

COUNTY OF SAGINAW, MICHIGAN

FINANCIAL STATEMENTS AND SINGLE AUDIT

***FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2008***

Prepared by: The Financial Services
Department of the Controller's Office

COUNTY OF SAGINAW, MICHIGAN
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

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INDEPENDENT AUDITORS' REPORT

March 5, 2009

Board of Commissioners
County of Saginaw
Saginaw, Michigan

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 *County of Saginaw, Michigan*, as of and for the year ended September 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the *County of Saginaw's* management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note I.A. to the financial statements, the Saginaw County Road Commission has been omitted from the County's financial statements. Accounting principles generally accepted in the United States of America require that the Road Commission to be included in the County's financial statements as a discretely presented component unit. The amount by which this departure would affect the assets, liabilities, net assets, revenues and expenses of the aggregate discretely presented component units is not reasonably determinable.

In our opinion, because of the omission of the Saginaw County Road Commission, as described above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the *County of Saginaw, Michigan* as of September 30, 2008, or the changes in financial position for the year then ended.

In addition, in our opinion, except for the effects of not including financial information for the Saginaw County Road Commission as part of the discretely presented component units, as described above, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Saginaw, Michigan*, as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons of the General, Health Department, Small Cities Reuse, Michigan Works!, and Revenue Sharing Reserve governmental funds for the year then ended in conformity with accounting principles general accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2009, on our consideration of the *County of Saginaw, Michigan's* internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis listed in the table of contents on pages 3-17 and the Schedule of Funding Progress for Postemployment Health Benefits on page 78 are not required parts of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the *County of Saginaw, Michigan'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. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script, reading "Lehmann Johnson".

Management's Discussion and Analysis

As management of the *County of Saginaw, Michigan*, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2008. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$97,089,847 (*net assets*). Of this amount, \$47,310,725 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets decreased by \$4,025,863 during 2008.
- As of the close of the current fiscal year, the County's governmental funds (this includes the general fund, special revenue, debt service, capital projects, and permanent funds) reported combined ending fund balances of \$40,026,058, a decrease of \$6,985,890 in comparison with the prior year. Approximately 70.4 percent of this total amount, or \$28,174,964, is *available for spending* at the government's discretion (*unreserved fund balance*). This amount is inclusive of both the *unreserved – designated* amount, which has been designated based upon either County policy or for a specific purpose, and the *unreserved – undesignated* amount.
- At the end of the current fiscal year, the general fund did not have an unreserved – undesignated fund balance. The unreserved – designated fund balance for the general fund was \$15,998,712, or 43.1 percent of total general fund expenditures. Total fund balance for the general fund was \$16,343,712.
- The County's total debt decreased by \$3,052,395 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of 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 County's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 special assessments and accrued interest expense).

Both of the government-wide financial statements distinguish functions of the County 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 County include legislative, judicial, general government, public safety, public works, health and welfare, community and economic development, and recreation and culture. The business-type activities of the County include the Delinquent Tax Revolving Fund, Delinquent Property Tax Foreclosure Fund, Building Authority Event Center, Building Authority Administration, Parking System, Harry W. Browne Airport, and Inmate Services operations.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate Brownfield Redevelopment Authority, a legally separate Department of Public Works, a legally separate Drain Commission, a legally separate Economic Development Corporation, and a legally separate Land Bank Authority for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. Financial statements for the Road Commission were not available as of the date of this audit report and as such were not included within the County's government-wide financial statements. The County of Saginaw Building Authority, although legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 18 - 20 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, 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 County 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 County maintains 46 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Health Department Fund, Small Cities Reuse Fund, Michigan Works! Fund, and Revenue Sharing Reserve Fund, each of which is considered to be major funds. Data from the other 41 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* elsewhere in this report.

The County adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 21 - 30 of this report.

Proprietary funds. The County maintains two different types of proprietary funds: enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its Delinquent Tax Revolving Fund, Delinquent Property Tax Foreclosure Fund, Building Authority Event Center, Building Authority Administration, Parking System, Harry W. Browne Airport, and Inmate Services operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County of Saginaw uses internal service funds to account for its MERS Retirement System, ICMA Retirement System, Information Systems and Services operations, Equipment Revolving (computer equipment maintenance and replacement) activities, Mailing Services, Motor Pool operations, Risk Management program, Investment Pool, Employee Benefits, and Retiree Health Savings Plan. Because these services predominately benefit governmental 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 Delinquent Tax Revolving Fund, and Building Authority Event Center, each of which are considered to be major funds. Data from the other proprietary funds are combined and presented in two separate columns distinguishing between *business-type activities* and *governmental activities*. Individual fund data for each of these nonmajor enterprise funds and internal service funds are provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 31 - 34 of this report.

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

The basic fiduciary fund financial statements can be found on pages 35 - 36 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40 - 76 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. This includes the combining and individual fund financial statements and schedules. Combining and individual fund statements and schedules can be found on pages 78 - 143 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County of Saginaw, as the following table demonstrates, assets exceeded liabilities by \$97,089,847 at the close of the most recent fiscal year.

**County of Saginaw's
Net Assets**

Fiscal Year Ending September 30,	Governmental Activities		Business-type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 97,695,332	\$ 104,319,283	\$ 22,669,333	\$ 19,216,853	\$ 120,364,665	\$ 123,536,136
Capital assets, net of accumulated depreciation	<u>29,692,790</u>	<u>30,882,530</u>	<u>17,500,247</u>	<u>18,052,270</u>	<u>47,193,037</u>	<u>48,934,800</u>
Total assets	<u>127,388,122</u>	<u>135,201,813</u>	<u>40,169,580</u>	<u>37,269,123</u>	<u>167,557,702</u>	<u>172,470,936</u>
Long-term liabilities outstanding	39,455,311	41,479,150	20,535,937	17,746,151	59,991,248	59,225,301
Other liabilities	<u>9,196,310</u>	<u>10,911,916</u>	<u>1,280,297</u>	<u>1,218,009</u>	<u>10,476,607</u>	<u>12,129,925</u>
Total liabilities	<u>48,651,621</u>	<u>52,391,066</u>	<u>21,816,234</u>	<u>18,964,160</u>	<u>70,467,855</u>	<u>71,355,226</u>
Net assets:						
Invested in capital assets, net of related debt	25,947,781	26,212,530	12,325,247	11,282,270	38,273,028	37,494,800
Restricted	11,506,094	18,846,324	-	-	11,506,094	18,846,324
Unrestricted	<u>41,282,626</u>	<u>37,751,893</u>	<u>6,028,099</u>	<u>7,022,693</u>	<u>47,310,725</u>	<u>44,774,586</u>
Total net assets	<u>\$ 78,736,501</u>	<u>\$ 82,810,747</u>	<u>\$ 18,353,346</u>	<u>\$ 18,304,963</u>	<u>\$ 97,089,847</u>	<u>\$ 101,115,710</u>

One of the largest portions of the County's net assets, \$38,273,028 (39.4 percent) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, vehicles); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's 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.

An additional portion of the County's net assets, \$11,506,094 (11.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, \$47,310,725 (48.7 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

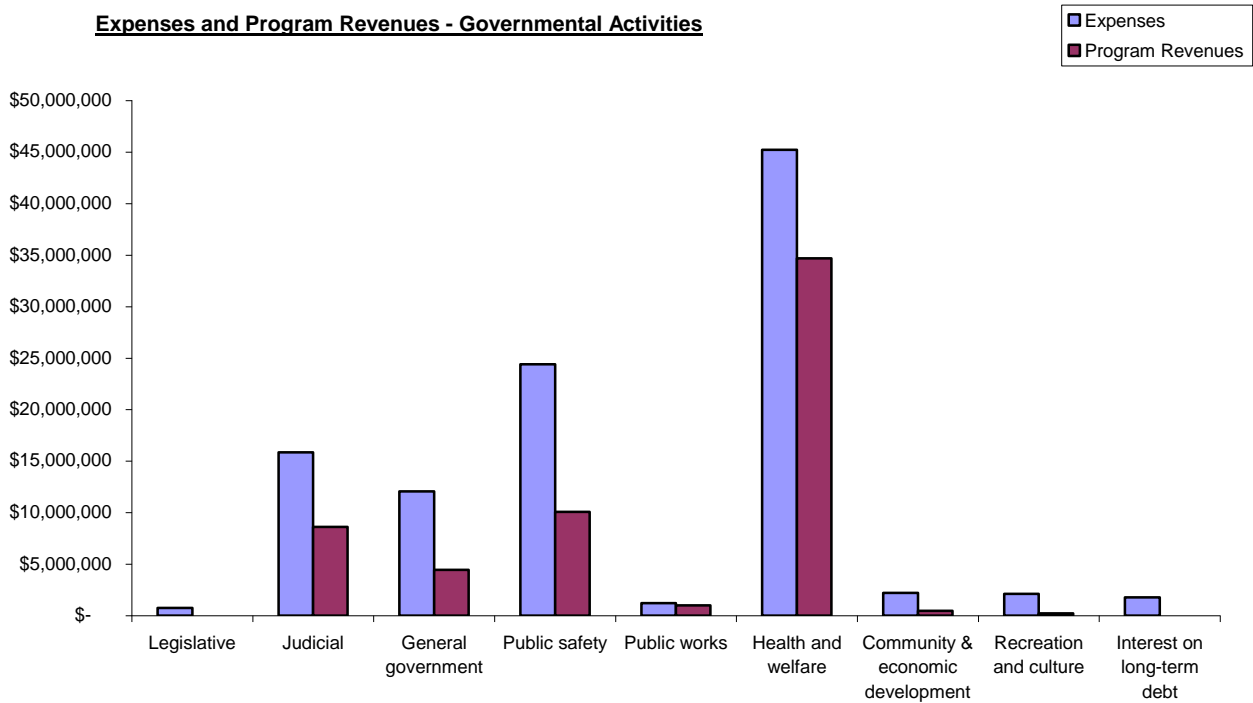
**County of Saginaw's
Changes in Net Assets**

Fiscal Year Ending September 30,	Governmental Activities		Business-type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenue:						
Charges for services	\$ 21,093,980	\$ 20,316,901	\$ 7,416,806	\$ 7,214,083	\$ 28,510,786	\$ 27,530,984
Operating grants and contributions	38,411,847	38,898,208	-	-	38,411,847	38,898,208
Capital grants and contributions	-	570,591	224,771	340,970	224,771	911,561
General revenue:						
Property taxes	34,169,309	41,773,301	2,691,750	2,608,635	36,861,059	44,381,936
Accommodations tax	1,884,559	1,794,568	-	-	1,884,559	1,794,568
Grants and contributions not restricted to specific programs	561,618	528,750	-	-	561,618	528,750
Other	1,705,619	2,010,487	497,537	831,305	2,203,156	2,841,792
Total revenue	<u>97,826,932</u>	<u>105,892,806</u>	<u>10,830,864</u>	<u>10,994,993</u>	<u>108,657,796</u>	<u>116,887,799</u>
Expenses						
Legislative	748,507	761,309	-	-	748,507	761,309
Judicial	15,850,041	15,956,884	-	-	15,850,041	15,956,884
General government	12,051,738	13,543,398	-	-	12,051,738	13,543,398
Public safety	24,394,098	21,451,614	-	-	24,394,098	21,451,614
Public works	1,213,218	1,093,215	-	-	1,213,218	1,093,215
Health and welfare	45,228,768	46,416,316	-	-	45,228,768	46,416,316
Community and economic development	2,192,112	3,107,460	-	-	2,192,112	3,107,460
Recreation and culture	2,125,289	2,001,159	-	-	2,125,289	2,001,159
Interest on long-term debt	1,756,507	1,807,411	-	-	1,756,507	1,807,411
Delinquent tax revolving	-	-	670,546	896,515	670,546	896,515
Delinquent tax foreclosure	-	-	564,388	456,508	564,388	456,508
Building Authority Event Center	-	-	4,753,564	4,804,515	4,753,564	4,804,515
Building Authority administration	-	-	18,550	56,529	18,550	56,529
Parking system	-	-	71,474	62,263	71,474	62,263
Harry W. Browne Airport	-	-	577,573	617,864	577,573	617,864
Inmate services	-	-	467,286	456,622	467,286	456,622
Total expenses	<u>105,560,278</u>	<u>106,138,766</u>	<u>7,123,381</u>	<u>7,350,816</u>	<u>112,683,659</u>	<u>113,489,582</u>
Increase/(decrease) in net assets before transfers	(7,733,346)	(245,960)	3,707,483	3,644,177	(4,025,863)	3,398,217
Transfers	<u>3,659,100</u>	<u>3,067,857</u>	<u>(3,659,100)</u>	<u>(3,067,857)</u>	<u>-</u>	<u>-</u>
Increase/(decrease) in net assets	(4,074,246)	2,821,897	48,383	576,320	(4,025,863)	3,398,217
Net assets - beginning	<u>82,810,747</u>	<u>79,988,850</u>	<u>18,304,963</u>	<u>17,728,643</u>	<u>101,115,710</u>	<u>97,717,493</u>
Net assets - end of year	<u>\$ 78,736,501</u>	<u>\$ 82,810,747</u>	<u>\$ 18,353,346</u>	<u>\$ 18,304,963</u>	<u>\$ 97,089,847</u>	<u>\$ 101,115,710</u>

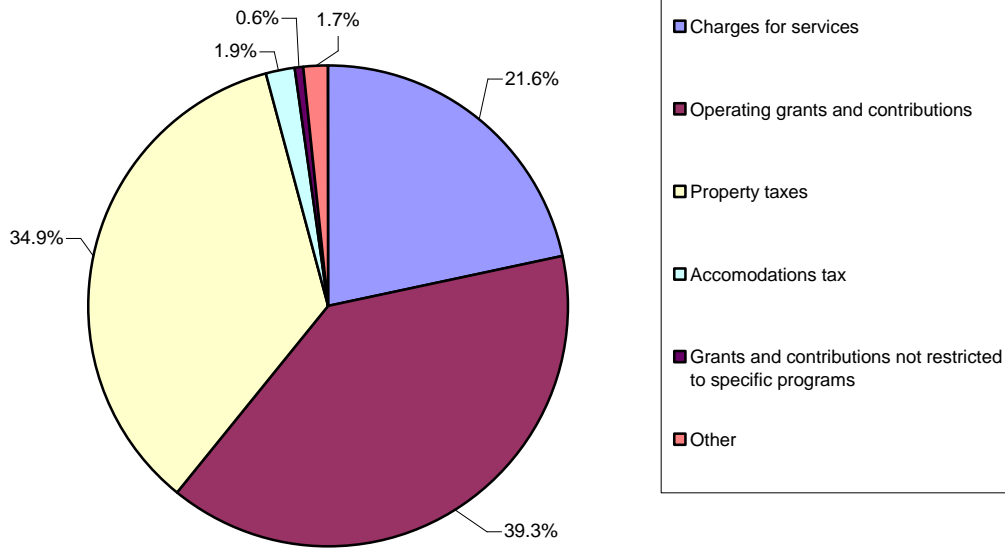
The County's net assets decreased by \$4,025,863 during the current fiscal year; a \$4,074,246 decrease for governmental activities and a \$48,383 increase for business-type activities.

Governmental activities. Governmental activities decreased the County's net assets by \$4,074,246 thereby accounting for the majority of the total decrease in the government's net assets during the year. Key elements of this decrease are as follows:

- Property taxes had the most significant decrease during the year of approximately \$7,600,000 (18.2 percent). This decrease is a direct result of PA 357 of 2004 whereby the county's operating millage levy was gradually shifted over a three year period from winter to summer. In each of the three years the act required the county to set aside an additional 1/3 of its operating millage via an additional tax per PA 357 into a Revenue Sharing Reserve Fund ("RSRF"). As 2007 was the final year of this levy shift, an estimated \$7,300,000 in property taxes was not collected and transferred to the RSRF during 2008. The remaining decrease in property taxes is attributable to a decrease taxable value.
- Expenses remained relatively constant during the year with a slight decrease of approximately \$578,000 (0.5 percent) during the year.



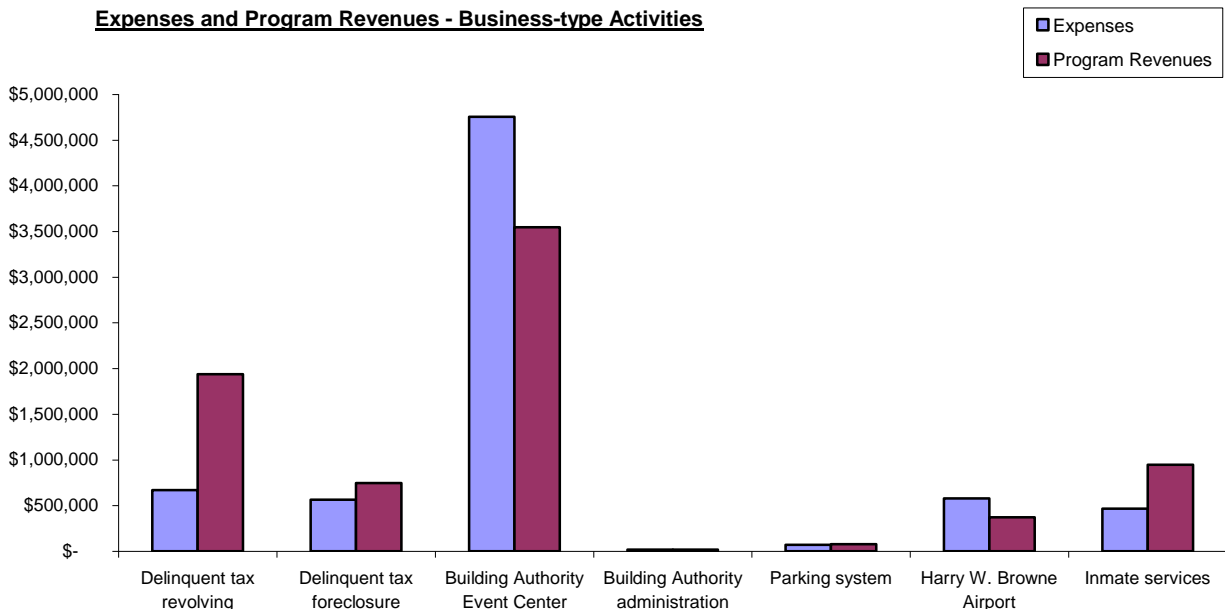
Revenues by Source - Governmental Activities



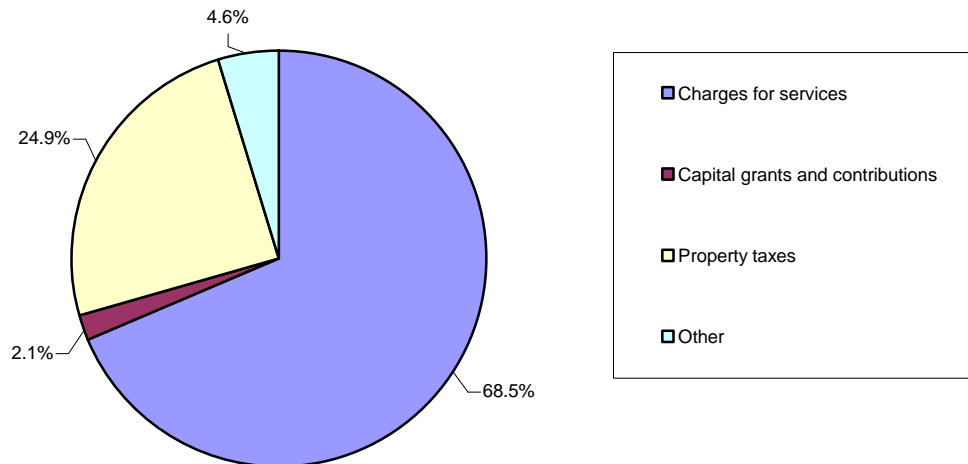
Business-type activities. Business-type activities increased the County’s net assets by \$48,383. Key elements of this increase are as follows:

- Revenues remained relatively stagnant from 2007 to 2008.
- Expenses decreased 3.1 percent, or \$227,435, as a result of decreased activity within the delinquent tax revolving fund, the building authority, and the airport.
- Transfers netted out to an increase of approximately \$591,000. This is a result of an additional one-time transfer of \$1,200,000 from the delinquent tax revolving fund to the general fund in order to balance the general fund budget and maintain the status quo without any reduction of employees or programs during 2008.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$40,026,058, a decrease of \$6,985,890 in comparison with the prior year. Approximately 70.4 percent of this total amount (\$28,174,964) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. However, the *unreserved fund balance* amount is further separated into *unreserved – designated fund balance* (\$17,467,679) and *unreserved – undesignated fund balance* (\$10,707,285). The underlying distinction between the two is that *unreserved – designated fund balance* has been designated based upon either the County's Fund Balance Policy or for a specific purpose. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to: 1) cover long-term advances (\$345,000), 2) pay debt service (\$2,522,670), 3) for capital projects (\$7,196), or 4) for restricted contributions (\$8,976,228).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the unreserved – designated fund balance of the general fund was \$15,998,712, while total fund balance amounted to \$16,343,712. As a measure of the general fund's liquidity, it may be useful to compare both unreserved – designated fund balance and total fund balance to total fund expenditures. Unreserved – designated fund balance represents 43.1 percent of total general fund expenditures, while total fund balance represents 44.0 percent of that same amount.

The fund balance of the County's general fund decreased by \$1,313,492 during the current fiscal year. Key factors in this decrease are as follows:

- Property tax revenue increased by \$722,546 (3.0 percent).
- Charges for services decreased by \$204,680 (4.2 percent).

- Fines and forfeitures increased by \$142,896 (19.7 percent).
- Expenditures increased by \$1,096,306 (3.0 percent) mainly in the areas of legislative, judicial, general government, and public safety.
- Transfers in increased by \$1,408,453 (23.0 percent) mainly due to the additional one-time appropriation from the Delinquent Tax Revolving Fund of \$1,200,000.
- Transfers out increased by \$604,676 (6.8 percent) mainly in the appropriations to the Friend of the Court fund (\$223,135) and Child Care fund (\$221,085).

The Health Department fund had a decrease in fund balance for the current year of \$277,028, for an ending total of \$900,261. This decrease was primarily the result of reductions in grant funding.

The Small Cities Reuse fund has an increase in fund balance for the current year of \$230,708 for an ending total of \$1,413,273. This increase was a result of payments received in excess of loans made to small businesses.

The Revenue Sharing Reserve fund had a decrease in fund balance for the current year of \$4,193,827, for an ending total of \$5,284,134. This fund was created pursuant to Public Act 357 of 2004 to serve as a substitute for state revenue sharing payments. Fiscal year 2007 was the final year of three consecutive years where the County is required to deposit into this fund an amount equal to 1/3 of its December 2004 property tax levy or \$7,319,845. The County is then allowed to distribute from this fund an amount not to exceed its October 1, 2003 through September 30, 2004 revenue sharing payments adjusted for inflation. This amount for fiscal year 2008 was \$4,375,559, thereby accounting for the decrease in fund balance.

The debt service funds have a total fund balance of \$2,522,670 which is entirely designated for the payment of debt service. The net decrease in fund balance during the current year in the debt service funds was \$241,086.

The capital projects funds have a total fund balance of \$7,196 which is designated for the river dredging project overseen by the Department of Public Works.

The permanent fund has a fund balance of \$38,962, which is entirely designated for maintenance of the Saginaw Valley Rail Trail and \$4,962 is available for spending at the end of the year.

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

Unrestricted net assets of the Delinquent Tax Revolving Fund at the end of the year amounted to \$4,939,194, while those for the Building Authority Event Center amounted to \$432,705. The combined unrestricted net assets of the nonmajor enterprise funds and the internal service funds were \$625,745 and \$7,462,970, respectively, at the end of the year. The Delinquent Tax Revolving Fund had a decrease in net assets for the year of \$1,347,086, whereas the Building Authority Event Center had an increase of \$1,482,691. The combined decrease in net assets of the nonmajor enterprise funds was \$97,528 and the combined increase in net assets of the internal service funds was \$2,973,889 for the year. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

General Fund budgetary highlights. The differences between the original budget and final amended budget for expenditures resulted in a 0.4 percent increase (\$138,938 increase in appropriations); whereas

the difference between the original budget and final amended budget for revenues resulted in a 0.2 percent increase (\$87,810 increase in revenues). All of these budgetary adjustments were offset by either an adjustment to other expenditures and transfers out or to revenues and transfers in and use of fund balance.

The budgetary differences are summarized as follows:

- A \$109,211 increase was allocated to transfers in from the Revenue Sharing Reserve fund to adjust the amount to the allowable spending amount per the Michigan State Department of Treasury. The offset affected various other activities within the county including legislative (\$15,381), judicial (\$52,238), general government (\$40,239), public safety (\$819), and public works (\$534). The adjustment to the various other activities was mainly to account for the additional wages and fringes associated with an early retirement option that the Board of Commissioners approved in an effort to reduce the amount of potential lay-offs necessary to balance our 2009 budget.
- A \$39,432 increase was allocated to transfers out to the Health Department that was offset with a decrease in Contributions to Other Agencies. This adjustment was made to adjust for the decreased amount available by the State of Michigan to match for DSH payments made to support resident county hospitalization.
- A \$27,620 increase was allocated to transfers out to the Planning Department that was offset with an increase in the use of fund balance to cover an estimated shortfall between revenues and expenses.
- A \$50,000 increase was allocated to judicial activities that was offset with a decrease in debt service interest expense to allocate money to the family division to cover payments made to court appointed attorneys, interpreter fees, process server fees, transcripts, and fringes associated with the early retirement option.
- A \$70,407 increase was allocated to general government activities that was offset with an increase in reimbursements and a decrease in the use of fund balance to account for the additional costs associated with the January Presidential primary election

Overall during the year, actual general fund revenues were higher than the amended budgetary estimates and expenditures were less than the amended budget, resulting in an actual decrease in fund balance that was less than the final amended budget amount.

The significant budgetary variances between the final amended budget and actual results for the General Fund can be summarized as follows:

- The negative variance in property taxes of \$394,234 occurred due to the unforeseen effect of taxable values decreasing at a rate faster than anticipated.
- The negative variance in charges for services of \$100,456 is due to lower than anticipated revenue received from the exchange of property transactions through the Register of Deeds office.
- The favorable variance in fines and forfeitures of \$141,694 is a result of aggressive collections made by District Court for outstanding traffic violations.

- The favorable variance in investment income of \$327,235 and the favorable variance in interest expense of \$175,000 is a result of higher than expected cash levels in the general fund during the year. When building the 2008 budget we anticipated negative cash flow and having to issue tax anticipation notes. However, we were able to borrow cash from other funds within the county.
- The majority of the favorable variances in expenditures occurred as a result of lapsed salaries and benefits because of delays in the filling of vacancies. The exception to this would be in the area of public safety where the majority of early retirements occurred. Thus the unfavorable variance in the Sheriff's office and Jail Division of \$34,474 and \$116,931 respectively were a direct result of the large amount of early retirements.

General Fund balance. The following schedule presents a comparative summary of changes in the fund balance of the General Fund for the fiscal years ended September 30, 2008, and September 30, 2007, along with the amount and percentage of increases and decreases in relation to the 2007 fund balance:

	2008	2007	Variance from 2007	Percent Increase/ (Decrease)
Revenues	\$ 37,732,649	\$ 36,752,123	\$ 980,526	2.67%
Expenditures	<u>(37,129,508)</u>	<u>(36,033,202)</u>	<u>(1,096,306)</u>	3.04%
Revenues over expenditures	603,141	718,921	(115,780)	
Other Financing Sources (Uses):				
Transfers in	7,543,402	6,134,949	1,408,453	22.96%
Transfers out	<u>(9,460,035)</u>	<u>(8,855,359)</u>	<u>(604,676)</u>	6.83%
Net change in fund balances	(1,313,492)	(2,001,489)	687,997	
Fund balance, beginning of year	<u>17,657,204</u>	<u>19,658,693</u>	<u>(2,001,489)</u>	
Fund balance, end of year	<u>\$ 16,343,712</u>	<u>\$ 17,657,204</u>	<u>\$ (1,313,492)</u>	<u>-7.44%</u>

The following schedule enumerates the particular changes in the classifications of fund balance.

GENERAL FUND BALANCE ANALYSIS

	Reserve for Advances to Other Funds	Reserve for Future Use	Unreserved	Total Fund Balance
Fund balance, beginning of year	\$ 345,000	\$ 16,647,443	\$ 664,761	\$ 17,657,204
2007/2008 Transactions:				
Excess revenue over expenditures	-	1,267,902	(664,761)	603,141
Total other financing sources (uses)	<u>-</u>	<u>(1,916,633)</u>	<u>-</u>	<u>(1,916,633)</u>
2007/2008 net increase (decrease)	<u>-</u>	<u>(648,731)</u>	<u>(664,761)</u>	<u>(1,313,492)</u>
Fund balance, end of year	<u>\$ 345,000</u>	<u>\$ 15,998,712</u>	<u>\$ -</u>	<u>\$ 16,343,712</u>

The Reserve for Future Use classification shown above is comprised of two different components: Cash Flow and Budget Stabilization. The Board of Commissioners approved the Fund Balance Policy within the Saginaw County Policy Book which establishes a Cash Flow Reserve and a Budget Stabilization Reserve in the General Fund. The policy authorizes earmarking a minimum of fifty percent of the most current Board approved General Fund budget for property tax collections for the Cash Flow Reserve and a minimum of five percent of the most current Board approved General Fund budget for the Budget Stabilization Reserve.

The current balance for Cash Flow Reserve is \$12,352,345 or 50 percent, and for Budget Stabilization Reserve is \$3,646,367 or 8.2 percent.

Enterprise operations. The enterprise operations of the County include the use of seven enterprise funds: the Delinquent Tax Revolving Fund, the Delinquent Property Tax Foreclosure Fund, the Building Authority Event Center Fund, the Harry W. Browne Airport Fund, the Parking System Fund, the Building Authority Administration Fund, and the Inmate Services Fund.

The Delinquent Tax Revolving Fund accounts for the purchase of delinquent taxes from other local taxing units. Money for the operation of this fund is supplied from limited general obligation bonds or notes, delinquent tax collections, interest earnings from investments, and interest and collection fees from delinquent taxes.

The Delinquent Property Tax Foreclosure Fund accounts for the operations of the tax foreclosure process within Saginaw County. Money for the operation of this fund is supplied through the collection of fees and interest attached to forfeited delinquent real property taxes as well as any proceeds from the sale of foreclosed properties.

The Building Authority Event Center Fund accounts for the operations of the County-owned facility that includes an arena, theater, and conference center. Prior to acquisition by the County, the facility was slated for closure by the previous owner, the City of Saginaw. In May 2001, County voters approved a 10-year millage of 0.45 mills to improve and operate the Event Center. The renovations of the Event Center started in early 2002, financed with a \$14.3 million bond issue, and were completed in November 2003.

The Harry W. Browne Airport Fund accounts for the operation of the Harry W. Browne Airport, including hangar and farm land rentals, and the sale of aircraft fuel.

The Parking System Fund accounts for revenues, expenses and transactions relating to the operation of the municipal parking lots located around the Courthouse. A full-time parking attendant patrols the lots and issues parking tickets for violations. Approximately seventeen percent of the Parking System revenue is attributable to the fines received from the tickets.

The Building Authority Administration Fund accounts for the administration of the Saginaw County Building Authority and its numerous buildings. Its purpose is to accumulate sufficient funds to cover major repairs on the buildings as they are required. Revenue for operation of this fund is received from maintenance fees charged on the various Building Authority buildings.

The Inmate Services Fund is used to account for the operations of the inmates' concession service and for projects/activities contributing to the well-being of the inmates and their environment.

Fiduciary operations. The fiduciary operations of the County include the use of six agency funds: a Trust and Agency Fund, the State Education Tax Fund, the Library Penal Fine Fund, the Hospital Millage Fund, the Dependent Care Fund and the Medical Spending Reimbursement Fund.

The State Education Tax Fund accounts for the collection and distribution of the State Education Tax. The Library Penal Fine Fund accounts for the collection of fines imposed for State law violations and distributes them to the libraries at the discretion of the State Library Board. The Hospital Millage Fund accounts for the collection and distribution of tax collections for the operations of HealthSource of Saginaw.

The Dependent Care and the Medical Spending Reimbursement Funds account for the collection and distribution of pre-tax monies used for dependent care and medical spending by employees of the County.

The remaining fiduciary fund included is the Postemployment Health Benefits Trust Fund.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2008, amounted to \$47,193,038 (net of accumulated depreciation). This investment in capital assets includes land, air rights, construction in progress, land improvements, buildings, leasehold improvements, machinery and equipment, office furniture and fixtures, and vehicles. The total decrease in the County's investment in capital assets for the current fiscal year was 3.6 percent (a 3.9 percent decrease for governmental activities and a 3.1 percent decrease for business-type activities).

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

- Construction continued on the river dredging project at a cost of \$166,920.
- Several vehicles were replaced in various county departments at a cost of \$174,200.
- Construction was completed at Harry W. Browne Airport on the apron reconstruction and expansion phase two at a cost of \$424,739, as well as continued construction on the rehabilitation of runway 523 at a cost of \$219,243.

**County of Saginaw's
Capital Assets (net of depreciation)**

Fiscal Year Ending September 30,	Governmental Activities		Business-type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Land	\$ 1,144,024	\$ 1,129,674	\$ 1,053,248	\$ 1,053,248	\$ 2,197,272	\$ 2,182,922
Air rights	-	-	117,761	117,761	117,761	117,761
Construction in progress	3,840,300	3,673,380	530,039	789,700	4,370,339	4,463,080
Land improvements	5,275,808	5,379,157	-	232	5,275,808	5,379,389
Buildings and improvements	16,014,653	16,571,367	12,661,491	13,030,022	28,676,144	29,601,389
Leasehold improvements	-	23,628	-	-	-	23,628
Planning and development	-	-	2,414,632	2,267,929	2,414,632	2,267,929
Equipment	2,795,414	3,325,783	662,144	720,413	3,457,558	4,046,196
Office furniture and fixtures	75,395	112,931	47,368	50,688	122,763	163,619
Vehicles	547,196	666,677	13,564	22,276	560,760	688,953
Total	\$ 29,692,790	\$ 30,882,597	\$ 17,500,247	\$ 18,052,269	\$ 47,193,037	\$ 48,934,866

Additional information on the County's capital assets can be found in note III.C. on pages 56 - 59 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$85,649,884. Of this amount, \$83,279,289 comprises debt backed by the full faith and credit of the government and \$2,370,595 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the County debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

**County of Saginaw's
Outstanding Debt**

Fiscal Year Ending September 30,	Governmental Activities		Business-type Activities		Totals	
	208	2007	2008	2007	2008	2007
Primary Government						
General obligation bonds	\$ 35,890,009	\$ 37,300,010	\$ 5,175,000	\$ 6,770,000	\$ 41,065,009	\$ 44,070,010
2006 GOL delinquent tax notes	-	-	-	1,457,000	-	1,457,000
2007 GOL delinquent tax notes	-	-	2,356,000	9,515,000	2,356,000	9,515,000
2008 GOL delinquent tax notes	-	-	13,000,000	-	13,000,000	-
Component Units						
Revolving loans	463,885	494,095	-	-	463,885	494,095
General obligation bonds and notes	28,764,990	33,166,174	-	-	28,764,990	33,166,174
Total	<u>\$ 65,118,884</u>	<u>\$ 70,960,279</u>	<u>\$ 20,531,000</u>	<u>\$ 17,742,000</u>	<u>\$ 85,649,884</u>	<u>\$ 88,702,279</u>

During the year, the County of Saginaw issued the following tax-exempt bonds and notes:

	Amount	Issue	Rate
2008 Series GOL Delinquent Tax Notes	\$ 13,000,000	6/1/2008	varies
Gibson Drain	26,910	4/1/2008	4.50%

The County's total debt decreased by \$3,052,395 (3.4 percent) during the fiscal year.

The County maintains an "A+" bond rating with Standard & Poor's and an "A1" rating with Moody's for its general obligation debt. The County also maintains an "SP-1+" bond rating with Standard & Poor's and an "MIG1" bond rating with Moody's for its delinquent tax notes.

State statutes (Article 7, Section II, Michigan Constitution of 1963) limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total state equalized valuation. The current debt limitation for the County is \$546,854,425, which is significantly higher than the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in note III.G. on pages 62 - 66 of this report.

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the County's budget for the 2009 fiscal year:

- **Property Taxes** – Estimates received from the County Equalization Department anticipated that property tax revenue would remain stagnant for fiscal 2008 so the fiscal 2009 budget did not show an increase in this funding source.
- **Revenue Sharing Reserve Fund (“RSRF”)** – Transfers In from the RSRF to the General Operating Fund for fiscal 2009 are budgeted at \$4,489,324 or approximately a 2.6 percent increase. The County is allowed to make distributions from the RSRF special revenue fund that was created by PA 357 of 2004. This act changed the county operating millage levy from winter to summer and thereby created a reserve to temporarily replace state revenue sharing. This reserve is projected to last until fiscal 2009/2010 at which time PA 357 calls for the reinstatement of revenue sharing payments from the state of over \$4 million in Saginaw County's case.
- **Wages and Fringe Benefits** – The County's authorized staff count dropped from 714 to 686 with the General Fund losing almost 14 F.T.E.'s. The wage rates for these positions were generally frozen without increase for fiscal 2009; however, this was offset, in most cases, by a base wage increase of 2.75% for several unions. Certain fringe benefits are fixed in terms of actual dollar amounts per employee, while others vary as a percentage of the employee's compensation. Fixed fringe benefits include: illustrative premiums for health, dental, life, and vision, and retiree health reserve contributions. Illustrative health premiums were budgeted to increase by 5% while contributions to the retiree health reserve went up from \$6,972 to \$10,000 per covered employee. All other fixed fringe benefits remained constant due to favorable negotiations and competitive bidding. Variable benefits include: social security tax, workers' compensation insurance, retirement contributions, retiree health savings contributions, and disability insurance. None of the actual or illustrative rates for these items rose; however, costs associated with these items rose in proportion to any compensation increases.
- **Use of Reserves – Structural Deficit** – The fiscal year 2009 structural budget deficit situation was addressed as anticipated without the use of reserves in the General Fund. This was addressed through the increase of several fees throughout the county, the offering of an early retirement option during fiscal 2008, as well as the elimination of 28 positions county wide. This structural budget deficit problem will resurface in 2010 if State Revenue Sharing is not reinstated.
- Inflationary trends in the region were expected to compare favorably to national indices. Non personnel costs were generally budgeted to increase by inflationary trends.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County of Saginaw's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County of Saginaw Controller's Office, 111 S. Michigan Ave., Saginaw, Michigan 48602.

BASIC FINANCIAL STATEMENTS

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2008

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investment pool	\$ 46,633,612	\$ 9,295,057	\$ 55,928,669	\$ 8,522,085
Receivables (net)	48,880,612	13,698,848	62,579,460	31,122,401
Internal balances	432,482	(432,482)	-	-
Inventory	-	38,115	38,115	201,211
Other assets	167,812	69,795	237,607	608
Net pension asset	1,580,814	-	1,580,814	-
Capital assets, net:				
Assets not being depreciated	4,984,324	1,701,048	6,685,372	1,433,875
Assets being depreciated	24,708,466	15,799,199	40,507,665	39,687,567
Total assets	127,388,122	40,169,580	167,557,702	80,967,747
Liabilities				
Accounts payable and accrued liabilities	8,229,201	1,223,256	9,452,457	1,750,679
Unamortized bond premium	-	11,412	11,412	-
Unearned revenue	967,109	45,629	1,012,738	150
Long-term liabilities:				
Due within one year	5,062,303	12,015,937	17,078,240	1,834,551
Due in more than one year	34,393,008	8,520,000	42,913,008	27,394,324
Total liabilities	48,651,621	21,816,234	70,467,855	30,979,704
Net Assets				
Invested in capital assets, net of related debt	25,947,781	12,325,247	38,273,028	31,384,452
Restricted for:				
Debt service	2,522,670	-	2,522,670	718,831
Acquisition/construction of capital assets	7,196	-	7,196	4,705,468
Restricted contributions	8,937,266	-	8,937,266	-
Endowment				
Expendable	4,962	-	4,962	-
Nonexpendable	34,000	-	34,000	-
Unrestricted	41,282,626	6,028,099	47,310,725	13,179,292
Total net assets	\$ 78,736,501	\$ 18,353,346	\$ 97,089,847	\$ 49,988,043

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

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Continued

	<u>Expenses</u>	<u>Indirect Expenses Allocation</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
			<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government						
Governmental activities:						
Legislative	\$ 748,507	\$ -	\$ 5,125	\$ -	\$ -	\$ (743,382)
Judicial	15,363,883	486,158	3,288,581	5,334,139	-	(7,227,321)
General government	13,812,495	(1,760,757)	3,206,617	1,250,937	-	(7,594,184)
Public safety	24,331,758	62,340	8,759,676	1,303,055	-	(14,331,367)
Public works	1,202,676	10,542	754,672	247,668	-	(210,878)
Health and welfare	44,099,583	1,129,185	4,795,994	29,870,618	-	(10,562,156)
Community and economic development	2,170,520	21,592	127,534	337,016	-	(1,727,562)
Recreation and culture	2,078,079	47,210	155,781	68,414	-	(1,901,094)
Interest on long-term debt	1,756,507	-	-	-	-	(1,756,507)
Total governmental activities	<u>105,564,008</u>	<u>(3,730)</u>	<u>21,093,980</u>	<u>38,411,847</u>	<u>-</u>	<u>(46,054,451)</u>
Business-type activities:						
Delinquent tax revolving	670,546	-	1,937,950	-	-	1,267,404
Building Authority Event Center	4,753,564	-	3,545,342	-	-	(1,208,222)
Harry W. Browne Airport	577,573	-	148,315	-	224,771	(204,487)
Parking system	71,474	-	75,664	-	-	4,190
Delinquent tax foreclosure	564,388	-	747,352	-	-	182,964
Building Authority administration	18,550	-	16,200	-	-	(2,350)
Inmate services	463,556	3,730	945,983	-	-	478,697
Total business-type activities	<u>7,119,651</u>	<u>3,730</u>	<u>7,416,806</u>	<u>-</u>	<u>224,771</u>	<u>518,196</u>
Total primary government	<u>\$ 112,683,659</u>	<u>\$ -</u>	<u>\$ 28,510,786</u>	<u>\$ 38,411,847</u>	<u>\$ 224,771</u>	<u>\$ (45,536,255)</u>
Component Units						
Brownfield Redevelopment Authority	\$ 839,577	\$ -	\$ -	\$ 1,417,811	\$ -	\$ 578,234
Department of Public Works	2,910,388	-	91,832	-	2,780,513	(38,043)
Drain Commission	3,423,127	-	153,241	-	2,618,472	(651,414)
Economic Development Corporation	1,254,738	-	15,682	1,265,753	-	26,697
Land Bank Authority	102,604	-	1,533	676,916	-	575,845
Total component units	<u>\$ 8,530,434</u>	<u>\$ -</u>	<u>\$ 262,288</u>	<u>\$ 3,360,480</u>	<u>\$ 5,398,985</u>	<u>\$ 491,319</u>

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Concluded

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Change in net assets				
Net (expense) revenue	\$ (46,054,451)	\$ 518,196	\$ (45,536,255)	\$ 491,319
General revenues:				
Property taxes	34,169,309	2,691,750	36,861,059	117,752
Accommodations tax	1,884,559	-	1,884,559	-
Grants and contributions not restricted to specific programs	561,618	-	561,618	-
Investment income - interest earned	1,690,719	497,537	2,188,256	181,107
Gain on sale of capital assets	14,900	-	14,900	-
Transfers	3,659,100	(3,659,100)	-	-
Total general revenues and transfers	41,980,205	(469,813)	41,510,392	298,859
Change in net assets	(4,074,246)	48,383	(4,025,863)	790,178
Net assets, beginning of year	82,810,747	18,304,963	101,115,710	49,197,865
Net assets, end of year	\$ 78,736,501	\$ 18,353,346	\$ 97,089,847	\$ 49,988,043

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

COUNTY OF SAGINAW, MICHIGAN
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2008

	General	Health Department	Small Cities Reuse	Michigan Works!	Revenue Sharing Reserve	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and investment pool	\$ 14,308,653	\$ 945,271	\$ 1,419,820	\$ 377,696	\$ 5,246,787	\$ 14,671,264	\$ 36,969,491
Receivables (net):							
Taxes	3,949,517	-	-	-	-	240,121	4,189,638
Accounts	96,891	423,839	-	372	-	2,293,584	2,814,686
Notes	-	-	1,899,869	-	-	1,343,135	3,243,004
Accrued interest	82,375	-	9,239	3,323	37,347	113,423	245,707
Due from other funds	579,613	298	-	62,874	-	836,037	1,478,822
Due from other governmental units	855,811	463,404	36,647	2,028,633	-	2,253,613	5,638,108
Advances to other funds	45,000	-	-	-	-	-	45,000
Advances to component units	300,000	-	-	-	-	-	300,000
Other assets	12,953	3,260	-	12,113	-	80,468	108,794
Total assets	\$ 20,230,813	\$ 1,836,072	\$ 3,365,575	\$ 2,485,011	\$ 5,284,134	\$ 21,831,645	\$ 55,033,250
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 632,883	\$ 429,581	\$ 52,433	\$ 2,172,389	\$ -	\$ 1,807,964	\$ 5,095,250
Accrued liabilities	526,276	133,806	-	45,352	-	628,651	1,334,085
Deposits payable	-	64,793	-	-	-	39,015	103,808
Due to other funds	57,731	-	-	46,981	-	894,566	999,278
Due to other governmental units	-	24,648	-	-	-	486,343	510,991
Advances from other governmental units	-	-	-	-	-	113,000	113,000
Deferred revenue	2,670,211	282,983	1,899,869	220,289	-	1,777,428	6,850,780
Total liabilities	3,887,101	935,811	1,952,302	2,485,011	-	5,746,967	15,007,192
Fund Balances							
Reserved for:							
Long-term advances	345,000	-	-	-	-	-	345,000
Debt service	-	-	-	-	-	2,522,670	2,522,670
Capital projects	-	-	-	-	-	7,196	7,196
Restricted contributions	-	-	-	-	5,284,134	3,692,094	8,976,228
Unreserved - designated for:							
Cash flow	12,352,345	-	-	-	-	-	12,352,345
Budget stabilization	3,646,367	-	-	-	-	-	3,646,367
Future use-special revenue funds	-	-	-	-	-	560,099	560,099
General improvements-special revenue funds	-	-	-	-	-	908,868	908,868
Unreserved - undesignated, reported in:							
Special revenue funds	-	900,261	1,413,273	-	-	8,393,751	10,707,285
Total fund balances	16,343,712	900,261	1,413,273	-	5,284,134	16,084,678	40,026,058
Total liabilities and fund balances	\$ 20,230,813	\$ 1,836,072	\$ 3,365,575	\$ 2,485,011	\$ 5,284,134	\$ 21,831,645	\$ 55,033,250

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

COUNTY OF SAGINAW, MICHIGAN
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR
GOVERNMENTAL FUNDS TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
ON THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2008

Fund balances - total governmental funds	\$ 40,026,058
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Add - capital assets	48,773,154
Deduct - accumulated depreciation	(19,595,458)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are either deferred or otherwise not recorded in the funds.	
Add - deferred revenue on taxes receivable	2,910,332
Add - deferred revenue on notes receivable	2,973,337
Add - net pension asset	1,580,814
Add - long-term receivable for repayment of debt service	32,145,000
Internal service funds are used by management to charge the costs of certain activities to individual funds. A portion of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	
	7,947,609
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Deduct - bonds payable	(35,890,009)
Deduct - accrued interest on bonds payable	(711,827)
Deduct - accrued compensated absences	(1,422,509)
Net assets of governmental activities	<u>\$ 78,736,501</u>

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

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>General</u>	<u>Health Department</u>	<u>Small Cities Reuse</u>	<u>Michigan Works!</u>	<u>Revenue Sharing Reserve</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues							
Property taxes	\$ 24,650,445	\$ -	\$ -	\$ -	\$ -	\$ 9,995,783	\$ 34,646,228
Accomodations tax	-	-	-	-	-	1,884,559	1,884,559
Licenses and permits	201,291	256,130	-	-	-	16,670	474,091
Federal grants	400,250	7,319,416	46,822	12,913,023	-	4,423,536	25,103,047
State grants	2,828,936	1,981,017	-	1,721,156	-	5,215,704	11,746,813
Local grants and contributions	-	982,568	-	-	-	352,523	1,335,091
Charges for services	4,662,844	2,593,567	-	-	-	6,710,422	13,966,833
Fines and forfeitures	868,494	-	4,933	-	-	151,398	1,024,825
Investment income	554,235	-	44,961	24,181	181,732	615,068	1,420,177
Rental revenue	-	-	-	-	-	570,636	570,636
Donations	-	41,191	-	14,870	-	745,753	801,814
Reimbursements	3,367,474	183,375	450,422	-	-	2,479,253	6,480,524
Other revenue	198,680	503,636	-	108,406	-	117,398	928,120
Total revenues	<u>37,732,649</u>	<u>13,860,900</u>	<u>547,138</u>	<u>14,781,636</u>	<u>181,732</u>	<u>33,278,703</u>	<u>100,382,758</u>
Expenditures							
Current:							
Legislative	792,296	-	-	-	-	-	792,296
Judicial	11,591,156	-	-	-	-	4,373,851	15,965,007
General government	11,412,583	-	-	-	-	2,137,908	13,550,491
Public safety	8,977,004	-	-	-	-	11,320,923	20,297,927
Public works	424,195	-	-	-	-	786,032	1,210,227
Health and welfare	2,420,038	14,754,092	-	14,261,596	-	13,901,259	45,336,985
Community and economic development	403,236	-	316,430	-	-	2,304,467	3,024,133
Recreation and culture	-	-	-	-	-	1,990,813	1,990,813
Other	1,109,000	-	-	-	-	-	1,109,000
Capital outlay	-	22,314	-	18,130	-	4,583,860	4,624,304
Debt service:							
Principal	-	-	-	-	-	1,410,001	1,410,001
Interest and fiscal charges	-	-	-	-	-	1,777,515	1,777,515
Total expenditures	<u>37,129,508</u>	<u>14,776,406</u>	<u>316,430</u>	<u>14,279,726</u>	<u>-</u>	<u>44,586,629</u>	<u>111,088,699</u>
Revenues over (under) expenditures	<u>603,141</u>	<u>(915,506)</u>	<u>230,708</u>	<u>501,910</u>	<u>181,732</u>	<u>(11,307,926)</u>	<u>(10,705,941)</u>
Other Financing Sources (Uses)							
Transfers in	7,543,402	638,478	-	-	-	10,262,057	18,443,937
Transfers out	(9,460,035)	-	-	(501,910)	(4,375,559)	(386,382)	(14,723,886)
Total other financing sources (uses)	<u>(1,916,633)</u>	<u>638,478</u>	<u>-</u>	<u>(501,910)</u>	<u>(4,375,559)</u>	<u>9,875,675</u>	<u>3,720,051</u>
Net change in fund balances	(1,313,492)	(277,028)	230,708	-	(4,193,827)	(1,432,251)	(6,985,890)
Fund balance, beginning of year	17,657,204	1,177,289	1,182,565	-	9,477,961	17,516,929	47,011,948
Fund balance, end of year	<u>\$ 16,343,712</u>	<u>\$ 900,261</u>	<u>\$ 1,413,273</u>	<u>\$ -</u>	<u>\$ 5,284,134</u>	<u>\$ 16,084,678</u>	<u>\$ 40,026,058</u>

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

COUNTY OF SAGINAW, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Net change in fund balances - total governmental funds \$ (6,985,890)

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.

Add - capital outlay	565,495
Deduct - net loss on sale of capital assets	(124,674)
Deduct - depreciation expense	(1,455,886)

Revenues in the funds that represent repayment of taxes or loans receivable that do not affect the statement of activities (587,269)

A decrease in the net pension asset is recorded as an expense in the statement of activities but does not require the use of current resources and, therefore, is not reported as an expenditure of the funds (106,867)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,410,001

Certain 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.

Add - decrease in accrued interest payable	21,003
Add - decrease in accrued compensated absences	226,258

Internal service funds are used by management to charge the costs of certain activities to individual funds. Some of the net revenue (expense) attributable to those funds is reported with governmental activities.

Add - net operating income from governmental activities in internal service funds	2,739,092
Add - investment income from governmental internal service funds	270,542
Add - net gain on sale of capital assets in governmental internal service funds	14,900
Deduct - net transfers	(60,951)

Change in net assets of governmental activities \$ (4,074,246)

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

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 25,044,679	\$ 25,044,679	\$ 24,650,445	\$ (394,234)
Licenses and permits	192,550	192,550	201,291	8,741
Federal grants	392,682	400,732	400,250	(482)
State grants	2,797,952	2,799,870	2,828,936	29,066
Charges for services	4,763,300	4,763,300	4,662,844	(100,456)
Fines and forfeitures	726,800	726,800	868,494	141,694
Investment income	227,000	227,000	554,235	327,235
Reimbursements	3,275,706	3,353,548	3,367,474	13,926
Other revenue	199,018	199,018	198,680	(338)
Total revenues	<u>37,619,687</u>	<u>37,707,497</u>	<u>37,732,649</u>	<u>25,152</u>
Expenditures				
Legislative - Board of Commissioners	<u>782,425</u>	<u>797,806</u>	<u>792,296</u>	<u>5,510</u>
Judicial:				
Circuit Court	3,320,168	3,319,568	3,305,070	14,498
District Court	3,363,123	3,365,234	3,306,363	58,871
Probate Court	835,154	856,386	855,077	1,309
Family Division	2,870,925	2,949,141	2,945,793	3,348
Probation - Circuit Court	99,782	99,782	96,592	3,190
Probation - District Court	976,738	980,423	976,991	3,432
Assigned Counsel	102,971	103,819	103,770	49
Jury Commission	1,500	1,500	1,500	-
Total judicial	<u>11,570,361</u>	<u>11,675,853</u>	<u>11,591,156</u>	<u>84,697</u>
General government:				
Elections	68,700	139,107	136,464	2,643
Auditing	167,300	167,300	153,523	13,777
Coporate Counsel	126,000	146,805	142,704	4,101
County Clerk	1,077,037	1,077,648	995,230	82,418
Controller	1,207,316	1,217,636	1,188,770	28,866
Equalization	445,641	447,406	444,728	2,678
Prosecuting Attorney	2,916,355	2,907,150	2,922,803	(15,653)
Prosecuting Attorney - Welfare	578,393	590,590	561,597	28,993
Register of Deeds	520,536	522,087	533,303	(11,216)
County Treasurer	731,949	732,627	723,989	8,638
Maintenance	3,262,612	3,259,627	3,180,038	79,589
Maintenance - Telephone	107,000	107,000	93,564	13,436
Public Works Commissioner	338,815	339,349	335,870	3,479
Total general government	<u>11,547,654</u>	<u>11,654,332</u>	<u>11,412,583</u>	<u>241,749</u>

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

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Concluded

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures - continued				
Public Safety:				
Sheriff	\$ 832,299	\$ 833,118	\$ 867,592	\$ (34,474)
Marine Law Enforcement	5,442	5,442	3,149	2,293
Sheriff - Jail Division	7,815,188	7,815,188	7,932,119	(116,931)
Corrections Reimbursement	162,993	162,993	174,144	(11,151)
Total public safety	8,815,922	8,816,741	8,977,004	(160,263)
Public Works - Drains	510,000	510,000	424,195	85,805
Health and Welfare:				
Medical Examiner	340,108	340,108	333,886	6,222
Veterans Burial	120,000	120,000	118,500	1,500
Contributions to Other Agencies	2,011,303	1,971,871	1,967,652	4,219
Total health and welfare	2,471,411	2,431,979	2,420,038	11,941
Community and Economic Development:				
Plat Board	2,000	2,000	668	1,332
Contributions to Other Agencies	409,449	409,449	402,568	6,881
Total community and economic development	411,449	411,449	403,236	8,213
Other general expenditures	1,109,000	1,109,000	1,109,000	-
Debt service - interest	225,000	175,000	-	175,000
Total expenditures	37,443,222	37,582,160	37,129,508	452,652
Revenues over (under) expenditures	176,465	125,337	603,141	477,804
Other Financing Sources (Uses)				
Transfers in	7,434,191	7,543,402	7,543,402	-
Transfers out	(9,393,903)	(9,472,171)	(9,460,035)	12,136
Total other financing sources (uses)	(1,959,712)	(1,928,769)	(1,916,633)	12,136
Net change in fund balances	(1,783,247)	(1,803,432)	(1,313,492)	489,940
Fund balance, beginning of year	17,657,204	17,657,204	17,657,204	-
Fund balance, end of year	\$ 15,873,957	\$ 15,853,772	\$ 16,343,712	\$ 489,940

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

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - HEALTH DEPARTMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Licenses and permits	\$ 347,409	\$ 347,409	\$ 256,130	\$ (91,279)
Federal grants	7,319,416	7,319,416	7,319,416	-
State grants	677,657	853,246	1,981,017	1,127,771
Local grants and contributions	1,056,000	1,016,568	982,568	(34,000)
Charges for services	2,646,508	2,646,508	2,593,567	(52,941)
Donations	68,500	75,500	41,191	(34,309)
Reimbursements	218,646	218,646	183,375	(35,271)
Other revenue	108,348	583,935	503,636	(80,299)
Total revenues	12,442,484	13,061,228	13,860,900	799,672
Expenditures				
Health and welfare	13,291,540	14,207,716	14,754,092	(546,376)
Capital outlay	-	22,000	22,314	(314)
Total expenditures	13,291,540	14,229,716	14,776,406	(546,690)
Revenues over (under) expenditures	(849,056)	(1,168,488)	(915,506)	252,982
Other Financing Sources (Uses)				
Transfers in	599,046	638,478	638,478	-
Net change in fund balances	(250,010)	(530,010)	(277,028)	252,982
Fund balance, beginning of year	1,177,289	1,177,289	1,177,289	-
Fund balance, end of year	\$ 927,279	\$ 647,279	\$ 900,261	\$ 252,982

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

**COUNTY OF SAGINAW, MICHIGAN
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - SMALL CITIES REUSE SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Federal revenue	\$ -	\$ 50,000	\$ 46,822	\$ (3,178)
Fines and forfeitures	-	-	4,933	4,933
Investment income	25,000	25,000	44,961	19,961
Reimbursements	491,834	491,834	450,422	(41,412)
	<u>516,834</u>	<u>566,834</u>	<u>547,138</u>	<u>(19,696)</u>
Expenditures				
Current:				
Community and economic development	1,048,297	1,098,297	316,430	781,867
	<u>(531,463)</u>	<u>(531,463)</u>	<u>230,708</u>	<u>762,171</u>
Fund balance, beginning of year	1,182,565	1,182,565	1,182,565	-
Fund balance, end of year	<u>\$ 651,102</u>	<u>\$ 651,102</u>	<u>\$ 1,413,273</u>	<u>\$ 762,171</u>

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MICHIGAN WORKS! SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Federal grants	\$ 13,011,695	\$ 19,324,183	\$ 12,913,023	\$ (6,411,160)
State grants	960,288	1,971,893	1,721,156	(250,737)
Investment income	1,737	6,658	24,181	17,523
Donations	25,263	34,763	14,870	(19,893)
Other revenue	2,135	123,650	108,406	(15,244)
Total revenues	<u>14,001,118</u>	<u>21,461,147</u>	<u>14,781,636</u>	<u>(6,679,511)</u>
Expenditures				
Health and welfare	13,483,326	20,893,091	14,261,596	6,631,495
Capital outlay	-	20,480	18,130	2,350
Total expenditures	<u>13,483,326</u>	<u>20,913,571</u>	<u>14,279,726</u>	<u>6,633,845</u>
Revenues over (under) expenditures	517,792	547,576	501,910	(45,666)
Other Financing Sources (Uses)				
Transfers out	<u>(517,792)</u>	<u>(547,576)</u>	<u>(501,910)</u>	<u>45,666</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -REVENUE SHARING RESERVE SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Investment income	\$ -	\$ -	\$ 181,732	\$ 181,732
Other Financing Sources (Uses)				
Transfers out	<u>(4,266,348)</u>	<u>(4,375,559)</u>	<u>(4,375,559)</u>	<u>-</u>
Net change in fund balances	(4,266,348)	(4,375,559)	(4,193,827)	181,732
Fund balance, beginning of year	<u>9,477,961</u>	<u>9,477,961</u>	<u>9,477,961</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,211,613</u>	<u>\$ 5,102,402</u>	<u>\$ 5,284,134</u>	<u>\$ 181,732</u>

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

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
SEPTEMBER 30, 2008

	Business-type Activities - Enterprise Funds				Governmental
	Delinquent Tax Revolving	Building Authority Event Center	Other Enterprise Funds	Total	Internal Service Funds
Assets					
Current assets:					
Cash and investment pool	\$ 6,982,394	\$ 990,147	\$ 1,322,516	\$ 9,295,057	\$ 9,664,121
Receivables (net):					
Taxes	12,547,285	50,961	-	12,598,246	-
Accounts	820,933	103,831	63,255	988,019	246,457
Accrued interest	45,004	2,624	5,781	53,409	58,012
Due from other funds	45,883	139,616	-	185,499	27,552
Due from other governmental units	59,174	-	-	59,174	-
Unamortized bond issuance costs	-	57,609	-	57,609	-
Inventories	-	38,115	-	38,115	-
Other assets	-	5,332	6,854	12,186	59,018
Total current assets	20,500,673	1,388,235	1,398,406	23,287,314	10,055,160
Noncurrent assets - capital assets:					
Land	-	18,614	1,034,634	1,053,248	-
Air rights	-	-	117,761	117,761	-
Land improvements	-	-	40,558	40,558	-
Buildings and improvements	-	14,000,235	1,020,504	15,020,739	-
Machinery and equipment	-	896,949	93,133	990,082	1,938,484
Office furniture and fixtures	-	61,201	-	61,201	84,750
Vehicles	-	29,518	113,203	142,721	1,249,078
Planning and development	-	-	8,032,381	8,032,381	-
Construction in progress	-	-	530,039	530,039	-
Accumulated depreciation	-	(1,760,695)	(6,727,788)	(8,488,483)	(2,757,218)
Total noncurrent assets - capital assets	-	13,245,822	4,254,425	17,500,247	515,094
Total assets	20,500,673	14,634,057	5,652,831	40,787,561	10,570,254
Liabilities					
Current liabilities:					
Accounts payable	12,278	195,310	101,872	309,460	436,488
Accrued liabilities	193,201	246,723	8,453	448,377	2,066,543
Deposits payable	-	457,417	12,939	470,356	-
Due to other funds	-	2,787	625,649	628,436	64,159
Unearned revenue	-	41,881	3,748	45,629	-
Unamortized bond premium	-	11,412	-	11,412	-
Notes payable - current	10,356,000	-	-	10,356,000	-
Bonds payable - current	-	1,655,000	-	1,655,000	-
Total current liabilities	10,561,479	2,610,530	752,661	13,924,670	2,567,190
Noncurrent liabilities:					
Advances from other funds	-	-	20,000	20,000	25,000
Accrued liabilities	-	-	-	-	-
Notes payable	5,000,000	-	-	5,000,000	-
Bonds payable	-	3,520,000	-	3,520,000	-
Total noncurrent liabilities	5,000,000	3,520,000	20,000	8,540,000	25,000
Total liabilities	15,561,479	6,130,530	772,661	22,464,670	2,592,190
Net Assets					
Invested in capital assets, net of related debt	-	8,070,822	4,254,425	12,325,247	515,094
Unrestricted	4,939,194	432,705	625,745	5,997,644	7,462,970
Total Net Assets	\$ 4,939,194	\$ 8,503,527	\$ 4,880,170	18,322,891	\$ 7,978,064
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				30,455	
Net assets of business-type activities				<u>\$ 18,353,346</u>	

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

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Building Authority Event Center	Other Enterprise Funds	Total	Internal Service Funds
Operating Revenues					
Charges for services	\$ 622,687	\$ 3,389,478	\$ 1,730,678	\$ 5,742,843	\$ 283,825
Interest income	1,148,153	-	-	1,148,153	-
Fines and forfeitures	-	-	12,626	12,626	-
Rental revenue	-	-	105,325	105,325	238,975
Reimbursements	-	10,207	-	10,207	17,364,585
Other revenue	167,110	145,657	84,885	397,652	297,095
Total operating revenues	<u>1,937,950</u>	<u>3,545,342</u>	<u>1,933,514</u>	<u>7,416,806</u>	<u>18,184,480</u>
Operating Expenses					
Personal services	-	1,624,542	129,353	1,753,895	1,030,967
Fringe benefits	-	502,594	62,130	564,724	12,204,687
Supplies	-	428,211	453,001	881,212	211,697
Services and charges	257,963	1,374,516	655,867	2,288,346	1,767,100
Other	-	196,255	-	196,255	-
Amortization	-	13,836	-	13,836	-
Depreciation	-	382,426	398,244	780,670	220,631
Total operating expenses	<u>257,963</u>	<u>4,522,380</u>	<u>1,698,595</u>	<u>6,478,938</u>	<u>15,435,082</u>
Operating income (loss)	<u>1,679,987</u>	<u>(977,038)</u>	<u>234,919</u>	<u>937,868</u>	<u>2,749,398</u>
Nonoperating Revenues (Expenses)					
Property taxes	-	2,691,750	-	2,691,750	-
Federal grants	-	-	186,325	186,325	-
State grants	-	-	38,446	38,446	-
Investment income	235,510	15,645	246,382	497,537	270,542
Interest expense and fiscal charges	(412,583)	(242,166)	-	(654,749)	-
Gain on sale of capital assets	-	-	-	-	14,900
Total nonoperating revenues (expenses)	<u>(177,073)</u>	<u>2,465,229</u>	<u>471,153</u>	<u>2,759,309</u>	<u>285,442</u>
Income (loss) before transfers	<u>1,502,914</u>	<u>1,488,191</u>	<u>706,072</u>	<u>3,697,177</u>	<u>3,034,840</u>
Transfers					
Transfers in	-	-	97,500	97,500	1,000
Transfers out	(2,850,000)	(5,500)	(901,100)	(3,756,600)	(61,951)
Net transfers	<u>(2,850,000)</u>	<u>(5,500)</u>	<u>(803,600)</u>	<u>(3,659,100)</u>	<u>(60,951)</u>
Change in net assets	(1,347,086)	1,482,691	(97,528)	38,077	2,973,889
Net assets, beginning of year	<u>6,286,280</u>	<u>7,020,836</u>	<u>4,977,698</u>		<u>5,004,175</u>
Net assets, end of year	<u>\$ 4,939,194</u>	<u>\$ 8,503,527</u>	<u>\$ 4,880,170</u>		<u>\$ 7,978,064</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>10,306</u>	
Change in net assets of business-type activities				<u>\$ 48,383</u>	

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

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Continued

	Business-type Activities - Enterprise Funds				Governmental
	Delinquent Tax Revolving	Building Authority Event Center	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:					
Receipts from customers	\$ (66,652)	\$ 3,421,486	\$ 1,884,268	\$ 5,239,102	\$ -
Receipts from interfund services provided	-	-	7,123	7,123	17,960,370
Payments for interfund services provided	(21,884)	(904)	(125,312)	(148,100)	-
Payments to employees	-	(2,127,136)	(188,981)	(2,316,117)	(1,594,765)
Payments to suppliers	(115,380)	(2,128,335)	(1,092,069)	(3,335,784)	(13,954,531)
Other operating revenue	167,110	155,864	97,511	420,485	296,543
Net cash provided by (used in) operating activities	(36,806)	(679,025)	582,540	(133,291)	2,707,617
Cash flows from noncapital financing activities:					
Property tax collections	-	2,691,750	-	2,691,750	-
Repayments of advances to other funds	172,524	-	-	172,524	-
Transfers in	-	-	97,500	97,500	-
Transfers out	(2,850,000)	(5,500)	(901,100)	(3,756,600)	(61,951)
Proceeds from issuing long-term debt	13,000,000	-	-	13,000,000	-
Principal paid on long-term debt	(8,616,000)	-	-	(8,616,000)	-
Interest paid on long-term debt	(412,583)	-	-	(412,583)	-
Net cash provided by (used in) noncapital financing activities	1,293,941	2,686,250	(803,600)	3,176,591	(61,951)
Cash flows from capital and related financing activities:					
Principal paid on capital debt	-	(1,595,000)	-	(1,595,000)	-
Interest paid on capital debt	-	(242,166)	-	(242,166)	-
Proceeds from sale of capital assets	-	-	224,771	224,771	-
Payments for capital asset acquisition	-	-	(228,648)	(228,648)	(30,053)
Net cash provided by (used in) capital and related financing activities	-	(1,837,166)	(3,877)	(1,841,043)	(30,053)
Cash flows from investing activities:					
Investment income	235,510	15,645	246,382	497,537	270,542
Net increase (decrease) in cash and cash equivalents	1,492,645	185,704	21,445	1,699,794	2,886,155
Cash and cash equivalents, beginning of year	5,489,749	804,443	1,301,071	7,595,263	6,777,966
Cash and cash equivalents, end of year	\$ 6,982,394	\$ 990,147	\$ 1,322,516	\$ 9,295,057	\$ 9,664,121

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

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Concluded

	Business-type Activities - Enterprise Funds				Governmental
	Delinquent Tax Revolving	Building Authority Event Center	Other Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,679,987	\$ (977,038)	234,919	\$ 937,868	\$ 2,749,398
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	382,426	398,244	780,670	220,631
Changes in assets and liabilities:					
Accounts receivable	(1,850,320)	(5,989)	47,467	(1,808,842)	20,725
Due from other funds	(21,884)	(2,231)	6,170	(17,945)	3,729
Due from other governmental units	12,828	-	-	12,828	-
Unamortized bond issuance costs	-	17,268	-	17,268	-
Inventories	-	(2,415)	-	(2,415)	-
Other assets	-	8,811	(1,576)	7,235	(24,348)
Accounts payable	2,994	(12,950)	54,121	44,165	34,783
Accrued liabilities	144,141	46,207	2,502	192,850	(345,832)
Deposits payable	(4,552)	(169,006)	4,726	(168,832)	-
Due to other funds	-	1,327	(124,359)	(123,032)	48,531
Due to other governmental units	-	-	(40,472)	(40,472)	-
Unearned revenue	-	37,997	798	38,795	-
Unamortized bond premium	-	(3,432)	-	(3,432)	-
Net cash provided by (used in) operating activities	<u>\$ (36,806)</u>	<u>\$ (679,025)</u>	<u>\$ 582,540</u>	<u>\$ (133,291)</u>	<u>\$ 2,707,617</u>

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

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
SEPTEMBER 30, 2008

	Post- Employment Health Benefits Trust Fund	Agency Funds
Assets		
Cash and investment pool	\$ 102,538	\$ 11,977,494
Investments, at fair value - mutual funds	10,940,011	-
Receivables (net):		
Taxes	-	17,323
Accounts	124,148	3,905,003
Accrued interest	1,482	4,368
	<u>11,168,179</u>	<u>\$ 15,904,188</u>
Liabilities		
Accounts payable	-	\$ 439,099
Accrued liabilities	286,281	-
Deposits payable	-	4,783,805
Due to other governmental units	-	10,681,284
	<u>286,281</u>	<u>\$ 15,904,188</u>
Net Assets		
Held in trust for postemployment health benefits	<u>\$ 10,881,898</u>	

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

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS - POSTEMPLOYMENT HEALTH BENEFITS TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Additions

Contributions:

Employer	\$ 3,653,344
Retirees	<u>195,231</u>

Total contributions	<u>3,848,575</u>
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Investment earnings (losses):

Net depreciation in fair value of investments	(2,969,091)
Interest and dividends	<u>1,120,672</u>

Net investment losses	<u>(1,848,419)</u>
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Total additions (net of investment losses)	<u>2,000,156</u>
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Deductions

Participant benefits	4,126,148
Administrative expenses	<u>168,814</u>

Total deductions	<u>4,294,962</u>
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Change in net assets	(2,294,806)
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Net assets, beginning of year	<u>13,176,704</u>
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Net assets, end of year	<u><u>\$ 10,881,898</u></u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF NET ASSETS - COMPONENT UNITS
SEPTEMBER 30, 2008

	Brownfield Redevelopment Authority	Department of Public Works	Drain Commission	Economic Development Corporation	Land Bank Authority	Total
Assets						
Cash and investment pool	\$ 771,853	\$ 83,164	\$ 5,849,936	\$ 885,354	\$ 931,778	\$ 8,522,085
Receivables (net)	602,376	19,416,315	10,462,812	162,936	477,962	31,122,401
Inventory	-	-	-	-	201,211	201,211
Other assets	-	-	333	-	275	608
Capital assets, net:						
Assets not being depreciated	-	-	1,433,875	-	-	1,433,875
Assets being depreciated	-	-	39,687,567	-	-	39,687,567
Total assets	1,374,229	19,499,479	57,434,523	1,048,290	1,611,226	80,967,747
Liabilities						
Accounts payable and accrued liabilities	7,500	386,590	566,711	755,732	34,146	1,750,679
Unearned revenue	-	-	150	-	-	150
Long-term liabilities:						
Due within one year	27,357	1,179,000	628,194	-	-	1,834,551
Due in more than one year	436,528	17,849,000	9,108,796	-	-	27,394,324
Total liabilities	471,385	19,414,590	10,303,851	755,732	34,146	30,979,704
Net Assets						
Invested in capital assets, net of related debt	-	-	31,384,452	-	-	31,384,452
Restricted for:						
Debt service	-	62,692	656,139	-	-	718,831
Acquisition/construction of capital assets	-	20,351	4,685,117	-	-	4,705,468
Unrestricted	902,844	1,846	10,404,964	292,558	1,577,080	13,179,292
Total net assets	\$ 902,844	\$ 84,889	\$ 47,130,672	\$ 292,558	\$ 1,577,080	\$ 49,988,043

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

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Continued

	<u>Program Revenues</u>				<u>Net (Expense) Revenue</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Brownfield Redevelopment Authority					
Governmental Activities:					
Community and economic development	\$ 839,577	\$ -	\$ 1,417,811	\$ -	\$ 578,234
Department of Public Works					
Governmental Activities:					
Public works	2,073,120	91,832	-	2,780,513	799,225
Interest on long-term debt	837,268	-	-	-	(837,268)
Total Department of Public Works	2,910,388	91,832	-	2,780,513	(38,043)
Drain Commission					
Governmental Activities:					
Public works	3,077,767	153,241	-	2,618,472	(306,054)
Interest on long-term debt	345,360	-	-	-	(345,360)
Total Drain Commission	3,423,127	153,241	-	2,618,472	(651,414)
Economic Development Corporation					
Business Type Activities:					
Community and economic development	1,254,738	15,682	1,265,753	-	26,697
Land Bank Authority					
Business Type Activities:					
Community and economic development	102,604	1,533	676,916	-	575,845
Total component units	<u>\$ 8,530,434</u>	<u>\$ 262,288</u>	<u>\$ 3,360,480</u>	<u>\$ 5,398,985</u>	<u>\$ 491,319</u>

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

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Concluded

	Brownfield Redevelopment Authority	Department of Public Works	Drain Commission	Economic Development Corporation	Land Bank Authority	Total
Change in net assets						
Net (expense) revenue	\$ 578,234	\$ (38,043)	\$ (651,414)	\$ 26,697	\$ 575,845	\$ 491,319
General revenues:						
Property taxes	117,752	-	-	-	-	117,752
Investment income - interest earned	23,431	2,719	110,501	17,137	27,319	181,107
Total general revenues	141,183	2,719	110,501	17,137	27,319	298,859
Change in net assets	719,417	(35,324)	(540,913)	43,834	603,164	790,178
Net assets, beginning of year	183,427	120,213	47,671,585	248,724	973,916	49,197,865
Net assets, end of year	\$ 902,844	\$ 84,889	\$ 47,130,672	\$ 292,558	\$ 1,577,080	\$ 49,988,043

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

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The boundaries of the County of Saginaw (the “County”) were set by proclamation of Governor Cass on September 10, 1822. These boundaries were subsequently changed by an act of the Legislative Council, approved March 2, 1831. During 1834, the question of conferring on the Township of Saginaw the status of a County was discussed and a resolution of the Council passed to the effect: - “That the County of Saginaw shall be organized when this act takes effect” - This act of organization was approved January 28, 1835, and put in force the second Monday of February 1835. The County of Saginaw now contains 3 cities, 27 townships and 5 incorporated villages. The population of the County according to the Federal Census of 2000 is 210,039.

The accounting policies of the County of Saginaw conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant policies:

A. REPORTING ENTITY

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the County and its component units. The component units discussed below are included in the County’s reporting entity because they are entities for which the County is considered to financially accountable.

Blended Component Unit - The Building Authority has been included as part of the County financial statements since the County appoints the governing authority and the Building Authority provides its services entirely to the County of Saginaw. A complete financial statement can be obtained from Saginaw County, Controller’s Office, 111 S. Michigan Ave., Saginaw, Michigan 48602.

Discretely Presented Component Units - The component unit column in the Government-wide financial statements includes the financial data of the County’s other component units. These units are reported in a separate column to emphasize that they are legally separate from the County.

Brownfield Redevelopment Authority - Property tax revenues received from the captured portion of these properties are restricted to pay site clean up expenditures and future development depending on the development plan adopted for each project. The members of the governing Board of the Authority are appointed by the County Board of Commissioners and they review and approve development plans for businesses relocating within designated areas of the County where property was once contaminated. The nature and significance of the relationship between the County and the Authority is such that exclusion would cause the reporting entity financial statements to be misleading or incomplete.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Department of Public Works - Pursuant to Michigan Compiled Law 123.732, the County entered into a program of water supply and sanitary sewer facility construction. The Department of Public Works is under the general control of the County and under the immediate control of the Public Works Commissioner. Bonds issued are authorized by an ordinance or a resolution approved by the Public Works Commissioner and by the County. The nature and significance of the relationship between the County and the Department of Public Works is such that exclusion would cause the reporting entity financial statements to be misleading or incomplete.

Drain Commission - Each of the drainage districts established pursuant to the Drain Code of 1956 are separate legal entities, with the power to contract, to sue and be sued, to hold, manage and dispose of real and personal property, etc. The County Public Works Commissioner has sole responsibility to administer the drainage district established pursuant to Chapters 3 and 4 of the Drain Code. The drainage Board or Public Works Commissioner, on behalf of the drainage district, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board of Commissioners. The full faith and credit of the County may be given for the debt of the drainage district. The County employs all full-time employees and the elected officials of the Drain Commission. The Drain Commission deposits its receipts with the County Treasurer. The nature and significance of the relationship between the County and the Drain Commission is such that exclusion would cause the reporting entity financial statements to be misleading or incomplete.

Economic Development Corporation - The Economic Development Corporation is governed by a nine-member Board who are approved by the Saginaw County Board of Commissioners. The County has appropriation authority and budgetary control over the activities of the Economic Development Corporation. The Economic Development Corporation provides the means and methods of encouragement and assistance to strengthen and revitalize the economy of Saginaw County by improving the atmosphere for progress and growth through new employment opportunities and an increased tax base. The Economic Development Corporation's activities are reported discretely as a governmental fund type.

Land Bank Authority – The Saginaw County Land Bank Authority is a public body corporate organized pursuant to the Michigan Land Bank Fast Track P.A. 258 and an Intergovernmental Agreement entered into between the Michigan Land Bank Fast Track Authority and the Treasurer of the County of Saginaw, Michigan. The Land Bank Authority was created to acquire, hold, manage and develop tax-foreclosed properties, as well as other vacant and abandoned properties. The Authority was legally established on December 7, 2005, and began operations on that date. The Authority is comprised of seven members, as follows: Treasurer of Saginaw County and six persons appointed by the Saginaw County Board of Commissioners. One of the six persons is appointed to represent the interest of the City of Saginaw and one of the six persons to represent the interest of the other units of local government in Saginaw County.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

In addition, the County has a component unit, as defined by GAAP, which is excluded from these financial statements. The Saginaw County Road Commission is administratively separate from the rest of the County, and engages other auditors to audit their stand-alone financial statements. While this entity is required to be a part of the County's financial reporting entity in accordance with GAAP, it has been excluded in 2008 because the Road Commission changed its year-end to December 31. As such, an audit has not been completed for the 2008 year in time for inclusion in the County's September 30, 2008, financial statements. The last audit completed for the Road Commission was for the year ended September 30, 2007.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets 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 the 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 legally separate component units for which the primary government is financial 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.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

C. 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, except for agency funds, which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, or within one year for reimbursement-based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The government reports the following major governmental funds:

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

The *health department fund* accounts for the grant revenues and the related operations of the Saginaw County Health Department.

The *small cities reuse fund* accounts for the services to provide low interest loans to assist professional, commercial and industrial entities in rehabilitation and expansion of existing or new businesses. Revenues for this fund include grant revenues, interest earnings on loans, interest earnings on investments and principal repayments.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

The *Michigan Works! fund* accounts for the grant revenues and the related job placement operations of the Michigan Works! fund.

The *revenue sharing reserve fund* accounts for the collection and distribution of property taxes in accordance with Public Act 357 of 2004 which provides a funding mechanism to serve as a substitute to county revenue sharing payments. This substitute funding mechanism involves a gradual shift of county property tax millage from a winter tax levy to a summer tax levy over a course of three consecutive years.

The government reports the following major proprietary funds:

The *delinquent tax revolving fund* accounts for the purchase of delinquent taxes from other local taxing units.

The *building authority event center fund* accounts for the operations of the Saginaw County Event Center.

Additionally, the County reports the following fund types:

Internal service funds account for the data processing, mail services, fringe benefits and fleet management services provided to other departments or agencies of the government on a cost reimbursement basis.

The *postemployment health benefits trust fund* is used to account for the government's postemployment health benefit activity.

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the delinquent tax revolving and building authority event center enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues interest income and fees associated with banquet room rentals, and the sale of entertainment admission. 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.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

1. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the County considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

2. INVESTMENTS

Investments are reported 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 an established market are reported at estimated fair value.

3. RECEIVABLES

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

4. DUE TO/FROM OTHER FUNDS

During the course of its operations, the County has numerous transactions between funds to finance operations, to provide services, construct assets and service debt. To the extent that certain transactions between funds had not been paid or received as of fiscal year end, balances of interfund accounts receivable or payable have been recorded.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

5. ADVANCES

Advances to and advances from governmental funds represent non-current portions of interfund receivables and payables. The governmental fund making the advance establishes a fund balance reserve equal to the amount of the advance.

6. INVENTORIES

Inventory in the Land Bank Authority represents land inventory held for resale. Inventory in the Building Authority Event Center enterprise fund consists of various food and beverage supplies and are valued at cost using the first-in / first-out (“FIFO”) method. Costs related to inventory purchases in the Building Authority Event Center fund are recorded as assets when purchased and are charged to expenses when used.

7. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the County of Saginaw), 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 with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects when constructed. Capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

Building and improvements	5-45 years
Equipment	3-10 years
Vehicles and accessories	2-8 years
Office furniture and fixtures	5-20 years
Planning and development	5-30 years
Infrastructure	50 years

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

8. 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 government activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

9. FUND EQUITY

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

10. INTERFUND TRANSACTIONS

During the course of normal operations, the County has numerous transactions between funds, including expenditures and transfers of resources to provide services and to service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers.

Internal Service Funds are used and record charges for services to all County departments and funds as operating revenue. All affected County funds record these payments to the Internal Service Funds as operating expenditures or expenses.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

11. COMPENSATED ABSENCES

Union Employees

In March 1989, the County modified its sick leave policy for certain bargaining units. The sick day bank was frozen and accrual of sick days for these employees was discontinued. Sick leave was replaced with disability payments at 60% of the employees' annual salary, for a duration of one year.

In April 2006, the County modified its vacation and sick leave policy for certain union employees. Previously accumulated vacation, personal leave and frozen sick leave were converted to Paid-Time-Off days ("PTO"). Union employees are granted PTO days, based on length of service and may carry over 700 hours of PTO to any subsequent year. Upon separation from the County, employees are compensated for one-half of their accumulated PTO hours at their current hourly rate, up to a maximum of 600 hours (maximum payout is for 300 hours / 37.5 days).

Non-Union Employees

Non-union employees are granted PTO days, based on length of service and may carry over 700 hours of PTO to any subsequent year. Upon separation from the County, employees are compensated for one-half of their accumulated PTO hours at their current hourly rate, up to a maximum of 600 hours (maximum payout is for 300 hours / 37.5 days).

Compensated Absence Liability Recognition

Accumulated PTO is accrued when incurred in the proprietary funds. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The unpaid PTO pay that is applicable to governmental fund types is reported in the Statement of Net Assets.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETS AND BUDGETARY ACCOUNTING

The County follows these procedures in establishing the budgetary data reflected in the financial statements.

- Annual budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Funds. Annual Informational Budget Summaries are prepared for Enterprise Funds and Internal Service Funds.

- The County Controller is authorized to transfer budgeted amounts from one category to another within an activity and between activities within the same fund in an amount up to \$50,000 for non-equipment expenditures and up to \$25,000 for equipment expenditures. Revisions that alter the total expenditures of any fund or total activity within the General Fund must be approved by the Board of Commissioners. The activity level in the General Fund and the Special Revenue Funds is the legal level of control.
- Budgets for the General and Special Revenue Funds are prepared on a modified accrual basis, while the Internal Service and Enterprise Fund informational budgets are prepared using the accrual basis of accounting. Both methods are consistent with generally accepted accounting principles (“GAAP”).
- Budget appropriations lapse at year-end.
- The original budget was amended during the year in compliance with local and state laws. The budget to actual expenditures in the financial statements represent the final budgeted expenditures as amended by the County. Supplemental appropriations were necessary during the year.
- The County’s annual budgeting process includes the adoption of a budget resolution to establish the manner in which a surplus fund balance in the General Fund is distributed among the County funds. The budget resolution adopted for the year ended September 30, 2008, established that the 2008 General Fund budgeted surplus be transferred as follows: two-thirds (2/3) of any such surplus to the Public Improvement Special Revenue Fund and the remaining one-third (1/3) to the General Fund Budget Stabilization Fund Balance account.

Results of operations for the year ended September 30, 2008, did not produce a General Fund unallocated surplus.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS FOR BUDGETARY FUNDS

The General Fund and other County Funds had expenditures exceeding budgeted appropriations at the activity level, which is the County’s legal level of budgetary control for the year ended September 30, 2008.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
GENERAL FUND			
GENERAL GOVERNMENT			
Prosecuting Attorney	\$ 2,907,150	\$ 2,922,803	\$ (15,653)
Register of Deeds	522,087	533,303	(11,216)
PUBLIC SAFETY			
Sheriff	833,118	867,592	(34,474)
Sheriff – Jail Division	7,815,188	7,932,119	(116,931)
Corrections Reimbursement	162,993	174,144	(11,151)
HEALTH DEPARTMENT SPECIAL REVENUE FUND			
Health and Welfare	14,207,716	14,754,092	(546,376)
Capital Outlay	22,000	22,314	(314)

The above items represent violations of the County’s budgeting policies. Revenues were sufficient to cover all expenditures.

III. DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENT POOL

In May of 1996 the County Board of Commissioners adopted a comprehensive investment policy describing the types of investments in which the County Treasurer may invest. Management believes that the guidelines of this policy are in accordance with State of Michigan statutory guidelines as disclosed below.

Statutes authorize the County to invest in the following:

- Bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution.
- Commercial paper rated at the time of purchase at the highest classifications (except for GMAC) established by not less than two standard rating services and that matures not more than 270 days after the day of purchase.
- Repurchase agreements consisting of instruments in item one above.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

- Bankers acceptance of United States banks.
- Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- Obligations described in items one through six above, if purchased through an interlocal agreement under the urban cooperation act of 1967. 1967 (ExSess) PA 7, MCL 124.501 to 124.512.
- Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367 MCL 129.111 to 129.118.
- Investment pools organized under the local government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.
- Mutual Funds registered under Investment Company Act of 1940, Title I of Chapter 686, 54 Stat. 789, 15 U.S.C. 80a-3 and 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. The Mutual Fund must be limited to securities whose intention is to maintain a net asset value of \$1 per share. Only the interest rate will differ from day to day.

A reconciliation of cash, pooled investments and investments as shown in the basic financial statements to the County's deposits and investments is as follows:

	<u>Carrying Amount</u>
Government-wide Financial Statement Captions:	
Primary Government:	
Cash and investment pool	\$ 55,928,669
Component Units:	
Cash and investment pool	8,522,085
Fiduciary Fund Financial Statement Captions:	
Cash and investment pool	12,080,032
Investments	<u>10,940,011</u>
 Total	 <u>\$87,470,797</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Deposits and Investments:

Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 32,608,297
Investments:	
U.S. Treasury notes	9,006,755
U.S. agencies	11,075,846
Mutual funds	10,940,011
Money market accounts	23,756,101
Cash on hand	83,787
Total	\$ 87,470,797

	Investment Maturities (In Years)			Credit Rating Range	
	Fair Value	Less Than 1	1-5	Standard & Poors	Moody's Investor's Services
U.S. Treas. Notes	\$ 9,006,755	\$ 8,000,427	\$ 1,006,328	n/a	n/a
U.S. Agencies	11,075,846	5,023,487	6,052,359	AAA	Aaa
Total	\$ 20,082,601	\$ 13,023,914	\$ 7,058,687		

Investment and deposit risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments. The County further limits the allowable investments and maturities of some allowable investments in their investment policy. The investment policy states that the County will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the County will not directly invest in securities maturing more than three years from the date of purchase. The County may collateralize its repurchase agreements using longer-dated investments not to exceed three years to maturity. Reserve funds may be invested in securities exceeding three years if the maturity of such investments are made to coincide as nearly as possible with the expected use of the funds. The maturity dates for each investment are identified above for investments held at year end.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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 investment pools as identified above. The County's investment policy does not have specific limits in excess of state law on investment credit risk. The ratings for each investment are identified above for investments held at year-end.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year-end \$42,604,591 of the County's bank balance of \$44,104,591 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require a policy for investment custodial credit risk. The County's investment policy does not address custodial credit risk for investments. However, while uninsured and unregistered, the County's funds are not exposed to custodial credit risk since the securities are held in the counterparty's trust department in the County's name.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified above. The County's investment policy does not limit concentration of credit risk. The County's investments in mutual funds are comprised of three (3) separate investment accounts. One of the County's mutual fund investment accounts comprises approximately 20% of the County's total investment balance at year-end. All investments held at year-end are reported above.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

B. RECEIVABLES

Receivables in the primary government and component units are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Units</u>
Taxes	\$ 4,189,638	\$12,598,246	\$ -
Accounts	35,506,143	988,019	11,690,245
Notes			
Due within one year	360,000	-	-
Due after one year	3,082,692	-	-
Interest	303,719	53,409	16,128
Intergovernmental	5,638,108	59,174	19,416,028
Less: allowance for uncollectible accounts	<u>(199,688)</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 48,880,612</u>	<u>\$13,698,848</u>	<u>\$ 31,122,401</u>

Of the amounts recorded as receivables, approximately \$34,627,692, \$3,149,562, and \$26,957,796 of the governmental activities, business-type activities and component unit receivables, respectively, are not expected to be collected within one year.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

C. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2008, was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 1,129,674	\$ 14,350	\$ -	\$ 1,144,024
Construction in progress	<u>3,673,380</u>	<u>166,920</u>	<u>-</u>	<u>3,840,300</u>
Total capital assets not being depreciated	<u>4,803,054</u>	<u>181,270</u>	<u>-</u>	<u>4,984,324</u>
Capital assets being depreciated:				
Land improvements	7,071,968	42,698	(17,900)	7,096,766
Buildings	29,652,398	27,604	-	29,680,002
Equipment	7,462,628	169,776	(392,077)	7,240,327
Office furniture & fixtures	216,250	-	-	216,250
Vehicles	<u>2,925,634</u>	<u>174,200</u>	<u>(272,037)</u>	<u>2,827,797</u>
Total capital assets being depreciated	<u>47,328,878</u>	<u>414,278</u>	<u>(682,014)</u>	<u>47,061,142</u>
Less accumulated depreciation				
Land improvements	(1,692,811)	(146,047)	17,900	(1,820,958)
Buildings	(13,057,403)	(607,946)	-	(13,665,349)
Equipment	(4,136,845)	(591,440)	283,372	(4,444,913)
Office furniture & fixtures	(103,319)	(37,536)	-	(140,855)
Vehicles	<u>(2,258,957)</u>	<u>(293,548)</u>	<u>271,904</u>	<u>(2,280,601)</u>
Total accumulated depreciation	<u>(21,249,335)</u>	<u>(1,676,517)</u>	<u>573,176</u>	<u>(22,352,676)</u>
Total capital assets being depreciated, net	<u>26,079,543</u>	<u>(1,262,239)</u>	<u>(108,838)</u>	<u>24,708,466</u>
Governmental activities capital assets, net	<u>\$30,882,597</u>	<u>\$(1,080,969)</u>	<u>\$ (108,838)</u>	<u>\$ 29,692,790</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 1,053,248	\$ -	\$ -	\$ 1,053,248
Air rights	117,761	-	-	117,761
Construction in progress	<u>789,700</u>	<u>-</u>	<u>(259,661)</u>	<u>530,039</u>
Total capital assets not being depreciated	<u>1,960,709</u>	<u>-</u>	<u>(259,661)</u>	<u>1,701,048</u>
Capital assets being depreciated:				
Land improvements	40,558	-	-	40,558
Buildings	15,020,739	-	-	15,020,739
Office furniture and fixtures	61,201	-	-	61,201
Planning and development	7,605,174	488,309	(61,102)	8,032,381
Equipment	990,082	-	-	990,082
Vehicles	<u>142,721</u>	<u>-</u>	<u>-</u>	<u>142,721</u>
Total capital assets being depreciated	<u>23,860,475</u>	<u>488,309</u>	<u>(61,102)</u>	<u>24,287,682</u>
Less accumulated depreciation				
Land improvements	(40,326)	(232)	-	(40,558)
Buildings	(1,990,717)	(368,531)	-	(2,359,248)
Office furniture and fixtures	(10,513)	(3,320)	-	(13,833)
Planning and development	(5,337,245)	(341,606)	61,102	(5,617,749)
Equipment	(269,669)	(58,269)	-	(327,938)
Vehicles	<u>(120,445)</u>	<u>(8,712)</u>	<u>-</u>	<u>(129,157)</u>
Total accumulated depreciation	<u>(7,768,915)</u>	<u>(780,670)</u>	<u>61,102</u>	<u>(8,488,483)</u>
Total capital assets being depreciated, net	<u>16,091,560</u>	<u>(292,361)</u>	<u>-</u>	<u>15,799,199</u>
Business-type activities capital assets, net				
	<u>\$18,052,269</u>	<u>\$ (292,361)</u>	<u>\$(259,661)</u>	<u>\$17,500,247</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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

Governmental activities:

Judicial	\$ 76,191
General government	410,818
Public safety	528,789
Public works	5,255
Health and welfare	287,567
Community and economic development	1,146
Recreation and culture	146,120
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>220,631</u>

Total depreciation expense – governmental activities \$ 1,676,517

Business-type activities:

Building Authority Event Center	\$ 382,426
Harry W. Browne Airport	395,649
Parking system	1,457
Inmate services	<u>1,138</u>

Total depreciation expense – business-type activities \$ 780,670

Discretely presented component units

Activity for the Drain Commission for the year ended September 30, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Construction in progress	\$ 1,119,088	\$ 314,787	\$ -	\$ 1,433,875
Capital assets being depreciated:				
Infrastructure	59,515,292	-	-	59,515,292
Equipment	<u>25,289</u>	<u>13,250</u>	-	<u>38,539</u>
Total capital assets being depreciated	<u>59,540,581</u>	<u>13,250</u>	-	<u>59,553,831</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Less accumulated depreciation				
Infrastructure	\$(18,658,398)	\$(1,190,306)	\$ -	\$(19,848,704)
Equipment	<u>(14,150)</u>	<u>(3,410)</u>	<u>-</u>	<u>(17,560)</u>
Total accumulated depreciation	<u>(18,672,548)</u>	<u>(1,193,716)</u>	<u>-</u>	<u>(19,866,264)</u>
Total capital assets being depreciated, net	<u>40,868,033</u>	<u>(1,180,466)</u>	<u>-</u>	<u>39,687,567</u>
Drain commission capital assets, net	<u>\$ 41,987,121</u>	<u>\$ (865,679)</u>	<u>\$ -</u>	<u>\$ 41,121,442</u>

D. PAYABLES

Accounts payable and accrued liabilities in the primary government are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Accounts	\$ 5,531,738	\$ 246,821
Wages, fringe benefits and other accrued liabilities	1,474,643	634,345
Interest	711,829	279,451
Intergovernmental	<u>510,991</u>	<u>-</u>
Total	<u>\$ 8,229,201</u>	<u>\$ 1,160,617</u>

E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Advances to/from other funds:

	<u>Advance From</u>	<u>Advance To</u>
General	\$ 45,000	\$ -
Nonmajor enterprise funds	-	20,000
Internal service funds	<u>-</u>	<u>25,000</u>
Total	<u>\$ 45,000</u>	<u>\$ 45,000</u>

The advances from the General Fund to the nonmajor enterprise and internal service funds exist to maintain adequate cash reserves in the funds.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Due to	Due from							Total
	General Fund	Health Department	Michigan Works!	Nonmajor Governmental Funds	Delinquent Tax Revolving	Building Authority Event Center	Internal Service Funds	
General Fund	\$ -	\$ 298	\$ 152	\$ 7,746	\$ 30,367	\$ -	\$ 19,168	\$ 57,731
Michigan Works! Nonmajor Governmental Funds	-	-	-	46,981	-	-	-	46,981
Building Authority Event Center	565,013	-	62,722	106,102	12,729	139,616	8,384	894,566
Nonmajor Enterprise Funds	-	-	-	-	2,787	-	-	2,787
Internal Service Funds	441	-	-	625,208	-	-	-	625,649
	<u>14,159</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,159</u>
Total	<u>\$ 579,613</u>	<u>\$ 298</u>	<u>\$ 62,874</u>	<u>\$ 836,037</u>	<u>\$ 45,883</u>	<u>\$ 139,616</u>	<u>\$ 27,552</u>	<u>\$1,691,873</u>

\$507,876 of the balance due to the General Fund from the nonmajor governmental funds resulted from short-term advances provided by the General Fund for cash flow requirements. The entire balance of this interfund receivable is scheduled to be collected in the subsequent year.

The remaining balances also resulted from short-term advances for cash flow requirements or from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Transfer to	Transfer from								Total
	General Fund	Michigan Works!	Revenue Sharing Reserve	Nonmajor Governmental Funds	Delinquent Tax Revolving	Building Authority Event Center	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 4,375,559	\$ 30,000	\$ 2,850,000	\$ -	\$ 275,892	\$ 11,951	\$ 7,543,402
Health Department	638,478	-	-	-	-	-	-	-	638,478
Nonmajor Governmental Funds	8,732,557	501,910	-	346,882	-	5,500	625,208	50,000	10,262,057
Nonmajor Enterprise Funds	88,000	-	-	9,500	-	-	-	-	97,500
Internal Service Funds	1,000	-	-	-	-	-	-	-	1,000
Total	<u>\$ 9,460,035</u>	<u>\$ 501,910</u>	<u>\$ 4,375,559</u>	<u>\$ 386,382</u>	<u>\$ 2,850,000</u>	<u>\$ 5,500</u>	<u>\$ 901,100</u>	<u>\$ 61,951</u>	<u>\$18,542,437</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In addition, the Revenue Sharing Reserve Fund has transferred the allowable spending amount to the General Fund in compliance with Public Act 357 of 2004.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

F. LONG-TERM DEBT

Changes in Long-Term Debt

Long-term liability activity for the year ended September 30, 2008, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Primary Government					
Governmental activities:					
General obligation bonds	\$ 37,300,010	\$ -	\$ (1,410,001)	\$ 35,890,009	\$ 1,610,001
Long-term advances	138,000	-	(25,000)	113,000	-
Internal service fund - Claims	2,320,488	9,146,390	(9,484,069)	1,982,809	1,982,809
Compensated absences	<u>1,720,662</u>	<u>2,639,895</u>	<u>(2,891,064)</u>	<u>1,469,493</u>	<u>1,469,493</u>
	<u>\$ 41,479,160</u>	<u>\$ 11,786,285</u>	<u>\$ (13,810,134)</u>	<u>\$ 39,455,311</u>	<u>\$ 5,062,303</u>
Business-type activities:					
General obligation bonds	\$ 6,770,000	\$ -	\$ (1,595,000)	\$ 5,175,000	\$ 1,655,000
General obligation notes	10,972,000	13,000,000	(8,616,000)	15,356,000	10,356,000
Compensated absences	<u>4,151</u>	<u>6,442</u>	<u>(5,656)</u>	<u>4,937</u>	<u>4,937</u>
	<u>\$ 17,746,151</u>	<u>\$ 13,006,442</u>	<u>\$ (10,216,656)</u>	<u>\$ 20,535,937</u>	<u>\$ 12,015,937</u>
Component Units					
Brownfield Redevelopment Authority:					
Loans from State of Michigan	<u>\$ 494,095</u>	<u>\$ -</u>	<u>\$ (30,210)</u>	<u>\$ 463,885</u>	<u>\$ 27,357</u>
Department of Public Works:					
General obligation bonds	<u>\$ 20,846,000</u>	<u>\$ -</u>	<u>\$ (1,818,000)</u>	<u>\$ 19,028,000</u>	<u>\$ 1,179,000</u>
Drain Commission:					
General obligation bonds and notes	<u>\$ 12,320,174</u>	<u>\$ 26,910</u>	<u>\$ (2,610,094)</u>	<u>\$ 9,736,990</u>	<u>\$ 628,194</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for those funds are included as part of the above totals for governmental activities. At year-end, \$46,984 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Primary Government

General obligation and revenue bonds and notes are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued as 5 to 20-year serial bonds with varying amounts of principal maturing each year. General obligation and revenue bonds and notes currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.75 – 7.0%	\$ 35,890,009
Business-type activities	1.23 – 4.0%	<u>20,531,000</u>
		<u>\$ 56,421,009</u>

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

<u>Year Ending September 30</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 1,610,001	\$ 1,721,775	\$12,011,000	\$ 581,832
2010	1,080,008	1,656,688	6,725,000	311,425
2011	920,000	1,610,863	1,795,000	71,800
2012	935,000	1,573,075	-	-
2013	1,010,000	1,534,175	-	-
2014-2018	6,610,000	6,934,837	-	-
2019-2023	8,595,000	5,104,625	-	-
2024-2028	12,140,000	2,656,750	-	-
2029	<u>2,990,000</u>	<u>149,500</u>	<u>-</u>	<u>-</u>
Total	<u>\$35,890,009</u>	<u>\$22,942,288</u>	<u>\$20,531,000</u>	<u>\$ 965,057</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Component Units

Brownfield Redevelopment Authority. The Brownfield Redevelopment Authority has no general obligation bonds outstanding. The outstanding balances are revolving loans from the State of Michigan from the Department of Environmental Quality Revitalization. The monies are to be used for the renovations and construction expenditures related to the Hemlock/McDonald's and Richland Township investment project, the KBC (Sahasa) Realty project, and the Miles Petroleum/Merrill Elevator project. The loans will be repaid in 180 monthly installments beginning in September 2004 and ending in September 2018.

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.25%	<u>\$ 463,885</u>

Annual principal and interest requirements to service all debt outstanding as of September 30, 2008, are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 27,357	\$ 5,262
2010	53,075	4,647
2011	49,607	8,115
2012	50,670	7,052
2013	51,757	5,965
2014-2018	206,808	14,982
2019	<u>24,611</u>	<u>492</u>
Total	<u>\$ 463,885</u>	<u>\$ 46,515</u>

Department of Public Works

General obligation bonds are issued by the County to finance construction projects managed and administered by the Department of Public Works.

These bonds are direct obligations, and pledge the full faith and credit of the County and the associated municipalities and authorities. The bonds are issued as 8 to 40-year serial bonds with varying amounts of principal maturing each year through November 2046 and bear interest at varying rates from 1.45% to 9.25%. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.45 – 9.25%	<u>\$ 19,028,000</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 1,179,000	\$ 728,690
2010	1,658,000	721,014
2011	1,716,000	658,458
2012	1,671,000	593,084
2013	1,607,000	529,294
2014-2018	5,927,000	1,772,424
2019-2023	1,410,000	971,900
2024-2028	808,000	765,003
2029-2033	785,000	583,469
2034-2038	776,000	417,770
2039-2043	860,000	240,778
2044-2047	<u>631,000</u>	<u>54,983</u>
Total	<u>\$19,028,000</u>	<u>\$8,036,867</u>

Drain Commission

General obligation drain improvement bonds and notes are issued by the County to finance certain drainage district construction projects. General obligation bonds have been issued for governmental activities. During the year general obligation bonds and notes totaling \$26,910 were issued.

These bonds and notes are direct obligations, and pledge the full faith and credit of the County and the respective drainage districts. The bonds are generally issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year. General obligation bonds and notes currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.35 – 7.95%	<u>\$ 9,736,990</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Annual debt service requirements to maturity for general obligation bonds and notes are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 628,194	\$ 210,754
2010	1,918,394	238,557
2011	1,814,334	186,006
2012	1,790,334	139,079
2013	1,787,334	93,481
2014	<u>1,798,400</u>	<u>147,078</u>
Total	<u>\$ 9,736,990</u>	<u>\$1,014,955</u>

Advance Refunding

On January 28, 2003, the government advanced refunded the 1991 Sewage Disposal System – Birch Run Extension No. 2 general obligation bonds (original issue amount of \$1,400,000) with Series 2003 general obligation bonds. The government issued \$935,000 of general obligation bonds to provide an escrow agent with the resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide statement of net assets. The balance of the defeased debt outstanding at September 30, 2008, was \$315,000.

On December 1, 1997, the Department of Public Works component unit issued general obligation limited tax bonds of \$3,690,000. Of the total bond issue, \$2,490,000 was issued to advance refund a portion of the general obligation limited tax bonds issued in 1990 in the amount of \$2,325,000. The remaining \$1,200,000 was issued to provide resources to pay the costs of constructing sewage disposal system improvements to service the Township of Carrollton, the Township of Kochville, Saginaw Charter Township and the City of Zilwaukee. The refunded bonds mature as scheduled on May 1, 2000, through 2010 and are callable on May 1, 2000. The balance of the defeased debt outstanding at September 30, 2008, was \$625,000.

On April 28, 2004, the Department of Public Works component unit issued general obligation limited tax bonds of \$965,000. Proceeds from this bond issue, along with a cash contribution from Taymouth Township of \$500,990 was used to advance refund four separately issued general obligation limited tax bonds issued between 1993 and 1996. The

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

refunded bonds mature as scheduled on June 1, 1993 through 2015. The balance of the defeased debt outstanding at September 30, 2008, was \$800,000.

IV. OTHER INFORMATION

A. DEFINED BENEFIT PENSION PLANS

Pension Plan

Plan Description

The County's defined benefit pension plan, the Saginaw County Employees Retirement Plan, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The County participates in the Municipal Employees Retirement System of Michigan ("MERS"), an agent multiple-employer plan administered by the MERS Retirement Board. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the Municipal Employees Retirement System of Michigan, 447 N. Canal Road, Lansing, Michigan 48917 or by calling (800) 767-6377.

Other than those employees required to participate in the County's Defined Contribution Plan, as described in Note IV. B., all other full-time and permanent part-time employees are eligible to participate in MERS plans.

Funding Policy

Beginning with the fiscal year ended September 30, 2007, the County is required to contribute a flat amount each month, rather than a percentage of payroll. The monthly required amount in 2008 was \$265,614 based upon current payroll levels per the 2006 actuarial valuation. Under the plan, employees in six of the County's employment divisions are required to make contributions to the plan, ranging from 0% to 4.34% of their annual covered payroll. The contribution requirements of the County 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 County, depending on the MERS contribution program adopted by the County.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Annual Pension Cost and Net Pension Obligation

The County's annual pension cost and net pension obligation to MERS for the current year were as follows:

Annual required contribution	\$ 3,106,905
Less: Interest on net pension asset	(135,015)
Plus: Adjustment to annual required contribution	<u>241,882</u>
Annual pension cost	3,213,772
Contributions made	<u>3,106,905</u>
Decrease in net pension asset	106,867
Net pension (asset), beginning of year	<u>(1,687,681)</u>
Net pension (asset), end of year	<u><u>\$(1,580,814)</u></u>

The required contribution was determined using the entry age normal cost method. The actuarial assumptions included (a) a long-term net investment yield rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0% to 8.40% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment that smoothes the fair value of investments over a 5-year period. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2007, the date of the latest actuarial valuation, was 20 years.

Three-Year Trend Information

<u>Fiscal Period Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
9/30/06	\$2,758,026	93%	\$(1,851,178)
9/30/07	3,088,881	95%	(1,687,681)
9/30/08	3,213,772	97%	(1,580,814)

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Pension Plan

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/05	\$87,919,362	\$116,271,363	\$28,352,001	76%	\$12,113,877	234%
12/31/06	91,934,019	121,846,675	29,912,656	75%	11,662,175	256%
12/31/07	96,240,566	125,684,383	29,443,817	77%	10,906,678	270%

B. DEFINED CONTRIBUTION PENSION PLAN

Plan Description

The Saginaw County Employees Defined Contribution Pension Plan (the “Plan”) is a single employer defined contribution pension plan, established by the County and administered by an outside third-party administrator. All County employees hired after January 1, 1994, with the exception of certain bargaining units, are required to participate in the Plan. As the union contracts of the non-participating bargaining units are renegotiated, new employees of these units are added to the Plan. All other County employees that are not vested in the County’s Defined Benefit Plan have the option of becoming a participant in the Defined Contribution Plan.

Employees vest in the County’s contributions in accordance with the following scale:

<u>Years of Service Completed</u>	<u>Percent Vested</u>
1	0%
2	0%
3	25%
4	50%
5	75%
6	100%

At September 30, 2008, there were 469 plan members. Newly hired members may contribute 0% or 6% of their annual salary; if the members contribute 0%, the County is required to contribute 3%; if the members contribute 3%, the County is required to contribute 6%. Vested plan members are not required to contribute to the Plan; however, employees may contribute up to 3% of their annual salary. The County is required to contribute 6% of the employees’ annual salary, as well as match all employee contributions for vested members.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Plan provision and contribution requirements are established and may be amended by the Saginaw County Board of Commissioners.

Employer contributions to the Plan for the year ended September 30, 2008, amounted to \$1,683,910 and employee contributions were \$638,407.

A stand-alone pension plan report has not been issued for the defined contribution plan.

C. POSTEMPLOYMENT HEALTH BENEFITS

The County provides a defined benefit postemployment group hospitalization plan provided proper application is made prior to retirement for union and non-union employees. This Plan was established through employees' union contracts and through a Board resolution for non-union employees. A vested employee, who leaves County employment before attaining the age and service required to receive a pension, shall not be eligible for health insurance coverage.

Basis of Accounting. The postemployment health benefits fund financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments. Marketable securities are stated at aggregate fair value. Securities which are traded on a national securities exchange are valued at the last reported sales price on the last business day of the System's year. Investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price.

Employees who retire on or after January 1, 1993, may elect to receive a monthly stipend ranging from \$75 to \$150 per month in lieu of health coverage provided they are not covered as a dependent under a County paid health plan. New hires after January 1, 1993, will receive only single coverage for their health insurance upon retirement.

Currently, the County is financing the postemployment benefits on a pay-as-you-go basis. For the year, the County recognized \$\$4,126,148 of net benefit expenditures. At December 31, 2007, the date of the latest actuarial valuation, participants in the plan consisted of:

Retirees and beneficiaries currently receiving benefits	372
Active employees	<u>478</u>
Total	<u>850</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

The County pays between 25%-100% of the health insurance premiums for these retirees. A co-pay at the percentage indicated below, as established by Board resolution, is required by non-union retirees who retired after January 1, 1991:

<u>Years of Service</u>	<u>Employer Pays</u>	<u>Employee Pays</u>
6	25%	75%
7	30%	70%
8	35%	65%
9	40%	60%
10	45%	55%
11	50%	50%
12	55%	45%
13	60%	40%
14	65%	35%
15	70%	30%
16	75%	25%
17	80%	20%
18	85%	15%
19	90%	10%
20 or more	95%	5%

Union employees are also subject to the same or similar co-pay percentages based on retirement eligibility and years of service as specified in their individual union contract.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to financial statements, will present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Beginning with next year, when GASB 45 is implemented, schedules of employer contributions will be included in RSI which will present trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The benefit obligation represents the actuarial present value of those estimated future benefits that are attributed to employee service rendered to September 30. Postretirement benefits include future benefits expected to be paid to or for (1) currently retired or terminated employees and dependents (as defined by the Plan) and (2) active employees and their beneficiaries and dependents after retirement from service. Prior to an active employee's full eligibility date, the postretirement benefit obligation is

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

the portion of the expected postretirement benefit obligation that is attributed to that employee's service rendered to the valuation date.

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

The Plan's unfunded accrued liability was determined as part of an actuarial valuation of the Plan as of December 31, 2007. Significant actuarial assumptions used in determining the Plan's unfunded accrued liability included (a) a rate of return on the investment of present and future assets of 8% per year compounded annually, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0% to 8.4% per year, depending on age, attributable to seniority/merit, and (d) health care cost increases of 7.5% in 2009 and scaling down by 0.5% every other year until it is 4.5% for 2015 and beyond.

A schedule of funding progress is as follows:

Actuarial Valuation Date (December 31)	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded (Overfunded) AAL	Funded Ratio	Covered Payroll	UAAAL as a % of Covered Payroll
2007	\$13,027,218	\$85,005,983	\$71,978,765	15.3%	\$19,369,833	371.6%

The foregoing assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of the postretirement accrued liability.

D. RISK MANAGEMENT

The County is self-funded for Worker's Compensation, General Liability, Health, Dental, and Vision insurance.

Worker's Compensation

The self-insurance program for worker's compensation is accounted for in the Employee Benefits Fund (an internal service fund). An independent administrator is hired to process the daily claims and to perform auditing and management duties. The County is insuring \$275,000 in liability for each occurrence and Citizens Management, Inc., the County's administrator for worker's compensation, insures the remainder, through various reinsurance companies, up to \$5,000,000. The revenue for this activity's operation is derived through reimbursements from various funds having employees. Losses, damages and administrative expenses are all paid from this fund.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

The claims liability of \$254,106 reported at September 30, 2008, is based on the requirements of Statement No. 10 of the Governmental Accounting Standards Board, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. The claim liability is estimated by the claims administrator and management. Management estimates the incurred but not reported (“IBNR”) liability based on prior experience and both the estimated claims liability and the IBNR estimates are recorded as a current expenditure. No annuity contracts have been purchased to satisfy claim liabilities. Settled claims have not exceeded insurance coverage in any of the past three years.

The changes in the claims liability for the years ended September 30, 2007 and 2008, are as follows:

	<u>Beginning of Period Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Period Liability</u>
2007	\$ 286,212	\$ 143,628	\$216,689	\$213,151
2008	213,151	192,688	151,733	254,106

General Liability

The self-insurance program for general liability is accounted for in the Risk Management Fund (an internal service fund). Presently, the County insures the first \$150,000 for each claim. After the first \$150,000 and up to \$10,000,000, insurance is provided by ASU Inc. There were no reductions of insurance coverage from the prior year. The revenues for this fund’s operation are reimbursements from various funds. The funds are charged for general liability insurance based on number of employees, previous claims, number of vehicles and other pertinent criteria.

Losses, damages and administrative expenses are all paid from this fund. The claims liability for known claims and incurred but not reported claims is estimated by management and the insurance administrators. No annuity contracts have been purchased to satisfy claim liabilities. Settled claims have not exceeded insurance coverage in any of the past three years.

The changes in the claims liability for the years ended September 30, 2007 and 2008, are as follows:

	<u>Beginning of Period Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Period Liability</u>
2007	\$1,038,623	\$ 669,885	\$194,205	\$1,514,303
2008	1,514,303	184,292	335,361	1,363,234

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Health Insurance

The self-insurance program for health insurance is accounted for in the Employee Benefits Fund (internal service fund) and the Postemployment Health Benefits Fund (an other employee benefit trust fund). An independent administrator (Blue Cross) is hired to process the daily claims. The County is responsible for individual claims up to \$150,000 and Blue Cross is responsible for paying the claims above this amount. There were no reductions of insurance coverage from the prior year. The County is also responsible for paying administrative charges and for actual prescription claims. The revenues for this Fund's operation are reimbursements from various funds and employee payroll withholdings. The liability at the end of the year is based on claims already incurred and reported and on estimates of incurred but not reported claims as provided by Blue Cross. No annuity contracts have been purchased to satisfy claim liabilities. Settled claims have not exceeded insurance coverage in any of the past three years.

The changes in the claims liability for the years ended September 30, 2007 and 2008, are as follows:

	<u>Beginning of Period Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Period Liability</u>
2007	\$ 427,557	\$10,865,681	\$10,363,732	\$ 929,506
2008	929,506	8,189,602	8,516,797	602,311

Dental Insurance

The self-insurance program for dental insurance is accounted for in the Employee Benefits Fund (an internal service fund). An independent administrator (Blue Cross) is hired to process the daily claims and to perform management duties. Benefits under the program are capped at \$1,500 per covered person annually. There were no reductions of insurance coverage from the prior year. The revenues for this Fund's operation are reimbursements from various funds and payroll withholdings. The liability at the end of the year is based on claims already incurred and reported and an estimate of incurred but not reported claims as provided by Blue Cross. Settled claims have not exceeded insurance coverage in any of the past three years.

The changes in the claims liability for the years ended September 30, 2007 and 2008, are as follows:

	<u>Beginning of Period Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Period Liability</u>
2007	\$ 26,767	\$ 609,964	\$ 601,003	\$ 35,728
2008	35,728	579,808	584,668	30,868

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Vision Insurance

The self-insurance program for vision insurance is accounted for in the Employee Benefits Fund (an internal service fund). An independent administrator (Blue Cross) is hired to process the daily claims and to perform management duties. There were no reductions of insurance coverage from the prior year. The revenues for this Fund's operation are reimbursements from various funds and payroll withholdings. The liability at the end of the year is based on claims already incurred and reported and an estimate of incurred but not reported claims as provided by Blue Cross. Settled claims have not exceeded insurance coverage in any of the past three years.

The changes in the claims liability for the years ended September 30, 2007 and 2008, are as follows:

	<u>Beginning of Period Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Period Liability</u>
2007	\$ 3,059	\$ 55,476	\$ 56,516	\$ 2,019
2008	2,019	60,768	59,216	3,571

E. PROPERTY TAXES

The County property tax is levied each July 1st and December 1st on the taxable valuation of property located in the County as of the preceding December 31. On July or December 1, the property tax attachment is an enforceable lien on property and is payable by the last day of the next September or February, respectively.

The taxable value of real and personal property at December 1, 2007, totaled \$5,012,844,298. The tax levy for 2007/2008 operations was based on the following rates:

General Operating	4.88580 mills
Mosquito Control	.49930 mills
Senior Citizens	.32950 mills
Law Enforcement	.33940 mills
Hospital Debt	.40290 mills
County Parks	.16150 mills
Castle Museum	.19970 mills
Juvenile Home Renovation	.04970 mills
Event Center	.44930 mills

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

By agreement with various taxing authorities, the County purchases at face value the real property taxes receivable returned delinquent each March 1. These receivables are pledged for payment of general obligation limited tax notes, proceeds of which were used to liquidate the amounts due the General Fund and various other funds and governmental agencies for purchase of the receivables. Subsequent collections on delinquent taxes receivable, plus interest and collection fees thereon and investment earnings, are used to service the tax notes. This activity is accounted for in the Enterprise Fund (Delinquent Tax Revolving Fund).

F. CONTINGENCIES AND PENDING LITIGATION

The County is a defendant in various lawsuits. It is the opinion of County management and its counsel that the outcome of these lawsuits now pending will not materially affect the operations or the financial position of the County.

Under the terms of certain Federal and State grants, periodic audits are required and certain costs may be questioned as not representing appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. County management believes disallowances, if any, would be minimal.

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**COUNTY OF SAGINAW, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
POSTEMPLOYMENT HEALTH BENEFITS
SCHEDULE OF FUNDING PROGRESS
HISTORICAL TREND INFORMATION - UNAUDITED**

Actuarial Valuation Date December 31,	Actuarial Value Of Assets	Actuarial Accrued Liability (AAL) Entry Age	Funded Ratio	Excess Of AAL Over Assets	Covered Payroll	Excess As A Percentage Of Covered Payroll
2007	\$ 13,027,218	\$ 85,005,983	15.3%	\$ (71,978,765)	\$ 19,369,833	-371.6%

The information presented in the supplemental schedule was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actuarial valuation (December 31, 2007) follows:

Actuarial cost method	Individual entry age
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Discount rate	8.0 percent per year
Projected salary increases	12.9 percent - 4.5 percent
Valuation health care cost trend rate	7.5 percent in 2009, grading to 4.5 percent in 2015

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Law Enforcement Fund - This fund is used to account for the operations of the Saginaw County Sheriff's Road Patrol. Money for the operation of this fund is supplied from contributions from other County funds and reimbursements. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

County Road Patrol Millage Fund - This fund is used to account for the operations of the Saginaw County Sheriff's Road Patrol. Money for the operation of this fund is supplied from a special voted tax. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Parks and Recreation Commission Fund - This fund is used to account for the operation and maintenance of several parks throughout the County. Money for the operation of this fund is supplied from a special voted tax and user fees. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

G.I.S. (Geographic Information System) Fund - This fund is used to account for the development and operations of a County-wide geographic information system. Money for the operation of this fund is supplied from contributions from other County funds. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Friend of the Court Fund - This fund is used to account for the operations of the Friend of the Court's Office. Money for the operation of this fund is supplied from federal and state grants, user fees, and marriage counseling fees. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Solid Waste Fund - This fund is used to account for funds earmarked for solid waste planning, regulation and ordinance administration. Money for these activities comes from application fees and surcharges paid by landfills. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Lodging Excise Tax Fund - This fund is used to account for the collection and distribution of the hotel and motel tax used to promote tourism and convention activities under the provisions of Act 263 of the Public Acts of 1974, as amended. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Castle Museum and Historical Activities Fund - This fund is used to account for the operations of the Castle Building and Historical Museum. Money for the operation of this fund is supplied from a special voted tax. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

Commission on Aging Fund - This fund is used to account for the operations of the Saginaw County Commission on Aging. Money for the operation of the Commission on Aging is supplied from a special voted tax, federal and state grants. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Mosquito Control Fund - This fund is used to account for the operations of the Saginaw County Mosquito Abatement Commission. Money for the operation of the fund is supplied from a special voted tax. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Planning Commission Fund - This fund is used to account for the operations of the Saginaw County Planning Commission. Money for the operation of this fund is supplied from federal and state grants, reimbursements from other local units of government for work performed by the planning staff, and contributions from other County funds. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Principal Residence Exemption Denial Fund - This fund is used to account for the collection of taxes and interest due from principal residential exemption (homestead) denials. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Public Improvement Fund - This fund is used to account for the collection and distribution of monies specifically earmarked for statutory public improvements. Money for the operation of this fund is supplied from "Non-Tax" Revenue: charges for services, licenses and permits, sales of capital assets, state shared revenues, and interest earned. Once money is placed in this fund, it becomes restricted and cannot be expended or transferred for purposes other than the public improvements specified by statute or local ordinance. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Courthouse Preservation Technology Fund - This fund is used to account for the collection of \$10.00 per traffic ticket which is used to fund computer technology. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Animal Control Fund - This fund is used to account for the operations of the Saginaw County Animal Control Facility. Money for the operation of this fund is supplied from user fees and contributions from other County funds. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

Land Reutilization Fund - This fund is used to account for the proceeds from the operations of the Delinquent Property Tax Foreclosure Fund and those proceeds are to be used to pay for expenses of the Land Bank Authority. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Register of Deeds Automation Fund - This fund is used to account for the collection of \$5.00 of the total fee collected for each recording which is used to fund the upgrading of technology in the Register of Deeds' Office. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

E-911 Telephone Surcharge Fund - This fund is used to account for the collection and distribution of a telephone surcharge to the Saginaw County 911 Communications Center Authority, for operations of the County 911 system. Money for the operation of this fund is supplied from a special voted assessment. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

E-911 Equipment - Digital Fund - This fund is used to account for the collection and distribution of a telephone surcharge to the Saginaw County 911 Communications Center Authority, for equipment purchases of the County 911 system. Money for the operation of this fund is supplied from a special voted assessment. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Mobile Data Maintenance and Repair Fund - This fund is used to account for the maintenance and replacement of the mobile data computers put in law enforcement vehicles throughout the County and local jurisdictions. Money for the operation of this fund is supplied from the yearly maintenance fees charged to the local law enforcement agencies. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Area Records Management System Fund - This fund is used to account for the creation and maintenance of a records management system for local law enforcement agencies within Saginaw County. Money for the operation of this fund is supplied from connection fees, annual maintenance fees, and interest earnings. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Law Library Fund - This fund is used to account for the operations of the Saginaw County Law Library. Money for the operation of this fund is supplied from an annual statutory penal fine distribution and General Fund contributions. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

County Library Board Fund - This fund is used to account for the collection and distribution of penal fines. Money for the operation of this fund is supplied from penal fines and is subsequently distributed to the various libraries within the county as directed by the State Library Board. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Michigan Works! Service Centers Fund - This fund is used to account for the operations of the Midland, Bay, and North Pointe one-stop employment agencies. Money for the operation of this fund is supplied from contributions from the County's Michigan Works Administration Special Revenue Fund. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Remonumentation Fund - This fund is used to account for surveying and remonumentation activities in the County. Money for the operation of this fund is supplied from a state grant. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Special Projects Fund - This fund is used to account for the operations of the various grant-in-aid programs throughout the county. Money for the operation of this fund is supplied from federal and state grants, contributions from other County funds, reimbursements for services performed, and user fees. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Sheriff Special Projects Fund - This fund is used to account for the operations of the various grant-in-aid programs of the Saginaw County Sheriff's Department. Money for the operation of this fund is supplied from federal and state grants, contributions from other County funds, reimbursements for services performed, and user fees. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Prosecutor Special Projects Fund - This fund is used to account for the operations of the various grant-in-aid programs of the Saginaw County Prosecutor. Money for the operation of this fund is supplied from federal and state grants, contributions from other County funds and reimbursements for services performed. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Community Corrections Fund - This fund is used to account for the operations of the various grant-in-aid programs of the Saginaw Community Corrections program. Money for the operation of this fund is supplied from federal and state grants, contributions from other County funds, and reimbursements for services performed. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Concluded)

Local Correction Officer Training Fund - This fund is used to account for the collection and distribution of booking fees through the Saginaw County Jail. Money for the operation of this fund is supplied from booking fees and is used as a source of revenue for the local correctional officers training programs and a portion is subsequently remitted to the State in accordance with Public Act 124 of 2003. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

MSU Extension Fund - This fund is used to account for the operations of the various grant-in-aid programs and administration of the Saginaw County MSU Cooperative Extension. Money for the operation of this fund is supplied from federal and state grants and contributions from other County funds. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Department of Human Services Fund - This fund is used to record and account for the operations of the Saginaw County Family Independence Agency. The Saginaw County Family Independence Agency has a separate accounting system which is prescribed by the State Department of Treasury and the State Family Independence Agency. It receives revenues from federal and state grants for welfare recipients and reimbursements from recipients. In addition, it receives General Fund appropriations for the operation of the Family Independence Agency Board. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Child Care Fund - This fund is used to account for the foster care of children under the authority and administration of the Saginaw County Family Independence Agency and the Saginaw County Probate Court-Juvenile Division. Money for the operation of this fund is supplied from federal and state grants, reimbursements for services performed, and General Fund contributions. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Soldiers' Relief Fund - This fund is used to account for services provided to indigent veterans. Money for the operation of this fund is supplied from contributions from the General Fund. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Veterans' Trust Fund - This fund is used to account for the operations of the Saginaw County Authorized Agent for the Michigan Veterans Trust Fund. Money for the operation of this fund is supplied from state grants. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

NONMAJOR GOVERNMENTAL FUNDS (Concluded)

DEBT SERVICE FUNDS

Hospital Construction Debt Service Fund - This fund is used to account for the payment of interest and principal on long-term debt. The debt was created when the County issued bonds for a construction project at HealthSource of Saginaw. The debt in this fund is retired by revenue generated by property taxes dedicated for debt retirement.

Juvenile Center Renovation Debt Service Fund - This fund is used to account for the payment of interest and principal on long-term debt. This debt was created when the County issued bonds for renovation of the County Juvenile Facility. The debt will be retired by revenue generated by property taxes dedicated for debt retirement.

Building Authority Debt Service Fund - This fund is used to account for the payment of interest and principal on long-term debt. Money in this fund is received from lease payments from governmental departments to be used for debt retirement.

CAPITAL PROJECTS FUNDS

Parks Building and Site Fund - This fund is used to account for the acquisition and construction of the Saginaw Valley Rail Trail, Haithco Park and other major improvements of the several parks throughout the County. Money for the operation of this fund is supplied from federal, state, and local grants and interest earnings.

River Dredging Project Fund - This fund is used to account for the acquisition and development of an over 500 acre containment site to accept river dredging spoils from the Upper Saginaw River. Money for the operation of this fund is supplied from federal, state, and local grants, donations from private sources, and interest earnings.

PERMANENT FUND

Rail Trail Endowment Fund - This fund is used to account for the maintenance costs associated with the construction of the Saginaw Valley Rail Trail. Money for the operation of this fund is supplied from donations from private sources and interest earnings.

**COUNTY OF SAGINAW, MICHIGAN
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2008**

Continued

	Special Revenue Funds				
	Law Enforcement	County Road Patrol Millage	Parks & Recreation	G.I.S. System	Friend of the Court
Assets					
Cash and investment pool	\$ 111,241	\$ 642,952	\$ 733,509	\$ -	\$ 1,468
Receivables (net):					
Taxes	-	29,721	13,995	-	-
Accounts	63,057	-	736	39,079	7,928
Notes	-	-	-	-	-
Accrued interest	456	5,742	5,942	-	174
Due from other funds	7,144	-	49,762	-	37
Due from other governmental units	-	-	-	-	797,592
Other assets	-	-	-	-	1,313
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 181,898</u>	<u>\$ 678,415</u>	<u>\$ 803,944</u>	<u>\$ 39,079</u>	<u>\$ 808,512</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 7,995	\$ 5,092	\$ 62,635	\$ -	\$ 16,440
Accrued liabilities	48,140	28,036	8,635	3,250	75,738
Deposits payable	3,183	-	-	-	-
Due to other funds	1,152	7,406	1,002	35,211	341,227
Due to other governmental units	-	-	-	-	1,939
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	29,720	13,995	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>60,470</u>	<u>70,254</u>	<u>86,267</u>	<u>38,461</u>	<u>435,344</u>
Fund Balances					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	87,588	334,032	-	22,607
Unreserved - designated for:					
Future use	121,428	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	-	520,573	383,645	618	350,561
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>121,428</u>	<u>608,161</u>	<u>717,677</u>	<u>618</u>	<u>373,168</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 181,898</u>	<u>\$ 678,415</u>	<u>\$ 803,944</u>	<u>\$ 39,079</u>	<u>\$ 808,512</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2008**

Continued

	Special Revenue Funds				
	Solid Waste	Lodging Excise Tax	Castle Museum & Historical Activities	Commission on Aging	Mosquito Control
Assets					
Cash and investment pool	\$ 1,986,738	\$ 30,853	\$ 265,278	\$ 627,960	\$ 1,154,464
Receivables (net):					
Taxes	-	-	14,784	28,264	34,705
Accounts	128,393	703,956	-	26,237	-
Notes	-	-	-	-	-
Accrued interest	14,751	-	2,424	5,564	9,930
Due from other funds	-	-	-	97	1,752
Due from other governmental units	-	-	-	166,162	-
Other assets	-	-	-	22,091	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,129,882</u>	<u>\$ 734,809</u>	<u>\$ 282,486</u>	<u>\$ 876,375</u>	<u>\$ 1,200,851</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 240	\$ 558,452	\$ -	\$ 80,563	\$ 50,827
Accrued liabilities	-	-	-	79,004	22,370
Deposits payable	-	-	-	-	-
Due to other funds	18,161	176,357	1,233	2,036	3,089
Due to other governmental units	-	-	-	153	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	-	14,785	55,849	34,705
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>18,401</u>	<u>734,809</u>	<u>16,018</u>	<u>217,605</u>	<u>110,991</u>
Fund Balances					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	-	-	248,147	153,270
Unreserved - designated for:					
Future use	-	-	-	410,623	-
General improvements	-	-	-	-	-
Unreserved - undesignated	2,111,481	-	266,468	-	936,590
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>2,111,481</u>	<u>-</u>	<u>266,468</u>	<u>658,770</u>	<u>1,089,860</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 2,129,882</u>	<u>\$ 734,809</u>	<u>\$ 282,486</u>	<u>\$ 876,375</u>	<u>\$ 1,200,851</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2008**

Continued

	Special Revenue Funds				
	Planning Commission	Principal Residence Exemption	Public Improvement	Courthouse Preservation Technology	Animal Control
Assets					
Cash and investment pool	\$ 34,277	\$ 59,151	\$ 665,224	\$ 166,073	\$ 119,593
Receivables (net):					
Taxes	-	86,011	-	-	-
Accounts	-	-	-	-	5,518
Notes	1,343,135	-	-	-	-
Accrued interest	68	154	4,893	1,033	-
Due from other funds	294	-	253,068	-	-
Due from other governmental units	51,211	-	-	-	-
Other assets	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,428,985</u>	<u>\$ 145,316</u>	<u>\$ 923,185</u>	<u>\$ 167,106</u>	<u>\$ 125,111</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 34,424	\$ 27,188	\$ 14,317	\$ -	\$ 5,833
Accrued liabilities	4,208	-	-	-	10,380
Deposits payable	-	-	-	-	-
Due to other funds	8,226	328	-	-	5,119
Due to other governmental units	183,656	84,939	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	1,175,385	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>1,405,899</u>	<u>112,455</u>	<u>14,317</u>	<u>-</u>	<u>21,332</u>
Fund Balances					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	32,861	-	-	24,430
Unreserved - designated for:					
Future use	23,086	-	-	-	-
General improvements	-	-	908,868	-	-
Unreserved - undesignated	-	-	-	167,106	79,349
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>23,086</u>	<u>32,861</u>	<u>908,868</u>	<u>167,106</u>	<u>103,779</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 1,428,985</u>	<u>\$ 145,316</u>	<u>\$ 923,185</u>	<u>\$ 167,106</u>	<u>\$ 125,111</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2008**

Continued

	Special Revenue Funds				
	Land Reutilization	Register of Deeds Automation	E-911 Telephone Surcharge	E-911 Equipment Digital	Mobile Data Maintenance & Repair
Assets					
Cash and investment pool	\$ -	\$ 436,846	\$ 1,054,713	\$ 169,955	\$ 1,930,918
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	-	5,440	1,177,804	30	-
Notes	-	-	-	-	-
Accrued interest	-	2,796	8,694	15,568	11,494
Due from other funds	422,140	-	-	-	-
Due from other governmental units	-	-	81,707	-	-
Other assets	-	-	-	-	21,458
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,458</u>
Total assets	<u>\$ 422,140</u>	<u>\$ 445,082</u>	<u>\$ 2,322,918</u>	<u>\$ 185,553</u>	<u>\$ 1,963,870</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 422,140	\$ 3,503	\$ -	\$ -	\$ 51,418
Accrued liabilities	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	-	-	-	74,533
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,533</u>
Total liabilities	<u>422,140</u>	<u>3,503</u>	<u>-</u>	<u>-</u>	<u>125,951</u>
Fund Balances					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	441,579	-	185,553	1,837,919
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	-	-	2,322,918	-	-
	<u>-</u>	<u>-</u>	<u>2,322,918</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>441,579</u>	<u>2,322,918</u>	<u>185,553</u>	<u>1,837,919</u>
Total liabilities and fund balances	<u>\$ 422,140</u>	<u>\$ 445,082</u>	<u>\$ 2,322,918</u>	<u>\$ 185,553</u>	<u>\$ 1,963,870</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2008**

Continued

	Special Revenue Funds				
	Area Records Management System	Law Library	County Library Board	Michigan Works! Service Centers	Remonu- mentation
Assets					
Cash and investment pool	\$ 85,376	\$ 8,676	\$ -	\$ -	\$ 14,576
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	-	-	-	2,693	-
Notes	-	-	-	-	-
Accrued interest	355	-	-	-	-
Due from other funds	-	245	-	46,981	-
Due from other governmental units	-	-	-	-	56,842
Other assets	-	-	-	29,467	-
Total assets	\$ 85,731	\$ 8,921	\$ -	\$ 79,141	\$ 71,418
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 153	\$ 4,996	\$ -	\$ 16,368	\$ 63,469
Accrued liabilities	-	276	-	-	321
Deposits payable	-	-	-	-	-
Due to other funds	-	3,649	-	62,722	-
Due to other governmental units	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	-	-	51	-
Total liabilities	153	8,921	-	79,141	63,790
Fund Balances					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	85,578	-	-	-	7,628
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	-	-	-	-	-
Total fund balances					
Total fund balances (deficit)	85,578	-	-	-	7,628
Total liabilities and fund balances	\$ 85,731	\$ 8,921	\$ -	\$ 79,141	\$ 71,418

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2008**

Continued

	Special Revenue Funds				
	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections	Local Correction Officer Training
Assets					
Cash and investment pool	\$ 232,996	\$ 721,021	\$ -	\$ -	\$ 18,970
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	34,477	43,099	-	210	2,943
Notes	-	-	-	-	-
Accrued interest	-	4,142	-	-	56
Due from other funds	2,461	22,463	27,510	-	-
Due from other governmental units	50,563	115,785	72,208	63,345	-
Other assets	-	395	-	-	450
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 320,497</u>	<u>\$ 906,905</u>	<u>\$ 99,718</u>	<u>\$ 63,555</u>	<u>\$ 22,419</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 24,863	\$ 36,013	\$ 1,920	\$ 9,208	\$ 1,788
Accrued liabilities	5,196	12,766	11,934	8,756	-
Deposits payable	-	35,832	-	-	-
Due to other funds	1,761	11,209	85,260	45,591	-
Due to other governmental units	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	20	327,207	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>31,840</u>	<u>423,027</u>	<u>99,114</u>	<u>63,555</u>	<u>1,788</u>
Fund Balances					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	6,872	166,542	-	-	20,631
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	281,785	317,336	604	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>288,657</u>	<u>483,878</u>	<u>604</u>	<u>-</u>	<u>20,631</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 320,497</u>	<u>\$ 906,905</u>	<u>\$ 99,718</u>	<u>\$ 63,555</u>	<u>\$ 22,419</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2008**

Continued

	Special Revenue Funds				
	MSU Extension	Department of Human Services	Child Care	Soldiers' Relief	Veterans' Trust
Assets					
Cash and investment pool	\$ 135	\$ 298,281	\$ 483,442	\$ 4,595	\$ 238
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	141	-	51,843	-	-
Notes	-	-	-	-	-
Accrued interest	345	-	-	-	-
Due from other funds	1,821	-	-	-	255
Due from other governmental units	110,675	84,401	550,994	-	2,828
Other assets	-	3,355	1,939	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 113,117</u>	<u>\$ 386,037</u>	<u>\$ 1,088,218</u>	<u>\$ 4,595</u>	<u>\$ 3,321</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 58,927	\$ 50,978	\$ 137,972	\$ 1,471	\$ 3,321
Accrued liabilities	12,524	219,378	77,739	-	-
Deposits payable	-	-	-	-	-
Due to other funds	22,406	2,681	-	3,124	-
Due to other governmental units	35	-	215,621	-	-
Advances from other governmental units	-	113,000	-	-	-
Deferred revenue	18,537	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>112,429</u>	<u>386,037</u>	<u>431,332</u>	<u>4,595</u>	<u>3,321</u>
Fund Balances					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	688	-	2,169	-	-
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	-	-	654,717	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>688</u>	<u>-</u>	<u>656,886</u>	<u>-</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 113,117</u>	<u>\$ 386,037</u>	<u>\$ 1,088,218</u>	<u>\$ 4,595</u>	<u>\$ 3,321</u>

**COUNTY OF SAGINAW, MICHIGAN
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2008**

	Debt Service Funds		
	Hospital Construction	Juvenile Center Renovation	Building Authority
Assets			
Cash and investment pool	\$ 1,120,462	\$ 13,829	\$ 1,372,820
Receivables (net):			
Taxes	28,243	4,398	-
Accounts	-	-	-
Notes	-	-	-
Accrued interest	7,653	789	10,067
Due from other funds	-	-	-
Due from other governmental units	-	-	-
Other assets	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,156,358</u>	<u>\$ 19,016</u>	<u>\$ 1,382,887</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Deposits payable	-	-	-
Due to other funds	2,643	307	-
Due to other governmental units	-	-	-
Advances from other governmental units	-	-	-
Deferred revenue	28,242	4,399	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>30,885</u>	<u>4,706</u>	<u>-</u>
Fund Balances			
Reserved for:			
Debt service	1,125,473	14,310	1,382,887
Capital projects	-	-	-
Restricted contributions	-	-	-
Unreserved - designated for:			
Future use	-	-	-
General improvements	-	-	-
Unreserved - undesignated	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>1,125,473</u>	<u>14,310</u>	<u>1,382,887</u>
	<u>\$ 1,156,358</u>	<u>\$ 19,016</u>	<u>\$ 1,382,887</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2008**

Concluded

	Capital Projects Funds		Permanent	Total Nonmajor Governmental Funds
	Parks Building & Site	River Dredging Project	Fund Rail Trail Endowment	
Assets				
Cash and investment pool	\$ 27	\$ 65,911	\$ 38,696	\$ 14,671,264
Receivables (net):				
Taxes	-	-	-	240,121
Accounts	-	-	-	2,293,584
Notes	-	-	-	1,343,135
Accrued interest	67	-	266	113,423
Due from other funds	7	-	-	836,037
Due from other governmental units	49,300	-	-	2,253,613
Other assets	-	-	-	80,468
Total assets	\$ 49,401	\$ 65,911	\$ 38,962	\$ 21,831,645
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 55,450	\$ -	\$ 1,807,964
Accrued liabilities	-	-	-	628,651
Deposits payable	-	-	-	39,015
Due to other funds	49,401	3,265	-	894,566
Due to other governmental units	-	-	-	486,343
Advances from other governmental units	-	-	-	113,000
Deferred revenue	-	-	-	1,777,428
Total liabilities	49,401	58,715	-	5,746,967
Fund Balances				
Reserved for:				
Debt service	-	-	-	2,522,670
Capital projects	-	7,196	-	7,196
Restricted contributions	-	-	34,000	3,692,094
Unreserved - designated for:				
Future use	-	-	4,962	560,099
General improvements	-	-	-	908,868
Unreserved - undesignated	-	-	-	8,393,751
Total fund balances	-	7,196	38,962	16,084,678
Total liabilities and fund balances	\$ 49,401	\$ 65,911	\$ 38,962	\$ 21,831,645

**COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Continued

	Special Revenue Funds				
	Law Enforcement	County Road Patrol Millage	Parks & Recreation	G.I.S. System	Friend of the Court
Revenues					
Property taxes	\$ -	\$ 1,710,856	\$ 813,843	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	2,585,084
State grants	-	-	-	-	341,868
Local grants and contributions	-	-	-	-	-
Charges for services	-	-	69,677	-	343,334
Fines and forfeitures	-	-	-	-	-
Investment income	727	24,488	27,067	-	871
Rental revenue	-	-	-	-	-
Donations	-	-	68,414	-	-
Reimbursements	694,686	-	135	156,314	79,583
Other revenue	-	-	3,206	-	-
Total revenues	695,413	1,735,344	982,342	156,314	3,350,740
Expenditures					
Current:					
Judicial	-	-	-	-	4,174,433
General government	-	-	-	156,948	-
Public safety	2,852,001	1,594,400	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	930,829	-	-
Capital outlay	11,180	18,434	32,524	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	2,863,181	1,612,834	963,353	156,948	4,174,433
Revenues over (under) expenditures	(2,167,768)	122,510	18,989	(634)	(823,693)
Other Financing Sources (Uses)					
Transfers in	2,287,808	-	-	-	1,157,155
Transfers out	(10,088)	(14,079)	(7)	-	(18,262)
Total other financing sources (uses)	2,277,720	(14,079)	(7)	-	1,138,893
Net change in fund balances	109,952	108,431	18,982	(634)	315,200
Fund balance (deficit), beginning of year	11,476	499,730	698,695	1,252	57,968
Fund balance, end of year	\$ 121,428	\$ 608,161	\$ 717,677	\$ 618	\$ 373,168

**COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Continued

	Special Revenue Funds				
	Solid Waste	Lodging Excise Tax	Castle Museum & Historical Activities	Commission on Aging	Mosquito Control
Revenues					
Property taxes	\$ -	\$ -	\$ 1,007,007	\$ 1,660,444	\$ 2,516,517
Accommodations tax	-	1,884,559	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	1,036,316	-
State grants	-	-	-	424,069	-
Local grants and contributions	-	-	-	-	-
Charges for services	427,587	-	-	208,965	4,232
Fines and forfeitures	-	-	-	-	-
Investment income	76,685	-	9,734	25,836	43,836
Rental revenue	-	-	-	-	900
Donations	-	-	-	262,756	-
Reimbursements	-	-	26,379	25,520	383,709
Other revenue	-	-	-	69,240	3,895
Total revenues	504,272	1,884,559	1,043,120	3,713,146	2,953,089
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	588,582	-	-	-	-
Health and welfare	-	-	-	3,969,723	2,724,235
Community and economic development	-	1,884,559	-	-	-
Recreation and culture	-	-	1,003,600	-	-
Capital outlay	-	-	-	9,999	14,351
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	588,582	1,884,559	1,003,600	3,979,722	2,738,586
Revenues over (under) expenditures	(84,310)	-	39,520	(266,576)	214,503
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	49,000
Transfers out	(152,333)	-	-	-	-
Total other financing sources (uses)	(152,333)	-	-	-	49,000
Net change in fund balances	(236,643)	-	39,520	(266,576)	263,503
Fund balance (deficit), beginning of year	2,348,124	-	226,948	925,346	826,357
Fund balance, end of year	\$ 2,111,481	\$ -	\$ 266,468	\$ 658,770	\$ 1,089,860

**COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Continued

	Special Revenue Funds				
	Planning Commission	Principal Residence Exemption	Public Improvement	Courthouse Preservation Technology	Animal Control
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	16,670
Federal grants	252,097	-	-	-	-
State grants	9,728	-	-	-	-
Local grants and contributions	-	-	-	-	-
Charges for services	-	1,864	-	229,185	82,507
Fines and forfeitures	-	-	-	-	-
Investment income	177	30,997	24,323	5,544	-
Rental revenue	-	-	-	-	-
Donations	-	-	-	-	7,501
Reimbursements	-	-	-	-	-
Other revenue	31,223	-	-	-	-
Total revenues	293,225	32,861	24,323	234,729	106,678
Expenditures					
Current:					
Judicial	-	-	-	599	-
General government	-	-	14,375	-	-
Public safety	-	-	157,700	-	750,731
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	383,500	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	110,973	58,299	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	383,500	-	283,048	58,898	750,731
Revenues over (under) expenditures	(90,275)	32,861	(258,725)	175,831	(644,053)
Other Financing Sources (Uses)					
Transfers in	107,620	-	253,068	-	704,000
Transfers out	-	-	-	(150,000)	-
Total other financing sources (uses)	107,620	-	253,068	(150,000)	704,000
Net change in fund balances	17,345	32,861	(5,657)	25,831	59,947
Fund balance (deficit), beginning of year	5,741	-	914,525	141,275	43,832
Fund balance, end of year	\$ 23,086	\$ 32,861	\$ 908,868	\$ 167,106	\$ 103,779

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Continued

	Special Revenue Funds				
	Land Reutilization	Register of Deeds Automation	E-911 Telephone Surcharge	E-911 Equipment Digital	Mobile Data Maintenance & Repair
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	-
State grants	-	-	332,899	-	-
Local grants and contributions	-	-	-	-	-
Charges for services	-	182,335	3,905,008	673,717	354,319
Fines and forfeitures	-	-	-	-	-
Investment income	-	13,196	44,088	111,155	55,832
Rental revenue	-	-	-	-	-
Donations	-	-	-	-	-
Reimbursements	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	-	195,531	4,281,995	784,872	410,151
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	422,140	76,718	-	-	-
Public safety	-	-	3,791,453	-	245,087
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	25,835	-	4,154,114	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	422,140	102,553	3,791,453	4,154,114	245,087
Revenues over (under) expenditures	(422,140)	92,978	490,542	(3,369,242)	165,064
Other Financing Sources (Uses)					
Transfers in	422,140	-	-	-	176,481
Transfers out	-	-	-	-	-
Total other financing sources (uses)	422,140	-	-	-	176,481
Net change in fund balances	-	92,978	490,542	(3,369,242)	341,545
Fund balance (deficit), beginning of year	-	348,601	1,832,376	3,554,795	1,496,374
Fund balance, end of year	\$ -	\$ 441,579	\$ 2,322,918	\$ 185,553	\$ 1,837,919

**COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Continued

	Area Records Management System	Law Library	County Library Board	Michigan Works! Service Centers	Remonu- mentation
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	-
State grants	-	-	-	-	99,653
Local grants and contributions	-	-	-	-	-
Charges for services	115,693	-	-	-	-
Fines and forfeitures	-	6,502	56,384	-	-
Investment income	-	-	-	-	-
Rental revenue	-	-	-	-	-
Donations	-	-	-	-	-
Reimbursements	-	-	-	39,292	-
Other revenue	-	-	-	25	-
Total revenues	115,693	6,502	56,384	39,317	99,653
Expenditures					
Current:					
Judicial	-	61,115	-	-	-
General government	-	-	-	-	99,653
Public safety	68,738	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	541,227	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	56,384	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	68,738	61,115	56,384	541,227	99,653
Revenues over (under) expenditures	46,955	(54,613)	-	(501,910)	-
Other Financing Sources (Uses)					
Transfers in	-	54,613	-	501,910	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	54,613	-	501,910	-
Net change in fund balances	46,955	-	-	-	-
Fund balance (deficit), beginning of year	38,623	-	-	-	7,628
Fund balance, end of year	\$ 85,578	\$ -	\$ -	\$ -	\$ 7,628

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Continued

	Special Revenue Funds				
	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections	Local Correction Officer Training
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	102,046	205,755	45,402	-	-
State grants	101,383	398,246	255,127	261,183	-
Local grants and contributions	2,000	13,406	-	-	-
Charges for services	967	22,398	-	-	88,634
Fines and forfeitures	6,303	57,211	24,998	-	-
Investment income	-	23,495	-	-	375
Rental revenue	-	-	-	-	-
Donations	5,535	11,498	309	-	-
Reimbursements	114,168	602,931	24,998	-	-
Other revenue	-	-	-	-	-
Total revenues	332,402	1,334,940	350,834	261,183	89,009
Expenditures					
Current:					
Judicial	137,704	-	-	-	-
General government	1,191	-	605,561	-	-
Public safety	140,009	1,387,208	-	231,183	102,413
Public works	114,568	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	34,763	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	428,235	1,387,208	605,561	231,183	102,413
Revenues over (under) expenditures	(95,833)	(52,268)	(254,727)	30,000	(13,404)
Other Financing Sources (Uses)					
Transfers in	113,500	96,823	254,743	-	-
Transfers out	-	(7,613)	-	(30,000)	-
Total other financing sources (uses)	113,500	89,210	254,743	(30,000)	-
Net change in fund balances	17,667	36,942	16	-	(13,404)
Fund balance (deficit), beginning of year	270,990	446,936	588	-	34,035
Fund balance, end of year	<u>\$ 288,657</u>	<u>\$ 483,878</u>	<u>\$ 604</u>	<u>\$ -</u>	<u>\$ 20,631</u>

**COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Continued

	Special Revenue Funds				
	MSU Extension	Department of Human Services	Child Care	Soldiers' Relief	Veterans' Trust
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	120,292	-	76,544	-	-
State grants	120,466	788,134	2,020,535	-	62,413
Local grants and contributions	237,117	-	100,000	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	1,549	-	-	-	-
Rental revenue	-	-	-	-	-
Donations	-	-	26,132	-	255
Reimbursements	-	-	330,848	-	-
Other revenue	9	-	9,800	-	-
Total revenues	479,433	788,134	2,563,859	-	62,668
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	761,322	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	1,014,453	5,569,822	19,131	62,668
Community and economic development	1,645	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	762,967	1,014,453	5,569,822	19,131	62,668
Revenues over (under) expenditures	(283,534)	(226,319)	(3,005,963)	(19,131)	-
Other Financing Sources (Uses)					
Transfers in	272,321	226,319	3,565,418	19,131	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	272,321	226,319	3,565,418	19,131	-
Net change in fund balances	(11,213)	-	559,455	-	-
Fund balance (deficit), beginning of year	11,901	-	97,431	-	-
Fund balance, end of year	\$ 688	\$ -	\$ 656,886	\$ -	\$ -

**COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Debt Service Funds		
	Hospital Construction	Juvenile Center Renovation	Building Authority
Revenues			
Property taxes	\$ 2,045,534	\$ 241,582	\$ -
Accommodations tax	-	-	-
Licenses and permits	-	-	-
Federal grants	-	-	-
State grants	-	-	-
Local grants and contributions	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	36,325	3,160	54,093
Rental revenue	-	-	569,736
Donations	-	-	-
Reimbursements	-	-	-
Other revenue	-	-	-
Total revenues	<u>2,081,859</u>	<u>244,742</u>	<u>623,829</u>
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and culture	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	485,000	200,000	725,001
Interest and fiscal charges	1,555,500	35,914	186,101
Total expenditures	<u>2,040,500</u>	<u>235,914</u>	<u>911,102</u>
Revenues over (under) expenditures	<u>41,359</u>	<u>8,828</u>	<u>(287,273)</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	(4,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,000)</u>
Net change in fund balances	41,359	8,828	(291,273)
Fund balance (deficit), beginning of year	<u>1,084,114</u>	<u>5,482</u>	<u>1,674,160</u>
Fund balance, end of year	<u>\$ 1,125,473</u>	<u>\$ 14,310</u>	<u>\$ 1,382,887</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Concluded

	Capital Projects Funds		Permanent Fund	Total Nonmajor Governmental Funds
	Parks Building & Site	River Dredging Project	Rail Trail Endowment	
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 9,995,783
Accommodations tax	-	-	-	1,884,559
Licenses and permits	-	-	-	16,670
Federal grants	-	-	-	4,423,536
State grants	-	-	-	5,215,704
Local grants and contributions	-	-	-	352,523
Charges for services	-	-	-	6,710,422
Fines and forfeitures	-	-	-	151,398
Investment income	197	-	1,318	615,068
Rental revenue	-	-	-	570,636
Donations	26,500	336,853	-	745,753
Reimbursements	-	690	-	2,479,253
Other revenue	-	-	-	117,398
Total revenues	26,697	337,543	1,318	33,278,703
Expenditures				
Current:				
Judicial	-	-	-	4,373,851
General government	-	-	-	2,137,908
Public safety	-	-	-	11,320,923
Public works	-	82,882	-	786,032
Health and welfare	-	-	-	13,901,259
Community and economic development	-	-	-	2,304,467
Recreation and culture	-	-	-	1,990,813
Capital outlay	30,084	118,067	-	4,583,860
Debt service:				
Principal	-	-	-	1,410,001
Interest and fiscal charges	-	-	-	1,777,515
Total expenditures	30,084	200,949	-	44,586,629
Revenues over (under) expenditures	(3,387)	136,594	1,318	(11,307,926)
Other Financing Sources (Uses)				
Transfers in	7	-	-	10,262,057
Transfers out	-	-	-	(386,382)
Total other financing sources (uses)	7	-	-	9,875,675
Net change in fund balances	(3,380)	136,594	1,318	(1,432,251)
Fund balance (deficit), beginning of year	3,380	(129,398)	37,644	17,516,929
Fund balance, end of year	\$ -	\$ 7,196	\$ 38,962	\$ 16,084,678

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Law Enforcement			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Investment income	\$ -	\$ -	\$ 727	\$ 727
Reimbursements	607,238	607,238	694,686	87,448
Total revenues	607,238	607,238	695,413	88,175
Expenditures				
Current:				
Public safety	2,877,345	2,872,348	2,852,001	20,347
Capital outlay	-	11,297	11,180	117
Total expenditures	2,877,345	2,883,645	2,863,181	20,464
Revenues over (under) expenditures	(2,270,107)	(2,276,407)	(2,167,768)	108,639
Other Financing Sources (Uses)				
Transfers in	2,286,500	2,286,500	2,287,808	1,308
Transfers out	(16,393)	(10,093)	(10,088)	5
Total other financing sources (uses)	2,270,107	2,276,407	2,277,720	1,313
Net change in fund balances	-	-	109,952	109,952
Fund balance, beginning of year	11,476	11,476	11,476	-
Fund balance, end of year	<u>\$ 11,476</u>	<u>\$ 11,476</u>	<u>\$ 121,428</u>	<u>\$ 109,952</u>

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	County Road Patrol Millage			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 1,703,998	\$ 1,703,998	\$ 1,710,856	\$ 6,858
Investment income	10,000	10,000	24,488	14,488
Total revenues	<u>1,713,998</u>	<u>1,713,998</u>	<u>1,735,344</u>	<u>21,346</u>
Expenditures				
Current:				
Public safety	1,702,649	1,684,214	1,594,400	89,814
Capital outlay	-	18,435	18,434	1
Total expenditures	<u>1,702,649</u>	<u>1,702,649</u>	<u>1,612,834</u>	<u>89,815</u>
Revenues over (under) expenditures	11,349	11,349	122,510	111,161
Other Financing Sources (Uses)				
Transfers out	<u>(11,349)</u>	<u>(11,349)</u>	<u>(14,079)</u>	<u>(2,730)</u>
Net change in fund balances	-	-	108,431	108,431
Fund balance, beginning of year	<u>499,730</u>	<u>499,730</u>	<u>499,730</u>	<u>-</u>
Fund balance, end of year	<u>\$ 499,730</u>	<u>\$ 499,730</u>	<u>\$ 608,161</u>	<u>\$ 108,431</u>

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Parks & Recreation			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 810,831	\$ 810,831	\$ 813,843	\$ 3,012
Charges for services	41,500	65,669	69,677	4,008
Investment income	8,601	17,901	27,067	9,166
Donations	575,055	575,055	68,414	(506,641)
Reimbursements	-	135	135	-
Other revenue	15,000	15,000	3,206	(11,794)
Total revenues	1,450,987	1,484,591	982,342	(502,249)
Expenditures				
Current:				
Recreation and culture	1,404,787	1,523,391	930,829	592,562
Capital outlay	46,200	54,720	32,524	22,196
Total expenditures	1,450,987	1,578,111	963,353	614,758
Revenues over (under) expenditures	-	(93,520)	18,989	112,509
Other Financing Sources (Uses)				
Transfers out	-	-	(7)	(7)
Net change in fund balances	-	(93,520)	18,982	112,502
Fund balance, beginning of year	698,695	698,695	698,695	-
Fund balance, end of year	<u>\$ 698,695</u>	<u>\$ 605,175</u>	<u>\$ 717,677</u>	<u>\$ 112,502</u>

**COUNTY OF SAGINAW, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>G.I.S. System</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues				
Reimbursements	\$ 156,314	\$ 156,314	\$ 156,314	\$ -
Expenditures				
Current:				
General government	<u>156,314</u>	<u>156,314</u>	<u>156,948</u>	<u>(634)</u>
Net change in fund balances	-	-	(634)	(634)
Fund balance, beginning of year	<u>1,252</u>	<u>1,252</u>	<u>1,252</u>	-
Fund balance, end of year	<u><u>\$ 1,252</u></u>	<u><u>\$ 1,252</u></u>	<u><u>\$ 618</u></u>	<u><u>\$ (634)</u></u>

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Friend of the Court			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 2,684,702	\$ 2,692,302	\$ 2,585,084	\$ (107,218)
State grants	127,181	129,599	341,868	212,269
Charges for services	314,100	314,100	343,334	29,234
Investment income	262	262	871	609
Reimbursements	78,000	78,000	79,583	1,583
Total revenues	3,204,245	3,214,263	3,350,740	136,477
Expenditures				
Current:				
Judicial	4,343,138	4,353,156	4,174,433	178,723
Revenues over (under) expenditures	(1,138,893)	(1,138,893)	(823,693)	315,200
Other Financing Sources (Uses)				
Transfers in	1,157,155	1,157,155	1,157,155	-
Transfers out	(18,262)	(18,262)	(18,262)	-
Total other financing sources (uses)	1,138,893	1,138,893	1,138,893	-
Net change in fund balances	-	-	315,200	315,200
Fund balance, beginning of year	57,968	57,968	57,968	-
Fund balance, end of year	\$ 57,968	\$ 57,968	\$ 373,168	\$ 315,200

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Solid Waste			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 346,000	\$ 346,000	\$ 427,587	\$ 81,587
Investment income	26,000	26,000	76,685	50,685
Total revenues	372,000	372,000	504,272	132,272
Expenditures				
Current:				
Public works	526,553	603,600	588,582	15,018
Revenues over (under) expenditures	(154,553)	(231,600)	(84,310)	147,290
Other Financing Sources (Uses)				
Transfers out	(156,228)	(156,228)	(152,333)	3,895
Net change in fund balances	(310,781)	(387,828)	(236,643)	151,185
Fund balance, beginning of year	2,348,124	2,348,124	2,348,124	-
Fund balance, end of year	<u>\$ 2,037,343</u>	<u>\$ 1,960,296</u>	<u>\$ 2,111,481</u>	<u>\$ 151,185</u>

**COUNTY OF SAGINAW, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Lodging Excise Tax			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Accommodations tax	\$ 1,715,000	\$ 1,801,000	\$ 1,884,559	\$ 83,559
Expenditures				
Current:				
Community and economic development	1,715,000	1,801,000	1,884,559	(83,559)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Castle Museum & Historical Activities			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 1,002,618	\$ 1,002,618	\$ 1,007,007	\$ 4,389
Investment income	2,000	2,000	9,734	7,734
Reimbursements	26,429	26,429	26,379	(50)
Total revenues	1,031,047	1,031,047	1,043,120	12,073
Expenditures				
Current:				
Recreation and culture	1,034,547	1,034,547	1,003,600	30,947
Net change in fund balances	(3,500)	(3,500)	39,520	43,020
Fund balance, beginning of year	226,948	226,948	226,948	-
Fund balance, end of year	<u>\$ 223,448</u>	<u>\$ 223,448</u>	<u>\$ 266,468</u>	<u>\$ 43,020</u>

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Commission on Aging			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 1,654,295	\$ 1,654,295	\$ 1,660,444	\$ 6,149
Federal grants	1,036,316	1,036,316	1,036,316	-
State grants	438,571	470,440	424,069	(46,371)
Charges for services	218,585	220,248	208,965	(11,283)
Investment income	37,352	37,352	25,836	(11,516)
Donations	291,744	310,380	262,756	(47,624)
Reimbursements	28,281	31,281	25,520	(5,761)
Other revenue	83,296	84,174	69,240	(14,934)
Total revenues	3,788,440	3,844,486	3,713,146	(131,340)
Expenditures				
Current:				
Health and welfare	3,788,440	3,982,701	3,969,723	12,978
Capital outlay	-	9,999	9,999	-
Total expenditures	3,788,440	3,992,700	3,979,722	12,978
Net change in fund balances	-	(148,214)	(266,576)	(118,362)
Fund balance, beginning of year	925,346	925,346	925,346	-
Fund balance, end of year	<u>\$ 925,346</u>	<u>\$ 777,132</u>	<u>\$ 658,770</u>	<u>\$ (118,362)</u>

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Mosquito Control			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 2,506,797	\$ 2,506,797	\$ 2,516,517	\$ 9,720
Charges for services	8,200	8,200	4,232	(3,968)
Investment income	35,000	35,000	43,836	8,836
Rental revenue	900	900	900	-
Reimbursements	301,500	301,500	383,709	82,209
Other revenue	-	-	3,895	3,895
Total revenues	2,852,397	2,852,397	2,953,089	100,692
Expenditures				
Current:				
Health and welfare	2,871,397	2,856,997	2,724,235	132,762
Capital outlay	30,000	44,400	14,351	30,049
Total expenditures	2,901,397	2,901,397	2,738,586	162,811
Revenues over (under) expenditures	(49,000)	(49,000)	214,503	263,503
Other Financing Sources (Uses)				
Transfers in	49,000	49,000	49,000	-
Net change in fund balances	-	-	263,503	263,503
Fund balance, beginning of year	826,357	826,357	826,357	-
Fund balance, end of year	<u>\$ 826,357</u>	<u>\$ 826,357</u>	<u>\$ 1,089,860</u>	<u>\$ 263,503</u>

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Planning Commission			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 471,000	\$ 388,000	\$ 252,097	\$ (135,903)
State grants	20,000	20,000	9,728	(10,272)
Investment income	-	300	177	(123)
Other revenue	10,000	38,700	31,223	(7,477)
Total revenues	501,000	447,000	293,225	(153,775)
Expenditures				
Current:				
Community and economic development	581,000	554,620	383,500	171,120
Revenues over (under) expenditures	(80,000)	(107,620)	(90,275)	17,345
Other Financing Sources (Uses)				
Transfers in	80,000	80,000	107,620	27,620
Net change in fund balances	-	(27,620)	17,345	44,965
Fund balance, beginning of year	5,741	5,741	5,741	-
Fund balance (deficit), end of year	\$ 5,741	\$ (21,879)	\$ 23,086	\$ 44,965

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Principal Residence Exemption			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 500	\$ 500	\$ 1,864	\$ 1,364
Investment income	31,500	31,500	30,997	(503)
Total revenues	32,000	32,000	32,861	861
Expenditures				
Current:				
Economic	40,893	40,893	-	40,893
Net change in fund balances	(8,893)	(8,893)	32,861	41,754
Fund balance, beginning of year	-	-	-	-
Fund balance (deficit), end of year	<u>\$ (8,893)</u>	<u>\$ (8,893)</u>	<u>\$ 32,861</u>	<u>\$ 41,754</u>

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Public Improvement			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Investment income	\$ -	\$ -	\$ 24,323	\$ 24,323
Expenditures				
Current:				
General government	56,000	70,000	14,375	55,625
Public safety	168,500	168,500	157,700	10,800
Capital outlay	114,000	100,000	110,973	(10,973)
Total expenditures	338,500	338,500	283,048	55,452
Revenues over (under) expenditures	(338,500)	(338,500)	(258,725)	79,775
Other Financing Sources (Uses)				
Transfers in	200,000	200,000	253,068	53,068
Transfers out	(3,000)	(3,000)	-	3,000
Total other financing sources (uses)	197,000	197,000	253,068	56,068
Net change in fund balances	(141,500)	(141,500)	(5,657)	135,843
Fund balance, beginning of year	914,525	914,525	914,525	-
Fund balance, end of year	\$ 773,025	\$ 773,025	\$ 908,868	\$ 135,843

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Courthouse Preservation Technology			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 182,000	\$ 206,000	\$ 229,185	\$ 23,185
Investment income	1,200	1,200	5,544	4,344
Total revenues	<u>183,200</u>	<u>207,200</u>	<u>234,729</u>	<u>27,529</u>
Expenditures				
Current:				
Judicial	33,200	33,200	599	32,601
Capital outlay	-	60,000	58,299	1,701
Total expenditures	<u>33,200</u>	<u>93,200</u>	<u>58,898</u>	<u>34,302</u>
Revenues over (under) expenditures	150,000	114,000	175,831	61,831
Other Financing Sources (Uses)				
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Net change in fund balances	-	(36,000)	25,831	61,831
Fund balance, beginning of year	<u>141,275</u>	<u>141,275</u>	<u>141,275</u>	<u>-</u>
Fund balance, end of year	<u>\$ 141,275</u>	<u>\$ 105,275</u>	<u>\$ 167,106</u>	<u>\$ 61,831</u>

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Animal Control			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Licenses and permits	\$ 16,000	\$ 16,000	\$ 16,670	\$ 670
Charges for services	39,300	39,300	82,507	43,207
Donations	6,600	6,600	7,501	901
Total revenues	61,900	61,900	106,678	44,778
Expenditures				
Current:				
Public safety	765,900	765,900	750,731	15,169
Revenues over (under) expenditures	(704,000)	(704,000)	(644,053)	59,947
Other Financing Sources (Uses)				
Transfers in	704,000	704,000	704,000	-
Net change in fund balances	-	-	59,947	59,947
Fund balance, beginning of year	43,832	43,832	43,832	-
Fund balance, end of year	<u>\$ 43,832</u>	<u>\$ 43,832</u>	<u>\$ 103,779</u>	<u>\$ 59,947</u>

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Land Reutilization			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures				
Current:				
General government	\$ 363,900	\$ 681,970	\$ 422,140	\$ 259,830
Other Financing Sources (Uses)				
Transfers in	<u>363,900</u>	<u>681,970</u>	<u>422,140</u>	<u>(259,830)</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Register of Deeds Automation			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 175,000	\$ 175,000	\$ 182,335	\$ 7,335
Investment income	3,000	3,000	13,196	10,196
Total revenues	<u>178,000</u>	<u>178,000</u>	<u>195,531</u>	<u>17,531</u>
Expenditures				
Current:				
General government	178,000	178,000	76,718	101,282
Capital outlay	-	-	25,835	(25,835)
Total expenditures	<u>178,000</u>	<u>178,000</u>	<u>102,553</u>	<u>75,447</u>
Net change in fund balances	-	-	92,978	92,978
Fund balance, beginning of year	<u>348,601</u>	<u>348,601</u>	<u>348,601</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 348,601</u></u>	<u><u>\$ 348,601</u></u>	<u><u>\$ 441,579</u></u>	<u><u>\$ 92,978</u></u>

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	E-911 Telephone Surcharge			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State grants	\$ 320,000	\$ 320,000	\$ 332,899	\$ 12,899
Charges for services	3,696,128	3,696,128	3,905,008	208,880
Investment income	-	1,750	44,088	42,338
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	4,016,128	4,017,878	4,281,995	264,117
Expenditures				
Current:				
Public safety	4,016,128	4,046,128	3,791,453	254,675
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	(28,250)	490,542	518,792
Fund balance, beginning of year	1,832,376	1,832,376	1,832,376	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 1,832,376</u>	<u>\$ 1,804,126</u>	<u>\$ 2,322,918</u>	<u>\$ 518,792</u>

**COUNTY OF SAGINAW, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	E-911 Equipment Digital			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 960,000	\$ 960,000	\$ 673,717	\$ (286,283)
Investment income	-	-	111,155	111,155
Total revenues	960,000	960,000	784,872	(175,128)
Expenditures				
Capital outlay	960,000	4,154,112	4,154,114	(2)
Net change in fund balances	-	(3,194,112)	(3,369,242)	(175,130)
Fund balance, beginning of year	3,554,795	3,554,795	3,554,795	-
Fund balance, end of year	<u>\$ 3,554,795</u>	<u>\$ 360,683</u>	<u>\$ 185,553</u>	<u>\$ (175,130)</u>

**COUNTY OF SAGINAW, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Mobile Data Maintenance & Repair			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 350,413	\$ 350,413	\$ 354,319	\$ 3,906
Investment income	-	6,300	55,832	49,532
Total revenues	350,413	356,713	410,151	53,438
Expenditures				
Current:				
Public safety	635,721	635,721	245,087	390,634
Revenues over (under) expenditures	(285,308)	(279,008)	165,064	444,072
Other Financing Sources (Uses)				
Transfers in	185,308	179,008	176,481	(2,527)
Net change in fund balances	(100,000)	(100,000)	341,545	441,545
Fund balance, beginning of year	1,496,374	1,496,374	1,496,374	-
Fund balance, end of year	\$ 1,396,374	\$ 1,396,374	\$ 1,837,919	\$ 441,545

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Area Records Management System</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues				
Charges for services	\$ 86,500	\$ 86,500	\$ 115,693	\$ 29,193
Expenditures				
Current:				
Public safety	<u>86,500</u>	<u>86,500</u>	<u>68,738</u>	<u>17,762</u>
Net change in fund balances	-	-	46,955	46,955
Fund balance, beginning of year	<u>38,623</u>	<u>38,623</u>	<u>38,623</u>	-
Fund balance, end of year	<u><u>\$ 38,623</u></u>	<u><u>\$ 38,623</u></u>	<u><u>\$ 85,578</u></u>	<u><u>\$ 46,955</u></u>

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Law Library</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues				
Fines and forfeitures	\$ 6,500	\$ 6,500	\$ 6,502	\$ 2
Expenditures				
Current:				
Judicial	<u>64,762</u>	<u>64,762</u>	<u>61,115</u>	<u>3,647</u>
Revenues over (under) expenditures	(58,262)	(58,262)	(54,613)	3,649
Other Financing Sources (Uses)				
Transfers in	<u>58,262</u>	<u>58,262</u>	<u>54,613</u>	<u>(3,649)</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF SAGINAW, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	County Library Board			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Fines and forfeitures	\$ 100,000	\$ 100,000	\$ 56,384	\$ (43,616)
Expenditures				
Current:				
Recreation and culture	100,000	100,000	56,384	43,616
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Michigan Works! Service Centers			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Reimbursements	\$ -	\$ -	\$ 39,292	\$ 39,292
Other revenue	-	-	25	25
Total revenues	-	-	39,317	39,317
Expenditures				
Current:				
Health and welfare	517,792	547,576	541,227	6,349
Revenues over (under) expenditures	(517,792)	(547,576)	(501,910)	45,666
Other Financing Sources (Uses)				
Transfers in	517,792	547,576	501,910	(45,666)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Remonumentation			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State grants	\$ 145,384	\$ 107,030	\$ 99,653	\$ (7,377)
Expenditures				
Current:				
General government	145,384	107,030	99,653	7,377
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	7,628	7,628	7,628	-
Fund balance, end of year	<u>\$ 7,628</u>	<u>\$ 7,628</u>	<u>\$ 7,628</u>	<u>\$ -</u>

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Special Projects			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 414,474	\$ 425,421	\$ 102,046	\$ (323,375)
State grants	80,000	97,193	101,383	4,190
Local grants and contributions	-	2,000	2,000	-
Charges for services	2,300	2,300	967	(1,333)
Fines and forfeitures	7,000	7,000	6,303	(697)
Donations	3,068	3,068	5,535	2,467
Reimbursements	147,517	147,517	114,168	(33,349)
Total revenues	654,359	684,499	332,402	(352,097)
Expenditures				
Current:				
Judicial	479,594	496,787	137,704	359,083
General government	4,000	4,000	1,191	2,809
Public safety	181,500	181,500	140,009	41,491
Public works	147,517	134,267	114,568	19,699
Community and economic development	41,542	65,323	34,763	30,560
Capital outlay	-	13,250	-	13,250
Total expenditures	854,153	895,127	428,235	466,892
Revenues over (under) expenditures	(199,794)	(210,628)	(95,833)	114,795
Other Financing Sources (Uses)				
Transfers in	113,500	113,500	113,500	-
Net change in fund balances	(86,294)	(97,128)	17,667	114,795
Fund balance, beginning of year	270,990	270,990	270,990	-
Fund balance, end of year	<u>\$ 184,696</u>	<u>\$ 173,862</u>	<u>\$ 288,657</u>	<u>\$ 114,795</u>

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Sheriff Special Projects			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 453,769	\$ 536,205	\$ 205,755	\$ (330,450)
State grants	516,842	516,842	398,246	(118,596)
Local grants and contributions	40,000	40,000	13,406	(26,594)
Charges for services	32,949	32,949	22,398	(10,551)
Fines and forfeitures	65,000	65,000	57,211	(7,789)
Investment income	12,151	12,151	23,495	11,344
Donations	40,500	40,500	11,498	(29,002)
Reimbursements	605,416	605,416	602,931	(2,485)
Other revenue	1,000	1,000	-	(1,000)
Total revenues	1,767,627	1,850,063	1,334,940	(515,123)
Expenditures				
Current:				
Public safety	2,101,568	2,193,765	1,387,208	806,557
Revenues over (under) expenditures	(333,941)	(343,702)	(52,268)	291,434
Other Financing Sources (Uses)				
Transfers in	102,228	102,228	96,823	(5,405)
Transfers out	(7,566)	(7,566)	(7,613)	(47)
Total other financing sources (uses)	94,662	94,662	89,210	(5,452)
Net change in fund balances	(239,279)	(249,040)	36,942	285,982
Fund balance, beginning of year	446,936	446,936	446,936	-
Fund balance, end of year	\$ 207,657	\$ 197,896	\$ 483,878	\$ 285,982

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Prosecutor Special Projects			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 45,402	\$ 45,402	\$ 45,402	\$ -
State grants	251,265	251,265	255,127	3,862
Fines and forfeitures	33,573	26,573	24,998	(1,575)
Donations	908	908	309	(599)
Reimbursements	33,573	26,573	24,998	(1,575)
Total revenues	364,721	350,721	350,834	113
Expenditures				
Current:				
General government	614,721	608,721	605,561	3,160
Revenues over (under) expenditures	(250,000)	(258,000)	(254,727)	3,273
Other Financing Sources (Uses)				
Transfers in	250,000	258,000	254,743	(3,257)
Net change in fund balances	-	-	16	16
Fund balance, beginning of year	588	588	588	-
Fund balance, end of year	\$ 588	\$ 588	\$ 604	\$ 16

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Community Corrections</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues				
State grants	\$ 286,600	\$ 286,600	\$ 261,183	\$ (25,417)
Expenditures				
Current:				
Public safety	<u>256,600</u>	<u>256,600</u>	<u>231,183</u>	<u>25,417</u>
Revenues over (under) expenditures	30,000	30,000	30,000	-
Other Financing Sources (Uses)				
Transfers out	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Local Correction Officer Training			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 110,000	\$ 110,000	\$ 88,634	\$ (21,366)
Investment income	-	-	375	375
Total revenues	110,000	110,000	89,009	(20,991)
Expenditures				
Current:				
Public safety	130,000	130,000	102,413	27,587
Net change in fund balances	(20,000)	(20,000)	(13,404)	6,596
Fund balance, beginning of year	34,035	34,035	34,035	-
Fund balance, end of year	\$ 14,035	\$ 14,035	\$ 20,631	\$ 6,596

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	MSU Extension			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 145,760	\$ 142,460	\$ 120,292	\$ (22,168)
State grants	132,000	139,000	120,466	(18,534)
Local grants and contributions	432,275	324,000	237,117	(86,883)
Investment income	-	-	1,549	1,549
Other revenue	-	-	9	9
Total revenues	710,035	605,460	479,433	(126,027)
Expenditures				
Current:				
General government	980,535	875,960	761,322	114,638
Community and economic development	1,000	1,000	1,645	(645)
Total expenditures	981,535	876,960	762,967	113,993
Revenues over (under) expenditures	(271,500)	(271,500)	(283,534)	(12,034)
Other Financing Sources (Uses)				
Transfers in	270,500	270,500	272,321	1,821
Net change in fund balances	(1,000)	(1,000)	(11,213)	(10,213)
Fund balance, beginning of year	11,901	11,901	11,901	-
Fund balance, end of year	\$ 10,901	\$ 10,901	\$ 688	\$ (10,213)

**COUNTY OF SAGINAW, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Department of Human Services			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State grants	\$ 1,545,000	\$ 1,545,000	\$ 788,134	\$ (756,866)
Expenditures				
Current:				
Health and welfare	1,774,000	1,774,000	1,014,453	759,547
Revenues over (under) expenditures	(229,000)	(229,000)	(226,319)	2,681
Other Financing Sources (Uses)				
Transfers in	229,000	229,000	226,319	(2,681)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Child Care			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 64,000	\$ 64,000	\$ 76,544	\$ 12,544
State grants	2,322,842	2,326,058	2,020,535	(305,523)
Local grants and contributions	100,000	100,000	100,000	-
Donations	59,200	59,200	26,132	(33,068)
Reimbursements	296,500	296,500	330,848	34,348
Other revenue	8,000	8,000	9,800	1,800
Total revenues	2,850,542	2,853,758	2,563,859	(289,899)
Expenditures				
Current:				
Health and welfare	6,414,244	6,420,676	5,569,822	850,854
Revenues over (under) expenditures	(3,563,702)	(3,566,918)	(3,005,963)	560,955
Other Financing Sources (Uses)				
Transfers in	3,562,202	3,565,418	3,565,418	-
Net change in fund balances	(1,500)	(1,500)	559,455	560,955
Fund balance, beginning of year	97,431	97,431	97,431	-
Fund balance, end of year	\$ 95,931	\$ 95,931	\$ 656,886	\$ 560,955

**COUNTY OF SAGINAW, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Soldiers' Relief			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures				
Current:				
Health and welfare	\$ 22,000	\$ 22,000	\$ 19,131	\$ 2,869
Other Financing Sources (Uses)				
Transfers in	22,000	22,000	19,131	(2,869)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF SAGINAW, MICHIGAN
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Veterans' Trust			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State grants	\$ 82,000	\$ 82,000	\$ 62,413	\$ (19,587)
Donations	-	-	255	255
Total revenues	82,000	82,000	62,668	(19,332)
Expenditures				
Current:				
Health and welfare	82,000	82,000	62,668	19,332
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NONMAJOR ENTERPRISE FUNDS

Parking System Fund - This fund is used to account for the operations of the public parking lots within the courthouse area. Money for the operation of this fund is supplied from parking fees. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

Delinquent Property Tax Foreclosure Fund - This fund is used to account for the operations of the tax foreclosure process within Saginaw County. Money for the operation of this fund is supplied through the collection of fees and interest attached to forfeited delinquent real property taxes. In addition, proceeds from the sale of foreclosed properties are also included in this fund. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

Building Authority Administration Fund - This fund is used to account for the administration of County Building Authority affairs. Money for the operation of this fund is supplied from charges assessed to complete Building Authority projects. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

Harry W. Browne Airport Fund - This fund is used to account for the operations of the Harry W. Browne International Airport. Money for the operation of this fund is supplied from hangar rentals, landing use fees, sales of fuel and oil, federal and state grants, and general fund contributions. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

Inmate Services Fund - This fund is used to account for the operations of the Jail Inmate Exchange concession and for projects/activities contributing to the well-being of the inmates and their environment. Money for the operation of this fund is supplied from proceeds from the sale of various items to inmates and commissions on telephone usage. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

**COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF NET ASSETS - NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2008**

	<u>Parking System</u>	<u>Delinquent Property Tax Foreclosure</u>	<u>Building Authority Administration</u>	<u>Harry W. Browne Airport</u>	<u>Inmate Services</u>	<u>Total</u>
Assets						
Current assets:						
Cash and investment pool	\$ 24,927	\$ 474,189	\$ 213,272	\$ 370,992	\$ 239,136	\$ 1,322,516
Receivables (net):						
Accounts	1,217	-	-	5,294	56,744	63,255
Accrued interest	-	4,347	1,434	-	-	5,781
Other assets	-	-	-	6,854	-	6,854
Total current assets	26,144	478,536	214,706	383,140	295,880	1,398,406
Noncurrent assets - capital assets:						
Land	41,273	-	-	993,361	-	1,034,634
Air rights	-	-	-	117,761	-	117,761
Land improvements	33,933	-	-	6,625	-	40,558
Buildings and improvements	-	-	-	1,020,504	-	1,020,504
Machinery and equipment	80,549	-	-	-	12,584	93,133
Vehicles	-	-	-	58,775	54,428	113,203
Planning and development	-	-	-	8,032,381	-	8,032,381
Construction in progress	-	-	-	530,039	-	530,039
Accumulated depreciation	(114,482)	-	-	(6,550,620)	(62,686)	(6,727,788)
Total noncurrent assets - capital assets	41,273	-	-	4,208,826	4,326	4,254,425
Total assets	67,417	478,536	214,706	4,591,966	300,206	5,652,831
Liabilities						
Current liabilities:						
Accounts payable	267	52,075	1,507	8,824	39,199	101,872
Accrued liabilities	4,132	4,321	-	-	-	8,453
Deposits payable	-	-	-	-	12,939	12,939
Due to other funds	441	422,140	-	-	203,068	625,649
Unearned revenue	-	-	-	3,748	-	3,748
Total current liabilities	4,840	478,536	1,507	12,572	255,206	752,661
Noncurrent liabilities:						
Advances from other funds	-	-	-	-	20,000	20,000
Total liabilities	4,840	478,536	1,507	12,572	275,206	772,661
Net Assets						
Invested in capital assets	41,273	-	-	4,208,826	4,326	4,254,425
Unrestricted	21,304	-	213,199	370,568	20,674	625,745
Total Net Assets	\$ 62,577	\$ -	\$ 213,199	\$ 4,579,394	\$ 25,000	\$ 4,880,170

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 FUND NET ASSETS - NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Parking System	Delinquent Property Tax Foreclosure	Building Authority Administration	Harry W. Browne Airport	Inmate Services	Total
Operating Revenues						
Charges for services	\$ 63,038	\$ 747,352	\$ 16,200	\$ 39,387	\$ 864,701	\$ 1,730,678
Fines and forfeitures	12,626	-	-	-	-	12,626
Rental revenue	-	-	-	105,325	-	105,325
Other revenue	-	-	-	3,603	81,282	84,885
Total operating revenues	<u>75,664</u>	<u>747,352</u>	<u>16,200</u>	<u>148,315</u>	<u>945,983</u>	<u>1,933,514</u>
Operating Expenses						
Personal services	38,088	90,514	451	300	-	129,353
Fringe benefits	18,395	43,695	-	40	-	62,130
Supplies	1,124	-	-	6,266	445,611	453,001
Services and charges	13,264	430,179	12,730	179,157	20,537	655,867
Depreciation	1,457	-	-	395,649	1,138	398,244
Total operating expenses	<u>72,328</u>	<u>564,388</u>	<u>13,181</u>	<u>581,412</u>	<u>467,286</u>	<u>1,698,595</u>
Operating income (loss)	<u>3,336</u>	<u>182,964</u>	<u>3,019</u>	<u>(433,097)</u>	<u>478,697</u>	<u>234,919</u>
Nonoperating Revenues (Expenses)						
Federal grants	-	-	-	186,325	-	186,325
State grants	-	-	-	38,446	-	38,446
Investment income	-	239,176	6,943	-	263	246,382
Total nonoperating revenues (expenses)	<u>-</u>	<u>239,176</u>	<u>6,943</u>	<u>224,771</u>	<u>263</u>	<u>471,153</u>
Income (loss) before transfers	<u>3,336</u>	<u>422,140</u>	<u>9,962</u>	<u>(208,326)</u>	<u>478,960</u>	<u>706,072</u>
Transfers						
Transfers in	-	-	9,500	88,000	-	97,500
Transfers out	-	(422,140)	-	-	(478,960)	(901,100)
Net transfers	<u>-</u>	<u>(422,140)</u>	<u>9,500</u>	<u>88,000</u>	<u>(478,960)</u>	<u>(803,600)</u>
Change in net assets	3,336	-	19,462	(120,326)	-	(97,528)
Net assets, beginning of year	59,241	-	193,737	4,699,720	25,000	4,977,698
Net assets, end of year	<u>\$ 62,577</u>	<u>\$ -</u>	<u>\$ 213,199</u>	<u>\$ 4,579,394</u>	<u>\$ 25,000</u>	<u>\$ 4,880,170</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Continued

	<u>Parking System</u>	<u>Delinquent Property Tax Foreclosure</u>	<u>Building Authority Administration</u>	<u>Harry W. Browne Airport</u>	<u>Inmate Services</u>	<u>Total</u>
Cash flows from operating activities:						
Receipts from customers	\$ 62,556	\$ 748,269	\$ 16,379	\$ 164,171	\$ 892,893	\$ 1,884,268
Receipts from interfund services provided	68	-	-	-	7,055	7,123
Payments for interfund services provided	-	(85,346)	-	(39,966)	-	(125,312)
Payments to employees	(55,446)	(132,744)	(451)	(340)	-	(188,981)
Payments to suppliers	(14,158)	(378,104)	(11,223)	(223,248)	(465,336)	(1,092,069)
Other operating revenue	12,626	-	-	3,603	81,282	97,511
Net cash provided by (used in) operating activities	5,646	152,075	4,705	(95,780)	515,894	582,540
Cash flows from noncapital financing activities:						
Transfers in	-	-	9,500	88,000	-	97,500
Transfers out	-	(422,140)	-	-	(478,960)	(901,100)
Net cash provided by (used in) noncapital financing activities	-	(422,140)	9,500	88,000	(478,960)	(803,600)
Cash flows from capital and related financing activities:						
Proceeds from federal and state grants	-	-	-	224,771	-	224,771
Payments for capital asset acquisition	-	-	-	(228,648)	-	(228,648)
Net cash provided by (used in) capital and related financing activities	-	-	-	(3,877)	-	(3,877)
Cash flows from investing activities:						
Investment income	-	239,176	6,943	-	263	246,382
Net increase (decrease) in cash and cash equivalents	5,646	(30,889)	21,148	(11,657)	37,197	21,445
Cash and cash equivalents, beginning of year	19,281	505,078	192,124	382,649	201,939	1,301,071
Cash and cash equivalents, end of year	\$ 24,927	\$ 474,189	\$ 213,272	\$ 370,992	\$ 239,136	\$ 1,322,516

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Concluded

	<u>Parking System</u>	<u>Delinquent Property Tax Foreclosure</u>	<u>Building Authority Administration</u>	<u>Harry W. Browne Airport</u>	<u>Inmate Services</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 3,336	\$ 182,964	\$ 3,019	\$ (433,097)	\$ 478,697	\$ 234,919
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	1,457	-	-	395,649	1,138	398,244
Changes in assets and liabilities:						
Accounts receivable	(482)	917	179	18,661	28,192	47,467
Other assets	-	-	-	(1,576)	-	(1,576)
Due from other funds	-	6,170	-	-	-	6,170
Accounts payable	230	52,075	1,507	4,223	(3,914)	54,121
Accrued liabilities	1,037	1,465	-	-	-	2,502
Deposits payable	-	-	-	-	4,726	4,726
Due to other funds	68	(91,516)	-	(39,966)	7,055	(124,359)
Due to other governmental units	-	-	-	(40,472)	-	(40,472)
Unearned revenue	-	-	-	798	-	798
Net cash provided by (used in) operating activities	<u>\$ 5,646</u>	<u>\$ 152,075</u>	<u>\$ 4,705</u>	<u>\$ (95,780)</u>	<u>\$ 515,894</u>	<u>\$ 582,540</u>

INTERNAL SERVICE FUNDS

MERS Retirement Fund - This fund is used to account for the collection and distribution of contributions to the County's defined benefit pension plan administrator. Money for the operation of this fund is supplied by employer (County) and employee contributions. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

ICMA Retirement Fund - This fund is used to account for the collection and distribution of contributions to the County's defined contribution pension plan administrator. Money for the operation of this fund is supplied by employer (County) and employee contributions. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

Information Systems and Services Fund - This fund is used to account for the operation of the data processing function within the County. Money for the operation of this fund is supplied from reimbursements from user departments. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

Equipment Revolving Fund - This fund is used to account for the purchase of equipment for departments within the County. Money for the operation of this fund is supplied by lease payments from departments purchasing equipment. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968 as amended.

Mailing Department Fund - This fund is used to account for the mailing services for various departments throughout the County. Money for the operation of this fund is supplied from user departments. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

Motor Pool Fund - This fund is used to account for the operations of the motor vehicle pool. Money for the operation of this fund is supplied from lease payments and reimbursements from user departments for vehicle use. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

Risk Management Fund - This fund is used to account for the operations and administration of a self-insured general liability and vehicle claims program. Money for the operation of this fund is supplied from user departments. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

INTERNAL SERVICE FUNDS (Concluded)

Investment Pool Fund - This fund is used to account for the operations of an investment analyst providing investment services. Money for the operation of this fund is supplied from user fees. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

Employee Benefits Fund - This fund is used to account for the various fringe benefits of employees within the County. Money for the operation of this fund is supplied from reimbursements from user departments, and reimbursements from employees for their share of costs. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

Retiree Health Savings Plan Fund - This fund is used to account for the collection and distribution of contributions to the County's retiree health savings plan administrator. Money for the operation of this fund is supplied by employer (County) and employee contributions. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2008

Continued

	MERS Retirement	ICMA Retirement	Information Systems & Services	Equipment Revolving	Mailing Department	Motor Pool
Assets						
Current assets:						
Cash and investment pool	\$ 382,240	\$ 91,251	\$ 466,277	\$ 237,051	\$ 22,451	\$ 509,575
Receivables (net):						
Accounts	-	44,762	223	2,000	-	-
Accrued interest	3,298	770	-	1,692	-	-
Due from other funds	-	-	-	-	-	19,168
Other assets	-	552	22,153	-	20,000	-
Total current assets	385,538	137,335	488,653	240,743	42,451	528,743
Noncurrent assets - capital assets:						
Machinery and equipment	-	-	1,851,973	86,511	-	-
Office furniture and fixtures	-	-	84,750	-	-	-
Vehicles	-	-	-	-	-	1,249,078
Accumulated depreciation	-	-	(1,656,713)	(37,917)	-	(1,062,588)
Total noncurrent assets - capital assets	-	-	280,010	48,594	-	186,490
Total assets	385,538	137,335	768,663	289,337	42,451	715,233
Liabilities						
Current liabilities:						
Accounts payable	272,873	44,861	32,248	40,586	17,451	-
Accrued liabilities	-	7,044	61,296	624	-	-
Due to other funds	-	-	-	-	-	14,159
Total current liabilities	272,873	51,905	93,544	41,210	17,451	14,159
Noncurrent liabilities:						
Advances from other funds	-	-	-	-	25,000	-
Total liabilities	272,873	51,905	93,544	41,210	42,451	14,159
Net Assets						
Invested in capital assets	-	-	280,010	48,594	-	186,490
Unrestricted	112,665	85,430	395,109	199,533	-	514,584
Total Net Assets	\$ 112,665	\$ 85,430	\$ 675,119	\$ 248,127	\$ -	\$ 701,074

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2008

Concluded

	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
Assets					
Current assets:					
Cash and investment pool	\$ 2,249,694	\$ 44,086	\$ 5,661,286	\$ 210	\$ 9,664,121
Receivables (net):					
Accounts	5,839	-	191,371	2,262	246,457
Accrued interest	15,933	-	36,308	11	58,012
Due from other funds	3,265	-	5,119	-	27,552
Other assets	-	-	16,313	-	59,018
Total current assets	2,274,731	44,086	5,910,397	2,483	10,055,160
Noncurrent assets - capital assets:					
Machinery and equipment	-	-	-	-	1,938,484
Office furniture and fixtures	-	-	-	-	84,750
Vehicles	-	-	-	-	1,249,078
Accumulated depreciation	-	-	-	-	(2,757,218)
Total noncurrent assets - capital assets	-	-	-	-	515,094
Total assets	2,274,731	44,086	5,910,397	2,483	10,570,254
Liabilities					
Current liabilities:					
Accounts payable	2,045	1,532	22,630	2,262	436,488
Accrued liabilities	1,368,081	1,309	628,189	-	2,066,543
Due to other funds	50,000	-	-	-	64,159
Total current liabilities	1,420,126	2,841	650,819	2,262	2,567,190
Noncurrent liabilities:					
Advances from other funds	-	-	-	-	25,000
Total liabilities	1,420,126	2,841	650,819	2,262	2,592,190
Net Assets					
Invested in capital assets	-	-	-	-	515,094
Unrestricted	854,605	41,245	5,259,578	221	7,462,970
Total Net Assets	\$ 854,605	\$ 41,245	\$ 5,259,578	\$ 221	\$ 7,978,064

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Continued

	MERS Retirement	ICMA Retirement	Information Systems & Services	Equipment Revolving	Mailing Department	Motor Pool
Operating Revenues						
Charges for services	\$ -	\$ -	\$ 17,786	\$ 67,550	\$ 198,489	\$ -
Rental revenue	-	-	-	19,765	-	219,210
Reimbursements	3,332,597	2,354,880	1,649,390	-	-	-
Other revenue	-	58,193	-	-	-	-
Total operating revenues	<u>3,332,597</u>	<u>2,413,073</u>	<u>1,667,176</u>	<u>87,315</u>	<u>198,489</u>	<u>219,210</u>
Operating Expenses						
Personal services	-	108,489	780,585	8,751	-	-
Fringe benefits	3,315,880	2,336,259	448,080	5,578	-	-
Supplies	-	-	25,893	-	185,206	-
Services and charges	27,182	1,743	275,990	59,922	13,283	64,462
Depreciation	-	-	66,950	13,281	-	140,400
Total operating expenses	<u>3,343,062</u>	<u>2,446,491</u>	<u>1,597,498</u>	<u>87,532</u>	<u>198,489</u>	<u>204,862</u>
Operating income (loss)	<u>(10,465)</u>	<u>(33,418)</u>	<u>69,678</u>	<u>(217)</u>	<u>-</u>	<u>14,348</u>
Nonoperating Revenues (Expenses)						
Investment income	14,411	4,061	-	8,365	-	-
Gain (loss) on sale of capital assets	-	-	-	(18,000)	-	32,900
Total nonoperating revenues (expenses)	<u>14,411</u>	<u>4,061</u>	<u>-</u>	<u>(9,635)</u>	<u>-</u>	<u>32,900</u>
Income (loss) before transfers	<u>3,946</u>	<u>(29,357)</u>	<u>69,678</u>	<u>(9,852)</u>	<u>-</u>	<u>47,248</u>
Transfers						
Transfers in	-	-	-	1,000	-	-
Transfers out	-	-	-	-	-	(11,951)
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>(11,951)</u>
Change in net assets	3,946	(29,357)	69,678	(8,852)	-	35,297
Net assets, beginning of year	<u>108,719</u>	<u>114,787</u>	<u>605,441</u>	<u>256,979</u>	<u>-</u>	<u>665,777</u>
Net assets, end of year	<u>\$ 112,665</u>	<u>\$ 85,430</u>	<u>\$ 675,119</u>	<u>\$ 248,127</u>	<u>\$ -</u>	<u>\$ 701,074</u>

**COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Concluded

	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
Operating Revenues					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 283,825
Rental revenue	-	-	-	-	238,975
Reimbursements	1,163,548	68,616	8,613,610	181,944	17,364,585
Other revenue	-	-	238,902	-	297,095
Total operating revenues	1,163,548	68,616	8,852,512	181,944	18,184,480
Operating Expenses					
Personal services	47,405	14,260	71,477	-	1,030,967
Fringe benefits	12,944	9,011	6,076,935	-	12,204,687
Supplies	-	-	598	-	211,697
Services and charges	857,959	25,905	258,710	181,944	1,767,100
Depreciation	-	-	-	-	220,631
Total operating expenses	918,308	49,176	6,407,720	181,944	15,435,082
Operating income (loss)	245,240	19,440	2,444,792	-	2,749,398
Nonoperating Revenues (Expenses)					
Investment income	84,494	-	159,134	77	270,542
Gain (loss) on sale of capital assets	-	-	-	-	14,900
Total nonoperating revenues (expenses)	84,494	-	159,134	77	285,442
Income (loss) before transfers	329,734	19,440	2,603,926	77	3,034,840
Transfers					
Transfers in	-	-	-	-	1,000
Transfers out	(50,000)	-	-	-	(61,951)
Total transfers	(50,000)	-	-	-	(60,951)
Change in net assets	279,734	19,440	2,603,926	77	2,973,889
Net assets, beginning of year	574,871	21,805	2,655,652	144	5,004,175
Net assets, end of year	\$ 854,605	\$ 41,245	\$ 5,259,578	\$ 221	\$ 7,978,064

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Continued

	MERS Retirement	ICMA Retirement	Information Systems & Services	Equipment Revolving	Mailing Department	Motor Pool
Cash flows from operating activities:						
Receipts from interfund services provided	\$ 3,332,723	\$ 2,345,029	\$ 1,663,218	\$ 96,610	\$ 198,489	\$ 212,282
Payments to employees	-	-	(1,239,224)	(14,145)	-	-
Payments to suppliers	(3,334,316)	(2,433,058)	(325,035)	(19,546)	(197,298)	(64,462)
Other operating revenue	-	57,641	-	-	-	-
Net cash provided by (used in) operating activities	<u>(1,593)</u>	<u>(30,388)</u>	<u>98,959</u>	<u>62,919</u>	<u>1,191</u>	<u>147,820</u>
Cash flows from noncapital financing activities:						
Transfers out	-	-	-	-	-	(11,951)
Cash flows from capital and related financing activities:						
Payments for capital asset acquisition	-	-	-	(7,653)	-	(22,400)
Cash flows from investing activities:						
Investment income	14,411	4,061	-	8,365	-	-
Net increase (decrease) in cash and cash equivalents	12,818	(26,327)	98,959	63,631	1,191	113,469
Cash and cash equivalents, beginning of year	369,422	117,578	367,318	173,420	21,260	396,106
Cash and cash equivalents, end of year	<u>\$ 382,240</u>	<u>\$ 91,251</u>	<u>\$ 466,277</u>	<u>\$ 237,051</u>	<u>\$ 22,451</u>	<u>\$ 509,575</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (10,465)	\$ (33,418)	\$ 69,678	\$ (217)	\$ -	\$ 14,348
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	66,950	13,281	-	140,400
Changes in assets and liabilities:						
Accounts receivable	126	(13,660)	5,942	(605)	-	-
Due from other funds	-	3,809	-	9,900	-	(19,168)
Other assets	-	(552)	(9,571)	-	-	-
Accounts payable	8,746	11,808	(13,581)	40,376	1,191	-
Accrued liabilities	-	1,625	(10,559)	184	-	-
Due to other funds	-	-	(9,900)	-	-	12,240
Net cash provided by (used in) operating activities	<u>\$ (1,593)</u>	<u>\$ (30,388)</u>	<u>\$ 98,959</u>	<u>\$ 62,919</u>	<u>\$ 1,191</u>	<u>\$ 147,820</u>

**COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Continued

	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
Cash flows from operating activities:					
Receipts from interfund services provided	\$ 1,230,708	\$ 68,616	\$ 8,635,662	\$ 177,033	\$ 17,960,370
Payments to employees	(60,349)	(22,900)	(258,147)	-	(1,594,765)
Payments to suppliers	(1,007,875)	(25,885)	(6,366,244)	(180,812)	(13,954,531)
Other operating revenue	-	-	238,902	-	296,543
Net cash provided by (used in) operating activities	162,484	19,831	2,250,173	(3,779)	2,707,617
Cash flows from noncapital financing activities:					
Transfers out	(50,000)	-	-	-	(61,951)
Cash flows from capital and related financing activities:					
Payments for capital asset acquisition	-	-	-	-	(30,053)
Cash flows from investing activities:					
Investment income	84,494	-	159,134	77	270,542
Net increase (decrease) in cash and cash equivalents	196,978	19,831	2,409,307	(3,702)	2,886,155
Cash and cash equivalents, beginning of year	2,052,716	24,255	3,251,979	3,912	6,777,966
Cash and cash equivalents, end of year	\$ 2,249,694	\$ 44,086	\$ 5,661,286	\$ 210	\$ 9,664,121
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 245,240	\$ 19,440	\$ 2,444,792	\$ -	\$ 2,749,398
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	-	220,631
Changes in assets and liabilities:					
Accounts receivable	2,853	-	27,171	(1,102)	20,725
Due from other funds	14,307	-	(5,119)	-	3,729
Other assets	-	-	(14,225)	-	(24,348)
Accounts payable	867	20	(15,776)	1,132	34,783
Accrued liabilities	(150,783)	371	(186,670)	-	(345,832)
Due to other funds	50,000	-	-	(3,809)	48,531
Net cash provided by (used in) operating activities	\$ 162,484	\$ 19,831	\$ 2,250,173	\$ (3,779)	\$ 2,707,617

FIDUCIARY FUNDS

Trust and Agency Fund - This fund is used to account for the collection of monies to be held in trust by the County to be distributed at a later time. Money recorded in this fund comes from current tax collections, fines and costs from other local units of government, payroll deductions for income taxes, and various other deposits payable.

State Education Tax Fund - This fund is used to account for the collection and distribution of State Education Tax.

Library Penal Fine Fund - This fund is used to account for the collection of fines imposed for state law violations and distributed later to the various libraries within the County as directed by the State Library Board.

Hospital Millage Fund - This fund is used to account for the collection and distribution of tax collections for HealthSource of Saginaw.

Dependent Care Fund - This fund is used to account for the collection and distribution of pre-tax monies used for dependent care expenses incurred by employees of the County.

Medical Spending Reimbursement Fund - This fund is used to account for the collection and distribution of pre-tax monies used for medical expenses incurred by employees of the County.

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS
SEPTEMBER 30, 2008

Continued

	<u>Trust & Agency</u>	<u>State Education Tax</u>	<u>Library Penal Fine</u>
Assets			
Cash and investment pool	\$ 1,358,221	\$ 10,404,909	\$ 153,784
Receivables (net):			
Taxes	-	-	-
Accounts	3,898,243	-	6,760
Accrued interest	112	-	3,328
	<u>112</u>	<u>-</u>	<u>3,328</u>
Total assets	<u>\$ 5,256,576</u>	<u>\$ 10,404,909</u>	<u>\$ 163,872</u>
Liabilities			
Accounts payable	\$ 361,941	\$ -	\$ -
Deposits payable	4,782,132	-	-
Due to other governmental units	112,503	10,404,909	163,872
	<u>112,503</u>	<u>10,404,909</u>	<u>163,872</u>
Total liabilities	<u>\$ 5,256,576</u>	<u>\$ 10,404,909</u>	<u>\$ 163,872</u>

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF FIDUCIARY NET ASSETS -
AGENCY FUNDS
SEPTEMBER 30, 2008

Concluded

	<u>Hospital Millage</u>	<u>Dependent Care</u>	<u>Medical Spending Reimbursement</u>	<u>Total</u>
Assets				
Cash and investment pool	\$ 52,478	\$ 2,419	\$ 5,683	\$ 11,977,494
Receivables (net):				
Taxes	17,323	-	-	17,323
Accounts	-	-	-	3,905,003
Accrued interest	928	-	-	4,368
	<u>70,729</u>	<u>2,419</u>	<u>5,683</u>	<u>15,904,188</u>
Total assets	<u>\$ 70,729</u>	<u>\$ 2,419</u>	<u>\$ 5,683</u>	<u>\$ 15,904,188</u>
Liabilities				
Accounts payable	\$ 70,729	\$ 2,419	\$ 4,010	\$ 439,099
Deposits payable	-	-	1,673	4,783,805
Due to other governmental units	-	-	-	10,681,284
	<u>70,729</u>	<u>2,419</u>	<u>5,683</u>	<u>15,904,188</u>
Total liabilities	<u>\$ 70,729</u>	<u>\$ 2,419</u>	<u>\$ 5,683</u>	<u>\$ 15,904,188</u>

BROWNFIELD REDEVELOPMENT AUTHORITY

COMPONENT UNIT OF SAGINAW COUNTY

Brownfield Redevelopment Authority Fund - This fund is used to account for the operations of the County's Brownfield Redevelopment Authority that designs, adopts and implements a redevelopment plan for each Brownfield project. Money for the operation of this fund is supplied from recaptured taxes. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

**COUNTY OF SAGINAW, MICHIGAN
 BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT
 STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND
 BALANCE SHEET
 SEPTEMBER 30, 2008**

	Brownfield Redevelopment Authority	Adjustments	Statement of Net Assets
Assets			
Cash and investment pool	\$ 771,853	\$ -	\$ 771,853
Accounts receivable	597,765	-	597,765
Accrued interest receivable	4,611	-	4,611
	<u>\$ 1,374,229</u>	<u>\$ -</u>	<u>1,374,229</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 7,500	\$ -	7,500
Long-term liabilities:			
Due within one year	-	27,357	27,357
Due in more than one year	-	436,528	436,528
	<u>7,500</u>	<u>463,885</u>	<u>471,385</u>
Fund Balances			
Unreserved	<u>1,366,729</u>	<u>(1,366,729)</u>	<u>-</u>
	<u>\$ 1,374,229</u>		
Net assets:			
Unrestricted		<u>902,844</u>	<u>902,844</u>
		<u>\$ 902,844</u>	<u>\$ 902,844</u>

**COUNTY OF SAGINAW, MICHIGAN
 BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT
 STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Brownfield Redevelopment Authority	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 117,752	\$ -	\$ 117,752
Federal grants	804,132	-	804,132
Reimbursements	613,679	-	613,679
Investment income	23,431	-	23,431
	<u>1,558,994</u>	<u>-</u>	<u>1,558,994</u>
Expenditures / Expenses			
Current:			
Community and economic development	837,168	-	837,168
Debt service:			
Principal	30,210	(30,210)	-
Interest and fiscal charges	2,409	-	2,409
	<u>869,787</u>	<u>(30,210)</u>	<u>839,577</u>
Total expenditures / expenses	<u>869,787</u>	<u>(30,210)</u>	<u>839,577</u>
Net change in fund balances	689,207	(689,207)	-
Change in net assets	-	719,417	719,417
Fund balance / net assets, beginning of year	<u>677,522</u>	<u>(494,095)</u>	<u>183,427</u>
Fund balance / net assets, end of year	<u>\$ 1,366,729</u>	<u>\$ (463,885)</u>	<u>\$ 902,844</u>

**COUNTY OF SAGINAW, MICHIGAN
 BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Property taxes	\$ 229,603	\$ 245,517	\$ 117,752	\$ (127,765)
Federal grants	950,024	950,024	804,132	(145,892)
Reimbursements	-	-	613,679	613,679
Investment income	-	-	23,431	23,431
	<u>1,179,627</u>	<u>1,195,541</u>	<u>1,558,994</u>	<u>363,453</u>
Expenditures				
Current:				
Community and economic development	1,162,921	1,733,146	837,168	895,978
Debt service:				
Principal	14,296	30,210	30,210	-
Interest and fiscal charges	2,410	2,410	2,409	1
	<u>1,179,627</u>	<u>1,765,766</u>	<u>869,787</u>	<u>895,979</u>
Net change in fund balances	-	(570,225)	689,207	1,259,432
Fund balance, beginning of year	<u>677,522</u>	<u>677,522</u>	<u>677,522</u>	<u>-</u>
Fund balance, end of year	<u>\$ 677,522</u>	<u>\$ 107,297</u>	<u>\$ 1,366,729</u>	<u>\$ 1,259,432</u>

DEPARTMENT OF PUBLIC WORKS
COMPONENT UNIT OF SAGINAW COUNTY

Department of Public Works Debt Service Fund - This fund is used to account for the payment of interest and principal on long-term debt resulting from DPW projects constructed by the County for other local units of government. Money received in this fund is provided by local units of government benefiting from the project in annual installments sufficient to pay the annual interest and principal on the long-term debt. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Department of Public Works Construction Fund - This fund is used to account for the construction of water and sewer systems by the County for other units of government. Money for the operation of this fund is supplied from federal and state grants, contributions from other local units of government, general obligation bonds and notes, and interest earnings.

Department of Public Works Administration Fund - This fund is used to account for the preliminary work performed on DPW projects that benefit other local units of government. Money for the operation of this fund is supplied from reimbursements from other local units of government, and general fund contributions.

**COUNTY OF SAGINAW, MICHIGAN
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2008**

	<u>Debt Service</u>	<u>Construction</u>	<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets					
Cash and investment pool	\$ 63,372	\$ 19,792	\$ 83,164	\$ -	\$ 83,164
Accrued interest receivable	-	287	287	-	287
Due from other governmental units	-	126,268	126,268	19,281,906	19,408,174
Prepaid items	608,402	-	608,402	(608,402)	-
Total assets	<u>\$ 671,774</u>	<u>\$ 146,347</u>	<u>\$ 818,121</u>	<u>\$ 18,673,504</u>	<u>19,491,625</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 200	\$ 126,476	\$ 126,676	\$ 253,906	\$ 380,582
Deferred revenue	608,882	-	608,882	(608,882)	-
Long-term liabilities:					
Due within one year	-	-	-	1,179,000	1,179,000
Due in more than one year	-	-	-	17,849,000	17,849,000
Total liabilities	<u>609,082</u>	<u>126,476</u>	<u>735,558</u>	<u>18,673,024</u>	<u>19,408,582</u>
Fund Balances					
Reserved for:					
Debt service	62,692	19,871	82,563	(82,563)	-
Total liabilities and fund balances	<u>\$ 671,774</u>	<u>\$ 146,347</u>	<u>\$ 818,121</u>		
Net assets:					
Restricted for:					
Debt service				62,692	62,692
Acquisition/construction of capital assets				20,351	20,351
Total net assets				<u>\$ 83,043</u>	<u>\$ 83,043</u>

**COUNTY OF SAGINAW, MICHIGAN
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Debt Service	Construction	Total Governmental Funds	Adjustments	Statement of Activities
Revenues					
Federal grants	\$ -	\$ 1,975,268	\$ 1,975,268	\$ -	\$ 1,975,268
Local grants and contributions	2,664,773	-	2,664,773	(1,864,528)	800,245
Investment income	1,180	1,539	2,719	-	2,719
Total revenues	<u>2,665,953</u>	<u>1,976,807</u>	<u>4,642,760</u>	<u>(1,864,528)</u>	<u>2,778,232</u>
Expenditures / Expenses					
Current:					
Public works	-	1,975,957	1,975,957	-	1,975,957
Debt service:					
Principal	1,813,000	-	1,813,000	(1,818,000)	(5,000)
Interest and fiscal charges	850,099	-	850,099	(12,831)	837,268
Total expenditures / expenses	<u>2,663,099</u>	<u>1,975,957</u>	<u>4,639,056</u>	<u>(1,830,831)</u>	<u>2,808,225</u>
Net change in fund balances	2,854	850	3,704	(3,704)	-
Change in net assets	-	-	-	(29,993)	(29,993)
Fund balance / net assets, beginning of year	59,838	19,021	78,859	34,177	113,036
Fund balance / net assets, end of year	<u>\$ 62,692</u>	<u>\$ 19,871</u>	<u>\$ 82,563</u>	<u>\$ 480</u>	<u>\$ 83,043</u>

**COUNTY OF SAGINAW, MICHIGAN
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT
STATEMENT OF NET ASSETS - PROPRIETARY FUND
SEPTEMBER 30, 2008**

	<u>Administration</u>
Assets	
Current assets:	
Due from other governmental units	\$ 7,854
Liabilities	
Current liabilities:	
Accounts payable	4,923
Accrued liabilities	1,085
Total current liabilities	6,008
Net Assets	
Unrestricted	\$ 1,846

**COUNTY OF SAGINAW, MICHIGAN
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Administration
Operating Revenues	
Licenses and permits	\$ 60,580
Reimbursements	31,252
	91,832
Total operating revenues	
Operating Expenses	
Personal services	30,258
Fringe benefits	14,136
Supplies	564
Services and charges	52,205
	97,163
Total operating expenses	
Operating income (loss)	(5,331)
Net assets, beginning of year	7,177
Net assets, end of year	\$ 1,846

**COUNTY OF SAGINAW, MICHIGAN
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Administration</u>
Cash flows from operating activities:	
Receipts from customers	\$ 61,082
Payments to employees	(44,178)
Payments to suppliers	(51,648)
Other operating revenue	<u>31,252</u>
Net cash provided by (used in) operating activities	(3,492)
Cash and cash equivalents, beginning of year	<u>3,492</u>
Cash and cash equivalents, end of year	<u><u>\$ -</u></u>
Reconciliation of operating income to net cash provided by (used in) operating activities:	
Operating loss	\$ (5,331)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Changes in assets and liabilities:	
Due from other governmental units	502
Accounts payable	1,121
Accrued liabilities	<u>216</u>
Net cash provided by (used in) operating activities	<u><u>\$ (3,492)</u></u>

DRAIN COMMISSION

COMPONENT UNIT OF SAGINAW COUNTY

Chapter 8 Drains Debt Service Fund - This fund is used to account for the payment of interest and principal on long-term debt resulting from “intra” and “inter” county drains, generally petitioned by the land owners adjoining the project. Money received in this fund is provided by special assessments to the land owners adjoining the project and from interest earnings from investments. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Chapter 20 Drains Debt Service Fund - This fund is used to account for the payment of interest and principal on long-term debt resulting from “intra” county drain projects. Money received in this fund is provided by special assessments to local units of government and interest earnings from investments. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Special Assessment Drain Construction Fund - This fund is used to account for construction and maintenance of drains. Money for the operation of this fund is supplied from special assessments against property owners benefited, at-large-assessments against other local units of government, general obligation bonds or notes, and interest earnings from investments.

Chapter 8 Drains Construction Fund - This fund is used to account for construction of drains, generally petitioned by the property owners. Money for the operation of this fund is supplied from special assessments against the property owners benefited.

Chapter 20 Drains Construction Fund - This fund is used to account for the construction of drains petitioned by other local units of government. Money for the operation of this fund is supplied from contributions from other local units of government and interest earnings from investments.

Revolving Drain Fund - This fund is used to account for preliminary costs of new drains and maintenance on established drains. Money for the operation of this fund is supplied from an advance from the General Fund and reimbursements from the Special Assessment Drain Fund.

Revolving Drain Maintenance Fund - This fund is used to account for maintenance on drains. Money for the operation of this fund is supplied from interest earnings on consolidated drainage district account balances of less than \$1,000.

**COUNTY OF SAGINAW, MICHIGAN
DRAIN COMMISSION COMPONENT UNIT
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2008**

Continued

	Debt Service Funds		Capital Projects Funds		
	Chapter 8 Drains	Chapter 20 Drains	Special Assessment Drain	Chapter 8 Drains	Chapter 20 Drains
Assets					
Cash and investment pool	\$ 614,801	\$ 55,509	\$ 4,143,158	\$ 795,568	\$ 145,791
Receivables (net):					
Special assessments	1,750,942	8,701,396	-	-	-
Accounts	-	-	-	-	-
Due from other funds	810	-	8,796	-	-
Prepaid items	333	1,417,849	-	-	-
Capital assets, net:					
Assets not being depreciated	-	-	-	-	-
Assets being depreciated	-	-	-	-	-
Total assets	\$ 2,366,886	\$ 10,174,754	\$ 4,151,954	\$ 795,568	\$ 145,791
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 968	\$ -	\$ 182,938	\$ 5,607	\$ -
Due to other funds	14,196	-	277,923	2,042	-
Advances from primary government	-	-	-	-	-
Deferred revenue	1,750,942	10,119,395	-	-	-
Long-term liabilities:					
Due within one year	-	-	-	-	-
Due in more than one year	-	-	-	-	-
Total liabilities	1,766,106	10,119,395	460,861	7,649	-
Fund Balances					
Reserved for:					
Debt service	600,780	55,359	-	-	-
Capital projects	-	-	3,691,093	787,919	145,791
Total fund balances	600,780	55,359	3,691,093	787,919	145,791
Total liabilities and fund balances	\$ 2,366,886	\$ 10,174,754	\$ 4,151,954	\$ 795,568	\$ 145,791

**COUNTY OF SAGINAW, MICHIGAN
DRAIN COMMISSION COMPONENT UNIT
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2008**

Concluded

	<u>Capital Projects Funds</u>		<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
	<u>Revolving Drain</u>	<u>Revolving Drain Maintenance</u>			
Assets					
Cash and investment pool	\$ 31,872	\$ 63,237	\$ 5,849,936	\$ -	\$ 5,849,936
Receivables (net):					
Special assessments	-	-	10,452,338	-	10,452,338
Accounts	-	10,474	10,474	-	10,474
Due from other funds	279,360	5,440	294,406	(294,406)	-
Prepaid items	-	-	1,418,182	(1,417,849)	333
Capital assets, net:					
Assets not being depreciated	-	-	-	1,433,875	1,433,875
Assets being depreciated	-	-	-	39,687,567	39,687,567
Total assets	<u>\$ 311,232</u>	<u>\$ 79,151</u>	<u>\$ 18,025,336</u>	<u>39,409,187</u>	<u>57,434,523</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 10,987	\$ 18,837	\$ 219,337	47,374	266,711
Due to other funds	245	-	294,406	(294,406)	-
Advances from primary government	300,000	-	300,000	-	300,000
Deferred revenue	-	-	11,870,337	(11,870,187)	150
Long-term liabilities:					
Due within one year	-	-	-	628,194	628,194
Due in more than one year	-	-	-	9,108,796	9,108,796
Total liabilities	<u>311,232</u>	<u>18,837</u>	<u>12,684,080</u>	<u>(2,380,229)</u>	<u>10,303,851</u>
Fund Balances					
Reserved for:					
Debt service	-	-	656,139	(656,139)	-
Capital projects	-	60,314	4,685,117	(4,685,117)	-
Total fund balances	<u>-</u>	<u>60,314</u>	<u>5,341,256</u>	<u>(5,341,256)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 311,232</u>	<u>\$ 79,151</u>	<u>\$ 18,025,336</u>		
Net assets:					
Invested in capital assets, net of related debt				31,384,452	31,384,452
Restricted for:					
Debt service				656,139	656,139
Acquisition/construction of capital assets				4,685,117	4,685,117
Unrestricted				10,404,964	10,404,964
Total net assets				<u>\$ 47,130,672</u>	<u>\$ 47,130,672</u>

**COUNTY OF SAGINAW, MICHIGAN
DRAIN COMMISSION COMPONENT UNIT
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Debt Service Funds		Capital Projects Funds		
	Chapter 8 Drains	Chapter 20 Drains	Special Assessment Drain	Chapter 8 Drains	Chapter 20 Drains
Revenues					
Special assessments	\$ 1,014,296	\$ -	\$ 193,012	\$ -	\$ -
Local grants and contributions	201,977	1,609,479	2,045,689	-	-
Investment income	20,576	2,154	64,878	17,741	3,313
Reimbursements	-	-	55,895	82,359	-
Total revenues	1,236,849	1,611,633	2,359,474	100,100	3,313
Expenditures					
Current:					
Public works	-	-	1,855,238	28,034	940
Capital outlay	-	-	-	286,756	-
Depreciation	-	-	-	-	-
Debt service:					
Principal	1,200,094	1,385,000	-	-	-
Interest and fiscal charges	151,132	224,478	-	-	-
Total expenditures	1,351,226	1,609,478	1,855,238	314,790	940
Net change in fund balances	(114,377)	2,155	504,236	(214,690)	2,373
Change in net assets	-	-	-	-	-
Fund balance / net assets, beginning of year	715,157	53,204	3,186,857	1,002,609	143,418
Fund balance / net assets, end of year	<u>\$ 600,780</u>	<u>\$ 55,359</u>	<u>\$ 3,691,093</u>	<u>\$ 787,919</u>	<u>\$ 145,791</u>

**COUNTY OF SAGINAW, MICHIGAN
DRAIN COMMISSION COMPONENT UNIT
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Capital Projects Funds</u>		<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
	<u>Revolving Drain</u>	<u>Revolving Drain Maintenance</u>			
Revenues					
Special assessments	\$ -	\$ -	\$ 1,207,308	\$ (11,489)	\$ 1,195,819
Local grants and contributions	-	-	3,857,145	(2,459,492)	1,397,653
Investment income	-	1,839	110,501	-	110,501
Reimbursements	-	14,987	153,241	-	153,241
Total revenues	<u>-</u>	<u>16,826</u>	<u>5,328,195</u>	<u>(2,470,981)</u>	<u>2,857,214</u>
Expenditures / Expenses					
Current:					
Public works	-	41,120	1,925,332	(41,281)	1,884,051
Capital outlay	-	-	286,756	(286,756)	-
Depreciation	-	-	-	1,193,716	1,193,716
Debt service:					
Principal	-	-	2,585,094	(2,610,094)	(25,000)
Interest and fiscal charges	-	-	375,610	(30,250)	345,360
Total expenditures / expenses	<u>-</u>	<u>41,120</u>	<u>5,172,792</u>	<u>(1,774,665)</u>	<u>3,398,127</u>
Net change in fund balances	-	(24,294)	155,403	(155,403)	-
Change in net assets	-	-	-	(540,913)	(540,913)
Fund balance / net assets, beginning of year	<u>-</u>	<u>84,608</u>	<u>5,185,853</u>	<u>42,485,732</u>	<u>47,671,585</u>
Fund balance / net assets, end of year	<u>\$ -</u>	<u>\$ 60,314</u>	<u>\$ 5,341,256</u>	<u>\$ 41,789,416</u>	<u>\$ 47,130,672</u>

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS - THROUGH GRANTOR'S NUMBER	FEDERAL AWARDS EXPENDED
PRIMARY GOVERNMENT:			
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
PASSED THROUGH MICHIGAN DEPARTMENT OF COMMUNITY HEALTH			
Bioterrorism - focus C	93.283	N/A	\$ 154,237
Bioterrorism - focus A	93.283	N/A	190,063
Bioterrorism - pan flu	93.283	N/A	87,887
Laboratory services	93.283	N/A	30,700
Laboratory services	93.977	N/A	22,950
Federally funded vaccines	93.268	N/A	1,727,309
Immunizations - IAP	93.268	N/A	89,093
Immunization centralized vaccine	93.268	N/A	9,160
HIV / AIDS counseling and testing	93.940	N/A	61,059
Infant mortality coalition support	93.778	N/A	65,000
Case management services	93.778	N/A	30,164
Childhood lead	93.778	N/A	32,550
Substance abuse - Medicaid	93.778	N/A	721,021
Primary care services	93.991	N/A	27,816
STD control	93.991	N/A	46,286
STD control	93.977	N/A	6,216
Local MCH	93.994	N/A	204,387
Family planning	93.217	N/A	168,480
Case management services	93.994	N/A	62,894
PASSED THROUGH HEALTH RESOURCES & SERVICES ADMINISTRATION			
Healthy start initiative	93.926	N/A	607,792
PASSED THROUGH OFFICE OF DRUG CONTROL POLICY			
Substance abuse prevention and treatment block grant (Note 4)	93.959	N/A	814,176
B.A.S.A.R.A. substance abuse treatment	93.959	N/A	483,517
SIG - Saginaw county youth protection council	93.243	N/A	72,235
DIRECT AWARD			
Drug free communities support program	93.276	N/A	100,000
PASSED THROUGH MICHIGAN DEPARTMENT OF HUMAN SERVICES			
Temporary Assistance for Needy Families / Healthy Families	93.558	N/A	74,121
Temporary Assistance for Needy Families / Healthy Families	93.558	N/A	22,262
Temporary Assistance for Needy Families / Family Nutrition	93.558	N/A	6,340
AFDC Maintenance Assistance (Federal Incentive)	93.560	N/A	359,142
IV-D Cooperative Reimbursement Grant (FOC)	93.563	N/A	2,218,342
IV-D Cooperative Reimbursement Grant (GF)	93.563	N/A	370,653
SCAO	93.597	N/A	7,600

(Continued)

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS - THROUGH GRANTOR'S NUMBER	FEDERAL AWARDS EXPENDED
PRIMARY GOVERNMENT:			
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)			
PASSED THROUGH MICHIGAN OFFICE OF AGING SERVICES AND THE REGION VII AREA AGENCY ON AGING			
Medication management	93.043	N/A	\$ 3,760
Aging Cluster:			
Case Coordination and Support	93.044	N/A	80,273
Transportation	93.044	N/A	12,405
Senior Center Staffing	93.044	N/A	6,908
Senior Center Staffing - MO	93.044	N/A	10,512
Senior Center Operations	93.044	N/A	7,000
Outreach	93.044	N/A	17,603
Nutrition - Title IIIC-1	93.045	N/A	132,523
Nutrition - Title IIIC-2	93.045	N/A	172,472
Nutrition - NSIP Congregate	93.053	N/A	47,249
Nutrition - NSIP HDM	93.053	N/A	119,815
Title IIIE Kinship Care	93.052	N/A	4,394
National Family Caregiver Support Program	93.052	N/A	61,701
National Family Caregiver Support Program	93.052	N/A	4,617
National Family Caregiver Support Program	93.052	N/A	12,837
Supplemental funds - Title III E	93.052	N/A	420
Medicaid reimbursement - TCM	93.778	N/A	19,019
POS Waiver	93.778	N/A	55,609
MMAP Core grant	93.779	N/A	8,790
MMAP	93.779	N/A	2,205
PASSED THROUGH MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH			
Temporary Assistance for Needy Families (TANF) Emp Rel SS (Note 3)	93.558	N/A	416,994
TANF Type T (JET) (Note 3)	93.558	N/A	3,490,816
TANF Community Outreach (Note 3)	93.558	N/A	50,000
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			13,611,374
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Foster Grandparent Program	94.011	N/A	253,208
U.S. DEPARTMENT OF AGRICULTURE			
Water and waste disposal systems for rural communities - Oakley village	10.760	Grant	1,695,268
Water and waste disposal systems for rural communities - Merrill village	10.760	Grant	280,000

(Continued)

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS - THROUGH GRANTOR'S NUMBER	FEDERAL AWARDS EXPENDED
PRIMARY GOVERNMENT (continued):			
U.S. DEPARTMENT OF AGRICULTURE (continued):			
PASSED THROUGH MICHIGAN DEPARTMENT OF EDUCATION			
Food Distribution:			
Entitlement commodities	10.550	N/A	\$ 15,078
Bonus commodities	10.550	N/A	190
National School Lunch-Breakfast Program - County Children's Facility	10.553	8350-41-1185	61,276
PASSED THROUGH MICHIGAN DEPARTMENT OF COMMUNITY HEALTH			
Women and Infant Care	10.557	N/A	696,665
PASSED THROUGH MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH			
Food Assist Employ, Training & Support Services (Note 2)	10.561	N/A	<u>145,092</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>2,893,569</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Lead Hazard-Control	14.900	N/A	801,071
PASSED THROUGH CITY OF SAGINAW			
Housing Self Maintenance	14.219	N/A	15,664
PASSED THROUGH THE MICHIGAN STRATEGIC FUND AGENCY			
Photovoltaic Planning Grant	14.228	N/A	46,822
Community Development Block Grant	14.228	MSC-2006-0540-HOA	32,919
Community Development Block Grant - administration	14.228	MSC-2006-0540-HOA	14,806
Community Development Block Grant - administration	14.228	MSC-2008-0540-HOA	<u>4,317</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>915,599</u>
U.S. DEPARTMENT OF LABOR			
PASSED THROUGH MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH (Note 3)			
TAA/NAFTA	17.245	N/A	\$ 487,649
Employment Services	17.207	N/A	676,469
Workforce Investment Act - Capacity building professional development	17.258	N/A	5,693
Workforce Investment Act - Performance incentive Type D	17.258	N/A	8,025
Workforce Investment Act - Adult	17.258	N/A	1,876,951
Workforce Investment Act - Administration	17.258	N/A	179,005
Workforce Investment Act - Service center operations	17.258	N/A	40,364
Workforce Investment Act - Incumbent worker	17.258	N/A	43,506
Workforce Investment Act - Career transition	17.258	N/A	139

(Continued)

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS - THROUGH GRANTOR'S NUMBER	FEDERAL AWARDS EXPENDED
PRIMARY GOVERNMENT (continued):			
U.S. DEPARTMENT OF LABOR (continued):			
PASSED THROUGH MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH (Note 3)			
Workforce Investment Act Type M WF support	17.258	N/A	\$ 123,048
Workforce Investment Act Type V NWLB	17.258	N/A	202,950
Workforce Investment Act Type A MIRSA	17.258	N/A	10,473
Workforce Investment Act - RSA Advanced Manufacturing	17.258	N/A	15,095
Workforce Investment Act - RCAR	17.258	N/A	14,855
Workforce Investment Act - Capacity building professional development	17.259	N/A	6,078
Workforce Investment Act - Performance incentive Type D	17.259	N/A	8,568
Workforce Investment Act - Youth	17.259	N/A	1,823,085
Workforce Investment Act - Administration	17.259	N/A	173,868
Workforce Investment Act - Service center operations	17.259	N/A	43,093
Workforce Investment Act - Career transition	17.259	N/A	148
Workforce Investment Act - Incumbent worker	17.259	N/A	46,448
Workforce Investment Act Type M WF support	17.259	N/A	131,369
Workforce Investment Act Type V NWLB	17.259	N/A	216,673
Workforce Investment Act Type A MIRSA	17.259	N/A	11,181
Workforce Investment Act - RSA Advanced Manufacturing	17.259	N/A	16,116
Workforce Investment Act - RCAR	17.259	N/A	15,859
Workforce Investment Act - Dislocated	17.260	N/A	1,185,107
Workforce Investment Act - Dislocated Worker NWLB	17.260	N/A	152,221
Workforce Investment Act - Administration	17.260	N/A	127,541
Workforce Investment Act - Service center operations	17.260	N/A	97,304
Workforce Investment Act - Incumbent worker	17.260	N/A	104,878
Workforce Investment Act - Capacity building professional development	17.260	N/A	13,724
Workforce Investment Act - Performance incentive Type D	17.260	N/A	19,345
Workforce Investment Act - Career transition	17.260	N/A	334
Workforce Investment Act Type M WF support	17.260	N/A	296,628
Workforce Investment Act Type V NWLB	17.260	N/A	489,242
Workforce Investment Act Type A MIRSA	17.260	N/A	25,246
Workforce Investment Act - RSA Advanced Manufacturing	17.260	N/A	36,389
Workforce Investment Act - RCAR	17.260	N/A	35,809
Disability navigator	17.266	N/A	49,646
TOTAL U.S. DEPARTMENT OF LABOR			<u>8,810,122</u>
U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY			
PASSED THROUGH SAGINAW COUNTY UNITED WAY			
Emergency Food and Shelter - National Program	83.523	N/A	<u>2,996</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
PASSED THROUGH MICHIGAN STATE POLICE DEPARTMENT			
Emergency management performance grants	97.042	N/A	29,143
Marine Safety Program	97.012	N/A	6,104
2006 State Homeland Security	97.004	N/A	<u>4,323</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>39,570</u>

(Continued)

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

FEDERAL GRANTOR / PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS - THROUGH GRANTOR'S NUMBER	FEDERAL AWARDS EXPENDED
PRIMARY GOVERNMENT (continued):			
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Brownfield Pilots Cooperative Agreements	66.811	N/A	\$ 804,132
U.S. DEPARTMENT OF EDUCATION			
Twenty First Century Community Learning Centers	84.287A	N/A	1,905
U.S. DEPARTMENT OF JUSTICE			
Safe Havens Visitation	16.527	#2005-CWAX-0025	51,709
Local Law Enforcement Block Grant	16.592	N/A	79,777
Local Law Enforcement Block Grant	16.592	N/A	39,116
State Criminal Alien Assistance Program	16.606	N/A	23,493
PASSED THROUGH DETROIT COMMUNITY JUSTICE PARTNERSHIP			
Project Safe Neighborhoods	16.609	N/A	14,898
PASSED THROUGH STATE COURT ADMINISTRATOR'S OFFICE			
Truancy grant	16.523	N/A	2,173
Truancy grant	16.523	N/A	14,698
PASSED THROUGH MICHIGAN DEPARTMENT OF STATE POLICE OFFICE OF DRUG CONTROL POLICY			
Prosecutors Asset Forfeiture Unit	16.523	N/A	45,402
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>271,266</u>
U.S. DEPARTMENT OF TRANSPORTATION			
PASSED THROUGH MICHIGAN DEPARTMENT OF TRANSPORTATION - AERONAUTICS			
Airport improvement program	20.106	B-26-0114-0803	186,325
PASSED THROUGH MICHIGAN DEPARTMENT OF COMMUNITY HEALTH			
Safe routes to schools	20.205	N/A	6,687
PASSED THROUGH MICHIGAN DEPARTMENT OF TRANSPORTATION			
Urban Planning - FHWA	20.500	FHWA PL-0123-025	167,037
Urban Planning - FTA	20.500	FTA 97874	33,018
S.C.A.R.E.	20.600	N/A	71,964
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>465,031</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE - PRIMARY GOVERNMENT, BROWNFIELD AUTHORITY AND DEPARTMENT OF PUBLIC WORKS COMPONENT UNITS			<u>\$ 28,068,772</u>

COUNTY OF SAGINAW
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

NOTES:

- (1) The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Saginaw and is presented on the modified accrual basis of accounting. The information presented in this schedule is presented in accordance with the requirements of OMB Circular A-133 Audits of States, Local Governments and Non Profit Organizations.
- (2) 100% of this award was provided to subrecipients.
- (3) Approximately 95% of this award was provided to subrecipients.
- (4) Approximately 90% of this award was provided to subrecipients.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

March 5, 2009

Board of Commissioners
County of Saginaw
Saginaw, Michigan

We have audited the 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 *County of Saginaw, Michigan* as of and for the year ended September 30, 2008, which collectively comprise the *County of Saginaw, Michigan's* basic financial statements, and have issued our report thereon dated March 5, 2009. The report on the aggregate discretely presented component units opinion unit was qualified due to the omission of the Saginaw County Road Commission financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered *County of Saginaw, Michigan's* internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the *County of Saginaw, Michigan's* internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the *County of Saginaw, Michigan's* internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the *County of Saginaw, Michigan's* ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted

accounting principles such that there is more than a remote likelihood that a misstatement of the *County of Saginaw, Michigan's* financial statements that is more than inconsequential will not be prevented or detected by the *County of Saginaw, Michigan's* internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2008-1 and 2008-2 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the *County of Saginaw, Michigan's* internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies, and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the *County of Saginaw, Michigan's* financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted other matters involving the internal control over financial reporting that we have reported to management of *County of Saginaw, Michigan* in a separate letter dated March 5, 2009.

This report is intended solely for the information and use of the audit committee, others within the organization, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Lehmann Johnson".

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

March 5, 2009

Board of Commissioners
County of Saginaw
Saginaw, Michigan

Compliance

We have audited the compliance of the *County of Saginaw, Michigan* with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2008. The *County of Saginaw, Michigan's* major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the *County of Saginaw, Michigan's* management. Our responsibility is to express an opinion on the *County of Saginaw, Michigan's* compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the *County of Saginaw, Michigan's* compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the *County of Saginaw, Michigan's* compliance with those requirements.

In our opinion, the *County of Saginaw, Michigan* complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2008.

Internal Control Over Compliance

The management of the *County of Saginaw, Michigan* is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the *County of Saginaw, Michigan's* internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, others within the organization, Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



COUNTY OF SAGINAW

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Adverse on aggregate discretely presented component units; unqualified on remainder of opinion units' financial statements

Internal controls over financial reporting:

Material weakness(es) identified?

_____ yes no

Significant deficiency(ies) identified not considered to be material weaknesses?

yes _____ none reported

Noncompliance material to financial statements noted?

_____ yes no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

_____ yes no

Significant deficiency(ies) identified not considered to be material weaknesses?

_____ yes none reported

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?

_____ yes no

Identification of Major Programs:

CFDA Number(s)

17.258/17.259/17.260

93.563

93.959

Name of Federal Program or Cluster

Workforce Investment Act Cluster

IV-D Cooperative Reimbursement Grant

Substance Abuse Prevention and Treatment

Block Grant

COUNTY OF SAGINAW

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

Dollar threshold used to distinguish
between Type A and Type B programs: \$842,063

Auditee qualified as low-risk auditee? X yes no

SECTION II – FINANCIAL STATEMENT FINDINGS

2008-1 BANK RECONCILIATION PROCEDURES (SIGNIFICANT DEFICIENCY)

Criteria: Effective internal control procedures should provide a clear evidence trail of who performed what procedure and when. Properly completed bank reconciliations, prepared on a timely basis, are a fundamental element of internal control.

Condition/Finding: The County is diligent in completing its bank reconciliations on a timely basis. However, neither the preparer nor reviewer of the bank reconciliations initial and date these schedules to document who and when these internal control procedures were performed. In addition, with no review of the general checking account bank reconciliation performed, a situation was created where no one in the Treasurer's or Controller's Office was aware that the September 30, 2008 reconciliation was significantly out of balance.

Cause: The bank reconciliations have always been prepared timely in the past with minimal discrepancies. Therefore, it has never been presented as an issue or enhancement opportunity in the past. County personnel responsible for completing the bank reconciliations, particularly the primary operating bank accounts, simply failed to identify all of the bank and book transactions that were reconciling items and to learn from that identification process in order to properly record those transactions to eliminate them as carryover or continuing reconciling items.

Effect: For the review process, it can certainly be argued that it never happened if there is no proof. Cash errors, unintentional or otherwise, cannot be detected on a timely basis if bank reconciliations are not regularly completed on a timely basis.

Recommendation/Comment: The preparer and reviewer of each monthly bank reconciliation should initial and date the document. The reconciliation should identify all reconciling items and eliminate any variances.

View of Responsible Officials: To be determined.

COUNTY OF SAGINAW

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

2008-2 DAILY BALANCING PROCEDURES (SIGNIFICANT DEFICIENCY)

Criteria: Management is responsible for establishing and maintaining effective internal control over financial reporting safeguarding the County's assets.

Condition/Finding: During the course of our audit, we noted instances where key financial duties were being performed by the same individual and there were no mitigating controls in place to ensure effective internal controls. Specifically, we found that the following incompatible functions are being performed by the same individual:

- (1) The daily balancing of the cash drawers in the Treasurer's Office is prepared by the Head Cashier.
- (2) The daily balancing of the jury cash in the Treasurer's Office is performed by one individual, who is also responsible for safeguarding the cash.

Cause: Because of ease and some turnover/changes in employees in the Treasurer's Office in the past few years, these activities have been performed by only limited numbers of employees.

Effect: The County's current system of internal control does not appear to have sufficient safeguards in place to ensure that errors, fraud or abuse are prevented or can be detected in a timely manner. Effectively, proper segregation of duties is intended to prevent an individual from committing an act of fraud or abuse and be able to conceal it.

Recommendation/Comment: While there are no easy answers to the challenge of balancing the costs and benefits of internal controls and the segregation of duties, we would nevertheless encourage management to actively seek ways to further strengthen its internal control structure by requiring as much independent review, reconciliation, and approval of accounting functions by qualified employees or management as possible.

View of Responsible Officials: To be determined.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

PRIOR YEAR FINDINGS

None

Saginaw County Department of Public Health
Coordinating Agency
SUBSTANCE ABUSE PREVENTION AND TREATMENT
Schedule of Budgeted, Reported, and Audited Amounts
For the Year Ended September 30, 2008

Schedule A

<u>Fund Source</u>	<u>Budgeted (FINAL)</u>	<u>Reported (FINAL RER)</u>	<u>Audited Expenditures</u>	<u>Variance (Audited - Reported)</u>	
A State Agreement					
1 Community grant	\$ 1,116,326	\$ 1,102,964	\$ 1,102,964	\$ -	
2 Prevention	519,152	519,152	519,152	-	
3 Communicable disease	85,331	81,530	81,530	-	
4 State Disability Assistance	70,092	70,075	70,075	-	
5 SPF/SIG	115,000	72,235	72,235	-	
A Sub-total	<u>1,905,901</u>	<u>1,845,956</u>	<u>1,845,956</u>	<u>-</u>	
B Medicaid					
1 Current year PEPM (Federal & State)	506,716	605,463	605,463	-	
2 Women's Specialty - Federal	368,206	327,307	327,307	-	
3 Women's Specialty - State	265,539	236,045	236,045	-	
4 Reinvestment savings	58,745	58,745	58,745	-	
B Sub-total	<u>1,199,206</u>	<u>1,227,560</u>	<u>1,227,560</u>	<u>-</u>	
C Adult Benefit Waiver					
1 Current year PEPM (Federal share only)	39,000	11,667	11,667	-	
C Sub-total	<u>39,000</u>	<u>11,667</u>	<u>11,667</u>	<u>-</u>	
D MI Child					
1 Current year PEPM	2,596	-	-	-	-
D Sub-total	<u>2,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
E Local					
1 Current year PA2	462,505	540,379	540,379	-	540,379
2 PA2 fund balance	-	175,048	175,048	-	175,048
3 Other local (R325.4152 excl. subsection (1)(f))	-	12,000	12,000	-	12,000
E Sub-total	<u>462,505</u>	<u>727,427</u>	<u>727,427</u>	<u>-</u>	
F Fees & Collections (R325.4151 (1)(d))	25,000	26,410	26,410	-	<u>26,410</u>
G Other Contracts & Sources	180,000	180,000	180,000	-	
Grand Total of Subtotals A-G	<u>\$ 3,814,208</u>	<u>\$ 4,019,020</u>	<u>\$ 4,019,020</u>	<u>\$ -</u>	
Amount billable to MDCH (Section A audited subtotal)			\$ 1,845,956		
Total MDCH Payments (through 9/30/08)			1,874,203		
(Overpayment) / Underpayment			<u>\$ (28,247)</u>		
Local Match Funds Total					\$ 753,837
Local Match Requirement [(grand total of audited expenditures minus subtotals B,C,D & G) * 10%]					<u>259,979</u>
Local Match (Shortfall) / Excess					<u>\$ 493,858</u>

**Saginaw County Department of Public Health
Coordinating Agency**
SUBSTANCE ABUSE PREVENTION AND TREATMENT
Schedule of Expenditures and Funding Sources by Program
For the Year Ended September 30, 2008

Schedule B

Program	Budgeted (FINAL)	Reported (FINAL RER)	Audited Expenditures				Audited Funding Sources						Variance (Audited - Reported)	Questioned Costs (Expend - Funding)	Unexpended Fund Balance	
			Gross Amount	Less Medicaid	Less Fees	Net Amount	State Agreement	SDA	PA2	Other Sources	ABW	MI Child				Total Funding
Administration	\$ 415,922	\$ 384,914	\$ 384,914	\$ 200,496	\$ 26,410	\$ 158,008	\$ 158,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 158,008	\$ -	\$ -	\$ -
Prevention	1,105,150	1,238,544	1,238,544	58,745	-	1,179,799	591,387	-	408,412	180,000	-	-	1,179,799	-	-	-
Treatment	1,437,501	1,316,832	1,316,832	404,967	-	911,865	690,924	70,075	150,866	-	-	-	911,865	-	-	-
Women's Services	696,279	968,692	968,692	563,352	-	405,340	249,191	-	156,149	-	-	-	405,340	-	-	-
HIV / EIP Training	88,017	93,530	93,530	-	-	93,530	81,530	-	-	12,000	-	-	93,530	-	-	-
ABW	71,339	16,508	16,508	-	-	16,508	4,841	-	-	-	11,667	-	16,508	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	38,898	2,457	41,355	-	-	41,355
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$3,814,208	\$ 4,019,020	\$4,019,020	\$ 1,227,560	\$ 26,410	\$ 2,765,050	\$ 1,775,881	\$70,075	\$715,427	\$ 192,000	\$ 50,565	\$ 2,457	\$ 2,806,405	\$ -	\$ -	\$ 41,355

Reconciliation of PA2 funds:

Beginning Balance	\$ 584,014
Additions	540,379
Expended	(715,427)
Ending Balance	<u>\$ 408,966</u>

Reconciliation of Medicaid Managed Care Funds (PEPM)

PEPM Payments received	\$1,208,893
+ Medicaid savings c/o	58,745
- Expenditures - SCCMHA admin	5,035
- Expenditures - Coord. Agency	(1,232,595)
- Medicaid savings carryforward	(40,078)
- Returned to PIHP	<u>\$ -</u>

Note 1: The Coordinating Agency received and spent \$72,235 in SIG funds during the year ended September 30, 2008. Those funds are reported under the State Agreement funding under the audited funding sources above.

Note 2: The Coordinating Agency is entitled to carry forward any ABW or MI Child year-end balances based upon contractual provisions with the Department of Community Health. At September 30, 2008, the Coordinating Agency had \$38,898 of unspent ABW funds and \$2,457 unspent MI Child funds, as reported above.



COUNTY OF SAGINAW

111 SOUTH MICHIGAN AVENUE
SAGINAW, MICHIGAN 48602

MARC A. MCGILL
Controller/Chief Administrative Officer

March 6, 2009

County of Saginaw Board of Commissioners
111 S. Michigan Avenue
Saginaw, MI 48602

Re: Responses to the Schedule of Findings and Questioned Costs for the County of Saginaw Single Audit for the Fiscal Year Ended (FYE) September 30, 2008

The Controller's Office respectfully submits the following views of responsible officials in response to the schedule of findings and questioned costs as presented by our auditors Rehmann Robson in conjunction with the single audit for the fiscal year ended September 30, 2008.

The condition/finding from our single audit has been duplicated below along with the view of responsible officials. The findings are numbered consistently with the number assigned in the schedule of findings and questioned costs contained within the single audit.

SECTION II – FINANCIAL STATEMENT FINDINGS

2008-1 BANK RECONCILIATION PROCEDURES (SIGNIFICANT DEFICIENCY)

Criteria:	Effective internal control procedures should provide a clear evidence trail of who performed what procedure and when. Properly completed bank reconciliations, prepared on a timely basis, are a fundamental element of internal control.
Condition/Finding:	The County is diligent in completing its bank reconciliations on a timely basis. However, neither the preparer nor reviewer of the bank reconciliations initial and date these schedules to document who and when these internal control procedures were performed. In addition, with no review of the general checking account bank reconciliation performed, a situation was created where no one in the Treasurer's or Controller's Office was aware that the September 30, 2008 reconciliation was significantly out of balance.
Cause:	The bank reconciliations have always been prepared timely in the past with minimal discrepancies. Therefore, it has never been presented as an issue or enhancement opportunity in the past. County personnel responsible for completing the bank reconciliations, particularly the primary operating bank accounts, simply failed to identify all of the bank and book transactions that were reconciling items and to learn from that identification process in order to properly record those transitions to eliminate them as carryover or continuing reconciling items.

Effect: For the review process, it can certainly be argued that it never happened if there is no proof. Cash errors, unintentional or otherwise, cannot be detected on a timely basis if bank reconciliations are not regularly completed on a timely basis.

Recommendation/Comment: The preparer and reviewer of each monthly bank reconciliation should initial and date the document. The reconciliation should identify all reconciling items and eliminate any variances.

View of Responsible Officials: Upon review of the finding and recommendation with the Treasurer's Office, it has been determined that the individual responsible for preparing the bank reconciliations will initial and date the document. Also, the procedures will now include a review by the Administration Director in the Controller's Office on a monthly basis who will also initial and date the document. The reconciliation will identify all reconciling items and will eliminate any variances thereby removing those items as being carried over as a continuing reconciling item. The reconciliation report will be maintained by the Treasurer's Office.

2008-2 DAILY BALANCING PROCEDURES (SIGNIFICANT DEFICIENCY)

Criteria: Management is responsible for establishing and maintaining effective internal control over financial reporting safeguarding the County's assets.

Condition/Finding: During the course of our audit, we noted instances where key financial duties were being performed by the same individual and there were no mitigating controls in place to ensure effective internal controls. Specifically, we found that the following incompatible functions are being performed by the same individual:

- (1) The daily balancing of the cash drawers in the Treasurer's Office is prepared by the Head Cashier.
- (2) The daily balancing of the jury cash in the Treasurer's Office is performed by one individual, who is also responsible for safeguarding the cash.

Cause: Because of ease and some turnover/changes in employees in the Treasurer's Office in the past few years, these activities have been performed by only limited numbers of employees.

Effect: The County's current system of internal control does not appear to have sufficient safeguards in place to ensure that errors, fraud or abuse are prevented or can be detected in a timely manner. Effectively, proper segregation of duties is intended to prevent an individual from committing an act of fraud or abuse and be able to conceal it.

Recommendation/Comment: While there are no easy answers to the challenge of balancing the costs and benefits of internal controls and the segregation of duties, we would nevertheless encourage management to actively seek ways to further strengthen its internal control structure by requiring as much independent review, reconciliation, and approval of accounting functions by qualified employees or management as possible.

View of Responsible Officials: Upon review of the finding and recommendation with the Treasurer's Office, it has been determined that the daily balancing procedures of the cash drawers will now include oversight of the Head Cashier by one of the Deputy Treasurers. Also, the jury cash fund will be checked and balanced on a quarterly basis by the Deputy Treasurers and this audit will be random and unannounced. The Deputy Treasurers will maintain a log of the audits within the Treasurer's Office.

Should the County of Saginaw Board of Commissioners have any questions regarding this communication, please do not hesitate to contact me at (989) 790-5578.

Sincerely,



Marc A. McGill
Controller/CAO

C: Charles H. Cleaver, Administration Director
Koren A. Reaman, Financial Services Manager
Marvin D. Hare, Treasurer
Gerald J. Deslover, Principal, Rehmann Robson

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE
UNDER SAS NO. 114**

March 5, 2009

To the Board of Commissioners
County of Saginaw

We have audited the 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 *County of Saginaw* (the “County”) for the year ended September 30, 2008, and have issued our report thereon dated March 5, 2009. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and OMB Circular A-133

As stated in our engagement letter dated July 3, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the County’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the *County’s* financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the *County’s* compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each

To the Board of Commissioners
County of Saginaw
March 5, 2009
Page 2

of its major federal programs for the purpose of expressing an opinion on the *County's* compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the *County's* compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on January 13, 2009.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the *County* are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third party administrators and subsequent claims activity.

To the Board of Commissioners
County of Saginaw
March 5, 2009
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We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 5, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

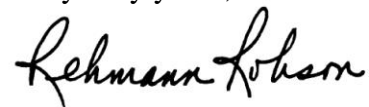
To the Board of Commissioners
County of Saginaw
March 5, 2009
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Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the governing body and management of the *County of Saginaw* and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Lehmann Johnson". The signature is written in a cursive style with a large, prominent initial 'L'.

County of Saginaw

Comments and Recommendations

For the Year Ended September 30, 2008

In planning and performing our audit of the financial statements of the County of Saginaw as of and for the year ended September 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. The deficiencies we noted that we consider to be significant deficiencies are described in the Schedule of Findings and Questioned Costs in the County's Single Audit report.

Other Matters

Meals expenditures

Typically, expenditures of the County must be for a public purpose and not an individual or private group or purpose (per guidelines from the Michigan Department of Treasury Bulletin for Audits of Local Governments). When expenditures for meals or other refreshments are incurred for use at a regular or special Board of Commissioners or committee meeting or at educational or other seminars they are normally considered expenditures for a public purpose. However, food and beverages for employees use during normal working hours, including at department meetings or lunches is considered personal, and not for a public purpose. These expenditures are improper unless specifically provided for in a collective bargaining agreement or duly adopted employment policy of the County (where they would be considered fringe benefits of the employees).

County of Saginaw

Comments and Recommendations

For the Year Ended September 30, 2008

We recommend that the County review their current policies and purchasing practices to ensure that in the future only lawful expenditures are charged to County departments.

Management's response:

The County will review our current policies and purchasing practices and will take appropriate steps to strengthen those policies and practices. The County will communicate with elected officials, department heads, and those responsible for approving payments to vendors to ensure that those individuals are aware of the County's policies and the Michigan Department of Treasury's Bulletin for Audits of Local Governments regarding lawful expenditure of County funds relating to meals and beverages. The County will also take steps to strengthen our accounts payable review process to ensure that requests for payments to vendors for meals and beverages comply with County policy and the Michigan Department of Treasury. Those requests for payments that do not comply will be rejected and returned to the department as unable to process.

Cash on hand

The County has several departments that have a petty cash balance on the general ledger. However, not all departments currently have the amount of cash on hand in accordance with what the general ledger reflects. In addition, we observed that the Parks and Recreation Department not only had cash on hand, but also had checks that had not been deposited with the Treasurer's Office in several months.

We recommend that the County review their current policies and procedures to ensure that departmental deposits are made in a timely manner with the Treasurer's Office. In addition, we recommend that the County review the amounts of cash held by various departments to ensure that the balances agree to the general ledger.

Management's response:

The majority of the departments within the County deposit money with the County Treasurer on either a daily, weekly or monthly basis. The County will review our current policies and procedures regarding departmental deposits with the Treasurer's Office and will address the specific circumstance with the Parks and Recreation Department's manager to ensure that all checks or cash received are deposited with the Treasurer. The County will also review the amounts of cash held by various departments to ensure that the balances agree to the general ledger as well as assess whether the amount of cash on hand is necessary for each department to provide services to the public.

* * * * *