

City of Flint,
Michigan



Year Ended
June 30, 2022

Annual
Comprehensive
Financial Report

Prepared by:
City of Flint Finance Department

CITY OF FLINT, MICHIGAN

Table of Contents

Page

INTRODUCTORY SECTION

Elected and City Officials	1
Letter of Transmittal	2
Organizational Chart	8
GFOA Certificate	9

FINANCIAL SECTION

Independent Auditors' Report	10
-------------------------------------	----

Management's Discussion and Analysis	15
---------------------------------------------	----

Basic Financial Statements

Government-wide Financial Statements:	
Statement of Net Position	26
Statement of Activities	27
Fund Financial Statements:	
Balance Sheet – Governmental Funds	29
Reconciliation of Fund Balances of Governmental Funds to Net Position of Governmental Activities	30
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	31
Reconciliation of Net Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	32
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund	33
Grants Special Revenue Fund	34
Major Streets Special Revenue Fund	35
American Rescue Plan Act Special Revenue Fund	36
Statement of Net Position – Proprietary Funds	37
Reconciliation of Net Position of Enterprise Funds to Net Position of Business-type Activities	38
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	39
Reconciliation of Change in Net Position of Enterprise Funds to Change in Net Position of Business-type Activities	40
Statement of Cash Flows – Proprietary Funds	41
Statement of Fiduciary Net Position – Fiduciary Funds	43
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	44
Combining Statement of Net Position – Discretely Presented Component Units	46
Combining Statement of Activities – Discretely Presented Component Units	47

CITY OF FLINT, MICHIGAN

Table of Contents

	<u>Page</u>
Notes to Financial Statements	49
Required Supplementary Information	
Municipal Employees Retirement System of Michigan:	
Schedule of Changes in the City's Net Pension Liability and Related Ratios	98
Schedule of Contributions	100
Notes to Required Supplementary Information	101
Other Postemployment Benefits Plan:	
Schedule of Changes in the City's Total OPEB Liability and Related Ratios	102
Schedule of Contributions	103
Notes to Required Supplementary Information	104
Combining and Individual Fund Financial Statements and Schedules	
Nonmajor Governmental Funds:	
Combining Balance Sheet	107
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	108
Combining Balance Sheet – Nonmajor Special Revenue Funds	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	112
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Local Streets Special Revenue Fund	114
Public Safety Special Revenue Fund	115
Neighborhood Policing Special Revenue Fund	116
Parks and Recreation Special Revenue Fund	117
Street Light Special Revenue Fund	118
Rubbish Collection Special Revenue Fund	119
EDA Revolving Loan Special Revenue Fund	120
State Act 251 - Forfeiture Special Revenue Fund	121
Building Inspection Special Revenue Fund	122
CARES Act Special Revenue Fund	123
Combining Balance Sheet – Nonmajor Debt Service Funds	125
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	126
Internal Service Funds:	
Combining Statement of Net Position	128
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	129
Combining Statement of Cash Flows	130
Custodial Funds:	
Combining Statement of Fiduciary Assets and Liabilities	133
Combining Statement of Changes in Fiduciary Assets and Liabilities	134

CITY OF FLINT, MICHIGAN

Table of Contents

	<u>Page</u>
Economic Development Corporation Component Unit:	
Government-wide Financial Statements:	
Statement of Net Position	135
Statement of Activities	136
Fund Financial Statements:	
Balance Sheet – Governmental Funds	139
Reconciliation of Fund Balances of Governmental Funds to Net Position of Governmental Activities	140
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	141
Reconciliation of Net Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	142
Statement of Net Position – Proprietary Fund	143
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	144
Statement of Cash Flows – Proprietary Fund	145

STATISTICAL SECTION (UNAUDITED)

TABLE

1	Net Position by Component	148
2	Changes in Net Position - Governmental Activities	150
3	Changes in Net Position - Business-type Activities	152
4	Fund Balances Governmental Funds	154
5	Changes in Fund Balances Governmental Funds	156
6	Taxable Value and Actual Value of Taxable Property	158
7	Direct and Overlapping Property Tax Rates	160
8	Principal Property Taxpayers	164
9	Property Tax Levies and Collections	165
10	Ratios of Outstanding Debt	166
11	Ratios of General Bonded Debt Outstanding	168
12	Direct and Overlapping Governmental Activities Debt	169
13	Legal Debt Margin	170
14	Pledged-Revenue Coverage	172
15	Demographic and Economic Statistics	173
16	Principal Employers	174
17	Full-time Equivalent Government Employees	176
18	Operating Indicators by Function/Program	180
19	Capital Asset Statistics by Function/Program	182
20	Employees' Retirement System	184

INTRODUCTORY SECTION

CITY OF FLINT, MICHIGAN

ELECTED AND CITY OFFICERS

For the Year Ended June 30, 2022

Elected Officials

Sheldon Neeley - Elected Mayor November 2022

City Council

(Elected November 2021 for four-year terms)

Eric Mays - First Ward

Ladel Lewis - Second Ward

Quincy Murphy - Third Ward

Judy Priestley - Fourth Ward

Jerri Winfrey-Carter - Fifth Ward

Tonya Burns - Sixth Ward

Allie Herkenroder - Seventh Ward

Dennis Pfeiffer - Eighth Ward

Eva Worthing - Ninth Ward

Appointed and Other City Officials

Clyde Edwards – City Administrator

William Kim – City Attorney

Robert J.F. Widigan – Chief Financial Officer

Lottie Ferguson – Chief Resilience Officer

Davina Donahue – City Clerk

Terence Green – Chief of Police

Theron Wiggins – Interim Fire Chief

Eddie Smith – Human Resources & Labor Relations Director

Michael Brown – Department of Public Works Director

Suzanne Wilcox – Planning & Development Director

Amanda Trujillo – City Treasurer

Stacey Kaake – City Assessor

Aaron Cottrell – Fleet Administrator

Jeff Keen – Information Technology Director

Lauren Rowley – Purchasing Manager

Rodney McGaha – Transportation Director

Samantha Fountain – Director of Economic Development



Sheldon Neeley
Mayor

CITY OF FLINT, MICHIGAN Department of Finance

Clyde Edwards
City Administrator

Robert J.F. Widigan
Chief Financial Officer

Jennifer Ryan
Deputy Finance
Director

December 27, 2022

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

Michigan Public Act 2 of 1968 as amended, requires that all local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of Flint for the fiscal year ended June 30, 2022.

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

Rehmann Robson, Certified Public Accountants, have audited the City of Flint's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Flint for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Flint's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

The City of Flint, incorporated in 1855, is located in the eastern part of the State of Michigan. The City currently occupies a land area of 34.1 square miles and serves a population of 81,252 (2020 Census). The City is empowered to levy a property tax on both real and personal properties located within its boundaries, as well as a 1% income tax for those who live within the City limits (or .5% for those who only work within the City limits).

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

The City of Flint provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructures, recreational activities and cultural events, water and sewer services, and contracts for municipal solid waste pickup services. During the fiscal year ended June 30, 2022, the City operated a police headquarters with 127 sworn police officers, five fire stations with a fire protection force of 82, over 570 miles of sanitary sewers including 12,000 manholes, and 40,000 catch basins, over 506 miles of roads, over 900 miles of sidewalks, and 70 parks. The City’s main sources of revenue are property taxes, income taxes, State revenue sharing,

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

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

Factors Affecting Economic and Financial Condition

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

Property taxes. Property values continue to grow from \$800 million in taxable value in 2021 to roughly \$836 million in taxable value in 2022, a growth of over 4 percent. The evidence suggests that Flint is beginning to experience a sustained recovery in property tax values in the years just following the global financial crisis of 2008-09. The Administration, through the City’s Economic Development Department, will continue to seek community development opportunities as well as to work with the Genesee County Land Bank to bring vacant properties back onto the City tax rolls. Growth in property tax values are still restricted by a number of state laws.

Economic Development. Over the past two years, the City of Flint Economic Development department has facilitated investment in the community with numerous companies. To date, over 430 jobs (paying no less than 58% above the Flint per capita income) have been announced along with over \$120M of new development. This investment is across a broad spectrum of industries from automotive and construction to healthcare and technology. There is currently a large industrial project in progress at Buick City that will potentially bring 3,000 jobs and an investment of \$300 million. The City allocated \$3.25 million from ARPA funds for industrial site preparation. In addition, the City of Flint was picked as 1 of 51 “hubs” throughout the country to pilot a Community Navigator Pilot Program through the Small Business Administration at the end of 2021, to assist businesses with preparing for and accessing capital. That program is almost to the halfway point and has helped small businesses in Flint access over \$900,000 to expand their businesses.

Grants. This fiscal year, the City continued to pursue grant funding to move the City forward. In 2021, the City received a \$1 million Michigan Enhancement grant to combat blight. Additionally, the City was successful in receiving or renewing funding from local foundations that granted increased staffing capacity, aided in parks maintenance, provided support for public safety and more. There were several other grants receiving continuations or extensions, including SAMHSA’s Flint ReCAST grant for \$5 million, DOJ’s Sexual Assault Kit Initiative grant for over \$2 million, and HUD grants for lead based paint hazard control. There were many smaller grants that helped to increase staff capacity, build community partnerships and deepen the impact of city initiatives, specifically targeting environment, public health, mental health and public safety.

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

Water Plant - The City of Flint is fully immersed in a restoration plan that will upgrade the Water Treatment Plant to a new, modern, fully automated, D-1 Limited Treatment Water Plant. Engineering studies listed several areas that the City of Flint would need to develop or improve upon to achieve the “Ten State Standards” for Water Treatment. The restoration is ongoing; software upgrades are being developed to complete the full automation of the plant. In 2023, the three SCADA system servers will be replaced to complete the automation upgrade.

For the secondary backup water source to replace the Flint River, engineering included tremendous excavating and infrastructure upgrades. The secondary pipeline is completed and the operation staff has learned how to operate the new system. The City has already made use of this secondary water source during a failure with the primary pipeline. The chemical feed building project on the main water plant grounds began in August 2020. This project is almost complete, with some punch list items that need to be finished.

The Dort Pump Station is being renovated, though there were some delays due to supply chain issues. Two of the four new pumps are installed, and the last two pumps will be completed once the platform steel arrives. The Cedar Street Pump Station project will start some time in 2023 to be completed by 2024. This project has been approved as part of the State’s DWRP plan, with full forgiveness as part of ARPA grant funding. The Cedar Street reservoir restoration will take place in 2024.

Water Pollution Control - The Water Pollution Control Facility (WPCF) has secured Clean Water State Revolving Fund (CWSRF) loans to update, replace, and refurbish old, broken, and obsolete equipment. The goal is to create “state of the art” plant operation, improving energy efficiency and reducing costs. This objective has been carried forward to every plant process and the offsite lift stations.

Projects for CWSRF phase one include aeration improvements (completion spring 2023), influent structure and Battery-A grit removal rehabilitation and improvements, sludge dewatering improvements, Northwest Pumping Station improvements and bypass sewer, and ultraviolet light disinfection retrofit.

Projects for CWSRF phase two, beginning November 2021 and completing between December 2023 and July 2023, include Third Avenue Pumping Station improvements, primary settling tanks improvements, final clarifier improvements, and Battery-B grit removal and screening improvements. Projects for CWSRF phase three include upgrades to the primary electrical switchgear, rehabilitation of two force mains from the Third Avenue pumping station to the WPCF, and installation of a second unloading station for digester feed. Other projects include rehabilitating the lift stations and replacing pumps.

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

The Flint pension system has been on a downward spiral since 2014. According to its own meeting minutes in 2017, the RTAB acknowledged that the pension system was in serious trouble. Then Chief Financial Officer David Sabuda discussed with the RTAB the drastically growing MERS employer contributions. For FY2022 and FY2023, the pension contribution remains about \$32 million and is projected to increase to \$40 million in FY2024. This drastic increase made pension contributions our most significant expense in the City's budget.

Each year, an independent actuary engaged by MERS calculates the amount of the annual contribution that the City of Flint must make to the pension system to ensure that the plan will be able to meet its obligations to retired employees. The City of Flint makes monthly contributions to the system in accordance with the contribution rate determined by the independent actuary. Despite the City of Flint's funding activities, the overall retirement system, as of December 31, 2021, was only 28% funded. As of that same date, 1,689 retirees and beneficiaries are receiving pension benefits from the City of Flint, but only 464 active employees are working toward earning that benefit.

Facing this reality, the City had numerous meetings with state legislatures and our partners in Lansing. These meetings led to \$750 million being set aside in the state of Michigan budget for the Fiscal Year 2022-23 to support municipal pensions, helping ensure a promise made is a promise kept to hardworking local government employees across the state.

This is a historic moment for Flint. Thanks to the strong fiscal diligence of Mayor Neeley, his Administration, and our Lansing partners, we have helped ensure the City of Flint is financially sound for generations to come with this cash infusion of up to \$220 million into our pension fund. Based on recent analysis, \$220 million deposited into the pension plan will reduce our estimated actuarially determined contribution for that following fiscal year to around \$18 to \$19 million. In addition, there would be over \$189 million remaining in unfunded accrued liability.

As of today, we are continuously meeting with the Michigan Department of Treasury and MERS to determine when the state will award funding to the City of Flint to deposit into our retirement system.

The City of Flint also provides post-retirement health and vision care benefits for retirees and their dependents. As of June 30, 2021 (the most recent actuarial valuation), there were 1,273 retirees receiving benefits, but only 222 active participants working toward earning that benefit in retirement. Retiree healthcare benefits are financed on a pay-as-you-go basis, meaning the City is zero percent prefunded. The actuarially calculated OPEB liability related to these benefits is approximately \$196 million. During the year ended June 30, 2021, the City paid \$11.6 million in premiums and other benefits. Starting in FY2015, new employees were no longer eligible for retiree healthcare but are, instead, enrolled in a retiree medical savings account. This program will eventually eliminate retiree health care liabilities for the City. Additional information on the City of Flint's retiree healthcare plan can be found in Note 14 of the June 30, 2022 audited financial statements.

Awards and Acknowledgments

We are pleased to report that the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Flint for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that this Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022, continues to meet the Certificate of Achievement Program's requirements and we are submitting our report to the GFOA to determine its eligibility for another certificate. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance administration department and City. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Most importantly, we would like to acknowledge the contributions and sacrifices made by taxpayers, employees, and the public necessary for the City of Flint to regain its financial solvency and to become an effective force in making Flint an attractive place to live, learn, visit, and conduct business.

For the love of our community,

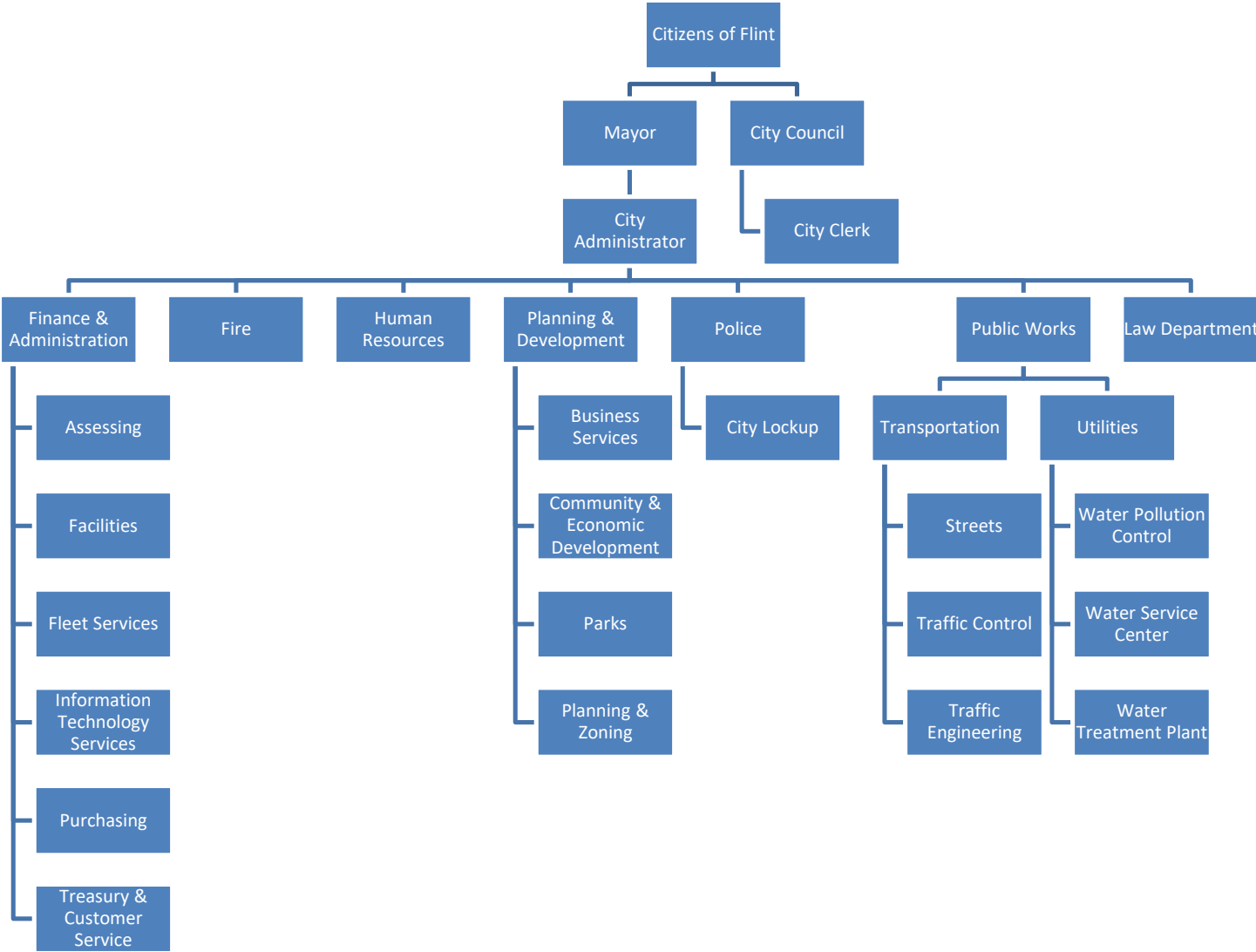
Robert J. F. Widigan

Robert J.F. Widigan
Chief Financial Officer

CLYDE D EDWARDS

Clyde Edwards
City Administrator

CITY OF FLINT - ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Flint
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

INDEPENDENT AUDITORS' REPORT

December 27, 2022

Members of the City Council
City of Flint, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Flint, Michigan** (the "City") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Flint, Michigan, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the general fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

	Percent of Assets and Deferred Outflows	Percent of Revenues	Percent of Net Position
Hurley Medical Center	96.2%	99.3%	93.7%
Downtown Development Authority	2.2%	0.6%	4.9%

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



Implementation of GASB Statement No. 87

As described in Note 19, the City implemented the provisions of GASB Statement No. 87, *Leases*, in the current year. Accordingly, beginning net position of the central maintenance garage internal service fund and governmental activities was restated. Our opinion is not modified with respect to this matter.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Independent Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated December 27, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF FLINT, MICHIGAN

Management's Discussion and Analysis

The following is a brief overview and analysis of the financial statements for the City of Flint, Michigan (the "City") for the 2022 fiscal year, which began on July 1, 2021 and ended on June 30, 2022 (FY 2021/22). The reader is encouraged to not only consider the comments made here but to review the statements in their entirety.

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

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

Financial Highlights

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

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

The City's general fund ended FY 2021/22 with a fund balance of \$19.1 million. The City's cash on hand at June 30, 2022 was \$233.8 million compared to \$197.2 million on June 30, 2021 across all governmental and business-type activities.

In FY2021/22, the City billed \$180.6 million in taxes, fees, and grants for governmental and business-type activities, and spent 141.4 million to provide City services. During the course of the year, the City's capital assets decreased by approximately \$5.5 million in governmental activities. The City's capital assets for business-type activities increased approximately \$28.2 million, which was due mainly to major additions to the sewer and water fund including aeration system (\$9.3M), northwest pump station (\$1.9M), UV disinfection (\$1.7M), sewer relining (\$1.1M), dewatering system (\$2.9M), secondary water supply (\$2.4M), lead line replacement (\$900k), Dupont & Atherton (\$425K), Court Street (\$927K), water treatment plant (\$1.3M), and water meters (\$1.2M). The increase in governmental activities is mainly in the infrastructure category and can be attributed to the Dupont and Atherton street work of \$425 thousand.

The City's statement of net position on June 30, 2022, highlights primary government assets, including deferred outflows, totaling \$766.9 million and liabilities and deferred inflows totaling \$838.2 million, for a total net position deficit of \$71.2 million. Unrestricted net position was a deficit of \$414.6 million in governmental activities and a deficit of \$15.2 million in the business-type activities. This amount was netted against positive restricted net position and positive net investment in capital assets to reach the deficit of \$71.2 million total net position on the statement of net position.

The City has a 1 percent income tax for residents and a ½ percent income tax for non-residents, Non-residents do not live in the City but work in the City of Flint. In FY 2021/22, the City's income tax revenue generated \$19.1 million (an increase from the \$15.0 million figure from FY 2020/21).

For the year ended June 30, 2022, the City has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of June 30, 2022. The City's annual Other Post Employment Benefit (OPEB) expenses recognized in FY 2021/22 was a benefit of \$(23.9) million. The City made OPEB contributions of \$9.4 million, on a pay-as-you-go basis for the fiscal year. The City's total OPEB liability decreased from \$196.0 million in 2021 to \$162.6 million in 2022.

The City adopted Governmental Accounting Standards Board (GASB) Statements 75 effective June 30, 2018. These GASB statements required the City to recognize the long-term obligation for OPEB benefits as a liability and to measure the annual costs of the OPEB benefits. Although these items existed prior to implementation of the Statement, they were not required to be reported. Additional information regarding the City's \$162.6 million total OPEB liability may be found in Note 14 to the financial statements.

Management's Discussion and Analysis

The City's pension legacy cost continue to be a significant issue for the City of Flint. During calendar year 2021 (the plan's activity is measured and reported by the calendar year instead of the fiscal year), the City contributed \$32.4 million to the MERS pension system; however, benefits paid to retirees totaled \$49.5 million. The funded status of the plan increased from 28.5% as of December 31, 2020 to 28.9% as of December 31, 2021. As of December 31, 2021, the City's unfunded pension liability totals \$391.6 million.

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

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

Management's Discussion and Analysis

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

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

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

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

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

Government-wide Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. Total assets and deferred outflows of the City are \$766.9 million. Total liabilities and deferred inflows are \$838.2 million. The largest portion of these liabilities are \$391.6 million of net pension liability and \$162.6 million of other postemployment benefit liabilities.

Total net position (total assets and deferred outflows less total liabilities and deferred inflows) is a negative \$71.2 million, this includes \$293.8 million of net investment in capital assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the remaining portion of the City's total net position, \$64.7 million represents resources which are subject to external restrictions on how they may be used. The unrestricted deficit at year end was \$429.7 million, which decreased from the FY 2020/21 deficit of \$455.8 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 \$414.6 million deficit in unrestricted net position. The \$265.2 million total governmental activities deficit is primarily driven by the pension and OPEB liability.

CITY OF FLINT, MICHIGAN

Management's Discussion and Analysis

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 210,435,677	\$ 170,296,616	\$ 201,293,037	\$ 208,580,104	\$ 411,728,714	\$ 378,876,720
Capital assets, net	88,558,227	94,106,916	241,794,691	213,644,578	330,352,918	307,751,494
	<u>298,993,904</u>	<u>264,403,532</u>	<u>443,087,728</u>	<u>422,224,682</u>	<u>742,081,632</u>	<u>686,628,214</u>
Total deferred outflows of resources	<u>20,874,465</u>	<u>19,245,143</u>	<u>3,984,710</u>	<u>3,566,609</u>	<u>24,859,175</u>	<u>22,811,752</u>
Liabilities						
Long-term debt	26,231,249	30,151,226	119,366,991	105,515,886	145,598,240	135,667,112
Pension and OPEB liabilities	435,638,841	459,092,668	118,638,908	128,258,070	554,277,749	587,350,738
Current and other liabilities	112,518,213	68,488,529	13,095,546	18,238,006	125,613,759	86,726,535
	<u>574,388,303</u>	<u>557,732,423</u>	<u>251,101,445</u>	<u>252,011,962</u>	<u>825,489,748</u>	<u>809,744,385</u>
Total deferred inflows of resources	<u>10,648,874</u>	<u>5,575,074</u>	<u>2,036,291</u>	<u>1,038,300</u>	<u>12,685,165</u>	<u>6,613,374</u>
Net position						
Net investment in capital assets	84,743,776	89,750,681	209,087,788	207,317,158	293,831,564	297,067,839
Restricted	64,659,396	51,833,997	-	-	64,659,396	51,833,997
Unrestricted (deficit)	<u>(414,571,980)</u>	<u>(421,243,500)</u>	<u>(15,153,086)</u>	<u>(34,576,129)</u>	<u>(429,725,066)</u>	<u>(455,819,629)</u>
Total net position	<u>\$ (265,168,808)</u>	<u>\$ (279,658,822)</u>	<u>\$ 193,934,702</u>	<u>\$ 172,741,029</u>	<u>\$ (71,234,106)</u>	<u>\$ (106,917,793)</u>

Governmental Activities

Changes in net position provide some insight into current year activities as compared to those of the prior year. Total net position for governmental activities increased by 14.7 million. Total assets and deferred outflows increased by \$36.2 million and total liabilities and deferred inflows increased by \$21.7 million from FY 2020/21. At a high level, the increase in total net position is primarily attributed to increased activity throughout the City as we return to work after the COVID-19 pandemic. Revenues in FY 2021/22 were \$4.3 million lower than in FY 2020/21. The decrease is mainly attributable to the decrease in charges for services of \$7.9 million due to the City worked with Maximus Consulting Services, Inc to review its indirect cost allocation design a new cost allocation plan, offset by the increase in operating grants and income taxes of \$2.0 million and \$4.0 million, respectively. These increases were due to additional grants from philanthropic partners and additional income taxes from employees who've returned to work after the COVID-19 pandemic. Further, unrestricted investment earnings (losses) decreased by \$2.9 million mainly due to market fluidity. The FY 2021/22 expenses remained fairly consistent with FY 2020/21, decreasing only \$2.0 million. General government and public safety expenses decreased \$5.4 million and \$6.6 million, respectively, due to general savings and vacancies which was offset by an increase in public works and community development expenses of \$4.3 million and \$6.0 million, respectively, as a result of an increase in projects after the COVID-19 pandemic and an increase in grants to the community from community development.

CITY OF FLINT, MICHIGAN

Management's Discussion and Analysis

Business-type Activities

Business-type activities have \$193.9 million of total net position. Business-type activities do not usually encumber at year-end and normally do not appropriate net position as part of the budget process. Total net position for business-type activities increased by \$21.2 million. Expenses increased by \$39.3 million in FY 2021/22 from FY 2020/21, while revenue decreased by \$27.0 million. Business-type activities, Water and Sewer services, have \$193.9 million of total net position; however, it is important to look at the components of net position to understand the financial state of these activities. That \$193.9 million is made up of 2 components - \$209.1 million of depreciated infrastructure net of related debt and \$(15.2) million deficit of other assets and liabilities, including a proportionate share of the City's legacy costs. Net position, in total, improved by \$21.2 million. Capital grants revenue decreased \$29.0 million due to expiration of State Capital Grants/DWSRF. Further, sewer and water expenses increased \$8.0 million and \$31.4 million from the previous year, respectively, primarily due to one time pension and OPEB cost allocations that benefited both funds but did not occur in FY 2021/22. Additionally the water fund incurred costs of \$8.0 million in settlement expense in FY 2021/22.

	Change in Net position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program revenues						
Charges for services	\$ 7,679,986	\$ 15,544,005	\$ 59,500,490	\$ 55,747,720	\$ 67,180,476	\$ 71,291,725
Operating grants	40,980,054	39,028,986	5,106	-	40,985,160	39,028,986
Capital grants	519,585	-	13,203,536	42,235,846	13,723,121	42,235,846
General revenues						
Property taxes	22,745,182	23,710,945	-	-	22,745,182	23,710,945
Income taxes	19,076,507	15,028,812	-	-	19,076,507	15,028,812
State revenue sharing	16,845,764	16,910,747	-	-	16,845,764	16,910,747
Unrestricted investments earnings (losses)	(2,676,422)	177,770	(1,443,020)	80,889	(4,119,442)	258,659
Gain on sale of capital assets	-	38,708	-	233,612	-	272,320
Transfers - internal activities	924,141	-	-	-	924,141	-
Total revenues	106,094,797	110,439,973	71,266,112	98,298,067	177,360,909	208,738,040
Expenses						
Legislative	936,704	925,090	-	-	936,704	925,090
General government	8,514,812	13,911,324	-	-	8,514,812	13,911,324
Judicial	1,059,999	1,133,385	-	-	1,059,999	1,133,385
Public safety	37,434,383	44,064,111	-	-	37,434,383	44,064,111
Public works	26,996,784	22,716,601	-	-	26,996,784	22,716,601
Recreation and culture	579,527	822,757	-	-	579,527	822,757
Community development	13,418,113	7,399,573	-	-	13,418,113	7,399,573
Facilities	1,615,661	1,493,134	-	-	1,615,661	1,493,134
Interest on long-term debt	802,497	871,065	-	-	802,497	871,065
Sewer	-	-	13,427,145	5,492,813	13,427,145	5,492,813
Water	-	-	36,645,294	5,238,488	36,645,294	5,238,488
Total expenses	91,358,480	93,337,040	50,072,439	10,731,301	141,430,919	104,068,341
Change in net position	14,736,317	17,102,933	21,193,673	87,566,766	35,929,990	104,669,699
Beginning of year	(279,658,822)	(296,761,755)	172,741,029	85,174,263	(106,917,793)	(211,587,492)
Restatement	(246,303)	-	-	-	(246,303)	-
End of year	\$ (265,168,808)	\$ (279,658,822)	\$ 193,934,702	\$ 172,741,029	\$ (71,234,106)	\$ (106,917,793)

CITY OF FLINT, MICHIGAN

Management's Discussion and Analysis

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

Analysis of Fund Financial Statements

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

Governmental Funds

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

As of June 30, 2022, the City's governmental funds reported combined ending fund balance of \$63.4 million, a decrease of \$4.1 million in comparison to the prior year. Of that total fund balance of \$63.4 million, \$1.3 million is considered unassigned and is available to be used at the City's discretion. \$47.9 million is considered restricted for various reasons and can only be used for its particular restricted purpose. Examples of restrictions are dedicated millages or the terms of a particular grant as determined by the granting agency.

The City's Governmental funds include the general fund, grants, major streets, American Rescue Plan Act, and nonmajor governmental funds. The general fund pays for most of the City's governmental services. The general fund recorded \$58.6 million in expenditures to provide City services in fiscal year FY 2021/22. The most significant expenditures were for Public Safety (police & fire). Public safety must account for at least 55.5% of the general fund budget per Ordinance.

Public safety services are partially supported by two special millages, a public safety millage and a neighborhood policing millage. These millages are recorded in separate special revenue funds. The neighborhood policing fund had expenditures of \$1.6 million and the public safety fund had expenditures of \$5.7 million. The public safety fund includes both police and fire.

A combined \$12.5 million was spent in FY 2021/22 on major and local road repairs. In the City's rubbish collection fund, the City spent \$6.4 million to collect and dispose of the City's solid waste, recyclables, and leaves in FY 2021/22. The City spent \$2.5 million in the street lights assessment fund to cover the expense of the street lights and upgrades in the City of Flint.

The City has partially strengthened its financial position since the end of state receivership in 2017. In addition, the Flint economy is now recovering after the COVID-19 pandemic.

Moreover, the City is closer to permanently addressing the long-term legacy costs from the pension and retiree healthcare system. In the state of Michigan budget for the Fiscal Year 2022-23, \$750 million has been set aside to support municipal pensions (up to \$220 million for Flint alone), helping ensure a promise made is a promise kept to hardworking local government employees across the state.

Of the \$4.1 million decrease from the prior year, general fund accounted for \$3.8 million of that decrease. In FY 2021/22, general fund revenues decreased \$1.9 million, primarily due a decrease in grant revenue. General fund expenditures increased \$3.3 million due primarily to increases in public safety costs. In the prior year the Cares Act special revenue fund transferred \$3.8 million to the General fund, no transfer in occurred during FY 2021/22.

The grants fund decreased its fund balance by \$2.9 million, primarily due to grants, such as COVID-19 and HUD, have ended.

The major streets fund increased its fund balance by \$4.1 million, primarily due to numerous projects pending MDOT approval. The County projects are generally given priority over City projects.

The City received \$97.4 million in ARPA funding during the year. After extensive community engagement, discussions with the City Council, key partners and stakeholders, and internal review, the City presented the plan to invest Flint's \$94.7 million in the community.

The other significant change to governmental fund balance came from the nonmajor governmental funds decrease of \$1.5 million from a variety of sources.

CITY OF FLINT, MICHIGAN

Management's Discussion and Analysis

Proprietary Funds

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

Net position in the sewer fund is \$56.1 million for FY2021/22, increasing \$16.8 million from the net position of \$39.3 million in FY2020/21. The sewer fund had a net operating income of \$13.2 million in FY 2021/22. Expenses have increased to \$14.8 million in FY 2021/22. This increase of \$11.2 million in operating expenses was mostly driven by prior year one time pension and OPEB cost allocations that benefited the sewer fund, but did not occur in FY 2021/22.

Total net position in the water fund is \$133.3 million, including an operating loss of \$6.6 million during the year. Net operating income was \$26.5 million in previous year. During FY 2020/21 expense included decreases in pension expense of \$18.5M due to a decrease in the water fund net pension liability and decreases in retiree healthcare of \$18.5M due to the use of internal service fund reserves and a decrease in the OPEB liability. Since the one time pension and OPEB benefit allocations did not occur again in FY 2021/22 the water fund reported an operating loss. Additionally during FY 2021/22 the water fund incurred a settlement expense of \$8.0 million.

Capital Assets

At June 30, 2022, the City's investment in capital assets for the governmental and business-type activities amounted to \$330.4 million. The investment in capital assets covers a broad variety of land, construction in progress, land improvement, infrastructure, buildings and improvements, machinery and equipment, and vehicles and is reduced by the amount of related outstanding debt. The City's investment in capital assets increased \$22.9 million.

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

- Chemical Systems Feed Building
- Dort Pump Rehabilitation
- Secondary Water Line
- Aeration System Modification
- A-Grit Influent Box Rehabilitation
- Northwest Pumping Station Improvements
- Phase two Primary Clarifiers
- Phase two Third Ave PS Flow Improvements Construction
- Sludge Dewatering Improvements
- UV Disinfection Retrofit

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 14,816,445	\$ 14,832,845	\$ 1,175,844	\$ 1,175,844	\$ 15,992,289	\$ 16,008,689
Construction in progress	2,893,597	8,380,962	67,280,245	48,797,274	70,173,842	57,178,236
Land improvements	1,039,989	1,336,708	2,905,069	3,078,952	3,945,058	4,415,660
Infrastructure	54,419,370	54,792,343	121,373,647	110,903,648	175,793,017	165,695,991
Buildings and improvements	4,671,023	4,575,533	11,065,420	11,967,884	15,736,443	16,543,417
Machinery and equipment	2,058,099	1,512,323	37,826,068	37,549,987	39,884,167	39,062,310
Vehicles	7,771,272	7,262,432	168,398	170,989	7,939,670	7,433,421
Leased equipment	888,432	1,075,533	-	-	888,432	1,075,533
Total capital assets, net	\$ 88,558,227	\$ 93,768,679	\$ 241,794,691	\$ 213,644,578	\$ 330,352,918	\$ 307,413,257

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

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 KWA.

CITY OF FLINT, MICHIGAN

Management's Discussion and Analysis

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 continues to make the debt service payments.

Long-term Debt

At year end, the City had \$26.2 million in long-term debt outstanding for governmental activities and \$119.4 million outstanding for business-type activities. Additional information on the City's long-term debt can be found in Note 9.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Bonds payable	\$ 11,165,000	\$ 11,855,000	\$ 22,647,391	\$ 6,327,420	\$ 33,812,391	\$ 18,182,420
Loans payable	9,876,942	10,943,922	-	-	9,876,942	10,943,922
Bond premium	864,116	942,672	-	-	864,116	942,672
Agreement payable	-	-	96,267,194	98,703,117	96,267,194	98,703,117
Installment purchases payable	1,742,566	2,689,776	-	-	1,742,566	2,689,776
Compensated absences	2,582,625	2,981,319	452,406	485,349	3,035,031	3,466,668
Total	\$ 26,231,249	\$ 29,412,689	\$ 119,366,991	\$ 105,515,886	\$ 145,598,240	\$ 134,928,575

During the year, the City issued new debt of \$16,319,971 of the Sewage Disposal System Junior Lien Revenue Bond, SRF Series 2020.

The City of Flint entered into an agreement with KWA to purchase raw water and pledge the City's full faith and credit towards the repayment of a portion of KWA debt. Subsequent to this agreement the City transferred 97% of those water rights to the Great Lakes Water Authority (GLWA). The City of Flint has a liability of \$96.3 million to the KWA and a receivable from GLWA. The sale of the water rights to GLWA is being paid in the form of a credit on the City of Flint's water bill from GLWA. The other 3 percent represents an intangible asset on the City's books.

Limitations on Debt

The State limits the amount of general obligation debt the City can issue to up to 10 percent of the assessed value of all taxable property within the City's corporate limits. The amount of debt available to the City (unused portion of the debt limitation) is \$85.3 million. The City can issue bonds through the Michigan Municipal Bonding Authority's state-shared revenue program. This program may require a pledge of the City's future state-shared revenues.

Bond Ratings

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

General Fund Budgetary Highlights

The City reviews its budgets on a monthly basis and makes various amendments to address unexpected operating events throughout the year. The general fund originally budgeted for a decrease in fund balance of \$13.1 million and was amended for a decrease in fund balance of \$12.9 million, an increase of \$139 thousand. The general fund revenue budget was increased by \$511 thousand and the general fund expenditure budget was increased by \$372 thousand, respectively. There were no significant changes between the original and final budget in any of the functions.

CITY OF FLINT, MICHIGAN

Management's Discussion and Analysis

The general fund budgeted for a decrease in fund balance of \$12.9 million and the actual change in fund balance was a decrease of \$3.8 million. Significant budgetary variances are as follows:

- Income tax revenue was over budget by \$3.4 million due to increased activity throughout the City as offices opened and employees returned to work after the COVID-19 pandemic.
- Charges for services were under budget by \$7.5 million due to the City reviewing its indirect cost allocation and designing an updated cost allocation plan, which reduced costs charged to other funds.
- Investment appreciation (depreciation) was under budget by \$1.6 million due primarily to market fluidity.
- General government expenditures were under budget by \$6.8 million due to general savings and vacancies.
- Police expenditures were under budget by \$2.1 million due to less overtime and increased vacancies.
- Transfers out were under budget by \$1.3 million due to removing the transfer out to the Public Safety Fund.

Economic Factors and Next Year's Budgets and Rates

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

In summary, challenges include:

- Dealing with the economic and financial consequences of the COVID-19 global pandemic
- An continued aging and reduced workforce, resulting in an increase in the ratio of retirees to active employees, affecting pension and health care costs
- Aging sewer, water, street, and sidewalk infrastructure
- Providing safe and affordable drinking water, independent of state support as the water crisis continues
- Combating high levels of crime
- Relatively higher water and sewer rates
- A shrinking population

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

- Ongoing commitment to new policies, practices, and organizational changes focused on financial stability
- Taking steps to improve and maintain long-term financial solvency, including seeking innovative ways to reduce costs and improve efficiencies within City operations
- The State's Fiscal Year 2022-23 budget includes funding for a new grant program aimed at helping underfunded municipal pension plans, this included up to \$220 million for the City alone.
- Strong partnership with entities such as the Greater Regional Flint Chamber of Commerce and the State of Michigan to promote economic development
- Strong support – financial and otherwise – from the Mott Foundations, the Kellogg Foundation and Ford Foundation to support a variety of activities and programs in Flint
- Diversification of Flint's economic base, especially in higher education and health care

Long-term Financial Planning

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

CITY OF FLINT, MICHIGAN

Management's Discussion and Analysis

- The City of Flint has a Master Plan. The plan paints a new vision for the City and is focused on making Flint an attractive place to live, work, learn, and play.

Requests for Information

This financial report is designed to provide a general overview of the City 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.



BASIC FINANCIAL STATEMENTS

CITY OF FLINT, MICHIGAN

Statement of Net Position

June 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
Assets				
Cash and investments	\$ 186,432,425	\$ 47,324,042	\$ 233,756,467	\$ 127,561,747
Receivables, net	28,301,497	134,136,046	162,437,543	82,934,201
Internal balances	(5,559,108)	5,559,108	-	-
Other assets	1,260,863	7,670,456	8,931,319	11,305,848
Restricted cash and investments	-	6,603,385	6,603,385	159,250,694
Investment in joint venture	-	-	-	7,119,823
Capital assets not being depreciated	17,710,042	68,456,089	86,166,131	18,608,913
Capital assets being depreciated, net	70,848,185	173,338,602	244,186,787	119,212,580
Net OPEB asset	-	-	-	4,768,986
Total assets	298,993,904	443,087,728	742,081,632	530,762,792
Deferred outflows of resources				
Deferred charge on refunding	87,435	-	87,435	1,298,649
Deferred pension amounts	20,787,030	3,984,710	24,771,740	47,880,465
Deferred OPEB amounts	-	-	-	10,167,735
Total deferred outflows of resources	20,874,465	3,984,710	24,859,175	59,346,849
Liabilities				
Accounts payable and accrued liabilities	18,423,716	13,095,546	31,519,262	99,515,792
Unearned revenue	93,711,025	-	93,711,025	15,144,134
Leases payable:				
Due within one year	259,032	-	259,032	-
Due in more than one year	124,440	-	124,440	-
Long-term debt:				
Due within one year	2,917,444	3,321,132	6,238,576	5,358,626
Due in more than one year	23,313,805	116,045,859	139,359,664	94,791,173
Net pension liability (due in more than one year)	328,632,543	62,996,276	391,628,819	183,138,832
Net OPEB liability (due in more than one year)	107,006,298	55,642,632	162,648,930	-
Total liabilities	574,388,303	251,101,445	825,489,748	397,948,557
Deferred inflows of resources				
Deferred pension amounts	10,622,719	2,036,291	12,659,010	38,893,208
Deferred OPEB amounts	-	-	-	26,129,852
Deferred lease amounts	26,155	-	26,155	1,447,829
Total deferred inflows of resources	10,648,874	2,036,291	12,685,165	66,470,889
Net position				
Net investment in capital assets	84,743,776	209,087,788	293,831,564	49,647,262
Restricted for:				
Public safety	8,197,010	-	8,197,010	-
Public works	34,622,717	-	34,622,717	-
Recreation and culture	554,835	-	554,835	-
Community development	949,554	-	949,554	963,088
Grants	9,763,697	-	9,763,697	-
Debt service	10,571,583	-	10,571,583	-
Donor restricted	-	-	-	10,229,203
Unrestricted (deficit)	(414,571,980)	(15,153,086)	(429,725,066)	64,850,642
Total net position (deficit)	\$ (265,168,808)	\$ 193,934,702	\$ (71,234,106)	\$ 125,690,195

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

CITY OF FLINT, MICHIGAN

Statement of Activities

For the Year Ended June 30, 2022

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Legislative	\$ 936,704	\$ -	\$ -	\$ -	\$ (936,704)
General government	8,514,812	4,537,704	5,445,793	-	1,468,685
Judicial	1,059,999	-	-	-	(1,059,999)
Public safety	37,434,383	2,433,980	7,863,383	-	(27,137,020)
Public works	26,996,784	29,544	15,932,437	519,585	(10,515,218)
Recreation and culture	579,527	-	1,132,434	-	552,907
Community development	13,418,113	678,758	10,606,007	-	(2,133,348)
Facilities maintenance	1,615,661	-	-	-	(1,615,661)
Interest on long-term debt	802,497	-	-	-	(802,497)
Total governmental activities	91,358,480	7,679,986	40,980,054	519,585	(42,178,855)
Business-type activities:					
Sewer	13,427,145	28,045,105	-	4,552,886	19,170,846
Water	36,645,294	31,455,385	5,106	8,650,650	3,465,847
Total business-type activities	50,072,439	59,500,490	5,106	13,203,536	22,636,693
Total primary government	\$ 141,430,919	\$ 67,180,476	\$ 40,985,160	\$ 13,723,121	\$ (19,542,162)
Component units					
Downtown development authority	\$ 2,100,045	\$ 1,316,479	\$ 262,284	\$ -	\$ (521,282)
Economic development corporation	816,422	720,242	-	-	(96,180)
Hurley medical center	489,062,799	396,202,931	91,718,619	-	(1,141,249)
Total component units	\$ 491,979,266	\$ 398,239,652	\$ 91,980,903	\$ -	\$ (1,758,711)

continued...

CITY OF FLINT, MICHIGAN

Statement of Activities

For the Year Ended June 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
Changes in net position				
Net (expense) revenues	\$ (42,178,855)	\$ 22,636,693	\$ (19,542,162)	\$ (1,758,711)
General revenues:				
Property taxes	22,745,182	-	22,745,182	1,146,294
Income taxes	19,076,507	-	19,076,507	-
Grants and contributions not restricted to specific programs	16,845,764	-	16,845,764	-
Unrestricted investment depreciation	(2,676,422)	(1,443,020)	(4,119,442)	(9,284,980)
Other revenues	-	-	-	415,140
Transfers - internal activities	924,141	-	924,141	-
Total general revenues	56,915,172	(1,443,020)	55,472,152	(7,723,546)
Change in net position	14,736,317	21,193,673	35,929,990	(9,482,257)
Net position (deficit), beginning of year, as restated	(279,905,125)	172,741,029	(107,164,096)	135,172,452
Net position (deficit), end of year	<u>\$ (265,168,808)</u>	<u>\$ 193,934,702</u>	<u>\$ (71,234,106)</u>	<u>\$ 125,690,195</u>

concluded

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

CITY OF FLINT, MICHIGAN

Balance Sheet

Governmental Funds
June 30, 2022

	Special Revenue Funds					Totals
	General	Grants	Major Streets	American Rescue Plan Act	Nonmajor Governmental Funds	
Assets						
Cash and investments	\$ 13,088,257	\$ 1,571,500	\$ 19,595,686	\$ 91,812,630	\$ 29,250,802	\$ 155,318,875
Receivables:						
Accounts, net	324,683	-	19,329	-	44,846	388,858
Property taxes	83,650	-	-	-	140,384	224,034
Income taxes, net	1,667,756	-	-	-	-	1,667,756
Loans	-	4,679,266	-	-	21,534	4,700,800
Leases	26,155	-	-	-	-	26,155
Prepays	49,836	23,951	10,638	-	-	84,425
Due from other governments	5,743,960	5,743,647	2,224,062	-	1,347,655	15,059,324
Due from component unit	-	-	-	-	6,202,205	6,202,205
Total assets	<u>\$ 20,984,297</u>	<u>\$ 12,018,364</u>	<u>\$ 21,849,715</u>	<u>\$ 91,812,630</u>	<u>\$ 37,007,426</u>	<u>\$ 183,672,432</u>
Liabilities						
Accounts payable	\$ 369,338	\$ 2,602,089	\$ 552,017	\$ 435,959	\$ 1,355,662	\$ 5,315,065
Accrued and other liabilities	246,690	30,221	17,364	-	68,880	363,155
Due to other governments	671,206	663,748	297,490	-	-	1,632,444
Deposits payable	-	-	-	-	1,752,831	1,752,831
Unearned revenue	-	2,317,273	-	91,376,671	17,081	93,711,025
Total liabilities	<u>1,287,234</u>	<u>5,613,331</u>	<u>866,871</u>	<u>91,812,630</u>	<u>3,194,454</u>	<u>102,774,520</u>
Deferred inflows of resources						
Unavailable revenue - loans	-	4,673,000	-	-	6,208,739	10,881,739
Unavailable revenue - grants	419,325	5,090,697	-	-	262,242	5,772,264
Unavailable revenue - taxes	74,705	-	-	-	109,567	184,272
Unavailable revenue - other						
long-term receivables	44,617	-	538,914	-	33,535	617,066
Deferred lease amounts	26,155	-	-	-	-	26,155
Total deferred inflows of resources	<u>564,802</u>	<u>9,763,697</u>	<u>538,914</u>	<u>-</u>	<u>6,614,083</u>	<u>17,481,496</u>
Fund balances						
Nonspendable	49,836	23,951	10,638	-	-	84,425
Restricted	-	-	20,433,292	-	27,461,131	47,894,423
Assigned	14,094,070	-	-	-	-	14,094,070
Unassigned (deficit)	4,988,355	(3,382,615)	-	-	(262,242)	1,343,498
Total fund balances	<u>19,132,261</u>	<u>(3,358,664)</u>	<u>20,443,930</u>	<u>-</u>	<u>27,198,889</u>	<u>63,416,416</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,984,297</u>	<u>\$ 12,018,364</u>	<u>\$ 21,849,715</u>	<u>\$ 91,812,630</u>	<u>\$ 37,007,426</u>	<u>\$ 183,672,432</u>

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

CITY OF FLINT, MICHIGAN

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2022

Fund balances for governmental funds \$ 63,416,416

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

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statement.

Capital assets not being depreciated	17,710,042
Capital assets being depreciated	62,244,953

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

Deferred inflow for loans receivable	10,881,739
Deferred inflow for grants receivable	5,772,264
Deferred inflow for taxes receivable	184,272
Deferred inflow for other long-term receivables	617,066

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities.

Net position of internal service funds	29,726,951
Internal service funds net position accounted for in business-type activities	(5,559,108)

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

Bonds, loans and installment purchase agreements payable	(21,041,941)
Deferred charge on bond refunding	87,435
Bond premium, net	(864,116)
Accrued interest on bonds, loans and installment purchase agreements payable	(162,359)
Leases payable	(125,267)
Compensated absences	(2,582,625)

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

Net pension liability	(328,632,543)
Deferred outflows related to the net pension liability	20,787,030
Deferred inflows related to the net pension liability	(10,622,719)
Total OPEB liability	<u>(107,006,298)</u>

Net position of governmental activities \$ (265,168,808)

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

CITY OF FLINT, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2022

	Special Revenue Funds					Totals
	General	Grants	Major Streets	American Rescue Plan Act	Nonmajor Governmental Funds	
Revenues						
Property taxes	\$ 6,109,406	\$ -	\$ -	\$ -	\$ 16,704,571	\$ 22,813,977
Income taxes	19,076,507	-	-	-	-	19,076,507
Cable franchise fees	887,414	-	-	-	-	887,414
Federal sources	46,802	7,494,988	3,914	3,349,993	1,690,477	12,586,174
State sources	23,485,340	174,282	11,737,320	-	4,478,609	39,875,551
Charges for services	5,094,330	498,000	29,044	-	37,218	5,658,592
Fines and forfeitures	1,040	-	-	-	43,210	44,250
Licenses and permits	63,858	-	-	-	1,913,886	1,977,744
Local contributions	-	2,270,221	-	-	1,121,919	3,392,140
Investment appreciation (depreciation)	(1,458,995)	116,741	(269,335)	-	(383,091)	(1,994,680)
Other revenues	1,545,571	35,453	141,774	-	236,031	1,958,829
Total revenues	54,851,273	10,589,685	11,642,717	3,349,993	25,842,830	106,276,498
Expenditures						
Current:						
Legislative	686,704	250,000	-	-	-	936,704
General government	14,954,994	154,991	-	3,349,993	-	18,459,978
Judicial	1,059,999	-	-	-	-	1,059,999
Public safety	39,355,338	1,778,240	-	-	9,478,644	50,612,222
Public works	-	1,677	7,385,256	-	13,814,562	21,201,495
Recreation and culture	-	-	-	-	485,088	485,088
Community development	955,705	10,615,771	-	-	1,830,527	13,402,003
Facilities maintenance	1,615,661	-	-	-	-	1,615,661
Debt service:						
Lease principal	-	-	62,634	-	62,633	125,267
Principal	-	498,000	113,981	-	1,145,000	1,756,981
Interest	-	191,321	4,640	-	554,942	750,903
Total expenditures	58,628,401	13,490,000	7,566,511	3,349,993	27,371,396	110,406,301
Revenues over (under) expenditures	(3,777,128)	(2,900,315)	4,076,206	-	(1,528,566)	(4,129,803)
Other financing sources (uses)						
Transfers in	-	29,978	-	-	1,701,442	1,731,420
Transfers out	(29,978)	-	-	-	(1,701,442)	(1,731,420)
Total other financing sources (uses)	(29,978)	29,978	-	-	-	-
Net change in fund balances	(3,807,106)	(2,870,337)	4,076,206	-	(1,528,566)	(4,129,803)
Fund balances (deficit), beginning of year	22,939,367	(488,327)	16,367,724	-	28,727,455	67,546,219
Fund balances (deficit), end of year	\$ 19,132,261	\$ (3,358,664)	\$ 20,443,930	\$ -	\$ 27,198,889	\$ 63,416,416

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

CITY OF FLINT, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended June 30, 2022

Net change in fund balances - total governmental funds \$ (4,129,803)

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

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

Capital assets purchased/constructed	2,691,270
Depreciation	(8,535,516)
Lease amortization	(187,101)
Loss on sale of capital assets	(16,400)

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

Net change in deferred other long-term receivables	(540,841)
----------------------------------------------------	-----------

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

Principal payments on long-term debt	1,756,981
Principal payments on leases payable	125,267

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

Change in accrued interest payable on bonds, loans and installment purchase agreements payable	(10,839)
Amortization of bond premium	78,556
Net change in deferred charge	(7,062)
Change in the net pension liability and related deferred amounts	(2,156,537)
Change in the total OPEB liability and related deferred amounts	22,175,884
Change in compensated absences	398,694

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

Total change in net position of the internal service funds	6,094,307
Internal service fund change in net position accounted for in business-type activities	(3,000,543)

Change in net position of governmental activities \$ 14,736,317

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

CITY OF FLINT, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 5,627,364	\$ 5,627,364	\$ 6,109,406	\$ 482,042
Income taxes	15,678,800	15,678,800	19,076,507	3,397,707
Licenses and permits	56,750	56,750	63,858	7,108
Federal sources	-	-	46,802	46,802
State sources	22,967,812	22,967,812	23,485,340	517,528
Charges for services	12,549,413	12,549,413	5,094,330	(7,455,083)
Fines and forfeitures	770	770	1,040	270
Investment appreciation (depreciation)	170,700	170,700	(1,458,995)	(1,629,695)
Cable franchise fees	881,931	881,931	887,414	5,483
Other revenues	172,986	683,906	1,545,571	861,665
Total revenues	58,106,526	58,617,446	54,851,273	(3,766,173)
Expenditures				
Current:				
Legislative :				
City council	1,026,187	1,026,187	686,704	(339,483)
General government:				
Mayor's office	371,849	404,519	457,388	52,869
Finance	5,917,486	5,975,092	5,584,124	(390,968)
Clerk	1,529,920	1,529,920	1,027,484	(502,436)
Law office	1,089,909	1,089,909	934,024	(155,885)
Human resources	1,122,937	1,122,937	792,256	(330,681)
General government	12,607,130	12,577,360	5,766,772	(6,810,588)
City administrator	444,372	444,372	392,946	(51,426)
Total general government	23,083,603	23,144,109	14,954,994	(8,189,115)
Judicial:				
68th district court	1,070,587	1,070,587	1,059,999	(10,588)
Public safety:				
Police	28,054,004	28,358,054	26,255,936	(2,102,118)
Fire	13,822,374	13,822,374	13,099,402	(722,972)
Total public safety	41,876,378	42,180,428	39,355,338	(2,825,090)
Community development	1,065,312	1,073,064	955,705	(117,359)
Facilities maintenance	1,716,724	1,716,724	1,615,661	(101,063)
Total expenditures	69,838,791	70,211,099	58,628,401	(11,582,698)
Revenues over (under) expenditures	(11,732,265)	(11,593,653)	(3,777,128)	7,816,525
Other financing sources (uses)				
Transfers out	(1,355,641)	(1,355,641)	(29,978)	(1,325,663)
Net change in fund balance	(13,087,906)	(12,949,294)	(3,807,106)	9,142,188
Fund balance, beginning of year	22,939,367	22,939,367	22,939,367	-
Fund balance, end of year	\$ 9,851,461	\$ 9,990,073	\$ 19,132,261	\$ 9,142,188

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

CITY OF FLINT, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Grants Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal sources	\$ -	\$ 49,152,180	\$ 7,494,988	\$ (41,657,192)
State sources	-	2,120,656	174,282	(1,946,374)
Local contributions	-	5,007,564	2,270,221	(2,737,343)
Charges for services	-	498,000	498,000	-
Investment appreciation (depreciation)	-	195,661	116,741	(78,920)
Other revenues	-	450	35,453	35,003
Total revenues	-	56,974,511	10,589,685	(46,384,826)
Expenditures				
Current:				
Legislative:				
City council	-	250,000	250,000	-
General government:				
Human resources	-	250,000	22,179	(227,821)
City administrator	-	327,250	132,812	(194,438)
Total general government	-	577,250	154,991	(422,259)
Public safety:				
Police	-	2,502,567	1,778,240	(724,327)
Fire	-	2,020	-	(2,020)
Total public safety	-	2,504,587	1,778,240	(726,347)
Public works	-	64,108	1,677	(62,431)
Community development	-	39,038,393	10,615,771	(28,422,622)
Debt service:				
Principal	-	498,000	498,000	-
Interest	-	191,761	191,321	(440)
Total debt service	-	689,761	689,321	(440)
Total expenditures	-	43,124,099	13,490,000	(29,634,099)
Revenues over (under) expenditures	-	13,850,412	(2,900,315)	(16,750,727)
Other financing sources				
Transfers in	-	15,640	29,978	14,338
Net change in fund balance	-	13,866,052	(2,870,337)	(16,736,389)
Fund balance (deficit), beginning of year	(488,327)	(488,327)	(488,327)	-
Fund balance (deficit), end of year	\$ (488,327)	\$ 13,377,725	\$ (3,358,664)	\$ (16,736,389)

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

CITY OF FLINT, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Major Streets Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal sources	\$ -	\$ -	\$ 3,914	\$ 3,914
State sources	13,209,075	13,209,075	11,737,320	(1,471,755)
Charges for services	25,500	25,500	29,044	3,544
Local contributions	20,500	20,500	-	(20,500)
Investment appreciation (depreciation)	88,100	88,100	(269,335)	(357,435)
Other revenues	84,165	84,165	141,774	57,609
Total revenues	<u>13,427,340</u>	<u>13,427,340</u>	<u>11,642,717</u>	<u>(1,784,623)</u>
Expenditures				
Current:				
Public works:				
Streets	10,976,154	18,849,205	7,385,256	(11,463,949)
Debt service:				
Lease principal	-	-	62,634	62,634
Principal	113,420	113,420	113,981	561
Interest	5,210	5,210	4,640	(570)
Total expenditures	<u>11,094,784</u>	<u>18,967,835</u>	<u>7,566,511</u>	<u>(11,401,324)</u>
Revenues over (under) expenditures	2,332,556	(5,540,495)	4,076,206	9,616,701
Other financing uses				
Transfers out	(1,500,000)	(1,500,000)	-	(1,500,000)
Net change in fund balance	832,556	(7,040,495)	4,076,206	11,116,701
Fund balance, beginning of year	16,367,724	16,367,724	16,367,724	-
Fund balance, end of year	<u>\$ 17,200,280</u>	<u>\$ 9,327,229</u>	<u>\$ 20,443,930</u>	<u>\$ 11,116,701</u>

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

CITY OF FLINT, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - American Rescue Plan Act Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal sources	\$ -	\$ 94,726,664	\$ 3,349,993	\$ (91,376,671)
Expenditures				
Current:				
General government	-	4,723,433	3,349,993	(1,373,440)
Net change in fund balance	-	90,003,231	-	(90,003,231)
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ 90,003,231</u>	<u>\$ -</u>	<u>\$ (90,003,231)</u>

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

CITY OF FLINT, MICHIGAN

Statement of Net Position

Proprietary Funds
June 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer	Water	Totals	Internal Service Funds
Assets				
Current assets:				
Cash and investments	\$ 38,199,867	\$ 9,124,175	\$ 47,324,042	\$ 31,113,550
Accounts receivable, net	13,725,448	14,158,402	27,883,850	579
Due from other governments	6,523,452	6,349,566	12,873,018	30,676
Due from component unit	-	-	-	1,110
Due from GLWA	-	2,470,003	2,470,003	-
Inventory	806,531	258,055	1,064,586	147,538
Prepays	10,000	3,815,493	3,825,493	1,028,900
Total current assets	59,265,298	36,175,694	95,440,992	32,322,353
Noncurrent assets:				
Due from GLWA, net of current portion	-	90,909,175	90,909,175	-
Right to use asset	-	2,780,377	2,780,377	-
Restricted cash and investments	6,603,385	-	6,603,385	-
Capital assets not being depreciated	38,698,316	29,757,773	68,456,089	-
Capital assets being depreciated, net	44,553,453	128,785,149	173,338,602	8,603,232
Total noncurrent assets	89,855,154	252,232,474	342,087,628	8,603,232
Total assets	149,120,452	288,408,168	437,528,620	40,925,585
Deferred outflows of resources				
Deferred pension amounts	2,154,308	1,830,402	3,984,710	-
Liabilities				
Current liabilities:				
Accounts payable	6,241,724	2,888,308	9,130,032	3,772,569
Accrued liabilities	59,863	33,835	93,698	438,491
Due to other governments	17,751	2,441,600	2,459,351	22,739
Deposits payable	-	1,308,348	1,308,348	-
Accrued interest	104,117	-	104,117	-
Current portion of claims payable	-	-	-	2,897,308
Current portion of compensated absences	25,737	16,000	41,737	-
Current portion of long-term debt	733,000	2,546,395	3,279,395	725,075
Current portion of leases payable	-	-	-	133,765
Total current liabilities	7,182,192	9,234,486	16,416,678	7,989,947
Noncurrent liabilities:				
Claims payable, net of current portion	-	-	-	2,066,755
Compensated absences, net of current portion	253,235	157,434	410,669	-
Long-term debt, net of current portion	21,914,391	93,720,799	115,635,190	1,017,492
Leases payable, net of current portion	-	-	-	124,440
Net pension liability	34,058,540	28,937,736	62,996,276	-
Total OPEB liability	30,675,981	24,966,651	55,642,632	-
Total noncurrent liabilities	86,902,147	147,782,620	234,684,767	3,208,687
Total liabilities	94,084,339	157,017,106	251,101,445	11,198,634
Deferred inflows of resources				
Deferred pension amounts	1,100,908	935,383	2,036,291	-
Net position				
Net investment in capital assets	53,930,123	155,157,665	209,087,788	6,860,665
Unrestricted (deficit)	2,159,390	(22,871,584)	(20,712,194)	22,866,286
Total net position	\$ 56,089,513	\$ 132,286,081	\$ 188,375,594	\$ 29,726,951

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

CITY OF FLINT, MICHIGAN

Reconciliation

Net Position of Enterprise Funds
to Net Position of Business-type Activities
June 30, 2022

Net position - total enterprise funds \$ 188,375,594

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

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

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

5,559,108

Net position of business-type activities \$ 193,934,702

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

CITY OF FLINT, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer	Water	Totals	Internal Service Funds
Operating revenues				
Charges for services	\$ 27,676,173	\$ 31,406,588	\$ 59,082,761	\$ 44,823,958
Other	368,932	48,797	417,729	29,568,350
Total operating revenues	<u>28,045,105</u>	<u>31,455,385</u>	<u>59,500,490</u>	<u>74,392,308</u>
Operating expenses				
Salaries and benefits	5,833,059	7,631,796	13,464,855	3,640,122
Supplies	136,141	741,854	877,995	1,091,713
Contractual services	(835,395)	553,192	(282,203)	8,144,512
Utilities	1,561,483	437,812	1,999,295	-
Equipment operation	842,296	809,124	1,651,420	-
Repairs and maintenance	723,954	38,269	762,223	(211,739)
Insurance	-	-	-	1,174,934
Costs of materials and services rendered	-	13,620,399	13,620,399	50,908,920
Other	2,947,410	9,381,660	12,329,070	1,533,988
Depreciation	3,607,027	4,804,793	8,411,820	2,277,269
Total operating expenses	<u>14,815,975</u>	<u>38,018,899</u>	<u>52,834,874</u>	<u>68,559,719</u>
Operating income (loss)	<u>13,229,130</u>	<u>(6,563,514)</u>	<u>6,665,616</u>	<u>5,832,589</u>
Nonoperating revenues (expenses)				
Investment appreciation (depreciation)	(748,277)	(694,743)	(1,443,020)	(565,001)
Interest expense and fees	(238,108)	-	(238,108)	(112,249)
Federal grant proceeds	-	5,106	5,106	14,827
Total nonoperating revenues (expenses)	<u>(986,385)</u>	<u>(689,637)</u>	<u>(1,676,022)</u>	<u>(662,423)</u>
Income (loss) before transfers and capital contributions	<u>12,242,745</u>	<u>(7,253,151)</u>	<u>4,989,594</u>	<u>5,170,166</u>
Transfers in	-	-	-	924,141
Capital contributions				
Federal	3,475,552	-	3,475,552	-
State	1,077,334	8,650,650	9,727,984	-
Total capital contributions	<u>4,552,886</u>	<u>8,650,650</u>	<u>13,203,536</u>	<u>-</u>
Change in net position	<u>16,795,631</u>	<u>1,397,499</u>	<u>18,193,130</u>	<u>6,094,307</u>
Net position, beginning of year	<u>39,293,882</u>	<u>130,888,582</u>	<u>170,182,464</u>	<u>23,632,644</u>
Net position, end of year	<u>\$ 56,089,513</u>	<u>\$ 132,286,081</u>	<u>\$ 188,375,594</u>	<u>\$ 29,726,951</u>

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

CITY OF FLINT, MICHIGAN

Reconciliation

Change in Net Position of Enterprise Funds
to Change in Net Position of Business-type Activities
For the Year Ended June 30, 2022

Change in net position - total enterprise funds \$ 18,193,130

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

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

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

3,000,543

Change in net position of business-type activities \$ 21,193,673

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

CITY OF FLINT, MICHIGAN

Statement of Cash Flows

Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer	Water	Totals	Internal Service Funds
Cash flows from operating activities				
Cash received from customers	\$ 25,748,846	\$ 28,345,316	\$ 54,094,162	\$ -
Cash received from interfund services	-	-	-	74,605,353
Cash payments for goods and services	(6,620,089)	(29,769,212)	(36,389,301)	(61,440,214)
Cash payments to employees	(12,930,003)	(9,840,314)	(22,770,317)	(3,335,400)
Net cash provided by (used in) operating activities	<u>6,198,754</u>	<u>(11,264,210)</u>	<u>(5,065,456)</u>	<u>9,829,739</u>
Cash flows from noncapital financing activities				
Payments received from GLWA	-	2,362,845	2,362,845	-
Federal grant proceeds	-	5,106	5,106	14,827
Transfers in	-	-	-	924,141
Net cash flows provided by noncapital financing activities	<u>-</u>	<u>2,367,951</u>	<u>2,367,951</u>	<u>938,968</u>
Cash flows from capital and related financing activities				
Capital contributions	3,180,833	15,569,037	18,749,870	-
Acquisition/construction of capital assets	(25,824,212)	(10,737,721)	(36,561,933)	(3,114,564)
Proceeds from issuance of long-term debt	16,319,971	-	16,319,971	-
Principal paid on long-term debt	-	(2,435,923)	(2,435,923)	(947,209)
Principal paid on leases payable	-	-	-	(215,322)
Interest paid on long-term debt	(142,048)	-	(142,048)	(112,249)
Net cash provided by (used in) capital and related financing activities	<u>(6,465,456)</u>	<u>2,395,393</u>	<u>(4,070,063)</u>	<u>(4,389,344)</u>
Cash flows from investing activities				
Investment depreciation	(748,277)	(694,743)	(1,443,020)	(565,001)
Net change in cash and investments	<u>(1,014,979)</u>	<u>(7,195,609)</u>	<u>(8,210,588)</u>	<u>5,814,362</u>
Cash and investments, beginning of year	<u>45,818,231</u>	<u>16,319,784</u>	<u>62,138,015</u>	<u>25,299,188</u>
Cash and investments, end of year	<u>\$ 44,803,252</u>	<u>\$ 9,124,175</u>	<u>\$ 53,927,427</u>	<u>\$ 31,113,550</u>
Reconciliation to statement of net position				
Cash and investments	\$ 38,199,867	\$ 9,124,175	\$ 47,324,042	\$ 31,113,550
Restricted cash and investments	6,603,385	-	6,603,385	-
	<u>\$ 44,803,252</u>	<u>\$ 9,124,175</u>	<u>\$ 53,927,427</u>	<u>\$ 31,113,550</u>

continued...

CITY OF FLINT, MICHIGAN

Statement of Cash Flows

Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer	Water	Totals	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 13,229,130	\$ (6,563,514)	\$ 6,665,616	\$ 5,832,589
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	3,607,027	4,804,793	8,411,820	2,277,269
Change in operating assets and liabilities that provided (used) cash:				
Accounts receivable	(2,296,259)	(3,203,066)	(5,499,325)	36,196
Due from other governments	-	-	-	176,849
Inventory	(486,301)	32,875	(453,426)	(50,461)
Prepays	14,994	(1,337)	13,657	(148,276)
Right to use asset	-	106,937	106,937	-
Accounts payable	(790,644)	(6,766,977)	(7,557,621)	(2,584,938)
Accrued liabilities	(138,924)	(94,323)	(233,247)	304,722
Due to other governments	17,751	2,441,600	2,459,351	22,739
Claims payable	-	-	-	3,963,050
Deposits	-	92,997	92,997	-
Compensated absences	465	(33,408)	(32,943)	-
Change in net pension liability	(1,163,220)	2,717,092	1,553,872	-
Change in deferred outflows - pensions	(109,755)	(308,346)	(418,101)	-
Change in deferred inflows - pensions	505,704	492,287	997,991	-
Change in total OPEB liability	(6,191,214)	(4,981,820)	(11,173,034)	-
Net cash provided by (used in) operating activities	<u>\$ 6,198,754</u>	<u>\$ (11,264,210)</u>	<u>\$ (5,065,456)</u>	<u>\$ 9,829,739</u>

concluded

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

CITY OF FLINT, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2022

	Death Benefit Trust Fund	Custodial Funds
Assets		
Cash and cash equivalents	\$ -	\$ 1,698,864
Loans receivable	-	75,000
Total assets	<u>-</u>	<u>1,773,864</u>
Liabilities		
Undistributed receipts	-	1,217,014
Due to other governments	-	58
Total liabilities	<u>-</u>	<u>1,217,072</u>
Net position		
Restricted for:		
Other postemployment benefits	-	-
Individuals, organizations, and other governments	-	556,792
Total net position	<u>\$ -</u>	<u>\$ 556,792</u>

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

CITY OF FLINT, MICHIGAN

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2022

	Death Benefit Trust Fund	Custodial Funds
Additions		
Investment income	\$ -	\$ 256
Other:		
Collections from or on behalf of other governments	-	277,898
Other taxes collection for other governments	-	33,935,271
Total additions	<u>-</u>	<u>34,213,425</u>
Deductions		
Payments to or on behalf of other governments	-	278,130
Payments of other taxes to other governments	-	33,935,271
Transfer to fringe benefits internal service fund	924,141	-
Total deductions	<u>924,141</u>	<u>34,213,401</u>
Change in net position	(924,141)	24
Net position, beginning of year	<u>924,141</u>	<u>556,768</u>
Net position, end of year	<u>\$ -</u>	<u>\$ 556,792</u>

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

COMPONENT UNITS

CITY OF FLINT, MICHIGAN

Combining Statement of Net Position

Discretely Presented Component Units

June 30, 2022

	Downtown Development Authority	Economic Development Corporation	Hurley Medical Center	Totals
Assets				
Cash and investments	\$ 770,815	\$ 344,781	\$ 126,446,151	\$ 127,561,747
Receivables, net	188,609	7,705,431	75,040,161	82,934,201
Other assets	5,971	15,057	11,284,820	11,305,848
Restricted cash and investments	-	1,054,251	158,196,443	159,250,694
Investment in joint venture	-	-	7,119,823	7,119,823
Capital assets not being depreciated	4,878,067	93,860	13,636,986	18,608,913
Capital assets being depreciated, net	7,323,673	189,668	111,699,239	119,212,580
Net OPEB asset	-	-	4,768,986	4,768,986
Total assets	13,167,135	9,403,048	508,192,609	530,762,792
Deferred outflows of resources				
Deferred charge on refunding	41,911	-	1,256,738	1,298,649
Deferred pension amounts	-	-	47,880,465	47,880,465
Deferred OPEB amounts	-	-	10,167,735	10,167,735
Total deferred outflows of resources	41,911	-	59,304,938	59,346,849
Liabilities				
Accounts payable and accrued liabilities	423,892	106,302	98,985,598	99,515,792
Unearned revenue	-	-	15,144,134	15,144,134
Long-term debt:				
Due within one year	524,520	170,000	4,664,106	5,358,626
Due in more than one year	6,067,200	7,135,000	81,588,973	94,791,173
Net pension liability (due in more than one year)	-	-	183,138,832	183,138,832
Total liabilities	7,015,612	7,411,302	383,521,643	397,948,557
Deferred inflows of resources				
Deferred pension amounts	-	-	38,893,208	38,893,208
Deferred OPEB amounts	-	-	26,129,852	26,129,852
Deferred lease amounts	-	325,407	1,122,422	1,447,829
Total deferred inflows of resources	-	325,407	66,145,482	66,470,889
Net position				
Net investment in capital assets	5,651,931	283,528	43,711,803	49,647,262
Restricted	-	963,088	10,229,203	11,192,291
Unrestricted	541,503	419,723	63,889,416	64,850,642
Total net position	\$ 6,193,434	\$ 1,666,339	\$ 117,830,422	\$ 125,690,195

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

CITY OF FLINT, MICHIGAN

Combining Statement of Activities

Discretely Presented Component Units
For the Year Ended June 30, 2022

	Downtown Development Authority	Economic Development Corporation	Hurley Medical Center	Totals
Expenses				
Downtown Development Authority	2,100,045	\$ -	\$ -	\$ 2,100,045
Economic Development Corporation	-	816,422	-	816,422
Hurley Medical Center	-	-	489,062,799	489,062,799
Total expenses	<u>2,100,045</u>	<u>816,422</u>	<u>489,062,799</u>	<u>491,979,266</u>
Program revenues				
Charges for services	1,316,479	720,242	396,202,931	398,239,652
Operating grants and contributions	262,284	-	91,718,619	91,980,903
Total program revenues	<u>1,578,763</u>	<u>720,242</u>	<u>487,921,550</u>	<u>490,220,555</u>
Net program revenue (expense)	<u>(521,282)</u>	<u>(96,180)</u>	<u>(1,141,249)</u>	<u>(1,758,711)</u>
General revenues				
Property taxes	1,146,294	-	-	1,146,294
Unrestricted investment depreciation	-	(1,423)	(9,283,557)	(9,284,980)
Other revenue	7,345	95,451	312,344	415,140
Total general revenues	<u>1,153,639</u>	<u>94,028</u>	<u>(8,971,213)</u>	<u>(7,723,546)</u>
Change in net position	<u>632,357</u>	<u>(2,152)</u>	<u>(10,112,462)</u>	<u>(9,482,257)</u>
Net position, beginning of year, as restated	<u>5,561,077</u>	<u>1,668,491</u>	<u>127,942,884</u>	<u>135,172,452</u>
Net position, end of year	<u>\$ 6,193,434</u>	<u>\$ 1,666,339</u>	<u>\$ 117,830,422</u>	<u>\$ 125,690,195</u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Discretely Presented Component Units

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

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

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

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

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Component Unit Financial Statements

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

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

Hurley Medical Center
One Hurley Plaza
Flint, Michigan 48503

Joint Ventures

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

Genesys Hurley Cancer Institute (GHCI) is a joint venture between Hurley Medical Center and Genesys Regional Medical Center. The venture was established during 2001 to provide outpatient oncology services, including laboratory and radiation oncology. The Medical Center's net investment at June 30, 2022 was \$7,119,823. The arrangement provides that the two entities will share equally in the income or losses of the joint venture. The equity (loss) gain to the Medical Center from this joint venture was \$265,252 for the year ended June 30, 2022, and is included in other revenue (expense) on the statement of activities. No distributions were made to the Medical Center during the year ended June 30, 2022. GHCI paid the Medical Center \$564,273 for leased employees for the year ended June 30, 2022. The following is a summary of financial position and results of operations of GHCI as of and for the year ended June 30, 2022 (in thousands):

Total assets	\$	18,511
Total liabilities		<u>4,606</u>
Net assets	\$	<u>13,905</u>
Operating revenues	\$	9,148
Operating expenses		<u>8,694</u>
Operating income		454
Nonoperating expense		<u>(337)</u>
Excess of expenses over revenues	\$	<u>117</u>

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major enterprise funds:

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

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

Additionally, the City reports the following fund types:

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

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

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

Other postemployment benefits trust fund accounts for the accumulation of resources to be used for death benefit payments to eligible employees of the City and certain healthcare costs. This fund was closed out during the year with a transfer of funds to the fringe benefit internal service fund.

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

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

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.

Notes to Financial Statements

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

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

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

Property Tax Revenue

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

The City of Flint 2021 tax is levied and collectible on July 1, 2021 and is recognized as revenue in the year ended June 30, 2022, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2021 taxable valuation of the City of Flint totaled approximately \$869 million, on which taxes levied consisted of 7.5 mills for operating purposes, 2.5 mills for public improvement, 0.5 mills for parks and recreation, 6.0 for public safety, and 2.0 mills for neighborhood police.

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

Deposits and Investments

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

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

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

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

Restricted Cash and Investments

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

Receivables and Payables

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

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

Inventories and Prepaids

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

Capital Assets

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

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

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

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

	Years
Buildings	50
Building improvements	40-50
Improvements other than buildings	5-50
Land improvements	5-50
Leased equipment	4-10
Public domain infrastructure	10-50
Water and sewer infrastructure	10-50
Machinery and equipment	3-20
Other furnishings	5-7

Deferred Outflows of Resources

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

Compensated Absences

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

Unearned Revenue

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

Long-term Obligations

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

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

Deferred Inflows of Resources

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

Fund Balances

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

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

Notes to Financial Statements

Interfund Transactions

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

Pensions and Other Postemployment Benefits

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

Use of Estimates

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

Hurley Medical Center – Patient Accounts Receivable

Patient accounts receivable at June 30, 2022 and revenue for the year then ended include estimated amounts due from various third party payors which are computed in accordance with their respective reimbursement formulas. In addition, the Medical Center has established an estimated allowance for uncollectible accounts of approximately \$7,000,000 for 2022. The Medical Center grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements.

Hurley Medical Center – Net Patient Service Revenue

The Medical Center has agreements with third-party payers that provide for payments to the Medical Center at amounts different from its established rates. Cost report settlements result from the adjustment of interim payments to final reimbursement under the Medicare, Medicaid, and Blue Cross/Blue Shield of Michigan programs and are subject to audit by fiscal intermediaries. The Medical Center recognized an insignificant decrease in net patient service revenue during the year ended June 30, 2022 as a result of unfavorable and favorable changes to prior year settlement estimates and activity.

Notes to Financial Statements

Hurley Medical Center – Charity Care

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

2. BUDGETARY INFORMATION

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

1. On June 7, 2021, the City Council approved adopting the operating budget for the fiscal year commencing the following July 1. The legally adopted operating budgets included expenditures and the means of financing them for the general and special revenue funds (these funds are required to have budgets per Michigan law). Informational summaries of projected revenue and expenditures/expenses were provided for all City funds, as well as estimated total costs and proposed methods of financing all capital construction projects.
2. Department heads are authorized to transfer budgeted amounts with departmental appropriation accounts, except as those designated by the City's "Amendment of Adopted Budgets" ordinance. Revisions that require Council approval must be adopted by resolution.
3. Formal budgetary integration was employed as a management control device during the year for all budgetary funds. Also, all budgets, except for the grant funds, were adopted on a basis consistent with generally accepted accounting principles. The grant budgets were rolled from the prior year based on the budget balances of the grants at year end. Budget appropriations lapse at year end.
4. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end do not constitute expenditures or liabilities because the goods or services have not been received as of year-end; the commitments will be re-appropriated and honored during the subsequent year.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Expenditures in Excess of Appropriations

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

	Final Budget	Actual	Over Budget
General fund			
General government:			
Mayor's office	\$ 404,519	\$ 457,388	\$ 52,869
Major streets			
Debt service:			
Principal	113,420	113,981	561
Local streets			
Debt service:			
Principal	-	62,633	62,633

4. DEPOSITS AND INVESTMENTS

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

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

As of June 30, 2022, the City's deposits and investments were reported in the basic financial statements in the following categories:

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and investments	\$ 233,756,467	\$ 127,561,747	\$ 361,318,214
Restricted cash and investments	6,603,385	159,250,694	165,854,079
	240,359,852	286,812,441	527,172,293
Statement of Fiduciary Net Position			
Custodial funds:			
Cash and cash equivalents	1,698,864	-	1,698,864
Total	\$ 242,058,716	\$ 286,812,441	\$ 528,871,157
Deposits and investments			
Bank deposits (checking and savings accounts)			\$ 270,457,060
Certificates of deposit with maturities less than one year			11,454,403
Certificates of deposit with maturities greater than one year			21,396,143
Investments:			
Equity mutual funds		1,406,205	
Treasury obligations		47,074,453	
U.S. government bonds		9,582,544	
Money market accounts		32,209,750	
Municipal bonds		8,834,284	
Total investments			99,107,236
Hurley Medical Center restricted cash and investments			126,446,151
Cash on hand			10,164
Total			\$ 528,871,157

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Investment and Deposit Risk

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

	Fair Value	Weighted Average Maturity (Years)
U.S. government bonds	9,582,544	2.42
Municipal bonds	<u>8,834,284</u>	3.8
Total	<u>\$ 18,416,828</u>	

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investments. Commercial paper must be rated within the two highest classifications established by not less than two standard rating services. The City's investment policy does not have specific limits in excess of state law on investment credit risk. As of June 30, 2022, the City's investment ratings are disclosed below:

	Fair Value	Standard & Poor's Rating
Equity mutual funds	\$ 1,406,205	N/A
Treasury obligations	46,018,242	N/A
Treasury obligations	1,056,211	AAA
U.S. government bonds	995,962	N/A
U.S. government bonds	8,586,582	AA+
Money market accounts	32,209,750	N/A
Municipal bonds	2,166,705	AA+
Municipal bonds	343,851	A+
Municipal bonds	1,215,359	AA
Municipal bonds	907,173	A-
Municipal bonds	298,314	AA-
Municipal bonds	<u>3,902,882</u>	N/A
Total	<u>\$ 99,107,236</u>	

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. State law does not require and the City does not have a policy for deposit custodial credit risk. As of year end, \$266,165,338 of the City's bank balance of \$267,665,438 was exposed to custodial credit risk because it was uninsured and uncollateralized.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Custodial Credit Risk – Investments. As of June 30, 2022, the City's investments consisted of mutual funds, government obligations and other assets. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that investment securities be held in third-party safekeeping by a designated institution and that the safekeeping agent follow the procedure of delivery vs. payment. As of June 30, 2022, none of the City's investments were exposed to risk since the securities are held in the City's name by the counterparty.

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

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

The City had the following recurring fair value measurements as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Equity mutual funds	\$ 1,406,205	\$ -	\$ -	\$ 1,406,205
Treasury obligations	-	47,074,453	-	47,074,453
U.S. government bonds	-	9,582,544	-	9,582,544
Municipal bonds	-	8,834,284	-	8,834,284
Total investments at fair value	<u>\$ 1,406,205</u>	<u>\$ 65,491,281</u>	<u>\$ -</u>	66,897,486
Money market funds (carried at amortized cost)				<u>32,209,750</u>
				<u>\$ 99,107,236</u>

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

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Hurley Medical Center Component Unit

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

5. RECEIVABLES

Receivables, of which \$7,855,574 of loans receivable, \$7,808 of leases receivable, and \$6,203,315 in due from component units in governmental activities, \$90,832,783 in due from GLWA in business-type activities, and \$168,537 of loans receivable, \$7,135,000 of installment sales agreement receivable, and \$779,526 of leases receivable in the component units are not expected to be collected within one year, are as follows:

	Governmental Activities	Business-type Activities	Component Units
Accounts	\$ 1,133,256	\$ 52,939,099	\$ 12,494,223
Property taxes	407,515	-	-
Income taxes	15,235,814	-	-
Patient	-	-	65,454,399
Estimated third-party payor settlements	-	-	3,875,628
Loans	7,855,574	-	168,537
Installment sales agreement	-	-	7,305,000
Leases	26,155	-	816,941
Interest	-	-	2,083
Due from other governments	15,105,977	12,874,579	3,417
Due from GLWA	-	93,379,178	-
Due from component units	6,203,315	-	-
Less: allowance for uncollectibles	(17,666,109)	(25,056,810)	(7,186,027)
	<u>\$ 28,301,497</u>	<u>\$ 134,136,046</u>	<u>\$ 82,934,201</u>

The \$6,203,315 amount due from the DDA component unit to the City is a result of the City's issuance of bonds on the Authority's behalf for the James Rutherford Parking Deck. The Authority has pledged tax increment revenue and net operating revenue of the parking system to repay the obligations. The DDA has not been able to make the full bond payments to date and each year an amount is determined to be forgiven. \$5,753,569 of this amount is not expected to be collected within one year.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

6. INTANGIBLE ASSET - RIGHT TO USE

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

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

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

An interfund balance existed between governmental activities and business-type activities in the amount of \$5,559,108. This resulted from the allocation of a portion of internal service fund net position of governmental activities internal service funds to business-type activities.

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

Transfers out	Transfers In			Totals
	Grants	Nonmajor Governmental Funds	Internal Service Funds	
General fund	\$ 29,978	\$ -	\$ -	\$ 29,978
Nonmajor governmental funds	-	1,701,442	-	1,701,442
Death benefit trust fund	-	-	924,141	924,141
	<u>\$ 29,978</u>	<u>\$ 1,701,442</u>	<u>\$ 924,141</u>	<u>\$ 2,655,561</u>

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

During the year, transfers between funds were primarily for operating purposes or to cover operating deficits. The transfer from general fund to the grants fund was to cover the interest on debt reported under the grants fund. The transfers from the public improvement fund (nonmajor) to the debt service fund (nonmajor) was for the payment of principal and interest on the parking deck debt, the Fiscal Stabilization Loan, and the emergency loan note. The transfer from the death benefit trust fund to the fringe benefits internal service fund was to address Finding 2021-005 - Investments in the 2021 ACFR, with the transfer out the death benefit trust fund was closed.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Total transfers in for the primary government as shown in the accompanying financial statements were \$2,655,561 and total transfers out were \$1,731,420. During 2022, the City chose to close the death benefit fiduciary fund and transferred all remaining funds in the amount of \$924,141 into the fringe benefit internal service fund. As such, this is reported as an uneliminated internal balance in the statement of activities.

8. CAPITAL ASSETS

Capital asset activity for the current year was as follows:

Primary Government

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 14,832,845	\$ -	\$ (16,400)	\$ -	\$ 14,816,445
Construction in progress	8,380,962	1,625,888	-	(7,113,253)	2,893,597
	<u>23,213,807</u>	<u>1,625,888</u>	<u>(16,400)</u>	<u>(7,113,253)</u>	<u>17,710,042</u>
Capital assets, being depreciated/amortized:					
Land improvements	14,592,604	-	-	10,001	14,602,605
Infrastructure	385,347,504	117,602	-	6,923,170	392,388,276
Buildings, additions and improvements	23,086,427	209,596	-	180,082	23,476,105
Machinery and equipment	13,417,387	1,302,101	-	-	14,719,488
Vehicles	19,608,576	2,550,647	-	-	22,159,223
Leased equipment	1,612,763	-	-	-	1,612,763
	<u>457,665,261</u>	<u>4,179,946</u>	<u>-</u>	<u>7,113,253</u>	<u>468,958,460</u>
Less accumulated depreciation/amortization for:					
Land improvements	(13,255,896)	(306,720)	-	-	(13,562,616)
Infrastructure	(330,555,161)	(7,413,745)	-	-	(337,968,906)
Buildings, additions and improvements	(18,510,894)	(294,188)	-	-	(18,805,082)
Machinery and equipment	(11,905,064)	(756,325)	-	-	(12,661,389)
Vehicles	(12,346,144)	(2,041,807)	-	-	(14,387,951)
Leased equipment	(537,230)	(187,101)	-	-	(724,331)
	<u>(387,110,389)</u>	<u>(10,999,886)</u>	<u>-</u>	<u>-</u>	<u>(398,110,275)</u>
Total capital assets being depreciated/amortized, net	<u>70,554,872</u>	<u>(6,819,940)</u>	<u>-</u>	<u>7,113,253</u>	<u>70,848,185</u>
Governmental activities capital assets, net	<u>\$ 93,768,679</u>	<u>\$ (5,194,052)</u>	<u>\$ (16,400)</u>	<u>\$ -</u>	<u>\$ 88,558,227</u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 1,175,844	\$ -	\$ -	\$ -	\$ 1,175,844
Construction in progress	48,797,274	31,440,040	-	(12,957,069)	67,280,245
	<u>49,973,118</u>	<u>31,440,040</u>	<u>-</u>	<u>(12,957,069)</u>	<u>68,456,089</u>
Capital assets, being depreciated:					
Land improvements	6,249,260	-	-	-	6,249,260
Infrastructure	206,580,766	3,314,019	-	11,176,964	221,071,749
Buildings, additions and improvements	57,703,566	(13,280)	-	-	57,690,286
Machinery and equipment	113,491,916	1,665,106	-	1,780,105	116,937,127
Vehicles	4,164,286	156,048	-	-	4,320,334
	<u>388,189,794</u>	<u>5,121,893</u>	<u>-</u>	<u>12,957,069</u>	<u>406,268,756</u>
Less accumulated depreciation for:					
Land improvements	(3,170,308)	(173,883)	-	-	(3,344,191)
Infrastructure	(95,677,118)	(4,020,984)	-	-	(99,698,102)
Buildings, additions and improvements	(45,735,682)	(889,184)	-	-	(46,624,866)
Machinery and equipment	(75,941,929)	(3,169,130)	-	-	(79,111,059)
Vehicles	(3,993,297)	(158,639)	-	-	(4,151,936)
	<u>(224,518,334)</u>	<u>(8,411,820)</u>	<u>-</u>	<u>-</u>	<u>(232,930,154)</u>
Total capital assets being depreciated, net	<u>163,671,460</u>	<u>(3,289,927)</u>	<u>-</u>	<u>12,957,069</u>	<u>173,338,602</u>
Business-type activities capital assets, net	<u>\$ 213,644,578</u>	<u>\$ 28,150,113</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,794,691</u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

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

Depreciation/amortization of governmental activities by function

General government	\$ 860,941
Public safety	2,666
Public works	7,479,697
Recreation and culture	379,313
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>2,277,269</u>

Total depreciation/amortization expense - governmental activities \$ 10,999,886

Depreciation of business-type activities by function

Sewer	\$ 3,607,027
Water	<u>4,804,793</u>

Total depreciation expense - business-type activities \$ 8,411,820

Construction Commitments

The City has active construction projects as of June 30, 2022. The projects and City commitments with contractors were as follows:

	Spent to Date	Remaining Commitment
Water supply improvements	\$ 24,997,143	\$ 7,269,038
Road rehabilitation	18,406,049	3,456,848
Water pollution control	33,069,471	44,496,546
Planning and development Facilities	166,000	104,438
		<u>417,153</u>
Total	<u>\$ 76,638,663</u>	<u>\$ 55,744,023</u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Discretely Presented Component Units

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Component Unit -					
Downtown Development Authority					
Capital assets, not being depreciated -					
Land	\$ 4,878,067	\$ -	\$ -	\$ -	\$ 4,878,067
Capital assets, being depreciated:					
Land improvements	10,934,166	-	-	-	10,934,166
Parking deck and improvements	5,794,466	-	-	-	5,794,466
Buildings, additions and improvements	331,632	-	-	-	331,632
Machinery and equipment	1,860,318	14,659	-	-	1,874,977
Vehicles	35,501	9,750	-	-	45,251
	<u>18,956,083</u>	<u>24,409</u>	<u>-</u>	<u>-</u>	<u>18,980,492</u>
Less accumulated depreciation for:					
Land improvements	(4,366,361)	(289,353)	-	-	(4,655,714)
Parking deck and improvements	(5,688,874)	(3,928)	-	-	(5,692,802)
Buildings, additions and improvements	(53,611)	(8,291)	-	-	(61,902)
Machinery and equipment	(1,143,903)	(78,762)	-	-	(1,222,665)
Vehicles	(18,874)	(4,862)	-	-	(23,736)
	<u>(11,271,623)</u>	<u>(385,196)</u>	<u>-</u>	<u>-</u>	<u>(11,656,819)</u>
Total capital assets being depreciated, net	<u>7,684,460</u>	<u>(360,787)</u>	<u>-</u>	<u>-</u>	<u>7,323,673</u>
Downtown Development Authority capital assets, net	<u>\$ 12,562,527</u>	<u>\$ (360,787)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,201,740</u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Component Unit -					
Economic Development Corporation					
Capital assets, not being depreciated -					
Land	\$ 93,860	\$ -	\$ -	\$ -	\$ 93,860
Capital assets, being depreciated:					
Buildings	514,782	-	-	-	514,782
Building improvements	725,096	47,442	-	-	772,538
Machinery and equipment	276,502	-	-	-	276,502
	<u>1,516,380</u>	<u>47,442</u>	<u>-</u>	<u>-</u>	<u>1,563,822</u>
Less accumulated depreciation for:					
Buildings	(514,782)	-	-	-	(514,782)
Building improvements	(563,651)	(19,219)	-	-	(582,870)
Machinery and equipment	(276,502)	-	-	-	(276,502)
	<u>(1,354,935)</u>	<u>(19,219)</u>	<u>-</u>	<u>-</u>	<u>(1,374,154)</u>
Total capital assets being depreciated, net	<u>161,445</u>	<u>28,223</u>	<u>-</u>	<u>-</u>	<u>189,668</u>
Economic Development Corporation					
capital assets, net	<u>\$ 255,305</u>	<u>\$ 28,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 283,528</u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals and Transfers	Ending Balance
Component Unit -				
Hurley Medical Center				
Capital assets, not being depreciated:				
Land	\$ 4,930,372	\$ -	\$ (294,999)	\$ 4,635,373
Construction in progress	8,373,056	19,082,136	(18,453,579)	9,001,613
	<u>13,303,428</u>	<u>19,082,136</u>	<u>(18,748,578)</u>	<u>13,636,986</u>
Capital assets, being depreciated/amortized:				
Land improvements	3,677,179	586,643	(530,936)	3,732,886
Buildings	182,745,218	10,709,698	(7,536,775)	185,918,141
Machinery and equipment	127,125,884	7,124,731	(9,146,205)	125,104,410
Automotive equipment	254,196	37,564	(67,995)	223,765
Equipment and furnishings	736,680	2,331	-	739,011
Leasehold improvements	274,931	-	-	274,931
Right-to-use asset - Buildings	5,580,887	-	-	5,580,887
Right-to-use asset - Equipment	2,665,748	2,677,872	(720,006)	4,623,614
	<u>323,060,723</u>	<u>21,138,839</u>	<u>(18,001,917)</u>	<u>326,197,645</u>
Less accumulated depreciation/amortization for:				
Land improvements	(2,235,113)	(259,649)	490,595	(2,004,167)
Buildings	(114,276,947)	(5,170,967)	6,866,130	(112,581,784)
Machinery and equipment	(96,564,602)	(7,980,792)	9,025,379	(95,520,015)
Automotive equipment	(223,090)	(15,429)	65,250	(173,269)
Equipment and furnishings	(643,566)	(8,962)	-	(652,528)
Leasehold improvements	(172,977)	(7,760)	-	(180,737)
Right-to-use asset - Buildings	(1,092,538)	(1,014,006)	-	(2,106,544)
Right-to-use asset - Equipment	(852,412)	(1,114,214)	687,264	(1,279,362)
	<u>(216,061,245)</u>	<u>(15,571,779)</u>	<u>17,134,618</u>	<u>(214,498,406)</u>
Total capital assets being depreciated/amortized, net	<u>106,999,478</u>	<u>5,567,060</u>	<u>(867,299)</u>	<u>111,699,239</u>
Hurley Medical Center capital assets, net	<u>\$ 120,302,906</u>	<u>\$ 24,649,196</u>	<u>\$ (19,615,877)</u>	<u>\$ 125,336,225</u>

9. LONG-TERM DEBT

Primary Government

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

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Long-term debt activity for the primary government for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable	\$ 11,855,000	-	\$ (690,000)	\$ 11,165,000	\$ 715,000
Direct borrowings and direct placements -					
Loans payable	10,943,922	-	(1,066,980)	9,876,942	1,160,550
Installment purchase payables	2,689,776	-	(947,210)	1,742,566	725,075
	<u>13,633,698</u>	<u>-</u>	<u>(2,014,190)</u>	<u>11,619,508</u>	<u>1,885,625</u>
Total installment debt	25,488,698	-	(2,704,190)	22,784,508	2,600,625
Bond premium	942,672	-	(78,556)	864,116	78,556
Compensated absences	2,981,319	62,368	(461,062)	2,582,625	238,263
Total governmental activities	<u>\$ 29,412,689</u>	<u>\$ 62,368</u>	<u>\$ (3,243,808)</u>	<u>\$ 26,231,249</u>	<u>\$ 2,917,444</u>
Business-type Activities					
Direct borrowings and direct placements -					
KWA agreement payable	\$ 98,703,117	\$ -	\$ (2,435,923)	\$ 96,267,194	\$ 2,546,395
Sewage Disposal System Junior Lien Revenue Bond, SRF Series 2020	6,327,420	16,319,971	-	22,647,391	733,000
Total installment debt	105,030,537	16,319,971	(2,435,923)	118,914,585	3,279,395
Compensated absences	485,349	465	(33,408)	452,406	41,737
Total business-type activities	<u>\$ 105,515,886</u>	<u>\$ 16,320,436</u>	<u>\$ (2,469,331)</u>	<u>\$ 119,366,991</u>	<u>\$ 3,321,132</u>

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

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

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

	Interest Rate	Year of Maturity	Outstanding Principal	Original Amount
Bonds payable:				
2019A Local Government Loan Program	5.00%	2033	\$ 5,380,000	\$ 6,475,000
2019B Local Government Loan Program	2.36-3.56%	2036	5,785,000	6,795,000
Loans payable:				
Section 108 Loan - 500 Block	1.34-4.13%	2026	1,184,000	3,840,000
Section 108 Loan - Guaranteed Funds	0.56-4.28%	2028	3,170,000	5,180,000
Section 108 Loan - W. Carpenter Rd	LIBOR + 1.50%	2029	699,000	1,875,000
SIB 3rd Avenue Reconstruction Loan	0.50%	2029	813,942	2,241,000
Emergency Loan - G.O. Limited Tax 2014-15	2.09%	2030	4,010,000	7,000,000
Installment purchase agreements payable:				
Tri-County International Trucks	4.75%	2024	274,267	787,747
Vactor	3.15%	2024	714,197	1,757,120
Snow Plows	3.80%	2025	754,102	1,491,805
Total			<u>\$ 22,784,508</u>	<u>\$ 37,442,672</u>

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

Year Ended June 30,	Governmental Activities			
	Direct Borrowings and Direct Placements		Bonds Payable	
	Principal	Interest	Principal	Interest
2023	\$ 1,885,625	\$ 359,906	\$ 715,000	\$ 435,172
2024	1,931,298	300,633	740,000	407,358
2025	1,456,019	238,458	770,000	378,094
2026	1,208,280	190,837	810,000	347,072
2027	927,861	159,511	835,000	314,253
2028-2032	4,210,425	126,567	4,745,000	992,350
2033-2036	-	-	2,550,000	164,230
	<u>\$ 11,619,508</u>	<u>\$ 1,375,912</u>	<u>\$ 11,165,000</u>	<u>\$ 3,038,528</u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

KWA Agreement Payable - Karegnondi Water Authority (KWA) was formed in 2013 for the purpose of constructing a new raw water supply system (the "System"). Effective August 1, 2013, the City entered into an agreement (the "Agreement") with KWA and Genesee County (the "County") to issue debt to acquire, construct, and operate the System, which became operational in 2018. The County's share of the debt is 65.8 percent and the City's share of the debt is 34.2 percent. The City pledged its full faith and credit of certain state revenue as security of the repayment of the City's portion of this debt. During the year ended June 30, 2022, the City made total payments on this agreement in the amount of \$2,435,923. In addition, the City reached a 30-year agreement with the Great Lakes Water Authority ("GLWA") to purchase water. The contract with GLWA includes a monthly credit to the City equal to 97% (17.46 MGD of the 18 MGD) of the City's obligation under the Agreement, which offsets the debt and is recorded as a receivable in the City's water fund. The City pays the debt service payments to KWA on a monthly basis.

Sewage Disposal Revenue Bond - In 2021, the City issued \$28,288,000 of Series 2020, Sewer Revenue bonds. Principal payments ranging from \$733,000 to \$1,345,000 are due annually on October 1 starting on April 1, 2023 through fiscal year 2050. Interest is charged on the outstanding balance at 2.25% and is due April 1 and October 1 of each year.

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

Business-type Activities		
Direct Borrowings and Direct Placements		
Year Ended June 30,	Principal	Interest
2023	\$ 3,279,395	\$ 5,254,999
2024	3,419,651	5,389,404
2025	3,577,134	5,236,214
2026	3,730,407	5,074,207
2027	3,898,149	4,905,702
2028-2032	22,325,188	21,616,421
2033-2037	27,943,499	15,873,958
2038-2042	33,235,771	10,474,029
2043-2047	19,201,000	1,769,025
2048-2050	3,945,000	178,875
	<u>124,555,194</u>	<u>75,772,832</u>
Remaining available to draw	(5,640,609)	-
	<u>\$ 118,914,585</u>	<u>\$ 151,545,664</u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

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

Discretely Presented Component Units

Downtown Development Authority

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

	Year of Maturity	Interest Rates	Original Amount	Amount
Downtown Development Authority				
Direct placement:				
James Rutherford Parking Deck				
Note Payable (Refunded)	2032	5.00%	\$ 6,475,000	\$ 5,380,000
Electric Vehicle Charging Loan	2025	6.69%	31,494	23,123
Parking System Improvement Revenue Bonds	2026	2.50%	648,964	324,481
Total				<u>\$ 5,727,604</u>

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

Year Ended June 30,	Direct Placement		Bonds Payable	
	Principal	Interest	Principal	Interest
2023	381,068	260,985	64,896	7,301
2024	401,487	241,316	64,896	5,678
2025	421,934	220,619	64,896	4,056
2026	443,632	198,821	64,896	2,434
2027	460,000	176,250	64,897	811
2028-2032	3,295,002	518,375	-	-
	<u>\$ 5,403,123</u>	<u>\$ 1,616,366</u>	<u>\$ 324,481</u>	<u>\$ 20,280</u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Changes in long-term debt. Long-term debt activity for fiscal year 2022 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Downtown Development Authority					
Notes from direct borrowings and direct placements -					
James Rutherford Parking - Deck Note Payable	\$ 5,735,000	\$ -	\$ (355,000)	\$ 5,380,000	\$ 375,000
Electric Vehicle Charging Loan	28,795	-	(5,672)	23,123	6,068
	<u>5,763,795</u>	<u>-</u>	<u>(360,672)</u>	<u>5,403,123</u>	<u>381,068</u>
Parking System Improvement					
Revenue Bonds	389,378	-	(64,897)	324,481	64,896
Total installment debt	6,153,173	-	(425,569)	5,727,604	445,964
Bond premium	942,672	-	(78,556)	864,116	78,556
Total	<u>\$ 7,095,845</u>	<u>\$ -</u>	<u>\$ (504,125)</u>	<u>\$ 6,591,720</u>	<u>\$ 524,520</u>

Contractual Obligations - The above contractual obligations to the City for the James Rutherford Parking Deck are the result of the City's issuance of bonds on the Authority's behalf. The City refunded and reissued the bonds with a lower interest rate in the current year. The renegotiation of the bonds resulted in income to the Authority of \$845,000. The Authority has pledged tax increment revenue and net operating revenue of the parking system to repay the obligations. During the current year, the operating loss from the parking operations was \$476,534 and TIF payments were \$1,066,268.

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

Economic Development Corporation

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

Long-term liability activity for EDC for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Economic Development Corporation					
Revenue Bond	\$ 7,450,000	\$ -	\$ (145,000)	\$ 7,305,000	\$ 170,000

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

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

Year Ending June 30,	Principal	Interest
2023	\$ 170,000	\$ 369,125
2024	180,000	361,250
2025	185,000	353,038
2026	195,000	344,488
2027	205,000	335,488
2028-2032	1,420,000	1,487,075
2033-2037	2,030,000	1,044,163
2038-2042	2,920,000	417,638
	<u>\$ 7,305,000</u>	<u>\$ 4,712,263</u>

Pledged Revenue

Revenue bonds are secured by pledged Authority revenues. Proceeds of these bonds were utilized for economic development. The related bond agreements require future principal and interest payments totaling \$12,017,263 through 2042. For the year ended June 30, 2022, the Economic Development Corporation component unit incurred principal and interest expense of \$145,000 and \$376,213, respectively. Net revenue pledged for debt service was \$521,213 for the year ended June 30, 2022.

Hurley Medical Center

Long-term debt activity for Hurley Medical Center for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Hurley Medical Center					
Notes from direct borrowings and direct placements:					
Series 2013A	\$ 20,460,000	\$ -	\$ (1,300,000)	\$ 19,160,000	\$ 1,365,000
Series 2013B	8,920,000	-	(945,000)	7,975,000	990,000
Series 2020	45,830,000	-	(180,000)	45,650,000	185,000
Mortgage payable	258,031	-	(57,126)	200,905	60,049
	<u>75,468,031</u>	<u>-</u>	<u>(2,482,126)</u>	<u>72,985,905</u>	<u>2,600,049</u>
Leases	6,467,282	2,677,873	(2,048,033)	7,097,122	2,064,057
Unamortized bond premium	6,688,088	-	(518,036)	6,170,052	-
	<u>6,688,088</u>	<u>-</u>	<u>(518,036)</u>	<u>6,170,052</u>	<u>-</u>
Total Hurley Medical Center	<u>\$ 88,623,401</u>	<u>\$ 2,677,873</u>	<u>\$ (5,048,195)</u>	<u>\$ 86,253,079</u>	<u>\$ 4,664,106</u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

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

Year Ended June 30,	Notes from Direct Borrowings and Direct Placements	
	Principal	Interest
2023	\$ 2,600,049	\$ 3,231,019
2024	2,728,121	3,097,784
2025	3,581,351	2,954,255
2026	3,646,384	2,769,000
2027	3,775,000	2,579,050
2028-2032	17,010,000	10,415,236
2033-2037	18,030,000	6,705,825
2038-2042	21,615,000	2,576,200
	<u>\$ 72,985,905</u>	<u>\$ 34,328,369</u>

Direct Borrowings and Direct Placements

The Medical Center's outstanding revenue refunding bonds are payable from the revenue of the Medical Center pursuant to lease/purchase agreements between the Medical Center and the City of Flint Hospital Building Authority. Under terms of the lease/purchase agreements, the Medical Center transferred title to substantially all of its facilities to the Authority and leases such facilities from the Authority. Ownership of the facilities reverts to the Medical Center upon payment of the bonds. Rental payments to the Authority are equal to the amounts required to make principal and interest payments on the bonds. Payments on Series 2013A range from \$1,365,000 in 2023 to \$930,000 in 2040, plus interest from 5.0 to 5.25 percent through 2040. Payments on Series 2013B range from \$990,000 in 2023 to \$1,305,000 in 2029, plus interest ranging from 3.5 percent to 5.0 percent over the life of the bond. Payments on Series 2020 range from \$185,000 in 2023 to \$4,605,000 in 2035, plus interest from 4.0 to 5.0 percent over the life of the bond.

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

The outstanding 2020 Series bond lease agreement with the Authority includes certain financial covenants that, if not met, require the hiring of a consultant. The Medical Center is not in default as a result of violating the covenants unless the Medical Center fails to hire a consultant within 90 days of year end or if days cash on hand falls below 50 days.

Other Debt

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

During 2016, HHS entered into a mortgage note payable to acquire real property and a building in Lapeer, Michigan. The mortgage note payable is due in monthly installment of \$5,728, including interest of 5 percent. The mortgage note payable is collateralized by the building and real property and is due on August 3, 2025.

10. RISK MANAGEMENT

Primary Government

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

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

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

Component Units

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

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

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

Conditional Asset Retirement Obligation

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

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

11. SELF INSURANCE

General Liability

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

Changes in the reported liability for the fiscal years 2021 and 2022 are as follows:

Fiscal Year	Liability at Beginning of Year	Current-Year Claims and Changes in Estimates	Claim Payments	Liability at End of Year
2021	\$ 912,686	\$ 457,724	\$ (369,397)	\$ 1,001,013
2022	1,001,013	2,673,029	(649,591)	3,024,451

As of June 30, 2022, general liability insurance has \$957,696 of current claims payable, and the remaining \$2,066,755 is classified as long-term. 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 and retirees. The two plans are administered by Blue Cross/Blue Shield (BCBSM) and HAP of Michigan. Once the individual contract or aggregate stop-loss amount is reached. Reinsurance provides the remaining benefits. The City is protected from catastrophic claims by an excess insurance policy which provides \$2,000,000 in coverage per specific contract with a \$175,000 self-insured retention (SIR). The City did not have any claims in excess of the stop-loss deductible during the year. The self-insured coverages provided through BCBSM were protected by specific stop-loss coverage, which provided an unlimited excess with a \$175,000 deductible. The City also provides fully insured HMO health insurance coverage to a limited number of employees.

Changes in the reported liability for the fiscal years 2021 and 2022 are as follows:

Fiscal Year	Liability at Beginning of Year	Current-Year Claims and Changes in Estimates	Claim Payments	Liability at End of Year
2021	\$ 1,103,994	\$ 7,091,403	\$ (7,284,797)	\$ 910,600
2022	910,600	6,877,871	(6,923,085)	865,386

As of June 30, 2022, \$865,386 is considered current claims payable.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

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, 2022 was not material.

Workers' Compensation

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

Changes in the reported liability for the fiscal years 2021 and 2022 are as follows:

Fiscal Year	Liability at Beginning of Year	Current-Year Claims and Changes in Estimates	Claim Payments	Liability at End of Year
2021	\$ 1,194,670	\$ 920,478	\$ (252,856)	\$ 1,862,292
2022	1,862,292	(699,481)	(88,585)	1,074,226

As of June 30, 2022, \$1,074,226 is considered current claims payable.

Hurley Medical Center

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

Changes in the aggregate malpractice claims for the fiscal years 2021 and 2022 are as follows:

Fiscal Year	Liability at Beginning of Year	Current-Year Claims and Changes in Estimates	Claim Payments	Liability at End of Year
2021	\$ 25,625,910	\$ 4,727,475	\$ (5,916,385)	\$ 24,437,000
2022	24,437,000	6,224,299	(2,712,299)	27,949,000

Professional liability for claims is reported in accounts payable and accrued liabilities for the year ending June 30, 2022. Of this amount, \$2,730,000 is considered to be current. The carrying amount of the insurance trust assets (at market) amounted to \$13,874,516 at June 30, 2022.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

The Medical Center is self-insured for workers' compensation claims with a self-insured retainer of \$600,000 per claim. As of June 30, 2022, the Medical Center has recorded long-term accrued liabilities for workers' compensation of \$1,358,979. The changes in the aggregate workers' compensation claims for the past two years were as follows:

Fiscal Year	Liability at Beginning of Year	Current-Year Claims and Changes in Estimates	Claim Payments	Liability at End of Year
2021	\$ 2,654,181	\$ (520,433)	\$ (409,765)	\$ 1,723,983
2022	1,723,983	493,158	(858,162)	1,358,979

As of June 30, 2022, \$1,358,979 is considered long-term and reported in accounts payable and accrued liabilities.

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

12. 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.

There are numerous cases arising out of the Flint Water Crisis that remain pending, which name the City or one of one of its former officials or employees (including, for these purposes, former state-appointed Emergency Managers). We expect that the vast majority of the remaining claims against the City will be resolved through a settlement agreement that has been approved by the U.S. District Court for the Eastern District of Michigan and the 7th Circuit Court in Genesee County. This settlement agreement resolves both the class actions and individual cases against the City of Flint and its former officials and employees.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

While the City may still have to defend against some Flint Water Crisis Claims, dispositive motion practice based on the record established during discovery may dispose of any remaining claims before trial. The largest remaining potential liability against the City will likely consist of claims of minors, who are subject to special protections under the law and will be able to bring claims until they reach 19 years of age ("future minor claimants"). To minimize those risks, the Settlement Agreement explicitly reserves funds for such future minor claimants. Combined with restrictive case management orders, exposure of the City to future Flint Water Crisis Claims should be minimized to the extent possible.

The City also is involved in long-standing litigation regarding the City's water rates in state court. These cases are separate from the Flint Water Crisis litigation described previously. The City is attempting to enforce the close of discovery pursuant to the latest case management order and is prepared to file various dispositive motions. Settlement has been explored but Plaintiffs expectations have reflected an unrealistic expectation of recovery.

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

13. PENSION PLANS

Michigan Municipal Employees' Retirement System

General Information about the Pension Plan

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

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

Employees Covered by Benefit Terms. At the December 31, 2021 valuation date, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	1,689
Inactive employees entitled to but not yet receiving benefits	130
Active employees	<u>464</u>
Total membership	<u><u>2,283</u></u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

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

Net Pension Liability. The City's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

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

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

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2021 was 7.25% (down from 7.60% at December 31, 2020). The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Changes in Net Pension Liability

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2020	\$ 547,291,279	\$ 155,938,389	\$ 391,352,890
Changes for the year:			
Service cost	2,100,246	-	2,100,246
Interest	39,792,036	-	39,792,036
Differences between expected and actual experience	(4,793,675)	-	(4,793,675)
Changes in assumptions	16,118,960	-	16,118,960
Employer contributions	-	32,436,120	(32,436,120)
Employee contributions	-	1,152,231	(1,152,231)
Net investment income	-	19,586,970	(19,586,970)
Benefit payments, including refunds of employee contributions	(49,523,955)	(49,523,955)	-
Administrative expense	-	(233,683)	233,683
Net changes	<u>3,693,612</u>	<u>3,417,683</u>	<u>275,929</u>
Balances at December 31, 2021	<u>\$ 550,984,891</u>	<u>\$ 159,356,072</u>	<u>\$ 391,628,819</u>

Changes in assumptions. In 2022, amounts reported as changes of assumptions resulted from a decrease in the assumed rate of return from 7.35% to 7.00%, net of administrative fees.

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

1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
\$ 442,954,986	\$ 391,628,819	\$ 347,779,984

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

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

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

For the year ended June 30, 2022, the City recognized pension expense of \$37,655,197. The City reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 2,396,837	\$ (2,396,837)
Changes in assumptions	8,059,480	-	8,059,480
Net difference between projected and actual earnings on pension plan investments	-	10,262,173	(10,262,173)
	<u>8,059,480</u>	<u>12,659,010</u>	<u>(4,599,530)</u>
Contributions subsequent to the measurement date	16,712,260	-	16,712,260
Total	<u>\$ 24,771,740</u>	<u>\$ 12,659,010</u>	<u>\$ 12,112,730</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2023. Other amounts reported as deferred outflows of resources related to the pension will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2023	5,091,633
2024	(4,863,629)
2025	(3,157,520)
2026	<u>(1,670,014)</u>
Total	<u>\$ (4,599,530)</u>

Payable to the Pension Plan. At June 30, 2022, the City had \$2,961,904 payable for contributions to the pension plan.

Hurley Medical Center Component Unit

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

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

14. OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

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

The City also provides postemployment death benefits to certain retirees who retired after July 1, 1978, under the terms of collective bargaining agreements with two employee unions. If the retiree was a member of one of the bargaining units at the time of retirement, his or her designated beneficiary will receive a death benefit at the time of the retiree's death. The death benefit ranges from \$2,000 to \$38,000 depending on the employee's contract. Employees who retired as of June 30, 2012 are eligible for this benefit. The death benefit trust fund is reported as an other postemployment benefits trust fund; however, the City has not created a formal irrevocable trust in accordance with GASB 74. Therefore, the assets in the death benefit trust fund are not considered assets of the plan.

Employees Covered by Benefit Terms. At June 30, 2021 (the date of the most recent actuarial valuation report rolled forward to June 30, 2022), the following employees were covered by the benefit terms:

Inactive employees/beneficiaries receiving benefits	1,273
Active employees	<u>222</u>
Total membership	<u><u>1,495</u></u>

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

Total OPEB Liability

The City is not prefunding the plan and the total OPEB liability was measured as of June 30, 2022.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Actuarial Assumptions. The total OPEB liability in the June 30, 2021 valuation was determined using the following actuarial assumptions, applied consistently to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.75% per year for wage inflation plus merit and productivity increase
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Retirement age	Experience-based tables that are specific to the type of eligibility condition
Healthcare cost trend rate	7.5% and gradually decreasing to an ultimate trend rate of 4.5%

Mortality rates were based on the following tables: (1) General retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020, (2) Police and Fire retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020 and (3) Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study done during 2005.

Discount Rate. The discount rate used to measure the total OPEB liability was 4.09%. The projection of cash flows used to determine the discount rate assumed that Plan does not require and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Plan is funded on a pay-as-you-go basis, therefore, the AA municipal index bond rate of 4.09% was applied for future periods. The municipal index bond rate was obtained from the Bond Buyer 20-Bond GO index.

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

	Total OPEB Liability
Balances at June 30, 2021	<u>\$ 195,997,848</u>
Changes for the year:	
Service cost	1,713,717
Interest on total OPEB liability	4,227,070
Differences between expected and actual experience	21,290,420
Changes in assumptions	(51,139,695)
Benefit payments	<u>(9,440,430)</u>
Net changes	<u>(33,348,918)</u>
Balances at June 30, 2022	<u><u>\$ 162,648,930</u></u>

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

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, calculated using the discount rate of 4.09%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.09%) or 1% higher (5.09%) than the current rate:

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
City's total OPEB liability	\$ 186,748,247	\$ 162,648,930	\$ 143,302,211

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the City, calculated using the healthcare cost trend rate of 7.5% (decreasing to an ultimate rate of 4.5%), as well as what the City's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower (6.5% trending to 3.5%) or 1% higher (8.5% trending to 5.5%) than the current rate:

	1% Decrease (6.5% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.5% Decreasing to 4.5%)	1% Increase (8.5% Decreasing to 5.5%)
City's total OPEB liability	\$ 141,747,830	\$ 162,648,930	\$ 188,631,059

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

For the year ended June 30, 2022, the City recognized OPEB expense (benefit) of \$(23,908,488). The City reported no deferred outflows or inflows of resources related to OPEB.

Payable to the OPEB Plan. At June 30, 2022, the City had no amount payable to the OPEB plan.

Hurley Medical Center Component Unit

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

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

15. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of June 30, 2022, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 17,710,042	\$ 68,456,089	\$ 18,608,913
Capital assets being depreciated, net	70,848,185	173,338,602	119,212,580
	<u>88,558,227</u>	<u>241,794,691</u>	<u>137,821,493</u>
Total installment debt	22,784,508	118,914,585	86,018,509
Net premium/discount	-	-	7,034,168
Less noncapital debt:			
Grant program related debt	(5,053,000)	-	-
Debt used for noncapital purposes	(15,175,000)	(96,267,194)	(7,305,000)
Deferred charge on advanced refunding	-	-	(41,911)
Unspent bond proceeds	-	-	(4,628,657)
Lease payable	383,472	-	7,097,122
Capital related payables and retainage	874,471	10,059,512	-
	<u>3,814,451</u>	<u>32,706,903</u>	<u>88,174,231</u>
Net investment in capital assets	<u>\$ 84,743,776</u>	<u>\$ 209,087,788</u>	<u>\$ 49,647,262</u>

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

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

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

16. LEASES

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

Remaining Term of Agreements

Asset Type

Equipment 4 to 10 years

The assets acquired through leases in governmental activities are summarized as follows:

Equipment	\$ 1,612,763
Less accumulated amortization	<u>(724,331)</u>
Net book value	<u><u>\$ 888,432</u></u>

Lease liability activity for the year ended June 30, 2022, was as follows:

	Beginning Balance *	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Leases payable	<u>\$ 724,061</u>	<u>\$ -</u>	<u>\$ (340,589)</u>	<u>\$ 383,472</u>	<u>\$ 259,032</u>

* The City implemented the provisions of GASB Statement No. 87, *Leases*, in the current year. In accordance with this Statement, leases payable have been added to the beginning balances shown above and a corresponding lease asset has been recorded for the same amount.

The net present value of future minimum payments as of June 30, 2022, were as follows:

Year Ended June 30,	Governmental Activities	
	Principal	Interest
2023	\$ 259,032	\$ 3,462
2024	80,951	1,022
2025	<u>43,489</u>	<u>467</u>
Total	<u><u>\$ 383,472</u></u>	<u><u>\$ 4,951</u></u>

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Lessor - The City is involved in three agreements as a lessor that qualify as long-term lease agreements. Below is a summary of these agreements included in governmental activities and the economic development corporation component unit. These agreements qualify as long-term lease agreements as the City and EDC will not surrender control of the asset at the end of the term and the noncancelable term of the agreement surpasses one year. Total lease revenue for the year ended June 30, 2022 for the City and EDC was \$17,807 and \$36,310, respectively.

Remaining Term of Agreements

Asset Type

Land

2 to 8 years

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities				
Leases receivable	\$ 43,962	\$ -	\$ (17,807)	\$ 26,155

The net present value of future rental receipts as of June 30, 2022, were as follows:

Governmental Activities		
Year Ended June 30,	Principal	Interest
2023	\$ 18,347	\$ 381
2024	7,808	2,583
Total	\$ 26,155	\$ 2,964

Economic Development Corporation Component Unit

	Beginning Balance	Additions	Deductions	Ending Balance
Business-type Activities				
Leases receivable	\$ 361,717	\$ -	\$ (36,310)	\$ 325,407

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

The net present value of future rental receipts as of June 30, 2022, were as follows:

Business-type Activities		
Year Ended June 30,	Principal	Interest
2023	\$ 37,415	\$ 9,792
2024	38,553	10,070
2025	39,725	10,356
2026	40,933	10,651
2027	42,179	10,953
2028 - 2030	<u>126,602</u>	<u>32,631</u>
Total	<u><u>\$ 325,407</u></u>	<u><u>\$ 84,453</u></u>

Hurley Medical Center Component Unit

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

Future principal and interest payment requirements related to the Medical Center's lease liability at June 30, 2022 are as follows:

Year Ended June 30,	Principal	Interest
2023	\$ 2,064,057	\$ 206,033
2024	1,668,597	145,134
2025	1,238,085	98,522
2026	890,487	63,022
2027	647,397	36,739
2028-2033	<u>588,499</u>	<u>21,963</u>
	<u><u>\$ 7,097,122</u></u>	<u><u>\$ 571,413</u></u>

17. TAX ABATEMENTS

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

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the City. The abatements for the current year amounted to approximately \$254,000 in reduced tax revenues.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Payment in Lieu of Taxes (PILOT)

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

For the fiscal year ended June 30, 2022, the City abated \$509,761 of taxes under PILOT tax exemptions. There are no provisions to recapture taxes.

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

18. DETAILS OF FUND BALANCE CATEGORIES AND CLASSIFICATIONS

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

	General	Grants	Major Streets	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Prepays	\$ 49,836	\$ 23,951	\$ 10,638	\$ -	\$ 84,425
Restricted					
Roads	-	-	20,433,292	7,087,391	27,520,683
Public safety	-	-	-	734,010	734,010
Police	-	-	-	1,945,107	1,945,107
Parks and recreation	-	-	-	549,855	549,855
Street lights	-	-	-	5,566,296	5,566,296
Garbage collection	-	-	-	986,186	986,186
Revolving loans	-	-	-	680,778	680,778
State forfeitures	-	-	-	1,117,905	1,117,905
Building inspections	-	-	-	4,286,768	4,286,768
Debt service	-	-	-	4,506,835	4,506,835
	-	-	20,433,292	27,461,131	47,894,423
Assigned					
Subsequent years expenditures	14,094,070	-	-	-	14,094,070
Unassigned	4,988,355	(3,382,615)	-	(262,242)	1,343,498
	\$ 19,132,261	\$ (3,358,664)	\$ 20,443,930	\$ 27,198,889	\$ 63,416,416

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

Deficit Fund Equity

The water enterprise fund reported a deficit in unrestricted net position in the amount of \$22,871,584 at June 30, 2022. The fund had total net position of \$132,286,081.

The grants fund and CARES Act fund reported an unassigned fund balance deficit of \$3,382,615 and \$262,242, respectively, at June 30, 2022.

19. RESTATEMENTS

The City implemented the provisions of GASB Statement No. 87, *Leases*, during the current year. The implementation of this new standard includes a restatement to net position at the beginning of the year. The adjustment decreased beginning net position of the central maintenance garage internal service fund and governmental activities by \$169,484 and \$246,303, respectively.

Hurley Medical Center Component Unit

During the current year, the Hurley Medical Center component unit adopted GASB Statement No. 87, *Leases*. As a result, the financial statements now include a liability for the present value of payments expected to be made and right-to-use assets. The financial statements now include receivables for the presented value of payments expected to be received and deferred inflows of resources that will be recognized as revenue over the term of the lease. The net position was decreased by \$141,651. In addition, the capital asset and long-term debt footnotes were restated to include GASB 87 leases.

Downtown Development Authority Component Unit

For the year ended June 30, 2021, net position has been restated to correctly record the cost of the Electric Vehicle Charger installed in the parking garage as well as adjust the billings between the DDA and the company responsible for the parking enforcement per their agreement. The total change in the beginning net position of the Enterprise Fund was a decrease of \$215,943. The total cost of the capital assets was decreased by \$191,022, depreciation expense decreased by \$8,490, and expenses related to parking enforcement was increased by 33,411.

20. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the City for providing emergency services to its citizens, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. The City directly received approximately \$1.6 million during 2022 from various funding sources to be used to respond to the impacts of the COVID-19 pandemic through the CARES Act and other funding sources. This funding was used to provide relief in multiple areas such as State public safety and public health programs, purchases of personal protection equipment (PPE), transportation assistance, library assistance, and election assistance.

CITY OF FLINT, MICHIGAN

Notes to Financial Statements

21. SUBSEQUENT EVENTS

On July 11, 2022, the Council approved upgrades for elevators at City hall in the amount of \$344,153.

On July 25, 2022, the Council approved the completion of the AMI water meter upgrade project in the amount of \$438,000.

On August 8, 2022, the Council approved sewer line chemical root control services in the amount of \$350,000 and Phase VII of the SLE/SLR projects in the amount of \$17,871,748.

On August 22, 2022, the Council approved the WPC East Tank cleaning in the amount of \$570,000 and the capital improvements to Brennan Senior Center and Hasselbring Senior Center in the amount of \$300,000.

On September 12, 2022, the Council approved the purchase of vehicles for City operation in the amount of \$500,000.

On October 10, 2022, the Council approved construction engineering services for reconstruction of Saginaw Street bricks in the amount of \$829,680.

On November 28, 2022, the Council approved the paving of Welch Boulevard, Fleming Road and Dupont Street in the amount of \$971,190.

On December 12, 2022, the Council approved the purchase of a street sweeper in the amount of \$272,883.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FLINT, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

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

	Year Ended June 30,			
	2022	2021	2020	2019
Change in total pension liability				
Service cost	\$ 2,100,246	\$ 2,222,725	\$ 2,164,613	2,225,716
Interest	39,792,036	39,680,575	41,008,971	41,507,314
Differences between expected and actual experience	(4,793,675)	(4,373,958)	55,724	1,196,815
Changes in assumptions	16,118,960	13,913,983	17,084,353	-
Benefit payments, including refunds of member contributions	(49,523,955)	(50,307,036)	(51,377,003)	(50,880,152)
Other changes	-	-	-	-
Net change in total pension liability	<u>3,693,612</u>	<u>1,136,289</u>	<u>8,936,658</u>	<u>(5,950,307)</u>
Total pension liability, beginning	<u>547,291,279</u>	<u>546,154,990</u>	<u>537,218,332</u>	<u>543,168,639</u>
Total pension liability, ending (a)	<u>550,984,891</u>	<u>547,291,279</u>	<u>546,154,990</u>	<u>537,218,332</u>
Change in plan fiduciary net position				
Contributions - employer	32,436,120	28,790,184	23,133,233	23,514,772
Contributions - member	1,152,231	1,286,075	1,523,222	1,624,560
Net investment income (loss)	19,586,970	18,651,212	20,591,049	(6,736,753)
Benefit payments, including refunds of member contributions	(49,523,955)	(50,307,036)	(51,377,003)	(50,880,152)
Administrative expense	(233,683)	(292,390)	(353,408)	(357,675)
Net change in plan fiduciary net position	<u>3,417,683</u>	<u>(1,871,955)</u>	<u>(6,482,907)</u>	<u>(32,835,248)</u>
Plan fiduciary net position, beginning	<u>155,938,389</u>	<u>157,810,344</u>	<u>164,293,251</u>	<u>197,128,499</u>
Plan fiduciary net position, ending (b)	<u>159,356,072</u>	<u>155,938,389</u>	<u>157,810,344</u>	<u>164,293,251</u>
City's net pension liability, ending (a)-(b)	<u>\$ 391,628,819</u>	<u>\$ 391,352,890</u>	<u>\$ 388,344,646</u>	<u>\$ 372,925,081</u>
Plan fiduciary net position as a percentage of the total pension liability	28.92%	28.49%	28.89%	30.58%
Covered payroll	\$ 24,634,006	\$ 24,083,465	\$ 22,736,587	\$ 22,408,172
City's net pension liability as a percentage of covered payroll	1589.79%	1624.99%	1708.02%	1664.24%

See notes to required supplementary information.

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

CITY OF FLINT, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Contributions

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

See notes to required supplementary information.

CITY OF FLINT, MICHIGAN

Notes to Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

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

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

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

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

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

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

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

Notes to Schedule of Contributions

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

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

Methods and assumptions used to determine contribution rates (2022, based on the 12/31/2019 actuarial valuation):

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, open
Remaining amortization period	19 years
Asset valuation method	5-year smooth market
Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.35%, net of investment and administrative expense including inflation
Normal retirement age	Age 60
Mortality	50% Female/50% Male blend of the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%, the RP-2014 Employee Mortality Tables, and the RP-2014 Juvenile Mortality Tables

CITY OF FLINT, MICHIGAN

Required Supplementary Information

Other Postemployment Benefits Plan

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

	Year Ended June 30,				
	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 1,713,717	\$ 2,202,617	\$ 1,694,385	\$ 1,919,202	\$ 2,312,576
Interest	4,227,070	6,990,415	8,625,830	10,625,304	11,083,100
Differences between expected and actual experience	21,290,420	(92,199,811)	(12,188,738)	(42,174,650)	(23,163,328)
Changes of assumptions	(51,139,695)	24,262,502	30,062,708	13,670,455	(12,462,521)
Benefit payments, including refunds of employee contributions	(9,440,430)	(11,629,273)	(11,656,543)	(13,557,337)	(14,730,209)
Net change in total OPEB liability	<u>(33,348,918)</u>	<u>(70,373,550)</u>	<u>16,537,642</u>	<u>(29,517,026)</u>	<u>(36,960,382)</u>
Total OPEB liability, beginning of year	<u>195,997,848</u>	<u>266,371,398</u>	<u>249,833,756</u>	<u>279,350,782</u>	<u>316,311,164</u>
Total OPEB liability, end of year	<u><u>\$ 162,648,930</u></u>	<u><u>\$ 195,997,848</u></u>	<u><u>\$ 266,371,398</u></u>	<u><u>\$ 249,833,756</u></u>	<u><u>\$ 279,350,782</u></u>
Covered-employee payroll	\$ 20,375,654	\$ 19,639,185	\$ 13,104,499	\$ 14,281,760	\$ 17,034,088
City's total OPEB liability as a percentage of covered-employee payroll	798.25%	997.99%	2032.67%	1749.32%	1639.95%

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

See notes to required supplementary information.

CITY OF FLINT, MICHIGAN

Required Supplementary Information

Other Postemployment Benefits Plan

Schedule of Contributions

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

See notes to required supplementary information.

CITY OF FLINT, MICHIGAN

Notes to Required Supplementary Information

Other Postemployment Benefits Plan

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

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

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

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

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

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

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

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

CITY OF FLINT, MICHIGAN

Notes to Required Supplementary Information

Other Postemployment Benefits Plan

Notes to Schedule of Contributions

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

Valuation Date	Actuarially determined contribution rates are calculated as of June 30, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	28 years
Asset valuation method	Market value
Discount rate	2.19%
Inflation	2.50%
Salary increases	3.75%, including inflation
Retirement age	Experience-based tables of rates are specific to the type of eligibility condition
Healthcare cost trend rate	7.50% and gradually decreasing to an ultimate trend rate of 4.50%
Mortality	(1) General retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019, (2) Police and Fire retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019 and (3) Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019.

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

CITY OF FLINT, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
June 30, 2022

	Special Revenue	Debt Service	Totals
Assets			
Cash and investments	\$ 24,746,948	\$ 4,503,854	\$ 29,250,802
Receivables:			
Accounts, net	44,846	-	44,846
Property taxes	112,501	27,883	140,384
Loans	21,534	-	21,534
Due from other governments	1,347,655	-	1,347,655
Due from component unit	-	6,202,205	6,202,205
Total assets	<u>\$ 26,273,484</u>	<u>\$ 10,733,942</u>	<u>\$ 37,007,426</u>
Liabilities			
Accounts payable	\$ 1,355,662	\$ -	\$ 1,355,662
Accrued and other liabilities	68,880	-	68,880
Deposits payable	1,752,831	-	1,752,831
Unearned revenue	17,081	-	17,081
Total liabilities	<u>3,194,454</u>	<u>-</u>	<u>3,194,454</u>
Deferred inflows of resources			
Unavailable revenue - loans	6,534	6,202,205	6,208,739
Unavailable revenue - grants	262,242	-	262,242
Unavailable revenue - taxes	84,665	24,902	109,567
Unavailable revenue - long-term receivables	33,535	-	33,535
Total deferred inflows of resources	<u>386,976</u>	<u>6,227,107</u>	<u>6,614,083</u>
Fund balances			
Restricted	22,954,296	4,506,835	27,461,131
Unassigned (deficit)	(262,242)	-	(262,242)
Total fund balances	<u>22,692,054</u>	<u>4,506,835</u>	<u>27,198,889</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 26,273,484</u>	<u>\$ 10,733,942</u>	<u>\$ 37,007,426</u>

CITY OF FLINT, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue	Debt Service	Totals
Revenues			
Property taxes	\$ 14,867,687	\$ 1,836,884	\$ 16,704,571
Federal sources	1,681,752	8,725	1,690,477
State sources	4,224,078	254,531	4,478,609
Charges for services	37,218	-	37,218
Fines and forfeitures	43,210	-	43,210
Licenses and permits	1,913,886	-	1,913,886
Local contributions	-	1,121,919	1,121,919
Investment appreciation (depreciation)	(320,878)	(62,213)	(383,091)
Other revenues	236,031	-	236,031
Total revenues	22,682,984	3,159,846	25,842,830
Expenditures			
Current expenditures:			
Public safety	9,478,644	-	9,478,644
Public works	13,814,562	-	13,814,562
Recreation and culture	355,090	129,998	485,088
Community development	1,830,527	-	1,830,527
Debt service:			
Lease principal	62,633	-	62,633
Principal	-	1,145,000	1,145,000
Interest	-	554,942	554,942
Total expenditures	25,541,456	1,829,940	27,371,396
Revenues over (under) expenditures	(2,858,472)	1,329,906	(1,528,566)
Other financing sources (uses)			
Transfers in	-	1,701,442	1,701,442
Transfers out	-	(1,701,442)	(1,701,442)
Total other financing sources (uses)	-	-	-
Net change in fund balances	(2,858,472)	1,329,906	(1,528,566)
Fund balances, beginning of year	25,550,526	3,176,929	28,727,455
Fund balances, end of year	\$ 22,692,054	\$ 4,506,835	\$ 27,198,889

CITY OF FLINT, MICHIGAN

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

CITY OF FLINT, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2022

	Local Streets	Public Safety	Neighborhood Policing	Parks and Recreation	Street Light
Assets					
Cash and investments	\$ 6,886,435	\$ 748,989	\$ 1,946,567	\$ 572,004	\$ 5,731,535
Receivables:					
Accounts, net	-	23,829	-	-	-
Property taxes	-	62,847	44,078	5,576	-
Loans	-	-	-	-	-
Due from other governments	497,708	-	-	-	-
Total assets	<u>\$ 7,384,143</u>	<u>\$ 835,665</u>	<u>\$ 1,990,645</u>	<u>\$ 577,580</u>	<u>\$ 5,731,535</u>
Liabilities					
Accounts payable	\$ 276,642	\$ -	\$ 984	\$ 22,122	\$ 165,215
Accrued and other liabilities	20,110	27,287	7,787	623	24
Deposits payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>296,752</u>	<u>27,287</u>	<u>8,771</u>	<u>22,745</u>	<u>165,239</u>
Deferred inflows of resources					
Unavailable revenue - loans	-	-	-	-	-
Unavailable revenue - grants	-	-	-	-	-
Unavailable revenue - taxes	-	59,764	19,921	4,980	-
Unavailable revenue - long-term receivables	-	14,604	16,846	-	-
Total deferred inflows of resources	<u>-</u>	<u>74,368</u>	<u>36,767</u>	<u>4,980</u>	<u>-</u>
Fund balances					
Restricted	7,087,391	734,010	1,945,107	549,855	5,566,296
Unassigned (deficit)	-	-	-	-	-
Total fund balances	<u>7,087,391</u>	<u>734,010</u>	<u>1,945,107</u>	<u>549,855</u>	<u>5,566,296</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,384,143</u>	<u>\$ 835,665</u>	<u>\$ 1,990,645</u>	<u>\$ 577,580</u>	<u>\$ 5,731,535</u>

Rubbish Collection	EDA Revolving Loan	State Act 251 - Forfeiture	Building Inspection	CARES Act	Totals
\$ 1,003,683	\$ 680,806	\$ 1,256,777	\$ 5,920,152	\$ -	\$ 24,746,948
-	-	2,085	18,932	-	44,846
-	-	-	-	-	112,501
-	21,534	-	-	-	21,534
-	-	-	-	849,947	1,347,655
<u>\$ 1,003,683</u>	<u>\$ 702,340</u>	<u>\$ 1,258,862</u>	<u>\$ 5,939,084</u>	<u>\$ 849,947</u>	<u>\$ 26,273,484</u>
\$ 16,682	\$ 15,028	\$ 269	\$ 27,533	\$ 831,187	\$ 1,355,662
815	-	828	9,727	1,679	68,880
-	-	137,775	1,615,056	-	1,752,831
-	-	-	-	17,081	17,081
<u>17,497</u>	<u>15,028</u>	<u>138,872</u>	<u>1,652,316</u>	<u>849,947</u>	<u>3,194,454</u>
-	6,534	-	-	-	6,534
-	-	-	-	262,242	262,242
-	-	-	-	-	84,665
-	-	2,085	-	-	33,535
-	6,534	2,085	-	262,242	386,976
986,186	680,778	1,117,905	4,286,768	-	22,954,296
-	-	-	-	(262,242)	(262,242)
<u>986,186</u>	<u>680,778</u>	<u>1,117,905</u>	<u>4,286,768</u>	<u>(262,242)</u>	<u>22,692,054</u>
<u>\$ 1,003,683</u>	<u>\$ 702,340</u>	<u>\$ 1,258,862</u>	<u>\$ 5,939,084</u>	<u>\$ 849,947</u>	<u>\$ 26,273,484</u>

CITY OF FLINT, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds
For the Year Ended June 30, 2022

	Local Streets	Public Safety	Neighborhood Policing	Parks and Recreation	Street Light
Revenues					
Property taxes	\$ -	\$ 4,420,694	\$ 1,469,481	\$ 367,267	\$ 3,594,114
Federal sources	1,068	-	36	-	-
State sources	3,800,369	279,602	93,201	50,906	-
Charges for services	500	9,172	5,711	-	-
Fines and forfeitures	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Investment appreciation (depreciation)	(94,215)	(10,346)	(26,889)	(7,901)	(79,171)
Other revenues	190,946	-	-	1,790	-
Total revenues	<u>3,898,668</u>	<u>4,699,122</u>	<u>1,541,540</u>	<u>412,062</u>	<u>3,514,943</u>
Expenditures					
Current:					
Public safety	-	5,730,884	1,645,578	-	-
Public works:					
Streets	4,924,921	-	-	-	-
Street lights	-	-	-	-	2,465,312
Garbage and rubbish	-	-	-	-	-
Recreation and culture	-	-	-	355,090	-
Community development	-	-	-	-	-
Debt service:					
Lease principal	62,633	-	-	-	-
Total expenditures	<u>4,987,554</u>	<u>5,730,884</u>	<u>1,645,578</u>	<u>355,090</u>	<u>2,465,312</u>
Net change in fund balances	(1,088,886)	(1,031,762)	(104,038)	56,972	1,049,631
Fund balances, beginning of year	<u>8,176,277</u>	<u>1,765,772</u>	<u>2,049,145</u>	<u>492,883</u>	<u>4,516,665</u>
Fund balances, end of year	<u>\$ 7,087,391</u>	<u>\$ 734,010</u>	<u>\$ 1,945,107</u>	<u>\$ 549,855</u>	<u>\$ 5,566,296</u>

Rubbish Collection	EDA Revolving Loan	State Act 251 - Forfeiture	Building Inspection	CARES Act	Totals
\$ 5,016,131	\$ -	\$ -	\$ -	\$ -	\$ 14,867,687
-	-	-	-	1,680,648	1,681,752
-	-	-	-	-	4,224,078
-	-	-	21,835	-	37,218
-	-	43,210	-	-	43,210
600	-	-	1,913,286	-	1,913,886
(13,864)	215	(17,360)	(71,347)	-	(320,878)
1,460	-	41,835	-	-	236,031
<u>5,004,327</u>	<u>215</u>	<u>67,685</u>	<u>1,863,774</u>	<u>1,680,648</u>	<u>22,682,984</u>
-	-	176,386	1,925,796	-	9,478,644
-	-	-	-	-	4,924,921
-	-	-	-	-	2,465,312
6,424,329	-	-	-	-	6,424,329
-	-	-	-	-	355,090
-	67	-	-	1,830,460	1,830,527
-	-	-	-	-	62,633
<u>6,424,329</u>	<u>67</u>	<u>176,386</u>	<u>1,925,796</u>	<u>1,830,460</u>	<u>25,541,456</u>
(1,420,002)	148	(108,701)	(62,022)	(149,812)	(2,858,472)
<u>2,406,188</u>	<u>680,630</u>	<u>1,226,606</u>	<u>4,348,790</u>	<u>(112,430)</u>	<u>25,550,526</u>
<u>\$ 986,186</u>	<u>\$ 680,778</u>	<u>\$ 1,117,905</u>	<u>\$ 4,286,768</u>	<u>\$ (262,242)</u>	<u>\$ 22,692,054</u>

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Local Streets Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal sources	\$ -	\$ -	\$ 1,068	\$ 1,068
State sources	4,114,001	4,114,001	3,800,369	(313,632)
Charges for services	-	-	500	500
Investment appreciation (depreciation)	32,700	32,700	(94,215)	(126,915)
Other revenues	111,938	111,938	190,946	79,008
Total revenues	<u>4,258,639</u>	<u>4,258,639</u>	<u>3,898,668</u>	<u>(359,971)</u>
Expenditures				
Current -				
Public works -				
Streets	5,224,752	6,692,049	4,924,921	(1,767,128)
Debt service:				
Lease principal	-	-	62,633	62,633
Total expenditures	<u>5,224,752</u>	<u>6,692,049</u>	<u>4,987,554</u>	<u>(1,704,495)</u>
Revenues over (under) expenditures	(966,113)	(2,433,410)	(1,088,886)	1,344,524
Other financing sources				
Transfers in	1,500,000	1,500,000	-	(1,500,000)
Net change in fund balance	533,887	(933,410)	(1,088,886)	(155,476)
Fund balance, beginning of year	8,176,277	8,176,277	8,176,277	-
Fund balance, end of year	<u>\$ 8,710,164</u>	<u>\$ 7,242,867</u>	<u>\$ 7,087,391</u>	<u>\$ (155,476)</u>

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Public Safety Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 4,118,689	\$ 4,118,689	\$ 4,420,694	\$ 302,005
State sources	276,892	276,892	279,602	2,710
Investment appreciation (depreciation)	26,300	26,300	(10,346)	(36,646)
Charges for services	40,000	40,000	9,172	(30,828)
Total revenues	4,461,881	4,461,881	4,699,122	237,241
Expenditures				
Current - Public safety	6,288,480	6,288,480	5,730,884	(557,596)
Revenues over (under) expenditures	(1,826,599)	(1,826,599)	(1,031,762)	794,837
Other financing sources				
Transfers in	1,340,000	1,340,000	-	(1,340,000)
Net change in fund balance	(486,599)	(486,599)	(1,031,762)	(545,163)
Fund balance, beginning of year	1,765,772	1,765,772	1,765,772	-
Fund balance, end of year	\$ 1,279,173	\$ 1,279,173	\$ 734,010	\$ (545,163)

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Neighborhood Policing Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 1,331,889	\$ 1,331,889	\$ 1,469,481	\$ 137,592
Federal sources	-	-	36	36
State sources	92,298	92,298	93,201	903
Investment appreciation (depreciation)	11,500	11,500	(26,889)	(38,389)
Charges for services	30,000	30,000	5,711	(24,289)
Total revenues	1,465,687	1,465,687	1,541,540	75,853
Expenditures				
Current -				
Public safety	1,665,463	1,665,463	1,645,578	(19,885)
Net change in fund balance	(199,776)	(199,776)	(104,038)	95,738
Fund balance, beginning of year	2,049,145	2,049,145	2,049,145	-
Fund balance, end of year	\$ 1,849,369	\$ 1,849,369	\$ 1,945,107	\$ 95,738

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Parks and Recreation Special Revenue Fund

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 341,126	\$ 341,126	\$ 367,267	\$ 26,141
State sources	22,971	22,971	50,906	27,935
Investment appreciation (depreciation)	2,700	2,700	(7,901)	(10,601)
Other revenues	1,800	1,800	1,790	(10)
Total revenues	368,597	368,597	412,062	43,465
Expenditures				
Current - Recreation and culture	393,574	523,574	355,090	(168,484)
Net change in fund balance	(24,977)	(154,977)	56,972	211,949
Fund balance, beginning of year	492,883	492,883	492,883	-
Fund balance, end of year	\$ 467,906	\$ 337,906	\$ 549,855	\$ 211,949

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Street Light Special Revenue Fund

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 2,731,848	\$ 2,731,848	\$ 3,594,114	\$ 862,266
Investment appreciation (depreciation)	35,000	35,000	(79,171)	(114,171)
Total revenues	2,766,848	2,766,848	3,514,943	748,095
Expenditures				
Current -				
Public works -				
Street lights	3,037,158	3,037,158	2,465,312	(571,846)
Net change in fund balance	(270,310)	(270,310)	1,049,631	1,319,941
Fund balance, beginning of year	4,516,665	4,516,665	4,516,665	-
Fund balance, end of year	<u>\$ 4,246,355</u>	<u>\$ 4,246,355</u>	<u>\$ 5,566,296</u>	<u>\$ 1,319,941</u>

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Rubbish Collection Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 5,619,167	\$ 5,619,167	\$ 5,016,131	\$ (603,036)
Charges for services	22,060	22,060	-	(22,060)
Licenses and permits	1,500	1,500	600	(900)
Investment appreciation (depreciation)	15,300	15,300	(13,864)	(29,164)
Other revenues	-	-	1,460	1,460
Total revenues	5,658,027	5,658,027	5,004,327	(653,700)
Expenditures				
Current -				
Public works -				
Garbage and rubbish	6,213,856	6,929,411	6,424,329	(505,082)
Net change in fund balance	(555,829)	(1,271,384)	(1,420,002)	(148,618)
Fund balance, beginning of year	2,406,188	2,406,188	2,406,188	-
Fund balance, end of year	\$ 1,850,359	\$ 1,134,804	\$ 986,186	\$ (148,618)

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - EDA Revolving Loan Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Investment appreciation (depreciation)	\$ 9,800	\$ 9,800	\$ 215	\$ (9,585)
Other revenues	31,300	31,300	-	(31,300)
Total revenues	41,100	41,100	215	(40,885)
Expenditures				
Current -				
Community development	3,800	172,889	67	(172,822)
Net change in fund balance	37,300	(131,789)	148	131,937
Fund balance, beginning of year	680,630	680,630	680,630	-
Fund balance, end of year	<u>\$ 717,930</u>	<u>\$ 548,841</u>	<u>\$ 680,778</u>	<u>\$ 131,937</u>

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - State Act 251 Forfeiture Special Revenue Fund

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ 43,210	\$ 43,210
Investment appreciation (depreciation)	9,700	9,700	(17,360)	(27,060)
Other revenues	-	-	41,835	41,835
Total revenues	9,700	9,700	67,685	57,985
Expenditures				
Current -				
Public safety	358,798	358,798	176,386	(182,412)
Net change in fund balance	(349,098)	(349,098)	(108,701)	240,397
Fund balance, beginning of year	1,226,606	1,226,606	1,226,606	-
Fund balance, end of year	<u>\$ 877,508</u>	<u>\$ 877,508</u>	<u>\$ 1,117,905</u>	<u>\$ 240,397</u>

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Building Inspection Special Revenue Fund

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Charges for services	\$ 32,200	\$ 32,200	\$ 21,835	\$ (10,365)
Licenses and permits	1,924,500	1,924,500	1,913,286	(11,214)
Investment appreciation (depreciation)	29,000	29,000	(71,347)	(100,347)
Total revenues	1,985,700	1,985,700	1,863,774	(121,926)
Expenditures				
Current -				
Public safety	2,663,469	2,663,469	1,925,796	(737,673)
Net change in fund balance	(677,769)	(677,769)	(62,022)	615,747
Fund balance, beginning of year	4,348,790	4,348,790	4,348,790	-
Fund balance, end of year	<u>\$ 3,671,021</u>	<u>\$ 3,671,021</u>	<u>\$ 4,286,768</u>	<u>\$ 615,747</u>

CITY OF FLINT, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - CARES Act Special Revenue Fund

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal sources	\$ -	\$ 6,603,344	\$ 1,680,648	\$ (4,922,696)
Expenditures				
Current -				
Community development	-	5,266,709	1,830,460	(3,436,249)
Net change in fund balance	-	1,336,635	(149,812)	(1,486,447)
Fund balance (deficit), beginning of year	(112,430)	(112,430)	(112,430)	-
Fund balance (deficit), end of year	<u>\$ (112,430)</u>	<u>\$ 1,224,205</u>	<u>\$ (262,242)</u>	<u>\$ (1,486,447)</u>

CITY OF FLINT, MICHIGAN

■ Nonmajor Debt Service Funds

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

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

CITY OF FLINT, MICHIGAN

Combining Balance Sheet

Nonmajor Debt Service Funds
June 30, 2022

	Parking Deck	Public Improvement Fund	Totals
Assets			
Cash and investments	\$ 521,661	\$ 3,982,193	\$ 4,503,854
Receivables:			
Property taxes	-	27,883	27,883
Due from component unit	-	6,202,205	6,202,205
Total assets	<u>\$ 521,661</u>	<u>\$ 10,212,281</u>	<u>\$ 10,733,942</u>
Deferred inflows of resources			
Unavailable revenue - loans	\$ -	\$ 6,202,205	\$ 6,202,205
Unavailable revenue - taxes	-	24,902	24,902
Total deferred inflows of resources	-	6,227,107	6,227,107
Fund balances			
Restricted	<u>521,661</u>	<u>3,985,174</u>	<u>4,506,835</u>
Total deferred inflows of resources and fund balances	<u>\$ 521,661</u>	<u>\$ 10,212,281</u>	<u>\$ 10,733,942</u>

CITY OF FLINT, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds
For the Year Ended June 30, 2022

	Parking Deck	Public Improvement Fund	Totals
Revenues			
Property taxes	\$ -	\$ 1,836,884	\$ 1,836,884
Federal sources	-	8,725	8,725
State sources	-	254,531	254,531
Local contributions	-	1,121,919	1,121,919
Investment appreciation (depreciation)	(7,206)	(55,007)	(62,213)
Total revenues	<u>(7,206)</u>	<u>3,167,052</u>	<u>3,159,846</u>
Expenditures			
Current -			
Recreation and culture	-	129,998	129,998
Debt service:			
Principal	1,145,000	-	1,145,000
Interest	554,942	-	554,942
Total expenditures	<u>1,699,942</u>	<u>129,998</u>	<u>1,829,940</u>
Revenues over (under) expenditures	<u>(1,707,148)</u>	<u>3,037,054</u>	<u>1,329,906</u>
Other financing sources (uses)			
Transfers in	1,701,442	-	1,701,442
Transfers out	-	(1,701,442)	(1,701,442)
Total other financing sources (uses)	<u>1,701,442</u>	<u>(1,701,442)</u>	<u>-</u>
Net change in fund balances	(5,706)	1,335,612	1,329,906
Fund balances, beginning of year	<u>527,367</u>	<u>2,649,562</u>	<u>3,176,929</u>
Fund balances, end of year	<u>\$ 521,661</u>	<u>\$ 3,985,174</u>	<u>\$ 4,506,835</u>

CITY OF FLINT, MICHIGAN

Internal Service Funds

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

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

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

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

CITY OF FLINT, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

June 30, 2022

	Fringe Benefits	Data Processing	Central Maintenance Garage	Self-Insurance	Totals
Assets					
Current assets:					
Cash and investments	\$ 18,357,295	\$ 1,170,784	\$ 7,109,598	\$ 4,475,873	\$ 31,113,550
Accounts receivable, net	579	-	-	-	579
Due from other governments	-	-	-	30,676	30,676
Due from component unit	-	-	1,110	-	1,110
Inventory	-	-	147,538	-	147,538
Prepays	408,942	123,625	11,176	485,157	1,028,900
Total current assets	<u>18,766,816</u>	<u>1,294,409</u>	<u>7,269,422</u>	<u>4,991,706</u>	<u>32,322,353</u>
Noncurrent assets -					
Capital assets being depreciated, net	-	1,165,119	7,438,113	-	8,603,232
Total assets	<u>18,766,816</u>	<u>2,459,528</u>	<u>14,707,535</u>	<u>4,991,706</u>	<u>40,925,585</u>
Liabilities					
Current liabilities:					
Accounts payable	3,289,976	68,431	82,042	332,120	3,772,569
Accrued liabilities	426,770	6,909	4,812	-	438,491
Due to other governments	22,571	-	168	-	22,739
Current portion of claims payable	1,939,612	-	-	957,696	2,897,308
Current portion of notes payable	-	-	725,075	-	725,075
Current portion of leases payable	-	-	133,765	-	133,765
Total current liabilities	<u>5,678,929</u>	<u>75,340</u>	<u>945,862</u>	<u>1,289,816</u>	<u>7,989,947</u>
Noncurrent liabilities:					
Claims, net of current portion	-	-	-	2,066,755	2,066,755
Notes payable, net of current portion	-	-	1,017,492	-	1,017,492
Leases payable, net of current portion	-	-	124,440	-	124,440
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1,141,932</u>	<u>2,066,755</u>	<u>3,208,687</u>
Total liabilities	<u>5,678,929</u>	<u>75,340</u>	<u>2,087,794</u>	<u>3,356,571</u>	<u>11,198,634</u>
Net position					
Net investment in capital assets	-	1,165,119	5,695,546	-	6,860,665
Unrestricted	13,087,887	1,219,069	6,924,195	1,635,135	22,866,286
Total net position	<u>\$ 13,087,887</u>	<u>\$ 2,384,188</u>	<u>\$ 12,619,741</u>	<u>\$ 1,635,135</u>	<u>\$ 29,726,951</u>

CITY OF FLINT, MICHIGAN

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

Internal Service Funds

For the Year Ended June 30, 2022

	Fringe Benefits	Data Processing	Central Maintenance Garage	Self-Insurance	Totals
Operating revenues					
Charges for services	\$ 37,417,692	\$ 2,074,705	\$ 5,331,561	\$ -	\$ 44,823,958
Other	18,404,793	50,855	178,087	10,934,615	29,568,350
Total operating revenues	55,822,485	2,125,560	5,509,648	10,934,615	74,392,308
Operating expenses					
Salaries and benefits	816,700	1,255,394	1,444,373	123,655	3,640,122
Supplies	-	2,953	1,088,760	-	1,091,713
Contractual services	312,410	2,429,372	81,230	5,321,500	8,144,512
Repairs and maintenance	-	16,871	(228,610)	-	(211,739)
Insurance	-	-	-	1,174,934	1,174,934
Costs of materials and services rendered	50,908,920	-	-	-	50,908,920
Other	1,336,671	13,163	182,802	1,352	1,533,988
Depreciation	-	249,571	2,027,698	-	2,277,269
Total operating expenses	53,374,701	3,967,324	4,596,253	6,621,441	68,559,719
Operating income (loss)	2,447,784	(1,841,764)	913,395	4,313,174	5,832,589
Nonoperating revenues (expenses)					
Investment appreciation (depreciation)	(396,391)	(16,172)	(98,207)	(54,231)	(565,001)
Interest expense and fees	-	-	(112,249)	-	(112,249)
Federal	13,000	-	1,827	-	14,827
Total nonoperating revenues (expenses)	(383,391)	(16,172)	(208,629)	(54,231)	(662,423)
Income (loss) before transfers	2,064,393	(1,857,936)	704,766	4,258,943	5,170,166
Transfers in	924,141	-	-	-	924,141
Change in net position	2,988,534	(1,857,936)	704,766	4,258,943	6,094,307
Net position, beginning of year	10,099,353	4,242,124	11,914,975	(2,623,808)	23,632,644
Net position, end of year	\$ 13,087,887	\$ 2,384,188	\$ 12,619,741	\$ 1,635,135	\$ 29,726,951

CITY OF FLINT, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2022

	Fringe Benefits	Data Processing	Central Maintenance Garage	Self-Insurance	Totals
Cash flows from operating activities					
Cash received from interfund services	\$ 56,063,566	\$ 2,128,825	\$ 5,509,023	\$ 10,903,939	\$ 74,605,353
Cash payments for goods and services	(53,145,784)	(2,480,417)	(1,070,085)	(4,743,928)	(61,440,214)
Cash payments to employees	(483,441)	(1,267,067)	(1,461,237)	(123,655)	(3,335,400)
Net cash provided by (used in) operating activities	<u>2,434,341</u>	<u>(1,618,659)</u>	<u>2,977,701</u>	<u>6,036,356</u>	<u>9,829,739</u>
Cash flows from noncapital financing activities					
Federal grant proceeds	13,000	-	1,827	-	14,827
Transfers in	924,141	-	-	-	924,141
Net cash flows provided by noncapital financing activities	<u>937,141</u>	<u>-</u>	<u>1,827</u>	<u>-</u>	<u>938,968</u>
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	-	(652,634)	(2,461,930)	-	(3,114,564)
Principal paid on long-term debt	-	-	(947,209)	-	(947,209)
Principal paid on leases payable	-	-	(215,322)	-	(215,322)
Interest paid on long-term debt	-	-	(112,249)	-	(112,249)
Net cash used in capital and related financing activities	<u>-</u>	<u>(652,634)</u>	<u>(3,736,710)</u>	<u>-</u>	<u>(4,389,344)</u>
Cash flows from investing activities					
Investment depreciation	(396,391)	(16,172)	(98,207)	(54,231)	(565,001)
Net change in cash and investments	2,975,091	(2,287,465)	(855,389)	5,982,125	5,814,362
Cash and investments, beginning of year	15,382,204	3,458,249	7,964,987	(1,506,252)	25,299,188
Cash and investments, end of year	<u>\$ 18,357,295</u>	<u>\$ 1,170,784</u>	<u>\$ 7,109,598</u>	<u>\$ 4,475,873</u>	<u>\$ 31,113,550</u>

continued...

CITY OF FLINT, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2022

	Fringe Benefits	Data Processing	Central Maintenance Garage	Self-Insurance	Totals
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ 2,447,784	\$ (1,841,764)	\$ 913,395	\$ 4,313,174	\$ 5,832,589
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	249,571	2,027,698	-	2,277,269
Change in operating assets and liabilities that provided (used) cash:					
Accounts receivable, net	35,881	-	315	-	36,196
Due from other governments	205,200	3,265	(940)	(30,676)	176,849
Inventory	-	-	(50,461)	-	(50,461)
Prepays	(66,682)	(26,299)	137,985	(193,280)	(148,276)
Accounts payable	(2,483,284)	8,241	(33,595)	(76,300)	(2,584,938)
Accrued liabilities	333,259	(11,673)	(16,864)	-	304,722
Due to other governments	22,571	-	168	-	22,739
Claims payable	1,939,612	-	-	2,023,438	3,963,050
Net cash provided by (used in) operating activities	\$ 2,434,341	\$ (1,618,659)	\$ 2,977,701	\$ 6,036,356	\$ 9,829,739

concluded

CITY OF FLINT, MICHIGAN

Custodial Funds

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

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

CITY OF FLINT, MICHIGAN

Combining Statement of Fiduciary Assets and Liabilities

Custodial Funds

June 30, 2022

	Tax Collection	County Revolving Loan	Totals
Assets			
Cash and investments	\$ 1,217,014	\$ 481,850	\$ 1,698,864
Loans receivable	-	75,000	75,000
Total assets	<u>1,217,014</u>	<u>556,850</u>	<u>1,773,864</u>
Liabilities			
Undistributed receipts	1,217,014	-	1,217,014
Due to other governments	-	58	58
Total liabilities	<u>1,217,014</u>	<u>58</u>	<u>1,217,072</u>
Net position			
Restricted for:			
Individuals, organizations, and other governments	<u>\$ -</u>	<u>\$ 556,792</u>	<u>\$ 556,792</u>

CITY OF FLINT, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

Custodial Funds

June 30, 2022

	Tax Collection	County Revolving Loan	Totals
Additions			
Investment income	\$ -	\$ 256	\$ 256
Other:			
Collections from or on behalf of other governments	277,898	-	277,898
Other taxes collection for other governments	33,935,271	-	33,935,271
Total additions	<u>34,213,169</u>	<u>256</u>	<u>34,213,425</u>
Deductions			
Payments to or on behalf of other governments	277,898	232	278,130
Payments of other taxes to other governments	33,935,271	-	33,935,271
Total deductions	<u>34,213,169</u>	<u>232</u>	<u>34,213,401</u>
Change in net position	-	24	24
Net position, beginning of year	-	556,768	556,768
Net position, end of year	<u>\$ -</u>	<u>\$ 556,792</u>	<u>\$ 556,792</u>

CITY OF FLINT, MICHIGAN

Statement of Net Position

Economic Development Corporation Component Unit
June 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 187,084	\$ 157,697	\$ 344,781
Receivables, net	7,365,682	339,749	7,705,431
Other assets	-	15,057	15,057
Restricted cash and investments	1,054,251	-	1,054,251
Capital assets not being depreciated	-	93,860	93,860
Capital assets being depreciated, net	-	189,668	189,668
Total assets	8,607,017	796,031	9,403,048
Liabilities			
Accounts payable	93,624	12,678	106,302
Long-term liabilities:			
Due within one year	170,000	-	170,000
Due in more than one year	7,135,000	-	7,135,000
Total liabilities	7,398,624	12,678	7,411,302
Deferred inflows of resources			
Deferred lease amounts	-	325,407	325,407
Net Position			
Investment in capital assets	-	283,528	283,528
Restricted for economic development activity	963,088	-	963,088
Unrestricted	245,305	174,418	419,723
Total net position	\$ 1,208,393	\$ 457,946	\$ 1,666,339

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

CITY OF FLINT, MICHIGAN

Statement of Activities

Economic Development Corporation Component Unit
For the Year Ended June 30, 2022

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Governmental activities - Economic development	\$ 738,368	\$ 558,659	\$ -	\$ (179,709)
Business-type activities - Rental operations	78,054	161,583	-	83,529
Total	<u>\$ 816,422</u>	<u>\$ 720,242</u>	<u>\$ -</u>	<u>\$ (96,180)</u>

continued...

CITY OF FLINT, MICHIGAN

Statement of Activities

Economic Development Corporation Component Unit
For the Year Ended June 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Changes in net position			
Net (expense) revenue	\$ (179,709)	\$ 83,529	\$ (96,180)
General revenues:			
Investment appreciation (depreciation)	755	(2,178)	(1,423)
Other revenue	91,666	3,785	95,451
Total general revenues	92,421	1,607	94,028
Change in net position	(87,288)	85,136	(2,152)
Net position, beginning of year	1,295,681	372,810	1,668,491
Net position, end of year	<u>\$ 1,208,393</u>	<u>\$ 457,946</u>	<u>\$ 1,666,339</u>

concluded

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

CITY OF FLINT, MICHIGAN

Economic Development Corporation Component Unit

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

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

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

CITY OF FLINT, MICHIGAN

Governmental Funds Balance Sheet

Economic Development Corporation Component Unit
June 30, 2022

	General Fund	State Loan Revolving Fund	Total Governmental Funds
Assets			
Cash and investments	\$ 187,084	\$ -	\$ 187,084
Restricted cash and investments	509,332	544,919	1,054,251
Receivables:			
Accounts	58,599	-	58,599
Interest	-	2,083	2,083
Installment sales agreement	7,305,000	-	7,305,000
Total assets	<u>\$ 8,060,015</u>	<u>\$ 547,002</u>	<u>\$ 8,607,017</u>
Liabilities			
Accounts payable	\$ 378	\$ 8	\$ 386
Deferred inflows of resources			
Unavailable revenues - loans receivable	-	2,083	2,083
Unavailable revenues - installment sales agreement receivable	7,305,000	-	7,305,000
Total deferred inflows of resources	<u>7,305,000</u>	<u>2,083</u>	<u>7,307,083</u>
Fund balances			
Restricted for economic development activity	509,332	544,911	1,054,243
Unassigned	245,305	-	245,305
Total fund balances	<u>754,637</u>	<u>544,911</u>	<u>1,299,548</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,060,015</u>	<u>\$ 547,002</u>	<u>\$ 8,607,017</u>

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

CITY OF FLINT, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
Economic Development Corporation Component Unit
June 30, 2022

Fund balances - total governmental funds \$ 1,299,548

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

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

Unavailable loans receivable	2,083
Unavailable installment sales agreement receivable	7,305,000

Long-term liabilities are not due and payable in the current period and therefore
are not reported in the funds.

Bond payable	(7,305,000)
Accrued interest on bond	<u>(93,238)</u>

Net position of governmental activities \$ 1,208,393

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

CITY OF FLINT, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Economic Development Corporation Component Unit

For the Year Ended June 30, 2022

	General Fund	State Loan Revolving Fund	Total Governmental Funds
Revenue			
Charges for services	\$ 77	\$ -	\$ 77
Rental income	699,797	-	699,797
Interest	182	573	755
Other	95,451	-	95,451
	<u>795,507</u>	<u>573</u>	<u>796,080</u>
Total revenue			
	795,507	573	796,080
Expenditures			
Current -			
General government	363,109	127	363,236
Debt service:			
Principal	145,000	-	145,000
Interest	376,213	-	376,213
	<u>884,322</u>	<u>127</u>	<u>884,449</u>
Total expenditures			
	884,322	127	884,449
Net change in fund balances	(88,815)	446	(88,369)
Fund balances, beginning of year	843,452	544,465	1,387,917
	<u>843,452</u>	<u>544,465</u>	<u>1,387,917</u>
Fund balances, end of year	<u>\$ 754,637</u>	<u>\$ 544,911</u>	<u>\$ 1,299,548</u>

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

CITY OF FLINT, MICHIGAN

Reconciliation

Net Changes in Fund Balance of Governmental Funds
to Change in Net Position of Governmental Activities
Economic Development Corporation Component Unit
For the Year Ended June 30, 2022

Net change in fund balances - total governmental funds	\$ (88,369)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.	
Change in installment sales agreement receivable	(145,000)
Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal payments on long-term liabilities	145,000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Change in accrued interest payable on long-term liabilities	<u>1,081</u>
Change in net position of governmental activities	<u><u>\$ (87,288)</u></u>

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

CITY OF FLINT, MICHIGAN

Statement of Net Position

Proprietary Fund

Economic Development Corporation Component Unit

June 30, 2022

	Enterprise Fund
	Oak Business Center
Assets	
Current assets:	
Cash and investments	\$ 157,697
Receivables:	
Accounts, net	10,925
Leases	325,407
Prepays	15,057
Due from other governments	<u>3,417</u>
Total current assets	<u>512,503</u>
Noncurrent assets:	
Capital assets not being depreciated	93,860
Capital assets being depreciated, net	<u>189,668</u>
Total noncurrent assets	<u>283,528</u>
Total assets	<u>796,031</u>
Liabilities	
Current liabilities:	
Accounts payable	<u>12,678</u>
Deferred inflows of resources	
Deferred lease amounts	<u>325,407</u>
Net Position	
Investment in capital assets	283,528
Unrestricted	<u>174,418</u>
Total net position	<u>\$ 457,946</u>

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

CITY OF FLINT, MICHIGAN

Statement of Revenue, Expenses and Changes in Fund Net Position

Proprietary Fund
Economic Development Corporation Component Unit
For the Year Ended June 30, 2022

	Enterprise Fund
	Oak Business Center
Operating revenue	
Lease income	\$ 161,583
Operating expenses	
Utilities	25,425
Professional services	928
Insurance	23,597
Supplies	483
Depreciation	19,219
Repairs and maintenance	4,072
Bed debts	4,330
Total operating expenses	<u>78,054</u>
Operating income	<u>83,529</u>
Nonoperating revenues	
Investment appreciation (depreciation)	(2,178)
Other revenue	3,785
Total nonoperating revenues	<u>1,607</u>
Change in net position	85,136
Net position, beginning of year	<u>372,810</u>
Net position, end of year	<u><u>\$ 457,946</u></u>

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

CITY OF FLINT, MICHIGAN

Statement of Cash Flows

Proprietary Fund
Economic Development Corporation Component Unit
For the Year Ended June 30, 2022

	Enterprise Fund
	Oak Business Center
Cash flows from operating activities	
Cash received from customers and users	\$ 161,583
Cash payments to suppliers for goods and services	(204,942)
	<hr/>
Net cash used in operating activities	(43,359)
Cash flows from noncapital financing activities	
Federal grant proceeds	3,785
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(47,442)
Cash flows from investing activities	
Investment depreciation	(2,178)
	<hr/>
Net change in cash and investments	(89,194)
Cash and investments, beginning of year	<hr/> 246,891
Cash and investments, end of year	<u>\$ 157,697</u>
Cash flows from operating activities	
Operating income	\$ 83,529
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	19,219
Bad debts	4,330
Change in:	
Accounts receivable, net	(3,043)
Prepays	(721)
Due from other governments	(3,251)
Accounts payable	(23,352)
Deposits payable	(10,070)
Advances from other funds	(110,000)
	<hr/>
Net cash used in operating activities	<u>\$ (43,359)</u>

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

STATISTICAL SECTION

CITY OF FLINT, MICHIGAN

Statistical Section Table of Contents

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

		<u>Page</u>
Financial Trends	These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	148-157
Revenue Capacity	These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	158-165
Debt Capacity	These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	166-172
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	173-175
Operating Information	These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	176-184

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

CITY OF FLINT, MICHIGAN

Net Position by Component

Last Ten Fiscal Years

	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 153,329,640	\$ 138,929,966	\$ 127,601,186	\$ 120,193,431
Restricted	25,690,959	40,976,633	38,525,638	17,600,308
Unrestricted (deficit)	<u>(158,391,840)</u>	<u>(151,887,277)</u>	<u>(348,263,708)</u>	<u>(335,931,410)</u>
Total governmental activities	<u>\$ 20,628,759</u>	<u>\$ 28,019,322</u>	<u>\$ (182,136,884)</u>	<u>\$ (198,137,671)</u>
Business-type activities				
Net investment in capital assets	\$ 78,604,810	\$ 76,669,716	\$ 77,042,464	\$ 75,805,935
Restricted	4,385,534	5,848,116	5,848,116	5,113,523
Unrestricted	<u>8,278,835</u>	<u>13,212,790</u>	<u>(33,880,794)</u>	<u>(23,158,249)</u>
Total business-type activities	<u>\$ 91,269,179</u>	<u>\$ 95,730,622</u>	<u>\$ 49,009,786</u>	<u>\$ 57,761,209</u>
Primary government				
Net investment in capital assets	\$ 231,934,450	\$ 215,599,682	\$ 204,643,650	\$ 195,999,366
Restricted	30,076,493	46,824,749	44,373,754	22,713,831
Unrestricted (deficit)	<u>(150,113,005)</u>	<u>(138,674,487)</u>	<u>(382,144,502)</u>	<u>(359,089,659)</u>
Total primary government	<u>\$ 111,897,938</u>	<u>\$ 123,749,944</u>	<u>\$ (133,127,098)</u>	<u>\$ (140,376,462)</u>

Table 1 - Unaudited

2017	2018	2019	2020	2021	2022
\$ 112,083,639	\$ 102,839,672	\$ 98,672,771	\$ 92,077,130	\$ 89,750,681	\$ 84,743,776
17,288,837	10,289,601	35,841,677	53,687,493	51,833,997	64,659,396
<u>(339,067,428)</u>	<u>(412,970,756)</u>	<u>(393,768,702)</u>	<u>(442,526,378)</u>	<u>(421,243,500)</u>	<u>(414,571,980)</u>
<u>\$ (209,694,952)</u>	<u>\$ (299,841,483)</u>	<u>\$ (259,254,254)</u>	<u>\$ (296,761,755)</u>	<u>\$ (279,658,822)</u>	<u>\$ (265,168,808)</u>
\$ 75,820,800	\$ 106,432,575	\$ 143,175,417	\$ 169,838,283	\$ 207,317,158	\$ 209,087,788
5,113,523	6,786,490	-	-	-	-
<u>(20,785,595)</u>	<u>(72,377,243)</u>	<u>(85,962,501)</u>	<u>(84,664,020)</u>	<u>(34,576,129)</u>	<u>(15,153,086)</u>
<u>\$ 60,148,728</u>	<u>\$ 40,841,822</u>	<u>\$ 57,212,916</u>	<u>\$ 85,174,263</u>	<u>\$ 172,741,029</u>	<u>\$ 193,934,702</u>
\$ 187,904,439	\$ 209,272,247	\$ 241,848,188	\$ 261,915,413	\$ 297,067,839	\$ 293,831,564
22,402,360	17,076,091	35,841,677	53,687,493	51,833,997	64,659,396
<u>(359,853,023)</u>	<u>(485,347,999)</u>	<u>(479,731,203)</u>	<u>(527,190,398)</u>	<u>(455,819,629)</u>	<u>(429,725,066)</u>
<u>\$ (149,546,224)</u>	<u>\$ (258,999,661)</u>	<u>\$ (202,041,338)</u>	<u>\$ (211,587,492)</u>	<u>\$ (106,917,793)</u>	<u>\$ (71,234,106)</u>

CITY OF FLINT, MICHIGAN

Changes in Net Position

Governmental Activities
Last Ten Fiscal Years

	2013	2014	2015	2016
Expenses				
Legislative	\$ -	\$ -	\$ -	\$ -
General government	7,880,521	7,691,189	10,540,197	14,042,753
Judicial	5,095,682	5,031,863	5,032,427	5,143,547
Public safety	39,022,487	41,576,320	36,224,195	49,407,091
Building inspection	4,017,923	2,452,420	1,282,613	1,254,516
Public works	22,978,241	27,278,596	26,380,580	27,140,462
Recreation and culture	2,864,223	3,096,360	4,112,910	1,723,835
Community development	19,981,427	6,751,200	5,617,598	8,988,332
Facilities maintenance	-	-	-	-
Interest on long-term debt	1,021,815	1,203,196	1,166,786	1,280,956
	<u>102,862,319</u>	<u>95,081,144</u>	<u>90,357,306</u>	<u>108,981,492</u>
Program revenues				
Charges for services:				
General government	11,736,677	9,223,175	7,017,607	8,466,185
Judicial	1,696,157	1,826,600	1,449,274	680,908
Public safety	3,180,137	2,180,536	2,531,669	2,285,236
Building inspection	2,062,378	2,004,074	2,726,592	3,149,559
Public works	65,025	35,085	25,798	106,319
Community development	1,659	6,816	495	523
Recreation and culture	10,075	4,190	5,171	1,236
Operating grants and contributions	14,213,238	14,562,573	16,880,612	18,497,749
Capital grants and contributions	21,872,060	11,218,347	1,924,929	6,240,235
	<u>54,837,406</u>	<u>41,061,396</u>	<u>32,562,147</u>	<u>39,427,950</u>
Net (expenses) revenues	<u>(48,024,913)</u>	<u>(54,019,748)</u>	<u>(57,795,159)</u>	<u>(69,553,542)</u>
General revenues and other changes in net position				
Property taxes	21,722,352	21,292,833	19,757,581	18,429,084
Income taxes	14,674,274	13,038,276	14,012,171	15,540,594
Grants and contributions not restricted to specific programs	13,667,182	14,140,573	14,458,731	14,451,256
Franchise fees	-	-	-	-
Unrestricted investment earnings	445,325	860,821	742,926	1,113,097
Gain (loss) on capital assets	1,046,990	16,800	1,567,571	-
Other revenues	1,203,070	2,942,613	2,990,000	1,028,722
Transfers	2,990,000	2,990,000	-	2,990,000
	<u>55,749,193</u>	<u>55,281,916</u>	<u>53,528,980</u>	<u>53,552,753</u>
Total governmental activities changes in net position	<u>\$ 7,724,280</u>	<u>\$ 1,262,168</u>	<u>\$ (4,266,179)</u>	<u>\$ (16,000,789)</u>

Table 2 - Unaudited

2017	2018	2019	2020	2021	2022
\$ -	\$ -	\$ 810,869	\$ 1,160,836	\$ 925,090	\$ 936,704
15,334,791	6,992,491	4,328,789	16,723,478	13,911,324	8,514,812
530,845	964,009	750,288	850,055	1,133,385	1,059,999
48,981,359	34,029,935	27,666,372	83,877,208	44,064,111	37,434,383
1,561,223	667,157	-	-	-	-
25,165,859	23,447,961	20,423,068	27,795,199	22,716,601	26,996,784
1,825,123	2,080,501	918,638	1,022,805	822,757	579,527
5,750,353	5,283,465	9,222,386	4,275,895	7,399,573	13,418,113
-	-	1,590,576	1,643,599	1,493,134	1,615,661
1,306,639	1,239,453	1,055,294	1,182,972	871,065	802,497
<u>100,456,192</u>	<u>74,704,972</u>	<u>66,766,280</u>	<u>138,532,047</u>	<u>93,337,040</u>	<u>91,358,480</u>
7,356,125	9,742,833	9,065,826	11,089,629	11,741,163	4,537,704
177,055	128,854	-	-	-	-
2,313,574	2,419,312	3,265,430	2,942,936	3,234,396	2,433,980
2,232,541	1,687,234	-	-	-	-
47,301	47,437	68,115	38,692	16,825	29,544
5,224	692	553,645	569,752	551,621	678,758
61,208	1,124,316	-	-	-	-
18,821,609	23,094,453	35,960,712	32,657,667	39,028,986	40,980,054
2,092,816	1,734,315	-	-	-	519,585
<u>33,107,453</u>	<u>39,979,446</u>	<u>48,913,728</u>	<u>47,298,676</u>	<u>54,572,991</u>	<u>49,179,625</u>
<u>(67,348,739)</u>	<u>(34,725,526)</u>	<u>(17,852,552)</u>	<u>(91,233,371)</u>	<u>(38,764,049)</u>	<u>(42,178,855)</u>
19,861,396	19,452,524	20,279,812	20,927,464	23,710,945	22,745,182
15,487,439	15,277,949	16,019,035	17,020,456	15,028,812	19,076,507
14,899,242	15,199,286	15,576,579	14,595,029	16,910,747	16,845,764
1,022,650	-	-	-	-	-
773,736	1,160,090	1,439,377	1,182,921	177,770	(2,676,422)
-	-	-	-	38,708	-
967,327	1,094,886	-	-	-	-
2,779,668	1,536,235	2,570,708	-	-	924,141
<u>55,791,458</u>	<u>53,720,970</u>	<u>55,885,511</u>	<u>53,725,870</u>	<u>55,866,982</u>	<u>56,915,172</u>
<u>\$ (11,557,281)</u>	<u>\$ 18,995,444</u>	<u>\$ 38,032,959</u>	<u>\$ (37,507,501)</u>	<u>\$ 17,102,933</u>	<u>\$ 14,736,317</u>

CITY OF FLINT, MICHIGAN

Changes in Net Position

Business-type Activities
Last Ten Fiscal Years

	2013	2014	2015	2016
Operating revenue				
Sale of water	\$ 49,880,827	\$ 43,552,152	\$ 33,777,658	\$ 32,355,881
Sewage disposal charges	32,025,929	28,605,162	30,435,699	29,031,074
Other charges for services	23,041	-	123,224	37,051
	<u>81,929,797</u>	<u>72,157,314</u>	<u>64,336,581</u>	<u>61,424,006</u>
Operating expenses				
Cost of water produced/purchased	23,308,800	21,508,040	-	8,354,748
Water supply	14,429,553	17,381,525	18,805,048	22,478,663
Sewage disposal	21,203,557	20,180,686	18,898,748	22,052,088
Depreciation	7,538,013	8,806,180	6,036,783	7,039,991
	<u>66,479,923</u>	<u>67,876,431</u>	<u>43,740,579</u>	<u>59,925,490</u>
Operating income (loss)	<u>15,449,874</u>	<u>4,280,883</u>	<u>20,596,002</u>	<u>1,498,516</u>
Nonoperating revenue (expenses)				
Federal grants	-	-	-	-
State grants	-	-	-	6,000,000
Local grants	-	-	-	2,374,748
Investment income	945	155,578	247,222	613,207
Interest expense	(787,584)	(572,376)	(565,869)	(170,301)
Income (loss) from joint ventures	-	-	-	-
Gain (loss) on disposal of assets	(1,856,694)	3,593,677	225,465	-
Capital grants and contributions	99,240	-	-	-
Debt forgiveness	-	-	-	-
Miscellaneous revenue	44,765	(6,319)	(6,571)	(5,981)
	<u>(2,499,328)</u>	<u>3,170,560</u>	<u>(99,753)</u>	<u>8,811,673</u>
Income (loss) before transfers and capital grants	<u>12,950,546</u>	<u>7,451,443</u>	<u>20,496,249</u>	<u>10,310,189</u>
Grants for capital improvements	-	-	-	-
Transfers from other funds	-	800,000	800,000	-
Transfers to other funds	(2,990,000)	(3,790,000)	(3,790,000)	(2,990,000)
Total business-type activities changes in net position	<u>\$ 9,960,546</u>	<u>\$ 4,461,443</u>	<u>\$ 17,506,249</u>	<u>\$ 7,320,189</u>
Change in net position - primary government	<u>\$ 17,684,826</u>	<u>\$ 5,723,611</u>	<u>\$ 13,240,070</u>	<u>\$ (8,680,600)</u>

Table 3 - Unaudited

	2017	2018	2019	2020	2021	2022
	\$ 30,057,960	\$ 28,154,629	\$ 31,007,646	\$ 29,500,861	\$ 29,864,096	\$ 31,455,385
	29,504,500	30,542,329	25,727,230	25,550,538	25,883,624	28,045,105
	-	-	20,077	330,134	-	5,106
	<u>59,562,460</u>	<u>58,696,958</u>	<u>56,754,953</u>	<u>55,381,533</u>	<u>55,747,720</u>	<u>59,505,596</u>
	17,307,301	14,798,508	11,566,113	11,052,227	12,354,561	13,620,399
	26,786,020	31,868,876	19,989,864	26,834,751	(11,639,719)	18,220,102
	26,003,071	21,385,475	35,638,165	12,575,247	1,768,216	9,820,118
	7,067,711	6,932,145	7,044,520	7,658,571	7,977,481	8,411,820
	<u>77,164,103</u>	<u>74,985,004</u>	<u>74,238,662</u>	<u>58,120,796</u>	<u>10,460,539</u>	<u>50,072,439</u>
	<u>(17,601,643)</u>	<u>(16,288,046)</u>	<u>(17,483,709)</u>	<u>(2,739,263)</u>	<u>45,287,181</u>	<u>9,433,157</u>
	1,253,227	-	-	-	-	-
	19,109,149	-	-	-	-	-
	1,745,252	-	-	-	-	-
	362,738	645,390	1,244,819	1,321,264	80,889	(1,443,020)
	-	(24,396)	-	-	-	-
	-	-	-	-	-	-
	(490)	-	-	-	(37,150)	-
	-	31,735,104	-	-	-	-
	-	20,770,336	-	-	-	-
	298,954	173,574	-	-	-	-
	<u>22,768,830</u>	<u>53,300,008</u>	<u>1,244,819</u>	<u>1,321,264</u>	<u>43,739</u>	<u>(1,443,020)</u>
	5,167,187	37,011,962	(16,238,890)	(1,417,999)	45,330,920	7,990,137
	-	-	37,946,742	29,379,346	42,235,846	13,203,536
	210,332	336,041	-	-	-	-
	<u>(2,990,000)</u>	<u>(1,872,276)</u>	<u>(2,570,708)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,387,519</u>	<u>\$ 35,475,727</u>	<u>\$ 19,137,144</u>	<u>\$ 27,961,347</u>	<u>\$ 87,566,766</u>	<u>\$ 21,193,673</u>
	<u>\$ (9,169,762)</u>	<u>\$ 54,471,171</u>	<u>\$ 57,170,103</u>	<u>\$ (9,546,154)</u>	<u>\$ 104,669,699</u>	<u>\$ 35,929,990</u>

CITY OF FLINT, MICHIGAN

Fund Balances Governmental Funds

Last Ten Fiscal Years

	2013	2014	2015	2016
General fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Assigned	-	-	-	-
Unassigned (deficit)	(12,895,642)	(8,961,427)	3,346,327	10,037,581
Total general fund	<u>(12,895,642)</u>	<u>(8,961,427)</u>	<u>3,346,327</u>	<u>10,037,581</u>
All other governmental funds				
Nonspendable	-	-	-	-
Restricted	8,170,020	28,491,942	26,419,102	28,279,651
Unassigned (deficit)	-	-	(108,770)	-
Total all other governmental funds	<u>8,170,020</u>	<u>28,491,942</u>	<u>26,310,332</u>	<u>28,279,651</u>
Total all governmental funds	<u>\$ (4,725,622)</u>	<u>\$ 19,530,515</u>	<u>\$ 29,656,659</u>	<u>\$ 38,317,232</u>

Table 4 - Unaudited

2017	2018	2019	2020	2021	2022
\$ -	\$ -	\$ -	\$ 37,192	\$ 61,757	\$ 49,836
-	-	2,070,811	1,632,576	13,087,906	14,094,070
<u>17,073,792</u>	<u>20,374,004</u>	<u>22,366,581</u>	<u>15,925,521</u>	<u>9,789,704</u>	<u>4,988,355</u>
<u>17,073,792</u>	<u>20,374,004</u>	<u>24,437,392</u>	<u>17,595,289</u>	<u>22,939,367</u>	<u>19,132,261</u>
-	-	-	76,529	152,501	34,589
30,676,075	35,677,268	36,051,327	38,679,911	45,207,609	47,894,423
-	-	-	(76,529)	(753,258)	(3,644,857)
<u>30,676,075</u>	<u>35,677,268</u>	<u>36,051,327</u>	<u>38,679,911</u>	<u>44,606,852</u>	<u>44,284,155</u>
<u>\$ 47,749,867</u>	<u>\$ 56,051,272</u>	<u>\$ 60,488,719</u>	<u>\$ 56,275,200</u>	<u>\$ 67,546,219</u>	<u>\$ 63,416,416</u>

CITY OF FLINT, MICHIGAN

Changes in Fund Balances Governmental Funds

Last Ten Fiscal Years

	2013	2014	2015	2016
Revenues				
Property taxes	\$ 19,213,064	\$ 18,189,649	\$ 16,696,873	\$ 15,581,099
Income taxes	14,674,274	13,038,276	14,314,826	15,864,085
Cable franchise fees	-	-	-	-
Special assessments	-	-	13,493,216	-
Federal sources	23,822,041	20,035,608	21,699,780	7,007,040
State sources	24,262,024	19,467,727	1,144,948	36,047,846
Charges for services	11,594,534	9,627,796	582,869	8,390,598
Fines and forfeitures	2,415,648	3,090,045	7,975,310	3,081,246
Licenses and permits	3,410,508	1,502,536	2,450,924	1,154,277
Local contributions	-	632,458	4,976,610	275,028
Interest	7,142,900	7,016,496	-	983,837
Other revenues	-	-	-	1,460,982
Total revenues	106,534,993	92,600,591	83,335,356	89,846,038
Expenditures				
Legislative	344,227	338,638	557,841	841,240
General government	7,999,801	7,466,619	11,033,750	10,771,374
Judicial	4,955,003	5,181,415	5,294,069	3,783,089
Public safety	48,365,173	44,816,440	40,331,305	38,680,868
Public works	15,285,853	14,608,856	15,801,065	6,155,898
Recreation and culture	8,328,093	2,729,358	2,980,851	358,444
Community development	9,379,517	6,750,331	5,582,858	7,745,212
Facilities maintenance	-	-	-	1,661,747
Transportation	-	-	-	12,012,988
Debt service:				
Interest	896,977	1,218,524	1,239,070	1,659,622
Principal	1,038,376	1,203,212	1,168,901	1,292,981
Lease principal	-	-	-	-
Total expenditures	96,593,020	84,313,393	83,989,710	84,963,463
Revenues over (under) expenditures	9,941,973	8,287,198	(654,354)	4,882,575
Other financing sources (uses)				
Proceeds from borrowing	-	-	7,000,000	-
Issuance of long-term debt	-	-	-	-
Proceeds from sale of capital assets	100	16,800	500	-
Gain on sale of capital assets	-	-	-	-
Transfers in	5,518,457	6,669,791	5,454,157	5,085,992
Transfers out	(1,028,457)	(2,608,248)	(1,676,159)	(1,307,994)
Total other financing sources	4,490,100	4,078,343	10,778,498	3,777,998
Net change in fund balance	\$ 14,432,073	\$ 12,365,541	\$ 10,124,144	\$ 8,660,573
Debt service as a percentage of noncapital expenditures	2.2%	3.0%	3.1%	3.8%

Table 5 - Unaudited

	2017	2018	2019	2020	2021	2022
\$	16,960,809	\$ 16,443,315	\$ 20,279,812	\$ 20,927,464	\$ 23,710,945	\$ 22,813,977
	15,644,292	15,471,994	16,019,035	17,020,456	15,028,812	19,076,507
	1,022,650	979,569	941,961	881,931	919,339	887,414
	-	-	-	-	-	-
	5,783,334	7,905,710	10,995,680	10,038,406	10,654,495	12,586,174
	30,386,628	33,417,100	36,389,470	32,998,037	39,471,430	39,875,551
	11,181,260	13,871,362	10,586,067	12,107,288	13,598,528	5,658,592
	429,860	273,269	235,651	273,802	231,576	44,250
	2,227,748	1,605,360	2,132,138	2,260,879	1,714,741	1,977,744
	1,046,885	1,800,813	1,910,797	1,949,539	3,800,540	3,392,140
	672,739	930,348	1,284,586	971,971	368,354	(1,994,680)
	1,499,523	1,739,879	1,039,167	1,139,018	880,819	1,958,829
	<u>86,855,728</u>	<u>94,438,719</u>	<u>101,814,364</u>	<u>100,568,791</u>	<u>110,379,579</u>	<u>106,276,498</u>
	870,950	900,620	765,717	1,020,917	833,422	936,704
	10,339,533	12,688,374	17,194,733	19,805,631	19,600,468	18,459,978
	901,361	858,955	750,288	850,055	1,133,385	1,059,999
	41,497,939	44,776,943	43,483,079	51,180,023	42,428,740	50,612,222
	10,714,513	11,105,954	19,832,593	21,421,183	22,022,675	21,201,495
	584,219	360,304	617,174	532,917	697,735	485,088
	5,576,085	5,585,435	9,667,090	6,761,698	8,778,703	13,402,003
	1,643,145	1,799,705	1,531,620	1,470,117	1,347,172	1,615,661
	6,084,566	6,813,018	-	-	-	-
	1,755,725	2,629,731	1,115,884	1,288,223	1,840,679	1,756,981
	1,233,055	1,278,549	1,620,288	1,790,849	801,381	750,903
	-	-	-	-	-	125,267
	<u>81,201,091</u>	<u>88,797,588</u>	<u>96,578,466</u>	<u>106,121,613</u>	<u>99,484,360</u>	<u>110,406,301</u>
	<u>5,654,637</u>	<u>5,641,131</u>	<u>5,235,898</u>	<u>(5,552,822)</u>	<u>10,895,219</u>	<u>(4,129,803)</u>
	-	-	-	519,785	-	-
	-	-	-	-	375,800	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	5,092,663	6,035,471	6,755,396	4,390,222	7,264,431	1,731,420
	<u>(1,314,665)</u>	<u>(3,375,197)</u>	<u>(3,396,690)</u>	<u>(3,570,704)</u>	<u>(7,264,431)</u>	<u>(1,731,420)</u>
	<u>3,777,998</u>	<u>2,660,274</u>	<u>3,358,706</u>	<u>1,339,303</u>	<u>375,800</u>	<u>-</u>
\$	<u>9,432,635</u>	<u>\$ 8,301,405</u>	<u>\$ 8,594,604</u>	<u>\$ (4,213,519)</u>	<u>\$ 11,271,019</u>	<u>\$ (4,129,803)</u>
	<u>4.0%</u>	<u>4.5%</u>	<u>3.0%</u>	<u>2.9%</u>	<u>2.9%</u>	<u>2.3%</u>

CITY OF FLINT, MICHIGAN

Taxable Value and Actual Value of Taxable Property

Last Ten Years

Tax Year	Fiscal year ended June 30,	Taxable Value by Property Type:					Total Taxable Value
		Real Property			Personal Property		
		Residential	Commercial	Industrial			
2012	2013	\$ 505,714,706	\$ 196,112,442	\$ 129,649,913	\$ 158,959,800	\$ 990,436,861	
2013	2014	362,867,708	181,351,218	77,833,577	154,602,400	776,654,903	
2014	2015	358,826,466	174,669,232	78,779,274	146,551,100	758,826,072	
2015	2016	351,627,021	175,031,857	67,448,512	155,838,600	749,945,990	
2016	2017	344,250,125	171,595,307	66,040,606	129,048,800	710,934,838	
2017	2018	341,664,450	173,709,042	66,063,625	133,145,700	714,582,817	
2018	2019	337,466,043	177,932,764	73,668,354	144,818,600	733,885,761	
2019	2020	338,527,026	179,959,673	73,750,141	150,681,900	742,918,740	
2020	2021	345,535,505	181,032,421	81,445,564	163,343,400	771,356,890	
2021	2022	370,785,448	203,019,229	119,664,514	175,947,400	869,416,591	

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

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

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

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

Source: City Assessor

Table 6 - Unaudited

Tax Rate (mills)	Estimated Actual Value	Taxable Value as a % of Actual	Industrial Facilities Tax Abated Taxable Value
62.8550	\$ 1,938,259,600	51.10%	\$ 42,861,946
66.4550	1,590,344,800	48.84%	27,773,300
66.4550	1,563,630,500	48.53%	17,607,300
66.9603	1,550,764,900	48.36%	19,771,400
67.9853	1,594,595,400	44.58%	29,670,872
68.1838	1,623,760,348	44.01%	32,175,818
68.1838	1,623,760,348	45.20%	38,387,229
69.1083	1,623,760,348	45.75%	39,887,165
70.7929	1,029,344,080	74.94%	34,508,149
71.6245	1,088,988,064	79.84%	31,295,200

CITY OF FLINT, MICHIGAN

Direct and Overlapping Property Tax Rates

Last Ten Years

Fiscal Year Ending	Millage Rates - Direct City Taxes				
	General Operating	Public Improvements	Police	Public Transport	Parks and Recreation
2013	7.5000	2.5000	2.0000	0.6000	0.5000
2014	7.5000	2.5000	2.0000	0.6000	0.5000
2015	7.5000	2.5000	2.0000	0.6000	0.5000
2016	7.5000	2.5000	2.0000	0.6000	0.5000
2017	7.5000	2.5000	2.0000	0.6000	0.5000
2018	7.5000	2.5000	2.0000	0.6000	0.5000
2019	7.5000	2.5000	2.0000	0.6000	0.5000
2020	7.5000	2.5000	2.0000	0.6000	0.5000
2021	7.5000	2.5000	2.0000	0.6000	0.5000
2022	7.5000	2.5000	2.0000	0.6000	0.5000

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 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

Table 7 - Unaudited

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

continued...

CITY OF FLINT, MICHIGAN

Direct and Overlapping Property Tax Rates

Last Ten Years

Tax Year	Overlapping Tax Rates*				
	Bishop Airport	MTA	District Library	Michigan S.E.T.	Mott Community College
2013	0.4847	0.8000	3.4000	6.0000	2.8596
2014	0.4847	0.8000	3.4000	6.0000	2.8596
2015	0.4847	0.8000	3.4000	6.0000	2.8596
2016	0.4847	1.2250	4.0000	6.0000	2.8596
2017	0.4847	1.2250	4.0000	6.0000	2.8096
2018	0.4847	1.2250	4.0000	6.0000	2.8096
2019	0.4837	1.2225	4.0000	6.0000	2.8047
2020	0.4805	1.2250	5.8200	6.0000	2.7605
2021	0.4775	1.2175	5.8200	6.0000	2.7472
2021	0.4775	1.2175	5.6700	6.0000	2.6638

Table 7 - Unaudited



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

concluded

Principal Property Taxpayers

Current Year and Nine Years Ago

Taxpayer	2022			2013		
	Assessed Value	Rank	Percentage of Total City Assessed Value	Assessed Value	Rank	Percentage of Total City Assessed Value
Consumers Energy	\$ 121,327,896	1	14.51%	\$ 51,846,700	1	6.52%
General Motors LLC *	24,150,775	2	2.89%	47,836,300	2	6.02%
Continental Drive LP	5,248,250	3	0.63%			
Comcast of Flint, Inc.	4,964,500	4	0.59%	5,251,400	6	0.66%
4500 Matthews Drive LLC	4,808,600	5	0.57%			
Sealy Matthew Drive LLC	4,520,900	6	0.54%			
MCD Flint, LLC	3,992,927	7	0.48%			
Barette Outdoor Living, Inc	3,285,456	8	0.39%	6,613,900	4	0.83%
Saginaw & Court Assoc.	3,113,079	9	0.37%	4,525,700	8	0.57%
Michigan Electric Transmission Co	2,424,000	10	0.29%			
Delphi				12,067,500	3	1.52%
4405 Continental Drive				6,439,100	5	0.81%
IINN, Inc.				5,106,000	7	0.64%
Citizens Bank (First Merit)				3,371,400	9	0.42%
Diplomat				2,763,300	10	0.35%
Total Assessed Value, Top Ten	<u>\$ 177,836,383</u>		<u>21.26%</u>	<u>\$ 145,821,300</u>		<u>18.34%</u>
Total Ad Valorem Assessed Value	<u>\$ 836,290,716</u>			<u>\$ 795,172,400</u>		

* Includes AC Rochester

Source: City Assessor

Property Tax Levies and Collections

Last Ten Years

Tax Year (1)	Fiscal ended June 30,	Total Tax Levy (2)	Current Tax Collections	Percent of Current Taxes Collected (3)	Delinquent Tax Collections (4)	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
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	21,517,982	82.88%
2015	2016	23,794,281	16,075,993	67.56%	3,305,153	19,381,146	81.45%
2016	2017	21,805,219	15,198,951	69.70%	3,252,939	18,451,890	84.62%
2017	2018	21,953,878	15,190,410	69.19%	4,624,255	19,814,665	90.26%
2018	2019	24,255,558	15,941,933	65.72%	5,905,902	21,847,835	90.07%
2019	2020	24,755,237	17,655,252	71.32%	5,597,984	23,253,236	93.93%
2020	2021	25,146,224	18,690,868	74.33%	6,080,160	24,771,028	98.51%
2021	2022	25,720,002	19,264,603	74.90%	4,708,719	23,973,322	93.21%

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

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

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

Source: City finance department - audit division

CITY OF FLINT, MICHIGAN

Debt Capacity Information

Ratios of Outstanding Debt
Last Ten Fiscal Years

	2013	2014	2015	2016
Governmental activities				
General obligation bonds	\$ 9,230,000	\$ 8,955,000	\$ 8,665,000	\$ 8,355,000
Local government loan	7,815,000	7,620,000	7,420,000	7,210,000
Emergency Loan	-	-	7,000,000	6,610,000
Notes payable	12,962,665	12,214,143	11,465,073	10,715,453
Installment purchase agreements	375,244	195,390	818,935	597,648
Bond premium	-	-	-	-
Total governmental activities	30,382,909	28,984,533	35,369,008	33,488,101
Business type activities				
Revenue bonds	23,840,336	21,675,336	20,770,336	20,770,336
KWA agreement payable	-	-	-	-
Installment purchase agreements	-	-	1,763,688	1,188,473
Total business-type activities	23,840,336	21,675,336	22,534,024	21,958,809
Total debt of the government	\$ 54,223,245	\$ 50,659,869	\$ 57,903,032	\$ 55,446,910
Total residential personal income	\$ 384,627,255	\$ 308,782,006	\$ 341,319,125	\$ 385,227,365
Total debt as percentage of personal income	14.10%	16.41%	16.96%	14.39%
Total population	100,515	99,763	99,002	98,310
Total debt per capita	\$ 539	\$ 508	\$ 585	\$ 564

Table 10 - Unaudited

	2017	2018	2019	2020	2021	2022
\$	8,025,000	\$ 7,680,000	\$ 7,320,000	\$ 6,075,000	\$ 5,735,000	\$ 5,380,000
	6,990,000	6,765,000	6,530,000	6,445,000	6,120,000	5,785,000
	6,200,000	5,780,000	5,350,000	4,910,000	4,465,000	4,010,000
	9,920,278	8,280,547	7,685,257	7,084,409	6,478,922	5,866,942
	433,737	264,558	751,292	3,612,908	3,428,313	1,742,566
	-	-	-	1,021,228	942,672	864,116
	31,569,015	28,770,105	27,636,549	28,127,317	27,169,907	23,648,624
	20,770,336	-	-	-	6,327,420	22,647,391
	-	-	103,265,747	101,029,474	98,703,117	96,267,194
	901,815	607,348	294,002	-	-	-
	21,672,151	607,348	103,559,749	101,029,474	105,030,537	118,914,585
\$	53,241,166	\$ 29,377,453	\$ 131,196,298	\$ 129,156,791	\$ 132,200,444	\$ 142,563,209
\$	375,944,196	\$ 320,705,960	\$ 294,137,699	\$ 298,770,767	\$ 268,077,633	\$ 250,412,769
	14.16%	9.16%	44.60%	43.23%	49.31%	56.93%
	97,386	96,448	95,943	95,538	97,386	80,628
\$	547	\$ 305	\$ 1,367	\$ 1,352	\$ 1,357	\$ 1,768

Debt Capacity Information

Ratios of General Bonded Debt Outstanding
Last Ten Years

Fiscal Year	Tax-Limited General Obligation Bonds (LTGO)	Other General Obligation Debt	Unamortized Bond Premium	Net General Bonded Debt	Taxable Value	Debt as a Percentage of Taxable Value	Population	Debt per Capita
2013	\$ 9,230,000	\$ 20,777,665	\$ -	\$ 30,007,665	\$ 776,654,903	3.86%	101,515	\$ 296
2014	8,955,000	19,834,143	-	28,789,143	758,826,072	3.79%	99,763	289
2015	8,665,000	25,885,073	-	34,550,073	749,945,990	4.61%	99,002	349
2016	8,355,000	24,535,453	-	32,890,453	710,934,838	4.63%	98,310	335
2017	8,025,000	23,110,278	-	31,135,278	760,702,865	4.09%	97,386	320
2018	7,680,000	20,825,547	-	28,505,547	714,582,817	3.99%	96,448	296
2019	7,320,000	19,565,257	-	26,885,257	738,359,099	3.64%	95,943	280
2020	6,075,000	18,439,409	1,021,228	25,535,637	771,356,890	3.31%	95,538	267
2021	5,735,000	17,063,922	942,672	23,741,594	804,246,571	2.95%	97,386	244
2022	5,380,000	15,661,942	864,116	21,906,058	869,416,591	2.52%	80,628	272

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

Debt Capacity Information

Direct and Overlapping Governmental Activities Debt
Current Fiscal Year

Governmental Unit	Debt Outstanding	Estimated % Applicable *	Estimated Share of Overlapping Debt
Overlapping Debt:			
Genesee County	\$ 272,469,921	7.43%	\$ 20,244,515
Genesee Intermediate School District	7,470,000	6.97%	520,659
Bishop Airport Authority	3,320,000	7.43%	246,676
Mott Community College	58,785,000	6.98%	4,103,193
Carman-Ainsworth School District	14,605,000	5.64%	823,722
Swartz Creek School District	43,485,000	2.36%	1,026,246
Westwood Heights School District	4,170,000	1.67%	69,639
Flint Public Library	9,945,000	100.00%	9,945,000
Total Overlapping Debt			36,979,650
Direct City Debt			23,648,624
Total Direct and Overlapping Debt			\$ 60,628,274

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

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

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

CITY OF FLINT, MICHIGAN

Debt Capacity Information

Legal Debt Margin
Last Ten Fiscal Years

	2013	2014	2015	2016
Calculation of legal debt limit				
Assessed valuation	\$ 780,421,015	\$ 733,003,752	\$ 771,238,344	\$ 790,981,093
7% of assessed valuation *				
(** 10% for 2018- 2021)	<u>54,629,471</u>	<u>51,310,263</u>	<u>53,986,684</u>	<u>55,368,677</u>
Calculation of debt subject to limit:				
Total bonded debt at June 30	50,464,479	49,357,871	42,751,574	53,660,787
Less debt not subject to limitation under City Charter and State Statute:				
Revenue bonds and notes	<u>21,675,336</u>	<u>20,770,336</u>	<u>20,770,336</u>	<u>20,770,336</u>
Debt subject to limitation (net debt)	<u>28,789,143</u>	<u>28,587,535</u>	<u>21,981,238</u>	<u>32,890,451</u>
Legal debt margin (unused debt limitation)	<u>\$ 25,840,328</u>	<u>\$ 22,722,728</u>	<u>\$ 32,005,446</u>	<u>\$ 22,478,226</u>
Net debt subject to limit as % of debt limit	52.70%	55.72%	40.72%	59.40%

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

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

Note: Corrections for Fy2018 and FY2019 to remove capital leases.

Table 13 - Unaudited

2017	2018	2019	2020	2021	2022
\$ 811,340,683	\$ 841,624,456	\$ 874,376,920	\$ 956,599,547	\$ 1,029,344,080	\$ 1,088,988,064
<u>56,793,848</u>	<u>84,162,446</u>	<u>87,437,692</u>	<u>95,659,955</u>	<u>102,934,408</u>	<u>108,898,806</u>
51,905,612	28,505,547	26,885,257	24,514,409	33,497,327	46,296,015
<u>20,770,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,327,420</u>	<u>22,647,391</u>
<u>31,135,276</u>	<u>28,505,547</u>	<u>26,885,257</u>	<u>24,514,409</u>	<u>27,169,907</u>	<u>23,648,624</u>
<u>\$ 25,658,572</u>	<u>\$ 55,656,899</u>	<u>\$ 60,552,435</u>	<u>\$ 71,145,546</u>	<u>\$ 75,764,501</u>	<u>\$ 85,250,182</u>
54.82%	33.87%	30.75%	25.63%	26.40%	21.72%

Debt Capacity Information

Pledged-Revenue Coverage - Revenue Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Applicable Expenses	Net Revenues	Debt Service			Coverage*
				Principal	Interest	Total	
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
2016	41,053,585	29,609,105	11,444,480	-	259,629	259,629	44.08
2017	51,558,138	41,511,375	10,046,763	-	-	-	N/A
2018	20,770,336	-	20,770,336	-	-	-	N/A
2019	-	-	-	-	-	-	N/A
2020	-	-	-	-	-	-	N/A
2021	25,957,586	318,887	25,638,699	-	-	-	N/A
2022	27,296,828	11,447,056	15,849,772	-	(142,048)	(142,048)	N/A

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

In 2016 the State of Michigan restructured the City's DWRLF loans. The principal payments were deferred 5 years to 2021 and interest was reduced to zero.

In August of 2017 the EPA concurred with the MDEQ to forgive the City of Flint's \$20.7 million Drinking Water Revolving Fund debt.

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

Demographic and Economic Statistics

Last Ten Calendar Years

Calendar Year	Population	Personal Income	Per Capita Personal Income *	Michigan Labor Market - Jobless Rate for Flint only
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%
2015	98,310	385,227,365	3,918	11.0%
2016	97,386	375,944,196	3,860	9.3%
2017	96,448	320,705,960	3,325	9.5%
2018	95,943	294,137,699	3,066	10.3%
2019	95,538	298,770,767	3,127	3.7%
2020	97,386	268,077,633	2,753	8.3%
2021	80,628	250,412,769	3,106	6.1%

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

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

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

CITY OF FLINT, MICHIGAN

Principal Employers (# of W-2s)

Current Year and Nine Years Ago

Taxpayer	FY 2022 (2021) Employees	Percentage of Total	2021 Rank
General Motors Corp/Motors Liquidation Co	9,741	16.62%	1
Hurley Medical Center	2,851	4.87%	2
McLaren Regional Medical Center	2,485	4.24%	3
University of Michigan	1,830	3.12%	4
Express Services Inc	1,581	2.70%	5
Genesee County	1,262	2.15%	6
State of Michigan	849	1.45%	7
Lear Corporation	844	1.44%	8
Kettering University	824	1.41%	9
City of Flint	729	1.24%	10
Flint School District			
CS Mott Community College			
Employment Plus			
	22,996	39.24%	
Total Employees Working in City	58,602		

Source: City of Flint Income Tax Division

Table 16 - Unaudited



FY 2013 (2012) Employees	Percentage of Total	2012 Rank
13,975	33.91%	1
2,811	6.82%	3
3,014	7.31%	2
2,624	6.37%	4
2,361	5.73%	6
1,183	2.87%	9
1,010	2.45%	10
2,559	6.21%	5
2,022	4.91%	7
1,214	2.95%	8
<u>32,773</u>	<u>79.53%</u>	
<u>41,209</u>		

CITY OF FLINT, MICHIGAN

Full-time Equivalent Government Employees

Last Ten Fiscal Years (as of June 30)

Function / Program	2013	2014	2015	2016
Administration				
City Administration	1.0	2.0	3.0	3.0
Mayor's Office	2.0	2.0	2.0	3.0
Blight	-	-	-	-
Legal Department	8.0	8.0	8.0	8.0
City Clerk's Office <i>(not including election workers)</i>	5.0	5.0	5.0	6.0
City Council	1.0	2.0	2.0	3.0
Ombudsman's Office	-	-	-	-
Human Resources - Personnel & Labor Relations	5.0	7.0	5.0	7.0
Union Representatives	1.0	1.0	1.0	1.0
68th District Court	30.0	30.0	28.0	-
Finance Administration				
Finance Department/Payroll/Retirement	8.0	8.0	8.0	8.0
Treasury/Customer Service/Income Tax	21.0	18.0	20.0	19.0
Assessment	8.0	9.0	9.0	9.0
Information Services/Data Processing	6.0	5.0	4.0	5.0
Facilities Maintenance/Grounds	4.0	1.0	2.0	2.0
Fleet Management	9.0	8.0	9.0	9.0
Purchasing				
Administration	2.0	2.0	2.0	2.0
Planning & Development				
Community & Economic Development/Major Grants	11.0	10.0	12.0	14.0
Parks & Recreation Administration	2.0	1.0	-	-
Building Inspections/Development/Demolition	9.0	12.0	13.0	13.0
Fire Department	91.0	79.0	68.0	68.0
Emergency 9-1-1	22.0	22.0	18.0	-
Police Department				
Sworn Officers	122.0	121.0	97.0	106.0
Civilians	22.0	17.0	14.0	16.0
<i>School Crossing Guards (not FTEs)</i>	24.0	29.0	29.0	30.0

Table 17 - Unaudited

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

continued...

CITY OF FLINT, MICHIGAN

Full-time Equivalent Government Employees

Last Ten Fiscal Years (as of June 30)

Function / Program	2013	2014	2015	2016
Public Works & Utilities Administration				
Street Maintenance	23.0	16.0	17.0	22.0
Traffic Engineering	10.0	11.0	10.0	11.0
Transportation-Director/Administration	4.0	4.0	4.0	7.0
Utilities Administration	3.0	3.0	3.0	3.0
Water Service Center-Sewer Maintenance	25.0	26.0	27.0	33.0
Water Service Center- Water Distribution	31.0	34.0	33.0	33.0
Water Plant	20.0	23.0	22.0	24.0
Water Pollution Control	40.0	38.0	35.0	38.0
Total Staffing (excluding school crossing guards)	546.0	525.0	481.0	473.0

Source: City of Flint Finance Office

Table 17 - Unaudited

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

concluded

CITY OF FLINT, MICHIGAN

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function / Program	2013	2014	2015	2016
Election Data (Calendar Year - November Elections):				
Registered voters	83,255	78,992	79,206	75,437
Voters (at the polls or absentee)	40,348	15,161	23,182	14,041
Percent voting	48.5%	19.2%	29.3%	18.6%
68th District Court (Calendar Year):				
Number of new court cases	25,972	28,219	27,959	30,887
Police:				
Physical arrests (fiscal year 2010-2017 & 2019, calendar year 2018)	3,744	2,933	1,553	1,464
Traffic violations/misdemeanors/civil infractions (fiscal)	6,318	7,408	6,300	7,285
Investigations (fiscal year 2010-2017 & 2019, calendar year 2018)	12,526	11,576	12,527	10,513
Fire (Calendar Year):				
Fire runs	3,191	2,679	2,695	3,211
Emergency medical runs	3,562	1,755	1,281	1,109
Inspections	308	224	380	400
Public Works:				
Miles of streets resurfaced	4.32	-	1	2.54
Potholes repaired	700	32,486	15,511	43,081
Refuse Collection:				
Household waste & residential compost - cubic yards	100,537	114,949	101,889	102,137
Parks and Recreation (Calendar Year):				
Recreation Centers - Senior & Youth Participants	1,653	1,045	1,208	3,657
Water:				
Number of customers billed	32,702	32,085	29,596	31,468
Total consumption (ccf)	9,470,315	8,114,852	2,857,898	2,826,200
Average consumption per user (ccf)	290	253	97	90
Wastewater (Calendar Year):				
Average daily sewage treatment - gallons	19,900,000	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.

*Enforcement initiatives increased FY17

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

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

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

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

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

Table 18 - Unaudited

2017	2018	2019	2020	2021	2022
76,276	74,128	73,613	76,778	75,552	75,288
33,858	20,190	26,614	34,339	6,675	10,938
44.4%	27.2%	36.2%	44.7%	8.8%	14.5%
-	-	-	-	-	-
1,664	1,250	555	593	325	756
*17,072	18,874	17,714	4,829	5,168	4,998
10,500	9,427	8,165	9,456	8,300	8,878
2,609	2,457	2,075	2,117	2,166	2,382
1,776	1,580	2,383	2,048	1,486	1,063
508	564	503	381	316	476
-	-	-	Not available	10.72	34.30
8,679	23,409	618	Not available	233	20,676
103,716	107,117	102,651	Not available	130,545	143,113
1,654	1,444	1,323	2,498	2,416	3,207
30,404	29,984	27,355	27,623	28,572	29,086
3,035,655	2,866,888	2,617,923	2,594,352	2,619,949	2,875,440
100	96	96	94	92	99
19,900,000	20,200,000	19,253,761	20,600,000	15,400,000	20,300,000

CITY OF FLINT, MICHIGAN

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016
Police:				
Stations	1	1	1	1
Mini-Stations	5	6	6	5
Patrol units *	114	94	91	91
Fire:				
Stations	5	5	5	5
Fire response vehicles	15	14	14	14
Emergency medical response vehicles	4	3	3	3
Public Works:				
City Streets (miles):	508.18	508.18	508.18	508.18
Major streets	152.33	152.33	152.33	152.33
Local streets	355.85	355.85	355.85	355.85
Interstate Highways	10.93	10.93	10.93	10.93
Sidewalks	986.50	986.50	986.50	986.50
Streetlights	11,292	11,292	11,292	11,292
Traffic Signals/Beacons	252	252	252	252
Parks and Recreation:				
Acreage	1,084	1,084	1,084	1,084
Developed parks/playgrounds	63	63	63	63
Baseball/softball stadiums/diamonds	29	29	29	29
Soccer/football/rugby fields	14	14	14	14
Community centers **	5	5	5	5
Golf courses **	4	4	4	4
Water:				
Water mains (miles)	540	540	540	540
Fire hydrants	5,200	5,200	5,200	5,200
Storage capacity (gallons)	57,000,000	57,000,000	57,000,000	57,000,000
Sewer:				
Sanitary sewers (miles)	570	570	570	570
Storm sewers (miles)	350	350	350	350
Treatment capacity (gallons/day)	80,000,000	80,000,000	80,000,000	80,000,000

Source: Various City Departments

* Marked and unmarked police vehicles are included in this number

**Beginning in 2012, on 2 of the 5 community centers and 2 of 4 golf courses were operational

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

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

Table 19 - Unaudited

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

Employees' Retirement System - Comparative Schedule - Actuarial Valuations

Last 10 Actuarial Reports

(\$ amounts expressed in thousands)

Continuation Indicators								
Valuation Date	Valuation Assets	APVCPB	Funded Ratio	UAPVCPB	Ratio of UAPVCPB to APVCPB	Member Payroll	Ratio of UAPVCPB to Payroll	
06/30/2011	\$ 506,504	\$ 829,380	61.1%	\$ 322,876	38.9%	\$ 63,063	512.0%	
12/31/2012	291,869	552,783	52.8%	260,914	0.0%	23,285	1120.5%	
12/31/2014	264,000	550,119	48.0%	286,120	52.0%	51,039	560.6%	
12/31/2015	242,518	565,954	48.0%	323,436	57.1%	50,964	634.6%	
12/31/2016	203,100	548,845	37.0%	345,745	63.0%	51,497	671.4%	
12/31/2017	197,129	543,169	36.3%	346,040	63.7%	50,740	682.0%	
12/31/2018	179,957	537,218	33.5%	357,261	66.5%	50,476	707.8%	
12/31/2019	159,890	557,614	28.7%	397,724	71.3%	50,527	787.2%	
12/31/2020	149,785	559,118	26.8%	409,333	73.2%	50,038	818.0%	
12/31/2021	158,007	563,053	28.1%	405,046	71.9%	49,299	821.6%	

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

No actuary report in 2013

Actuarial assumptions were revised in 2015