



CITY OF FLINT
OFFICE OF EMERGENCY MANAGER
MICHAEL K. BROWN

July 12, 2013

Andy Dillon, State Treasurer and Chair
Michigan Department of Treasury
Bureau of Local Government Services
41h Floor Treasury Building
430 West Allegan Street
Lansing, MI 48922

Dear Mr. Dillon:

I am attaching for your consideration the quarterly report of the Emergency Manager of the City of Flint as required by Public Act 436 of 2013. It specifies in Section 9 (5) that "the emergency manager shall submit quarterly reports to the state treasurer with respect to the financial condition of the local government in receivership, with a copy to ... each state senator and state representative who represents that local government."

This quarterly report covers the period from April 1, 2013 through June 30, 2013 and addresses the financial condition of the City of Flint.

Respectfully submitted,

Michael K. Brown
Emergency Manager

Attachments

Cc: Senator James Ananich
State Representative Woodrow Stanley
Ed Koryzno, Administrator, Office of Fiscal Responsibility

**QUARTERLY REPORT TO THE STATE TREASURER
REGARDING THE FINANCIAL CONDITION OF THE CITY OF FLINT**

July 15, 2013

This quarterly report covers the period from April 1, 2013 through June 30, 2013 and addresses the financial condition of the City of Flint.

Public Act 436 of 2013 specifies in Section 9 (5) that “the emergency manager shall submit quarterly reports to the state treasurer with respect to the financial condition of the local government in receivership, with a copy to . . . each state senator and state representative who represents that local government.”

**Status of the Financial Condition of Flint
April 1, 2013 through June 30, 2013**

The financial condition of the City of Flint has begun to improve, with revenues and expenses generally tracking with budget projections. While the FY12 results showed an increase in the accumulated deficit, that increase was anticipated, due to a decision early on to focus efforts on developing and implementing a budget for FY13 that would maintain essential services while moving the City toward long term financial solvency.

These efforts are proving successful. To-date, the FY13 budget was balanced without increasing the deficit; and revenues and expenses have been generally in line with expectations. The budget for FY14 has been adopted, with anticipated revenues and expenses balanced. In both FY13 and FY14, difficult decisions have been made with regards to staffing, fringe benefits, organizational structure, levels of service, and increases in fees and taxes.

Development of the FY14 budget was done in the context of developing budgetary projections through FY18, and recognizing the need to eliminate the City’s accumulated deficit. With a desire to develop and maintain a multi-year perspective on city resources and operations, the development of the FY15 budget is now beginning. While FY15 will be extremely challenging due to continued property value declines and the anticipated loss of some major grants, the budget for FY15 will be realistically balanced.

Finally, as a result of analyzing projected revenues and expenses for the next five years, it has become clear that the City will continue to face a structural deficit in the area of \$3 million to \$5 million annually. More than anything, the City’s stagnant revenue streams (no growth projected over the next 5 years) and its high amount of legacy costs (\$37 million for FY14) have created this situation.

This structural deficit essentially precludes the City from stabilizing service levels even at minimal levels, and prevents it from addressing significant unmet capital needs (currently estimated at more than \$300 million). Without structural change, this situation is not sustainable and the City will not achieve even a minimal level of financial solvency in the long term.

While bankruptcy has been mentioned as a possible solution to this, investigation of the alternative shows it to be expensive, slow, and with outcomes that are far from certain. However, investigation of an alternative which focuses on improving the City's revenue stream while continuing to reduce legacy costs shows promise. For example, an increase in the local income tax rate to the levels afforded other urban centers, coupled with significant additional changes in health care and pensions for active employees and retirees appears to have the potential to overcome the \$3-\$5 million structural deficit while providing a similar amount for stabilizing services and beginning to address capital needs.

FY12 Audit

The Comprehensive Annual Financial Report (CAFR) for FY12 was completed and was filed with the state in a timely manner. The results were as expected, with fewer auditor comments than in past years. Deficits exist in the General Fund (\$19.1 million) and in the Water Fund (\$8.8 million).

In the FY 13 budget document, prepared in April 2012, the accumulated deficit for the FY12 General Fund was projected to be \$18.1 million. However, this projection did not include the \$1.54 million write down for the value of Genesee Towers. Adding the write down to the projected deficit of \$18.1 million would have resulted in a total of \$19.7 million.

In the FY12 CAFR, the amended budget projected a deficit of \$16.3 million. However, this projection did not include the \$1.54 million write down for Genesee Towers. It also included \$739,406 in federal grant revenues and \$602,192 in local revenues which did not materialize. Taking these items into consideration, the deficit projection would have been \$19.2 million.

The \$19.1 million accumulated deficit reflected an excess of expenditures in the General Fund for FY12 of \$11.1 million. This was anticipated by the Emergency Manager shortly after being appointed, which was almost six months into the FY12 year. Given that FY12 was nearly half over, and that significant unplanned reductions in services, primarily public safety, would need to occur if the projected deficit were to be immediately eliminated, the decision of the Emergency Manager, in consultation with Treasury, was to contain costs as much as possible but without significantly reducing services – especially public safety - for the balance of the year. Instead, focus was concentrated on developing a budget for FY13 which would move towards restoring Flint to long term financial solvency. It was projected that as a result of this decision, the deficit for FY12

could have been as much as \$12 million, resulting in an accumulated deficit of \$20 million.

The deficits identified in the City's Comprehensive Annual Financial Report for FY12, the year ended June 30, 2012, are follows:

General Fund -	\$ 19,184,850
Water Supply Division -	\$ 8,758,091
Economic Development Corporation	\$ 119,439

Status of FY13 Budget – Preliminary Year End Projection

As of June 1, 2013, revenues and expenses are generally on target. The budget was amended in December to reflect some adjustments to revenues and expenses, including the proceeds of the voter approved millage for police and fire protection, projected revenues and expenses for the operation of the City lock-up; and the extension of a public safety grant from the Mott Foundation which provided continued funding for 11 law enforcement officers. Additional Budget amendments were adopted based on an unplanned special election, the proceeds from two auctions, utility refunds and other minor issues. Income tax revenues appear to be slightly less than projections, and over expenditures in Fire Department overtime have been addressed.

Absent any catastrophic event, such as an adverse decision on modifications of retiree health care, FY13 is projected to end with revenues slightly exceeding expenses.

Cash Flow as of June 30, 2013

Cash flow has improved with the receipt of revenues from the public safety millage, street light assessment, and waste collection fees. Pooled cash on hand is now in excess of \$25 million, compared to \$13 million as of December, 2011. However, the General Fund still relies heavily on borrowed cash as a result of its \$19 million accumulated deficit. This cannot be resolved without borrowing, as stated in the Draft Deficit Elimination Plan submitted to Treasury in January 2013. As of this date, Treasury has not approved the Deficit Elimination Plan.

2011 Deficit Elimination Plan

In April 2012 the Emergency Manager filed a 2011 Deficit Elimination Plan focused on the accumulated deficit as of June 30, 2011. That plan indicated the City's intent to request authorization to borrow approximately \$9 million in Fiscal Stabilization Bonds in order to address the accumulated General Fund deficit once a credible FY13 budget was in place. The 2011 Deficit Elimination Plan was approved by the State. On May 24, 2012 the City filed an application for borrowing with the State Administrative Board, and the Department of Treasury has issued a memorandum stating that the request satisfies the necessary statutory requirements. However, Treasury did not authorize the borrowing as proposed and approved in the 2011 Deficit Elimination Plan.

While this borrowing request addressed the accumulated FY11 deficit, there was an additional deficit at the end of FY12 of approximately \$10 million. It is estimated at this time that an additional \$10 million will need to be financed in order to address the FY12 deficit. However, the FY13 budget as adopted should create no additional General Fund deficit. There will be ongoing deficits in the water and sewer funds, but only as related to unfunded OPEB liabilities.

2012 Deficit Elimination Plan

FY12 ended with an accumulated \$19.1 million deficit in the General Fund. The City has shared with Treasury a draft plan to eliminate the deficit over the next five years. The draft plan proposes a mixture of borrowing (\$12 million) and dedicating future revenues (\$7 million) over the next five years (FY14 to FY18).

The deficit of \$8.8 million in the Water Fund is less than the unfunded OPEB liability. Since the City is not in the position to address OPEB liabilities throughout the City, there is little reason to increase water rates to eliminate this deficit. Additionally, the City's approach to containing its OPEB liabilities has been to restructure its active and retiree health care benefits, and to eliminate the promise of retiree health care for new employees. The changes have had a significant impact on the City's OPEB liabilities, reducing the total unfunded liability from nearly \$900 million to less than \$400 million, and reducing the Annual Required Contribution (ARC) from \$60 million to \$22 million. To the extent these efforts are successful; the deficit in the Water Fund will be lessened

Attachments:

Attachment A Cash Flow Projection

Attachment B 06/30/2013 - Revenue and Expenditure Report

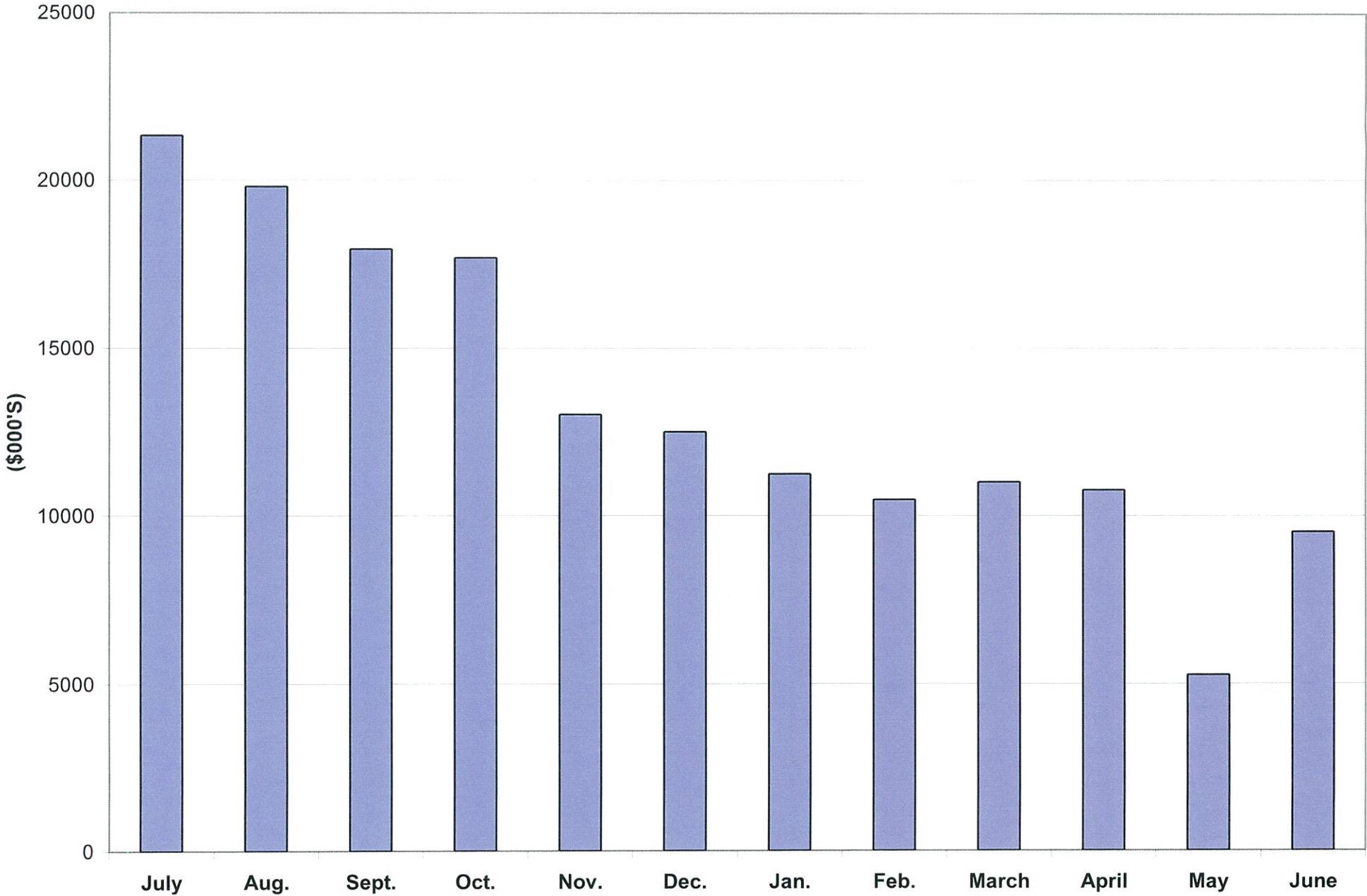
Attachment C Compliance Monitoring Report

Attachment A
Cash Flow Projection

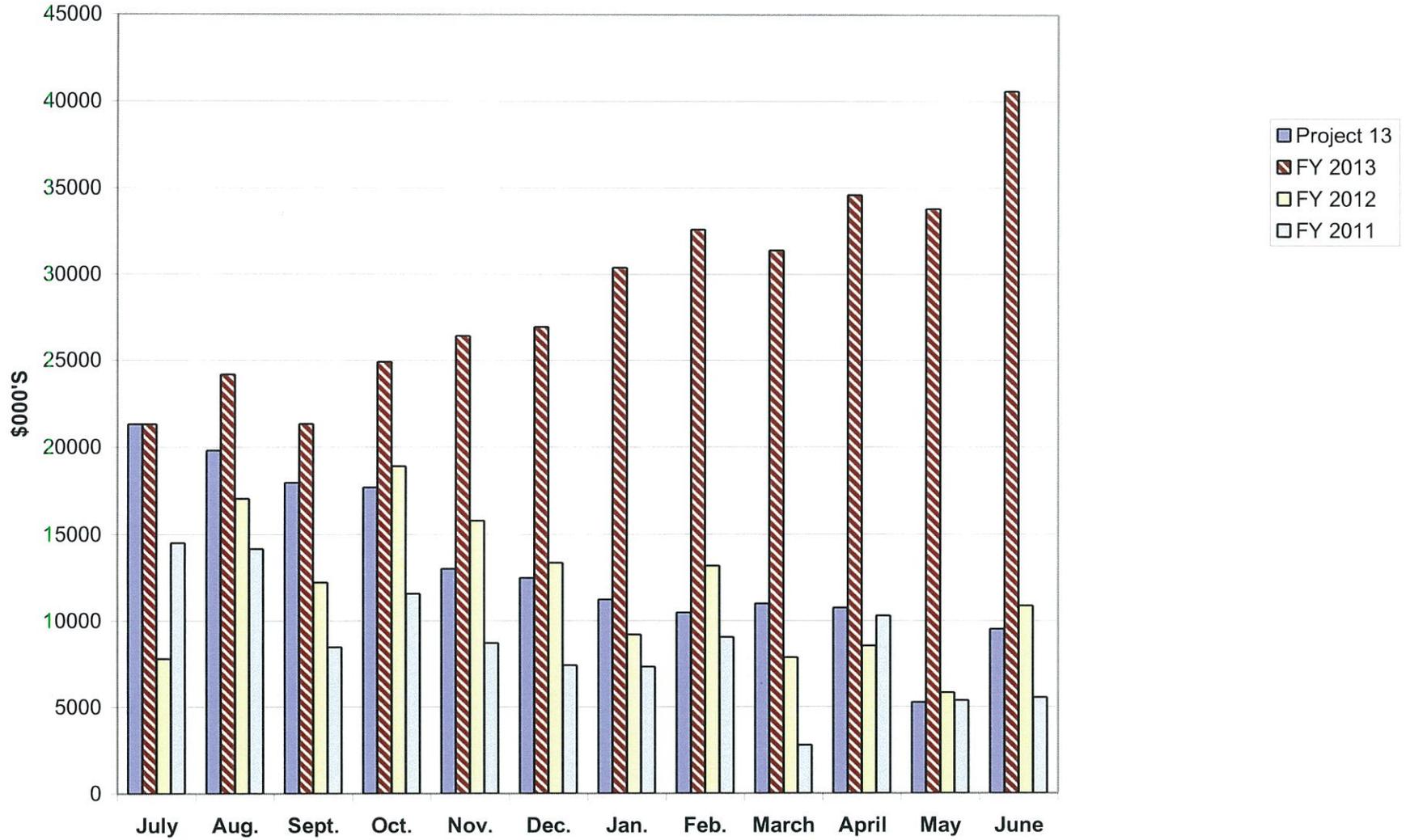
CASH FLOW 2012 - 2013

\$000's	July	August	Sept.	Oct.	Nov.	Dec.	Jan	Feb.	March	April	May	June	Total
CASH OUTFLOW:													
Payroll	2,153	3,479	1,241	3,434	2,322	2,221	2,304	2,277	2,220	3,455	2,158	2,179	29,443
Pensions	5	10	3,285	5	5	5	10	5,054	10	10	1,266	5	9,670
Disbursements	5,567	23,286	6,910	6,620	9,380	9,090	6,867	8,512	12,019	5,677	6,157	6,235	106,320
Bond and/or Loan													
Repayments	1,275	112	1,750	916	0	0	668	177	1,568	1,672	0	1,744	9,882
Health Care Payments	2,045	2,583	2,075	75	1,268	1,148	1,644	1,363	2,623	1,328	1,614	1,315	19,081
Income Tax Refunds	239	208	125	191	115	103	200	28	186	266	52	340	2,053
Misc.-Lawsuits		2	501	2	1		2	0	14				522
Total Cash Outflow	11,284	29,680	15,887	11,243	13,091	12,567	11,695	17,411	18,640	12,408	11,247	11,818	176,971
CASH INFLOW:													
Water & Sewer-Lockbox	1,550	1,825	2,135	2,282	1,384	2,510	1,750	1,225	1,200	1,840	1,490	1,240	20,431
Property Taxes-Lockbox	7,600	3,150	0	1,640	780	580	1,740	2,755	340	0	0	0	18,585
Income Taxes-Lockbox	400	400	375	450	350	350	440	800	400	860	790	625	6,240
Parks & Rec.													0
Cash Register Receipts *	10,700	25,380	7,818	6,673	10,107	3,223	10,267	7,835	10,661	7,312	6,581	6,741	113,298
Parking Meter													0
DCD Reimb.-Urban Renewal	830	156	945	780	145	398		655	387	630	238	430	5,594
Other Misc. (including Rev. Sharing)	650	0	2,176	2,358	700	2,900	643	649	647	2,850	865	0	14,438
Other-Grants/Delq Co Rtn **		0	0	0	0	0	0	950	0	0	0	5,154	6,104
Total Cash Inflow	21,730	30,911	13,449	14,183	13,466	9,961	14,840	14,869	13,635	13,492	9,964	14,190	184,690
Net Cash Flow (Inflows less Outflows)	10,446	1,231	(2,438)	2,940	375	(2,606)	3,145	(2,542)	(5,005)	1,084	(1,283)	2,372	7,719
Prior Month's Ending Balance	10,887	21,223	24,186	21,338	24,912	26,425	26,937	30,391	32,608	31,406	34,618	33,808	
Unrecorded Revenue	(110)	1,732	(410)	634	1,138	3,118	309	4,759	3,803	2,128	473	4,417	
End of Month Balance-Pooled Cash/Investments	21,223	24,186	21,338	24,912	26,425	26,937	30,391	32,608	31,406	34,618	33,808	40,597	
	July	August	Sept.	Oct.	Nov.	Dec.	Jan	Feb.	March	April	May	June	
Cash increase/(decrease) 7/1/12 - 6/30/13													29,710
* Includes Tax Hold (+,-)													
** Grant Collections included in Cash Receipts and DCD Reimb													
Actuals thru June													
City of Flint													

POOLED CASH BALANCE END OF THE MONTH



POOLED CASH BALANCE



Pooled
Cash
Balance

	Project 13	FY 2013	FY 2012	FY 2011
July	21333	21333	7811	14529
Aug.	19810	24186	17060	14186
Sept.	17965	21338	12244	8483
Oct.	17700	24912	18903	11577
Nov.	13017	26425	15804	8720
Dec.	12498	26937	13368	7429
Jan.	11242	30391	9202	7339
Feb.	10480	32608	13191	9056
March	11004	31406	7880	2789
April	10765	34618	8551	10301
May	5270	33808	5842	5389
June	9523	40597	10887	5554

Attachment B

06/30/2013 - Revenue and Expenditure Report

07/08/2013

REVENUE & EXPENDITURE REPORT FOR CITY OF FLINT
Month Ended 06/30/2013

* NOTE: Available Balance / Pct Budget Used does not reflect amounts encumbered.

ACCOUNT DESCRIPTION	2012-13 AMENDED BUDGET	YEAR-TO-DATE THRU 06/30/13	ACTIVITY FOR MONTH ENDED 06/30/2013	AVAILABLE BALANCE	% OF BUDGET USED
Fund 101 - General Fund					
Revenues					
Property Taxes	5,720,000.00	5,415,148.56	0.00	304,851.44	94.67
Income taxes	15,300,000.00	13,323,469.95	680,069.44	1,976,530.05	87.08
Special assessment taxes	5,000.00	10,993.03	0.00	(5,993.03)	219.86
Federal revenues	3,346,018.83	1,243,724.49	361,245.23	2,102,294.34	37.17
State revenues	14,842,391.82	12,898,590.02	2,318,035.56	1,943,801.80	86.90
License and Permits	1,287,931.22	937,618.64	26,806.60	350,312.58	72.80
Fines and forfeitures	1,524,618.00	2,325,173.55	551,279.93	(800,555.55)	152.51
Charges for service rendered	11,958,695.00	11,900,949.82	959,899.45	57,745.18	99.52
Local grants	0.00	8,240.76	0.00	(8,240.76)	100.00
Interest and dividend income	134,400.00	270,026.21	139,130.15	(135,626.21)	200.91
Judgement Levy	3,503.91	0.00	0.00	3,503.91	0.00
Other revenues	2,625,631.87	3,915,548.74	305,300.85	(1,289,916.87)	149.13
Proceeds from sale of capital assets	2,500.00	100.00	0.00	2,400.00	4.00
Transfers in	4,077,997.86	4,077,997.86	0.00	0.00	100.00
Drawings from fund balance	(419,642.17)	0.00	0.00	(419,642.17)	0.00
Total Revenues	60,409,046.34	56,327,581.63	5,341,767.21	4,081,464.71	93.24
Expenditures					
Legislative	352,898.88	341,932.96	15,831.23	10,965.92	96.89
Judicial	5,358,478.66	5,171,012.10	428,356.22	187,466.56	96.50
General government	9,279,824.02	8,184,153.01	756,747.69	1,095,671.01	88.19
Police	25,657,682.17	23,772,563.04	1,824,915.00	1,885,119.13	92.65
Emergency dispatch	3,314,413.00	3,350,877.47	257,038.80	(36,464.47)	101.10
Fire	11,360,843.23	10,612,359.84	809,129.52	748,483.39	93.41
Building inspections	1,085,638.78	1,079,184.46	91,083.58	6,454.32	99.41

Transportation	0.00	432.71	94.11	(432.71)	100.00
Parks and recreation	1,840,367.12	1,596,082.10	103,179.16	244,285.02	86.73
Community development	2,058,900.48	2,059,656.78	159,065.25	(756.30)	100.04
Transfers out	140,000.00	100,000.00	0.00	40,000.00	71.43
Total Expenditures	60,449,046.34	56,268,254.47	4,445,440.56	4,180,791.87	93.08

NET OF REVENUES AND EXPENDITURES (40,000.00) 59,327.16 896,326.65 (99,327.16)

Fund 202 - Major Street Fund

Revenues

Federal revenues	100,000.00	0.00	0.00	100,000.00	0.00
State revenues	6,399,412.10	5,605,825.69	585,629.08	793,586.41	87.60
Charges for service rendered	125,000.00	101,766.04	66,647.52	23,233.96	81.41
Interest and dividend income	200.00	0.00	0.00	200.00	0.00
Other revenues	345,554.19	369,635.07	19,583.00	(24,080.88)	106.97
Drawings from fund balance	150,873.62	0.00	0.00	150,873.62	0.00
Total Revenues	7,121,039.91	6,077,226.80	671,859.60	1,043,813.11	85.34

Expenditures

Transportation	6,710,224.36	5,560,652.42	416,280.72	1,149,571.94	82.87
Debt services - principal	108,980.00	108,976.91	0.00	3.09	100.00
Debt services - interest	9,644.00	9,643.21	0.00	0.79	99.99
Transfers out	292,191.55	292,191.55	0.00	0.00	100.00
Total Expenditures	7,121,039.91	5,971,464.09	416,280.72	1,149,575.82	83.86

NET OF REVENUES AND EXPENDITURES 0.00 105,762.71 255,578.88 (105,762.71)

Fund 203 - Local Street Fund

Revenues

Federal revenues	116,079.00	244,482.33	0.00	(128,403.33)	210.62
State revenues	1,815,765.00	1,538,357.25	150,685.88	277,407.75	84.72
Interest and dividend income	100.00	0.00	0.00	100.00	0.00
Other revenues	754,930.00	464,911.79	556.00	290,018.21	61.58
Transfers in	292,191.55	292,191.55	0.00	0.00	100.00
Drawings from fund balance	199,471.32	0.00	0.00	199,471.32	0.00

Total Revenues	3,178,536.87	2,539,942.92	151,241.88	638,593.95	79.91
Expenditures					
Transportation	3,177,630.55	2,850,348.66	209,591.31	327,281.89	89.70
Total Expenditures	3,177,630.55	2,850,348.66	209,591.31	327,281.89	89.70
NET OF REVENUES AND EXPENDITURES	906.32	(310,405.74)	(58,349.43)	311,312.06	

Fund 205 - Public Safety

Revenues					
Property Taxes	5,600,000.00	4,861,754.09	15,009.12	738,245.91	86.82
Drawings from fund balance	(4,541,000.00)	0.00	0.00	(4,541,000.00)	0.00
Total Revenues	1,059,000.00	4,861,754.09	15,009.12	(3,802,754.09)	459.09
Expenditures					
Police	474,000.00	45,729.81	18,537.96	428,270.19	9.65
Fire	585,000.00	0.00	0.00	585,000.00	0.00
Total Expenditures	1,059,000.00	45,729.81	18,537.96	1,013,270.19	4.32
NET OF REVENUES AND EXPENDITURES	0.00	4,816,024.28	(3,528.84)	(4,816,024.28)	

Fund 207 - Police Fund

Revenues					
Property Taxes	1,544,000.00	1,475,811.12	0.00	68,188.88	95.58
Other revenues	418,180.00	(28,053.73)	0.00	446,233.73	(6.71)
Total Revenues	1,962,180.00	1,447,757.39	0.00	514,422.61	73.78
Expenditures					
Police	1,962,180.00	1,269,551.03	107,972.10	692,628.97	64.70
Total Expenditures	1,962,180.00	1,269,551.03	107,972.10	692,628.97	64.70
NET OF REVENUES AND EXPENDITURES	0.00	178,206.36	(107,972.10)	(178,206.36)	

Fund 208 - Park/Recreation Fund

Revenues					
Property Taxes	386,400.00	384,982.26	0.00	1,417.74	99.63
Other revenues	63,000.00	42,689.25	1,210.00	20,310.75	67.76
Transfers in	40,000.00	0.00	0.00	40,000.00	0.00
Total Revenues	489,400.00	427,671.51	1,210.00	61,728.49	87.39

Expenditures					
Parks and recreation	449,400.00	380,781.87	34,289.43	68,618.13	84.73
Total Expenditures	449,400.00	380,781.87	34,289.43	68,618.13	84.73

NET OF REVENUES AND EXPENDITURES	40,000.00	46,889.64	(33,079.43)	(6,889.64)	
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Fund 213 - Park & Recreation Senior Citizen Centers

Revenues					
Local grants	388,170.16	151,278.27	15,838.68	236,891.89	38.97
Total Revenues	388,170.16	151,278.27	15,838.68	236,891.89	38.97

Expenditures					
Parks and recreation	388,170.16	207,418.63	39,549.80	180,751.53	53.43
Total Expenditures	388,170.16	207,418.63	39,549.80	180,751.53	53.43

NET OF REVENUES AND EXPENDITURES	0.00	(56,140.36)	(23,711.12)	56,140.36	
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Fund 219 - Street Light

Revenues					
Special assessment taxes	2,850,000.00	2,811,259.73	0.00	38,740.27	98.64
Other revenues	0.00	2,956.00	0.00	(2,956.00)	100.00
Total Revenues	2,850,000.00	2,814,215.73	0.00	35,784.27	98.74

Expenditures					
Transportation	2,850,000.00	2,454,599.58	201,315.31	395,400.42	86.13
Total Expenditures	2,850,000.00	2,454,599.58	201,315.31	395,400.42	86.13

NET OF REVENUES AND EXPENDITURES	0.00	359,616.15	(201,315.31)	(359,616.15)	
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Fund 226 - Rubbish Collection Fund

Revenues

Property Taxes	5,000,000.00	4,507,973.50	0.00	492,026.50	90.16
License and Permits	720.00	940.00	100.00	(220.00)	130.56
Other revenues	0.00	1,200.00	1,200.00	(1,200.00)	100.00
Gain on sale of fixed assets	1,500,000.00	1,500,000.00	0.00	0.00	100.00
Drawings from fund balance	(372,212.27)	0.00	0.00	(372,212.27)	0.00
Total Revenues	6,128,507.73	6,010,113.50	1,300.00	118,394.23	98.07

Expenditures

Transportation	291,438.54	291,409.89	0.00	28.65	99.99
Public works	5,738,271.51	5,048,107.86	522,825.74	690,163.65	87.97
Total Expenditures	6,029,710.05	5,339,517.75	522,825.74	690,192.30	88.55

NET OF REVENUES AND EXPENDITURES

	98,797.68	670,595.75	(521,525.74)	(571,798.07)	
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Fund 238 - Hud Grants - 2011 & prior

Revenues

Federal revenues	2,973,292.49	448,708.43	11,386.76	2,524,584.06	15.09
Total Revenues	2,973,292.49	448,708.43	11,386.76	2,524,584.06	15.09

Expenditures

Fire	407,524.00	0.00	0.00	407,524.00	0.00
Building inspections	129,063.85	59,684.33	0.00	69,379.52	46.24
Community development	2,436,704.64	557,221.56	104,200.40	1,879,483.08	22.87
Total Expenditures	2,973,292.49	616,905.89	104,200.40	2,356,386.60	20.75

NET OF REVENUES AND EXPENDITURES

	0.00	(168,197.46)	(92,813.64)	168,197.46	
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Fund 265 - Drug Law Enforcement Fund

Revenues

Fines and forfeitures	150,000.00	626.47	0.00	149,373.53	0.42
Other revenues	6,000.00	32,481.39	1,664.77	(26,481.39)	541.36
Drawings from fund balance	140,472.00	0.00	0.00	140,472.00	0.00

Total Revenues	296,472.00	33,107.86	1,664.77	263,364.14	11.17
Expenditures					
Police	296,472.00	151,340.04	24,383.77	145,131.96	51.05
Total Expenditures	296,472.00	151,340.04	24,383.77	145,131.96	51.05
NET OF REVENUES AND EXPENDITURES	0.00	(118,232.18)	(22,719.00)	118,232.18	

Fund 271 - Hud Grant - 2011

Expenditures					
Total Expenditures	0.00	0.00	0.00	0.00	0.00
NET OF REVENUES AND EXPENDITURES	0.00	0.00	0.00	0.00	

Fund 272 - Hud Grant - 2012

Revenues					
Federal revenues	2,568,169.79	1,329,075.61	20,395.00	1,239,094.18	51.75
Total Revenues	2,568,169.79	1,329,075.61	20,395.00	1,239,094.18	51.75
Expenditures					
(UNCLASSIFIED)	15,000.00	15,000.00	0.00	0.00	100.00
General government	54,433.53	52,460.53	0.00	1,973.00	96.38
Building inspections	308,316.28	48,482.89	0.00	259,833.39	15.73
Transportation	200,000.00	33,758.23	0.00	166,241.77	16.88
Community development	1,990,419.98	1,145,857.87	20,395.00	844,562.11	57.57
Total Expenditures	2,568,169.79	1,295,559.52	20,395.00	1,272,610.27	50.45
NET OF REVENUES AND EXPENDITURES	0.00	33,516.09	0.00	(33,516.09)	

Fund 273 - Hud Grant - 2013

Revenues					
Federal revenues	4,954,628.00	1,386,231.86	211,759.75	3,568,396.14	27.98
Total Revenues	4,954,628.00	1,386,231.86	211,759.75	3,568,396.14	27.98

Expenditures					
(UNCLASSIFIED)	14,000.00	7,824.68	0.00	6,175.32	55.89
General government	49,531.00	2,250.00	0.00	47,281.00	4.54
Building inspections	424,150.00	48,478.11	48,478.11	375,671.89	11.43
Transportation	116,079.00	113,620.73	0.00	2,458.27	97.88
Community development	4,350,868.00	1,429,810.54	172,445.29	2,921,057.46	32.86
Total Expenditures	4,954,628.00	1,601,984.06	220,923.40	3,352,643.94	32.33

NET OF REVENUES AND EXPENDITURES	0.00	(215,752.20)	(9,163.65)	215,752.20	
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Fund 296 - Other Grants Fund

Revenues					
Federal revenues	1,933,064.18	1,185,824.03	0.00	747,240.15	61.34
State revenues	391,554.65	35,946.34	0.00	355,608.31	9.18
Fines and forfeitures	0.00	4,214.35	0.00	(4,214.35)	100.00
Charges for service rendered	1,625.00	348.43	0.00	1,276.57	21.44
Interest and dividend income	290,540.80	290,959.20	0.00	(418.40)	100.14
Net increase in fair value of investment	80,000.00	(26,376.00)	0.00	106,376.00	(32.97)
Other revenues	500,872.63	482,004.82	0.00	18,867.81	96.23
Drawings from fund balance	70,000.00	0.00	0.00	70,000.00	0.00
Total Revenues	3,267,657.26	1,972,921.17	0.00	1,294,736.09	60.38

Expenditures					
(UNCLASSIFIED)	251,317.67	0.00	0.00	251,317.67	0.00
Parks and recreation	260,000.00	0.00	0.00	260,000.00	0.00
Community development	2,747,122.15	1,765,599.56	84,448.85	981,522.59	64.27
Total Expenditures	3,258,439.82	1,765,599.56	84,448.85	1,492,840.26	54.19

NET OF REVENUES AND EXPENDITURES	9,217.44	207,321.61	(84,448.85)	(198,104.17)	
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Fund 297 - Federal Stimulus Fund

Revenues					
Federal revenues	18,013,876.84	10,969,699.61	143,429.02	7,044,177.23	60.90
Total Revenues	18,013,876.84	10,969,699.61	143,429.02	7,044,177.23	60.90

Expenditures					
Police	51,727.40	0.00	0.00	51,727.40	0.00
Fire	6,718,873.40	3,131,978.38	224,361.48	3,586,895.02	46.61
Building inspections	1,999,739.00	1,494,984.18	133,740.86	504,754.82	74.76
Transportation	100,000.00	97,103.37	0.00	2,896.63	97.10
Community development	9,143,537.04	6,678,130.06	412,459.79	2,465,406.98	73.04
Total Expenditures	18,013,876.84	11,402,195.99	770,562.13	6,611,680.85	63.30

NET OF REVENUES AND EXPENDITURES	0.00	(432,496.38)	(627,133.11)	432,496.38	
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Fund 301 - General Debt Serv(Voted Bonds)

Revenues					
Transfers in	726,953.00	726,953.00	0.00	0.00	100.00
Total Revenues	726,953.00	726,953.00	0.00	0.00	100.00

Expenditures					
Debt services - principal	466,953.00	260,000.00	0.00	206,953.00	55.68
Debt services - interest	260,000.00	466,952.50	0.00	(206,952.50)	179.60
Total Expenditures	726,953.00	726,952.50	0.00	0.50	100.00

NET OF REVENUES AND EXPENDITURES	0.00	0.50	0.00	(0.50)	
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Fund 402 - Public Improvement Fund

Revenues					
Property Taxes	1,930,400.00	1,943,393.83	0.00	(12,993.83)	100.67
Interest and dividend income	500.00	0.00	0.00	500.00	0.00
Other revenues	388,980.00	338,856.30	112,649.97	50,123.70	87.11
Total Revenues	2,319,880.00	2,282,250.13	112,649.97	37,629.87	98.38

Expenditures					
General government	126,416.80	0.00	0.00	126,416.80	0.00
Parks and recreation	103,583.20	100,000.73	0.00	3,582.47	96.54
Debt services - principal	185,000.00	185,000.00	0.00	0.00	100.00
Debt services - interest	962,953.00	415,141.26	0.00	547,811.74	43.11
Transfers out	726,953.00	726,953.00	0.00	0.00	100.00

Total Expenditures	2,104,906.00	1,427,094.99	0.00	677,811.01	67.80
NET OF REVENUES AND EXPENDITURES	214,974.00	855,155.14	112,649.97	(640,181.14)	
Fund 542 - Building Inspection Fund					
Revenues					
Federal revenues	2,715,783.92	1,936,595.51	182,218.97	779,188.41	71.31
License and Permits	1,853,703.00	1,766,488.28	75,756.00	87,214.72	95.30
Charges for service rendered	389,005.36	217,486.35	15,504.00	171,519.01	55.91
Other revenues	0.00	2,963.07	0.00	(2,963.07)	100.00
Total Revenues	4,958,492.28	3,923,533.21	273,478.97	1,034,959.07	79.13
Expenditures					
General government	0.00	(1,433.19)	(110.35)	1,433.19	100.00
Building inspections	4,610,639.47	3,973,142.45	236,337.56	637,497.02	86.17
Community development	126,078.64	110,828.55	25,976.48	15,250.09	87.90
Total Expenditures	4,736,718.11	4,082,537.81	262,203.69	654,180.30	86.19
NET OF REVENUES AND EXPENDITURES	221,774.17	(159,004.60)	11,275.28	380,778.77	
Fund 590 - Sewer Fund					
Revenues					
State revenues	660,988.63	482,003.26	0.00	178,985.37	72.92
Fines and forfeitures	0.00	2,578.76	2,578.76	(2,578.76)	100.00
Charges for service rendered	31,333,815.51	30,407,253.19	1,509,332.85	926,562.32	97.04
Interest and dividend income	10,000.00	27,440.70	0.00	(17,440.70)	274.41
Other revenues	30,000.00	28,026.10	75.00	1,973.90	93.42
Total Revenues	32,034,804.14	30,947,302.01	1,511,986.61	1,087,502.13	96.61
Expenditures					
General government	53,803.63	77,345.92	4,413.84	(23,542.29)	143.76
Utilities	35,113,228.83	25,926,488.23	2,273,904.12	9,186,740.60	73.84
Debt services - principal	6,458.06	6,458.06	401.34	0.00	100.00
Debt services - interest	1,313.62	1,313.62	153.78	0.00	100.00
Transfers out	1,860,000.00	1,860,000.00	0.00	0.00	100.00

Total Expenditures	37,034,804.14	27,871,605.83	2,278,873.08	9,163,198.31	75.26
NET OF REVENUES AND EXPENDITURES	(5,000,000.00)	3,075,696.18	(766,886.47)	(8,075,696.18)	
Fund 591 - Water Fund					
Revenues					
Federal revenues	100,000.00	20,395.00	20,395.00	79,605.00	20.40
Charges for service rendered	50,400,736.49	48,499,061.16	2,288,863.28	1,901,675.33	96.23
Other revenues	13,767.13	12,576.89	0.00	1,190.24	91.35
Gain on sale of fixed assets	32,100.00	52,537.25	(8,174.54)	(20,437.25)	163.67
Total Revenues	50,546,603.62	48,584,570.30	2,301,083.74	1,962,033.32	96.12
Expenditures					
General government	53,803.63	79,451.59	4,339.49	(25,647.96)	147.67
Community development	100,000.00	20,395.00	20,395.00	79,605.00	20.40
Utilities	50,774,728.99	36,715,081.04	3,107,549.11	14,059,647.95	72.31
Transfers out	3,768,071.00	3,768,071.00	0.00	0.00	100.00
Total Expenditures	54,696,603.62	40,582,998.63	3,132,283.60	14,113,604.99	74.20
NET OF REVENUES AND EXPENDITURES	(4,150,000.00)	8,001,571.67	(831,199.86)	(12,151,571.67)	
TOTAL REVENUES - W/O COMMUNITY DEV					
TOTAL REVENUES - W/O COMMUNITY DEV	177,442,378.54	167,603,966.78	10,410,477.31	9,838,411.76	94%
TOTAL EXPENDITURES - W/O COMM DEV					
TOTAL EXPENDITURES - W/O COMM DEV	186,055,926.37	150,247,101.58	11,797,747.47	35,808,824.79	81%
NET OF REV AND EXPD - W/O COMM DEV	(8,613,547.83)	17,356,865.20	(1,387,270.16)	(25,970,413.03)	
TOTAL REVENUES - COMMUNITY DEV					
TOTAL REVENUES - COMMUNITY DEV	28,804,331.89	15,657,928.25	375,583.77	13,146,403.64	54%
TOTAL EXPENDITURES - COMM DEV					
TOTAL EXPENDITURES - COMM DEV	28,795,114.45	16,065,339.13	1,096,329.38	12,729,775.32	56%
NET OF REV AND EXPD - COMM DEV	9,217.44	(407,410.88)	(720,745.61)	416,628.32	
TOTAL REVENUES - W/ COMM DEV					
TOTAL REVENUES - W/ COMM DEV	206,246,710.43	183,261,895.03	10,786,061.08	22,984,815.40	89%
TOTAL EXPENDITURES - W/ COMM DEV					
TOTAL EXPENDITURES - W/ COMM DEV	214,851,040.82	166,312,440.71	12,894,076.85	48,538,600.11	77%
NET OF REV AND EXPD - W/ COMM DEV	(8,604,330.39)	16,949,454.32	(2,108,015.77)	(25,553,784.71)	

Attachment C

Compliance Monitoring Report – confirm/deny page

EMERGENCY FINANCIAL MANAGER'S COMPLIANCE MONITORING REPORT
City of Flint
Quarter Ended June 30, 2013

a) Confirm That revenues recorded in the most recent quarterly financial statements are fairly stated in all material respects on a modified accrual basis of accounting, except that in the case of the water and sewer fund, revenues recorded in the most recent quarterly financial statements shall be fairly stated in all material respects on a full accrual basis of accounting.

b) Confirm That expenditures recorded in the most recent quarterly financial statements are fairly stated in all material respects on a modified accrual basis of accounting, except that in the case of the water and sewer fund, expenditures recorded in the most recent quarterly financial statements shall be fairly stated in all material respects on a full accrual basis of accounting. Accounts payable, vouchers payable, and accrued payrolls are to be included in the determination of expenditures.

c) Confirm That all appropriate inter-fund transactions have been recorded in the financial records of the City.

d) Confirm That the City is in compliance with its budget for the fiscal year on a year-to-date basis and that the budget has been amended as required by law.

e) Confirm That the reconciliation of bank accounts has been completed and appropriate adjusting journal entries have been made to the general ledger of the City. The City has completed bank reconciliations for major bank accounts up to May, 2013, and will have bank reconciliations up to date through June, 2013 by the end of July, 2013. Going forward, the Finance Department has been directed to ensure that bank reconciliations are performed and adjusting journal entries are made to the general ledger on a timely basis.

f) Confirm That remittance of payroll taxes, pension payments, 401(k) payments, debt payments, and taxes collected for other governmental units were completed on a timely basis. The City's retirement system was moved from FERS to MERS effective October, 2012. The transition process continues, however, the pension contributions have been made and are current to date. The transition process will be completed no later than the end of the next quarter.

g) Confirm That cash flow reported for the most recent preceding month is fairly stated in all material respects.

h) Confirm That overtime is properly disclosed and recorded in the most recent quarterly financial report of the City.

i) Confirm That the originals of all source financial documents have been properly retained and preserved and that the City is in compliance with all other legal requirements, except to the extent specified in the report.