

**CITY OF FLUSHING
GENESEE COUNTY, MICHIGAN
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2018**

rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, both of which are considered to be major funds of the City. The building department is considered a nonmajor fund and is presented in a separate column. The internal service fund data is presented in the proprietary fund financial statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City reports one type of fiduciary fund, which is an agency fund. The City maintains three agency funds.

Component Units. The City's Annual Financial Report includes reporting on two separate legal entities for which the City has a level of financial responsibility. These funds are shown in a separate column. The City's components are the Corridor Improvement Authority and the Neighborhood Improvement Authority.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire 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 *required supplementary information* concerning the City's budgetary comparison schedules and the City's schedules of funding progress and employer contributions for the pension and other postemployment benefits plans.

This report also presents other supplementary information which includes the nonmajor fund combining and individual statements. The combining statements are presented immediately following the required supplementary information on pensions.

City of Flushing
Combining Statement of Net Position
Component Units
June 30, 2018

	Corridor Improvement Authority	Neighborhood Improvement Authority	Total Component Units
ASSETS			
<i>Current Assets</i>			
Cash and Cash Equivalents	\$ 5,593	\$ 973	\$ 6,566
Total Current Assets	5,593	973	6,566
<i>Noncurrent Assets</i>			
Total Assets	5,593	973	6,566
LIABILITIES			
Total Liabilities	--	--	--
NET POSITION			
<i>Unrestricted</i>	5,593	973	6,566
Total Net Position	\$ 5,593	\$ 973	\$ 6,566

The Notes to the Financial Statements are an integral part of these Financial Statements

City of Flushing
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2018

	Corridor Improvement Authority	Neighborhood Improvement Authority	Total Component Units
Expenses			
Community and Economic Development	\$ 1,064	\$ 3,371	\$ 4,435
<i>Total Expenses</i>	<u>1,064</u>	<u>3,371</u>	<u>4,435</u>
General Revenue			
Property Taxes	1,055	4,344	5,399
<i>Total General Revenues</i>	<u>1,055</u>	<u>4,344</u>	<u>5,399</u>
<i>Change in Net Position</i>	<u>(9)</u>	<u>973</u>	<u>964</u>
<i>Net Position at Beginning of Period</i>	<u>5,602</u>	<u>--</u>	<u>5,602</u>
<i>Net Position at End of Period</i>	<u>\$ 5,593</u>	<u>\$ 973</u>	<u>\$ 6,566</u>

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City of Flushing

Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City of Flushing (the "City" or "government") have been prepared in conformity with generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial-reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

The City of Flushing was incorporated in 1964, under the provisions of Act 279, P.A. 1909, as amended (Home Rule City Act). The City operates a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services.

Discretely Presented Component Units

The City's Corridor Improvement Authority was established during 2017 under P.A. 280 of 2005, MCL 125.2871-125.2899. Corridor Improvement Authorities allow the use of tax increment financing to make capital improvements within an established commercial district.

The City's Neighborhood Improvement Authority was established during 2018. The purpose of the Neighborhood Improvement Authority is to prepare a development plan and tax increment financing plan that describes the costs, location, and resources for the implementation of public improvements that are projected to take place within the City of Flushing.

Jointly Governed Organization

The City has entered into a joint agreement with the Charter Township of Flushing to share in the acquisition costs and operating costs of a senior citizens center and library for Township and City residents. Operating expenses will be divided by the number of registered library users from the City and Township respectively. The City of Flushing acts as the fiduciary agent for the Senior Center and Library, and records its share of the expenditures in the general fund. During the current year, the City's share of the operating costs of the Senior Center and Library was \$10,211. The City owns the building occupied by the Senior Center and Library as such it is recorded as a capital asset of the City. The City is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Separate financial statements for the Senior Center and Library are available as of June 30, 2018 from their administrative office.

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. For