notes			
Due within one year	1,079,788	-	-
Due after one year	8,878,438	-	699,080
Total receivables, net	<u>\$ 28,634,679</u>	<u>\$ 19,363,916</u>	<u>\$ 54,441,435</u>

Note 6 - Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received but not yet earned.

At the end of the current fiscal year, the components of unearned revenue are as follows:

Primary government	
Grant drawdowns prior to meeting eligibility requirements	<u>\$ 2,261,186</u>
Component Units	
Other revenue	<u>\$ 10,380</u>

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Note 7 - Capital Assets

Capital assets activity of the primary government for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 14,409,836	\$ -	\$ -	\$ 14,409,836
Capital assets being depreciated				
Land improvements	14,605,010	-	-	14,605,010
Infrastructure	373,673,940	2,935,083	31,274	376,577,749
Buildings, additions and improvements	23,239,639	617,974	2,783,153	21,074,460
Machinery and equipment	25,115,736	1,471,687	3,092,133	23,495,290
Total capital assets being depreciated	436,634,325	5,024,744	5,906,560	435,752,509
Less accumulated depreciation for				
Land improvements	11,280,665	368,740	-	11,649,405
Infrastructure	259,282,378	12,765,770	31,274	272,016,874
Buildings, additions and improvements	17,878,738	1,478,264	2,783,153	16,573,849
Machinery and equipment	21,247,210	1,746,944	3,092,133	19,902,021
Total accumulated depreciation	309,688,991	16,359,718	5,906,560	320,142,149
Net capital assets being depreciated	126,945,334	(11,334,974)	-	115,610,360
Governmental activities capital assets, net	\$ 141,355,170	\$ (11,334,974)	\$ -	\$ 130,020,196

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 762,394	\$ -	\$ -	\$ 762,394
Construction in progress	-	4,661,681	-	4,661,681
Total capital assets not being depreciated	762,394	4,661,681	-	5,424,075
Capital assets being depreciated				
Land improvements	5,406,197	-	-	5,406,197
Buildings, additions and improvements	62,756,502	440,157	10,909,384	52,287,275
Machinery and equipment	229,138,072	2,058,112	-	231,196,184
Total capital assets being depreciated	297,300,771	2,498,269	10,909,384	288,889,656
Less accumulated depreciation for				
Land improvements	1,925,761	198,628	-	2,124,389
Buildings, additions and improvements	46,762,149	1,324,810	10,909,384	37,177,575
Machinery and equipment	150,921,934	4,513,345	-	155,435,279
Total accumulated depreciation	199,609,844	6,036,783	10,909,384	194,737,243
Net capital assets being depreciated	97,690,927	(3,538,514)	-	94,152,413
Business-type capital assets, net	\$ 98,453,321	\$ 1,123,167	\$ -	\$ 99,576,488

City of Flint
Notes to the Financial Statements
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Component Units	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	\$ 9,357,770	\$ -	\$ -	\$ 9,357,770
Construction in progress	6,022,993	12,818,077	10,668,585	8,172,485
Total capital assets not being depreciated	15,380,763	12,818,077	10,668,585	17,530,255
Capital assets being depreciated				
Land improvements	12,826,498	732,687	142,024	13,417,161
Office furnishings	1,124,470	70,918	7,960	1,187,428
Buildings, additions and improvements	168,678,846	4,728,189	5,084,895	168,322,140
Machinery and equipment	109,415,938	5,840,751	3,996,990	111,259,699
Leasehold improvements	6,826,342	25,695	-	6,852,037
Vehicles	336,051	61,625	42,571	355,105
Total capital assets being depreciated	299,208,145	11,459,865	9,274,440	301,393,570
Less accumulated depreciation for				
Land improvements	3,579,326	415,481	142,024	3,852,783
Office furnishings	517,436	43,269	6,559	554,146
Buildings, additions and improvements	114,919,689	4,481,305	5,054,696	114,346,298
Machinery and equipment	64,932,892	13,024,797	3,921,905	74,035,784
Leasehold improvements	6,258,663	55,541	-	6,314,204
Vehicles	311,176	13,066	39,849	284,393
Total accumulated depreciation	190,519,182	18,033,459	9,165,033	199,387,608
Net capital assets being depreciated	108,688,963	(6,573,594)	109,407	102,005,962
Component unit capital assets, net	\$ 124,069,726	\$ 6,244,483	\$ 10,777,992	\$ 119,536,217

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

Governmental activities	
General government	\$ 110,963
Police	27,583
Judicial	2,536
Fire	18,857
Transportation	12,960
Emergency dispatch	1,437
Parks and recreation	1,604,781
Public works	13,795,947
Community enrichment and development	66,646
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>718,008</u>
Total governmental activities	<u>16,359,718</u>
Business-type activities	
Sewer	4,196,407
Water	<u>1,840,376</u>
Total business-type activities	<u>6,036,783</u>
Total primary government	<u>\$ 22,396,501</u>
Component unit activities	
Downtown Development Authority	\$ 356,163
Hurley Medical Center	17,640,506
Economic Development Corporation	<u>36,790</u>
	<u>\$ 18,033,459</u>

City of Flint
Notes to the Financial Statements
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Note 8 - Construction Commitments

The city had active construction projects as of June 30, 2015. The projects and City commitments with contractors were as follows:

	Spent to Date	Remaining Commitment
Sewer Relining	\$ 434,865	\$ 365,135
Biosolids Loading	187,954	11,302
East Pump Station	392,531	2,469
Biosolids Loading	567,937	794,063
Watrmain Cut In	662,300	14,000
Lime Residual Disp	1,511,377	134,618
Storage Tanks Instal	387,588	328,684
Roof Replacement	517,128	237,460
	<u>\$ 4,661,681</u>	<u>\$ 1,887,731</u>

Note 9 - Interfund Receivables, Payable, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from other funds		
Internal service funds	General Fund	<u>\$ 4,216,455</u>
Receivable Fund	Payable Entity	Amount
Due to/from primary government and component units		
Nonmajor governmental funds	Component unit - DDA	\$ 8,665,000
General fund	Component unit - EDC	<u>135,685</u>
Total		<u>\$ 8,800,685</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. At June 30, 2015, there was an allowance related to the due from DDA of \$1,755,000, which reduces the total due from DDA to \$6,910,000.

The above contractual obligations to the City of Flint (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. Based upon the amount drawn through June 30, 2015, principal and interest to be paid on the bonds is a total of \$13,063,384.

The details for interfund transfers are as follows:

Funds Transferred From	Funds Transferred To	Amount
General fund	Nonmajor governmental funds	\$ 99,140
General fund	Federal grants fund	50,066
Sewer fund	General fund	2,660,000
Water fund	General fund	1,130,000
Nonmajor governmental funds	Sewer fund	800,000
Nonmajor governmental funds	Nonmajor governmental funds	726,953
Internal service funds	General fund	<u>787,998</u>
Total		<u>\$ 6,254,157</u>

Transfers between funds were primarily for operating purposes or to cover operating deficits. The transfers from the General Fund to Parks and Recreation Fund represent the use of unrestricted resources to finance those programs, in accordance with budgetary authorizations. The transfer from the General Fund to the Federal grants fund was to cover the interest on the debt reported under the Federal grants fund. The transfer from the Public Improvement Fund to the Parking Deck Debt Service Fund was for the payment of

City of Flint
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principal and interest on the debt reported on the Parking Deck Debt Service Fund. The transfer from the Public Improvement Fund to the Sewer Fund represents capital improvements in accordance with the deficit elimination plan. The transfer from the General Fund to the Sewer Fund was to repay the Sewer Fund for an accumulated interfund liability accrued in prior years. The transfers from the Sewer Fund to the General Fund represent an appropriation of funds from the Capital Improvement fund. The transfers from the Water Fund to the General Fund represent a return on equity.

Note 10 - Leases

Capital Leases

The City has a capital lease for computer equipment, Vector trucks, street sweepers, John Deere equipment, and vehicles. The interest rates range from 2.665% and 3.333%. The computer equipment leases mature in 2016, all other leases mature in 2020. The future minimum lease payments are as follows:

Year ending June 30,	
2016	\$ 645,584
2017	582,319
2018	582,318
2019	598,767
2020	389,556
Total minimum lease payments	2,798,544
Less amount representing interest	(215,921)
Present value of minimum lease payments	\$ 2,582,623
 Assets	
Machinery and equipment	\$ 3,696,214
Less accumulated depreciation	(1,007,974)
Total	\$ 2,688,240

The leases are recorded in both governmental and business-type funds.

Operating Leases

Hurley Medical Center and Hurley Health Services lease office space under various operating leases. Certain operating leases contain rental escalation clauses that are based on prime rate at a future date and purchase options at fair market value. The future minimum rental payments are as follows:

Year ending June 30,	
2016	\$ 1,668,115
2017	1,644,495
2018	1,559,191
2019	1,493,214
2020	1,180,234
Thereafter	2,480,784
Total	\$ 10,026,033

Total rent expense under these leases was \$1,925,763 for the year ended June 30, 2015.

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Note 11 - Long-Term Debt

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 obligation activity is summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities							
Section 108 loan	0.56 – 2.66%	\$150,000 – 154,000	\$ 454,000	\$ -	\$ 150,000	\$ 304,000	\$ 150,000
Section 108 loan – 500 Block	1.34 – 4.13%	295,000 – 296,000	3,545,000	-	295,000	3,250,000	295,000
Section 108 loan – Ok Industries	2.38 – 5.67%	21,000 – 22,000	64,000	-	21,000	43,000	21,000
Section 108 loan – Guaranteed Funds	0.56 – 4.28%	75,000 – 2,416,000	4,955,000	-	75,000	4,880,000	75,000
Section 108 loan – W. Carpenter Rd	LIBOR + 1.5%	54,745 – 100,000	1,486,000	-	98,000	1,388,000	98,000
General obligation Capital Improvements							
Capital Improvements Bonds	4.00 – 6.00%	310,000 – 710,000	8,955,000	-	290,000	8,665,000	310,000
Local government loan program	3.50 – 6.00%	200,000 – 585,000	7,620,000	-	200,000	7,420,000	210,000
SIB 3rd avenue reconstruction loan	0.50%	110,072 – 118,032	1,710,143	-	110,070	1,600,073	110,622
Emergency Loan – General Obligation							
Limited Tax 2014-15 Series I	2.09%	390,000 – 540,000	-	7,000,000	-	7,000,000	390,000
Total bond payable			28,789,143	7,000,000	1,239,070	34,550,073	1,659,622
Accrued sick and vacation payable			5,591,879	370,366	2,039,090	3,923,155	-
Capital leases							
Enterprise vehicles			-	552,013	127,352	424,661	99,543
Street sweepers			-	396,000	64,201	331,799	58,269
Dell equipment			195,390	-	132,915	62,475	62,475
Total governmental activities			<u>\$ 34,576,412</u>	<u>\$ 8,318,379</u>	<u>\$ 3,602,628</u>	<u>\$ 39,292,163</u>	<u>\$ 1,879,909</u>

City of Flint
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Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for those funds are included as part of the above totals for governmental activities.

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities							
General obligation bonds							
2001 MMBA Drinking Water Revolving Fund Revenue Bonds	2.50%	\$395,000 – 448,994	\$ 2,543,994	\$ -	\$ -	\$ 2,543,994	\$ 490,000
2002 MMBA Drinking Water Revolving Fund Revenue Bonds	2.50%	435,000 – 505,000	3,275,000	-	-	3,275,000	520,000
2003 MMBA Drinking Water Revolving Fund Revenue Bonds	2.50%	485,000 – 581,408	4,256,408	-	-	4,256,408	565,000
2004 MMBA Drinking Water Revolving Fund Revenue Bonds	2.50%	905,000 – 1,504,934	11,599,934	-	905,000	10,694,934	-
Total bonds payable			21,675,336	-	905,000	20,770,336	1,575,000
Capital leases							
Vactor trucks			-	744,208	101,021	643,187	83,884
Enterprise vehicles			-	1,087,864	263,520	824,344	196,172
John Deere equipment			-	364,885	68,728	296,157	70,790
Accrued sick and vacation payable			565,750	25,616	11,622	579,744	-
Total business-type activities			\$ 22,241,086	\$ 2,222,573	\$ 1,349,891	\$ 23,113,768	\$ 1,925,846

City of Flint
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For the governmental activities, compensated absences are generally liquidated by the general fund and certain special revenue funds.

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Component unit activities							
Bonds payable							
Series 1998A	5.250 – 5.375%	\$965,000	\$ 965,000	\$ -	\$ 965,000	\$ -	\$ -
Series 1998B	5.38%	635,000 – 670,000	1,305,000	-	635,000	670,000	670,000
Series 2003	6.00%	2,500,000 – 2,650,000	5,150,000	-	2,500,000	2,650,000	2,650,000
Series 2010	5.84 – 7.50%	500,000 – 3,555,000	33,715,000	-	500,000	33,215,000	500,000
Series 2011	4.19%	707,513 – 802,103	3,430,406	-	707,514	2,722,892	737,734
Series 2013A	5.00 – 5.25%	15,000 – 930,000	21,940,000	-	-	21,940,000	-
Series 2013B	3.50 – 5.00%	1,235,000 – 1,305,000	36,035,000	-	-	36,035,000	1,235,000
Total bonds payable			102,540,406	-	5,307,514	97,232,892	5,792,734
Mortgage payable			-	650,000	24,413	625,587	50,978
Unamortized bond premium			863,094	-	129,462	733,632	-
Unamortized bond discount			(1,061,502)	115,143	-	(946,359)	-
Total component unit activities			\$ 102,341,998	\$ 765,143	\$ 5,461,389	\$ 97,645,752	\$ 5,843,712

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

Year Ending June 30,	Governmental Activities		Business-type Activities		Component Unit	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 1,659,622	\$ 1,290,730	\$ 1,575,000	\$ 519,258	\$ 5,792,734	\$ 5,075,554
2017	1,755,175	1,226,727	2,655,000	466,758	6,079,245	4,846,492
2018	1,654,731	1,178,004	2,715,000	400,008	6,282,103	4,610,134
2019	1,695,290	1,131,169	2,770,000	331,943	6,078,810	4,356,472
2020	1,735,851	1,081,023	2,843,994	262,321	6,380,000	4,051,700
2021 – 2025	9,511,778	4,519,662	8,211,342	484,125	17,620,000	17,235,525
2026 – 2030	11,472,622	2,569,481	-	-	15,260,000	13,362,775
2031 – 2035	4,480,000	714,256	-	-	14,075,000	8,953,163
2036 – 2040	585,004	17,550	-	-	19,665,000	2,950,837
	\$ 34,550,073	\$ 13,728,602	\$ 20,770,336	\$ 2,464,413	\$ 97,232,892	\$ 65,442,652

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The City has an agreement with Karegnondi Water Authority (KWA) to purchase water. As a part of this agreement, KWA issued bonds for which the City will be paying a portion. Payments begin in 2017. The debt is recorded on the books of the Genesee County Drain Commission.

Future Revenues Pledged for Debt Payments:

Revenue Bond – The City has pledged substantially all revenue of the water and sewer funds, net of operating expenses, to repay the Drinking Water Revolving Fund Revenue Bonds (DWRFB). Financial recovery bonds issued by the State of Michigan and the DWRFB Revenue Bonds have been secured with future State and revenue-sharing payments to be received by the City’s general fund. The remaining principal and interest to be paid on the bonds are \$20,770,336 and \$2,464,412, respectively. During the current year, net revenues of the system were \$21,163,255 and State revenue-sharing revenues were \$14,458,731 as compared to the annual debt requirements of \$905,000 of principal and \$530,571 of interest.

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 2033. The Flint Downtown Development Authority has pledged tax increment revenues and net operating revenues of the parking system to repay the obligations. Based upon the amount drawn through June 30, 2015, principal and interest to be paid on the bonds total \$13,063,385. During the current year, the net loss from the parking operations was \$210,927. 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. During the

current year, the City has forgiven a portion of the debt payment made by the City on behalf of the DDA.

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. During the current year, net revenues from the Community Development Block Grant Programs were \$3,016,153 as compared to the annual debt requirements of \$964,860.

Hurley Medical Center Revenue Refunding Bonds – The net revenues of the Medical Center are pledged for payment of principal and interest on the variable rate demand revenue rental and revenue refunding bonds. Accordingly, the 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. Section 7-302 of the City Charter, adopted November 4, 1975, limits “net” debt to 7 percent of the assessed value of all real and personal property in the City, but does not define “net” debt. The following computation is based on previous practice and is consistent with the requirements of the State of Michigan Public Act 279 of 1909.

Assessed valuation at May 27, 2014	\$ 737,792,798
Legal debt limit (7 percent of assessed valuation)	51,645,496
Total bonded debt at June 30, 2015	\$ 133,668,228
Less debt not subject to limitation under City charter and State statute:	
Revenue bonds and notes	118,003,228
Debt subject to limitation	15,665,000
Unused debt limitation	\$ 35,980,496

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Hurley Medical Center Mortgage Payable – During 2015, Hurley Medical Center entered into a mortgage note payable to acquire real property and a building in Lapeer, Michigan. The mortgage payable is due in monthly installments of \$7,135, including interest of 5.75 percent. The mortgage note payable is collateralized by the building and real property and is due on December 1, 2024.

The following is a schedule of the future principal and interest payments to the recorded liability:

Year Ending June 30,	Component Units	
	Principal	Interest
2016	\$ 50,978	\$ 34,642
2017	53,988	31,632
2018	57,176	28,444
2019	60,551	25,069
2020	64,126	21,494
2021 - 2025	338,768	56,522
	<u>\$ 625,587</u>	<u>\$ 197,803</u>

Note 12 - Restricted Assets

The balances of the restricted assets accounts in the governmental, business-type activities, and component units are as follows:

	Governmental Activities	Business-type Activities	Component Units
Section 108 business loan proceeds	\$ 382,315	\$ -	\$ -
Equipment replacement and improvement	-	-	959,587
Self-insurance	-	-	15,490,656
Revenue bond indenture held by trustee	-	-	19,491,410
Unspent bond proceeds	-	-	620,821
Revenue bond equipment replacement account – pooled cash	-	3,771,082	-
Debt service reserve – pooled cash	-	2,077,034	-
	<u>\$ 382,315</u>	<u>\$ 5,848,116</u>	<u>\$ 36,562,474</u>

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Note 13 - Risk Management

The City is a defendant in various civil and administrative legal actions arising during the normal course of its activities. In accordance with FASB Statement 5, *Accounting for Contingencies*, 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. See separate disclosures below for Hurley Medical Center.

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.

Risk Management of 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 Flint Area Enterprise Community is exposed to various risks of loss related to property loss and torts. The FAEC has purchased commercial insurance for tort claims and certain property damage and theft. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years. There was no reduction in coverage obtained through commercial insurance during the year.

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 the removal of asbestos within various buildings on campus upon reconstruction, demolition, or abandonment of the buildings. The Medical Center has not recorded a liability related to the potential costs associated with the asbestos abatement, as the amount of the liability cannot currently be reasonably estimated. In addition, the range of time over which the Medical Center may settle the obligation is unknown and

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cannot be estimated. The Medical Center currently has no plans or expectation of plans to undertake a major renovation that would require significant removal of asbestos or demolition of the buildings. The Medical Center will recognize a liability in the period sufficient information is available to reasonably estimate the amount of liability.

Note 14 - 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.

The changes in the claims liability for the fiscal years ended June 30, 2015 and 2014 are as follows:

	Beginning Claims Liability	Current Year Claims and Changes in Reserves	Claims Paid	Ending Claims Liability
6/30/2014	\$ 1,495,776	\$ 388,101	\$ (863,873)	\$ 1,020,004
6/30/2015	1,020,004	561,177	(456,829)	1,124,352

As of June 30, 2015, general liability insurance has \$374,410 of current claims payable. Other types of risk are covered by commercial insurance. There were no insurance settlements that exceeded coverage in the last three years.

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 claims and out of the retiree health care trust fund for retirees. The two plans are administered by Blue Cross/Blue Shield (BCBSM) and HealthPlus 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. No City also provides fully insured HMO health insurance coverage to a limited number of employees.

The changes in the claims liability for the fiscal years ended June 30, 2015 and 2014 are as follows:

	Beginning Claims Liability	Current Year Claims and Changes in Reserves	Claims Paid	Ending Claims Liability
6/30/2014	\$ 1,244,548	\$ 20,893,529	\$(20,835,792)	\$ 1,302,285
6/30/2015	1,302,285	18,368,219	(18,157,388)	1,513,116

The claims payable as of June 30, 2015 are included in accounts payable on the financial statements.

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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, 2015 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. The claims liability for fiscal year ended June 30, 2015 was not material.

The changes in the claims liability for the fiscal years ended June 30, 2015 are as follows:

	Beginning Claims Liability	Current Year Claims and Changes in Reserves	Claims Paid	Ending Claims Liability
6/30/2014	\$ -	\$ 1,283,947	\$ (435,953)	\$ 847,994
6/30/2015	847,994	649,209	(323,534)	1,173,669

The claims payable as of June 30, 2015 are included in accounts payable on the financial statements.

Hurley Medical Center

The Medical Center's self-insurance retention is \$6 million per occurrence annually with excess claims-made coverage up to \$15 million annually. Claims in excess of \$15 million are to be covered by the Medical Center. 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 liabilities for claims and defense costs payable for the fiscal years ended June 30, 2015 and 2014 are as follows:

	2015	2014
Estimated liability - beginning of year	\$ 33,339,343	\$ 42,047,586
(Decrease) increase in claims liability	(180,910)	(5,065,051)
Defense costs and other fund expenses	(1,456,321)	(2,118,473)
Excess insurance premium payments	(1,066,000)	(975,620)
Claims paid	(803,000)	(549,099)
Estimated liability - end of year	<u>\$ 29,833,112</u>	<u>\$ 33,339,343</u>

Professional liability for claims is reported in accrued expenses, both current and long term, on the statement of net position. The long-term portion of the accrual on June 30, 2015 and 2014 is \$26,507,791 and \$29,697,151, respectively. The carrying amount of the insurance trust assets (at market) amounted to \$15,490,656 and \$15,293,989 at June 30, 2015 and 2014, respectively.

The Medical Center is self-insured for workers' compensation claims. As of June 30, 2015 and 2014, the Medical Center has recorded long-term accrued liabilities for workers' compensation of \$1,093,257 and \$1,610,787, respectively.

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Note 15 - Employee Retirement And Benefit Systems

Michigan Municipal Employees' Retirement System

Plan description – The City participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer defined benefit pension plan that covers all employees of the government. The plan was established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917 or on the web at <http://www.mersofmich.com>.

Benefits provided – Benefits provided include plans with multipliers ranging from 1.50% to 2.60%. Vesting periods range from 10 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, 2014 valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,826
Inactive employees entitled to but not yet receiving benefits	71
Active employees	349

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 employer's net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions – The total pension liability in the December 31, 2014 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include: 1) Inflation 3-4%; 2) Salary increases 4.5% in the long-term (1%, 2%, and 3% for calendar years 2014, 2015, 2016, respectively); 3) Investment rate of return of 8%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 4.5% long-term wage inflation assumption would be consistent with a price inflation of 3-4%.

Mortality rates used were based on the 1994 Group Annuity Mortality Table of a 50% male and 50% female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study.

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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 or 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
Global equity	57.5%	5.02%
Global fixed income	20.0%	2.18%
Real assets	12.5%	4.23%
Diversifying strategies	10.0%	6.56%

Discount rate – The discount rate used to measure the total pension liability is 8.25%. 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 plans 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.

Schedule of changes in net pension liability and related ratios	2015
Total Pension Liability	
Service cost	\$ 2,288,673
Interest on the total pension liability	41,626,038
Other changes	1,293,199
Benefit payments and refunds	<u>(51,039,410)</u>
Net change in total pension liability	(5,831,500)
Total pension liability - beginning	<u>544,700,839</u>
Total pension liability - ending (a)	<u><u>\$ 538,869,339</u></u>
Plan Fiduciary Net Position	
Employer contributions	\$ 20,420,923
Employee contributions	2,999,208
Pension plan net investment income	16,151,453
Benefit payments and refunds	(51,039,410)
Pension plan administrative expense	<u>(584,862)</u>
Net change in plan fiduciary net position	(12,052,688)
Plan fiduciary net position - beginning	<u>265,563,662</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 253,510,974</u></u>
Net pension liability (a-b)	<u><u>\$ 285,358,365</u></u>
Plan fiduciary net position as a percentage of total pension liability	47.04%
Covered employee payroll	18,635,475
Net pension liability as a percentage of covered employee payroll	1,531%

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Sensitivity of the net pension liability to changes in the discount rate –

The following presents the net pension liability of the employer, calculated using the discount rate of 8.25%, as well as what the employer's net pension liability would be using a discount rate that is 1% point lower (7.25%) or 1% higher (9.25%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 586,554,131	\$ 538,869,339	\$ 497,813,990
Fiduciary net position	253,510,974	253,510,974	253,510,974
Net pension liability	<u>\$ 333,043,157</u>	<u>\$ 285,358,365</u>	<u>\$ 244,303,016</u>

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended June 30, 2015, the employer recognized pension expense of \$16,545,459.

The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Excess investment returns	\$ 3,675,302
Contributions subsequent to the measurement date*	<u>7,964,426</u>
Total	<u>\$ 11,639,728</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 2016.

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

Year Ended,	
2016	\$ 918,826
2017	918,826
2018	918,826
2019	<u>918,824</u>
	<u>\$ 3,675,302</u>

Hurley Medical Center Municipal Employees' Retirement System

In an effort to control future costs, effective January 1, 2014, the Medical Center amended the existing defined benefit plans. The significant plan provisions prior to January 1, 2014 were as follows:

Plan Description – The Medical Center participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees Retirement System of Michigan (MERS of Michigan) that covers all employees of the Medical Center. MERS of Michigan was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine member retirement board. MERS of Michigan issues a publicly available financial report which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmich.com or in writing to MERS of Michigan at 1134 Municipal Way, Lansing, Michigan 48917.

Benefits Provided – The Plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS of Michigan. The MERS of Michigan plan covers all bargaining and non-bargaining unit employees.

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The Medical Center offers a defined benefit plan (the "Plan") that was established by City of Flint ordinances, which includes three benefit options. The basic plan option, the Old Contributory Pension Plan (OCP), provides for employer contributions and requires employee contributions. Under OCP, employees may retire with 25 years of credited service or at age 55 with 10 years of credited service. The monthly retirement benefit is 2.2 percent of final average compensation (FAC) for the first 25 years of credited service and 1 percent for every year thereafter.

The second plan option, the Modified Contributory Pension Plan (MCP), provides for employer contributions and requires a higher rate of employee contributions. Benefits fully vest after 15 years of service or at age 55 with 10 years of service. Employees may retire any time after completion of 25 years of credited service or at age 55 with 10 years of credited service. The monthly retirement benefit is 2.2 percent of the FAC for the first 15 years of credited service, plus 2.4 percent of the next 10 years, and 1 percent of every year beyond year 25.

The third plan option, the Hurley Alternative Pension Plan (HAPP), provides for employer contributions. Benefits fully vest after 10 years of credited service and a normal retirement age of 60. There are provisions for early retirement at age 55 with a reduced benefit. The monthly retirement benefit is 1.7 percent of FAC for the first 25 years of credited service and 1.7 percent for every year thereafter.

Bargaining unit employees may participate in either the MCP or HAPP option. Employees may participate in any of the three plan options (MCP, HAPP, or OCP).

Employees Covered by Benefit Terms – At the June 30, 2015 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefits	1,818
Inactive employees entitled to but not yet receiving benefits	296
Active employees	1,769
	3,883

Contributions – Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Employee contributions are as follows:

	First \$4,200 of Wages	Over \$4,200
OCP	3.75%	5.75%
MCP:		
Exempt	4.50%	6.50%
Others	7.00%	7.00%
HAPP	None	None

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Any earned benefit under the prior plans remained in effect. After January 1, 2014, all plans are contributory and the multiplier was reduced; service after January 1, 2014 accrues benefits as follows:

	Contributory	Noncontributory Plan A	Noncontributory Plan B
Bridged multiplier	1.50%	1.50%	1.00%
Employee contributions	7.00%	5.00%	3.00%
Compensation	2,080 hours	2,080 hours	2,080 hours
Final average compensation	Best of 3 of last 5 years/504 hours of vacation	Best of 3 of last 5 years/504 hours of vacation	Best of 3 of last 5 years/504 hours of vacation
Vesting	15 years	10 years	10 years
Retirement	25 years of service or age 55 with 10 years	Age 60 with 10 years	Age 60 with 10 years

All new hires after January 1, 2014 will be enrolled in the Plan B noted above.

Payable to the Pension Plan – At June 30, 2015, the Medical Center reported a payable of \$1,120,303 for the outstanding amount of contributions to the Plan required for the year ended June 30, 2015.

Net Pension Liability – The June 30, 2015 total pension liability was determined by an actuarial valuation performed as of December 31, 2014, which used updated procedures to roll forward the estimated liability to June 30, 2015.

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

Schedule of changes in net pension liability and related ratios	2015
Total Pension Liability	
Service cost	\$ 7,262,751
Interest on the total pension liability	41,412,276
Benefit payments and refunds	(36,129,561)
Net change in total pension liability	12,545,466
Total pension liability - beginning	516,402,539
Total pension liability - ending (a)	<u>\$ 528,948,005</u>
Plan Fiduciary Net Position	
Employer contributions	\$ 5,979,573
Employee contributions	5,883,466
Pension plan net investment income	24,690,814
Benefit payments and refunds	(36,129,561)
Pension plan administrative expense	(901,753)
Net change in plan fiduciary net position	(477,461)
Plan fiduciary net position - beginning	398,489,736
Plan fiduciary net position - ending (b)	<u>\$ 398,012,275</u>
Net pension liability (a-b)	<u>\$ 130,935,730</u>
Plan fiduciary net position as a percentage of total pension liability	75.25%

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Pension Expense and Deferred Outflows of Resources Related to Pensions – For the year ended June 30, 2015, the Medical Center recognized pension expense of \$13,285,382. At June 30, 2015, the Medical Center reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Excess investment returns	\$ 5,717,118
Contributions subsequent to the measurement date*	3,848,285
Total	\$ 9,565,403

*Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$3,848,285), which will impact the net pension liability in fiscal year 2016, rather than pension expense.

Year Ended,		
2016	\$	1,429,279
2017		1,429,279
2018		1,429,279
2019		1,429,281
	\$	5,717,118

Actuarial Assumptions – The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation 3.0 – 4.0%
- Salary increases 4.5%
- Investment rate of return 8.25% Gross of pension plan investment expense

Mortality rates were based on the 1994 Group Annuity Mortality Table of a 50 percent male and 50 percent female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of the most recent actuarial experience study in 2008. The MERS of Michigan retirement board is currently conducting an actuarial experience study covering the period from January 1, 2009 through December 31, 2013.

Discount Rate – The discount rate used to measure the total pension liability was 8.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows – Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make 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.

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The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2014, the measurement date, for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Global equity	57.5%	5.02%
Global fixed income	20.0%	2.18%
Real assets	12.5%	4.23%
Diversifying strategies	10.0%	6.56%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Medical Center, calculated using the discount rate of 8.25 percent, as well as what the Medical Center's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.25 percent) or 1 percentage point higher (9.25 percent) than the current rate:

	1% decrease	Current discount rate	1% increase
Net pension liability	\$ 184,414,346	\$ 130,935,730	\$ 185,018,501

Pension Plan Fiduciary Net Position – Detailed information about the Plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows or resources related to pension and pension expense, information about the Plan's fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are reported by the Plan. The Plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Charter Retirement Plan

The Charter Retirement Plan, a single employer defined benefit pension plan, covers firemen and policemen employed by the City prior to July 1, 1947. The plan was adopted under City code. All employees covered by this plan have retired. Benefits are provided under a special City ordinance with retirees receiving a monthly benefit. The current membership of the plan at June 30, 2015 is three members. The City intends to pay retirement benefits as they become due from future years' General Fund revenue. The City's contribution to the plan for the year ended June 30, 2015 was \$50,469 and was calculated based on actual current pension benefits due to be paid. The present value of vested benefits has not been determined. The City has not requested an actuarial valuation of the plan since 1985 because of the decreasing nature and the immateriality of the plan's potential unfunded pension benefit obligation and the fact that the City is paying benefits as they become due. Net position available for pension benefits at June 30, 2015 was \$0.

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June 30, 2015

I.C.M.A. 401A Plan

The City made available to appointed and elected officials hired through December 31, 2001 an alternative retirement plan to the general retirement pension plan. The plan was a non-contributory defined contribution plan adopted under City ordinance. The City contributes an amount equal to the lesser of 25 percent of the employee's compensation, or \$30,000. No employee contributions are required, and employees vest 100 percent immediately. Total contributions required and made by the City during the year ended June 30, 2015 were \$63,503, which represented 25 percent of current year covered payroll. The plan trustee is the International City Management Association. Investments are stated at market, which approximates cost. Total payroll and covered payroll for the year ended June 30, 2015 were \$29,425,803 and \$257,313, respectively.

On January 1, 2002, a new plan was adopted for appointed and elected officials. The City contributes 11 percent of the employees' gross earnings and employees have a mandatory 4 percent contribution. Employee accounts are fully vested after five years of service. The current year contribution was calculated based on covered payroll of \$1,612,577, resulting in an employer contribution of \$169,125 and an employee contribution of \$83,258.

AFSCME Local 1600 and Local 1799 401 Pension Plan

On December 3, 2003, a resolution was passed by City Council to establish a defined contribution 401 pension plan for members of AFSCME Local 1600 and Local 1799. Employees hired on or after October 1, 2003 are not eligible to participate in the Flint Employees' Retirement System defined benefit pension plan. Employees hired prior to October 1, 2003 had the option of transferring assets from the defined benefit pension plan upon implementation of the defined contribution plan. The City contributes 6 percent of employees' gross earnings and employees have a mandatory 9 percent contribution. Employee accounts are fully vested after five years of service. The City's total payroll during the current year was \$29,425,803. The current year contribution was calculated based on covered payroll of

\$3,178,783, resulting in an employer contribution of \$168,771 and employee contributions of \$262,968.

As of July 1, 2014 employees hired on or after July 1, 2013 and current employees in the defined contribution plan were provided with the MERS hybrid pension plan. As of June 30, 2015, the transfer of the employees in the defined contribution plan had not been completed to the MERS hybrid plan.

Hurley Medical Center Defined Contribution Plan

The Medical Center has a defined contribution plan for employees who meet certain requirements as to date of hire. Contributions to the plan are 4.5 percent of the employee's annual compensation. Each employee's interest is vested as specified in the plan. Pension expense included in the statements was \$1,744,336. This plan is no longer offered to employees hired after January 1, 2014.

Hurley Medical Center Profit Sharing and 403(b) Plan

Hurley Health Services (HHS), a component unit of Hurley Medical Center, has a qualified 401(k) profit-sharing plan for Hurley Practice Management Services (HPMS) employees. Eligible employees, those that have attained the age of 21 and completed 90 days of service, may defer up to the federal pension law limitations. HHS may make a discretionary contribution. The contribution to the plan for the year ended June 30, 2015 amounted to \$30,085.

HHS also maintains two qualified deferred compensation plans under Section 403(b) of the Internal Revenue Code. Under the plans, HHS and The Hurley Clinics (THC) may elect to defer a percentage of their salary, subject to the Internal Revenue Service's limits. HHS may make a discretionary contribution. The contribution to the plans for the year ended June 30, 2015 amounted to \$302,868.

City of Flint
Notes to the Financial Statements
June 30, 2015

Retiree Death Benefit Plan

The City provides postretirement 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 \$10,000 depending on the retirement date.

The benefits are funded in advance by employee withholdings and a matching employer contribution. The employee contributions are calculated at a set amount for each hour worked by union members during the bi-weekly pay period. The employee withholdings and matching employer contributions are deposited into a separate account for investment purposes. As of June 30, 2012, this benefit is no longer offered to active employees. The investments are administered by a seven-member board appointed by the two unions and the mayor.

As of June 30, 2015, there were 1,045 retirees who were eligible for this benefit. Employee contributions for the year ended June 30, 2015 were \$0. Net position available for benefits, reported at fair value, was \$438,483 at year end. No actuarial valuation has been performed to determine the present value of vested benefits. During the year ended, death benefits of \$104,500.

Other postemployment benefits

Plan description – The City provides retiree healthcare benefits to eligible employees and their spouses through the Retiree Health Care Trust Fund. Benefits are provided to public safety and general employees. Currently, the plan has 2,003 members, including 411 employees in active service, 0 terminated employees not yet receiving benefits, and 1,592 retired employees and beneficiaries currently receiving benefits.

This is a single employer defined benefit plan administered by the City. The benefits are provided under collective bargaining agreements of Local 1799, Local 1600, and Fire Local 352. 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.

Funding Policy – 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 administered the plan are borne by the City's general fund.

Funding Progress – For the year ended June 30, 2015, the City has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of July 1, 2014. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities not to exceed 28 years. This valuations computed contribution and actual funding are summarized as follows:

Annual required contribution	\$ 17,360,119
Interest on net OPEB obligation	6,520,833
Adjustment to annual required contribution	<u>(9,661,168)</u>
Annual OPEB cost	14,219,784
Contribution made	<u>(16,234,763)</u>
Change in net OPEB obligation	(2,014,979)
Net OPEB obligation, beginning of year	<u>153,431,369</u>
Net OPEB obligation, end of year	<u><u>\$ 151,416,390</u></u>

City of Flint
Notes to the Financial Statements
June 30, 2015

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation of the current year are as follows:

Fiscal year ending	Annual OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
6/30/2008	\$ 60,188,371	32.0%	\$ 40,925,931
6/30/2009	55,252,592	35.0%	76,645,627
6/30/2010	55,252,592	37.0%	113,615,741
6/30/2011	61,351,938	32.1%	155,284,670
6/30/2012	22,105,930	92.4%	156,975,216
6/30/2013	18,942,499	89.8%	158,901,714
6/30/2014	13,896,769	139.4%	153,431,369
6/30/2015	14,219,784	114.2%	151,416,390

Funded Status – The funded status of the plan as of the date of the latest actuarial valuation, was as follow:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
7/1/2009	\$ -	\$ 774,606,738	\$ 774,606,738	-	\$ 41,166,662	1882%
7/1/2010	-	862,302,934	862,302,934	-	36,252,274	2379%
7/1/2011	-	366,832,597	366,832,597	-	37,339,842	982%
7/1/2012	166,903	320,180,757	320,013,854	0.1%	N/A	-
7/1/2013	14,237	240,539,434	240,525,197	-	N/A	-
7/1/2014	137,927	240,734,057	240,596,130	0.1%	N/A	-

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as

actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the July 1, 2014 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.25 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on employer's own investments calculated based on the funded level of the plan at the valuation date, an annual healthcare cost trend rate of 8.5 percent initially, reduced by decrements to an ultimate rate of 5 percent, and an inflation rate of 3 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of invests over a five-year period. The UAAL is being amortized as a level percentage dollar on a closed basis. The remaining amortization period at July 1, 2014 was 27 years.

City of Flint
Notes to the Financial Statements
June 30, 2015

Following are the condensed financial statements for the individual pension plans and postemployment healthcare plans for the year ended June 30, 2015:

Statement of Plan Net Position

	Death Benefit	Retiree Health Care	Hurley Medical Center Retiree Benefit Trust Fund
Cash and cash equivalents	\$ -	\$ 437,998	\$ 1,577,482
Investments, at fair value	717,483	-	49,750,688
Other assets	-	-	177,534
Liabilities	(279,000)	(300,000)	-
Net position held in trust for pension benefits	<u>\$ 438,483</u>	<u>\$ 137,998</u>	<u>\$ 51,505,704</u>

Statement of Changes in Plan Net Position

	Death Benefit	Retiree Health Care	Hurley Medical Center Retiree Benefit Trust Fund
Contributions	\$ -	\$ -	\$ 14,108,794
Investment income	28,463	71	1,768,366
Benefit payments	(104,500)	-	(5,962,422)
Net change in net position	<u>\$ (76,037)</u>	<u>\$ 71</u>	<u>\$ 9,914,738</u>

Other postemployment benefits – Hurley Medical Center

Plan Description – The Medical Center provides retiree health insurance premiums to eligible retirees and their spouses through the Retiree Health Benefit Plan (the “Plan”). Retirees receive full or partial health insurance coverage depending on the employee’s date of employment and union affiliation. During 2007, the Plan was frozen to new participants. During the year ended June 30, 2010, the Plan was amended to eliminate full coverage benefits to those eligible employees. Eligible retirees prior to December 31, 2009 were grandfathered into the Plan with full health insurance benefits. The number of participants was 531 at June 30, 2014.

The Plan’s activity is accounted for in an irrevocable trust and the activity is reported in the fiduciary fund financial statements. The Plan is a single employer defined benefit plan administered by the Medical Center. The Plan does not issue a separate stand-alone financial statement.

Funding Policy – The Medical Center expenses the cost of the Plan in its proprietary fund. The cost of providing retiree healthcare benefits is estimated through an actuarial valuation issued on April 8, 2013 based on participant data as of June 30, 2011. The valuation computes the annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The Medical Center has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a pay-as-you-go basis).

City of Flint
Notes to the Financial Statements
June 30, 2015

However, as shown below, the Medical Center has made contributions to advance fund certain benefits.

Fiscal Year Ended	Annual OPEB Costs	Percentage OPEB Costs Contributed	Net OPEB Obligation
6/30/2009	\$ 7,737,798	100%	\$ -
6/30/2010	7,417,585	100%	-
6/30/2011	7,417,585	100%	-
6/30/2012	7,071,235	100%	-
6/30/2013	7,011,793	51%	3,432,051
6/30/2014	5,964,296	63%	6,186,372
6/30/2015	5,930,118	204%	55,007

This valuation's computed contribution and actual funding are summarized as follows for the year ended June 30, 2015:

Annual required contribution	\$ 5,930,118
Amount contributed	12,116,490
Percentage contributed	204%
Net OPEB Obligation	55,007

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

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

In the June 30, 2011 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included an 8 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the Medical Center's own investments calculated based on the funded level of the plan at the valuation date and an annual healthcare cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 3.75 percent after 10 years. Both rates included a 3.75 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2011 was 24 years.

The funding progress of the plan as of the most recent valuation date is as follows:

	<u>June 30, 2011</u>
Actuarial value of assets	\$ 28,182,766
Actuarial accrued liability	90,042,892
Unfunded AAL	(61,860,126)
Funded ratio	31%
Annual covered payroll	106,471,126
Ratio of UAAL to covered payroll	58%

City of Flint
Notes to the Financial Statements
June 30, 2015

Note 16 - 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.

The City is currently a defendant in a lawsuit concerning allegations that the City illegally increased water rates in 2011. Subsequent to year end, the Court issued a preliminary ruling against the City and the City has appealed that ruling. However, the City is currently working with the Court to determine what numbers are to be used to determine what, if any, obligation the City will have. As of the date of this report, neither City Management nor their attorney could reasonably determine the dollar amount or any liability or any further probability as to the outcome of the case.

Note 17 - Related Party Transactions

As of June 30, 2015, the Medical Center had accounts receivable from Hurley Health Services (HHS) of \$1,738,321 and accounts payable to HHS of \$852,756.

Included in other operating revenue of HHS are management fees and marketing fees for services paid by Hurley/Binson's Medical

Equipment, Inc., a related party to Hurley Practice Management Services (HPMS). HPMS and HHS purchased courier services from Hurley/Binson's Medical Equipment, Inc. in the amount of \$300,000 for the year ended June 30, 2015.

As of June 30, 2015, HPMS is contingently liable as a guarantor with respect to 50 percent of \$2,491,234 of indebtedness of Hurley/Binson's Medical Equipment, Inc. HPMS owns 50 percent of Hurley Binson's Medical Equipment, Inc. This indebtedness was refinanced in December 2014, resulting in Hurley Practice Management Services no longer being a guarantor of this indebtedness as of June 30, 2015. Hurley Practice Management Services owns 50 percent of Hurley/Binson's Medical Equipment, Inc. The book value of the investment is \$0 at June 30, 2015 as HPMS has previously written off the investment in Hurley/Binson's Medical Equipment, Inc. due to continuing operating losses. No material loss is anticipated by reason of such guarantee. In the event of performance under this guarantee, HPMS has the right to proceed against others to recover payment. Hurley/Binson's Medical Equipment, Inc. was in compliance with loan covenants related to tangible capital funds and debt service payments as of June 30, 2015.

The future minimum payments related to the above debt are as follows:

<u>Year ending June 30,</u>	
2015	\$ 107,601
2016	72,106
2017	21,152
2018	<u>16,875</u>
Total	<u>\$ 217,734</u>

City of Flint
Notes to the Financial Statements
June 30, 2015

Note 18 - Prior Period Adjustment

Prior period adjustments were recorded for claims payable and capital assets in various funds.

In addition, as indicated in Note 1, the City has adopted Governmental Accounting Standards Board Statements 68 and 71. These statements require the Government to record their net pension liability and pension expense. Previously these amounts were not recorded on the Government's statements. The standards require this change be applied retroactively.

A summary of these adjustments to beginning net position are as follows:

	Beginning Net Position	Change in Accounting Principle	Correction of an Error	Beginning Net Position (as restated)
Sewer Fund	\$ 67,787,493	\$ (35,165,247)	\$ 160,749	\$ 32,782,995
Water Fund	28,282,029	(30,145,517)	(52,481)	(1,915,969)
Internal Service Fund	14,757,082	-	394,633	15,151,715
Governmental Activities	28,019,322	(206,026,022)	135,997	(177,870,703)
Business-Type Activities	95,730,622	(65,310,764)	108,268	30,528,126

City of Flint
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Taxes	\$ 5,059,000	\$ 4,986,656	\$ 4,720,086	\$ (266,570)
Income taxes	15,077,400	13,131,100	14,314,826	1,183,726
Licenses, permits, and cable franchise fees	1,296,626	1,200,300	1,144,948	(55,352)
State revenue sharing	14,539,000	14,378,486	14,458,731	80,245
Other state grants	2,642,829	3,456,474	3,402,782	(53,692)
Charges for services	11,534,154	7,732,415	7,923,206	190,791
Fines and forfeitures	1,862,600	1,612,245	1,562,201	(50,044)
Interest income	80,000	235,000	265,967	30,967
Miscellaneous	228,273	517,153	968,581	451,428
Bond/note proceeds	-	7,000,000	7,000,000	-
Proceeds from sale of capital assets	-	500	500	-
Transfers in	3,777,998	4,577,998	4,577,998	-
	<u>56,097,880</u>	<u>58,828,327</u>	<u>60,339,826</u>	<u>1,511,499</u>
Expenditures				
Current				
General government				
Mayor's office	215,426	247,268	225,157	(22,111)
Finance	5,701,636	4,783,708	4,694,352	(89,356)
City clerk	920,986	1,021,910	972,990	(48,920)
Law office	940,089	980,486	956,780	(23,706)
Human resources	679,909	618,873	591,538	(27,335)
General government	7,744,241	2,853,465	3,314,869	461,404
City administrator	352,912	290,817	278,064	(12,753)
	<u>16,555,199</u>	<u>10,796,527</u>	<u>11,033,750</u>	<u>237,223</u>

City of Flint
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Judicial - 68th District Court	\$ 4,099,999	\$ 5,329,011	\$ 5,294,069	\$ (34,942)
Public safety				
Police department	22,731,135	17,632,733	17,461,186	(171,547)
Fire	6,177,803	7,637,398	7,488,781	(148,617)
Emergency dispatch	2,604,021	3,262,344	3,251,430	(10,914)
Total public safety	31,512,959	28,532,475	28,201,397	(331,078)
Legislative - City council	356,505	573,532	557,841	(15,691)
Community development	696,284	1,126,665	1,000,780	(125,885)
Facilities maintenance	1,464,233	1,915,902	1,795,029	(120,873)
Transfers out	412,701	99,140	149,206	50,066
Total expenditures	55,097,880	48,373,252	48,032,072	(341,180)
Excess of revenues over expenditures	1,000,000	10,455,075	12,307,754	1,852,679
Fund balance - beginning of year (deficit)	(8,961,427)	(8,961,427)	(8,961,427)	-
Fund balance - end of year (deficit)	\$ (7,961,427)	\$ 1,493,648	\$ 3,346,327	\$ 1,852,679

City of Flint
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Federal Grants
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal grants	\$ -	\$ 13,824,618	\$ 4,685,071	\$ (9,139,547)
Other state grants	-	15,311	1,158,285	1,142,974
Local contributions	-	956,704	582,869	(373,835)
Charges for services	-	400	645	245
Interest income	-	271,225	275,984	4,759
Miscellaneous	-	462,927	429,726	(33,201)
Transfers in	-	-	50,066	50,066
Total revenues	-	15,531,185	7,182,646	(8,348,539)
Expenditures				
Current				
Public safety	-	4,941,211	2,629,073	(2,312,138)
Community development	-	14,176,796	4,576,099	(9,600,697)
Debt service				
Principal retirement	-	639,000	639,000	-
Interest and fiscal charges	-	327,617	325,946	(1,671)
Total expenditures	-	20,084,624	8,170,118	(11,914,506)
Excess (deficiency) of revenues over expenditures	-	(4,553,439)	(987,472)	3,565,967
Fund balance - beginning of year	1,261,017	1,261,017	1,261,017	-
Fund balance (deficit) - end of year	\$ 1,261,017	\$ (3,292,422)	\$ 273,545	\$ 3,565,967

City of Flint
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Employer Contributions
June 30, 2015

Actuarial Valuation Date	Annual Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
6/30/2014	\$ 16,409,676	\$ 16,409,676	\$ -	\$ 23,285,420	70.47%
12/31/2014	16,676,472	16,545,459	131,013	18,635,475	88.78%

Notes: Actuarially determined contribution amounts are calculated as of December 31 each year, which is 6 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	Individual entry-age
Amortization method	Level-dollar closed
Remaining amortization period	24 years
Asset valuation method	10-year smoothed value of assets
Inflation	3-4%
Salary increases	4.5%
Investment rate of return	8%
Retirement age	55 - 60 years old
Mortality	1994 Group annuity mortality table of 50% male and 50% female blend

City of Flint
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios
June 30, 2015

Fiscal year ended June 30,	<u>2015</u>
Total Pension Liability	
Service cost	\$ 2,288,673
Interest on the total pension liability	41,626,038
Other changes	1,293,199
Benefit payments and refunds	<u>(51,039,410)</u>
Net change in total pension liability	(5,831,500)
Total pension liability - beginning	<u>544,700,839</u>
Total pension liability - ending (a)	<u>\$ 538,869,339</u>
Plan Fiduciary Net Position	
Employer contributions	\$ 20,420,923
Employee contributions	2,999,208
Pension plan net investment income	16,151,453
Benefit payments and refunds	(51,039,410)
Pension plan administrative expense	<u>(584,862)</u>
Net change in plan fiduciary net position	(12,052,688)
Plan fiduciary net position - beginning	<u>265,563,662</u>
Plan fiduciary net position - ending (b)	<u><u>253,510,974</u></u>
Net pension liability (a-b)	<u>\$ 285,358,365</u>
Plan fiduciary net position as a percentage of total pension liability	47.04%
Covered employee payroll	18,635,475
Net pension liability as a percentage of covered employee payroll	1,531%

*GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

City of Flint
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Employers' Net Pension Liability
June 30, 2015

<u>Fiscal year ending June 30,</u>	<u>Total pension liability</u>	<u>Plan net position</u>	<u>Net pension liability</u>	<u>Plan net position as a % of total pension liability</u>	<u>Covered payroll</u>	<u>Net pension liability as a % of covered payroll</u>
2015	\$ 538,869,339	\$ 253,510,974	\$ 285,358,365	47.04%	\$ 18,635,475	1,531%

*GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

City of Flint
Required Supplementary Information
Municipal Employees Retirement System of Michigan - Hurley Medical Center
Schedule of Employer Contributions
June 30, 2015

Actuarial Valuation Date	Annual Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
6/30/2014	\$ 9,333,014	\$ 10,776,547	\$ (1,443,533)	\$ 107,836,591	9.99%
12/31/2014	7,720,716	7,087,266	633,450	103,276,871	6.86%

Notes: Contributions for the Medical Center's fiscal year ended June 30, 2015 were determined based on the actuarial valuation as of December 31, 2012. The most recent valuation is as of December 31, 2014.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent
Remaining amortization period	24 years
Asset valuation method	10-year smoothed market
Inflation	4.50%
Salary increases	4.50%
Investment rate of return	8.25%
Retirement age	Experience-based table of rates are specific to the type of eligibility condition
Mortality	1994 Group annuity mortality table of 50% male and 50% female blend

City of Flint
Required Supplementary Information
Municipal Employees Retirement System of Michigan - Hurley Medical Center
Schedule of Changes in Net Pension Liability and Related Ratios
June 30, 2015

Fiscal year ended June 30,	<u>2015</u>
Total Pension Liability	
Service cost	\$ 7,262,751
Interest on the total pension liability	41,412,276
Benefit payments and refunds	<u>(36,129,561)</u>
Net change in total pension liability	12,545,466
Total pension liability - beginning	<u>516,402,539</u>
Total pension liability - ending (a)	<u><u>\$ 528,948,005</u></u>
Plan Fiduciary Net Position	
Employer contributions	\$ 5,979,573
Employee contributions	5,883,466
Pension plan net investment income	24,690,814
Benefit payments and refunds	(36,129,561)
Pension plan administrative expense	<u>(901,753)</u>
Net change in plan fiduciary net position	(477,461)
Plan fiduciary net position - beginning	<u>398,489,736</u>
Plan fiduciary net position - ending (b)	<u><u>398,012,275</u></u>
Net pension liability (a-b)	<u><u>\$ 130,935,730</u></u>
Plan fiduciary net position as a percentage of total pension liability	75.25%
Covered employee payroll	103,276,871
Net pension liability as a percentage of covered employee payroll	127%

*GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

City of Flint
Required Supplementary Information
Municipal Employees Retirement System of Michigan - Hurley Medical Center
Schedule of Employers' Net Pension Liability
June 30, 2015

<u>Fiscal year ending June 30,</u>	<u>Total pension liability</u>	<u>Plan net position</u>	<u>Net pension liability</u>	<u>Plan net position as a % of total pension liability</u>	<u>Covered payroll</u>	<u>Net pension liability as a % of covered payroll</u>
2015	\$ 528,948,005	\$ 398,012,275	\$ 130,935,730	75.25%	\$ 103,276,871	127%

*GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

City of Flint
Required Supplementary Information
Other Postemployment Benefits
June 30, 2015

Annual required contribution (recommended)	\$ 17,360,119
Interest on the prior year's net OPEB obligation	6,520,833
Less adjustment to the annual required contribution	<u>(9,661,168)</u>
Annual OPEB cost	14,219,784
Amounts contributed - payments of current premiums	<u>(16,234,763)</u>
Change in net OPEB obligation	(2,014,979)
OPEB obligation - beginning of year	<u>153,431,369</u>
OPEB obligation - end of year	<u>\$ 151,416,390</u>

Schedule of Employer Contributions

<u>Year Ended</u>	<u>Annual OPEB Costs</u>	<u>Percentage OPEB Costs Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2008	\$ 60,188,371	32.00%	\$ 40,925,931
6/30/2009	55,252,592	35.00%	76,645,627
6/30/2010	55,252,592	37.00%	113,615,741
6/30/2011	61,351,938	32.10%	155,284,670
6/30/2012	22,105,830	92.40%	156,975,216
6/30/2013	18,942,499	89.80%	158,901,714
6/30/2014	13,896,769	139.40%	153,431,369
6/30/2015	14,219,784	114.20%	151,416,390

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (Percent) (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2014	\$ 137,927	\$ 240,734,057	\$ 240,596,130	0.1%	\$ -	-
7/1/2013	14,237	240,539,434	240,525,197	-	-	-
7/1/2012	166,903	320,180,757	320,013,854	0.1%	-	-
7/1/2011	-	366,832,597	366,832,597	-	37,339,842	982%
7/1/2010	-	862,302,934	862,302,934	-	36,252,274	2379%
7/1/2009	-	774,606,738	774,606,738	-	41,166,662	1882%

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

MAJOR STREETS FUNDS

The Major Streets 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 major street construction and maintenance.

LOCAL STREETS FUNDS

The Local Streets 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.

NEIGHBORHOOD POLICING FUND

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

STATE ACT 251 – FOREFEITURE FUND

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

EDA REVOLVING LOAN FUND

The EDA Revolving Loan Fund 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.

PUBLIC IMPROVEMENT FUND

The Public Improvement Fund was established to account for the annual 2 1/2 mill tax levy reserved by Section 7 201 of the City Charter for capital improvements and servicing of general obligation debt.

PARKS AND RECREATION FUND

The Parks and Recreation 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. This original tax levy for a period of 10 years, from 1997 through 2006, but was renewed for an additional 10 years, from 2007 through 2017.

SENIOR CITIZEN CENTERS FUND

The Senior Citizen Centers Fund was established to account for grants received from Genesee County for senior citizens services.

NONMAJOR GOVERNMENTAL FUNDS

(continued)

SPECIAL REVENUE FUNDS

BUILDING DEPARTMENT FUND

The Building Department Fund accounts for the operational revenues and expenditures of the City's code inspection and building inspection department.

GARBAGE COLLECTION FUND

The Garbage Collection Fund accounts for a special property tax assessment allowed to provide garbage and compost collection services.

STREET LIGHT FUND

The Street Light Fund accounts for a special property tax assessment allowed to provide support for utility cost of the City's street lighting.

PUBLIC SAFETY FUND

The Public Safety Fund accounts for a special property tax levy approved by voters to provide support for public safety departments

DEBT SERVICE FUNDS

PARKING DECK DEBT SERVICE FUND

The Parking Deck Debt Service Fund was established to accumulate resources for the payment of bonds issued to construct a parking deck facility.

THE WINDMILL PLACE DEBT SERVICE FUND

The Windmill Place Debt Service Fund was established to accumulate resources for the payment of the tax increment bond issue utilized to finance the construction of Windmill Place, a festival marketplace.

BUICK CITY DEBT SERVICE FUND

The Buick City Debt Service Fund was established to accumulate resources for the payment of the tax increment bond issue utilized to finance the Buick City improvements.

City of Flint
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue Funds							
	Major Street	Local Street	Neighborhood Policing	State Act 251-Forfeitures	EDA Revolving Loan	Public Improvement	Parks and Recreation	Senior Citizen Centers
Assets								
Cash and cash equivalents	\$ 60	\$ -	\$ -	\$ -	\$ 404,164	\$ -	\$ -	\$ -
Receivables								
Property taxes	-	-	143,676	-	-	203,924	47,495	-
Accrued interest and other	72,456	-	1,740	-	6,867	-	-	-
Notes and leases receivable	-	-	-	-	340,101	-	-	-
Due from other units of government	1,282,328	311,279	-	-	-	-	-	-
Due from component unit	-	-	-	-	-	6,910,000	-	-
Pooled cash and investments	5,904,997	1,233,852	78,194	1,110,428	2,445	1,549,446	148,760	13,117
Total assets	<u>\$ 7,259,841</u>	<u>\$ 1,545,131</u>	<u>\$ 223,610</u>	<u>\$ 1,110,428</u>	<u>\$ 753,577</u>	<u>\$ 8,663,370</u>	<u>\$ 196,255</u>	<u>\$ 13,117</u>
Liabilities								
Accounts payable	\$ 772,172	\$ 152,185	\$ 1,789	\$ 5,575	\$ 230	\$ 207,808	\$ 64,429	\$ -
Deposits and advances	25	-	-	574,340	-	-	-	-
Accrued and other liabilities	29,352	25,657	73,790	704	-	77,058	14,898	-
Unearned revenue	9,886	-	-	-	-	-	-	-
Total liabilities	<u>811,435</u>	<u>177,842</u>	<u>75,579</u>	<u>580,619</u>	<u>230</u>	<u>284,866</u>	<u>79,327</u>	<u>-</u>
Deferred inflows of resources								
Notes and leases receivable	-	-	-	-	346,969	-	-	-
Taxes	-	-	143,769	-	-	204,041	35,699	-
Total deferred inflows	<u>-</u>	<u>-</u>	<u>143,769</u>	<u>-</u>	<u>346,969</u>	<u>204,041</u>	<u>35,699</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>811,435</u>	<u>177,842</u>	<u>219,348</u>	<u>580,619</u>	<u>347,199</u>	<u>488,907</u>	<u>115,026</u>	<u>-</u>
Fund balances								
Restricted	6,448,406	1,367,289	4,262	529,809	406,378	8,174,463	81,229	13,117
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,259,841</u>	<u>\$ 1,545,131</u>	<u>\$ 223,610</u>	<u>\$ 1,110,428</u>	<u>\$ 753,577</u>	<u>\$ 8,663,370</u>	<u>\$ 196,255</u>	<u>\$ 13,117</u>

City of Flint
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue Funds				Debt Service			Total Nonmajor Governmental Funds
	Building Department	Garbage Collection	Street Light	Public Safety	Parking Deck	Windmill Place	Buick City	
Assets								
Cash and cash equivalents	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 404,274
Receivables								
Property taxes	166	310,843	71,184	135,206	-	-	-	912,494
Accrued interest and other	-	-	-	5,462	-	-	-	86,525
Notes and leases receivable	-	-	-	-	-	-	-	340,101
Due from other units of government	-	-	-	-	-	-	-	1,593,607
Due from component unit	-	-	-	-	-	-	-	6,910,000
Pooled cash and investments	1,842,679	1,416,354	1,065,930	6,270,450	3,557	6,520	643	20,647,372
Total assets	<u>\$ 1,842,895</u>	<u>\$ 1,727,197</u>	<u>\$ 1,137,114</u>	<u>\$ 6,411,118</u>	<u>\$ 3,557</u>	<u>\$ 6,520</u>	<u>\$ 643</u>	<u>\$ 30,894,373</u>
Liabilities								
Accounts payable	\$ 95,627	\$ 395,817	\$ 194,202	\$ 570	\$ -	\$ -	\$ -	\$ 1,890,404
Deposits and advances	-	-	-	-	-	-	-	574,365
Accrued and other liabilities	12,948	430,059	214,255	256,192	-	-	-	1,134,913
Unearned revenue	-	-	-	-	-	-	-	9,886
Total liabilities	<u>108,575</u>	<u>825,876</u>	<u>408,457</u>	<u>256,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,609,568</u>
Deferred inflows of resources								
Notes and leases receivable	-	-	-	-	-	-	-	346,969
Taxes	166	310,984	71,184	135,206	-	-	-	901,049
Total deferred inflows	<u>166</u>	<u>310,984</u>	<u>71,184</u>	<u>135,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,248,018</u>
Total liabilities and deferred inflows of resources	<u>108,741</u>	<u>1,136,860</u>	<u>479,641</u>	<u>391,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,857,586</u>
Fund balances								
Restricted	1,734,154	590,337	657,473	6,019,150	3,557	6,520	643	26,036,787
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,842,895</u>	<u>\$ 1,727,197</u>	<u>\$ 1,137,114</u>	<u>\$ 6,411,118</u>	<u>\$ 3,557</u>	<u>\$ 6,520</u>	<u>\$ 643</u>	<u>\$ 30,894,373</u>

City of Flint
Other Supplementary Information
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds							
	Major Street	Local Street	Neighborhood Policing	State Act 251-Forfeitures	EDA Revolving Loan	Public Improvement	Parks and Recreation	Senior Citizen Centers
Revenues								
Taxes	\$ -	\$ -	\$ 1,293,783	\$ -	\$ -	\$ 1,609,072	\$ 323,951	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Federal grants	87,680	-	-	-	-	-	-	-
State revenue sharing	6,866,127	1,942,018	-	-	-	-	-	-
Other state grants	758,241	-	-	-	-	-	-	-
Local contributions	-	-	-	-	-	-	-	42,802
Charges for services	13,081	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	50,299	-	-	-	-
Investment income	29,013	6,000	444	5,170	16,852	45,971	716	-
Other revenue	290,701	117,135	1,740	3,818	28,847	-	16,954	-
Total revenues	<u>8,044,843</u>	<u>2,065,153</u>	<u>1,295,967</u>	<u>59,287</u>	<u>45,699</u>	<u>1,655,043</u>	<u>341,621</u>	<u>42,802</u>
Expenditures								
Current								
Public safety	-	-	1,311,361	298,451	-	-	-	-
Public works								
Transportation	6,404,604	2,308,576	-	-	-	-	-	-
Garbage and rubbish	-	-	-	-	-	-	-	-
Community development	-	-	-	-	5,979	-	-	-
Parks and recreation	-	-	-	-	-	688,773	459,475	37,574
Debt service								
Principal retirement	110,070	-	-	-	-	200,000	-	-
Interest and fiscal charges	8,550	-	-	-	-	400,192	-	-
Total expenditures	<u>6,523,224</u>	<u>2,308,576</u>	<u>1,311,361</u>	<u>298,451</u>	<u>5,979</u>	<u>1,288,965</u>	<u>459,475</u>	<u>37,574</u>
Excess (deficiency) of revenues over expenditures	<u>1,521,619</u>	<u>(243,423)</u>	<u>(15,394)</u>	<u>(239,164)</u>	<u>39,720</u>	<u>366,078</u>	<u>(117,854)</u>	<u>5,228</u>
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	99,140	-
Transfers out	-	-	-	-	-	(1,526,953)	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,526,953)</u>	<u>99,140</u>	<u>-</u>
Net change in fund balance	1,521,619	(243,423)	(15,394)	(239,164)	39,720	(1,160,875)	(18,714)	5,228
Fund balance - beginning of year	<u>4,926,787</u>	<u>1,610,712</u>	<u>19,656</u>	<u>768,973</u>	<u>366,658</u>	<u>9,335,338</u>	<u>99,943</u>	<u>7,889</u>
Fund balance - end of year	<u>\$ 6,448,406</u>	<u>\$ 1,367,289</u>	<u>\$ 4,262</u>	<u>\$ 529,809</u>	<u>\$ 406,378</u>	<u>\$ 8,174,463</u>	<u>\$ 81,229</u>	<u>\$ 13,117</u>

City of Flint
Other Supplementary Information
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds				Debt Service Funds			Total Nonmajor Governmental Funds
	Building Department	Garbage Collection	Street Lights	Public Safety	Parking Deck	Windmill Place	Buick City	
Revenues								
Taxes	\$ -	\$ 4,909,128	\$ -	\$ 3,842,853	\$ -	\$ -	\$ -	\$ 11,978,787
Licenses and permits	2,608,592	1,840	-	-	-	-	-	2,610,432
Federal grants	-	-	-	-	-	-	-	87,680
State revenue sharing	-	-	-	-	-	-	-	8,808,145
Other state grants	-	-	-	-	-	-	-	758,241
Local contributions	-	-	-	-	-	-	-	42,802
Charges for services	45,592	10,877	-	-	-	-	-	69,550
Fines and forfeitures	1,160	-	-	-	-	-	-	51,459
Investment income	9,115	6,959	5,270	30,799	18	-	-	156,327
Other revenue	-	-	2,415,368	5,462	-	-	-	2,880,025
Total revenues	<u>2,664,459</u>	<u>4,928,804</u>	<u>2,420,638</u>	<u>3,879,114</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>27,443,448</u>
Expenditures								
Current								
Public safety	1,573,780	-	-	6,317,243	-	-	-	9,500,835
Public works								
Transportation	-	-	2,472,369	-	-	-	-	11,185,549
Garbage and rubbish	-	4,615,516	-	-	-	-	-	4,615,516
Community development	-	-	-	-	-	-	-	5,979
Parks and recreation	-	-	-	-	-	-	-	1,185,822
Debt service								
Principal retirement	-	-	-	-	290,000	-	-	600,070
Interest and fiscal charges	-	-	-	-	434,213	-	-	842,955
Total expenditures	<u>1,573,780</u>	<u>4,615,516</u>	<u>2,472,369</u>	<u>6,317,243</u>	<u>724,213</u>	<u>-</u>	<u>-</u>	<u>27,936,726</u>
Excess (deficiency) of revenues over expenditures	<u>1,090,679</u>	<u>313,288</u>	<u>(51,731)</u>	<u>(2,438,129)</u>	<u>(724,195)</u>	<u>-</u>	<u>-</u>	<u>(493,278)</u>
Other financing sources (uses)								
Transfers in	-	-	-	-	726,953	-	-	826,093
Transfers out	-	-	-	-	-	-	-	(1,526,953)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>726,953</u>	<u>-</u>	<u>-</u>	<u>(700,860)</u>
Net change in fund balance	1,090,679	313,288	(51,731)	(2,438,129)	2,758	-	-	(1,194,138)
Fund balance - beginning of year	<u>643,475</u>	<u>277,049</u>	<u>709,204</u>	<u>8,457,279</u>	<u>799</u>	<u>6,520</u>	<u>643</u>	<u>27,230,925</u>
Fund balance - end of year	<u>\$ 1,734,154</u>	<u>\$ 590,337</u>	<u>\$ 657,473</u>	<u>\$ 6,019,150</u>	<u>\$ 3,557</u>	<u>\$ 6,520</u>	<u>\$ 643</u>	<u>\$ 26,036,787</u>

City of Flint
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Major Streets Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal grants	\$ -	\$ 87,680	\$ 87,680	\$ -
State revenue sharing	6,317,977	6,813,103	6,866,127	53,024
Other state grants	-	568,703	758,241	189,538
Charges for services	31,506	23,506	13,081	(10,425)
Interest income	-	-	29,013	29,013
Other revenue	<u>136,792</u>	<u>209,610</u>	<u>290,701</u>	<u>81,091</u>
Total revenues	<u>6,486,275</u>	<u>7,702,602</u>	<u>8,044,843</u>	<u>342,241</u>
Expenditures				
Current				
Transportation	6,904,264	7,921,039	6,404,604	(1,516,435)
Debt service				
Principal retirement	110,072	110,072	110,070	(2)
Interest and fiscal charges	<u>8,551</u>	<u>8,551</u>	<u>8,550</u>	<u>(1)</u>
Total expenditures	<u>7,022,887</u>	<u>8,039,662</u>	<u>6,523,224</u>	<u>(1,516,438)</u>
Excess (deficiency) of revenues over expenditures	(536,612)	(337,060)	1,521,619	1,858,679
Fund balance - beginning of year	<u>4,926,787</u>	<u>4,926,787</u>	<u>4,926,787</u>	<u>-</u>
Fund balance - end of year	<u>\$ 4,390,175</u>	<u>\$ 4,589,727</u>	<u>\$ 6,448,406</u>	<u>\$ 1,858,679</u>

City of Flint
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Local Streets Special Revenue Fund
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Final Budget</u>
Revenues				
State revenue sharing	\$ 1,941,703	\$ 1,941,703	\$ 1,942,018	\$ 315
Interest income	-	-	6,000	6,000
Other revenue	<u>270,886</u>	<u>228,343</u>	<u>117,135</u>	<u>(111,208)</u>
Total revenues	<u>2,212,589</u>	<u>2,170,046</u>	<u>2,065,153</u>	<u>(104,893)</u>
Expenditures				
Current				
Transportation	<u>2,694,462</u>	<u>2,791,721</u>	<u>2,308,576</u>	<u>(483,145)</u>
Excess (deficiency) of revenues over expenditures	(481,873)	(621,675)	(243,423)	378,252
Fund balance - beginning of year	<u>1,610,712</u>	<u>1,610,712</u>	<u>1,610,712</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,128,839</u>	<u>\$ 989,037</u>	<u>\$ 1,367,289</u>	<u>\$ 378,252</u>

City of Flint
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Neighborhood Policing Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 1,312,000	\$ 1,250,306	\$ 1,293,783	\$ 43,477
Interest income	-	-	444	444
Other revenue	93,180	93,180	1,740	(91,440)
Total revenues	<u>1,405,180</u>	<u>1,343,486</u>	<u>1,295,967</u>	<u>(47,519)</u>
Expenditures				
Public safety				
Police department	<u>1,378,105</u>	<u>1,358,912</u>	<u>1,311,361</u>	<u>(47,551)</u>
Excess (deficiency) of revenues over expenditures	27,075	(15,426)	(15,394)	32
Fund balance - beginning of year	<u>19,656</u>	<u>19,656</u>	<u>19,656</u>	<u>-</u>
Fund balance - end of year	<u>\$ 46,731</u>	<u>\$ 4,230</u>	<u>\$ 4,262</u>	<u>\$ 32</u>

City of Flint
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
State Act 251 - Forfeitures Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Fines and forfeitures	\$ 101,000	\$ 101,000	\$ 50,299	\$ (50,701)
Investment income	-	-	5,170	5,170
Other revenue	<u>16,500</u>	<u>16,500</u>	<u>3,818</u>	<u>(12,682)</u>
Total revenues	<u>117,500</u>	<u>117,500</u>	<u>59,287</u>	<u>(58,213)</u>
Expenditures				
Public safety	<u>425,063</u>	<u>477,563</u>	<u>298,451</u>	<u>(179,112)</u>
Excess (deficiency) of revenues over expenditures	(307,563)	(360,063)	(239,164)	120,899
Fund balance - beginning of year	<u>768,973</u>	<u>768,973</u>	<u>768,973</u>	<u>-</u>
Fund balance - end of year	<u>\$ 461,410</u>	<u>\$ 408,910</u>	<u>\$ 529,809</u>	<u>\$ 120,899</u>

City of Flint
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
EDA Revolving Loan Special Revenue Fund
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Final Budget</u>
Revenues				
Investment income	\$ 17,230	\$ 17,230	\$ 16,852	\$ (378)
Principal payments received	<u>33,420</u>	<u>33,420</u>	<u>28,847</u>	<u>(4,573)</u>
Total revenues	<u>50,650</u>	<u>50,650</u>	<u>45,699</u>	<u>(4,951)</u>
Expenditures				
Economic development	<u>6,088</u>	<u>6,088</u>	<u>5,979</u>	<u>(109)</u>
Excess (deficiency) of revenues over expenditures	44,562	44,562	39,720	(4,842)
Fund balance - beginning of year	<u>366,658</u>	<u>366,658</u>	<u>366,658</u>	<u>-</u>
Fund balance - end of year	<u>\$ 411,220</u>	<u>\$ 411,220</u>	<u>\$ 406,378</u>	<u>\$ (4,842)</u>

City of Flint
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Budget and Actual
Public Improvement Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 1,703,000	\$ 1,703,000	\$ 1,609,072	\$ (93,928)
Interest income	380,000	380,000	45,971	(334,029)
Total revenues	<u>2,083,000</u>	<u>2,083,000</u>	<u>1,655,043</u>	<u>(427,957)</u>
Expenditures				
Current				
Recreation and culture	721,900	721,900	688,773	(33,127)
Debt service				
Principal retirement	195,000	195,000	200,000	5,000
Interest and fiscal charges	407,104	407,104	400,192	(6,912)
Transfers out	<u>1,526,953</u>	<u>1,526,953</u>	<u>1,526,953</u>	<u>-</u>
Total expenditures	<u>2,850,957</u>	<u>2,850,957</u>	<u>2,815,918</u>	<u>(35,039)</u>
Excess (deficiency) of revenues over expenditures	(767,957)	(767,957)	(1,160,875)	(392,918)
Fund balance - beginning of year	<u>9,335,338</u>	<u>9,335,338</u>	<u>9,335,338</u>	<u>-</u>
Fund balance - end of year	<u>\$ 8,567,381</u>	<u>\$ 8,567,381</u>	<u>\$ 8,174,463</u>	<u>\$ (392,918)</u>

City of Flint
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Parks and Recreation Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 337,000	\$ 312,546	\$ 323,951	\$ 11,405
Investment income	-	-	716	716
Other revenue	4,000	4,930	16,954	12,024
Transfers in	99,140	99,413	99,140	(273)
Total revenues	<u>440,140</u>	<u>416,889</u>	<u>440,761</u>	<u>23,872</u>
Expenditures				
Recreation and culture	<u>440,140</u>	<u>513,889</u>	<u>459,475</u>	<u>(54,414)</u>
Excess (deficiency) of revenues over expenditures	-	(97,000)	(18,714)	78,286
Fund balance - beginning of year	<u>99,943</u>	<u>99,943</u>	<u>99,943</u>	<u>-</u>
Fund balance - end of year	<u>\$ 99,943</u>	<u>\$ 2,943</u>	<u>\$ 81,229</u>	<u>\$ 78,286</u>

City of Flint
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Senior Citizen Centers Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Local contributions	\$ 60,000	\$ 60,000	\$ 42,802	\$ (17,198)
Other revenue	6,000	6,000	-	(6,000)
Total revenues	<u>66,000</u>	<u>66,000</u>	<u>42,802</u>	<u>(23,198)</u>
Expenditures				
Current				
Recreation and culture	<u>60,000</u>	<u>60,000</u>	<u>37,574</u>	<u>(22,426)</u>
Excess (deficiency) of revenues over expenditures	-	6,000	5,228	(772)
Fund balance - beginning of year	<u>7,889</u>	<u>7,889</u>	<u>7,889</u>	<u>-</u>
Fund balance - end of year	<u>\$ 7,889</u>	<u>\$ 13,889</u>	<u>\$ 13,117</u>	<u>\$ (772)</u>

City of Flint
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Building Department Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Licenses and permits	\$ 1,681,000	\$ 2,561,814	\$ 2,608,592	\$ 46,778
Charges for services	-	50,579	45,592	(4,987)
Fines and forfeitures	-	1,350	1,160	(190)
Investment income	-	-	9,115	9,115
Transfers in	313,561	-	-	-
Total revenues	<u>1,994,561</u>	<u>2,613,743</u>	<u>2,664,459</u>	<u>50,716</u>
Expenditures				
Public safety	<u>2,395,529</u>	<u>1,865,533</u>	<u>1,573,780</u>	<u>(291,753)</u>
Excess (deficiency) of revenues over expenditures	(400,968)	748,210	1,090,679	342,469
Fund balance - beginning of year	<u>643,475</u>	<u>643,475</u>	<u>643,475</u>	<u>-</u>
Fund balance - end of year	<u>\$ 242,507</u>	<u>\$ 1,391,685</u>	<u>\$ 1,734,154</u>	<u>\$ 342,469</u>

City of Flint
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Garbage Collection Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 5,395,794	\$ 5,517,813	\$ 4,909,128	\$ (608,685)
Licenses and permits	500	1,660	1,840	180
Charges for services	-	11,093	10,877	(216)
Investment income	-	-	6,959	6,959
Total revenues	<u>5,396,294</u>	<u>5,530,566</u>	<u>4,928,804</u>	<u>(601,762)</u>
Expenditures				
Public works	<u>5,396,293</u>	<u>4,774,218</u>	<u>4,615,516</u>	<u>(158,702)</u>
Excess (deficiency) of revenues over expenditures	1	756,348	313,288	(443,060)
Fund balance - beginning of year	<u>277,049</u>	<u>277,049</u>	<u>277,049</u>	<u>-</u>
Fund balance - end of year	<u>\$ 277,050</u>	<u>\$ 1,033,397</u>	<u>\$ 590,337</u>	<u>\$ (443,060)</u>

City of Flint
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Public Safety Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 4,249,000	\$ 3,688,275	\$ 3,842,853	\$ 154,578
Investment income	-	-	30,799	30,799
Other revenue	-	-	5,462	5,462
Total revenues	<u>4,249,000</u>	<u>3,688,275</u>	<u>3,879,114</u>	<u>190,839</u>
Expenditures				
Public safety	<u>9,258,560</u>	<u>6,381,283</u>	<u>6,317,243</u>	<u>(64,040)</u>
Excess (deficiency) of revenues over expenditures	(5,009,560)	(2,693,008)	(2,438,129)	254,879
Fund balance - beginning of year	<u>8,457,279</u>	<u>8,457,279</u>	<u>8,457,279</u>	<u>-</u>
Fund balance - end of year	<u>\$ 3,447,719</u>	<u>\$ 5,764,271</u>	<u>\$ 6,019,150</u>	<u>\$ 254,879</u>

City of Flint
Other Supplementary Information
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget to Actual
Street Light Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Interest income	\$ -	\$ -	\$ 5,270	\$ 5,270
Other revenue	2,694,870	2,738,986	2,415,368	(323,618)
Total revenues	<u>2,694,870</u>	<u>2,738,986</u>	<u>2,420,638</u>	<u>(318,348)</u>
Expenditures				
Transportation	2,694,870	2,554,405	2,472,369	(82,036)
Excess (deficiency) of revenues over expenditures	-	184,581	(51,731)	(236,312)
Fund balance - beginning of year	<u>709,204</u>	<u>709,204</u>	<u>709,204</u>	<u>-</u>
Fund balance - end of year	<u>\$ 709,204</u>	<u>\$ 893,785</u>	<u>\$ 657,473</u>	<u>\$ (236,312)</u>

INTERNAL SERVICE FUNDS

DATA PROCESSING FUND

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

FRINGE BENEFITS FUND

The Fringe Benefits 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.

CENTRAL MAINTENANCE GARAGE FUND

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

SELF-INSURANCE FUND

The Self-Insurance 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
Other Supplementary Information
Internal Service Funds
Combining Statement of Net Position
June 30, 2015

	Data Processing	Fringe Benefits	Central Maintenance Garage	Self Insurance	Total
Assets					
Current assets					
Cash and cash equivalents	\$ -	\$ 500,562	\$ 100	\$ 1,905	\$ 502,567
Pooled cash and investments	3,889,146	3,102,616	4,308,771	5,772,719	17,073,252
Accounts receivable	34	141,421	1,425	35,541	178,421
Accrued interest and other	1,491	-	2,295	22,864	26,650
Due from other funds	216,455	1,500,000	2,500,000	-	4,216,455
Inventories	-	-	118,089	-	118,089
Prepaid items	-	1,005,949	-	-	1,005,949
Total current assets	<u>4,107,126</u>	<u>6,250,548</u>	<u>6,930,680</u>	<u>5,833,029</u>	<u>23,121,383</u>
Noncurrent assets					
Capital assets, net	277,979	-	1,787,366	-	2,065,345
Total assets	<u>4,385,105</u>	<u>6,250,548</u>	<u>8,718,046</u>	<u>5,833,029</u>	<u>25,186,728</u>
Liabilities					
Current liabilities					
Accounts payable	281,534	4,390,497	169,923	141,938	4,983,892
Accrued and other liabilities	7,055	43,998	12,104	512	63,669
Claims payable - current	-	-	-	374,410	374,410
Current portion of noncurrent liabilities	62,475	-	158,812	-	221,287
Total current liabilities	<u>351,064</u>	<u>4,434,495</u>	<u>340,839</u>	<u>516,860</u>	<u>5,643,258</u>
Noncurrent liabilities					
Claims payable	-	-	-	749,942	749,942
Long-term debt net of current portion	-	-	597,648	-	597,648
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>597,648</u>	<u>749,942</u>	<u>1,347,590</u>
Total liabilities	<u>351,064</u>	<u>4,434,495</u>	<u>938,487</u>	<u>1,266,802</u>	<u>6,990,848</u>
Net position					
Net investment in capital assets	215,504	-	1,030,906	-	1,246,410
Unrestricted	3,818,537	1,816,053	6,748,653	4,566,227	16,949,470
Total net position	<u>\$ 4,034,041</u>	<u>\$ 1,816,053</u>	<u>\$ 7,779,559</u>	<u>\$ 4,566,227</u>	<u>\$ 18,195,880</u>

City of Flint
Other Supplementary Information
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Balance
For the Year Ended June 30, 2015

	Data Processing	Fringe Benefits	Central Maintenance Garage	Self Insurance	Total
Operating revenue					
User charges	\$ 4,067,893	\$ 42,490,026	\$ 5,099,002	\$ 2,519,671	\$ 54,176,592
Other revenue	-	94,530	10,018	807	105,355
Total operating revenue	<u>4,067,893</u>	<u>42,584,556</u>	<u>5,109,020</u>	<u>2,520,478</u>	<u>54,281,947</u>
Operating expenses					
Salaries and benefits	704,463	254,538	943,050	83,967	1,986,018
Supplies	4,373	2,309	1,070,247	227	1,077,156
Contractual services	2,063,430	351,896	54,440	546,987	3,016,753
Claims	-	-	-	702,453	702,453
Utilities	-	-	35,117	-	35,117
Repairs and maintenance	70,125	380	598,450	-	668,955
Insurance	-	-	-	726,768	726,768
Other expenses	-	34,794	2,655	11,432	48,881
Costs of materials or services rendered	-	41,561,131	-	-	41,561,131
Depreciation	275,397	-	442,611	-	718,008
Total operating expenses	<u>3,117,788</u>	<u>42,205,048</u>	<u>3,146,570</u>	<u>2,071,834</u>	<u>50,541,240</u>
Operating income	<u>950,105</u>	<u>379,508</u>	<u>1,962,450</u>	<u>448,644</u>	<u>3,740,707</u>
Nonoperating revenue (expenses)					
Investment income	19,233	15,306	19,415	28,552	82,506
Gain on sale of assets	-	-	45,113	-	45,113
Interest expense	(6,266)	-	(29,897)	-	(36,163)
Total nonoperating revenues (expenses)	<u>12,967</u>	<u>15,306</u>	<u>34,631</u>	<u>28,552</u>	<u>91,456</u>
Income before transfers out	963,072	394,814	1,997,081	477,196	3,832,163
Transfers out	-	(787,998)	-	-	(787,998)
Change in net position	963,072	(393,184)	1,997,081	477,196	3,044,165
Net position - beginning of year, as restated	<u>3,070,969</u>	<u>2,209,237</u>	<u>5,782,478</u>	<u>4,089,031</u>	<u>15,151,715</u>
Net position - end of year	<u>\$ 4,034,041</u>	<u>\$ 1,816,053</u>	<u>\$ 7,779,559</u>	<u>\$ 4,566,227</u>	<u>\$ 18,195,880</u>

City of Flint
Other Supplementary Information
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2015

	<u>Data Processing</u>	<u>Fringe Benefits</u>	<u>Central Maintenance Garage</u>	<u>Self Insurance</u>	<u>Total</u>
Cash flows from operating activities					
Receipts from customers	\$ 4,066,368	\$ 42,459,962	\$ 5,108,190	\$ 2,541,695	\$ 54,176,215
Payments to suppliers	(1,954,470)	(42,494,337)	(1,565,193)	(1,241,072)	(47,255,072)
Payments to employees	(704,463)	(254,538)	(943,050)	(83,967)	(1,986,018)
Claims paid	-	-	-	(598,105)	(598,105)
Net cash provided (used) by operating activities	<u>1,407,435</u>	<u>(288,913)</u>	<u>2,599,947</u>	<u>618,551</u>	<u>4,337,020</u>
Cash flows from noncapital financing activities					
Transfers to other funds	-	(787,998)	-	-	(787,998)
Cash flows from capital and related financing activities					
Proceeds from capital debt	-	-	948,013	-	948,013
Purchases/construction of capital assets	(67,251)	-	(1,089,385)	-	(1,156,636)
Principal and interest paid on long-term debt	(139,181)	-	(221,450)	-	(360,631)
Proceeds from sale of capital assets	-	-	45,113	-	45,113
Net cash used by capital and related financing activities	<u>(206,432)</u>	<u>-</u>	<u>(317,709)</u>	<u>-</u>	<u>(524,141)</u>
Cash flows from investing activities					
Interest received	<u>19,233</u>	<u>15,306</u>	<u>19,415</u>	<u>28,552</u>	<u>82,506</u>
Net change in cash and cash equivalents	1,220,236	(1,061,605)	2,301,653	647,103	3,107,387
Cash and cash equivalents - beginning of year	<u>2,668,910</u>	<u>4,664,783</u>	<u>2,007,218</u>	<u>5,127,521</u>	<u>14,468,432</u>
Cash and cash equivalents - end of year	<u>\$ 3,889,146</u>	<u>\$ 3,603,178</u>	<u>\$ 4,308,871</u>	<u>\$ 5,774,624</u>	<u>\$ 17,575,819</u>

City of Flint
Other Supplementary Information
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2015

	<u>Data Processing</u>	<u>Fringe Benefits</u>	<u>Central Maintenance Garage</u>	<u>Self Insurance</u>	<u>Total</u>
Reconciliation of operating income to net cash provided (used) by operating activities					
Operating income	\$ 950,105	\$ 379,508	\$ 1,962,450	\$ 448,644	\$ 3,740,707
Adjustments to reconcile operating income to net cash from operating activities					
Depreciation and amortization expense	275,397	-	442,611	-	718,008
Changes in assets and liabilities					
Receivables (net)	(1,525)	(124,594)	(830)	21,217	(105,732)
Inventories	-	-	67,130	-	67,130
Prepaid items	-	(1,005,949)	-	-	(1,005,949)
Accounts payable	183,114	626,732	123,892	43,830	977,568
Accrued and other liabilities	344	(164,610)	4,694	512	(159,060)
Claims payable	-	-	-	104,348	104,348
	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,348</u>	<u>104,348</u>
Net cash provided (used) by operating activities	<u>\$ 1,407,435</u>	<u>\$ (288,913)</u>	<u>\$ 2,599,947</u>	<u>\$ 618,551</u>	<u>\$ 4,337,020</u>

PENSION AND BENEFIT TRUST FUNDS

DEATH BENEFITS FUND

The Death Benefits Fund was established to provide beneficiaries of retirees and active employees with cash benefits to aid in funeral expenses. The employer and employees contribute equally to fund the amount necessary to provide the benefit.

HEALTH BENEFITS PLAN AND TRUST

The Health Benefit Plan and Trust was established for the purpose of providing health insurance benefits in accordance with collective bargaining agreements for eligible retirees through employee contributions.

HURLEY MEDICAL CENTER HEALTH BENEFIT PLAN AND TRUST

The Hurley Medical Center Health Benefit Plan and Trust was established for the purpose of providing health insurance benefits in accordance with collective bargaining agreements for eligible retirees through employee contributions.

AGENCY FUNDS

MISCELLANEOUS AGENCY FUND

The Miscellaneous Agency 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

The County Revolving Loan Fund is used to account for monies held in an agency capacity for the use of the Genesee County Economic Development Corporation

City of Flint
Other Supplementary Information
Fiduciary Funds
Combining Statement of Assets and Liabilities
June 30, 2015

	Pension Trust Funds				Agency Funds		
	Death Benefit	Health Benefits Plan and Trust	Hurley Retiree Health Benefit Fund	Total Pension and Benefit Trust Funds	Miscellaneous Agency	County Revolving Loan	Total Agency Funds
Assets							
Cash and cash equivalents	\$ -	\$ 437,998	\$ 1,577,482	\$ 2,015,480	\$ 721,512	\$ 556,321	\$ 1,277,833
Pooled cash and investments	-	-	-	-	872,207	-	872,207
Investments							
U.S. government obligations	-	-	196,163	196,163	-	-	-
Agency securities	-	-	13,267,548	13,267,548	-	-	-
Corporate stocks	717,483	-	20,288,196	21,005,679	-	-	-
Corporate bonds	-	-	15,998,781	15,998,781	-	-	-
Receivables							
Taxes	-	-	-	-	3,700,059	-	3,700,059
Other	-	-	177,534	177,534	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
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City of Flint
Other Supplementary Information
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2015

	<u>Death Benefit</u>	<u>Health Benefits Plan and Trust</u>	<u>Hurley Retiree Health Benefit Fund</u>	<u>Total Pension and Benefit Trust Funds</u>
Additions				
Contributions				
Employer	\$ -	\$ -	\$ 12,116,490	\$ 12,116,490
Retiree	-	-	1,992,304	1,992,304
Total contributions	<u>-</u>	<u>-</u>	<u>14,108,794</u>	<u>14,108,794</u>
Investment earnings (expenses)				
Interest and dividends	49,854	71	877,281	927,206
Investment related expenses	-	-	(244,639)	(244,639)
Change in fair value	<u>(21,391)</u>	<u>-</u>	<u>1,135,724</u>	<u>1,114,333</u>
Total investment earnings	<u>28,463</u>	<u>71</u>	<u>1,768,366</u>	<u>1,796,900</u>
Total additions	<u>28,463</u>	<u>71</u>	<u>15,877,160</u>	<u>15,905,694</u>
Deductions				
Benefits	<u>104,500</u>	<u>-</u>	<u>5,962,422</u>	<u>6,066,922</u>
Administrative expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>104,500</u>	<u>-</u>	<u>5,962,422</u>	<u>6,066,922</u>
Change in net position	(76,037)	71	9,914,738	9,838,772
Net position - beginning of year	<u>514,520</u>	<u>137,927</u>	<u>41,590,966</u>	<u>42,243,413</u>
Net position - end of year	<u>\$ 438,483</u>	<u>\$ 137,998</u>	<u>\$ 51,505,704</u>	<u>\$ 52,082,185</u>

City of Flint
Other Supplementary Information
Combining Statement of Changes in Assets
and Liabilities - Agency Funds
For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
Miscellaneous Agency				
Assets				
Cash and cash equivalents	\$ 721,295	\$ 217	\$ -	\$ 721,512
Receivables	3,264,429	64,380,756	63,945,126	3,700,059
Pooled cash and investments	1,370,090	47,502,089	47,999,972	872,207
Total assets	<u>\$ 5,355,814</u>	<u>\$ 111,883,062</u>	<u>\$ 111,945,098</u>	<u>\$ 5,293,778</u>
Liabilities				
Accounts payable	\$ 426,914	\$ 23,310,690	\$ 23,436,994	\$ 300,610
Due to other governmental units	4,035,865	60,888,415	60,847,205	4,077,075
Deposits and advances	893,035	313,207	290,149	916,093
Total liabilities	<u>\$ 5,355,814</u>	<u>\$ 84,512,312</u>	<u>\$ 84,574,348</u>	<u>\$ 5,293,778</u>
County Revolving Loan				
Assets				
Cash and cash equivalents	<u>\$ 556,285</u>	<u>\$ 13,207</u>	<u>\$ 13,171</u>	<u>\$ 556,321</u>
Liabilities				
Accounts payable	\$ 5	\$ 173	\$ 134	\$ 44
Due to other governmental units	556,280	166	169	556,277
Total liabilities	<u>\$ 556,285</u>	<u>\$ 339</u>	<u>\$ 303</u>	<u>\$ 556,321</u>
Total Agency Funds				
Assets				
Cash and cash equivalents	\$ 1,277,580	\$ 13,424	\$ 13,171	\$ 1,277,833
Pooled cash and investments	1,370,090	47,502,089	47,999,972	872,207
Receivables	3,264,429	64,380,756	63,945,126	3,700,059
Total assets	<u>\$ 5,912,099</u>	<u>\$ 111,896,269</u>	<u>\$ 111,958,269</u>	<u>\$ 5,850,099</u>
Liabilities				
Accounts payable	\$ 426,919	\$ 23,310,863	\$ 23,437,128	\$ 300,654
Due to other governmental units	4,592,145	60,888,581	60,847,374	4,633,352
Deposits and advances	893,035	313,207	290,149	916,093
Total liabilities	<u>\$ 5,912,099</u>	<u>\$ 84,512,651</u>	<u>\$ 84,574,651</u>	<u>\$ 5,850,099</u>

STATISTICAL SECTION

Financial Trends – These schedules contain trend information to assist the reader in understanding how the City's financial performance and wellbeing have changed over time.

Revenue Capacity – These schedules contain information to assist the reader in assessing the factors affecting the City's ability to generate its property taxes.

Debt Capacity – These schedules present information to assist the reader in assessing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information – These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information – These schedules contain information about the City's operations and resources to assist the reader in understanding how the City's financial information relates to the services the City provides and the activities it performs.

City of Flint
Statistical Section (unaudited)
GASB Statement 44, Economic Condition Reporting
June 30, 2015

This part of the City of Flint's comprehensive annual 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.

Financial Trends:

How the City's financial performance and well-being have changed over time.

Net Position by Component	Schedule 1
Changes in Governmental Net Position	Schedule 2
Changes in Business Type Net Position	Schedule 3
Fund Balances, Governmental Funds	Schedule 4
Changes in Fund Balances, Governmental Funds	Schedule 5

Revenue Capacity:

The City's most significant local revenue source is the property tax.

Taxable Value and Actual Value of Taxable Property	Schedule 6
Direct and Overlapping Property Tax Rates	Schedule 7
Principal Property Tax Payers	Schedule 8
Property Tax Levies and Collections	Schedule 9

Debt Capacity:

The affordability of the City's current levels of outstanding debt and the City's ability to issue future additional debt.

Ratios of Outstanding Debt	Schedule 10
Ratios of General Bonded Debt Outstanding	Schedule 11
Direct and Overlapping Governmental Activities Debt	Schedule 12
Legal Debt Margin	Schedule 13
Pledged-Revenue Coverage	Schedule 14

Demographic and Economic Information:

The environment within which the City's financial activities take place.

Demographic and Economic Statistics	Schedule 15
Principal Employers	Schedule 16

Operating & Resource Information:

How the City's financial information relates to the services the City provides and the activities it performs.

Full-time Equivalent Government Employees	Schedule 17
Operating Indicators	Schedule 18
Capital Asset Statistics	Schedule 19

Flint Employees' Retirement System:

The value and funding ratio of the Retirement Fund over the past 15 actuarial valuations.

Comparative Schedule - Actuarial Valuations	Schedule 20
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City of Flint
Statistical Section
Financial Trend Information – Schedule 1
Net Position by Component
Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities:										
Invested in capital assets, net of related debt	\$ 131,561,717	\$ 152,133,527	\$ 190,526,479	\$ 184,617,905	\$ 180,811,443	\$ 176,533,920	\$ 164,557,732	\$ 153,329,640	\$ 138,929,966	\$ 127,601,188
Restricted	23,125,198	20,433,487	21,090,174	19,700,865	9,401,616	8,886,933	7,712,381	25,690,959	40,976,633	38,525,638
Unrestricted	<u>346,817</u>	<u>(10,068,901)</u>	<u>(66,676,216)</u>	<u>(94,639,303)</u>	<u>(120,251,900)</u>	<u>(148,784,633)</u>	<u>(149,241,234)</u>	<u>(158,391,840)</u>	<u>(151,887,277)</u>	<u>(348,263,708)</u>
Total net position	\$ 155,033,732	\$ 162,498,113	\$ 144,940,437	\$ 109,679,467	\$ 69,961,159	\$ 36,636,220	\$ 23,028,879	\$ 20,628,759	\$ 28,019,322	\$(182,136,882)
Business Type Activities:										
Invested in capital assets, net of related debt	\$ 108,506,065	\$ 111,838,676	\$ 121,424,230	\$ 123,161,141	\$ 125,632,814	\$ 127,847,276	\$ 84,181,963	\$ 78,604,810	\$ 76,669,716	\$ 77,042,464
Restricted	8,855,044	8,986,780	10,289,006	11,106,759	10,761,281	11,432,623	5,585,334	4,385,534	5,848,116	5,848,116
Unrestricted	<u>131,574,217</u>	<u>111,956,070</u>	<u>97,377,129</u>	<u>88,481,489</u>	<u>65,053,326</u>	<u>43,022,814</u>	<u>(8,458,664)</u>	<u>8,278,835</u>	<u>13,212,790</u>	<u>(33,880,794)</u>
Total net position	\$ 248,935,326	\$ 232,781,526	\$ 229,090,365	\$ 222,749,389	\$ 201,447,421	\$ 182,302,713	\$ 81,308,633	\$ 91,269,179	\$ 95,730,622	\$ 49,009,786
Primary government in total:										
Invested in capital assets, net of related debt	\$ 240,067,782	\$ 263,972,203	\$ 311,950,709	\$ 307,779,046	\$ 306,444,257	\$ 304,381,196	\$ 248,739,695	\$ 231,934,450	\$ 215,599,682	\$ 204,643,652
Restricted	31,980,242	29,420,267	31,379,180	30,807,624	20,162,897	20,319,556	13,297,715	30,076,493	46,824,749	44,373,754
Unrestricted	<u>131,921,034</u>	<u>101,887,169</u>	<u>30,700,913</u>	<u>(6,157,814)</u>	<u>(55,198,574)</u>	<u>(105,761,819)</u>	<u>(157,699,898)</u>	<u>(150,113,005)</u>	<u>(138,674,487)</u>	<u>(382,144,502)</u>
Total net position	\$ 403,969,058	\$ 395,279,639	\$ 374,030,802	\$ 332,428,856	\$ 271,408,580	\$ 218,938,933	\$ 104,337,512	\$ 111,897,938	\$ 123,749,944	\$(133,127,096)

In 2015, there was a prior period adjustment in total governmental activities, see Note 18.

City of Flint
Statistical Section
Financial Trend Information – Schedule 2
Changes in Governmental Net Position
Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses:										
General government	\$ 20,733,886	\$ 22,445,665	\$ 30,126,082	\$ 28,617,291	\$ 26,999,131	\$ 18,640,073	\$ 12,034,876	\$ 7,880,521	\$ 7,691,189	\$ 10,540,197
Judicial	5,329,461	5,838,951	8,820,013	6,681,529	7,549,727	7,504,547	3,673,809	5,095,682	5,031,863	5,032,427
Public Safety	45,291,068	49,833,782	78,048,619	61,324,633	57,784,496	53,062,194	42,196,455	39,022,487	41,576,320	36,224,195
Building inspection	4,386,646	3,672,350	5,063,848	5,277,613	6,332,983	8,610,149	7,049,138	4,017,923	2,452,420	1,282,613
Public works	19,488,952	40,305,844	30,519,397	31,907,385	27,224,651	28,549,114	25,942,018	22,978,241	27,278,596	26,380,580
Community enrichment and development	9,708,503	6,467,573	6,163,998	6,620,929	10,835,034	16,541,698	14,668,606	19,981,427	6,751,200	5,617,598
Facilities, parks, and recreation	4,506,042	5,596,244	7,610,803	6,147,632	5,431,010	6,803,411	4,455,354	2,864,223	3,096,360	4,112,910
Interest on long-term debt	436,774	824,536	1,091,347	1,122,341	806,637	1,132,521	1,361,513	1,021,815	1,203,196	1,166,786
Total governmental activities	109,881,332	134,984,945	167,444,107	147,699,353	142,963,669	140,843,707	111,381,769	102,862,319	95,081,144	90,357,306
Program revenues:										
Charges for services										
General government	12,750,497	13,731,733	16,502,110	14,002,474	15,083,436	17,281,364	8,105,345	10,652,009	8,175,025	6,024,996
Judicial	2,237,892	2,470,636	2,663,984	2,339,395	2,094,107	1,668,559	1,594,061	1,696,157	1,826,600	1,449,274
Public Safety	3,469,635	4,055,880	5,100,191	4,460,730	3,291,583	2,878,264	2,594,216	3,180,137	2,180,536	2,531,669
Building inspection	1,961,099	1,483,269	1,501,849	1,736,737	1,728,460	3,173,389	3,949,658	2,062,378	2,004,074	2,726,592
Public works	112,275	15,715,702	8,221	9,124	267,712	186,105	63,496	65,025	35,085	25,798
Community enrichment and development	152,119	499,645	147,744	69,749	564,698	53,960	11,371	1,659	6,816	495
Facilities, parks, and recreation	33,370	40,679	53,999	44,512	30,193	554,742	229,710	10,075	4,190	5,171
Total charges for services	20,716,887	37,997,544	25,978,098	22,662,721	23,060,189	25,796,383	16,547,857	17,667,440	14,232,326	12,763,995
Operating grants and contributions	21,701,007	20,341,109	19,590,161	17,154,589	22,074,893	27,243,104	20,903,212	14,213,238	14,562,573	16,880,612
Capital grants and contributions	4,523,574	18,063,785	8,850,442	10,162,836	4,436,527	6,414,945	13,290,515	21,872,060	11,218,347	1,924,929
Total program revenue	46,941,468	76,402,438	54,418,701	49,980,146	49,571,609	59,454,432	50,741,584	53,752,738	40,013,246	31,569,536
Net (expense) revenue	(62,939,864)	(58,582,507)	(113,025,406)	(97,719,207)	(93,392,060)	(81,389,275)	(60,640,185)	(49,109,581)	(55,067,898)	(58,787,770)
General revenues:										
Property taxes	25,441,852	24,905,192	25,602,458	24,343,118	19,224,393	18,142,422	14,263,876	21,722,352	21,292,833	19,757,581
Income taxes	19,660,536	18,603,312	16,516,416	14,277,939	13,551,247	14,396,346	14,839,999	14,674,274	13,038,276	14,012,171
State-shared revenues	19,541,013	18,959,082	18,959,082	18,466,481	16,424,091	16,424,088	13,103,186	13,667,182	14,140,573	14,458,731
Franchise fees	1,022,191	1,036,958	1,045,656	1,112,359	1,139,147	1,215,745	1,167,325	1,084,668	1,048,150	992,611
Unrestricted investment earnings	2,875,063	2,502,919	2,133,630	1,109,633	624,699	507,915	632,134	445,325	860,821	742,426
Gain (loss) on sale of capital assets	335,928	39,425	35,610	69,084	(327,551)	-	-	1,046,990	16,800	500
Miscellaneous revenue	-	-	150,975	-	54,549	84,408	36,324	1,203,070	2,942,613	1,567,571
Transfers	-	-	-	3,079,623	2,983,177	5,670,849	2,990,000	2,990,000	2,990,000	2,990,000
Total general revenues	68,876,583	66,046,888	64,443,827	62,458,237	53,673,752	56,441,773	47,032,844	56,833,861	56,330,066	54,521,591
Change in net position	\$ 5,936,719	\$ 7,464,381	\$(48,581,579)	\$(35,260,970)	\$(39,718,308)	\$(24,947,502)	\$(13,607,341)	\$ 7,724,280	\$ 1,262,168	\$ (4,266,179)

City of Flint
Statistical Section
Financial Trend Information – Schedule 3
Changes in Business Type Net Position – Primary Government
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating revenue										
Sale of water	\$ 34,177,436	\$ 33,172,084	\$ 33,956,858	\$ 34,080,677	\$ 31,956,754	\$ 36,762,663	\$ 44,850,678	\$ 49,880,827	\$ 43,552,152	\$ 33,777,658
Sewage disposal charges	18,782,008	17,918,595	17,143,474	17,836,304	15,957,087	17,637,811	23,214,899	32,025,929	28,605,162	30,435,699
Hurley Medical Center	327,335,663	347,856,879	332,199,875	351,792,875	360,903,987	354,078,435	-	-	-	-
Other charges for services	1,035,664	1,030,999	891,241	1,098,854	583,498	-	3,761	23,041	-	123,224
Total operating revenue	381,330,771	399,978,557	384,191,448	404,808,710	409,401,326	408,478,909	68,069,338	81,929,797	72,157,314	64,336,581
Operating expenses										
Cost of water produced/purchased	15,779,772	16,052,006	16,297,871	17,421,663	17,103,752	20,919,987	21,251,448	23,308,800	21,508,040	-
Water supply	10,637,184	12,572,311	15,145,174	16,966,375	17,829,720	17,050,216	15,600,804	14,429,553	17,381,525	18,805,048
Sewage disposal	15,676,866	31,514,909	21,531,917	21,118,123	25,923,101	24,780,913	20,249,253	21,203,557	20,180,686	18,898,748
Hurley Medical Center	328,655,402	337,602,912	319,553,166	335,354,672	343,633,278	339,408,386	-	-	-	-
Nonmajor Enterprise funds	999,994	1,332,660	1,625,295	1,203,591	1,156,400	-	-	-	-	-
Depreciation	19,612,798	18,902,668	19,196,772	20,877,152	20,394,544	19,529,104	10,056,150	7,538,013	8,806,180	6,036,783
Total operating expenses	391,362,016	417,977,466	393,350,195	412,941,576	426,040,795	421,688,606	67,157,655	66,479,923	67,876,431	43,740,579
Operating income (loss)	(10,031,245)	(17,998,909)	(9,158,747)	(8,132,866)	(16,639,469)	(13,209,697)	911,683	15,449,874	4,280,883	20,596,002
Nonoperating revenue (expense)										
Investment income	1,932,514	7,011,989	6,382,545	4,488,845	2,186,379	2,048,499	209,179	945	155,578	247,722
Interest expense	(4,673,513)	(4,620,131)	(4,739,233)	(4,717,484)	(4,528,788)	(4,594,996)	(694,504)	(787,584)	(572,376)	(565,869)
Income (loss) from joint ventures	2,734,278	(965,390)	3,639,181	2,327,524	742,126	1,469,880	-	-	-	-
Gain (loss) on disposal of assets	(712,535)	(324,965)	(653,040)	(313,727)	(165,327)	-	-	(1,856,694)	3,593,677	225,465
Capital grants and contributions	1,184,108	743,606	838,132	476,760	(42,567)	797,749	-	99,240	-	-
Miscellaneous revenue	-	-	-	-	-	-	51,215	44,765	(6,319)	(6,571)
Income (loss) – before transfers	(9,566,393)	(16,153,800)	(3,691,162)	(5,870,948)	(18,447,646)	(13,488,565)	477,573	12,950,546	7,451,443	20,496,749
Grants for capital improvements	-	-	-	199,596	128,855	14,706	-	-	-	-
Transfers from other funds	-	-	-	2,320,377	6,823	285,992	-	-	800,000	800,000
Transfers to other funds	-	-	-	(2,990,000)	(2,990,000)	(5,956,841)	(2,990,000)	(2,990,000)	(3,790,000)	(3,790,000)
Change in net position	(9,566,393)	(16,153,800)	(3,691,162)	(6,340,975)	(21,301,968)	(19,144,708)	(2,512,427)	9,960,546	4,461,443	17,506,749
Change in net position – primary government	\$ (3,629,674)	\$ (8,689,419)	\$(52,272,741)	\$(41,601,945)	\$(61,020,276)	\$(44,092,210)	\$(16,119,768)	\$ 17,684,826	\$ 195,264	\$ 17,506,749

City of Flint
Statistical Section
Financial Trend Information – Schedule 4
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 *</u>	<u>2012*</u>	<u>2013*</u>	<u>2014*</u>	<u>2015</u>
General fund										
Restricted	\$ 1,222,171	\$ 68,624	\$ 177,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	-	-	-	1,586,995	-	-	-	-
Unreserved, designated for City jail	-	1,235,672	-	-	-	-	-	-	-	-
Assigned	2,512,158	3,817,088	-	-	-	-	-	-	-	-
Unassigned (deficit)	<u>5,180,925</u>	<u>1,230,310</u>	<u>(7,046,820)</u>	<u>(10,113,744)</u>	<u>(14,621,546)</u>	<u>(8,863,134)</u>	<u>(19,184,850)</u>	<u>(12,895,642)</u>	<u>(8,961,427)</u>	<u>3,346,327</u>
Total general fund (deficit)	8,915,254	6,351,694	(6,869,370)	(10,113,744)	(14,621,546)	(7,276,139)	(19,184,850)	(12,895,642)	(8,961,427)	3,346,327
All other governmental funds										
Nonspendable	-	-	-	-	-	1,180,246	-	-	-	-
Assigned	8,485,398	7,519,456	3,591,002	7,190,250	1,872,197	-	-	-	-	-
Restricted, reported in:										
Special revenue funds	12,365,247	10,545,714	10,898,987	10,342,879	2,680,319	4,245,293	5,378,647	5,565,138	19,148,642	18,233,919
Debt service funds	6,721	7,067	7,163	7,163	7,163	7,163	7,163	7,163	7,962	10,720
Capital projects funds	996,232	812,881	3,460,669	304,138	1,831,338	1,657,446	1,630,490	2,597,719	9,335,338	8,174,463
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(108,770)</u>
Total all other governmental funds	21,853,598	18,885,118	17,957,821	17,844,430	6,391,017	7,091,815	7,016,300	8,170,020	28,491,942	26,310,332
Total governmental fund balance	\$ 30,768,852	\$ 25,236,812	\$ 11,088,451	\$ 7,730,686	\$ (8,230,529)	\$ (184,324)	\$(12,168,550)	\$ (4,725,622)	\$ 19,530,515	\$ 29,656,659

In 2011, there was a prior period adjustment in the General Fund, see Note 1

* Fund balance classifications were changed as a result of implementation of GASB 54

City of Flint
Statistical Section
Financial Trend Information – Schedule 5
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenue										
Property taxes	\$ 25,498,982	\$ 25,968,722	\$ 25,801,396	\$ 25,102,279	\$ 19,211,219	\$ 18,035,252	\$ 14,409,390	19,213,064	18,189,649	16,698,873
Income taxes	19,660,536	18,717,312	16,516,416	14,277,939	13,551,247	14,396,346	14,839,999	14,674,274	13,038,276	14,314,826
Federal revenue	7,546,232	9,813,891	7,098,114	7,538,586	12,414,929	19,718,598	21,573,103	23,822,041	20,035,608	13,493,216
State-shared revenues (and grants)	33,546,805	29,486,652	29,890,165	29,839,715	27,770,303	26,927,022	22,544,231	24,262,024	19,467,727	21,699,780
Licenses and permits	2,574,399	2,182,735	2,274,072	2,348,165	2,440,648	3,220,060	2,639,995	3,410,508	1,502,536	1,144,948
Fines and forfeitures	2,603,615	3,517,872	3,577,563	3,429,032	2,470,584	2,087,179	2,148,127	2,415,648	3,090,045	2,450,924
Charges for services	9,426,545	10,108,460	10,376,662	11,708,234	11,230,300	12,487,478	12,486,081	11,594,534	9,627,796	7,975,310
Local grants	931,252	633,911	1,413,470	2,510,298	1,961,589	-	-	-	632,458	582,869
Interest and other	3,796,181	4,046,407	3,499,428	2,732,572	2,825,591	12,104,122	3,624,681	7,142,900	7,016,496	4,976,610
Total revenue	105,584,547	104,475,962	100,447,286	99,486,820	93,876,410	108,976,057	94,265,607	106,534,993	92,600,591	83,337,356
Expenditures										
Current:										
Legislative	1,274,989	1,100,228	1,164,844	1,196,266	1,176,953	1,226,475	1,214,229	344,227	338,638	557,841
Judicial	5,325,026	5,834,563	6,367,737	5,113,532	5,468,994	5,292,589	5,595,856	4,955,003	5,181,415	5,294,069
General government	12,385,713	12,468,418	13,094,727	11,862,417	10,976,896	16,875,964	10,905,195	7,999,801	7,466,619	11,033,750
Public safety	44,067,519	49,277,571	57,195,849	47,262,636	44,823,709	42,520,146	41,397,991	44,194,639	42,371,672	38,757,525
Building inspections	4,669,425	3,943,583	4,624,961	4,266,994	6,604,061	7,335,776	7,013,352	4,170,534	2,444,768	1,573,780
Public works	20,743,060	21,802,572	34,462,549	20,571,899	20,379,499	16,950,515	15,775,327	15,285,853	14,608,856	15,801,065
Parks & Recreation	4,254,071	5,257,766	6,000,142	4,538,348	4,340,478	9,278,896	15,383,788	8,328,093	2,729,358	2,980,851
Community development	9,391,721	7,587,157	5,973,575	6,398,469	14,899,707	8,285,404	8,427,928	9,379,517	6,750,331	5,582,858
Debt Service:										
Principal	2,844,077	1,639,228	2,076,203	2,035,905	2,292,187	2,040,435	941,435	896,977	1,218,524	1,239,070
Interest and fiscal charges	436,945	586,217	738,835	881,328	675,147	623,873	837,291	1,038,376	1,203,212	1,168,901
Total expenditures	105,392,546	109,497,303	131,699,422	104,127,794	111,637,631	110,430,073	107,492,392	96,593,020	84,313,393	83,989,710
Excess of revenue over (under) expenditures	192,001	(5,021,341)	(31,252,136)	(4,640,974)	(17,761,221)	(1,454,016)	(13,226,785)	9,941,973	8,287,198	(652,354)
Other Financing Sources (Uses)										
Debt issuance	3,840,000	-	18,369,192	1,875,000	-	8,000,000	-	-	-	7,000,000
Sale of fixed assets	678,848	39,425	35,610	7,782	54,195	1,750	24,300	100	16,800	500
Interest expense	-	-	-	(104,697)	-	-	-	-	-	-
Transfers in	4,569,980	1,306,256	776,424	5,361,005	3,581,463	6,855,239	7,594,781	5,518,457	6,669,791	5,454,157
Transfers out	(4,569,980)	(1,856,380)	(2,077,451)	(5,960,578)	(1,835,652)	(5,356,768)	(6,376,522)	(1,028,457)	(2,608,248)	(1,676,159)
Total other financing sources (uses)	4,518,848	(510,699)	17,103,775	1,178,512	1,800,006	9,500,221	1,242,559	4,490,100	4,078,343	10,778,498
Net change in fund balances	4,710,849	(5,532,040)	(14,148,361)	(3,462,462)	(15,961,215)	8,046,205	(11,984,226)	14,432,073	12,365,541	10,126,144
Fund balances – beginning of year	26,058,003	30,768,852	25,236,812	11,088,451	7,730,686	(8,230,529)	(184,324)	(12,168,550)	7,164,974	19,530,515
Fund balances – end of year	\$ 30,768,852	\$ 25,236,812	\$ 11,088,451	\$ 7,625,989	\$ (8,230,529)	\$ (184,324)	\$ (12,168,550)	\$ 2,263,523	\$ 19,530,515	\$ 29,656,659
Ratio of total debt service expenditures to noncapital expenditures	3.21%	2.07%	2.18%	2.88%	2.73%	2.47%	1.68%	2.04%	2.96%	2.95%

City of Flint
Statistical Section
Revenue Capacity Information – Schedule 6
Taxable Value and Actual Value of Taxable Property
Since 2001 – Last Fourteen Fiscal Years

Tax Year	Fiscal year ended June 30,	Taxable Value by Property Type:					Tax Rate (mills)	Estimated Actual Value	Taxable Value as a % of Actual	Facilities Tax Abated Taxable Value
		Real Property:			Personal Property	Total Taxable Value				
		Residential	Commercial	Industrial						
2001	2002	\$ 735,141,459	\$ 213,306,825	\$ 195,586,761	\$ 395,076,836	\$ 1,539,111,881	56.8956	\$ 3,511,923,954	43.83%	\$ 92,409,000
2002	2003	773,884,137	221,047,898	187,870,246	387,314,141	1,570,116,422	56.8103	3,607,345,434	43.53%	90,951,800
2003	2004	799,987,359	214,010,263	206,211,779	365,427,300	1,585,636,701	55.6705	3,650,323,064	43.44%	80,787,500
2004	2005	827,296,569	216,263,221	209,511,131	345,183,800	1,598,254,721	56.9759	3,727,536,086	42.88%	82,758,600
2005	2006	859,573,375	221,731,987	216,022,960	358,327,845	1,655,656,167	56.9759	3,796,650,962	43.61%	66,498,151
2006	2007	901,052,488	227,755,465	214,355,673	337,708,900	1,680,872,526	56.9705	3,894,475,000	43.16%	92,789,751
2007	2008	943,643,241	233,136,810	204,025,343	317,960,800	1,698,766,194	58.6748	3,932,588,200	43.20%	103,753,679
2008	2009	944,469,331	224,215,379	188,255,857	286,484,300	1,643,424,867	58.6748	3,821,928,000	43.00%	84,654,733
2009	2010	898,762,329	217,485,191	168,241,617	221,121,300	1,505,610,437	58.6750	3,296,817,600	45.67%	83,166,191
2010	2011	799,683,301	216,082,248	146,733,154	142,622,700	1,305,121,403	65.3850	2,786,085,200	46.84%	74,687,017
2011	2012	677,714,706	204,695,601	100,228,398	164,150,300	1,146,789,005	62.8550	2,383,030,600	48.12%	48,290,169
2012	2013	505,714,706	196,112,442	129,649,913	158,959,800	991,241,706	66.3548	1,938,259,600	51.14%	42,861,946
2013	2014	362,867,708	181,351,218	77,833,577	154,602,400	776,654,903	66.4550	1,590,344,800	48.84%	27,773,300
2014	2015	358,826,466	174,669,232	78,779,274	146,551,100	758,826,072	66.4550	1,563,630,500	48.27%	17,607,300
2015	2016	351,627,021	175,031,857	67,448,512	155,838,600	749,945,990	66.9603	1,550,764,900	48.36%	19,771,400

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.

Source: City Assessor

**City of Flint
Statistical Section
Revenue Capacity Information – Schedule 7
Direct and Overlapping Property Tax Rates
Since 2000 – Last Fifteen Fiscal Years**

Fiscal Year Ending	Millage Rates – Direct City Taxes						Overlapping Tax Rates*				
	General Operating	Public Improve- ments	Police	Public Transp	Parks & Rec	Public Safety	Total Direct Taxes**	Waste Collection	Paramedic Services	Genesee County	County Parks & Recreation
2001	7.5000	2.5000	2.0000	0.6000	0.5000	0.0000	13.1000	3.0000	0.4906	5.5735	0.4906
2002	7.5000	2.5000	2.0000	0.6000	0.5000	0.0000	13.1000	3.0000	0.4886	5.5512	0.4886
2003	7.5000	2.5000	2.0000	0.6000	0.5000	0.0000	13.1000	3.0000	0.4861	5.5228	0.4861
2004	7.5000	2.5000	2.0000	0.6000	0.5000	0.0000	13.1000	3.0000	0.4849	5.5095	0.4849
2005	7.5000	2.5000	2.0000	0.6000	0.5000	0.0000	13.1000	3.0000	0.4849	5.5095	0.4849
2006	7.5000	2.5000	2.0000	0.6000	0.5000	0.0000	13.1000	3.0000	0.4849	5.5072	0.4849
2007	7.5000	2.5000	2.0000	0.6000	0.5000	0.0000	13.1000	3.0000	0.4847	7.2072	0.4847
2008	7.5000	2.5000	2.0000	0.6000	0.5000	0.0000	13.1000	3.0000	0.4847	7.2072	0.4847
2009	7.5000	2.5000	2.0000	0.6000	0.5000	0.0000	13.1000	3.0000	0.4847	7.2072	0.4847
2010	7.5000	2.5000	2.0000	0.6000	0.5000	0.0000	13.1000	3.0000	0.4847	7.2072	0.4847
2011	7.5000	2.5000	2.0000	0.6000	0.5000	0.0000	13.1000	3.0000	0.4847	7.2072	0.4847
2012	7.5000	2.5000	2.0000	0.6000	0.5000	0.0000	13.1000	3.0000	0.4847	7.2072	0.4847
2013	7.5000	2.5000	2.0000	0.6000	0.5000	6.0000	19.1000	-	0.4847	7.3072	0.4847
2014	7.5000	2.5000	2.0000	0.6000	0.5000	6.0000	19.1000	-	0.4847	7.3072	0.4847
2015	7.5000	2.5000	2.0000	0.6000	0.5000	6.0000	19.1000	-	0.4847	7.5472	0.7500

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.

In 2007, the County Millage increased with the addition of a Senior Citizen Millage of 0.7000 and a Health Care Services Millage of 1.0000.

An additional 6.7100 mills was placed on the 2010-11 winter roll – one-time Court-Ordered Levy (Genesee Towers Judgement).

In 2012, the County Millage increased with the addition of a Veterans Services Millage of 0.1000 and an increase in the Flint Public Library Millage of 0.5000 Mills. The Direct City Taxes increased by 6.0 mills with the addition of the Public Safety Millage and decreased by 0.3000 mills with the elimination of the Waste Collection Millage.

In 2014, the County Millage increased with the addition of a Michigan State University Extension Millage of 0.04 and a Genesee Animal Control Millage of 0.2

Source: City Audit Dept. / City Assessor

**City of Flint
Statistical Section
Revenue Capacity Information – Schedule 7
Direct and Overlapping Property Tax Rates
Since 2000 – Last Fifteen Fiscal Years**

Overlapping Tax Rates*									Total Tax Rate	
Tax Year	Bishop Airport	MTA	District Library	Michigan S.E.T.	Mott Community College	Intermediate School District	School: Homestead	School: Non-homestead	Homestead	Non-homestead
2001	0.4906	0.3996	2.9000	6.0000	2.8672	3.5835	0.0000	18.0000	38.8956	56.8956
2002	0.4886	0.3980	2.9000	6.0000	2.8280	3.5673	0.0000	18.0000	38.8103	56.8103
2003	0.4861	0.3959	2.9000	5.0000	2.7466	3.5469	0.0000	18.0000	37.6705	55.6705
2004	0.4849	0.7949	2.9000	6.0000	2.6807	3.5361	0.0000	18.0000	38.9759	56.9759
2005	0.4849	0.7949	2.9000	6.0000	2.6807	3.5361	0.0000	18.0000	38.9759	56.9759
2006	0.4849	0.7949	2.9000	6.0000	2.6796	3.5341	0.0000	18.0000	38.9705	56.9705
2007	0.4847	0.7998	2.9000	6.0000	2.6796	3.5341	0.0000	18.0000	40.6748	58.6748
2008	0.4847	0.7998	2.9000	6.0000	2.6796	3.5341	0.0000	18.0000	40.6748	58.6748
2009	0.4847	0.7998	2.9000	6.0000	2.6796	3.5341	0.0000	18.0000	40.6748	58.6748
2010	0.4847	0.7998	2.9000	6.0000	2.6796	3.5341	0.0000	18.0000	40.6748	58.6748
2011	0.4847	0.7998	2.9000	6.0000	2.8596	3.5341	4.0000	22.0000	44.8548	62.8548
2012	0.4847	0.8000	2.9000	6.0000	2.8596	3.5341	4.0000	22.0000	44.8550	62.8550
2013	0.4847	0.8000	3.4000	6.0000	2.8596	3.5341	4.0000	22.0000	48.4550	66.4550
2014	0.4847	0.8000	3.4000	6.0000	2.8596	3.5341	4.0000	22.0000	48.4550	66.4550
2015	0.4847	0.8000	3.4000	6.0000	2.8596	3.5341	4.0000	22.0000	48.9603	66.9603

City of Flint
Statistical Section
Revenue Capacity Information – Schedule 8
Principal Property Taxpayers
Current Year and Ten Years Ago

Taxpayer	2015			2006		
	Assessed Value	Rank	Percentage of Total City Assessed Value	Assessed Value	Rank	Percentage of Total City Assessed Value
Consumers Power Co	\$ 58,421,200	1	7.47%	\$ 40,970,907	3	2.10%
General Motors LLC *	52,439,000	2	6.71%	299,125,876	1	15.36%
Barette Outdoor Living, Inc	6,430,500	3	0.82%			
Matthews Drive LLC	5,328,600	4	0.68%			
IINN, Inc	5,272,500	5	0.67%			
Saginaw & Court Assoc	4,539,000	6	0.58%			
Comcast Cablevision	3,961,700	7	0.51%			
A I – Genesee LLC	3,936,700	8	0.50%			
PPG Industries	3,653,900	9	0.47%	5,668,846	7	0.29%
Evergreen Regency Townhome	3,162,600	10	0.40%			
Delphi Automotive				93,517,172	2	4.80%
The Herald Company, Inc. (Flint Journal)				8,468,867	4	0.43%
UPF				6,204,705	5	0.32%
Automotive Component Carriers				5,852,874	6	0.30%
Michigan Coca-Cola Bottling				5,180,443	8	0.27%
Citizens Bank (First Merit)				4,835,839	9	0.25%
McDonald Dairy/Country Fresh				4,795,562	10	0.25%
Total Assessed Value, Top Ten	<u>\$ 147,145,700</u>		<u>18.82%</u>	<u>\$ 474,621,091</u>		<u>24.37%</u>
* Includes AC Rochester						
Total Ad Valorem Assessed Value	<u>\$ 781,815,250</u>			<u>\$ 1,947,237,500</u>		

Source: City Assessor

City of Flint
Statistical Section
Revenue Capacity Information – Schedule 9
Property Tax Levies and Collections
Since 2000 – Last Fifteen Fiscal Years

Tax Year ^(a)	Fiscal year ended June 30,	Total Tax Levy ^(b)	Current Tax Collections	Percent of Current Taxes Collected ^(c)	Delinquent Tax Collections ^(d)	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
2000	2001	\$ 25,446,591	\$ 22,338,786	87.79%	\$ 2,721,703	\$ 25,060,489	98.48%
2001	2002	24,516,058	21,395,879	87.27%	2,344,978	23,740,857	96.84%
2002	2003	25,848,083	22,817,811	88.28%	2,403,504	25,221,315	97.58%
2003	2004	25,943,768	22,764,388	87.75%	2,880,345	25,644,733	98.85%
2004	2005	26,133,367	23,305,046	89.18%	2,232,901	25,537,947	97.72%
2005	2006	26,888,875	23,430,440	87.14%	3,270,819	26,701,259	99.30%
2006	2007	27,607,211	23,476,574	85.04%	4,105,854	27,582,428	99.91%
2007	2008	27,751,506	23,381,424	84.25%	3,769,660	27,151,084	97.84%
2008	2009	25,297,684	20,838,394	82.37%	3,236,819	24,075,213	95.17%
2009	2010	22,864,857	18,580,520	81.26%	3,370,201	21,950,721	96.00%
2010	2011	21,029,361	16,565,947	78.78%	2,865,096	19,431,043	92.40%
2011	2012	18,022,914	14,245,037	79.04%	1,620,980	15,866,017	88.03%
2012	2013	28,192,664	19,113,565	67.80%	5,020,599	24,134,164	85.60%
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	21,518,002	82.88%

^[a] Taxes are levied on the first day of the subsequent fiscal year.

^[b] Does not include Flint Downtown Development Authority levies.

^[c] This column reflects the percent of the levy for a given year which was collected during that year.

^[d] 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 for years beginning in fiscal year 1980 were returned to and paid for by the 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.

In 2013, Refuse Collection and Street Lighting became Special Assessments. A Public Safety millage was passed by citizens to support Police and Fire

Source: City Finance Dept. – Audit Division

City of Flint
Statistical Section
Debt Capacity Information – Schedule 10
Ratios of Outstanding Debt
Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities										
General obligation bonds	\$ 6,765,000	\$ 5,490,000	\$ 14,180,000	\$ 12,830,000	\$ 11,345,000	\$ 9,735,000	\$ 9,490,000	\$ 9,230,000	\$ 8,955,000	\$ 8,665,000
Local government loan	-	-	-	-	-	8,000,000	8,000,000	7,815,000	7,620,000	7,420,000
Special assessment bonds	-	-	-	-	-	-	-	-	-	7,000,000
Revenue bonds	-	-	-	-	-	-	-	-	-	-
Notes payable	7,140,580	6,776,354	13,587,306	15,193,175	13,969,551	13,866,079	13,414,642	12,962,665	12,214,143	11,465,073
Capital leases	-	-	854,136	437,362.91	398,088	286,104	643,039	375,244	195,390	818,935
Total governmental activities	13,905,580	12,266,354	28,621,442	28,460,538	25,712,639	31,887,183	31,547,681	30,382,909	28,984,533	35,369,008
Business type activities										
General obligation bonds	1,688,571	371,634	250,740	125,370.00	-	-	-	-	-	-
Installment purchase agreements	-	-	-	-	-	-	-	-	-	-
Special assessment bonds	-	-	-	-	-	-	-	-	-	-
Revenue bonds	105,849,432	101,794,432	97,094,432	91,289,015	122,651,259	117,225,336	25,955,336	23,840,336	21,675,336	20,770,336
Notes payable	332,985	265,719	194,776	119,958	41,054	-	-	-	-	-
Capital leases	3,446,408	1,539,212	75,384	514,243	-	-	-	-	-	1,763,688
Total business-type activities	111,317,396	103,970,997	97,615,332	92,048,586	122,692,313	117,225,336	25,955,336	23,840,336	21,675,336	22,534,024
Total debt of the government	\$ 125,222,976	\$ 116,237,351	\$ 126,236,774	\$ 120,509,124	\$ 148,404,952	\$ 149,112,519	\$ 57,503,017	\$ 54,223,245	\$ 50,659,869	\$ 57,903,032
Total residential personal income	\$ 2,071,630,014	\$ 1,684,426,650	\$ 1,059,356,000	\$ 713,773,437	\$ 505,681,850	\$ 424,438,563	\$ 385,354,047	\$ 384,627,255	\$ 308,782,006	\$ 341,319,125
Total debt as percentage of personal income	6.04%	6.90%	11.92%	16.88%	29.35%	35.13%	14.92%	14.10%	16.41%	16.96%
Total population	117,271	115,821	114,449	112,857	111,475	102,434	101,558	100,515	99,763	99,002
Total debt per capita	1,067.81	1,003.59	1,103.00	1,067.80	1,331.28	1,455.69	566.21	539.45	507.80	584.87

City of Flint
Statistical Section
Debt Capacity Information – Schedule 11
Ratios of General Bonded Debt Outstanding
Since 2001 – Last Fifteen Fiscal Years

Fiscal Year	Tax-Limited General			Debt as a			Debt per Capita
	Obligation Bonds (LTGO)	Other General Obligation Debt	Net General Bonded Debt	Taxable Value	Percentage of Taxable Value	Population	
2001	\$ 7,731,724	\$ 4,959,681	\$ 12,691,405	\$ 1,593,968,738	0.81%	124,943	101.58
2002	8,145,494	5,344,772	13,490,266	1,570,116,422	0.85%	123,349	109.37
2003	4,825,137	5,234,849	10,059,986	1,585,636,701	0.63%	121,308	82.93
2004	2,455,000	4,576,342	7,031,342	1,598,254,721	0.42%	119,949	58.62
2005	9,175,000	3,888,684	13,063,684	1,655,656,167	0.78%	118,596	110.15
2006	6,765,000	7,140,580	13,905,580	1,680,872,526	0.82%	117,271	118.58
2007	5,490,000	6,776,354	12,266,354	1,698,766,194	0.75%	115,821	105.91
2008	14,180,000	13,587,306	27,767,306	1,643,424,867	1.84%	114,449	242.62
2009	12,830,000	15,193,175	28,023,175	1,505,610,437	1.86%	112,857	248.31
2010	9,910,000	13,969,551	23,879,551	1,305,121,403	1.83%	111,475	214.21
2011	9,735,000	13,866,079	23,601,079	1,146,789,005	2.06%	102,434	230.40
2012	9,490,000	13,414,642	22,904,642	991,241,706	2.31%	101,558	225.53
2013	9,230,000	8,190,244	17,420,244	776,654,903	2.24%	101,515	174.62
2014	8,955,000	7,620,000	16,575,000	754,826,072	2.20%	99,763	166.14
2015	8,665,000	14,420,000	23,085,000	749,945,990	3.08%	99,002	233.18

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

City of Flint
Statistical Section
Debt Capacity Information – Schedule 12
Direct and Overlapping Governmental Activities Debt
Current Fiscal Year

Governmental Unit	Fiscal Year 2015		
	Debt Outstanding	Estimated % Applicable *	Estimated Share of Overlapping Debt
Overlapping Debt:			
Genesee County	\$ 22,052,171	14.22%	\$ 3,135,819
Flint School District	29,557,389	100.00%	29,557,389
Genesee Intermediate School District	8,527,182	14.22%	1,212,565
Airport Authority	16,813,610	14.22%	2,390,895
Mott Community College	50,630,000	14.22%	7,199,586
Carman School District	36,195,536	13.20%	4,777,811
Kearsley School District	193,389	2.00%	3,868
Swartz Creek School District	13,224,559	75.00%	9,918,419
Westwood Heights School District	-	2.12%	-
Mass Transit Authority	2,997,651	14.22%	426,266
Flint Public Library	-	14.22%	-
Total Overlapping Debt			58,622,618
Direct City Debt			28,996,309
Total Direct and Overlapping Debt			<u>\$ 87,618,927</u>

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

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
Statistical Section
Debt Capacity Information – Schedule 13
Legal Debt Margin
Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Calculation of legal debt limit:										
Assessed valuation	\$ 1,947,237,500	\$ 1,966,294,100	\$ 1,910,964,000	\$ 1,648,408,800	\$ 1,393,042,600	\$ 1,191,515,300	\$ 969,129,800	\$ 795,172,400	\$ 781,815,250	\$ 749,945,990
7% of assessed valuation *	\$ 136,306,625	\$ 137,640,587	\$ 133,767,480	\$ 115,388,616	\$ 97,512,982	\$ 83,406,071	\$ 67,839,086	\$ 55,662,068	\$ 54,727,068	\$ 52,496,219
Calculation of debt subject to limit:										
Total bonded debt at June 30	\$ 114,303,502	\$ 107,656,066	\$ 111,525,172	\$ 120,509,125	\$ 146,969,952	\$ 149,112,519	\$ 57,503,017	\$ 54,223,245	\$ 50,464,479	\$ 49,357,871
Less debt not subject to limitation under City Charter and State Statute:										
Revenue bonds and notes	\$ 105,849,932	\$ 101,794,432	\$ 97,094,432	\$ 107,670,125	\$ 137,059,952	\$ 139,377,519	\$ 48,013,014	\$ 44,993,245	\$ 21,675,336	\$ 20,770,336
Debt subject to limitation (net debt)	\$ 8,453,570	\$ 5,861,634	\$ 14,430,740	\$ 12,839,000	\$ 9,910,000	\$ 9,735,000	\$ 9,490,003	\$ 9,230,000	\$ 28,789,143	\$ 28,587,535
Legal debt margin (unused debt limitation)	\$ 127,853,055	\$ 131,778,953	\$ 119,336,740	\$ 102,549,616	\$ 87,602,982	\$ 73,671,071	\$ 58,349,083	\$ 46,432,068	\$ 25,937,925	\$ 23,908,684
Net debt subject to limit as % of debt limit	6.20%	4.26%	10.79%	11.13%	10.16%	11.67%	13.99%	16.58%	52.60%	54.46%

*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. Above calculations continue previous practice and are consistent with State Statutes.

Source: Long-term debt in section "Notes to Basic Financial Statements"

City of Flint
Statistical Section
Debt Capacity Information – Schedule 14
Pledged-Revenue Coverage – Water Fund Revenue Bonds
Since 2000 – Last Fifteen Fiscal Years

Water Fund Revenue Bonds

Fiscal Year	Gross Revenues	Applicable		Debt Service			Coverage*
		Expenses	Net Revenues	Principal	Interest	Total	
2001	19,693,803	19,983,844	(290,041)	285,000	86,391	371,391	(0.78)
2002	25,958,863	20,977,797	4,981,066	605,000	216,397	821,397	6.06
2003	28,037,317	23,728,120	4,309,197	985,000	454,072	1,439,072	2.99
2004	31,517,778	26,870,741	4,647,037	1,015,000	562,644	1,577,644	2.95
2005	31,160,636	24,853,717	6,306,919	1,040,000	740,160	1,780,160	3.54
2006	34,748,443	26,412,277	8,336,166	1,810,000	914,677	2,724,677	3.06
2007	33,692,378	27,638,175	6,054,203	1,860,000	934,902	2,794,902	2.17
2008	34,710,752	28,891,858	5,818,894	1,905,000	891,611	2,796,611	2.08
2009	34,080,677	33,478,038	602,639	1,945,000	849,427	2,794,427	0.22
2010	31,956,754	32,012,727	(55,973)	2,040,000	753,906	2,793,906	(0.02)
2011	36,762,663	37,970,203	(1,207,540)	2,140,923	754,013	2,894,936	(0.42)
2012	44,854,439	37,694,085	7,160,354	2,060,000	694,504	2,754,504	2.60
2013	49,903,867	38,525,937	11,377,930	211,500	787,584	999,084	11.39
2014	43,552,152	38,889,565	4,662,587	2,165,000	571,478	2,736,478	1.70
2015	33,808,810	26,142,389	7,666,421	905,000	530,571	1,435,571	5.34

Notes: Previous revenue bonds were fully paid during 1995. A new issue began in 2000.

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.*

City of Flint
Statistical Section
Demographic and Economic Information – Schedule 15
Demographic and Economic Statistics
Last Fifteen Calendar Years

Calendar Year	Population	Personal Income	Per Capita Personal Income *	Michigan Labor Market – Jobless Rate for Flint only
2000	124,943	\$ 2,861,065,143	\$ 22,899	8.1%
2001	123,349	2,371,144,784	19,223	10.8%
2002	121,308	2,595,966,375	21,400	13.1%
2003	119,949	2,505,060,765	20,884	14.7%
2004	118,596	2,150,985,535	18,137	14.4%
2005	117,271	2,071,630,014	17,665	13.8%
2006	115,821	1,684,426,650	14,543	14.3%
2007	114,449	1,059,356,000	9,256	14.5%
2008	112,857	713,773,437	6,325	17.7%
2009	111,475	505,681,850	4,536	24.4%
2010	102,434	424,438,563	4,144	23.4%
2011	101,558	385,354,047	3,794	18.9%
2012	100,515	384,627,255	3,827	16.6%
2013	99,763	308,782,006	3,095	15.6%
2014	99,002	341,319,125	3,448	11.7%

*Sources: Michigan Dept. of Technology, Management & Budget – Labor Market Information
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.*

City of Flint
Statistical Section
Demographic and Economic Information – Schedule 16
Principal Employers (# of W-2s)
Current Year and Ten Years Ago

Taxpayer		FY 2015	Percentage of Total	FY 2006 (2005)	Percentage of Total	2005 Rank
		(2014) Employees		Employees		
1	General Motors Corp/Motors Liquidation Co	8,695	19.35%	17,854	23.33%	1
2	McLaren Regional Medical Center	3,020	6.72%	2,498	3.26%	6
3	Hurley Medical Center	2,984	6.64%	2,861	3.74%	5
4	University of Michigan	2,737	6.09%			
5	Genesee County	1,906	4.24%	2,880	3.76%	4
6	CS Mott Community College	1,785	3.97%			
7	Flint School District	1,676	3.73%	4,698	6.14%	3
8	Diplomat Pharmacy	1,064	2.37%			
9	State of Michigan	950	2.11%	1,208	1.58%	7
10	City of Flint	760	1.69%	1,098	1.43%	8
	Delphi Automotive Systems			5,506	7.19%	2
	United States Postal Service			833	1.09%	9
	Genesys Health Systems			815	1.06%	10
		25,577	56.91%	40,251	52.59%	
	Total Employees Working in City	44,944		76,537		

Note: Delphi split from General Motors in 1999

Source: City of Flint Income Tax Division

City of Flint
Statistical Section
Operating Information – Schedule 17
Full-time Equivalent Government Employees
Last Ten Fiscal Years (as of June 30)

Function / Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Administration										
City Administration	1.0	2.0	2.0	2.0	6.0	5.0	1.0	1.0	2.0	3.0
Mayor's Office	3.0	10.0	9.0	5.0	2.0	3.0	2.0	2.0	2.0	2.0
Mayor's Office on Human Services	-	-	-	-	-	-	-	-	-	-
Legal Department	6.0	11.0	12.0	10.0	12.0	11.5	9.0	8.0	8.0	8.0
City Clerk's Office (not including election workers)	8.0	6.0	7.0	6.0	6.0	6.0	6.0	5.0	5.0	5.0
City Council	13.0	12.0	12.0	12.0	12.0	11.0	2.0	1.0	2.0	2.0
Ombudsman's Office	1.5	2.0	5.0	2.0	2.5	2.0	-	-	-	-
Human Resources – Personnel & Labor Relations	7.0	7.0	7.0	7.0	12.0	11.0	7.0	5.0	7.0	5.0
Civil Service Commission	2.0	2.0	0.5	1.0	1.0	1.0	-	-	-	-
Human Relations Commission	2.0	2.0	3.0	2.0	2.0	1.5	1.0	-	-	-
Union Representatives	3.0	3.0	3.0	3.0	3.0	3.0	3.0	1.0	1.0	1.0
68th District Court	51.0	52.0	52.0	63.0	55.0	49.0	35.0	30.0	30.0	28.0
Finance Administration										
Finance Department/Payroll/Retirement	18.0	17.0	19.0	14.0	14.0	12.0	8.0	8.0	8.0	8.0
Treasury/Customer Service/Income Tax Assessment	50.0	50.0	51.0	42.0	36.0	33.0	26.0	21.0	18.0	20.0
Budget Management	12.0	11.0	13.0	12.0	10.5	9.0	8.0	8.0	9.0	9.0
Information Services/Data Processing	2.0	2.0	2.0	1.0	1.0	-	-	-	-	-
	18.0	17.0	17.0	14.0	14.0	14.0	11.0	6.0	5.0	4.0
Benefits/Risk Management										
Insurance, Risk & Benefits Management	9.0	9.0	9.0	9.0	4.0	4.0	4.0	-	-	-
Public Service Attendants	20.0	21.0	20.0	16.0	14.0	10.0	15.0	-	-	-
Purchasing										
Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0
Inventory Control/Stockkeepers	5.0	5.0	8.0	6.0	6.0	5.0	5.0	-	-	-
Community & Economic Development/Major Grants	9.0	9.0	12.0	9.0	11.0	15.0	14.0	11.0	10.0	12.0
Fire Department										
Emergency 9-1-1	130.0	134.0	134.0	123.0	97.0	75.0	94.0	91.0	79.0	68.0
	29.0	28.0	28.0	26.0	25.5	25.5	23.0	22.0	22.0	18.0

City of Flint
Statistical Section
Operating Information – Schedule 17
Full-time Equivalent Government Employees
Last Ten Fiscal Years (as of June 30)

Function / Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police Department										
Sworn Officers	259.0	265.0	265.0	219.0	165.0	132.0	133.0	122.0	121.0	97.0
Civilians	32.0	32.0	35.0	28.0	23.5	18.0	15.0	22.0	17.0	14.0
Jail – Security Guards/Admin	-	-	29.0	-	-	-	-	-	-	-
School Crossing Guards (not FTEs)	27.4	23.0	25.0	25.0	25.0	34.0	31.0	24.0	29.0	29.0
Parks & Recreation										
Administration	12.0	14.0	16.0	11.0	7.0	6.0	7.0	2.0	1.0	-
Facilities Maintenance/Grounds	30.0	27.0	13.0	13.0	11.0	9.0	8.0	4.0	1.0	2
Forestry Division	7.0	12.0	10.0	3.0	3.0	3.0	-	-	-	-
Golf Division	24.0	22.0	25.7	7.0	16.0	12.0	-	-	-	-
Public Works & Utilities Administration										
Public Works & Utilities Administration	-	-	-	-	-	-	-	-	-	-
Building Inspections/Development/Demolition	25.3	28.0	27.0	15.0	21.0	26.0	27.0	9.0	12.0	13.0
Engineering	7.5	7.5	8.0	6.0	6.0	5.0	5.0	-	-	-
Fleet Management	12.0	12.0	13.0	9.0	13.0	14.0	12.0	9.0	8.0	9.0
Street Maintenance	35.0	38.0	38.0	36.0	35.0	27.0	20.0	23.0	16.0	17.0
Traffic Engineering	16.0	17.0	18.0	15.0	15.0	17.0	9.0	10.0	11.0	10.0
Waste Collection/Sanitation	41.0	42.0	43.0	37.0	29.0	33.0	27.0	-	-	-
Transportation-Director/Administration	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0
Utilities Administration	5.0	5.0	4.0	5.0	5.0	3.0	3.0	3.0	3.0	3.0
Sewer Maintenance	26.0	31.0	34.0	31.0	34.0	32.0	25.0	25.0	26.0	27.0
Water Plant	27.0	28.0	30.0	27.0	33.0	29.0	23.0	20.0	23.0	22.0
Water Pollution Control	57.0	59.0	60.0	59.0	61.0	65.0	53.0	40.0	38.0	35.0
Water Service Center	45.0	44.0	54.0	54.0	54.0	48.0	38.0	31.0	34.0	33.0
Total Staffing (excluding school crossing guards)	1,068.3	1,103.5	1,156.2	968.0	885.0	792.5	686.0	546.0	525.0	481.0

Source: City of Flint Finance Office

City of Flint
Statistical Section
Operating Information – Schedule 18
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/ program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Election Data (Calendar Year – November Elections):										
Registered voters	91,637	89,538	92,890	85,441	84,624	83,063	83,176	83,255	78,992	79,206
Voters (at the polls or absentee)	32,243	24,386	48,869	10,397	25,573	15,787	N/A	40,348	15,161	75,568
Percent voting	35.2%	27.2%	52.6%	12.2%	30.2%	19.0%		48.5%	19.2%	95.4%
68th District Court (Calendar Year):										
Number of new court cases	47,083	44,276	43,088	44,812	33,516	25,251	N/A	25,972	28,219	27,959
2007)										
Physical arrests (fiscal year beg. 2007)	5,265	7,451	10,711	4,208	2,870	1,650	1,003	3,744	2,933	1,553
Traffic violations/misdemeanors/civil infractions (fiscal)	18,064	20,316	20,995	15,022	13,105	5,351	6,752	6,318	7,408	6,300
Investigations (fiscal year beg. 2007)	17,478	23,327	25,130	19,736	19,137	16,547	7,739	12,526	11,576	12,527
Fire (Calendar Year):										
Fire runs	2,867	3,154	3,487	3,031	3,191	3,111	3,553	3,191	2,679	2,695
Emergency medical runs	4,633	3,834	4,233	2,413	3,562	3,861	3,095	3,562	1,755	1,281
Inspections	223	224	223	239	308	329	350	308	224	380
Public Works:										
Miles of streets resurfaced	51.39	49.56	33.37	22.79	25.16	113.50	6.82	4.32	-	0.75
Potholes repaired	678	715	835	850	725	750	725	700	32,486	15,511
Refuse Collection:										
Household waste & residential compost – cubic yards {A massive City clean-up campaign occurred in 2005}	133,747	125,624	141,370	109,515	116,852	110,577	93,682	100,537	114,949	101,889
Parks and Recreation (Calendar Year):										
Recreation Centers – Senior & Youth Participants	1,091	1,483	1,407	2,974	5,690	3,326	2,318	1,653	1,045	1,208
Water:										
Number of customers billed	43,278	42,068	39,745	40,191	38,977	37,437	35,833	32,702	32,085	29,596
Total consumption (ccf)	12,258,619	11,516,460	12,120,350	10,844,801	10,027,390	10,140,906	9,649,847	9,470,315	8,114,852	2,857,898
Average consumption per user (ccf)	283	274	305	270	257	271	269	290	253	97
Wastewater (Calendar Year):										
Average daily sewage treatment – gallons	26,790,000	27,700,000	24,400,000	26,200,000	20,200,000	19,000,000	21,000,000	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.

*The City no longer operated ambulance service beginning in early 2005.

General Motors

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

City of Flint
Statistical Section
Operating Information – Schedule 19
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Mini-Stations	8	6	6	6	7	9	10	5	6	6
Patrol units	88	105**	193	166	106	126	132	114	94	91
Fire:										
Stations	6	6	6	6	5	5	5	5	5	5
Fire response vehicles	17	18	18	18	15	15	14	15	14	14
Emergency response vehicles	4	3	3	3	5	5	5	4	3	3
Public Works:										
City Streets (miles):	508.60	508.60	508.39	508.39	508.39	508.39	508.39	508.18	508.18	508.18
Major streets	152.29	152.29	152.29	152.29	152.29	152.29	152.29	152.33	152.33	152.33
Local streets	356.31	356.31	356.10	356.10	356.10	356.10	356.10	355.85	355.85	355.85
Interstate Highways	10.93	10.93	10.93	10.93	10.93	10.93	10.93	10.93	10.93	10.93
Sidewalks	986.25	986.25	986.25	986.25	986.25	986.25	986.25	986.50	986.50	986.50
Streetlights	11,143	11,331	11,331	11,374	11,356	11,292	11,292	11,292	11,292	11,292
Traffic Signals/Beacons	275	276	277	277	273	273	277	252	252	252
Refuse Collection:										
Collection trucks in service***	20*	20	20	22	23	23	23	-	-	-
Parks and Recreation:										
Acreage	1,836	1,836	1,836	1,836	1,836	1,836	1,836	1,084	1,084	1,084
Developed parks/playgrounds	63	63	63	63	63	63	63	63	63	63
Baseball/softball stadiums/diamonds	29	29	29	29	29	29	29	29	29	29
Soccer/football/rugby fields	12	12	12	12	12	12	12	14	14	14
Community centers	6	6	5	5	5	5	4	2	2	2
Golf courses	4	4	4	4	4	4	2	2	2	2
Water:										
Water mains (miles)	540	540	540	540	540	540	540	540	540	540
Fire hydrants	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200
Storage capacity (gallons)	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000	57,000,000
Sewer:										
Sanitary sewers (miles)	570	570	570	570	570	570	570	570	570	570
Storm sewers (miles)	350	350	350	350	350	350	350	350	350	350
Treatment capacity (gallons/day)	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000	80,000,001	80,000,001

Source: Various City Departments

* 20 new Peterbilt garbage trucks were purchased by the City of Flint in Fiscal Year 2006 – an advance from the Sewer Fund was used to finance the purchase.

**26 Chevy Tahoes were purchased for the Police Dept. in Fiscal Year 2007 – to increase the fleet and replace vehicles that needed to be taken out of service.

***Refuse collection trucks were taken out of service with the contracting of waste collection services through a vendor

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

City of Flint
Statistical Section
Schedule 20
Employees' Retirement System – Comparative Schedule – Actuarial Valuations
Last 15 Actuarial Reports
(\$ amounts expressed in thousands)

Continuation Indicators

Valuation Date December 31	Valuation Assets	APVCPB	Funded Ratio	UAPVCPB	Ratio of UAPVCPB to		Member Payroll	Ratio of UAPVCPB to Payroll
					APVCPB			
1970	\$ 30,743	\$ 42,944	71.6%	\$ 12,201	28.4%	\$	24,771	49.3%
1975	65,805	110,317	59.7%	44,512	40.3%		46,861	95.0%
1980	137,253	220,412	62.3%	83,159	37.7%		69,971	118.8%
1985	265,158	359,784	73.7%	94,626	26.3%		92,155	102.7%
1990	431,974	472,366	91.4%	40,392	8.6%		121,143	33.3%
1995	619,272	671,095	92.3%	51,823	7.7%		137,808	37.6%
1996	663,380	736,842	90.0%	73,462	10.0%		133,943	54.8%
1997	744,457	781,300	95.3%	36,843	4.7%		139,817	26.4%
1998	806,153	820,142	98.3%	13,989	1.7%		153,425	9.1%
1999	849,487	837,540	101.4%	(11,947)	-1.4%		165,430	-7.2%
2000	880,406	887,022	99.3%	6,616	0.7%		160,047	4.1%
2001	906,960	892,262	101.6%	(14,698)	-1.6%		151,507	-9.7%
2002	871,274	955,306	91.2%	84,032	8.8%		146,558	57.3%
2003	822,813	981,884	83.8%	159,071	16.2%		148,997	106.8%
2004 *	803,420	971,686	82.7%	168,266	17.3%		150,429	111.9%
2005	784,271	985,338	79.6%	201,067	20.4%		148,319	135.6%
2006	782,098	1,023,599	76.4%	241,501	23.6%		146,634	164.7%
2007	801,533	1,071,781	74.8%	270,248	25.2%		157,012	172.1%
2008	790,384	1,104,888	71.5%	314,504	28.5%		165,730	189.8%
2008 (after MERS)	670,366	841,266	79.7%	170,900	20.3%		89,636	190.7%
2009	623,292	873,088	71.4%	249,796	28.6%		89,636	278.7%

APVCPB – actuarial present value of credited projected benefits in accordance with GASB Statement No. 5 prior to 1997.

– actuarial accrued liability in accordance with GASB Statement No. 25 beginning in 1997.

UAPVCPB – unfunded actuarial present value of credited projected benefits. Includes 13th check and mortality reserves beginning 2000.

Retirement System was amended in 1969, 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1983, 1984, 1987, 1991, 1992, 1995, 1997, 1999, and 2002.

Actuarial assumptions were revised in 1972, 1974, 1986, 2001, 2002, and 2004.

Major early retirement incentives were offered in 1994, 1995 and 1996.

* Beginning with the 2004 Valuation, the reports are issued on a Fiscal Year Basis (7/1-6/30).

Seven (7) Hurley Medical Center unions transferred to the Municipal Employees' Retirement System (MERS) in 2009.

Source: June 30, 2009 – 65th Annual Actuarial Valuation Report – Gabriel Roeder Smith & Co.

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