CITY OF FLINT DOWNTOWN DEVELOPMENT AUTHORITY

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2025

The alg GROUP
CPAs, Consultants & More

Corporate Headquarters
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INDEPENDENT AUDITOR'S REPORT

Management and Board of Directors
City of Flint Downtown Development Authority
Flint, Michigan

Opinion

We have audited the accompanying financial statements of the governmental activities, business-type activities and each major fund, of the City of Flint Downtown Development Authority (the "Authority") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund, of the City of Flint Downtown Development Authority, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Flint Downtown Development Authority, 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 basis for our audit opinions.

Management's Responsibility 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 of Flint Downtown Development Authority's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Ann Arbor Detroit Howell East Lansing Novi Southfield Troy

Auditor's Responsibility 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 it is not absolute assurance and therefor is not a guarantee that an audit conducted in accordance with generally accepted 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 judgement made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 of Flint Downtown Development Authority'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 of Flint Downtown Development Authority'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 budgetary comparison schedule, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Respectfully submitted,

THE ALG Group CPAs

ALG Group, CPAs
East Lansing, Michigan
November 20, 2025

CITY OF FLINT DOWNTOWN DEVELOPMENT AUTHORITY

Management Discussion & Analysis (Unaudited)
For the Year Ended June 30, 2025

The financial statements are the responsibility of the City of Flint Downtown Development Authority's (the "Authority") management. We offer readers this narrative overview and analysis for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statement and notes to the financial statements.

Financial Highlights

• Total net position	$ 6,878,639
• Change in total net position	134,668
• Fund balance, general fund	539,380
• Change in fund balances, general fund	14,448

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements, which comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are made up of the Statement of Net Position and the Statement of Activities, which report information about the Authority as a whole, and about its activities. Their purpose is to illustrate if the Authority, in its entirety, is better or worse off as a result of this fiscal year's activities. These statements, which include all assets and liabilities, are reported on the accrual basis of accounting, similar to a private business. This means revenues are accounted for when they are earned and expenses are accounted for when incurred, regardless of when the actual cash is received or disbursed.

The Statement of Net Position presents all of the Authority's assets and liabilities with the difference reported as net position. Over time, increases or decreases in net position measure whether the Authority's financial position is improving or deteriorating.

The Statement of Activities presents information showing how the Authority's net position changed during the fiscal year ended June 30, 2025. All changes in net position are reported based on the period for which the underlying events gave rise to the change that occurred, regardless of the timing of related cash flows. Therefore, revenue and expenses are reported in these statements for some items that will result in cash flows only in future financial periods, such as uncollected taxes and earned but unused compensated absences.

Both of the government-wide financial statements distinguish functions of the Authority that are typically supported by intergovernmental revenues (governmental activities) or 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 Authority include the downtown development. The business- type activities of the Authority include parking operations.

Fund Financial Statements

The fund financial statements provide information on the Authority's major funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the Authority uses to keep track of specific sources of funding and spending for a particular purpose. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

The basic financial statements report major funds as defined by the GASB in separate columns. Statement 34 defines a "major fund" as the General Fund, and any governmental or enterprise fund which has either total assets, total liabilities, total revenues, or total expenditure/expenses that equal at least 10% of those categories for either the governmental funds or the enterprise funds and where the individual fund total also exceeds 5% of those categories for governmental and enterprise funds combined. The major funds for the Authority include the General Fund and the Parking Operations.

The Authority's funds are divided into two categories – governmental and proprietary – and use different accounting approaches:

- **Governmental Funds –** The focus of governmental funds is how cash and other financial assets that can be readily converted to cash flow in and out during the course of the fiscal year, and how the balances left at year end are available for spending on future services. Consequently, the governmental fund financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that may be expended in the near future to finance the Authority's programs. Governmental funds for the Authority include the general fund which accounts for Development administration.
- **Proprietary Funds** – Services for which the Authority charges customers (whether outside the Authority structure or a City department) a fee with intent to cover operating costs are generally reported in proprietary funds. Proprietary funds use the same accrual basis of accounting used in the government-wide statements and by private businesses. The Authority has one type of proprietary fund, the parking operations enterprise fund.

Government-Wide Financial Statements

The Authority's combined net position increased $134,668 over the course of the fiscal year to a total of $6,878,639. Net position of the governmental activities increased $14,448 or 3%, and business-type activities increased $120,220 or 2%. Explanation for those changes are described below under the governmental activities and business-type activities sections of the Management Discussion and Analysis.

CITY OF FLINT DOWNTOWN DEVELOPMENT AUTHORITY

Management Discussion & Analysis (Unaudited)

For the Year Ended June 30, 2025

	Governmental Activities		Business-Type Activities		Total	
	June 30,		June 30,		June 30,	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	$ 539,380	$ 524,932	$ 527,318	$ 846,680	$ 1,066,698	$ 1,371,612
Capital assets	-	-	11,479,911	11,464,893	11,479,911	11,464,893
	539,380	524,932	12,007,229	12,311,573	12,546,609	12,836,505
Deferred outflows of resources						
Deferred charge on refunding	-	-	30,481	34,291	30,481	34,291
Liabilities						
Current	-	-	741,568	1,145,383	741,568	1,145,383
Long-term	-	-	4,956,883	4,981,443	4,956,883	4,981,443
	-	-	5,698,451	6,126,826	5,698,451	6,126,826
Net position						
Net investment in capital assets	-	-	11,479,911	5,976,917	11,479,911	5,976,917
Unrestricted (deficit)	539,380	524,932	(5,140,652)	242,122	(4,601,272)	767,054
Total net position	$ 539,380	$ 524,932	$ 6,339,259	$ 6,219,039	$ 6,878,639	$ 6,743,971

The following condensed financial information as derived from the government-wide statement of activities and reflects how the Authority’s net position changed during the year.

CITY OF FLINT DOWNTOWN DEVELOPMENT AUTHORITY

Management Discussion & Analysis (Unaudited)

For the Year Ended June 30, 2025

	Governmental Activities		Business-Type Activities		Total	
	June 30,		June 30,		June 30,	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	$ -	$ -	$ 406,542	$ 597,093	$ 406,542	$ 597,093
Operating grants	-	-	117,644	335,586	117,644	335,586
Capital grants	-	-	-	-	-	-
General revenues:						
Property taxes and TIF	107,281	104,668	1,090,804	1,092,385	1,198,085	1,197,053
Other	249	-	51,530	221,512	51,779	221,512
Total Revenues	107,530	104,668	1,666,520	2,246,576	1,774,050	2,351,244
Expenses						
Development	93,083	92,935	-	-	92,935	92,935
Parking	-	-	1,546,300	1,576,360	1,546,300	1,576,360
Total Expenses	93,083	92,935	1,546,300	1,576,360	1,639,235	1,669,295
Change in net position	14,447	11,733	120,220	670,216	134,667	681,949
Net position, July 1	524,932	513,199	6,219,039	5,548,823	6,743,971	6,062,022
Net position, June 30	$ 539,379	$ 524,932	$ 6,339,259	$ 6,219,039	$ 6,878,638	$ 6,743,971

In total, governmental activities revenue increased by $2,868, from the previous fiscal year, which is largely due to property tax revenues increasing in the current year.

In total, business-type activities revenues decreased $580,056 from the previous fiscal year, which is attributable to the decreases in both grant funding and parking ramp, meter, and enforcement income.

Financial Analysis of the Authority's Fund

As of the end of the current fiscal year, the Authority's general fund reported an unassigned balance of $456,867 and an assigned fund balance of $82,512, an overall increase of $14,447 from the prior year. The changes from the prior year for this fund were discussed above as part of the governmental activities.

General Fund Budgetary Highlights

Over the course of the year, the Authority amended the budget to take into account events during the year. The original budget was amended as the year progressed. However, there were several line items over budget.

Downtown Operations – Enterprise Fund

The downtown operations enterprise fund net position increased $120,220 from $6,219,039 to $6,339,259. Unrestricted net position increased $105,202. The changes from the prior year for this fund were discussed above as part of the business-type activities.

Capital Assets and Debt Administration Capital Assets – As of June 30, 2025, the Authority had invested $11,479,911, net of accumulated depreciation, in capital assets associated with its parking operations, business-type activities. Additionally, information regarding the Authority's capital assets can be found in Note 3 to the financial statements.

	2025	2024
Land	$ 4,878,067	$ 4,878,067
Land improvements	5,435,703	5,718,685
Parking deck and improvements	92,573	103,587
Building	244,858	253,149
Machinery and equipment	746,712	500,553
Vehicles	81,998	10,852
Capital assets, net	$ 11,479,911	$ 11,464,893

Debt administration – At June 30, 2025, the Authority had $4,956,884 in debt outstanding in its Business-type activities. Additional information regarding the Authority's long-term debt can be found in Note 4 to the financial statements.

	2025	2024
Revenue bonds	$ 129,793	$ 194,689
Notes payable	3,643	10,574
Notes and premiums from direct borrowings	4,823,447	5,317,004
Total long-term debt	$ 4,956,883	$ 5,522,267

The City has pledged a portion of state-shared revenue as security for the bond issued by the City of Flint for the Rutherford parking structure. The Authority has pledged 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 Authority'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. The Authority records forgiveness of debt each year for the portion that the Authority is unable to pay. Since then, several tax abatements have expired, and during the fiscal year no debt forgiveness was recorded as property tax revenue was able to cover all of the debt payments by the Authority.

Economic Condition and Outlook

The purpose of the City of Flint Downtown Development Authority is to act in accordance with Act 197 of the Public Acts of 1975, as such statute may be amended from time to time, including: to correct and prevention deterioration in the downtown district; to encourage historical preservation, to create and implement development plans in the district, to promote economic growth and redevelopment plans of the district, and to encourage the expansion of commercial enterprises in the downtown district.

Request for Information

The financial report is intended to provide our citizens, taxpayers, customers, creditors, and investors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the revenues it receives. If you have any questions concerning this report or need additional information, we welcome you to contact Brandy Curtis, Operations Manager, at (810) 767-2297. The Authority's office is located at 502 Church Street, Flint MI 48502.

Basic Financial Statements

CITY OF FLINT DOWNTOWN DEVELOPMENT AUTHORITY

Statement of Net Position

As of June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash	$ 917,059	$ 300	$ 917,359
Receivables	-	114,693	114,693
Due from primary government	-	-	-
Internal Balances	(377,679)	377,679	-
Prepaid items	-	34,646	34,646
TOTAL CURRENT ASSETS	539,380	527,318	1,066,698
CAPITAL ASSETS			
Assets not subject to depreciation	-	4,878,067	4,878,067
Assets subject to depreciation, net	-	6,601,844	6,601,844
TOTAL CAPITAL ASSETS	-	11,479,911	11,479,911
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	30,481	30,481
TOTAL ASSETS	$ 539,380	$ 12,037,710	$ 12,577,090
LIABILITIES			
Accounts Payable	-	256,862	256,862
Accrued and other liabilities	-	10,621	10,621
Accrued interest	-	33,125	33,125
Customer deposits payable	-	25,960	25,960
Deferrred revenue	-	-	-
Long-term debt			
Due within one year	-	415,000	415,000
Due within more than one year	-	4,956,883	4,956,883
TOTAL LIABILITIES	-	5,698,451	5,698,451
NET POSITION			
Net investment in capital assets	-	11,479,911	11,479,911
Unrestricted	539,380	(5,140,652)	(4,601,272)
TOTAL NET POSITION	$ 539,380	$ 6,339,259	$ 6,878,639
TOTAL LIABILITIES AND NET POSITION	$ 539,380	$ 12,037,710	$ 12,577,090

See accompanying notes to the financial statements

CITY OF FLINT DOWNTOWN DEVELOPMENT AUTHORITY

Statement of Activities

For the Fiscal Year Ended June 30, 2024

		PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
FUNCTIONS/ PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental activities						
Development	$ 93,082	-	-	(93,082)	-	(93,082)
Business-type activities						
Parking	1,401,620	400,073	167,644	-	(833,903)	(833,903)
Total primary government	$ 1,494,702	400,073	167,644	(93,082)	(833,903)	(926,985)
			General revenues			
			Property taxes and TIF	$ 107,281	1,090,804	1,198,085
			Gain on sale of assets		8,000	8,000
			Other	249	(144,681)	(144,432)
			Total general revenues	107,530	954,123	1,061,653
			Change in net position	14,448	120,220	134,668
			Net position, July 1	524,932	6,219,039	6,743,971
			Net position, June 30	$ 539,380	6,339,259	6,878,639

See accompanying notes to the financial statements

CITY OF FLINT DOWNTOWN DEVELOPMENT AUTHORITY

Balance Sheet - Governmental Funds

As of June 30, 2025

		GENERAL FUND
ASSETS		
CURRENT ASSETS		
Cash	$	917,059
TOTAL ASSETS	$	917,059
LIABILITIES		
CURRENT LIABILITIES		
Due to other funds	$	377,679
FUND BALANCE		
Assigned		82,512
Unassigned		456,868
TOTAL FUND BALANCE		539,380
TOTAL LIABILITIES AND FUND BALANCE	$	917,059

CITY OF FLINT DOWNTOWN DEVELOPMENT AUTHORITY

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds

For the Fiscal Year Ended June 30, 2025

		GENERAL FUND
REVENUES		
Taxes	$	107,281
Miscellaneous		249
TOTAL REVENUES		107,530
EXPENDITURES		
Development		
Salaries and wages		7,068
Fringe benefits and payroll taxes		1,851
Professional fees		54,239
Utilities		15,015
Repairs and maintenance		7,482
Insurance		4,912
Advertising and marketing		1,200
Office Expense		52
Miscellaneous		1,263
TOTAL EXPENDITURES		93,082
CHANGE IN FUND BALANCE		14,448
Fund balance, July 1		524,932
Fund balance, June 30	$	539,380

CITY OF FLINT DOWNTOWN DEVELOPMENT AUTHORITY

Statement of Net Position - Enterprise Fund

As of June 30, 2025

ASSETS		
CURRENT ASSETS		
Cash	$	300
Receivables		114,693
Internal Balances		377,679
Prepaid items		34,646
TOTAL CURRENT ASSETS		527,318
CAPITAL ASSETS		
Capital asset not being depreciated		4,878,067
Capital assets being depreciated, net		6,601,844
TOTAL CAPITAL ASSETS		11,479,911
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding		30,481
TOTAL ASSETS	$	12,037,710
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	$	256,862
Accrued payroll and other liabilities		10,621
Accrued interest		33,125
Customer deposits payable		25,960
Current portion of long-term debt		415,000
TOTAL CURRENT LIABILITIES		741,568
LONG-TERM LIABILITIES		
Long-term debt net of current portion		4,956,883
TOTAL LONG-TERM LIABILITIES		4,956,883
TOTAL LIABILITIES		5,698,451
NET POSITION		
Net investment in capital assets		11,479,911
Unrestricted		(5,140,652)
TOTAL NET POSITION		6,339,259
TOTAL LIABILITIES AND NET ASSETS	$	12,037,710

See accompanying notes to the financial statements

CITY OF FLINT DOWNTOWN DEVELOPMENT AUTHORITY

Statement of Revenues, Expenses, and Changes in Net Position - Enterprise Fund

For the Fiscal Year Ended June 30, 2025

OPERATING REVENUES	
Parking revenue	$ 330,801
Other revenue	69,272
TOTAL OPERATING REVENUES	400,073
OPERATING EXPENSES	
Salaries and wages	359,118
Fringe benefits and payroll taxes	101,720
Professional fees	76,698
Utilities	187,834
Repairs and Maintenance	62,840
Contracted Services	33,171
Planning and marketing	62,055
Insurance	50,056
Equipment rental	2,263
Miscellaneous	73,257
Depreciation	392,608
TOTAL OPERATING EXPENSES	1,401,620
OPERATING GAIN (LOSS)	(1,001,547)
NONOPERATING REVENUE (EXPENSE)	
TIF payments	1,090,804
Grants	167,644
Gain on sale of asset	8,000
Bond interest	(144,681)
TOTAL NONOPERATING REVENUE (EXPENSE)	1,121,767
CHANGE IN NET POSITION	120,220
Net position, July 1	6,219,039
Net position, June 30	$ 6,339,259

See accompanying notes to the financial statements

CITY OF FLINT DOWNTOWN DEVELOPMENT AUTHORITY

Statement of Cash Flows - Enterprise Fund

For the Fiscal Year Ended June 30, 2025

CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers and users	$	620,966
Payments to suppliers		(527,212)
Payments to employees		(424,848)
NET CASH FLOWS USED BY OPERATING ACTIVITY		(331,094)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Grants		167,644
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
TIF taxes (restricted for capital debt)		1,090,804
Purchase of capital assets		(368,489)
Proceeds from the sale of capital assets		8,000
Principal paid on long-term debt		(486,827)
Interest paid on long-term debt		(80,038)
NET CASH FLOWS PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES		331,094
NET CHANGE IN CASH		-
Cash, July 1		300
Cash, June 30	$	300
Reconciliation of operating loss to net cash provided by (used in) operating activities		
Change Net Position from Operations	$	120,220
Depreciation		392,608
Amortization on deferred charge refunding		3,810
(Increase) Decrease in Assets		
Receivables		179,573
Prepaid items		(28,050)
Increase (Decrease) in Liabilities		
Accounts payable		(312,597)
Accrued payroll and other liabilities		450
Deferred revenue		(25,000)
Customer deposits payable		80
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	331,094

See accompanying notes to the financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity
The City of Flint Downtown Development Authority (the "Authority") is a component unit of the City of Flint, Michigan, (the "City") and is presented as a discrete component unit in the City's financial statements, as an integral part of the reporting entity. The City of Flint appoints the Authority's Board of Directors, has the ability to significantly influence the Authority's operations, and it is financially accountable for the Authority. The financial statements of the City of Flint are available at City Hall for public inspection.

The accounting policies of the Authority conform to U.S. generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the more significant policies.

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 activities of the primary government of the Authority. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Authority has no component units.

The statement of activities demonstrates the degree to which the direct expenses of a 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 and proprietary funds. 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 Statements
The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. In the fund statements, the proprietary funds financial statements are also reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are reported when a liability is incurred,

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The length of time used for “available” for purposes of revenue recognition in the governmental fund financial statements is 60 days. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when a liability is incurred which is expected to be liquated with expendable available resources. Long-term obligations, if any, are only reported when due for payment.

The Authority reports the following major governmental fund:

- The general fund is the Authority’s primary operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in another fund.

The Authority reports the following major proprietary fund:

- The downtown operation enterprise fund accounts for the operations of several parking facilities in the downtown area.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements, with the exception of amounts owed between the governmental activities and business-type activities which is reported on the statement of net position as internal balances. Transactions representing one fund paying another fund for services have not been eliminated as elimination of these amounts would distort the direct costs and program revenues reported for the various funds concerned.

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 parking operations. Operating expenses for enterprise 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables
Receivables have been recognized for all significant amounts due to the Authority for charges for services and other various receivables. No allowances have been made for uncollectible amounts because if they remain unpaid, they will still receive the settlement from the City.

Internal Balances
In general, outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Prepaid Items
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financials and expensed when consumed.

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

The 2025 taxable valuation of the Authority totaled $66,710,501, on which ad valorem taxes consisted of 1.8806 mills for operating purposes. These amounts are recognized in the general fund financial statements as tax revenue.

The Authority also captures taxes from other local units based on the increased value of the properties within the DDA district (TIF). The capture for TIF is recorded in the enterprise fund.

Capital Assets
Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are not recorded in the governmental funds. Instead, capital assets are reflected as expenditures in the governmental funds in the year of acquisition. Capital assets are defined by the Authority as assets with an initial cost of $1,500 or more and an estimated useful life in excess of one year. At June 30, 2025, the Authority reported no capital assets for governmental activities.

All capital assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at acquisition value on the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation of all exhaustible capital assets used is charged as an expense in government-wide statements and all proprietary financial statements.

The straight-line depreciation method is used for all depreciable capital assets. The estimated useful lives for capital assets are displayed in the table below:

Asset Class	Depreciable Life
Land improvements	5-40
Leasehold improvements	5-24
Buildings, additions and improvements	40
Machinery, vehicles, and equipment	3-20

Deferred outflows of resources
In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until then. The Business- Type activities report deferred outflows for the deferred charge on refunding on their debt. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price.

Customer deposits
Customer deposits are for monthly parking card deposits for card passes to park in and around the city. Revenue is recorded as the parking is utilized.

Compensated Absences
It is the Authority's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the authority does not have a policy to pay any amounts when employees separate service with the Authority. However, amounts are carried over from year to year based on anniversary date of the employee, so the Authority has recorded the corresponding liability at year end.

Long-Term Liabilities
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 and 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 straight line amortization. Bonds costs are reported as current period expenses/expenditures

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as other financing sources and uses, in the period when the debt is issued. The face amount of debt issued is reported as other financing sources when issued.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance
Governmental fund balance is based on a hierarchy based on the extent to which the Authority is bound to observe constraints imposed on the use of the resources reported in governmental funds. Fund balance is shown within one of five classifications – non-spendable, restricted, committed, assigned, and unassigned.

The following classifications describe the relative strength of the spending constraints:

1. Non-spendable fund balance (such as inventory, prepaid items or long-term receivables) – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
2. Restricted fund balance – Amounts constrained to specific purposes by their providers (such as taxpayers, grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
3. Committed fund balance – Amounts constrained to specific purposes by the Authority itself, using its highest level of decision-making authority (resolution of the Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the Authority takes the same highest-level action to remove or change the constraint.
4. Assigned fund balance – Amounts the Authority intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official or body to which the Board of Directors delegates the authority.
5. Unassigned fund balance – Amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund.

The Authority would use restricted fund balance first, followed by committed resources and then assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of those classified funds.

Net Position
In the government-wide financial statements, net position is divided into three components.

- Net Investment in Capital Assets – This category consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted Net Position – Net assets are considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws.
- Unrestricted – All other net assets are reported in this category.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting
Michigan Public Act 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated in budget resolutions of the governing body.

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

1. Prior to the beginning of the fiscal year, the proposed budget for each budgetary fund is submitted to the Board of Directors for consideration.
2. The proposed budgets include expenditures as well as the methods of financing them.
3. Public hearings are held to obtain taxpayer comments.
4. The budgets are adopted at the activity level by a majority vote of the Board of Directors.
5. The budgets are adopted on the modified accrual basis of accounting.
6. The originally adopted budgets can be amended during the year only by a majority vote of the Board of Directors.
7. The adopted budgets are used as a management control device during the year for all budgetary funds.
8. Budget appropriations lapse at the end of each fiscal year.
9. The budgeted amounts shown in these financial statements are the originally adopted budgets with all amendments that were approved by the Board of Directors during the fiscal year.

Prior to June 30, the director submits to the board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the general fund. Prior to June 30, the budget is legally enacted on a total fund basis for the general fund. The director is authorized to transfer budgeted amounts within the fund appropriation accounts; however, any revision that alters the total expenditures of the general fund must be approved by the board. Formal budgetary integration is employed as a management control device during the year for all budgetary funds. The budget for the general fund was adopted on a basis consistent with general accepted accounting principles. Budget appropriates lapse at year end except for approved contracts.

Estimates
The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement of Cash Flows
In the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are defined as cash equivalents.

NOTE 2 - CASH

Michigan Compiled Laws, Section 129.91, authorizes the Authority to deposit and invest in the following:

1. Bonds, securities and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of state or federally chartered savings and loan association, savings bank or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State, under the laws of the State or the United States, but only if the bank, savings and loan association, savings bank, or credit union is eligible to be depository of surplus funds belonging to the State under section 5 or 6 of Act 105, P.A. 1855, as amended (MCL 21.145 and 21.146).
3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
4. The United States government or federal agency obligation repurchase agreements.
5. Bankers acceptances of United States banks.
6. Mutual fund composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

	Governmental Activities	Business-type Activities	Total
Cash	$ 917,058	$ 300	$ 917,358
Deposits			
Bank deposits			$ 917,058
Cash on hand			300
Total			$ 917,358

Custodial Credit Risk
Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution the Authority's deposits would not be returned to it. The Authority does not have a policy for custodial credit risk. As of year-end, the bank balance of $250,000 was FDIC insured while the remaining $667,358 was uninsured.

NOTE 3 - CAPITAL ASSETS

A summary of changes in business-type capital assets are as follows:

		Balance, July 1	Additions	Deletions	Balance, June 30
Capital assets not being depreciated					
Land	$	4,878,067	-	-	4,878,067
Capital assets being depreciated					
Buildings and improvements		331,632	-	-	331,632
Parking deck and improvements		5,824,574		-	5,824,574
Land improvements		10,934,166	-	-	10,934,166
Vehicle		54,251	77,100	(9,000)	122,351
Equipment		1,757,080	330,523	-	2,087,603
Total capital assets being depreciated		18,901,702	407,626	(9,000)	19,300,326
Less: accumulated depreciation					
Buildings and improvements		78,484	8,291	-	86,774
Parking deck and improvements		5,720,985	11,014	-	5,732,000
Land improvements		5,215,481	282,982	-	5,498,462
Vehicle		43,398	-	(3,045)	40,353
Equipment		1,256,527	84,366	-	1,340,893
Total accumulated depreciation		12,314,875	386,653	(3,045)	12,698,482
Total capital assets being depreciated - net		6,586,827	20,973	(5,955)	6,601,844
Net capital assets	$	11,464,894	20,973	(5,955)	11,479,911

Depreciation expense was charged to the parking activity within the downtown operations enterprise fund.

NOTE 4 - LONG-TERM DEBT

The Authority issues bonds to provide for the acquisition and construction of major capital facilities. In addition, the City of Flint has issued general obligation bonds for which the Authority has pledged its full faith and credit and for which the Authority is contractually obligated to repay the City. Long-term debt outstanding at year end is summarized as follows:

	Fiscal Year of Maturity	Interest Rates	Original Amount	Outstanding
Business-type activities:				
James Rutherford Parking Deck Obligation (Refunded)	2033	5.00%	$ 6,475,000	$ 4,195,000
Electric Vehicle Charging Loan	2026	6.69%	31,494	3,643
Parking System Improvement Revenue Bonds	2027	2.50%	648,964	129,793
Total business-type activities				$ 4 ,328,436

Annual debt service requirements to maturity for revenue bonds and notes payable are as follows:

	Business-Type Activities					
Year Ending	Revenue Bonds		Electric Vehicle		Total	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2026	64,896	2,434	3,643	71	68,539	2,505
2027	64,897	811	-	-	64,896	811
	$ 129,793	3,245	3,653	71	133,435	3,316

Annual debt service requirements to maturity for notes from direct borrowings are as follows:

Year Ending	Principal	Interest
2026	440,000	198,750
2027	460,000	176,250
2028	480,000	152,750
2029	510,000	128,000
2030	535,000	101,875
2031-33	1,770,000	135,750
Total	$4,195,000	$ 893,375

Business-Type Activities
Long-term obligation activity is summarized as follows:

Business-type activities:		Beginning Balance	Increase	Decrease	Ending Balance	Due within one year
Revenue bonds	$	194,689	-	64,896	129,793	64,896
Note payable		10,574	-	6,931	3,643	3,643
Notes from direct borrowings		4,610,000	-	415,000	4,195,000	440,000
Total debt		4,815,263	-	486,827	4,328,436	508,539
Premium		707,004	-	78,556	628,448	78,556
Total	$	5,522,267	-	565,383	4,956,884	587,095

Contractual Obligations - The above contractual obligations to the City of Flint (the "City") for the James Rutherford Parking Deck are the result of the City's issuance of bonds on the Authority's behalf. The Authority has pledged tax increment revenue and net operating revenue of the parking system to repay the obligations. During the current year, the operating loss from the parking operations was $1,001,547 and TIF payments were $ 1,090,804.

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.

NOTE 5 - INTERFUND PAYABLES AND RECEIVABLES

The amounts of interfund receivables and payables as of June 30, are as follows:

Fund	Interfund Payable	Fund	Interfund Receivable
General	$ 377,679	Downtown operations	$ 377,679

NOTE 6 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injured (workers' compensation), as well as medical benefits provided to employees. The Authority has purchased insurance for these risks.

NOTE 7 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets of the Authority were adopted on an activity level basis, although budget and actual information in the required supplementary information have been presented at a level of detail greater than the level of legal budgetary control.

During the year ended June 30, 2025, the Authority incurred expenditures less than the amounts appropriated at the legal level of budgetary control. Total budget for the general fund was $93,543 and expenditures amount to $93,083 for a difference of $460 under budget.

Required Supplementary Information

CITY OF FLINT DOWNTOWN DEVELOPMENT AUTHORITY

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget vs. Actual - General Fund

For the Fiscal Year Ended June 30, 2025

	Budget Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Taxes	$ 100,300	$ 105,000	$ 107,281	$ (2,281)
Miscellaneous	-	-	249	(249)
TOTAL REVENUES	100,300	105,000	107,530	(2,530)
EXPENDITURES				
Development				
Salaries and Wages	6,286	6,716	7,068	(352)
Fringe benefits and payroll taxes	485	537	1,847	(1,310)
Professional fees	52,500	55,036	54,239	797
Insurance	1,826	6,761	4,912	1,849
Office Expense	32,070	23,160	16,287	6,873
Miscellaneous	-	1,333	8,730	(7,397)
TOTAL EXPENDITURES	93,167	93,543	93,083	460
CHANGE IN FUND BALANCE	7,133	11,457	14,447	(2,990)
Fund balance, July 1	513,389	521,553	524,932	
Fund balance, June 30	$ 520,522	$ 533,010	$ 539,379	

See accompanying notes to the financial statements