

COUNTY OF SAGINAW, MICHIGAN

FINANCIAL STATEMENTS AND SINGLE AUDIT

***FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2009***

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

COUNTY OF SAGINAW, MICHIGAN
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

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INDEPENDENT AUDITORS' REPORT

March 22, 2010

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, 2009, 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 did not audit the financial statements of the County of Saginaw Road Commission, which represents 68% of the assets, and 89% of the revenues of the aggregate discretely presented component units of the County. Those financial statements were audited by other auditors whose report was furnished to us, and our opinion, insofar as it relates to the amounts included for the County of Saginaw Road Commission is based on the report of the other auditors.

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.

In our opinion, based on our audit and the report of other auditors, 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund and each major special revenue fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2010, 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 and the historical pension and other postemployment benefits supplementary information for the Saginaw County Employees Retirement Plan listed in the table of contents on pages 3-17, the Schedule of Funding Progress and Employer Contribution for Municipal Employees Retirement System of Michigan on page 83 and Schedule of Funding Progress and Employer Contribution for Postemployment Health Benefits on page 84 are not required parts of the basic financial statements but are 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 black ink, appearing to read "Lehmann Johnson". The signature is written in a cursive, flowing style.

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, 2009. 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 \$90,770,547 (*net assets*). Of this amount, \$48,014,749 (*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 \$6,319,300 during 2009.
- 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 \$36,473,164, a decrease of \$3,552,894 in comparison with the prior year. Approximately 88.2 percent of this total amount, or \$32,167,369, 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 \$16,336,280, or 46.1 percent of total general fund expenditures. Total fund balance for the general fund was \$16,781,280.
- The County's total bonded debt decreased by \$6,158,550 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, a legally separate Land Bank Authority, and a legally separate Saginaw County Community Mental Health 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. 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, and Michigan Works! Fund, each of which is considered to be major funds. Data from the other 43 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 - 28 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 29 - 32 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 33 - 34 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 38 - 82 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 83 - 163 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 \$90,770,547 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	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 95,446,623	\$ 97,695,332	\$ 24,130,438	\$ 22,669,333	\$ 119,577,061	\$ 120,364,665
Capital assets, net of accumulated depreciation	<u>28,326,941</u>	<u>29,692,790</u>	<u>16,819,110</u>	<u>17,500,247</u>	<u>45,146,051</u>	<u>47,193,037</u>
Total assets	<u>123,773,564</u>	<u>127,388,122</u>	<u>40,949,548</u>	<u>40,169,580</u>	<u>164,723,112</u>	<u>167,557,702</u>
Long-term liabilities outstanding	41,887,092	39,455,311	19,996,723	20,535,937	61,883,815	59,991,248
Other liabilities	<u>11,078,280</u>	<u>9,196,310</u>	<u>990,470</u>	<u>1,280,297</u>	<u>12,068,750</u>	<u>10,476,607</u>
Total liabilities	<u>52,965,372</u>	<u>48,651,621</u>	<u>20,987,193</u>	<u>21,816,234</u>	<u>73,952,565</u>	<u>70,467,855</u>
Net assets:						
Invested in capital assets, net of related debt	25,591,931	25,947,781	13,299,110	12,325,247	38,891,041	38,273,028
Restricted	3,864,757	11,506,094	-	-	3,864,757	11,506,094
Unrestricted	<u>41,351,504</u>	<u>41,282,626</u>	<u>6,663,245</u>	<u>6,028,099</u>	<u>48,014,749</u>	<u>47,310,725</u>
Total net assets	<u>\$ 70,808,192</u>	<u>\$ 78,736,501</u>	<u>\$ 19,962,355</u>	<u>\$ 18,353,346</u>	<u>\$ 90,770,547</u>	<u>\$ 97,089,847</u>

One of the largest portions of the County's net assets, \$38,891,041 (42.8 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, \$3,864,757 (4.3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, \$48,014,749 (52.9 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.

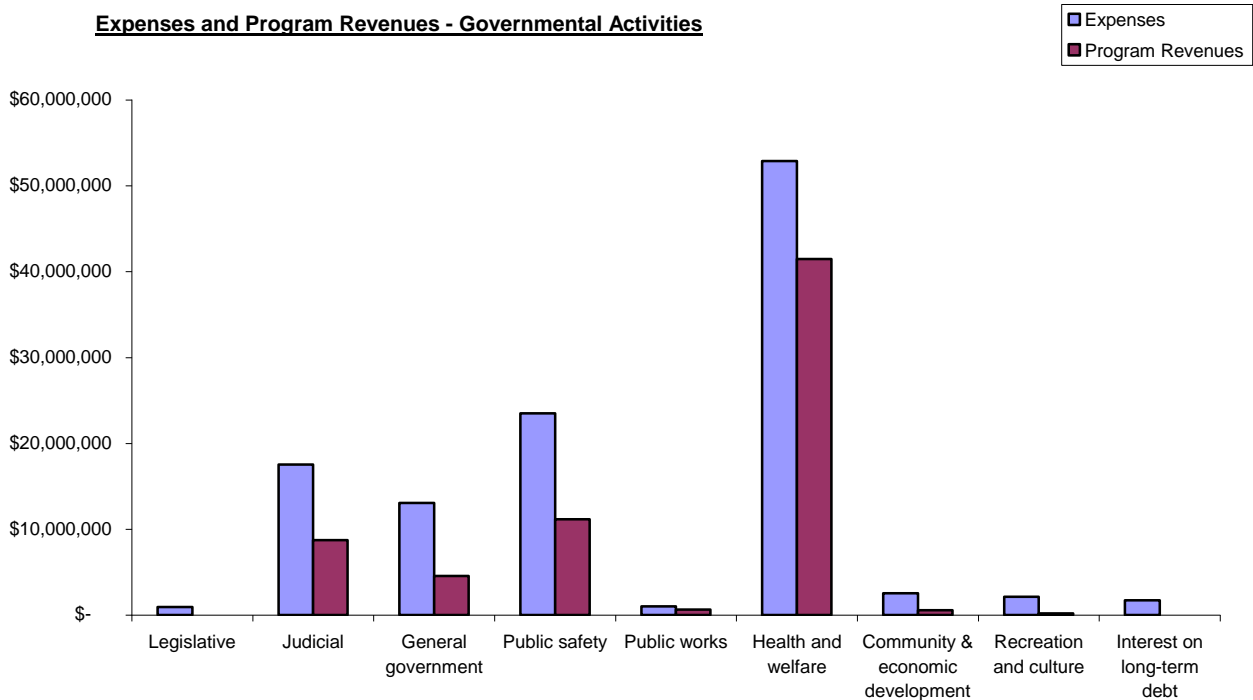
**County of Saginaw's
Changes in Net Assets**

Fiscal Year Ending September 30,	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenue:						
Charges for services	\$ 24,240,260	\$ 21,093,980	\$ 7,211,388	\$ 7,416,806	\$ 31,451,648	\$ 28,510,786
Operating grants and contributions	42,966,094	38,411,847	-	-	42,966,094	38,411,847
Capital grants and contributions	31,300	-	67,928	224,771	99,228	224,771
General revenue:						
Property taxes	34,849,272	34,169,309	2,686,995	2,691,750	37,536,267	36,861,059
Accommodations tax	1,686,183	1,884,559	-	-	1,686,183	1,884,559
Grants and contributions not restricted to specific programs	536,669	561,618	-	-	536,669	561,618
Other	682,143	1,705,619	388,258	497,537	1,070,401	2,203,156
Total revenue	104,991,921	97,826,932	10,354,569	10,830,864	115,346,490	108,657,796
Expenses						
Legislative	933,436	748,507	-	-	933,436	748,507
Judicial	17,522,781	15,850,041	-	-	17,522,781	15,850,041
General government	13,068,629	12,051,738	-	-	13,068,629	12,051,738
Public safety	23,509,486	24,394,098	-	-	23,509,486	24,394,098
Public works	1,015,312	1,213,218	-	-	1,015,312	1,213,218
Health and welfare	52,862,125	45,228,768	-	-	52,862,125	45,228,768
Community and economic development	2,539,430	2,192,112	-	-	2,539,430	2,192,112
Recreation and culture	2,108,299	2,125,289	-	-	2,108,299	2,125,289
Interest on long-term debt	1,699,803	1,756,507	-	-	1,699,803	1,756,507
Delinquent tax revolving	-	-	665,345	670,546	665,345	670,546
Delinquent tax foreclosure	-	-	640,074	564,388	640,074	564,388
Building Authority Event Center	-	-	3,935,561	4,753,564	3,935,561	4,753,564
Building Authority administration	-	-	22,398	18,550	22,398	18,550
Parking system	-	-	122,799	71,474	122,799	71,474
Harry W. Browne Airport	-	-	557,863	577,573	557,863	577,573
Inmate services	-	-	462,449	467,286	462,449	467,286
Total expenses	115,259,301	105,560,278	6,406,489	7,123,381	121,665,790	112,683,659
Increase/(decrease) in net assets before transfers	(10,267,380)	(7,733,346)	3,948,080	3,707,483	(6,319,300)	(4,025,863)
Transfers	2,339,071	3,659,100	(2,339,071)	(3,659,100)	-	-
Increase/(decrease) in net assets	(7,928,309)	(4,074,246)	1,609,009	48,383	(6,319,300)	(4,025,863)
Net assets - beginning	78,736,501	82,810,747	18,353,346	18,304,963	97,089,847	101,115,710
Net assets - end of year	\$ 70,808,192	\$ 78,736,501	\$ 19,962,355	\$ 18,353,346	\$ 90,770,547	\$ 97,089,847

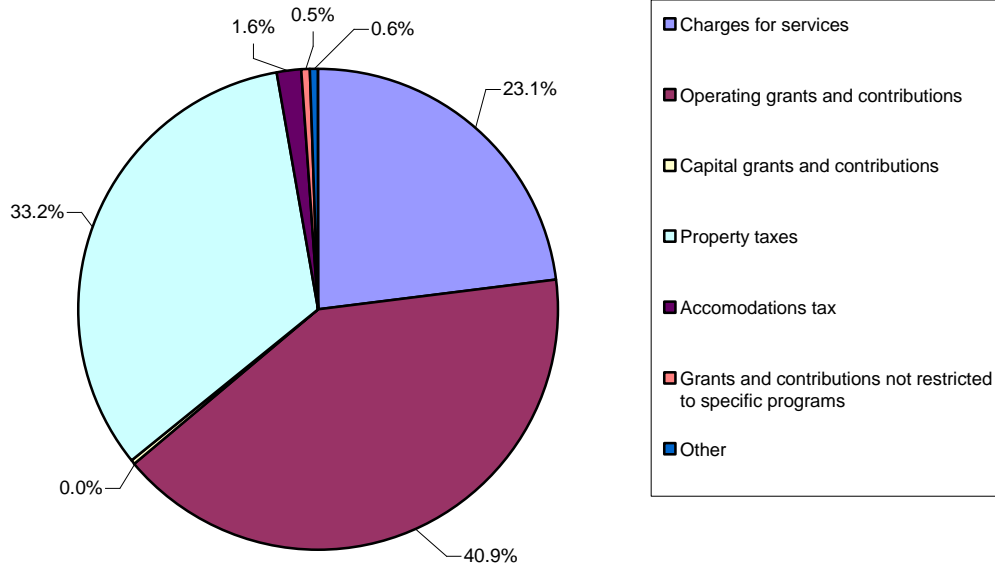
The County's net assets decreased by \$6,319,300 during the current fiscal year; a \$7,928,309 decrease for governmental activities and a \$1,609,009 increase for business-type activities.

Governmental activities. Governmental activities decreased the County's net assets by \$7,928,309 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:

- Other revenues had the most significant decrease during the year of approximately \$1,023,000 (60 percent). This decrease is a direct result of the loss of investment income – interest earned. Due to the risky economy that plagued FY 2009 and the shaky outlook on the future of employers and business loans, the banking industry as a whole are paying lower rates. The County Treasurer has also made more conservative investments to keep them in 100% FDIC insured accounts which typically pay a slightly lower rate for principal.
- Expenses increased during the year as compared to the prior year by approximately \$9,700,000 (9.2 percent). This was mainly in the area of health and welfare and more specifically in the Michigan Works! Administration Fund due to the increased grant funding received pursuant to the American Reinvestment and Recovery Act of 2009.



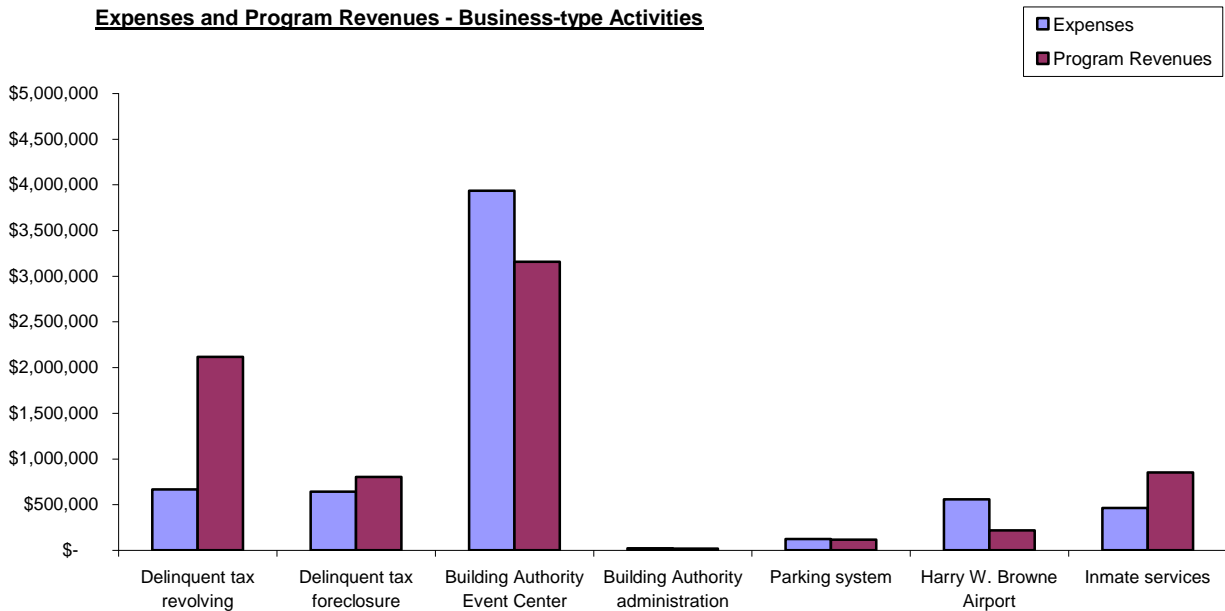
Revenues by Source - Governmental Activities



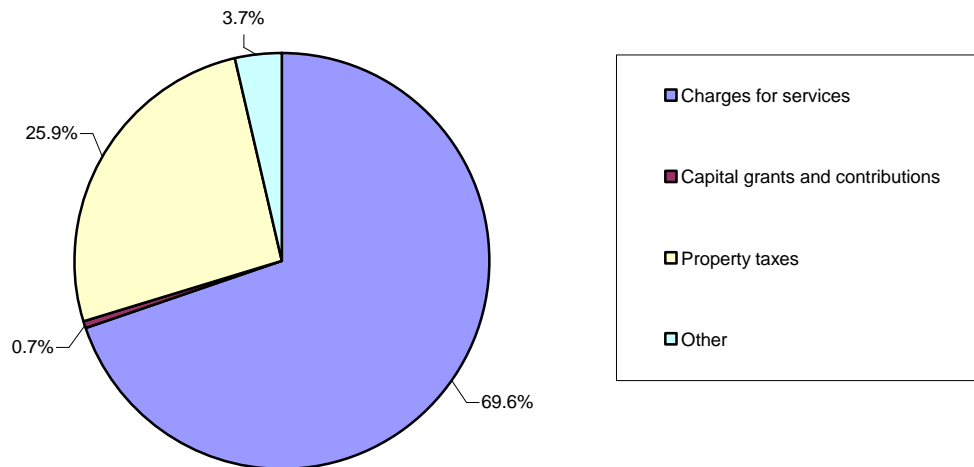
Business-type activities. Business-type activities increased the County’s net assets by \$1,609,009. Key elements of this increase are as follows:

- Revenues remained relatively stagnant from 2008 to 2009.
- Expenses decreased 10.1 percent, or \$716,892, as a result of decreased activity within the building authority event center fund.
- Transfers netted out to a decrease of approximately \$1,320,000. 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 fiscal 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 \$36,473,164, a decrease of \$3,552,894 in comparison with the prior year. Approximately 88.2 percent of this total amount (\$32,167,369) 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* (\$19,713,346) and *unreserved – undesignated fund balance* (\$12,454,023). 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 (\$445,000), 2) pay debt service (\$2,099,754), 3) for capital projects (\$36,715), or 4) for restricted contributions (\$1,722,702).

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 \$16,336,280, while total fund balance amounted to \$16,781,280. 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 46.1 percent of total general fund expenditures, while total fund balance represents 47.4 percent of that same amount.

The fund balance of the County's general fund increased by \$437,568 during the current fiscal year. Key factors in this decrease are as follows:

- Property tax revenue decreased by \$126,543 (.05 percent).
- Investment income decreased by \$300,165 (54.2 percent).

- Reimbursements decreased by \$157,207 (4.7 percent).
- Expenditures decreased by \$1,701,516 (4.6 percent) mainly in the areas of public safety, public works, health and welfare, community and economic development, and other.
- Transfers in remained relatively stagnant with a slight decrease of \$112,188 (1.5 percent).
- Transfers out decreased by \$683,347 (7.2 percent) mainly in the appropriations to the Law Enforcement fund (\$375,538), the Friend of the Court fund (\$255,631), and the Child Care fund (\$1,147,510). These decreases were offset by an increase in an appropriation to the Public Improvement fund (\$1,312,699) pursuant to the Board of Commissioner's Budget Resolution A.

The Health Department fund had an increase in fund balance for the current year of \$287,614, for an ending total of \$1,187,875. This increase was primarily the result of an increased transfer in from the general fund.

The debt service funds have a total fund balance of \$2,099,754 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 \$422,916.

The capital projects funds have a total fund balance of \$36,715 of which \$31,449 is designated for the Saginaw Valley Rail Trail Development Phase IV project overseen by the Parks and Recreation Commission and \$5,266 which is designated for the river dredging project overseen by the Department of Public Works.

The permanent fund has a fund balance of \$40,586, which is entirely designated for maintenance of the Saginaw Valley Rail Trail and \$5,586 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 \$4,920,149, while those for the Building Authority Event Center amounted to \$1,010,093. The combined unrestricted net assets of the nonmajor enterprise funds and the internal service funds were \$703,569 and \$6,835,725, respectively, at the end of the year. The Delinquent Tax Revolving Fund had a decrease in net assets for the year of \$19,045, whereas the Building Authority Event Center had an increase of \$1,902,827. The combined decrease in net assets of the nonmajor enterprise funds was \$273,752 and the combined decrease in net assets of the internal service funds was \$735,147 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 0.05 percent increase (\$16,557 increase in appropriations); whereas the difference between the original budget and final amended budget for revenues resulted in a 0.24 percent decrease (\$89,709 decrease 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 \$195,077 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. A portion of the offset (\$116,317) reduced charges for services within the District Court activities for court costs and civil fees. The remaining offset increased expenditures in

various other activities within the county including legislative (\$31,080), general government (\$39,766), and public safety (\$7,914). The adjustment to the various other activities was mainly to account for the additional consultant services that were necessary pursuant to the early retirement option that the Board of Commissioners approved in an effort to reduce the amount of potential lay-offs necessary to balance the 2009 budget.

- A \$320,000 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 \$156,987 increase was allocated to Contributions to Other Agencies that was offset with an increase in the use of fund balance to cover the repayment to the Michigan Department of Transportation pursuant to the State's audit findings for 2003, 2004, and 2005.
- A \$133,391 increase was allocated to the use of fund balance to cover estimated shortfalls between revenues and expenses within general government (\$52,000), public safety (\$59,141), transfers out to the Law Library fund (\$10,000), and transfers out to the Planning Department (\$12,250).
- A \$36,941 increase was allocated to capital outlay that was offset with a decrease in general government (\$22,160) for the purchase of a vehicle to replace a damaged vehicle and an increase in federal grants (\$14,781) through the American Recovery and Reinvestment Act of 2009 for the purchase of kitchen equipment for the juvenile detention center.
- A \$10,000 increase was allocated to general government activities that was offset with an increase in reimbursements to account for the additional costs associated with the November 2008 and May 2009 elections.

Overall during the year, actual general fund revenues were lower than the amended budgetary estimates and expenditures were less than the amended budget, resulting in an actual increase in fund balance versus the final amended budget amount to use fund balance.

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 \$180,788 occurred due to the continued drop in taxable values decreasing at a rate faster than anticipated.
- The negative variance in charges for services of \$672,533 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 \$203,655 is a result of aggressive collections made by District Court for outstanding traffic violations.
- 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 and the Sheriff's Jail Division where there is an unfavorable variance of \$53,023. This unfavorable variance is due to higher than anticipated medical costs associated with the housing of inmates.

- The favorable variances in both transfers in and transfers out occurred also as a result of lapsed salaries and benefits because of the delays in the filling of vacancies within the funds that the general fund provides additional support to. These unneeded general fund dollars were recovered at year end.

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, 2009, and September 30, 2008, along with the amount and percentage of increases and decreases in relation to the 2008 fund balance:

	2009	2008	Variance from 2008	Percent Increase/ (Decrease)
Revenues	\$ 37,211,034	\$ 37,732,649	\$ (521,615)	-1.38%
Expenditures	<u>(35,427,992)</u>	<u>(37,129,508)</u>	<u>1,701,516</u>	-4.58%
Revenues over expenditures	1,783,042	603,141	1,179,901	
Other Financing Sources (Uses):				
Transfers in	7,431,214	7,543,402	(112,188)	-1.49%
Transfers out	<u>(8,776,688)</u>	<u>(9,460,035)</u>	<u>683,347</u>	-7.22%
Net change in fund balances	437,568	(1,313,492)	1,751,060	
Fund balance, beginning of year	<u>16,343,712</u>	<u>17,657,204</u>	<u>(1,313,492)</u>	
Fund balance, end of year	<u>\$ 16,781,280</u>	<u>\$ 16,343,712</u>	<u>\$ 437,568</u>	<u>2.68%</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	\$ 15,998,712	\$ -	\$ 16,343,712
2008/2009 Transactions:				
Excess revenue over expenditures	100,000	1,683,042	-	1,783,042
Total other financing sources (uses)	<u>-</u>	<u>(1,345,474)</u>	<u>-</u>	<u>(1,345,474)</u>
2007/2008 net increase (decrease)	<u>100,000</u>	<u>337,568</u>	<u>-</u>	<u>437,568</u>
Fund balance, end of year	<u>\$ 445,000</u>	<u>\$ 16,336,280</u>	<u>\$ -</u>	<u>\$ 16,781,280</u>

The Reserve for Future Use classification shown above is comprised of three different components: Subsequent Years Expenditures, Employee Payroll Reserve and Budget Stabilization. The current balance for the Subsequent Years Expenditures Reserve is \$1,289,194 and denotes the amount that the Board of Commissioners has approved as use of fund balance to balance the fiscal 2010 budgeted revenues against expenditures.

The Board of Commissioners approved the Fund Balance Policy within the Saginaw County Policy Book which establishes an Employee Payroll 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 Employee Payroll 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 Employee Payroll Reserve is \$11,863,495 or 50 percent, and for Budget Stabilization Reserve is \$3,183,591 or 7.2 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 Building Authority Administration Fund, the Parking System Fund, the Harry W. Browne Airport 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 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 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 seventy percent of the Parking System revenue is attributable to the fines received from the tickets.

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 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 Post Employment 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, 2009 amounted to \$45,146,051 (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 4.3 percent (a 4.6 percent decrease for governmental activities and a 3.9 percent decrease for business-type activities).

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

- Construction was completed at the Dredged Materials Disposal Facility (DMDF) and was placed into service at a total cost of \$3,858,925.
- Several vehicles were replaced in various county departments at a cost of \$243,794.
- Construction was completed at Harry W. Browne Airport at a total cost of \$542,892 on the design of rehabilitation of runway 523 and medium intensity runway lights (\$39,686), the rehabilitation of runway 523 (\$491,406), and the design of new beacon and lighted wind cone (\$11,799).

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

Fiscal Year Ending September 30,	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Land	\$ 3,550,857	\$ 1,144,025	\$ 1,053,248	\$ 1,053,248	\$ 4,604,105	\$ 2,197,273
Air rights	-	-	117,761	117,761	117,761	117,761
Construction in progress	-	3,840,300	56,826	530,039	56,826	4,370,339
Land improvements	6,519,517	5,275,808	-	-	6,519,517	5,275,808
Buildings and improvements	15,406,293	16,014,653	12,292,960	12,661,491	27,699,253	28,676,144
Leasehold improvements	-	-	-	-	-	-
Planning and development	-	-	2,591,275	2,414,632	2,591,275	2,414,632
Equipment	2,277,184	2,795,414	657,157	662,144	2,934,341	3,457,558
Office furniture and fixtures	59,365	75,395	44,048	47,368	103,413	122,763
Vehicles	513,725	547,196	5,835	13,564	519,560	560,760
Total	<u>\$ 28,326,941</u>	<u>\$ 29,692,791</u>	<u>\$ 16,819,110</u>	<u>\$ 17,500,247</u>	<u>\$ 45,146,051</u>	<u>\$ 47,193,038</u>

Additional information on the County's capital assets can be found in Note III.C. on pages 54 - 59 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$79,491,334. Of this amount, \$77,673,934 comprises debt backed by the full faith and credit of the government and \$1,817,400 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	
	2009	2008	2009	2008	2009	2008
Primary Government						
General obligation bonds	\$ 34,280,010	\$ 35,890,009	\$ 3,520,000	\$ 5,175,000	\$ 37,800,010	\$ 41,065,009
2007 GOL delinquent tax notes	-	-	-	2,356,000	-	2,356,000
2008 GOL delinquent tax notes	-	-	5,000,000	13,000,000	5,000,000	13,000,000
2009 GOL delinquent tax notes	-	-	11,443,000	-	11,443,000	-
Component Units						
Revolving loans	436,528	463,885	-	-	436,528	463,885
Capital lease	148,114	-	-	-	148,114	-
General obligation bonds and notes	26,182,922	30,275,992	-	-	26,182,922	30,275,992
Total	\$ 61,047,574	\$ 66,629,886	\$ 19,963,000	\$ 20,531,000	\$ 81,010,574	\$ 87,160,886

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

	Amount	Issue	Rate
2009 Series GOL Delinquent Tax Notes	\$ 15,000,000	5/13/2009	varies

The County's total debt decreased by \$6,158,550 (7.2 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 \$527,962,641, 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.F. on pages 63 - 69 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 2010 fiscal year:

- **Property Taxes** – Estimates received from the County Equalization Department anticipated that property tax revenue would decrease by 4% for fiscal 2010.
- **Charges for Services – Fees (Register of Deeds & District Court)** – Due to the drastic decrease in activity within the housing market, the Register of Deeds revenue was reduced by 37% for fiscal 2010. District Court revenue has also been reduced by 9% for fiscal 2010 based on current trends.
- **Wages and Fringe Benefits** – The County's authorized staff count dropped from 688 to 679 with the Health Department losing 10 F.T.E.'s and the Information Systems & Services department adding 1 F.T.E. The wage rates for these positions were frozen without increase for fiscal 2010. 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 \$10,000 to \$11,300 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 structural budget deficit situation was again resurrected for fiscal 2010 as anticipated and was addressed with the use of reserves in the General Fund using an amount of \$1,289,194 to balance anticipated revenues with expenditures.
- Inflationary trends in the region were expected to compare favorably to national indices. Non personnel costs were either held steady or 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, 2009**

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
Assets				
Cash and investment pool	\$ 43,101,948	\$ 9,059,683	\$ 52,161,631	\$ 25,852,483
Receivables (net)	50,282,122	15,379,000	65,661,122	30,963,996
Internal balances	436,747	(436,747)	-	-
Inventory	-	73,589	73,589	712,465
Other assets	145,092	54,913	200,005	530,676
Net pension asset	1,480,714	-	1,480,714	-
Capital assets, net:				
Assets not being depreciated	3,550,857	1,227,835	4,778,692	36,480,634
Assets being depreciated	24,776,084	15,591,275	40,367,359	158,835,913
Total assets	123,773,564	40,949,548	164,723,112	253,376,167
Liabilities				
Accounts payable and accrued liabilities	8,772,496	956,690	9,729,186	7,057,936
Unamortized bond premium	-	7,980	7,980	-
Unearned revenue	2,305,784	25,800	2,331,584	224,825
Long-term liabilities:				
Due within one year	5,351,597	6,732,391	12,083,988	1,695,469
Due in more than one year	33,311,008	13,238,000	46,549,008	25,997,589
Other noncurrent liability - net other postemployment benefit liability	3,224,487	26,332	3,250,819	-
Total liabilities	52,965,372	20,987,193	73,952,565	34,975,819
Net assets				
Invested in capital assets, net of related debt	25,591,931	13,299,110	38,891,041	186,048,511
Restricted for:				
Debt service	2,099,754	-	2,099,754	514,944
Acquisition/construction of capital assets	36,715	-	36,715	13,140,602
Postemployment health benefits	-	-	-	5,728,389
Restricted contributions	1,687,702	-	1,687,702	-
Endowment				
Expendable	5,586	-	5,586	-
Nonexpendable	35,000	-	35,000	-
Unrestricted	41,351,504	6,663,245	48,014,749	12,967,902
Total net assets	\$ 70,808,192	\$ 19,962,355	\$ 90,770,547	\$ 218,400,348

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

COUNTY OF SAGINAW, MICHIGAN

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Continued

	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government						
Governmental activities:						
Legislative	\$ 933,436	\$ -	\$ -	\$ -	\$ -	\$ (933,436)
Judicial	17,050,396	472,385	3,382,147	5,330,230	-	(8,810,404)
General government	14,848,575	(1,779,946)	3,200,571	1,340,707	-	(8,527,351)
Public safety	23,445,194	64,292	9,640,255	1,502,246	-	(12,366,985)
Public works	1,007,116	8,196	578,669	46,191	-	(390,452)
Health and welfare	51,678,527	1,183,598	7,222,184	34,232,833	-	(11,407,108)
Community and economic development	2,521,897	17,533	80,125	488,830	-	(1,970,475)
Recreation and culture	2,077,705	30,594	136,309	25,057	31,300	(1,915,633)
Interest on long-term debt	1,699,803	-	-	-	-	(1,699,803)
Total governmental activities	115,262,649	(3,348)	24,240,260	42,966,094	31,300	(48,021,647)
Business-type activities:						
Delinquent tax revolving	665,345	-	2,116,408	-	-	1,451,063
Delinquent tax foreclosure	640,074	-	802,702	-	-	162,628
Building Authority Event Center	3,935,561	-	3,158,719	-	-	(776,842)
Building Authority administration	22,398	-	17,000	-	-	(5,398)
Parking system	122,799	-	115,720	-	-	(7,079)
Harry W. Browne Airport	557,863	-	147,924	-	67,928	(342,011)
Inmate services	459,101	3,348	852,915	-	-	390,466
Total business-type activities	6,403,141	3,348	7,211,388	-	67,928	872,827
Total primary government	\$ 121,665,790	\$ -	\$ 31,451,648	\$ 42,966,094	\$ 99,228	\$ (47,148,820)
Component Units						
Road Commission	\$ 21,247,694	\$ -	\$ 129,984	\$ 24,945,359	\$ -	\$ 3,827,649
Brownfield Redevelopment Authority	41,455	-	-	15,914	-	(25,541)
Department of Public Works	1,051,622	-	95,314	34,113	921,316	(879)
Drain Commission	2,806,074	-	94,287	-	896,981	(1,814,806)
Economic Development Corporation	290,517	-	-	287,605	-	(2,912)
Land Bank Authority	88,605	-	2,250	508,825	-	422,470
Saginaw County Community Mental Health Authority	57,454,366	-	984,659	52,284,585	38,674	(4,146,448)
Total component units	\$ 82,980,333	\$ -	\$ 1,306,494	\$ 78,076,401	\$ 1,856,971	\$ (1,740,467)

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

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Concluded

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Change in net assets				
Net (expense) revenue	\$ (48,021,647)	\$ 872,827	\$ (47,148,820)	\$ (1,740,467)
General revenues:				
Property taxes	34,849,272	2,686,995	37,536,267	117,959
Accommodations tax	1,686,183	-	1,686,183	-
Grants and contributions not restricted to specific programs	536,669	-	536,669	-
Investment income - interest earned	703,375	388,258	1,091,633	909,430
Loss on sale of capital assets	(21,232)	-	(21,232)	-
Transfers	2,339,071	(2,339,071)	-	-
Total general revenues and transfers	40,093,338	736,182	40,829,520	1,027,389
Change in net assets	(7,928,309)	1,609,009	(6,319,300)	(713,078)
Net assets, beginning of year	78,736,501	18,353,346	97,089,847	219,113,426
Net assets, end of year	<u>\$ 70,808,192</u>	<u>\$ 19,962,355</u>	<u>\$ 90,770,547</u>	<u>\$ 218,400,348</u>

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

COUNTY OF SAGINAW, MICHIGAN

**BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009**

	<u>General</u>	<u>Health Department</u>	<u>Michigan Works!</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and investment pool	\$ 12,572,444	\$ 1,170,540	\$ 325,558	\$ 19,317,157	\$ 33,385,699
Receivables (net):					
Taxes	5,625,125	-	-	287,340	5,912,465
Accounts	189,379	582,125	2,001	2,451,961	3,225,466
Notes	-	-	-	3,134,852	3,134,852
Accrued interest	38,924	-	1,317	51,389	91,630
Due from other funds	2,745,138	142,731	67,773	2,165,751	5,121,393
Due from other governmental units	825,141	421,405	2,431,920	1,985,619	5,664,085
Advances to other funds	45,000	-	-	-	45,000
Advances to component units	400,000	-	-	-	400,000
Other assets	7,068	175	15,547	70,234	93,024
Total assets	\$ 22,448,219	\$ 2,316,976	\$ 2,844,116	\$ 29,464,303	\$ 57,073,614
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 912,532	\$ 305,961	\$ 2,325,754	\$ 2,050,986	\$ 5,595,233
Accrued liabilities	506,865	132,524	24,866	593,709	1,257,964
Deposits payable	-	56,968	-	114,155	171,123
Due to other funds	1,401,798	-	52,269	3,244,727	4,698,794
Due to other governmental units	-	93,415	-	499,476	592,891
Advances from other governmental units	-	-	-	111,000	111,000
Deferred revenue	2,845,744	540,233	441,227	4,346,241	8,173,445
Total liabilities	5,666,939	1,129,101	2,844,116	10,960,294	20,600,450
Fund balances					
Reserved for:					
Long-term advances	445,000	-	-	-	445,000
Debt service	-	-	-	2,099,754	2,099,754
Capital projects	-	-	-	36,715	36,715
Restricted contributions	-	-	-	1,722,702	1,722,702
Unreserved - designated for:					
Subsequent years expenditures	1,289,194	-	-	2,068,709	3,357,903
Employee payroll reserve	11,863,495	401,113	-	-	12,264,608
Budget stabilization	3,183,591	-	-	-	3,183,591
General improvements-special revenue funds	-	-	-	908,868	908,868
Undesignated	-	786,762	-	-	786,762
Unreserved - undesignated, reported in:					
Nonmajor special revenue funds	-	-	-	11,667,261	11,667,261
Total fund balances	16,781,280	1,187,875	-	18,504,009	36,473,164
Total liabilities and fund balances	\$ 22,448,219	\$ 2,316,976	\$ 2,844,116	\$ 29,464,303	\$ 57,073,614

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, 2009

Fund balances - total governmental funds	\$ 36,473,164
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	47,843,155
Deduct - accumulated depreciation	(19,923,406)
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	3,010,596
Add - deferred revenue on notes receivable	2,857,065
Add - net pension asset	1,480,714
Add - long-term receivable for repayment of debt service	31,545,000
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.	
	7,213,483
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	(34,280,010)
Deduct - other postemployment benefit obligation	(3,224,487)
Deduct - accrued interest on bonds payable	(686,171)
Deduct - accrued compensated absences	(1,500,911)
Net assets of governmental activities	<u>\$ 70,808,192</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, 2009

	General	Health Department	Michigan Works!	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 24,523,902	\$ -	\$ -	\$ 10,139,094	\$ 34,662,996
Accommodations tax	-	-	-	1,686,183	1,686,183
Licenses and permits	249,400	307,201	-	22,122	578,723
Federal grants	393,916	6,112,668	18,135,197	5,229,342	29,871,123
State grants	2,854,280	2,373,927	1,974,621	4,882,727	12,085,555
Local grants and contributions	-	678,743	-	459,820	1,138,563
Charges for services	4,632,400	1,928,597	-	7,189,059	13,750,056
Fines and forfeitures	930,455	-	-	393,096	1,323,551
Investment income	254,070	-	3,027	303,416	560,513
Rental revenue	-	-	-	546,746	546,746
Donations	-	43,439	-	389,798	433,237
Reimbursements	3,210,267	1,684,600	1,715,484	2,852,352	9,462,703
Other revenue	162,344	490,117	15,026	99,646	767,133
Total revenues	37,211,034	13,619,292	21,843,355	34,193,401	106,867,082
Expenditures					
Current:					
Legislative	824,320	-	-	-	824,320
Judicial	11,798,613	-	-	4,458,347	16,256,960
General government	11,474,290	-	-	2,317,433	13,791,723
Public safety	8,508,488	-	-	13,486,275	21,994,763
Public works	255,510	-	-	675,313	930,823
Health and welfare	2,282,138	14,250,724	21,238,260	13,192,824	50,963,946
Community and economic development	244,931	-	-	2,349,501	2,594,432
Recreation and culture	-	-	-	1,943,485	1,943,485
Capital outlay	39,702	-	-	397,007	436,709
Debt service:					
Principal	-	-	-	1,609,999	1,609,999
Interest and fiscal charges	-	-	-	1,725,461	1,725,461
Total expenditures	35,427,992	14,250,724	21,238,260	42,155,645	113,072,621
Revenues over (under) expenditures	1,783,042	(631,432)	605,095	(7,962,244)	(6,205,539)
Other financing sources (uses)					
Transfers in	7,431,214	919,046	-	9,467,306	17,817,566
Transfers out	(8,776,688)	-	(605,095)	(5,797,046)	(15,178,829)
Proceeds from sale of capital assets	-	-	-	13,908	13,908
Total other financing sources (uses)	(1,345,474)	919,046	(605,095)	3,684,168	2,652,645
Net change in fund balances	437,568	287,614	-	(4,278,076)	(3,552,894)
Fund balance, beginning of year	16,343,712	900,261	-	22,782,085	40,026,058
Fund balance, end of year	\$ 16,781,280	\$ 1,187,875	\$ -	\$ 18,504,009	\$ 36,473,164

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, 2009**

Net change in fund balances - total governmental funds \$ (3,552,894)

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	436,709
Deduct - loss on disposal of capital assets	(253,529)
Deduct - proceeds from sale of capital assets	(13,908)
Deduct - depreciation expense	(1,454,450)

Revenues in the funds that represent repayment of taxes or loans receivable that do not affect the statement of activities (588,779)

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 (100,100)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,609,999

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	25,658
Deduct - increase in net other postemployment benefit obligation	(3,224,487)
Deduct - increase in accrued compensated absences	(78,402)

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.

Deduct - net operating loss from governmental activities in internal service funds	(556,090)
Add - investment income from governmental internal service funds	142,862
Deduct - loss on sale of capital assets in governmental internal service funds	(21,232)
Deduct - net transfers	(299,666)

Change in net assets of governmental activities \$ (7,928,309)

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, 2009**

Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 24,704,690	\$ 24,704,690	\$ 24,523,902	\$ (180,788)
Licenses and permits	241,075	241,075	249,400	8,325
Federal grants	416,842	431,623	393,916	(37,707)
State grants	2,836,049	2,837,876	2,854,280	16,404
Charges for services	5,421,250	5,304,933	4,632,400	(672,533)
Fines and forfeitures	726,800	726,800	930,455	203,655
Investment income	363,098	363,098	254,070	(109,028)
Reimbursements	3,237,913	3,247,913	3,210,267	(37,646)
Other revenue	202,885	202,885	162,344	(40,541)
Total revenues	38,150,602	38,060,893	37,211,034	(849,859)
Expenditures				
Legislative - Board of Commissioners	809,128	840,210	824,320	15,890
Judicial:				
Circuit Court	3,365,942	3,377,581	3,417,398	(39,817)
District Court	3,658,448	3,658,448	3,626,828	31,620
Probate Court	848,033	848,033	789,840	58,193
Family Division	2,723,508	2,723,508	2,721,580	1,928
Probation - Circuit Court	90,811	90,811	83,065	7,746
Probation - District Court	1,076,953	1,076,953	1,031,017	45,936
Assigned Counsel	126,814	126,814	127,468	(654)
Jury Commission	1,500	1,500	1,417	83
Total judicial	11,892,009	11,903,648	11,798,613	105,035
General government:				
Elections	68,700	78,700	76,248	2,452
Auditing	110,900	110,900	103,876	7,024
Corporate Counsel	126,000	126,000	153,704	(27,704)
County Clerk	1,116,061	1,116,061	1,119,300	(3,239)
Controller	1,089,627	1,104,964	1,091,105	13,859
Equalization	460,861	460,861	432,511	28,350
Prosecuting Attorney	3,077,729	3,077,729	3,032,898	44,831
Prosecuting Attorney - Welfare	615,000	616,827	553,190	63,637
Register of Deeds	628,172	628,172	599,110	29,062
County Treasurer	729,104	729,104	729,013	91
Maintenance	3,164,092	3,141,932	3,079,362	62,570
Maintenance - Telephone	102,000	102,000	89,790	12,210
Public Works Commissioner	366,815	418,817	414,183	4,634
Total general government	11,655,061	11,712,067	11,474,290	237,777

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, 2009**

Concluded

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures - continued				
Public Safety:				
Sheriff	\$ 764,298	\$ 816,024	\$ 795,731	\$ 20,293
Marine Law Enforcement	5,251	5,251	3,528	1,723
Sheriff - Jail Division	7,504,835	7,524,835	7,577,858	(53,023)
Corrections Reimbursement	145,316	153,230	131,371	21,859
Total public safety	<u>8,419,700</u>	<u>8,499,340</u>	<u>8,508,488</u>	<u>(9,148)</u>
Public Works - Drains	<u>277,000</u>	<u>277,000</u>	<u>255,510</u>	<u>21,490</u>
Health and Welfare:				
Medical Examiner	355,483	355,483	348,865	6,618
Veterans Burial	120,000	120,000	95,700	24,300
Contributions to Other Agencies	2,002,803	1,839,790	1,837,573	2,217
Total health and welfare	<u>2,478,286</u>	<u>2,315,273</u>	<u>2,282,138</u>	<u>33,135</u>
Community and Economic Development:				
Plat Board	1,000	1,000	279	721
Contributions to Other Agencies	244,449	244,652	244,652	-
Total community and economic development	<u>245,449</u>	<u>245,652</u>	<u>244,931</u>	<u>721</u>
Capital outlay	<u>36,941</u>	<u>36,941</u>	<u>39,702</u>	<u>(2,761)</u>
Total expenditures	<u>35,813,574</u>	<u>35,830,131</u>	<u>35,427,992</u>	<u>402,139</u>
Revenues over expenditures	<u>2,337,028</u>	<u>2,230,762</u>	<u>1,783,042</u>	<u>(447,720)</u>
Other financing sources (uses)				
Transfers in	6,418,899	6,613,976	7,431,214	817,238
Transfers out	(8,792,868)	(9,135,118)	(8,776,688)	358,430
Total other financing sources (uses)	<u>(2,373,969)</u>	<u>(2,521,142)</u>	<u>(1,345,474)</u>	<u>1,175,668</u>
Net change in fund balances	(36,941)	(290,380)	437,568	727,948
Fund balance, beginning of year	16,343,712	16,343,712	16,343,712	-
Fund balance, end of year	<u>\$ 16,306,771</u>	<u>\$ 16,053,332</u>	<u>\$ 16,781,280</u>	<u>\$ 727,948</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 - HEALTH DEPARTMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Licenses and permits	\$ 347,634	\$ 347,634	\$ 307,201	\$ (40,433)
Federal grants	6,112,668	6,112,668	6,112,668	-
State grants	1,938,159	2,154,128	2,373,927	219,799
Local grants and contributions	1,056,000	736,000	678,743	(57,257)
Charges for services	2,472,908	2,472,908	1,928,597	(544,311)
Donations	64,982	64,982	43,439	(21,543)
Reimbursements	1,716,531	1,716,531	1,684,600	(31,931)
Other revenue	700,624	700,624	490,117	(210,507)
Total revenues	14,409,506	14,305,475	13,619,292	(686,183)
Expenditures				
Health and welfare	15,008,552	15,224,521	14,250,724	973,797
Revenues under expenditures	(599,046)	(919,046)	(631,432)	287,614
Other financing sources				
Transfers in	599,046	919,046	919,046	-
Net change in fund balances	-	-	287,614	287,614
Fund balance, beginning of year	900,261	900,261	900,261	-
Fund balance, end of year	\$ 900,261	\$ 900,261	\$ 1,187,875	\$ 287,614

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 - MICHIGAN WORKS! SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Federal grants	\$ 15,438,501	\$ 22,871,666	\$ 18,135,197	\$ (4,736,469)
State grants	1,328,267	1,694,162	1,974,621	280,459
Investment income	1,737	3,737	3,027	(710)
Donations	25,263	25,263	-	(25,263)
Reimbursements	1,763,453	1,841,453	1,715,484	(125,969)
Other revenue	-	30,000	15,026	(14,974)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	18,557,221	26,466,281	21,843,355	(4,622,926)
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Health and welfare	18,026,475	25,820,911	21,238,260	4,582,651
	<hr/>	<hr/>	<hr/>	<hr/>
Revenues over expenditures	530,746	645,370	605,095	(40,275)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing uses				
Transfers out	(530,746)	(645,370)	(605,095)	40,275
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>

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

COUNTY OF SAGINAW, MICHIGAN

**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
SEPTEMBER 30, 2009**

	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	\$ 6,270,520	\$ 1,366,291	\$ 1,422,872	\$ 9,059,683	\$ 9,716,249
Receivables (net):					
Taxes	14,687,376	54,915	-	14,742,291	-
Accounts	500,308	52,830	53,005	606,143	281,905
Accrued interest	18,623	2,551	2,594	23,768	26,719
Due from other funds	14,083	124,817	-	138,900	85,678
Due from other governmental units	6,798	-	-	6,798	-
Unamortized bond issuance costs	-	40,341	-	40,341	-
Inventory	-	73,589	-	73,589	-
Other assets	-	8,661	5,911	14,572	52,068
Total current assets	21,497,708	1,723,995	1,484,382	24,706,085	10,162,619
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	-	949,267	86,241	1,035,508	1,969,520
Office furniture and fixtures	-	61,201	-	61,201	84,750
Vehicles	-	29,518	85,989	115,507	1,280,201
Planning and development	-	-	8,575,273	8,575,273	-
Construction in progress	-	-	56,826	56,826	-
Accumulated depreciation	-	(2,142,574)	(7,114,937)	(9,257,511)	(2,927,279)
Total noncurrent assets - capital assets	-	12,916,261	3,902,849	16,819,110	407,192
Total assets	21,497,708	14,640,256	5,387,231	41,525,195	10,569,811
Liabilities					
Current liabilities:					
Accounts payable	35,746	212,424	117,418	365,588	436,817
Accrued liabilities	98,813	166,919	5,568	271,300	2,754,232
Deposits payable	-	304,184	15,618	319,802	-
Due to other funds	-	584	584,497	585,081	62,096
Unearned revenue	-	21,811	3,989	25,800	-
Unamortized bond premium	-	7,980	-	7,980	-
Notes payable - current	5,000,000	-	-	5,000,000	-
Bonds payable - current	-	1,725,000	-	1,725,000	-
Total current liabilities	5,134,559	2,438,902	727,090	8,300,551	3,253,145
Noncurrent liabilities:					
Advances from other funds	-	-	20,000	20,000	25,000
Accrued liabilities	-	-	7,391	7,391	48,749
Notes payable	11,443,000	-	-	11,443,000	-
Bonds payable	-	1,795,000	-	1,795,000	-
Other noncurrent liability - net other postemployment benefit liability	-	-	26,332	26,332	-
Total noncurrent liabilities	11,443,000	1,795,000	53,723	13,291,723	73,749
Total liabilities	16,577,559	4,233,902	780,813	21,592,274	3,326,894
Net assets					
Invested in capital assets, net of related debt	-	9,396,261	3,902,849	13,299,110	407,192
Unrestricted	4,920,149	1,010,093	703,569	6,633,811	6,835,725
Total net assets	\$ 4,920,149	\$ 10,406,354	\$ 4,606,418	19,932,921	\$ 7,242,917
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				29,434	
Net assets of business-type activities				\$ 19,962,355	

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, 2009**

	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	\$ 564,888	\$ 2,535,677	\$ 1,724,567	\$ 4,825,132	\$ 227,998
Federal grants	-	-	-	-	6,922
Interest income	1,309,924	-	-	1,309,924	-
Fines and forfeitures	-	-	35,033	35,033	-
Rental revenue	-	-	107,579	107,579	261,384
Reimbursements	-	-	7,030	7,030	16,715,334
Other revenue	241,596	623,042	62,052	926,690	276,379
Total operating revenues	2,116,408	3,158,719	1,936,261	7,211,388	17,488,017
Operating expenses					
Personal services	-	1,320,516	248,844	1,569,360	929,790
Fringe benefits	-	564,882	42,468	607,350	14,357,970
Supplies	-	318,533	446,142	764,675	207,373
Services and charges	366,147	983,457	633,368	1,982,972	2,364,012
Other	-	185,250	-	185,250	-
Amortization	-	13,836	-	13,836	-
Depreciation	-	381,878	421,257	803,135	185,983
Total operating expenses	366,147	3,768,352	1,792,079	5,926,578	18,045,128
Operating income (loss)	1,750,261	(609,633)	144,182	1,284,810	(557,111)
Nonoperating revenues (expenses)					
Property taxes	-	2,686,995	-	2,686,995	-
Federal grants	-	-	64,266	64,266	-
State grants	-	-	3,662	3,662	-
Investment income	79,892	10,657	297,709	388,258	142,862
Interest expense and fiscal charges	(299,198)	(179,692)	-	(478,890)	-
Loss on sale of capital assets	-	-	-	-	(21,232)
Total nonoperating revenues (expenses)	(219,306)	2,517,960	365,637	2,664,291	121,630
Income (loss) before transfers	1,530,955	1,908,327	509,819	3,949,101	(435,481)
Transfers					
Transfers in	-	-	63,492	63,492	-
Transfers out	(1,550,000)	(5,500)	(847,063)	(2,402,563)	(299,666)
Net transfers	(1,550,000)	(5,500)	(783,571)	(2,339,071)	(299,666)
Change in net assets	(19,045)	1,902,827	(273,752)	1,610,030	(735,147)
Net assets, beginning of year	4,939,194	8,503,527	4,880,170		7,978,064
Net assets, end of year	\$ 4,920,149	\$ 10,406,354	\$ 4,606,418		\$ 7,242,917
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(1,021)	
Change in net assets of business-type activities				\$ 1,609,009	

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, 2009**

Continued

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Building Authority Event Center	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:					
Receipts from customers	\$ 134,103	\$ 2,562,727	\$ 1,852,854	\$ 4,549,684	\$ -
Receipts from interfund services provided	-	-	(88,629)	(88,629)	17,147,847
Payments for interfund services provided	31,800	12,596	47,477	91,873	-
Payments to employees	-	(1,885,398)	(260,474)	(2,145,872)	(1,054,528)
Payments to suppliers	(437,067)	(1,741,965)	(1,060,344)	(3,239,376)	(16,061,451)
Other operating revenue	241,596	623,042	97,085	961,723	276,379
Net cash provided by (used in) operating activities	(29,568)	(428,998)	587,969	129,403	308,247
Cash flows from noncapital financing activities:					
Property tax collections	-	2,686,995	-	2,686,995	-
Transfers in	-	-	63,492	63,492	-
Transfers out	(1,550,000)	(5,500)	(847,063)	(2,402,563)	(299,666)
Proceeds from issuing long-term debt	15,000,000	-	-	15,000,000	-
Principal paid on long-term debt	(13,913,000)	-	-	(13,913,000)	-
Interest paid on long-term debt	(299,198)	-	-	(299,198)	-
Net cash provided by (used in) noncapital financing activities	(762,198)	2,681,495	(783,571)	1,135,726	(299,666)
Cash flows from capital and related financing activities:					
Principal paid on capital debt	-	(1,655,000)	-	(1,655,000)	-
Interest paid on capital debt	-	(179,692)	-	(179,692)	-
Proceeds from sale of capital assets	-	-	67,928	67,928	-
Payments for capital asset acquisition	-	(52,318)	(69,679)	(121,997)	(99,315)
Net cash used in capital and related financing activities	-	(1,887,010)	(1,751)	(1,888,761)	(99,315)
Cash flows from investing activities:					
Investment income	79,892	10,657	297,709	388,258	142,862
Net increase (decrease) in cash and cash equivalents	(711,874)	376,144	100,356	(235,374)	52,128
Cash and cash equivalents, beginning of year	6,982,394	990,147	1,322,516	9,295,057	9,664,121
Cash and cash equivalents, end of year	\$ 6,270,520	\$ 1,366,291	\$ 1,422,872	\$ 9,059,683	\$ 9,716,249

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, 2009**

	Business-type Activities - Enterprise Funds				Concluded
	Delinquent Tax Revolving	Building Authority Event Center	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,750,261	\$ (609,633)	144,182	\$ 1,284,810	\$ (557,111)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	381,878	421,257	803,135	185,983
Changes in assets and liabilities:					
Accounts receivable	(1,793,085)	47,120	13,437	(1,732,528)	(4,155)
Due from other funds	31,800	14,799	-	46,599	(57,573)
Due from other governmental units	52,376	-	-	52,376	-
Unamortized bond issuance costs	-	17,268	-	17,268	-
Inventory	-	(35,474)	-	(35,474)	-
Other assets	-	(3,329)	943	(2,386)	6,398
Accounts payable	23,468	17,115	15,544	56,127	330
Accrued liabilities	(94,388)	(79,804)	4,506	(169,686)	736,438
Deposits payable	-	(153,233)	2,679	(150,554)	-
Due to other funds	-	(2,203)	(41,152)	(43,355)	(2,063)
Due to other governmental units	-	-	-	-	-
Unearned revenue	-	(20,070)	241	(19,829)	-
Unamortized bond premium	-	(3,432)	-	(3,432)	-
Net OPEB obligation	-	-	26,332	26,332	-
Net cash provided by (used in) operating activities	<u>\$ (29,568)</u>	<u>\$ (428,998)</u>	<u>\$ 587,969</u>	<u>\$ 129,403</u>	<u>\$ 308,247</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, 2009**

	Post- Employment Health Benefits Trust Fund	Agency Funds
Assets		
Cash and investment pool	\$ 207,007	\$ 10,234,611
Investments, at fair value - mutual funds	11,115,276	-
Receivables (net):		
Taxes	-	19,323
Accounts	165,338	4,139,627
Accrued interest	995	1,398
	11,488,616	\$ 14,394,959
Liabilities		
Accounts payable	9,500	\$ 506,724
Accrued liabilities	310,093	-
Deposits payable	-	5,572,986
Due to other governmental units	-	8,315,249
	319,593	\$ 14,394,959
Net Assets		
Held in trust for postemployment health benefits	\$ 11,169,023	

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, 2009

Additions	
Contributions:	
Employer	\$ 4,080,000
Retirees	<u>423,430</u>
Total contributions	<u>4,503,430</u>
Investment earnings (losses):	
Net depreciation in fair value of investments	(917,558)
Interest and dividends	<u>1,098,011</u>
Net investment earnings	<u>180,453</u>
Total additions (net of investment losses)	<u>4,683,883</u>
Deductions	
Participant benefits	4,192,751
Administrative expenses	<u>204,007</u>
Total deductions	<u>4,396,758</u>
Change in net assets	287,125
Net assets, beginning of year	<u>10,881,898</u>
Net assets, end of year	<u>\$ 11,169,023</u>

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

COUNTY OF SAGINAW, MICHIGAN

**COMBINING STATEMENT OF NET ASSETS - COMPONENT UNITS
SEPTEMBER 30, 2009**

	Road Commission 12/31/2008	Brownfield Redevelopment Authority	Department of Public Works	Drain Commission	Economic Development Corporation	Land Bank Authority	Saginaw County Community Mental Health Authority	Total
Assets								
Cash and investment pool	\$ 167,148	\$ 1,451,066	\$ 87,680	\$ 5,061,597	\$ 301,208	\$ 1,263,373	\$ 1,259,828	\$ 9,591,900
Investments	6,208,183	-	-	-	-	-	10,052,400	16,260,583
Receivables (net)	3,156,025	2,516	17,339,219	8,640,602	2,422	484,776	1,338,436	30,963,996
Inventory	419,595	-	-	-	-	287,830	5,040	712,465
Other assets	267,162	-	-	331	-	275	262,908	530,676
Capital assets, net:								
Assets not being depreciated	35,648,649	-	-	58,492	-	-	773,493	36,480,634
Assets being depreciated	116,030,042	-	-	39,906,338	-	-	2,899,533	158,835,913
Total assets	161,896,804	1,453,582	17,426,899	53,667,360	303,630	2,036,254	16,591,638	253,376,167
Liabilities								
Accounts payable and accrued liabilities	704,948	8,688	277,243	149,196	612	18,238	5,499,011	6,657,936
Advances from primary government	-	-	-	400,000	-	-	-	400,000
Unearned revenue	3,911	-	-	152	-	-	220,762	224,825
Long-term liabilities:								
Due within one year	-	53,075	1,084,000	558,394	-	-	-	1,695,469
Due in more than one year	505,058	383,453	15,979,000	7,190,402	-	-	1,939,676	25,997,589
Total liabilities	1,213,917	445,216	17,340,243	8,298,144	612	18,238	7,659,449	34,975,819
Net assets								
Invested in capital assets, net of related debt	151,678,691	-	-	32,216,034	-	-	2,153,786	186,048,511
Restricted for:								
Debt service	-	-	61,953	452,991	-	-	-	514,944
Acquisition/construction of capital assets	9,004,196	-	24,703	4,111,703	-	-	-	13,140,602
Postemployment health benefit	-	-	-	-	-	-	5,728,389	5,728,389
Restricted contributions	-	-	-	-	-	-	-	-
Unrestricted		1,008,366	-	8,588,488	303,018	2,018,016	1,050,014	12,967,902
Total net assets	\$ 160,682,887	\$ 1,008,366	\$ 86,656	\$ 45,369,216	\$ 303,018	\$ 2,018,016	\$ 8,932,189	\$ 218,400,348

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, 2009**

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>	
Road Commission					
Governmental Activities:					
Highways and streets	\$ 21,247,694	\$ 129,984	\$ 24,945,359	\$ -	\$ 3,827,649
Brownfield Redevelopment Authority					
Governmental Activities:					
Community and economic development	41,455	-	15,914	-	(25,541)
Department of Public Works					
Governmental Activities:					
Public works	287,114	95,314	34,113	921,316	763,629
Interest on long-term debt	764,508	-	-	-	(764,508)
Total Department of Public Works	1,051,622	95,314	34,113	921,316	(879)
Drain Commission					
Governmental Activities:					
Public works	2,532,771	94,287	-	896,981	(1,541,503)
Interest on long-term debt	273,303	-	-	-	(273,303)
Total Drain Commission	2,806,074	94,287	-	896,981	(1,814,806)
Economic Development Corporation					
Business-type Activities:					
Community and economic development	290,517	-	287,605	-	(2,912)
Land Bank Authority					
Business-type Activities:					
Community and economic development	88,605	2,250	508,825	-	422,470
Saginaw County Community Mental Health Authority					
Business-type Activities:					
Community services	57,454,366	984,659	52,284,585	38,674	(4,146,448)
Total component units	<u>\$ 82,980,333</u>	<u>\$ 1,306,494</u>	<u>\$ 78,076,401</u>	<u>\$ 1,856,971</u>	<u>\$ (1,740,467)</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, 2009**

Concluded

	<u>Road Commission 12/31/2008</u>	<u>Brownfield Redevelopment Authority</u>	<u>Department of Public Works</u>	<u>Drain Commission</u>	<u>Economic Development Corporation</u>	<u>Land Bank Authority</u>	<u>Saginaw County Community Mental Health Authority</u>	<u>Total</u>
Change in net assets								
Net (expense) revenue	\$ 3,827,649	\$ (25,541)	\$ (879)	\$ (1,814,806)	\$ (2,912)	\$ 422,470	\$ (4,146,448)	\$ (1,740,467)
General revenues:								
Property taxes	-	117,959	-	-	-	-	-	117,959
Investment income - interest earned	326,563	13,104	2,646	53,350	13,372	18,466	481,929	909,430
Total general revenues	326,563	131,063	2,646	53,350	13,372	18,466	481,929	1,027,389
Change in net assets	4,154,212	105,522	1,767	(1,761,456)	10,460	440,936	(3,664,519)	(713,078)
Net assets, beginning of year	156,528,675	902,844	84,889	47,130,672	292,558	1,577,080	12,596,708	219,113,426
Net assets, end of year	<u>\$ 160,682,887</u>	<u>\$ 1,008,366</u>	<u>\$ 86,656</u>	<u>\$ 45,369,216</u>	<u>\$ 303,018</u>	<u>\$ 2,018,016</u>	<u>\$ 8,932,189</u>	<u>\$ 218,400,348</u>

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.

Saginaw County Road Commission (the “Road Commission”) – The Road Commission is governed by a three-member board of County Road Commissioners appointed by the Saginaw County Board of Commissioners. The Road Commission deposits receipts with the County, has a balance in the County’s common bank account and have investments through the County. The County does not have appropriation authority or budgetary control over the activities of the Road Commission; however, the nature and significance of the relationship between the primary government and the Road Commission is such that exclusion would cause the reporting entity’s financial statements to be misleading. Due to the difference in the fiscal year end of the Road Commission, the December 31, 2008 amounts have been included in the County audit.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

The Road Commission's activities are reported discretely as a governmental fund type. A complete financial statement can be obtained from the Saginaw County Road Commission, 3020 Sheridan Avenue, Saginaw Michigan 48601.

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.

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

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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.

Saginaw County Community Mental Health Authority - The Saginaw County Community Mental Health Authority serves the mental health and developmental disability needs of Saginaw County residents. The Saginaw County Board of Commissioners has the authority to appoint the voting members of the Community Mental Health Authority Board of Directors, which governs the Authority. By law, the primary government (Saginaw County) can remove appointed members of the component unit's (Community Mental Health Authority) governing body at will. The Authority is also accountable to the County of Saginaw and may be terminated by a majority vote of either the Saginaw County Board of Commissioners or the Saginaw County Community Mental Health Authority Board of Directors.

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 financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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.

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.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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

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

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:

Special revenue funds. These funds account for revenue sources that are legally restricted to expenditures for specific purposes not including trust or major capital projects.

Debt service funds. These funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Capital projects funds. These funds account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

Permanent funds. These funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs.

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

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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 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.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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.

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.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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

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 appropriate 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.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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.

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.

12. Subsequent events

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to September 30, 2009, the most recent balance sheet presented herein, through March 22, 2010, the date these financial statements were available to be issued. No significant such events or transactions were identified.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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 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, 2009, established that the 2009 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.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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, 2009.

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General fund			
Judicial -			
Circuit Court	\$ 3,377,581	\$ 3,417,398	\$ (39,817)
Assigned Counsel	126,814	127,468	(654)
General government -			
Corporate Counsel	126,000	153,704	(27,704)
County Clerk	1,116,061	1,119,300	(3,239)
Public safety -			
Sheriff – jail division	7,524,835	7,577,858	(53,023)
Capital outlay	36,941	39,702	(2,761)

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.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

- Repurchase agreements consisting of instruments in item one above.
- 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	\$ 52,161,631
Component Units:	
Cash and investment pool	25,852,483
Fiduciary Fund Financial Statement Captions:	
Cash and investment pool	10,441,618
Investments	<u>11,115,276</u>
Total	<u>\$ 99,571,008</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Deposits and Investments:

Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 51,985,999
Investments – primary government	37,989,966
Investments – component units	10,052,400
Cash on hand	132,861
Adjustment for funds with other fiscal year ends	<u>(590,218)</u>

Total **\$ 99,571,008**

	Carrying Amount (Fair Value)	Maturity Less than 1 Year	Maturity 1-5 Years	Credit Rating
Investments - primary government				
MBIA Governmental Investment Pool	\$ 3,318,983	\$ -	\$ -	n/a
Mutual Funds	11,115,276	-	-	n/a
Money Markets	1,083,160	-	-	n/a
U.S. Treasury Notes	2,983,644	950,287	2,033,357	n/a
U.S. Agencies	19,488,903	9,639,425	9,849,478	AAA
Total	<u>\$ 37,989,966</u>	<u>\$ 10,589,712</u>	<u>\$ 11,882,835</u>	

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 \$48,284,940 of the County's bank balance of \$56,384,940 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>
Property taxes	\$ 5,912,465	\$ 14,742,291	\$ -
Special assessments	-	-	8,626,728
Accounts receivable	35,052,371	606,143	1,071,359
Notes			
Due within one year	328,898	-	-
Due after one year	3,153,745	-	-
Interest	118,349	23,768	69,151
Due from other governments	5,664,085	6,798	21,196,758
Advances to component unit	400,000	-	-
Less: allowance for uncollectible accounts	<u>(347,791)</u>	<u>-</u>	<u>-</u>
Total receivables	<u>\$ 50,282,122</u>	<u>\$ 15,379,000</u>	<u>\$ 30,963,996</u>

Of the amounts recorded as receivables, approximately \$37,431,555, \$4,344,579 and \$24,070,331 of the governmental activities, business-type activities and component unit receivables, respectively, are not expected to be collected within one year.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (General Fund)	\$ 2,843,320	\$ -
Property taxes receivable (Nonmajor governmental fund types)	167,278	-
Notes receivable (Nonmajor Governmental fund types)	2,857,065	-
Grant drawdowns prior to meeting all eligibility requirements (General Fund)	-	2,424
Grant drawdowns prior to meeting all eligibility requirements (Health Department Fund)	-	540,233
Grant drawdowns prior to meeting all eligibility requirements (Michigan Works! Fund)	-	441,227
Grant drawdowns prior to meeting all eligibility requirements (Nonmajor Governmental fund types)	<u>-</u>	<u>1,321,900</u>
Total deferred revenue and unearned revenue	<u>\$ 5,867,663</u>	<u>\$ 2,305,784</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

C. Capital assets

Capital assets activity for the year ended September 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental activities					
Capital assets not being depreciated					
Land	\$ 1,144,025	\$ -	\$ 2,406,832	\$ -	\$ 3,550,857
Construction in progress	3,840,300	26,536	(3,858,925)	(7,911)	-
Total capital assets not being depreciated	<u>4,984,325</u>	<u>26,536</u>	<u>(1,452,093)</u>	<u>(7,911)</u>	<u>3,550,857</u>
Capital assets being depreciated					
Land improvements	7,096,766	-	1,452,093	-	8,548,859
Buildings	29,680,002	-	-	-	29,680,002
Equipment	7,240,327	265,694	-	(1,310,809)	6,195,212
Office furniture & fixtures	216,250	-	-	-	216,250
Vehicles	2,827,797	243,794	27,214	(112,359)	2,986,446
Total capital assets being depreciated	<u>47,061,142</u>	<u>509,488</u>	<u>1,479,307</u>	<u>(1,423,168)</u>	<u>47,626,769</u>
Less accumulated depreciation					
Land improvements	(1,820,958)	(208,384)	-	-	(2,029,342)
Buildings	(13,665,349)	(608,360)	-	-	(14,273,709)
Equipment	(4,444,913)	(536,506)	-	1,063,391	(3,918,028)
Office furniture & fixtures	(140,855)	(16,030)	-	-	(156,885)
Vehicles	(2,280,601)	(271,154)	(27,214)	106,248	(2,472,721)
Total accumulated depreciation	<u>(22,352,676)</u>	<u>(1,640,434)</u>	<u>(27,214)</u>	<u>1,169,639</u>	<u>(22,850,685)</u>
Total capital assets being depreciated, net	<u>24,708,466</u>	<u>(1,130,946)</u>	<u>1,452,093</u>	<u>(253,529)</u>	<u>24,776,084</u>
Governmental activities capital assets, net	<u>\$ 29,692,791</u>	<u>\$ (1,104,410)</u>	<u>\$ -</u>	<u>\$ (261,440)</u>	<u>\$ 28,326,941</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

	Beginning Balance	Additions	Transfers	Disposals	Ending Balance
Business-type activities					
Capital assets not being depreciated					
Land	\$ 1,053,248	\$ -	\$ -	\$ -	\$ 1,053,248
Air rights	117,761	-	-	-	117,761
Construction in progress	530,039	69,679	(542,892)	-	56,826
Total capital assets not being depreciated	1,701,048	69,679	(542,892)	-	1,227,835
Capital assets being depreciated					
Land improvements	40,558	-	-	-	40,558
Buildings	15,020,739	-	-	-	15,020,739
Office furniture & fixtures	61,201	-	-	-	61,201
Planning and development	8,032,381	-	542,892	-	8,575,273
Equipment	990,082	52,318	-	(6,892)	1,035,508
Vehicles	142,721	-	(27,214)	-	115,507
Total capital assets being depreciated	24,287,682	52,318	515,678	(6,892)	24,848,786
Less accumulated depreciation					
Land improvements	(40,558)	-	-	-	(40,558)
Buildings	(2,359,248)	(368,531)	-	-	(2,727,779)
Office furniture & fixtures	(13,833)	(3,320)	-	-	(17,153)
Planning and development	(5,617,749)	(366,249)	-	-	(5,983,998)
Equipment	(327,938)	(57,305)	-	6,892	(378,351)
Vehicles	(129,157)	(7,729)	27,214	-	(109,672)
Total accumulated depreciation	(8,488,483)	(803,134)	27,214	6,892	(9,257,511)
Total capital assets being depreciated, net	15,799,199	(750,816)	542,892	-	15,591,275
Business-type activities capital assets, net	\$ 17,500,247	\$ (681,137)	\$ -	\$ -	\$ 16,819,110

COUNTY OF SAGINAW
NOTES TO FINANCIAL STATEMENTS

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

Governmental activities:

Judicial	\$ 77,848
General government	416,190
Public safety	453,904
Public works	65,067
Health and welfare	295,094
Recreation and culture	146,347
Capital assets held by the government's internal service funds are charged to the various functions based on the usage of the assets	<u>185,984</u>

Total depreciation expense - governmental activities \$ 1,640,434

Business-type activities:

Building Authority Event Center	\$ 381,879
Harry W. Browne Airport	420,060
Inmate services	<u>1,195</u>

Total depreciation expense - business-type activities \$ 803,134

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Discretely presented component units

Activity for the Drain Commission for the year ended September 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers / Disposals</u>	<u>Ending Balance</u>
Drain Commission				
Capital assets not being depreciated				
Construction in progress	\$ 1,433,875	\$ 58,491	\$(1,433,874)	\$ 58,492
Capital assets being depreciated				
Infrastructure	59,515,292	1,433,874		60,949,166
Equipment	38,539	9,160	-	47,699
Total capital assets being depreciated	<u>59,553,831</u>	<u>1,443,034</u>	<u>-</u>	<u>60,996,865</u>
Less accumulated depreciation				
Infrastructure	(19,848,704)	(1,218,983)	-	(21,067,687)
Equipment	(17,560)	(5,280)	-	(22,840)
Total accumulated depreciation	<u>(19,866,264)</u>	<u>(1,224,263)</u>	<u>-</u>	<u>(21,090,527)</u>
Total capital assets being depreciated, net	<u>39,687,567</u>	<u>218,771</u>	<u>-</u>	<u>39,906,338</u>
Component unit activities capital assets, net	<u>\$ 41,121,442</u>	<u>\$ 277,262</u>	<u>\$(1,433,874)</u>	<u>\$ 39,964,830</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Activity for the Road Commission for the year ended December 31, 2008, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Road Commission				
Capital assets not being depreciated				
Land	\$ 618,385	\$ -	\$ -	\$ 618,385
Land improvements	33,125,739	1,904,525	-	35,030,264
Total capital assets not being depreciated	33,744,124	1,904,525	-	35,648,649
Capital assets being depreciated				
Land improvements	409,075	5,670	-	414,745
Depletable assets	62,750	-	-	62,750
Buildings	2,180,515	-	-	2,180,515
Office furniture & fixtures	613,245	325,812	(17,022)	922,035
Infrastructure	208,709,877	11,190,662	-	219,900,539
Equipment	12,338,128	912,098	(498,131)	12,752,095
Total capital assets being depreciated	224,313,590	12,434,242	(515,153)	236,232,679
Less accumulated depreciation				
Land improvements	(381,082)	(6,775)	-	(387,857)
Depletable assets	(12,393)	-	-	(12,393)
Buildings	(1,601,667)	(60,618)	-	(1,662,285)
Office furniture & fixtures	(378,308)	(123,627)	16,043	(485,892)
Infrastructure	(99,631,980)	(7,638,808)	-	(107,270,788)
Equipment	(9,661,938)	(1,219,464)	497,980	(10,383,422)
Total accumulated depreciation	(111,667,368)	(9,049,292)	514,023	(120,202,637)
Total capital assets being depreciated, net	112,646,222	3,384,950	(1,130)	116,030,042
Road Commission capital assets, net	\$ 146,390,346	\$ 5,289,475	\$ (1,130)	\$ 151,678,691

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Activity for the Community Mental Health Authority for the year ended September 30, 2009, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Community Mental Health Authority				
Capital assets not being depreciated				
Land	\$ 712,000	61,493	\$ -	\$ 773,493
Construction in progress	414,210	-	(414,210)	-
Total capital assets not being depreciated	1,126,210	61,493	(414,210)	773,493
Capital assets being depreciated				
Building and Improvements	9,205,512	732,738	-	9,938,250
Furniture and Fixtures	641,066	297,435	(8,500)	930,001
Vehicles	722,498	392,289	(292,691)	822,096
Equipment	866,913	285,532	(106,177)	1,046,268
Total capital assets being depreciated	11,435,989	1,707,994	(407,368)	12,736,615
Less accumulated depreciation				
Building and Improvements	7,774,294	218,026	-	7,992,320
Furniture and Fixtures	514,497	54,893	(8,500)	560,890
Vehicles	520,522	78,932	(64,125)	535,329
Equipment	780,868	73,852	(106,177)	748,543
Total accumulated depreciation	9,590,181	425,703	(178,802)	9,837,082
Total capital assets being depreciated, net	1,845,808	1,282,291	(228,566)	2,899,533
Community Mental Health Authority				
capital assets, net	\$ 2,972,018	\$ 1,343,784	\$ (642,776)	\$ 3,673,026

COUNTY OF SAGINAW
NOTES TO FINANCIAL STATEMENTS

D. Payables

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Units</u>
Accounts payable	\$ 6,032,050	\$ 365,588	\$ 4,363,299
Accrued liabilities	1,461,384	434,310	1,702,835
Interest	686,171	156,792	269,453
Due to other governments	592,891	-	322,349
Advance from primary government	<u>-</u>	<u>-</u>	<u>400,000</u>
Total payables	<u>\$ 8,772,496</u>	<u>\$ 956,690</u>	<u>\$ 7,057,936</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	Michigan Works!	Nonmajor governmental funds	Building Authority - Event Center	Nonmajor enterprise funds	Internal service funds	
General fund	\$ -	\$ -	\$ 2,682,850	\$ -	\$ 306	\$ 61,982	\$ 2,745,138
Health department	-	-	142,731	-	-	-	142,731
Michigan Works!	-	-	67,773	-	-	-	67,773
Nonmajor governmental funds	1,319,284	52,269	222,913	-	571,171	114	2,165,751
Delinquent tax revolving fund	9,856	-	3,643	584	-	-	14,083
Building Authority - Event Center	-	-	124,817	-	-	-	124,817
Internal service funds	72,658	-	-	-	13,020	-	85,678
Total	\$ 1,401,798	\$ 52,269	\$ 3,244,727	\$ 584	\$ 584,497	\$ 62,096	\$ 5,345,971

The County has interfund balances between many of its funds. The sum of all balances presented in the tables above agrees with the sum of interfund balances presented in the statements of net assets/balance sheet for governmental funds and proprietary funds. These interfund balances resulted primarily 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!	Nonmajor governmental funds	Delinquent tax revolving fund	Building Authority - Event Center	Nonmajor enterprise funds	Internal service funds	
General fund	\$ -	\$ -	\$ 5,355,656	\$ 1,550,000	\$ -	\$ 275,892	\$ 249,666	\$ 7,431,214
Health department	919,046	-	-	-	-	-	-	919,046
Nonmajor governmental funds	7,857,642	605,095	383,398	-	-	571,171	50,000	9,467,306
Nonmajor enterprise funds	-	-	57,992	-	5,500	-	-	63,492
Internal service funds	-	-	-	-	-	-	-	-
Total	\$ 8,776,688	\$ 605,095	\$ 5,797,046	\$ 1,550,000	\$ 5,500	\$ 847,063	\$ 299,666	\$ 17,881,058

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, 2009, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Primary Government					
Governmental activities:					
General obligation bonds	\$ 35,890,009	\$ -	\$ (1,609,999)	\$ 34,280,010	\$ 1,080,002
Long-term advances	113,000	-	(2,000)	111,000	-
Internal service fund - claims	1,982,809	8,243,378	(7,504,252)	2,721,935	2,721,935
Compensated absences	<u>1,469,493</u>	<u>2,464,778</u>	<u>(2,384,611)</u>	<u>1,549,660</u>	<u>1,549,660</u>
	<u>\$ 39,455,311</u>	<u>\$ 10,708,156</u>	<u>\$ (11,500,862)</u>	<u>\$ 38,662,605</u>	<u>\$ 5,351,597</u>
Business-type activities:					
General obligation bonds	\$ 5,175,000	\$ -	\$ (1,655,000)	\$ 3,520,000	\$ 1,725,000
General obligation notes	15,356,000	15,000,000	(13,913,000)	16,443,000	5,000,000
Compensated absences	<u>4,937</u>	<u>13,548</u>	<u>(11,094)</u>	<u>7,391</u>	<u>7,391</u>
	<u>\$ 20,535,937</u>	<u>\$ 15,013,548</u>	<u>\$ (15,579,094)</u>	<u>\$ 19,970,391</u>	<u>\$ 6,732,391</u>
Component Units					
Road Commission:					
Compensated absences	<u>\$ 557,786</u>	<u>\$ 94,526</u>	<u>\$ (147,254)</u>	<u>\$ 505,058</u>	<u>\$ -</u>
Brownfield Redevelopment Authority:					
Loans from State of Michigan	<u>\$ 463,885</u>	<u>\$ -</u>	<u>\$ (27,357)</u>	<u>\$ 436,528</u>	<u>\$ 53,075</u>
Department of Public Works:					
General obligation bonds	<u>\$ 19,028,000</u>	<u>\$ -</u>	<u>\$ (1,965,000)</u>	<u>\$ 17,063,000</u>	<u>\$ 1,084,000</u>
Drain Commission:					
General obligation bonds and notes	<u>\$ 9,736,990</u>	<u>\$ -</u>	<u>\$ (1,988,194)</u>	<u>\$ 7,748,796</u>	<u>\$ 558,394</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Community Mental Health Authority:					
Notes	\$ 1,511,002	\$ -	\$ (139,876)	\$ 1,371,126	\$ 145,630
Capital lease	-	180,066	(31,952)	148,114	39,576
Compensated absences	<u>379,596</u>	<u>65,796</u>	<u>(24,956)</u>	<u>420,436</u>	<u>210,218</u>
	<u>\$ 1,890,598</u>	<u>\$ 245,862</u>	<u>\$ (196,784)</u>	<u>\$ 1,939,676</u>	<u>\$ 395,424</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, \$48,749 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.

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:

Purpose	Interest Rates	Amount
Governmental activities	2.75 – 7.0%	\$ 34,280,010
Business-type activities	1.23 – 4.0%	<u>19,963,000</u>
Total primary government		<u>\$ 54,243,010</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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>
2010	\$ 1,080,002	\$ 1,656,688	\$ 6,725,000	\$ 754,903
2011	920,002	1,610,863	1,795,000	507,778
2012	935,002	1,573,075	11,443,000	217,989
2013	1,010,002	1,534,175	-	-
2014	1,085,002	1,492,275	-	-
2015-2019	7,245,000	6,627,187	-	-
2020-2024	8,960,000	4,676,500	-	-
2025-2029	<u>13,045,000</u>	<u>2,049,750</u>	<u>-</u>	<u>-</u>
Total	<u>\$34,280,010</u>	<u>\$21,220,513</u>	<u>\$19,963,000</u>	<u>\$ 1,480,670</u>

Component Units

Brownfield Redevelopment Authority

The Brownfield Redevelopment Authority has outstanding balances from the State of Michigan, 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 April 2019 and bear an interest rate of 2.25%.

Annual principal and interest requirements to service all debt outstanding as of September 30, 2009, are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 53,075	\$ 4,647
2011	49,607	8,115
2012	50,670	7,052
2013	51,757	5,965
2014	52,867	4,855
2015-2019	<u>178,552</u>	<u>10,619</u>
Total	<u>\$ 436,528</u>	<u>\$ 41,253</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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:

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 1,084,000	\$ 659,579
2011	1,712,000	649,300
2012	1,667,000	584,101
2013	1,603,000	520,489
2014	1,649,000	458,313
2015-2019	4,901,000	1,494,641
2020-2024	890,000	873,727
2025-2029	803,000	699,489
2030-2034	728,000	525,574
2035-2039	764,000	366,859
2040-2044	830,000	194,309
2045-2047	<u>432,000</u>	<u>28,148</u>
Total	<u>\$17,063,000</u>	<u>\$ 7,054,529</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. 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 and bear interest rates varying from 1.35% to 7.95%. General obligation bonds and notes currently outstanding are as follows:

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 September 30</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 558,394	\$ 169,473
2011	1,814,334	186,006
2012	1,790,334	139,079
2013	1,787,334	93,481
2014	577,334	60,893
2015-2019	<u>1,221,066</u>	<u>86,185</u>
Total	<u>\$ 7,748,796</u>	<u>\$ 735,117</u>

Community Mental Health Authority

The Community Mental Health Authority has an installment contract and various notes for group homes. There are monthly installments due through 2013 and bear interest rates varying from 3.4% to 5.19%.

Annual principal and interest requirements to service all debt outstanding as of September 30, 2009, are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 145,630	\$ 57,387
2011	109,390	51,317
2012	76,124	48,290
2013	<u>1,039,982</u>	<u>30,840</u>
Total	<u>\$ 1,371,126</u>	<u>\$ 187,834</u>

The Authority has also entered into multiple capital lease agreements for five years. Payments are made monthly and the agreements bear interest rates of 4.5%.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Annual principal requirements to service all debt outstanding as of September 30, 2009, are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>
2010	\$ 39,576
2011	39,576
2012	39,576
2013	39,576
2014	<u>7,645</u>
Total minimum payments due	\$ 165,949
Less amounts representing interest at 4.5%	<u>17,835</u>
Present value of net minimum lease payments	<u>\$ 148,114</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, 2009, was \$220,000.

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, 2009, was \$325,000.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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 refunded bonds mature as scheduled on June 1, 1993 through 2015. The balance of the defeased debt outstanding at September 30, 2009, was \$620,000.

IV. Other information

A. Defined benefit pension plans

Primary Government

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 2009 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 asset. The County's annual pension cost and net pension asset to MERS for the current year were as follows:

Annual required contribution	\$ 3,187,368
Less: Interest on net pension asset	(126,465)
Plus: Adjustment to annual required contribution	<u>226,565</u>
Annual pension cost	3,287,468
Contributions made	<u>(3,187,368)</u>
Decrease in net pension asset	100,100
Net pension asset, beginning of year	<u>1,580,814</u>
Net pension asset, end of year	<u><u>\$ 1,480,714</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, 2008, 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 Asset</u>
9/30/2007	\$ 3,088,881	95%	\$ 1,687,681
9/30/2008	3,213,772	97%	1,580,814
9/30/2009	3,287,468	97%	1,480,714

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
12/31/2008	\$ 96,066,231	\$ 135,044,418	\$ 38,978,187	71%	\$ 6,920,898	563%

Component Unit – Road Commission

Plan description. The Road Commission’s defined benefit pension plan provides retirement, disability, and death benefits to plan members and beneficiaries. The Road Commission 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 the Municipal Employees Retirement System of Michigan, 447 N. Canal Road, Lansing, Michigan 48917 or by calling (800) 767-6377.

Three-Year Trend Information

Fiscal Period Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
9/30/2006	\$ 190,837	157%	\$ 110,000
9/30/2007	212,225	216%	246,000
12/31/2008	294,760	204%	307,000

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
12/31/2007	\$ 24,793,159	\$ 24,507,547	\$ (285,612)	101%	\$ 3,603,239	(8)%

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Component Unit – Community Mental Health Authority

Plan description. The Community Mental Health Authority’s defined benefit pension plan provides retirement, disability, and death benefits to plan members and beneficiaries. The Authority 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 the Municipal Employees Retirement System of Michigan, 447 N. Canal Road, Lansing, Michigan 48917 or by calling (800) 767-6377.

Three-Year Trend Information

<u>Fiscal Period Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
9/30/2007	293,023	100%
9/30/2008	325,071	100%
9/30/2009	267,297	100%

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
12/31/2008	\$ 11,130,594	\$ 15,658,850	\$ 4,528,256	71%	\$ 1,125,399	402%

B. Defined contributions 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.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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, 2009, there were 524 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. 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, 2009, amounted to \$1,750,721 and employee contributions were \$739,216.

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

B. Postemployment health benefits

Primary Government

Plan description. 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. 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.

Summary of significant accounting policies - basis of accounting and valuation of investments. 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

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value which is determined using selected bases as follows: 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 for which market quotations are not readily available are valued at fair market values as determined by the custodian under the direction of the Board of Commissioners, with the assistance of a valuation service; and cash deposits are reported at carrying amounts which reasonably estimates fair value.

Funding policy. The County has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment; in other words, the plan may be financed on a pay-as-you-go basis. Currently, the County is financing the postemployment benefits on a pay-as-you-go basis. For the year, the County recognized \$4,433,787 of net benefit expenditures.

Funding progress. For the year ended September 30, 2009, the County estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2008. Such valuation computes the annual required contribution (ARC) that represents a level of funding, that if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

At December 31, 2008, the date of the latest actuarial valuation, participants in the plan consisted of:

Retirees and beneficiaries currently receiving benefits	440
Active employees	<u>381</u>
Total	<u>821</u>

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:

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

<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.

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 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

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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, 2008. 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 8.0% in 2010 and scaling down every year until it is 4.5% for 2016 and beyond.

Annual OPEB cost and net OPEB obligation. The County's annual OPEB cost and net OPEB obligation for the current year were as follows:

Annual required contribution	\$ 7,684,606
Less: Interest on net OPEB obligation	-
Plus: Adjustment to annual required contribution	-
Annual OPEB cost	7,684,606
Contributions made	(4,433,787)
Increase in net OPEB obligation	3,250,819
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	\$ 3,250,819

Net OPEB Obligation Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation</u>
9/30/09	\$ 7,684,606	\$ 4,433,787	58%	\$ 3,250,819

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a percentage of of Covered Payroll</u>
12/31/08	\$ 9,274,988	\$ 92,765,308	\$ 83,490,320	10.0%	\$17,582,701	475%

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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.

Component Unit - Community Mental Health Authority

Plan description. The Authority has established a single employer defined benefit retiree health plan (the "Plan"), in accordance with State statutes, to all employees provided proper application is made prior to retirement and the employee is a member of the plan on the date of retirement and the employees agrees to participate in a co-pay plan. The Authority reimburses the amount of validated claims for medical, dental and hospitalization costs incurred by pre-Medicare retirees and their dependants based upon the employee's number of years of service. Expenditures for postretirement healthcare benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported to the government

Annual OPEB Cost and Net OPEB Obligation. The Plan's annual other postemployment benefit (OPEB) cost (expenses) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years

The Plan's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 was as follows:

Net OPEB Obligation Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation</u>
9/30/08	\$ 1,389,109	100%	\$ -
9/30/09	1,473,730	100%	-

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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)
12/31/07	\$	-	\$ 16,668,154	\$16,668,154	0%	n/a

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.

Actuarial Methods and Assumptions. 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, and (c) health care cost increases of 9% in 2007 and scaling down by 1% every other year until it is 4.5% for 2015 and beyond.

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 \$411,938 reported at September 30, 2009, 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, 2008 and 2009, 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>
2008	\$ 213,151	\$ 192,688	\$ 151,733	\$ 254,106
2009	254,106	277,803	119,971	411,938

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, 2008 and 2009, 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>
2008	\$ 1,514,303	\$ 184,292	\$ 335,361	\$ 1,363,234
2009	1,363,234	722,949	158,076	1,928,107

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, 2008 and 2009, 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>
2008	\$ 929,506	\$ 8,189,602	\$ 8,516,797	\$ 602,311
2009	602,311	10,580,132	10,536,018	646,425

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.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

The changes in the claims liability for the years ended September 30, 2008 and 2009, 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>
2008	\$ 35,728	\$ 579,808	\$ 584,668	\$ 30,868
2009	30,868	555,226	557,934	28,160

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, 2008 and 2009, 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>
2008	\$ 2,019	\$ 60,768	\$ 59,216	\$ 3,571
2009	3,571	55,481	56,654	2,398

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, 2008, totaled \$5,308,907,678. The tax levy for 2008/2009 operations were based on the following rates:

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

General Operating	4.88580 mills
Mosquito Control	.49930 mills
Senior Citizens	.32950 mills
Law Enforcement	.33940 mills
Hospital Debt	.41690 mills
County Parks	.16150 mills
Castle Museum	.19970 mills
Juvenile Home Renovation	.04980 mills
Event Center	.44930 mills

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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REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF SAGINAW, MICHIGAN

**REQUIRED SUPPLEMENTARY INFORMATION
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF MICHIGAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
HISTORICAL TREND INFORMATION - UNAUDITED**

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date December 31,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2003	\$ 82,375,896	\$ 104,989,442	\$ 22,613,546	79%	\$ 13,005,956	174%
2004	85,338,467	109,067,562	23,729,095	78%	12,470,470	190%
2005	87,919,362	116,271,363	28,352,001	76%	12,113,877	234%
2006	91,934,019	121,846,675	29,912,656	76%	11,662,175	256%
2007	96,240,566	125,684,383	29,443,817	75%	10,906,678	270%
2008	96,066,231	135,044,418	38,978,187	71%	6,920,898	563%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended September 30,	Annual Required Contribution	Percentage Contributed
2004	\$ 2,428,518	89%
2005	2,669,396	87%
2006	2,758,026	93%
2007	3,088,881	95%
2008	3,213,772	97%
2009	3,287,468	97%

COUNTY OF SAGINAW, MICHIGAN

**REQUIRED SUPPLEMENTARY INFORMATION
POSTEMPLOYMENT HEALTH BENEFITS
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
HISTORICAL TREND INFORMATION - UNAUDITED**

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date December 31,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2007	\$ 13,027,218	\$ 85,005,983	\$ 71,978,765	15.3%	\$19,369,833	372%
2008	9,274,988	92,765,308	83,490,320	10.0%	17,582,701	475%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended September 30,	Annual Required Contribution	Percentage Contributed
2009	\$ 7,684,606	58%

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, 2008) follows:

Actuarial cost method	Individual entry age
Amortization method	Level dollar, open
Remaining amortization period	29 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

SUPPLEMENTARY INFORMATION

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 reimbursement by the Saginaw Area GIS Authority. 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 Residential 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 general fixed 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.

Small Cities Reuse Fund - This fund is used to account for the operations of a service providing low interest loans to assist professional, commercial and industrial entities in rehabilitation and expansion of existing businesses and construction of new businesses within the county. Money for the operation of this fund is supplied from federal (pass-thru state) grants, interest earnings from loans, interest earnings from investments, and principal repayments. 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.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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.

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, North Pointe, St. Charles/Chesaning, and Saginaw 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.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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.

Local Correction Officers 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.

Revenue Sharing Reserve Fund - This fund is used to account 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. 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 Department of Human Services. The Saginaw County Department of Human Services has a separate accounting system which is prescribed by the State Department of Treasury and the State Department of Human Services. 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 Department of Human Services Board. 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)

Child Care Fund - This fund is used to account for the foster care of children under the authority and administration of the Saginaw County Department of Human Services 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.

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. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

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. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

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. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

NONMAJOR GOVERNMENTAL FUNDS (Concluded)

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.

PERMENANT FUNDS

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, 2009**

	Special Revenue Funds				
	Law Enforcement	County Road Patrol Millage	Parks & Recreation	G.I.S. System	Friend of the Court
Assets					
Cash and investment pool	\$ 301,247	\$ 750,697	\$ 758,127	\$ 5,608	\$ 146,161
Receivables (net):					
Taxes	-	31,141	14,776	-	-
Accounts	70,811	3,076	1,463	-	5,151
Notes	-	-	-	-	-
Accrued interest	560	2,824	2,775	-	57
Due from other funds	17,037	114	3,000	-	-
Due from other governmental units	-	-	-	-	463,753
Other assets	-	-	-	-	375
Total assets	\$ 389,655	\$ 787,852	\$ 780,141	\$ 5,608	\$ 615,497
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 11,017	\$ 2,518	\$ 23,625	\$ -	\$ 15,455
Accrued liabilities	48,810	30,545	10,949	3,712	67,965
Deposits payable	17,464	-	-	-	-
Due to other funds	190,935	506	231	-	151,113
Due to other governmental units	-	-	-	-	9,140
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	31,141	14,777	-	-
Total liabilities	268,226	64,710	49,582	3,712	243,673
Fund balances					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	90,020	304,977	-	21,266
Unreserved - designated for:					
Subsequent years expenditures	120,000	65,697	-	-	350,000
General improvements	-	-	-	-	-
Unreserved - undesignated	1,429	567,425	425,582	1,896	558
Total fund balances	121,429	723,142	730,559	1,896	371,824
Total liabilities and fund balances	\$ 389,655	\$ 787,852	\$ 780,141	\$ 5,608	\$ 615,497

COUNTY OF SAGINAW, MICHIGAN

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009**

Continued

	Special Revenue Funds				
	Solid Waste	Lodging Excise Tax	Castle Museum & Historical Activities	Commission on Aging	Mosquito Control
Assets					
Cash and investment pool	\$ 1,858,415	\$ 4,010	\$ 285,211	\$ 550,945	\$ 1,200,946
Receivables (net):					
Taxes	-	-	16,704	29,528	38,824
Accounts	71,668	652,921	1,809	17,397	4,760
Notes	-	-	-	-	-
Accrued interest	5,673	-	1,195	2,091	4,954
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	-	208,908	-
Other assets	-	-	-	20,990	-
Total assets	\$ 1,935,756	\$ 656,931	\$ 304,919	\$ 829,859	\$ 1,249,484
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 280	\$ 499,267	\$ -	\$ 94,997	\$ 74,940
Accrued liabilities	-	-	-	48,046	25,175
Deposits payable	-	-	-	-	-
Due to other funds	142,731	157,664	281	486	744
Due to other governmental units	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	-	16,705	58,220	38,823
Total liabilities	143,011	656,931	16,986	201,749	139,682
Fund balances					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	-	-	258,819	149,013
Unreserved - designated for:					
Subsequent years expenditures	270,182	-	3,500	-	63,197
General improvements	-	-	-	-	-
Unreserved - undesignated	1,522,563	-	284,433	369,291	897,592
Total fund balances	1,792,745	-	287,933	628,110	1,109,802
Total liabilities and fund balances	\$ 1,935,756	\$ 656,931	\$ 304,919	\$ 829,859	\$ 1,249,484

COUNTY OF SAGINAW, MICHIGAN

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009**

Continued

	Special Revenue Funds				
	Planning Commission	Principal Residence Exemption	Public Improvement	Courthouse Preservation Technology	Animal Control
Assets					
Cash and investment pool	\$ 30,618	\$ 91,413	\$ 874,152	\$ 243,700	\$ 172,193
Receivables (net):					
Taxes	-	120,063	-	-	-
Accounts	-	-	-	-	31,519
Notes	1,643,194	-	-	-	-
Accrued interest	8	142	2,499	669	-
Due from other funds	-	-	1,427,273	-	2,493
Due from other governmental units	128,967	-	-	-	-
Other assets	60	-	-	-	-
Total assets	\$ 1,802,847	\$ 211,618	\$ 2,303,924	\$ 244,369	\$ 206,205
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 25,253	\$ 34,975	\$ 42,823	\$ -	\$ 4,513
Accrued liabilities	4,984	-	-	-	10,493
Deposits payable	-	-	-	-	-
Due to other funds	93,931	331	628	-	71,540
Due to other governmental units	277,789	118,834	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	1,379,289	-	-	-	-
Total liabilities	1,781,246	154,140	43,451	-	86,546
Fund balances					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	57,478	-	-	40,309
Unreserved - designated for:					
Subsequent years expenditures	21,601	-	252,125	61,600	64,193
General improvements	-	-	908,868	-	-
Unreserved - undesignated	-	-	1,099,480	182,769	15,157
Total fund balances	21,601	57,478	2,260,473	244,369	119,659
Total liabilities and fund balances	\$ 1,802,847	\$ 211,618	\$ 2,303,924	\$ 244,369	\$ 206,205

COUNTY OF SAGINAW, MICHIGAN

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009**

Continued

	Special Revenue Funds				
	Land Reutilization	Small Cities Reuse	Register of Deeds Automation	E-911 Telephone Surcharge	E-911 Equipment Digital
Assets					
Cash and investment pool	\$ -	\$ 1,686,299	\$ 552,078	\$ 1,120,678	\$ -
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	-	-	4,811	1,125,707	-
Notes	-	1,491,658	-	-	-
Accrued interest	-	4,823	1,457	3,692	-
Due from other funds	456,596	-	-	-	-
Due from other governmental units	-	-	-	98,664	-
Other assets	-	-	-	-	-
Total assets	<u>\$ 456,596</u>	<u>\$ 3,182,780</u>	<u>\$ 558,346</u>	<u>\$ 2,348,741</u>	<u>\$ -</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 456,596	\$ 3,553	\$ 127	\$ 4,550	\$ -
Accrued liabilities	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	1,491,659	-	-	-
Total liabilities	<u>456,596</u>	<u>1,495,212</u>	<u>127</u>	<u>4,550</u>	<u>-</u>
Fund balances					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	-	441,579	-	-
Unreserved - designated for:					
Subsequent years expenditures	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	-	1,687,568	116,640	2,344,191	-
Total fund balances	<u>-</u>	<u>1,687,568</u>	<u>558,219</u>	<u>2,344,191</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 456,596</u>	<u>\$ 3,182,780</u>	<u>\$ 558,346</u>	<u>\$ 2,348,741</u>	<u>\$ -</u>

COUNTY OF SAGINAW, MICHIGAN

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009**

Continued

	Special Revenue Funds				
	Mobile Data Maintenance & Repair	Area Records Management System	Law Library	County Library Board	Michigan Works! Service Centers
Assets					
Cash and investment pool	\$ 1,271,956	\$ 60,856	\$ 11,604	\$ -	\$ -
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	211	266,550	-	-	990
Notes	-	-	-	-	-
Accrued interest	3,725	200	-	-	-
Due from other funds	-	-	-	-	52,269
Due from other governmental units	-	-	-	-	-
Other assets	14,476	-	-	-	32,857
	<u>1,290,368</u>	<u>327,606</u>	<u>11,604</u>	<u>-</u>	<u>86,116</u>
Total assets	\$ 1,290,368	\$ 327,606	\$ 11,604	\$ -	\$ 86,116
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 39,280	\$ 6,234	\$ 8,711	\$ -	\$ 18,153
Accrued liabilities	-	2,305	326	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	-	2,567	-	67,773
Due to other governmental units	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	42,000	55,814	-	-	190
	<u>81,280</u>	<u>64,353</u>	<u>11,604</u>	<u>-</u>	<u>86,116</u>
Total liabilities	\$ 81,280	\$ 64,353	\$ 11,604	\$ -	\$ 86,116
Fund balances					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	85,578	-	-	-
Unreserved - designated for:					
Subsequent years expenditures	100,000	56,618	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	1,109,088	121,057	-	-	-
Total fund balances	<u>1,209,088</u>	<u>263,253</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	1,209,088	263,253	-	-	-
Total liabilities and fund balances	\$ 1,290,368	\$ 327,606	\$ 11,604	\$ -	\$ 86,116

COUNTY OF SAGINAW, MICHIGAN

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009**

Continued

	Special Revenue Funds				
	Remonu- mentation	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections
Assets					
Cash and investment pool	\$ -	\$ 320,374	\$ 1,910,798	\$ -	\$ -
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	-	27,639	46,529	-	-
Notes	-	-	-	-	-
Accrued interest	-	-	2,004	-	-
Due from other funds	-	-	4,290	202,679	-
Due from other governmental units	85,643	15,576	163,445	70,434	70,044
Other assets	-	-	1,131	-	30
	<u>85,643</u>	<u>363,589</u>	<u>2,128,197</u>	<u>273,113</u>	<u>70,074</u>
Total assets	\$ 85,643	\$ 363,589	\$ 2,128,197	\$ 273,113	\$ 70,074
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 33,161	\$ 15,195	\$ 95,670	\$ 26	\$ 5,917
Accrued liabilities	196	5,788	11,277	13,665	2,771
Deposits payable	-	-	96,691	-	-
Due to other funds	44,658	17,840	17,037	258,818	61,386
Due to other governmental units	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	20	1,161,174	-	-
	<u>78,015</u>	<u>38,843</u>	<u>1,381,849</u>	<u>272,509</u>	<u>70,074</u>
Total liabilities	78,015	38,843	1,381,849	272,509	70,074
Fund balances					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	7,628	-	208,235	-	-
Unreserved - designated for:					
Subsequent years expenditures	-	90,112	209,147	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	-	234,634	328,966	604	-
	<u>7,628</u>	<u>324,746</u>	<u>746,348</u>	<u>604</u>	<u>-</u>
Total fund balances	7,628	324,746	746,348	604	-
Total liabilities and fund balances	\$ 85,643	\$ 363,589	\$ 2,128,197	\$ 273,113	\$ 70,074

COUNTY OF SAGINAW, MICHIGAN

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009**

Continued

	Special Revenue Funds						
	Local Correction Officer Training	Revenue Sharing Reserve	MSU Extension	Department of Human Services	Child Care	Soldiers' Relief	Veterans' Trust
Assets							
Cash and investment pool	\$ 58,745	\$ 753,233	\$ 29,568	\$ 346,443	\$ 1,749,206	\$ 5,077	\$ -
Receivables (net):							
Taxes	-	-	-	-	-	-	-
Accounts	2,963	-	2,051	3,450	106,199	-	-
Notes	-	-	-	-	-	-	-
Accrued interest	121	4,339	376	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governmental units	-	-	71,739	186,959	408,298	-	13,189
Other assets	275	-	40	-	-	-	-
Total assets	\$ 62,104	\$ 757,572	\$ 103,774	\$ 536,852	\$ 2,263,703	\$ 5,077	\$ 13,189
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 2,903	\$ -	\$ 47,783	\$ 170,579	\$ 308,423	\$ 1,144	\$ 2,083
Accrued liabilities	807	-	2,235	253,020	50,640	-	-
Deposits payable	-	-	-	-	-	-	-
Due to other funds	-	757,572	33,631	2,253	1,155,032	3,933	11,106
Due to other governmental units	-	-	-	-	93,713	-	-
Advances from other governmental units	-	-	-	111,000	-	-	-
Deferred revenue	-	-	20,125	-	-	-	-
Total liabilities	3,710	757,572	103,774	536,852	1,607,808	5,077	13,189
Fund balances							
Reserved for:							
Debt service	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Restricted contributions	20,631	-	-	-	2,169	-	-
Unreserved - designated for:							
Subsequent years expenditures	10,000	-	-	-	325,151	-	-
General improvements	-	-	-	-	-	-	-
Unreserved - undesignated	27,763	-	-	-	328,575	-	-
Total fund balances	58,394	-	-	-	655,895	-	-
Total liabilities and fund balances	\$ 62,104	\$ 757,572	\$ 103,774	\$ 536,852	\$ 2,263,703	\$ 5,077	\$ 13,189

COUNTY OF SAGINAW, MICHIGAN

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009**

Continued

	Debt Service Funds		
	Hospital Construction	Juvenile Center Renovation	Building Authority
Assets			
Cash and investment pool	\$ 1,125,775	\$ 19,795	\$ 943,533
Receivables (net):			
Taxes	31,466	4,838	-
Accounts	3,833	453	-
Notes	-	-	-
Accrued interest	3,605	433	3,020
Due from other funds	-	-	-
Due from other governmental units	-	-	-
Other assets	-	-	-
Total assets	\$ 1,164,679	\$ 25,519	\$ 946,553
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 601	\$ 92	\$ -
Accrued liabilities	-	-	-
Deposits payable	-	-	-
Due to other funds	-	-	-
Due to other governmental units	-	-	-
Advances from other governmental units	-	-	-
Deferred revenue	31,466	4,838	-
Total liabilities	32,067	4,930	-
Fund balances			
Reserved for:			
Debt service	1,132,612	20,589	946,553
Capital projects	-	-	-
Restricted contributions	-	-	-
Unreserved - designated for:			
Subsequent years expenditures	-	-	-
General improvements	-	-	-
Unreserved - undesignated	-	-	-
Total fund balances	1,132,612	20,589	946,553
Total liabilities and fund balances	\$ 1,164,679	\$ 25,519	\$ 946,553

COUNTY OF SAGINAW, MICHIGAN

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2009

Concluded

	Capital Projects Funds		Permanent	Total Nonmajor Governmental Funds
	Parks Building & Site	River Dredging Project	Fund Rail Trail Endowment	
Assets				
Cash and investment pool	\$ 31,421	\$ 5,808	\$ 40,467	\$ 19,317,157
Receivables (net):				
Taxes	-	-	-	287,340
Accounts	-	-	-	2,451,961
Notes	-	-	-	3,134,852
Accrued interest	28	-	119	51,389
Due from other funds	-	-	-	2,165,751
Due from other governmental units	-	-	-	1,985,619
Other assets	-	-	-	70,234
Total assets	<u>\$ 31,449</u>	<u>\$ 5,808</u>	<u>\$ 40,586</u>	<u>\$ 29,464,303</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 542	\$ -	\$ 2,050,986
Accrued liabilities	-	-	-	593,709
Deposits payable	-	-	-	114,155
Due to other funds	-	-	-	3,244,727
Due to other governmental units	-	-	-	499,476
Advances from other governmental units	-	-	-	111,000
Deferred revenue	-	-	-	4,346,241
Total liabilities	<u>-</u>	<u>542</u>	<u>-</u>	<u>10,960,294</u>
Fund balances				
Reserved for:				
Debt service	-	-	-	2,099,754
Capital projects	31,449	5,266	-	36,715
Restricted contributions	-	-	35,000	1,722,702
Unreserved - designated for:				
Subsequent years expenditures	-	-	5,586	2,068,709
General improvements	-	-	-	908,868
Unreserved - undesignated	-	-	-	11,667,261
Total fund balances	<u>31,449</u>	<u>5,266</u>	<u>40,586</u>	<u>18,504,009</u>
Total liabilities and fund balances	<u>\$ 31,449</u>	<u>\$ 5,808</u>	<u>\$ 40,586</u>	<u>\$ 29,464,303</u>

COUNTY OF SAGINAW, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Special Revenue Funds				
	Law Enforcement	County Road Patrol Millage	Parks & Recreation	G.I.S. System	Friend of the Court
Revenues					
Property taxes	\$ -	\$ 1,720,287	\$ 818,566	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	2,883,284
State grants	-	-	744	-	111,099
Local grants and contributions	-	-	-	-	-
Charges for services	-	-	58,884	-	325,340
Fines and forfeitures	375	-	-	-	-
Investment income	2,026	12,101	13,123	-	346
Rental revenue	-	-	-	-	-
Donations	-	-	24,313	-	-
Reimbursements	679,443	10,000	3,000	162,378	73,792
Other revenue	-	-	2,926	-	-
Total revenues	681,844	1,742,388	921,556	162,378	3,393,861
Expenditures					
Current:					
Judicial	-	-	-	-	4,278,467
General government	-	-	-	161,100	-
Public safety	2,580,805	1,596,003	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	875,019	-	-
Capital outlay	-	19,404	33,655	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	2,580,805	1,615,407	908,674	161,100	4,278,467
Revenues over (under) expenditures	(1,898,961)	126,981	12,882	1,278	(884,606)
Other financing sources (uses)					
Transfers in	1,910,962	-	-	-	901,524
Transfers out	(12,000)	(12,000)	-	-	(18,262)
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	1,898,962	(12,000)	-	-	883,262
Net change in fund balances	1	114,981	12,882	1,278	(1,344)
Fund balance, beginning of year	121,428	608,161	717,677	618	373,168
Fund balance, end of year	\$ 121,429	\$ 723,142	\$ 730,559	\$ 1,896	\$ 371,824

COUNTY OF SAGINAW, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Continued

	Special Revenue Funds				
	Solid Waste	Lodging Excise Tax	Castle Museum & Historical Activities	Commission on Aging	Mosquito Control
Revenues					
Property taxes	\$ -	\$ -	\$ 1,013,646	\$ 1,669,752	\$ 2,530,607
Accommodations tax	-	1,686,183	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	1,240,444	-
State grants	-	-	-	270,495	-
Local grants and contributions	-	-	-	-	-
Charges for services	329,996	-	-	229,931	10,651
Fines and forfeitures	-	-	-	-	-
Investment income	31,092	-	4,786	8,674	23,021
Rental revenue	-	-	-	-	900
Donations	-	-	-	256,409	-
Reimbursements	-	-	19,072	27,542	241,596
Other revenue	-	-	-	75,504	832
Total revenues	361,088	1,686,183	1,037,504	3,778,751	2,807,607
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	535,124	-	-	-	-
Health and welfare	-	-	-	3,711,704	2,790,256
Community and economic development	-	1,686,183	-	-	-
Recreation and culture	-	-	1,016,039	-	-
Capital outlay	-	-	-	97,707	47,409
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	535,124	1,686,183	1,016,039	3,809,411	2,837,665
Revenues over (under) expenditures	(174,036)	-	21,465	(30,660)	(30,058)
Other financing sources (uses)					
Transfers in	-	-	-	-	50,000
Transfers out	(144,700)	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	(144,700)	-	-	-	50,000
Net change in fund balances	(318,736)	-	21,465	(30,660)	19,942
Fund balance, beginning of year	2,111,481	-	266,468	658,770	1,089,860
Fund balance, end of year	\$ 1,792,745	\$ -	\$ 287,933	\$ 628,110	\$ 1,109,802

COUNTY OF SAGINAW, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Continued

	Special Revenue Funds				
	Planning Commission	Principal Residence Exemption	Public Improvement	Courthouse Preservation Technology	Animal Control
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	22,122
Federal grants	455,943	-	-	-	-
State grants	13,678	-	-	-	-
Local grants and contributions	-	-	-	-	-
Charges for services	150	2,122	-	231,770	70,458
Fines and forfeitures	-	-	-	-	-
Investment income	38	22,495	11,809	3,403	-
Rental revenue	-	-	-	-	-
Donations	-	-	-	-	18,371
Reimbursements	7,000	-	-	-	-
Other revenue	7,086	-	-	-	-
Total revenues	483,895	24,617	11,809	235,173	110,951
Expenditures					
Current:					
Judicial	-	-	-	7,910	-
General government	-	-	49,157	-	-
Public safety	-	-	41,241	-	707,114
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	566,260	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	11,450	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	566,260	-	101,848	7,910	707,114
Revenues over (under) expenditures	(82,365)	24,617	(90,039)	227,263	(596,163)
Other financing sources (uses)					
Transfers in	80,880	-	1,477,272	-	612,043
Transfers out	-	-	(35,628)	(150,000)	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	80,880	-	1,441,644	(150,000)	612,043
Net change in fund balances	(1,485)	24,617	1,351,605	77,263	15,880
Fund balance, beginning of year	23,086	32,861	908,868	167,106	103,779
Fund balance, end of year	\$ 21,601	\$ 57,478	\$ 2,260,473	\$ 244,369	\$ 119,659

COUNTY OF SAGINAW, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Continued

	Special Revenue Funds				
	Land Reutilization	Small Cities Reuse	Register of Deeds Automation	E-911 Telephone Surcharge	E-911 Equipment Digital
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	3,178	-	-	-
State grants	-	-	-	428,993	-
Local grants and contributions	-	-	-	-	-
Charges for services	-	-	171,845	4,904,647	-
Fines and forfeitures	-	-	-	-	-
Investment income	-	24,654	7,368	19,051	1,340
Rental revenue	-	-	-	-	-
Donations	-	-	-	-	-
Reimbursements	-	323,877	-	-	-
Other revenue	-	-	-	-	-
Total revenues	-	351,709	179,213	5,352,691	1,340
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	456,596	-	56,913	-	-
Public safety	-	-	-	5,331,418	186,893
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	-	77,414	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	5,660	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	456,596	77,414	62,573	5,331,418	186,893
Revenues over (under) expenditures	(456,596)	274,295	116,640	21,273	(185,553)
Other financing sources (uses)					
Transfers in	456,596	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	456,596	-	-	-	-
Net change in fund balances	-	274,295	116,640	21,273	(185,553)
Fund balance, beginning of year	-	1,413,273	441,579	2,322,918	185,553
Fund balance, end of year	\$ -	\$ 1,687,568	\$ 558,219	\$ 2,344,191	\$ -

COUNTY OF SAGINAW, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Continued

	Special Revenue Funds				
	Mobile Data Maintenance & Repair	Area Records Management System	Law Library	County Library Board	Michigan Works! Service Centers
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	-
State grants	-	-	-	-	-
Local grants and contributions	-	-	-	-	-
Charges for services	423,256	324,015	-	-	-
Fines and forfeitures	-	-	6,500	52,427	-
Investment income	24,716	1,111	-	-	-
Rental revenue	-	-	-	-	-
Donations	-	-	-	-	-
Reimbursements	2,064	8,500	-	-	36,471
Other revenue	-	-	-	-	39
Total revenues	450,036	333,626	6,500	52,427	36,510
Expenditures					
Current:					
Judicial	-	-	74,795	-	-
General government	-	-	-	-	-
Public safety	1,260,367	155,951	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	626,083
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	-	52,427	-
Capital outlay	-	-	-	-	15,524
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,260,367	155,951	74,795	52,427	641,607
Revenues over (under) expenditures	(810,331)	177,675	(68,295)	-	(605,097)
Other financing sources (uses)					
Transfers in	181,500	-	68,295	-	605,097
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	181,500	-	68,295	-	605,097
Net change in fund balances	(628,831)	177,675	-	-	-
Fund balance, beginning of year	1,837,919	85,578	-	-	-
Fund balance, end of year	\$ 1,209,088	\$ 263,253	\$ -	\$ -	\$ -

COUNTY OF SAGINAW, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Continued

	Special Revenue Funds				
	Remonu- mentation	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	65,321	360,655	45,402	-
State grants	51,972	108,836	357,355	258,543	232,740
Local grants and contributions	-	-	-	-	-
Charges for services	-	149	20,911	-	-
Fines and forfeitures	-	17,525	125,511	190,758	-
Investment income	-	-	9,398	-	-
Rental revenue	-	-	-	-	-
Donations	-	900	13,611	307	-
Reimbursements	-	127,183	673,369	190,509	-
Other revenue	-	880	-	-	-
Total revenues	51,972	320,794	1,560,810	685,519	232,740
Expenditures					
Current:					
Judicial	-	97,175	-	-	-
General government	51,972	-	-	802,218	-
Public safety	-	134,185	1,241,874	-	202,740
Public works	-	118,600	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	-	19,644	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	2,761	130,053	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	51,972	372,365	1,371,927	802,218	202,740
Revenues over (under) expenditures	-	(51,571)	188,883	(116,699)	30,000
Other financing sources (uses)					
Transfers in	-	90,968	67,179	116,699	-
Transfers out	-	(3,308)	(7,500)	-	(30,000)
Proceeds from sale of capital assets	-	-	13,908	-	-
Total other financing sources (uses)	-	87,660	73,587	116,699	(30,000)
Net change in fund balances	-	36,089	262,470	-	-
Fund balance, beginning of year	7,628	288,657	483,878	604	-
Fund balance, end of year	\$ <u>7,628</u>	\$ <u>324,746</u>	\$ <u>746,348</u>	\$ <u>604</u>	\$ <u>-</u>

COUNTY OF SAGINAW, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Continued

	Special Revenue Funds						
	Local Correction Officer Training	Revenue Sharing Reserve	MSU Extension	Department of Human Services	Child Care	Soldiers' Relief	Veterans' Trust
Revenues							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Federal grants	-	-	105,508	-	69,607	-	-
State grants	-	-	138,411	775,767	2,079,713	-	54,381
Local grants and contributions	-	-	289,792	-	138,728	-	-
Charges for services	84,934	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment income	513	41,522	1,602	-	-	-	-
Rental revenue	-	-	-	-	-	-	-
Donations	-	-	-	-	28,694	-	-
Reimbursements	-	-	7,772	-	258,784	-	-
Other revenue	-	-	135	-	12,244	-	-
Total revenues	85,447	41,522	543,220	775,767	2,587,770	-	54,381
Expenditures							
Current:							
Judicial	-	-	-	-	-	-	-
General government	-	-	739,477	-	-	-	-
Public safety	47,684	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Health and welfare	-	-	-	992,514	4,999,819	18,067	54,381
Community and economic development	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	6,850	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	47,684	-	739,477	992,514	5,006,669	18,067	54,381
Revenues over (under) expenditures	37,763	41,522	(196,257)	(216,747)	(2,418,899)	(18,067)	-
Other financing sources (uses)							
Transfers in	-	-	195,569	216,747	2,417,908	18,067	-
Transfers out	-	(5,325,656)	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(5,325,656)	195,569	216,747	2,417,908	18,067	-
Net change in fund balances	37,763	(5,284,134)	(688)	-	(991)	-	-
Fund balance, beginning of year	20,631	5,284,134	688	-	656,886	-	-
Fund balance, end of year	\$ 58,394	\$ -	\$ -	\$ -	\$ 655,895	\$ -	\$ -

COUNTY OF SAGINAW, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Continued

	Debt Service Funds		
	Hospital Construction	Juvenile Center Renovation	Building Authority
Revenues			
Property taxes	\$ 2,130,893	\$ 255,343	\$ -
Accommodations tax	-	-	-
Licenses and permits	-	-	-
Federal grants	-	-	-
State grants	-	-	-
Local grants and contributions	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	16,971	1,600	19,883
Rental revenue	-	-	545,846
Donations	-	-	-
Reimbursements	-	-	-
Other revenue	-	-	-
Total revenues	2,147,864	256,943	565,729
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and culture	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	600,000	225,000	784,999
Interest and fiscal charges	1,540,725	25,664	159,072
Total expenditures	2,140,725	250,664	944,071
Revenues over (under) expenditures	7,139	6,279	(378,342)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	(57,992)
Proceeds from sale of capital assets	-	-	-
Total other financing sources (uses)	-	-	(57,992)
Net change in fund balances	7,139	6,279	(436,334)
Fund balance, beginning of year	1,125,473	14,310	1,382,887
Fund balance, end of year	\$ 1,132,612	\$ 20,589	\$ 946,553

COUNTY OF SAGINAW, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Concluded

	Capital Projects Funds		Permanent Fund	Total Nonmajor Governmental Funds
	Parks Building & Site	River Dredging Project	Rail Trail Endowment	
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 10,139,094
Accommodations tax	-	-	-	1,686,183
Licenses and permits	-	-	-	22,122
Federal grants	-	-	-	5,229,342
State grants	-	-	-	4,882,727
Local grants and contributions	31,300	-	-	459,820
Charges for services	-	-	-	7,189,059
Fines and forfeitures	-	-	-	393,096
Investment income	149	-	624	303,416
Rental revenue	-	-	-	546,746
Donations	-	46,193	1,000	389,798
Reimbursements	-	-	-	2,852,352
Other revenue	-	-	-	99,646
Total revenues	31,449	46,193	1,624	34,193,401
Expenditures				
Current:				
Judicial	-	-	-	4,458,347
General government	-	-	-	2,317,433
Public safety	-	-	-	13,486,275
Public works	-	21,589	-	675,313
Health and welfare	-	-	-	13,192,824
Community and economic development	-	-	-	2,349,501
Recreation and culture	-	-	-	1,943,485
Capital outlay	-	26,534	-	397,007
Debt service:				
Principal	-	-	-	1,609,999
Interest and fiscal charges	-	-	-	1,725,461
Total expenditures	-	48,123	-	42,155,645
Revenues over (under) expenditures	31,449	(1,930)	1,624	(7,962,244)
Other financing sources (uses)				
Transfers in	-	-	-	9,467,306
Transfers out	-	-	-	(5,797,046)
Proceeds from sale of capital assets	-	-	-	13,908
Total other financing sources (uses)	-	-	-	3,684,168
Net change in fund balances	31,449	(1,930)	1,624	(4,278,076)
Fund balance, beginning of year	-	7,196	38,962	22,782,085
Fund balance, end of year	\$ 31,449	\$ 5,266	\$ 40,586	\$ 18,504,009

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, 2009**

	Law Enforcement			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Fines and Forfeitures	\$ -	\$ -	\$ 375	\$ 375
Investment income	-	-	2,026	2,026
Reimbursements	663,390	663,390	679,443	16,053
Total revenues	<u>663,390</u>	<u>663,390</u>	<u>681,844</u>	<u>18,454</u>
Expenditures				
Current:				
Public safety	2,749,734	2,749,734	2,580,805	168,929
Capital outlay	-	-	-	-
Total expenditures	<u>2,749,734</u>	<u>2,749,734</u>	<u>2,580,805</u>	<u>168,929</u>
Revenues under expenditures	<u>(2,086,344)</u>	<u>(2,086,344)</u>	<u>(1,898,961)</u>	<u>187,383</u>
Other financing sources (uses)				
Transfers in	2,098,344	2,098,344	1,910,962	(187,382)
Transfers out	(12,000)	(12,000)	(12,000)	-
Total other financing sources (uses)	<u>2,086,344</u>	<u>2,086,344</u>	<u>1,898,962</u>	<u>(187,382)</u>
Net change in fund balances	-	-	1	1
Fund balance, beginning of year	<u>121,428</u>	<u>121,428</u>	<u>121,428</u>	<u>-</u>
Fund balance, end of year	<u>\$ 121,428</u>	<u>\$ 121,428</u>	<u>\$ 121,429</u>	<u>\$ 1</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, 2009**

	<u>County Road Patrol Millage</u>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 1,726,753	\$ 1,726,753	\$ 1,720,287	\$ (6,466)
Investment income	25,000	25,000	12,101	(12,899)
Reimbursements	-	-	10,000	10,000
Total revenues	<u>1,751,753</u>	<u>1,751,753</u>	<u>1,742,388</u>	<u>(9,365)</u>
Expenditures				
Current:				
Public safety	1,739,753	1,720,349	1,596,003	124,346
Capital outlay	-	19,404	19,404	-
Total expenditures	<u>1,739,753</u>	<u>1,739,753</u>	<u>1,615,407</u>	<u>124,346</u>
Revenues over expenditures	12,000	12,000	126,981	114,981
Other financing uses				
Transfers out	(12,000)	(12,000)	(12,000)	-
Net change in fund balances	-	-	114,981	114,981
Fund balance, beginning of year	608,161	608,161	608,161	-
Fund balance, end of year	<u>\$ 608,161</u>	<u>\$ 608,161</u>	<u>\$ 723,142</u>	<u>\$ 114,981</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, 2009**

	Parks & Recreation			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 821,659	\$ 821,659	\$ 818,566	\$ (3,093)
State grants	-	-	744	744
Charges for services	41,500	54,100	58,884	4,784
Investment income	15,539	15,539	13,123	(2,416)
Donations	28,000	28,000	24,313	(3,687)
Reimbursements	-	-	3,000	3,000
Other revenue	15,000	15,000	2,926	(12,074)
Total revenues	921,698	934,298	921,556	(12,742)
Expenditures				
Current:				
Recreation and culture	880,759	887,859	875,019	12,840
Capital outlay	40,939	64,439	33,655	30,784
Total expenditures	921,698	952,298	908,674	43,624
Net change in fund balances	-	(18,000)	12,882	30,882
Fund balance, beginning of year	717,677	717,677	717,677	-
Fund balance, end of year	\$ 717,677	\$ 699,677	\$ 730,559	\$ 30,882

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, 2009**

	G.I.S. System			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Reimbursements	\$ 160,832	\$ 162,376	\$ 162,378	\$ 2
Expenditures				
Current:				
General government	160,832	162,376	161,100	1,276
Net change in fund balances	-	-	1,278	1,274
Fund balance, beginning of year	618	618	618	-
Fund balance, end of year	<u>\$ 618</u>	<u>\$ 618</u>	<u>\$ 1,896</u>	<u>\$ 1,274</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, 2009**

	Friend of the Court			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 2,664,130	\$ 2,809,168	\$ 2,883,284	\$ 74,116
State grants	269,804	127,068	111,099	(15,969)
Charges for services	314,100	314,100	325,340	11,240
Investment income	262	262	346	84
Reimbursements	83,459	83,459	73,792	(9,667)
Total revenues	<u>3,331,755</u>	<u>3,334,057</u>	<u>3,393,861</u>	<u>59,804</u>
Expenditures				
Current:				
Judicial	4,366,130	4,368,432	4,278,467	89,965
Revenues under expenditures	<u>(1,034,375)</u>	<u>(1,034,375)</u>	<u>(884,606)</u>	<u>149,769</u>
Other financing sources (uses)				
Transfers in	1,052,637	1,052,637	901,524	(151,113)
Transfers out	<u>(18,262)</u>	<u>(18,262)</u>	<u>(18,262)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,034,375</u>	<u>1,034,375</u>	<u>883,262</u>	<u>(151,113)</u>
Net change in fund balances	-	-	(1,344)	(1,344)
Fund balance, beginning of year	373,168	373,168	373,168	-
Fund balance, end of year	<u>\$ 373,168</u>	<u>\$ 373,168</u>	<u>\$ 371,824</u>	<u>\$ (1,344)</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, 2009**

	Solid Waste			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 358,058	\$ 393,058	\$ 329,996	\$ (63,062)
Investment income	26,000	36,000	31,092	(4,908)
Total revenues	<u>384,058</u>	<u>429,058</u>	<u>361,088</u>	<u>(67,970)</u>
Expenditures				
Current:				
Public works	<u>542,862</u>	<u>542,862</u>	<u>535,124</u>	<u>7,738</u>
Revenues under expenditures	(158,804)	(113,804)	(174,036)	(60,232)
Other financing uses				
Transfers out	<u>(146,879)</u>	<u>(146,879)</u>	<u>(144,700)</u>	<u>2,179</u>
Net change in fund balances	(305,683)	(260,683)	(318,736)	(58,053)
Fund balance, beginning of year	<u>2,111,481</u>	<u>2,111,481</u>	<u>2,111,481</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 1,805,798</u></u>	<u><u>\$ 1,850,798</u></u>	<u><u>\$ 1,792,745</u></u>	<u><u>\$ (58,053)</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, 2009**

	Lodging Excise Tax			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Accommodations tax	\$ 1,715,000	\$ 1,715,000	\$ 1,686,183	\$ (28,817)
Expenditures				
Current:				
Community and economic development	1,715,000	1,715,000	1,686,183	28,817
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, 2009**

	Castle Museum & Historical Activities			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 1,016,007	\$ 1,016,007	\$ 1,013,646	\$ (2,361)
Investment income	2,000	2,000	4,786	2,786
Reimbursements	19,122	19,122	19,072	(50)
Total revenues	<u>1,037,129</u>	<u>1,037,129</u>	<u>1,037,504</u>	<u>375</u>
Expenditures				
Current:				
Recreation and culture	<u>1,040,629</u>	<u>1,040,629</u>	<u>1,016,039</u>	<u>24,590</u>
Net change in fund balances	(3,500)	(3,500)	21,465	24,965
Fund balance, beginning of year	<u>266,468</u>	<u>266,468</u>	<u>266,468</u>	<u>-</u>
Fund balance, end of year	<u>\$ 262,968</u>	<u>\$ 262,968</u>	<u>\$ 287,933</u>	<u>\$ 24,965</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, 2009**

	Commission on Aging			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 1,676,386	\$ 1,676,386	\$ 1,669,752	\$ (6,634)
Federal grants	1,207,915	1,250,366	1,240,444	(9,922)
State grants	240,284	319,449	270,495	(48,954)
Charges for services	224,640	234,441	229,931	(4,510)
Investment income	27,000	27,000	8,674	(18,326)
Donations	285,174	286,170	256,409	(29,761)
Reimbursements	32,782	36,397	27,542	(8,855)
Other revenue	84,570	90,880	75,504	(15,376)
Total revenues	3,778,751	3,921,089	3,778,751	(142,338)
Expenditures				
Current:				
Health and welfare	3,811,945	3,896,790	3,711,704	185,086
Capital outlay	-	88,818	97,707	(8,889)
Total expenditures	3,811,945	3,985,608	3,809,411	176,197
Net change in fund balances	(33,194)	(64,519)	(30,660)	33,859
Fund balance, beginning of year	658,770	658,770	658,770	-
Fund balance, end of year	\$ 625,576	\$ 594,251	\$ 628,110	\$ 33,859

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, 2009**

	Mosquito Control			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 2,540,271	\$ 2,540,271	\$ 2,530,607	\$ (9,664)
Charges for services	6,000	6,000	10,651	4,651
Investment income	60,000	60,000	23,021	(36,979)
Rental revenue	900	900	900	-
Reimbursements	331,500	331,500	241,596	(89,904)
Other revenue	-	-	832	832
Total revenues	<u>2,938,671</u>	<u>2,938,671</u>	<u>2,807,607</u>	<u>(131,064)</u>
Expenditures				
Current:				
Health and welfare	3,019,900	3,017,400	2,790,256	227,144
Capital outlay	45,500	48,000	47,409	591
Total expenditures	<u>3,065,400</u>	<u>3,065,400</u>	<u>2,837,665</u>	<u>227,735</u>
Revenues under expenditures	(126,729)	(126,729)	(30,058)	96,671
Other financing sources				
Transfers in	50,000	50,000	50,000	-
Net change in fund balances	(76,729)	(76,729)	19,942	96,671
Fund balance, beginning of year	1,089,860	1,089,860	1,089,860	-
Fund balance, end of year	<u>\$ 1,013,131</u>	<u>\$ 1,013,131</u>	<u>\$ 1,109,802</u>	<u>\$ 96,671</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, 2009**

	Planning Commission			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 475,000	\$ 512,600	\$ 455,943	\$ (56,657)
State grants	20,000	20,000	13,678	(6,322)
Charges for services	-	150	150	-
Investment income	-	50	38	(12)
Reimbursements	-	7,000	7,000	-
Other revenue	10,000	9,950	7,086	(2,864)
Total revenues	<u>505,000</u>	<u>549,750</u>	<u>483,895</u>	<u>(65,855)</u>
Expenditures				
Current:				
Community and economic development	589,460	646,460	566,260	80,200
Revenues under expenditures	(84,460)	(96,710)	(82,365)	14,345
Other financing sources				
Transfers in	84,460	84,460	80,880	(3,580)
Net change in fund balances	-	(12,250)	(1,485)	10,765
Fund balance, beginning of year	23,086	23,086	23,086	-
Fund balance, end of year	<u>\$ 23,086</u>	<u>\$ 10,836</u>	<u>\$ 21,601</u>	<u>\$ 10,765</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, 2009**

	Principal Residence Exemption			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 500	\$ 500	\$ 2,122	\$ 1,622
Investment income	15,500	15,500	22,495	6,995
Total revenues	16,000	16,000	24,617	8,617
Expenditures				
Current:				
Economic	22,124	22,124	-	22,124
Net change in fund balances	(6,124)	(6,124)	24,617	30,741
Fund balance, beginning of year	32,861	32,861	32,861	-
Fund balance, end of year	<u>\$ 26,737</u>	<u>\$ 26,737</u>	<u>\$ 57,478</u>	<u>\$ 30,741</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, 2009**

	Public Improvement			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Investment income	\$ -	\$ -	\$ 11,809	\$ 11,809
Expenditures				
Current:				
General government	152,862	152,862	49,157	103,705
Public safety	98,600	98,600	41,241	57,359
Capital outlay	10,000	10,000	11,450	(1,450)
Total expenditures	<u>261,462</u>	<u>261,462</u>	<u>101,848</u>	<u>159,614</u>
Revenues under expenditures	<u>(261,462)</u>	<u>(261,462)</u>	<u>(90,039)</u>	<u>171,423</u>
Other financing sources (uses)				
Transfers in	200,000	200,000	1,477,272	1,277,272
Transfers out	<u>(36,063)</u>	<u>(36,063)</u>	<u>(35,628)</u>	<u>435</u>
Total other financing sources (uses)	<u>163,937</u>	<u>163,937</u>	<u>1,441,644</u>	<u>1,277,707</u>
Net change in fund balances	(97,525)	(97,525)	1,351,605	1,449,130
Fund balance, beginning of year	<u>908,868</u>	<u>908,868</u>	<u>908,868</u>	<u>-</u>
Fund balance, end of year	<u>\$ 811,343</u>	<u>\$ 811,343</u>	<u>\$ 2,260,473</u>	<u>\$ 1,449,130</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, 2009**

	Courthouse Preservation Technology			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 206,000	\$ 206,000	\$ 231,770	\$ 25,770
Investment income	1,200	1,200	3,403	2,203
Total revenues	<u>207,200</u>	<u>207,200</u>	<u>235,173</u>	<u>27,973</u>
Expenditures				
Current:				
Judicial	<u>57,200</u>	<u>57,200</u>	<u>7,910</u>	<u>49,290</u>
Revenues over expenditures	<u>150,000</u>	<u>150,000</u>	<u>227,263</u>	<u>77,263</u>
Other financing uses				
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Net change in fund balances	-	-	77,263	77,263
Fund balance, beginning of year	<u>167,106</u>	<u>167,106</u>	<u>167,106</u>	<u>-</u>
Fund balance, end of year	<u>\$ 167,106</u>	<u>\$ 167,106</u>	<u>\$ 244,369</u>	<u>\$ 77,263</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, 2009**

	Animal Control			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Licenses and permits	\$ 22,500	\$ 22,500	\$ 22,122	\$ (378)
Charges for services	48,100	48,100	70,458	22,358
Donations	6,600	6,600	18,371	11,771
Total revenues	<u>77,200</u>	<u>77,200</u>	<u>110,951</u>	<u>33,751</u>
Expenditures				
Current:				
Public safety	758,290	758,290	707,114	51,176
Revenues under expenditures	(681,090)	(681,090)	(596,163)	84,927
Other financing sources				
Transfers in	681,090	681,090	612,043	(69,047)
Net change in fund balances	-	-	15,880	15,880
Fund balance, beginning of year	103,779	103,779	103,779	-
Fund balance, end of year	<u>\$ 103,779</u>	<u>\$ 103,779</u>	<u>\$ 119,659</u>	<u>\$ 15,880</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, 2009**

	Land Reutilization			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures				
Current:				
General government	\$ 461,499	\$ 638,600	\$ 456,596	\$ 182,004
Other financing sources				
Transfers in	461,499	638,600	456,596	(182,004)
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, 2009**

	Small Cities Reuse			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal revenue	\$ -	\$ 3,178	\$ 3,178	\$ -
Investment income	25,000	25,000	24,654	(346)
Reimbursements	393,665	393,665	323,877	(69,788)
Total revenues	<u>418,665</u>	<u>421,843</u>	<u>351,709</u>	<u>(70,134)</u>
Expenditures				
Current:				
Community and economic development	946,882	950,060	77,414	872,646
Net change in fund balances	(528,217)	(528,217)	274,295	802,512
Fund balance, beginning of year	1,413,273	1,413,273	1,413,273	-
Fund balance, end of year	<u>\$ 885,056</u>	<u>\$ 885,056</u>	<u>\$ 1,687,568</u>	<u>\$ 802,512</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, 2009**

	Register of Deeds Automation			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 175,000	\$ 175,000	\$ 171,845	\$ (3,155)
Investment income	3,000	3,000	7,368	4,368
Total revenues	178,000	178,000	179,213	1,213
Expenditures				
Current:				
General government	178,000	178,000	56,913	121,087
Capital outlay	-	-	5,660	(5,660)
Total expenditures	178,000	178,000	62,573	115,427
Net change in fund balances	-	-	116,640	116,640
Fund balance, beginning of year	441,579	441,579	441,579	-
Fund balance, end of year	\$ 441,579	\$ 441,579	\$ 558,219	\$ 116,640

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, 2009**

	E-911 Telephone Surcharge			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State grants	\$ 320,000	\$ 340,000	\$ 428,993	\$ 88,993
Charges for services	4,992,769	4,992,769	4,904,647	(88,122)
Investment income	-	-	19,051	19,051
Total revenues	<u>5,312,769</u>	<u>5,332,769</u>	<u>5,352,691</u>	<u>19,922</u>
Expenditures				
Current:				
Public safety	<u>5,312,769</u>	<u>5,332,769</u>	<u>5,331,418</u>	<u>1,351</u>
Net change in fund balances	-	-	21,273	21,273
Fund balance, beginning of year	<u>2,322,918</u>	<u>2,322,918</u>	<u>2,322,918</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,322,918</u>	<u>\$ 2,322,918</u>	<u>\$ 2,344,191</u>	<u>\$ 21,273</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, 2009**

	E-911 Equipment Digital			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Investment income	\$ -	\$ -	\$ 1,340	\$ 1,340
Expenditures				
Public safety	-	185,553	186,893	(1,340)
Net change in fund balances	-	(185,553)	(185,553)	-
Fund balance, beginning of year	185,553	185,553	185,553	-
Fund balance, end of year	<u>\$ 185,553</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, 2009**

	Mobile Data Maintenance & Repair			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 383,700	\$ 407,858	\$ 423,256	\$ 15,398
Investment income	-	13,000	24,716	11,716
Reimbursements	-	-	2,064	2,064
Total revenues	<u>383,700</u>	<u>420,858</u>	<u>450,036</u>	<u>29,178</u>
Expenditures				
Current:				
Public safety	<u>665,200</u>	<u>1,465,557</u>	<u>1,260,367</u>	<u>205,190</u>
Revenues under expenditures	(281,500)	(1,044,699)	(810,331)	234,368
Other financing sources				
Transfers in	<u>181,500</u>	<u>181,500</u>	<u>181,500</u>	<u>-</u>
Net change in fund balances	(100,000)	(863,199)	(628,831)	234,368
Fund balance, beginning of year	<u>1,837,919</u>	<u>1,837,919</u>	<u>1,837,919</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,737,919</u>	<u>\$ 974,720</u>	<u>\$ 1,209,088</u>	<u>\$ 234,368</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, 2009**

	Area Records Management System			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 163,997	\$ 163,997	\$ 324,015	\$ 160,018
Investment income	500	500	1,111	611
Reimbursements	76,000	76,000	8,500	(67,500)
Total revenues	240,497	240,497	333,626	93,129
Expenditures				
Current:				
Public safety	240,497	240,497	155,951	84,546
Net change in fund balances	-	-	177,675	177,675
Fund balance, beginning of year	85,578	85,578	85,578	-
Fund balance, end of year	\$ 85,578	\$ 85,578	\$ 263,253	\$ 177,675

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, 2009**

	Law Library			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Fines and forfeitures	\$ 6,500	\$ 6,500	\$ 6,500	\$ -
Expenditures				
Current:				
Judicial	77,362	87,362	74,795	12,567
Revenues under expenditures	(70,862)	(80,862)	(68,295)	12,567
Other financing sources				
Transfers in	70,862	80,862	68,295	(12,567)
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, 2009**

	County Library Board			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Fines and forfeitures	\$ 80,000	\$ 80,000	\$ 52,427	\$ (27,573)
Expenditures				
Current:				
Recreation and culture	80,000	80,000	52,427	27,573
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, 2009**

	Michigan Works! Service Centers			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Reimbursements	\$ -	\$ -	\$ 36,471	\$ 36,471
Other revenue	-	-	39	39
Total revenues	-	-	36,510	36,510
Expenditures				
Current:				
Health and welfare	530,746	629,370	626,083	3,287
Capital outlay	-	16,000	15,524	476
Total expenditures	530,746	645,370	641,607	3,763
Revenues under expenditures	(530,746)	(645,370)	(605,097)	40,273
Other financing sources				
Transfers in	530,746	645,370	605,097	(40,273)
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, 2009**

	Remonumentation			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State grants	\$ 145,300	\$ 57,926	\$ 51,972	\$ (5,954)
Expenditures				
Current:				
General government	145,300	57,926	51,972	5,954
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, 2009**

	Special Projects			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 36,860	\$ 101,423	\$ 65,321	\$ (36,102)
State grants	97,193	97,193	108,836	11,643
Charges for services	2,300	2,300	149	(2,151)
Fines and forfeitures	7,000	7,000	17,525	10,525
Donations	-	300	900	600
Reimbursements	121,158	121,158	127,183	6,025
Other revenue	-	-	880	880
Total revenues	264,511	329,374	320,794	(8,580)
Expenditures				
Current:				
Judicial	151,800	205,770	97,175	108,595
General government	4,000	4,000	-	4,000
Public safety	171,000	171,000	134,185	36,815
Public works	121,158	121,158	118,600	2,558
Community and economic development	10,860	28,243	19,644	8,599
Capital outlay	-	-	2,761	(2,761)
Total expenditures	458,818	530,171	372,365	157,806
Revenues under expenditures	(194,307)	(200,797)	(51,571)	149,226
Other financing sources (uses)				
Transfers in	105,500	105,500	90,968	(14,532)
Transfers out	-	-	(3,308)	(3,308)
Total other financing sources (uses)	105,500	105,500	87,660	(17,840)
Net change in fund balances	(88,807)	(95,297)	36,089	131,386
Fund balance, beginning of year	288,657	288,657	288,657	-
Fund balance, end of year	<u>\$ 199,850</u>	<u>\$ 193,360</u>	<u>\$ 324,746</u>	<u>\$ 131,386</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, 2009**

	Sheriff Special Projects			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 499,369	\$ 2,212,113	\$ 360,655	\$ (1,851,458)
State grants	400,233	416,233	357,355	(58,878)
Local grants and contributions	40,000	63,977	-	(63,977)
Charges for services	28,248	28,248	20,911	(7,337)
Fines and forfeitures	61,000	185,726	125,511	(60,215)
Investment income	12,532	18,632	9,398	(9,234)
Donations	32,500	32,500	13,611	(18,889)
Reimbursements	535,491	564,991	673,369	108,378
Other revenue	1,000	1,000	-	(1,000)
Total revenues	<u>1,610,373</u>	<u>3,523,420</u>	<u>1,560,810</u>	<u>(1,962,610)</u>
Expenditures				
Current:				
Public safety	1,832,335	3,450,870	1,241,874	2,208,996
Capital outlay	-	249,286	130,053	119,233
Total expenditures	<u>1,832,335</u>	<u>3,700,156</u>	<u>1,371,927</u>	<u>2,328,229</u>
Revenues over expenditures	<u>(221,962)</u>	<u>(176,736)</u>	<u>188,883</u>	<u>365,619</u>
Other financing sources (uses)				
Transfers in	69,793	69,793	67,179	(2,614)
Transfers out	(7,500)	(7,500)	(7,500)	-
Proceeds from sale of capital assets	-	-	13,908	13,908
Total other financing sources (uses)	<u>62,293</u>	<u>62,293</u>	<u>73,587</u>	<u>11,294</u>
Net change in fund balances	(159,669)	(114,443)	262,470	376,913
Fund balance, beginning of year	483,878	483,878	483,878	-
Fund balance, end of year	<u>\$ 324,209</u>	<u>\$ 369,435</u>	<u>\$ 746,348</u>	<u>\$ 376,913</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, 2009**

	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	245,104	245,104	258,543	13,439
Fines and forfeitures	119,912	219,912	190,758	(29,154)
Donations	908	908	307	(601)
Reimbursements	119,912	187,912	190,509	2,597
Total revenues	<u>531,238</u>	<u>699,238</u>	<u>685,519</u>	<u>(13,719)</u>
Expenditures				
Current:				
General government	<u>670,438</u>	<u>838,438</u>	<u>802,218</u>	<u>36,220</u>
Revenues under expenditures	(139,200)	(139,200)	(116,699)	22,501
Other financing sources				
Transfers in	<u>139,200</u>	<u>139,200</u>	<u>116,699</u>	<u>(22,501)</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	<u>604</u>	<u>604</u>	<u>604</u>	-
Fund balance, end of year	<u>\$ 604</u>	<u>\$ 604</u>	<u>\$ 604</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, 2009**

	Community Corrections			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State grants	\$ 286,600	\$ 286,600	\$ 232,740	\$ (53,860)
Expenditures				
Current:				
Public safety	256,600	256,600	202,740	53,860
Revenues over expenditures	30,000	30,000	30,000	-
Other financing uses				
Transfers out	(30,000)	(30,000)	(30,000)	-
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, 2009**

	Local Correction Officer Training			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 100,000	\$ 100,000	\$ 84,934	\$ (15,066)
Investment income	-	-	513	513
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>85,447</u>	<u>(14,553)</u>
Expenditures				
Current:				
Public safety	<u>110,000</u>	<u>110,000</u>	<u>47,684</u>	<u>62,316</u>
Net change in fund balances	(10,000)	(10,000)	37,763	47,763
Fund balance, beginning of year	<u>20,631</u>	<u>20,631</u>	<u>20,631</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,631</u>	<u>\$ 10,631</u>	<u>\$ 58,394</u>	<u>\$ 47,763</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, 2009**

	Revenue Sharing Reserve			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Investment income	\$ -	\$ -	\$ 41,522	\$ 41,522
Other financing uses				
Transfers out	(4,373,007)	(4,568,084)	(5,325,656)	(757,572)
Net change in fund balances	(4,373,007)	(4,568,084)	(5,284,134)	(716,050)
Fund balance, beginning of year	5,284,134	5,284,134	5,284,134	-
Fund balance, end of year	<u>\$ 911,127</u>	<u>\$ 716,050</u>	<u>\$ -</u>	<u>\$ (716,050)</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, 2009**

	MSU Extension			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 143,900	\$ 122,245	\$ 105,508	\$ (16,737)
State grants	140,000	145,000	138,411	(6,589)
Local grants and contributions	230,000	296,000	289,792	(6,208)
Investment income	-	-	1,602	1,602
Reimbursement	-	-	7,772	7,772
Other revenue	-	-	135	135
Total revenues	<u>513,900</u>	<u>563,245</u>	<u>543,220</u>	<u>(20,025)</u>
Expenditures				
Current:				
General government	743,100	792,445	739,477	52,968
Community and economic development	-	-	-	-
Total expenditures	<u>743,100</u>	<u>792,445</u>	<u>739,477</u>	<u>52,968</u>
Revenues under expenditures	(229,200)	(229,200)	(196,257)	32,943
Other financing sources				
Transfers in	<u>229,200</u>	<u>229,200</u>	<u>195,569</u>	<u>(33,631)</u>
Net change in fund balances	-	-	(688)	(688)
Fund balance, beginning of year	<u>688</u>	<u>688</u>	<u>688</u>	<u>-</u>
Fund balance, end of year	<u>\$ 688</u>	<u>\$ 688</u>	<u>\$ -</u>	<u>\$ (688)</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, 2009**

	Department of Human Services			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State grants	\$ 1,545,000	\$ 1,545,000	\$ 775,767	\$ (769,233)
Expenditures				
Current:				
Health and welfare	1,764,000	1,764,000	992,514	771,486
Revenues under expenditures	(219,000)	(219,000)	(216,747)	2,253
Other financing sources				
Transfers in	219,000	219,000	216,747	(2,253)
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, 2009**

	Child Care			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 64,000	\$ 64,000	\$ 69,607	\$ 5,607
State grants	2,397,580	2,397,580	2,079,713	(317,867)
Local grants and contributions	100,000	199,998	138,728	(61,270)
Donations	57,200	57,200	28,694	(28,506)
Reimbursements	296,500	296,500	258,784	(37,716)
Other revenue	8,000	8,000	12,244	4,244
Total revenues	<u>2,923,280</u>	<u>3,023,278</u>	<u>2,587,770</u>	<u>(435,508)</u>
Expenditures				
Current:				
Health and welfare	6,496,220	6,589,218	4,999,819	1,589,399
Capital outlay	-	7,000	6,850	150
Total expenditures	<u>6,496,220</u>	<u>6,596,218</u>	<u>5,006,669</u>	<u>1,589,549</u>
Revenues under expenditures	(3,572,940)	(3,572,940)	(2,418,899)	1,154,041
Other financing sources				
Transfers in	<u>3,572,940</u>	<u>3,572,940</u>	<u>2,417,908</u>	<u>(1,155,032)</u>
Net change in fund balances	-	-	(991)	(991)
Fund balance, beginning of year	<u>656,886</u>	<u>656,886</u>	<u>656,886</u>	<u>-</u>
Fund balance, end of year	<u>\$ 656,886</u>	<u>\$ 656,886</u>	<u>\$ 655,895</u>	<u>\$ (991)</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, 2009**

	Soldiers' Relief			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures				
Current:				
Health and welfare	\$ 22,000	\$ 22,000	\$ 18,067	\$ 3,933
Other financing sources				
Transfers in	22,000	22,000	18,067	(3,933)
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, 2009**

	Veterans' Trust			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State grants	\$ 82,000	\$ 82,000	\$ 54,381	\$ (27,619)
Expenditures				
Current:				
Health and welfare	82,000	82,000	54,381	27,619
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

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.

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.

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, and federal and state grants. 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, 2009**

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
Assets						
Current assets:						
Cash and investment pool	\$ 548,612	\$ 287,117	\$ 31,505	\$ 389,465	\$ 166,173	\$ 1,422,872
Receivables (net):						
Accounts	-	-	-	4,883	48,122	53,005
Accrued interest	1,826	768	-	-	-	2,594
Other assets	-	-	-	5,911	-	5,911
Total current assets	550,438	287,885	31,505	400,259	214,295	1,484,382
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	-	5,692	86,241
Vehicles	-	-	-	58,775	27,214	85,989
Planning and development	-	-	-	8,575,273	-	8,575,273
Construction in progress	-	-	-	56,826	-	56,826
Accumulated depreciation	-	-	(114,482)	(6,970,680)	(29,775)	(7,114,937)
Total noncurrent assets - capital assets	-	-	41,273	3,858,445	3,131	3,902,849
Total assets	550,438	287,885	72,778	4,258,704	217,426	5,387,231
Liabilities						
Current liabilities:						
Accounts payable	67,218	369	4,010	3,587	42,234	117,418
Accrued liabilities	4,490	-	1,078	-	-	5,568
Deposits payable	-	-	-	-	15,618	15,618
Due to other funds	456,597	-	306	13,020	114,574	584,497
Unearned revenue	-	-	-	3,989	-	3,989
Total current liabilities	528,305	369	5,394	20,596	172,426	727,090
Noncurrent liabilities:						
Advances from other funds	-	-	-	-	20,000	20,000
Long-term accrued liabilities	3,928	-	3,463	-	-	7,391
Other noncurrent liability - net other postemployment benefit liability	18,205	-	8,127	-	-	26,332
Total noncurrent liabilities	22,133	-	11,590	-	20,000	53,723
Total liabilities	550,438	369	16,984	20,596	192,426	780,813
Net assets						
Invested in capital assets	-	-	41,273	3,858,445	3,131	3,902,849
Unrestricted	-	287,516	14,521	379,663	21,869	703,569
Total net assets	\$ -	\$ 287,516	\$ 55,794	\$ 4,238,108	\$ 25,000	\$ 4,606,418

COUNTY OF SAGINAW, MICHIGAN

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS - NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
Operating revenues						
Charges for services	\$ 802,702	\$ 17,000	\$ 80,687	\$ 38,859	\$ 785,319	\$ 1,724,567
Fines and forfeitures	-	-	35,033	-	-	35,033
Rental revenue	-	-	-	107,579	-	107,579
Reimbursements	-	-	-	-	7,030	7,030
Other revenue	-	-	-	1,486	60,566	62,052
Total operating revenues	<u>802,702</u>	<u>17,000</u>	<u>115,720</u>	<u>147,924</u>	<u>852,915</u>	<u>1,936,261</u>
Operating expenses						
Personal services	211,567	576	36,701	-	-	248,844
Fringe benefits	-	-	42,468	-	-	42,468
Supplies	-	-	3,108	2,970	440,064	446,142
Services and charges	428,507	9,339	40,226	134,107	21,189	633,368
Depreciation	-	-	-	420,061	1,196	421,257
Total operating expenses	<u>640,074</u>	<u>9,915</u>	<u>122,503</u>	<u>557,138</u>	<u>462,449</u>	<u>1,792,079</u>
Operating income (loss)	<u>162,628</u>	<u>7,085</u>	<u>(6,783)</u>	<u>(409,214)</u>	<u>390,466</u>	<u>144,182</u>
Nonoperating revenues						
Federal grants	-	-	-	64,266	-	64,266
State grants	-	-	-	3,662	-	3,662
Investment income	293,969	3,740	-	-	-	297,709
Total nonoperating revenues	<u>293,969</u>	<u>3,740</u>	<u>-</u>	<u>67,928</u>	<u>-</u>	<u>365,637</u>
Income (loss) before transfers	<u>456,597</u>	<u>10,825</u>	<u>(6,783)</u>	<u>(341,286)</u>	<u>390,466</u>	<u>509,819</u>
Transfers						
Transfers in	-	63,492	-	-	-	63,492
Transfers out	(456,597)	-	-	-	(390,466)	(847,063)
Net transfers	<u>(456,597)</u>	<u>63,492</u>	<u>-</u>	<u>-</u>	<u>(390,466)</u>	<u>(783,571)</u>
Change in net assets	-	74,317	(6,783)	(341,286)	-	(273,752)
Net assets, beginning of year	<u>-</u>	<u>213,199</u>	<u>62,577</u>	<u>4,579,394</u>	<u>25,000</u>	<u>4,880,170</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 287,516</u>	<u>\$ 55,794</u>	<u>\$ 4,238,108</u>	<u>\$ 25,000</u>	<u>\$ 4,606,418</u>

COUNTY OF SAGINAW, MICHIGAN

**COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Continued

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
Cash flows from operating activities:						
Receipts from customers	\$ 805,223	\$ 17,666	\$ 81,904	\$ 147,090	\$ 800,971	\$ 1,852,854
Payments for interfund services provided	-	-	(135)	-	(88,494)	(88,629)
Receipts from interfund services provided	34,457	-	-	13,020	-	47,477
Payments to employees	(189,265)	(576)	(70,633)	-	-	(260,474)
Payments to suppliers	(413,364)	(10,477)	(39,591)	(141,372)	(455,540)	(1,060,344)
Other operating revenue	-	-	35,033	1,486	60,566	97,085
Net cash provided by operating activities	<u>237,051</u>	<u>6,613</u>	<u>6,578</u>	<u>20,224</u>	<u>317,503</u>	<u>587,969</u>
Cash flows from noncapital financing activities:						
Transfers in	-	63,492	-	-	-	63,492
Transfers out	(456,597)	-	-	-	(390,466)	(847,063)
Net cash provided by (used in) noncapital financing activities	<u>(456,597)</u>	<u>63,492</u>	<u>-</u>	<u>-</u>	<u>(390,466)</u>	<u>(783,571)</u>
Cash flows from capital and related financing activities:						
Proceeds from federal and state grants	-	-	-	67,928	-	67,928
Payments for capital asset acquisition	-	-	-	(69,679)	-	(69,679)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,751)</u>	<u>-</u>	<u>(1,751)</u>
Cash flows from investing activities:						
Investment income	<u>293,969</u>	<u>3,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>297,709</u>
Net increase (decrease) in cash and cash equivalents	74,423	73,845	6,578	18,473	(72,963)	100,356
Cash and cash equivalents, beginning of year	<u>474,189</u>	<u>213,272</u>	<u>24,927</u>	<u>370,992</u>	<u>239,136</u>	<u>1,322,516</u>
Cash and cash equivalents, end of year	<u>\$ 548,612</u>	<u>\$ 287,117</u>	<u>\$ 31,505</u>	<u>\$ 389,465</u>	<u>\$ 166,173</u>	<u>\$ 1,422,872</u>

COUNTY OF SAGINAW, MICHIGAN

**STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Concluded

	<u>Delinquent Property Tax Foreclosure</u>	<u>Building Authority Administration</u>	<u>Parking System</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)	\$ 162,628	\$ 7,085	\$ (6,783)	\$ (409,214)	\$ 390,466	\$ 144,182
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	-	420,061	1,196	421,257
Changes in assets and liabilities:						
Accounts receivable	2,521	666	1,217	411	8,622	13,437
Other assets	-	-	-	943	-	943
Due from other funds	-	-	-	-	-	-
Accounts payable	15,143	(1,138)	3,743	(5,238)	3,034	15,544
Accrued liabilities	4,097	-	409	-	-	4,506
Deposits payable	-	-	-	-	2,679	2,679
Due to other funds	34,457	-	(135)	13,020	(88,494)	(41,152)
Due to other governmental units	-	-	-	-	-	-
Unearned revenue	-	-	-	241	-	241
Net OPEB obligation	18,205	-	8,127	-	-	26,332
Net cash provided by operating activities	<u>\$ 237,051</u>	<u>\$ 6,613</u>	<u>\$ 6,578</u>	<u>\$ 20,224</u>	<u>\$ 317,503</u>	<u>\$ 587,969</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.

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.

INTERNAL SERVICE FUNDS (Concluded)

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, 2009**

Continued

	MERS Retirement	ICMA Retirement	Information Systems & Services	Equipment Revolving	Mailing Department	Motor Pool
Assets						
Current assets:						
Cash and investment pool	\$ 317,506	\$ 27,681	\$ 478,634	\$ 206,138	\$ 21,799	\$ 418,640
Receivables (net):						
Accounts	-	53,310	2,654	-	-	-
Accrued interest	1,230	170	-	702	-	-
Due from other funds	-	-	52	-	-	72,606
Other assets	-	-	22,153	-	20,000	-
Total current assets	318,736	81,161	503,493	206,840	41,799	491,246
Noncurrent assets - capital assets:						
Machinery and equipment	-	-	1,915,025	54,495	-	-
Office furniture and fixtures	-	-	84,750	-	-	-
Vehicles	-	-	-	-	-	1,280,201
Accumulated depreciation	-	-	(1,715,284)	(30,803)	-	(1,181,192)
Total noncurrent assets - capital assets	-	-	284,491	23,692	-	99,009
Total assets	318,736	81,161	787,984	230,532	41,799	590,255
Liabilities						
Current liabilities:						
Accounts payable	275,283	55,922	25,279	5,140	16,799	-
Accrued liabilities	-	1,880	26,320	311	-	-
Due to other funds	-	-	-	-	-	2,316
Total current liabilities	275,283	57,802	51,599	5,451	16,799	2,316
Noncurrent liabilities:						
Advances from other funds	-	-	-	-	25,000	-
Long-term accrued liabilities	-	5,753	35,289	359	-	-
Total noncurrent liabilities	-	5,753	35,289	359	25,000	-
Total liabilities	275,283	63,555	86,888	5,810	41,799	2,316
Net assets						
Invested in capital assets	-	-	284,491	23,692	-	99,009
Unrestricted	43,453	17,606	416,605	201,030	-	488,930
Total net assets	\$ 43,453	\$ 17,606	\$ 701,096	\$ 224,722	\$ -	\$ 587,939

COUNTY OF SAGINAW, MICHIGAN

**COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2009**

Concluded

	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
Assets					
Current assets:					
Cash and investment pool	\$ 2,714,617	\$ 62,696	\$ 5,468,319	\$ 219	\$ 9,716,249
Receivables (net):					
Accounts	-	-	222,774	3,167	281,905
Accrued interest	7,605	-	17,009	3	26,719
Due from other funds	13,020	-	-	-	85,678
Other assets	-	-	9,915	-	52,068
Total current assets	2,735,242	62,696	5,718,017	3,389	10,162,619
Noncurrent assets - capital assets:					
Machinery and equipment	-	-	-	-	1,969,520
Office furniture and fixtures	-	-	-	-	84,750
Vehicles	-	-	-	-	1,280,201
Accumulated depreciation	-	-	-	-	(2,927,279)
Total noncurrent assets - capital assets	-	-	-	-	407,192
Total assets	2,735,242	62,696	5,718,017	3,389	10,569,811
Liabilities					
Current liabilities:					
Accounts payable	1,794	1,550	51,899	3,151	436,817
Accrued liabilities	1,929,618	460	795,643	-	2,754,232
Due to other funds	114	59,666	-	-	62,096
	1,931,526	61,676	847,542	3,151	3,253,145
Noncurrent liabilities:					
Advances from other funds	-	-	-	-	25,000
Long-term accrued liabilities	2,869	1,020	3,459	-	48,749
Total noncurrent liabilities	2,869	1,020	3,459	-	73,749
Total liabilities	1,934,395	62,696	851,001	3,151	3,326,894
Net assets					
Invested in capital assets	-	-	-	-	407,192
Unrestricted	800,847	-	4,867,016	238	6,835,725
Total net assets	\$ 800,847	\$ -	\$ 4,867,016	\$ 238	\$ 7,242,917

COUNTY OF SAGINAW, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2009

Continued

	MERS Retirement	ICMA Retirement	Information Systems & Services	Equipment Revolving	Mailing Department	Motor Pool
Operating revenues						
Charges for services	\$ -	\$ -	\$ 32,350	\$ -	\$ 195,648	\$ -
Federal grants	-	-	-	-	-	-
Rental revenue	-	-	-	7,525	-	253,859
Reimbursements	3,246,286	2,515,894	1,528,392	78,950	-	-
Other revenue	-	30,295	-	-	-	-
Total operating revenues	<u>3,246,286</u>	<u>2,546,189</u>	<u>1,560,742</u>	<u>86,475</u>	<u>195,648</u>	<u>253,859</u>
Operating expenses						
Personal services	-	122,374	683,923	8,872	-	-
Fringe benefits	3,303,100	2,489,937	387,357	6,338	-	-
Supplies	-	-	24,367	-	182,496	-
Services and charges	19,679	2,798	380,548	68,239	13,152	58,391
Depreciation	-	-	58,570	8,810	-	118,603
Total operating expenses	<u>3,322,779</u>	<u>2,615,109</u>	<u>1,534,765</u>	<u>92,259</u>	<u>195,648</u>	<u>176,994</u>
Operating income (loss)	<u>(76,493)</u>	<u>(68,920)</u>	<u>25,977</u>	<u>(5,784)</u>	<u>-</u>	<u>76,865</u>
Nonoperating revenues (expenses)						
Investment income	7,281	1,096	-	3,611	-	-
Loss on sale of capital assets	-	-	-	(21,232)	-	-
Total nonoperating revenues (expenses)	<u>7,281</u>	<u>1,096</u>	<u>-</u>	<u>(17,621)</u>	<u>-</u>	<u>-</u>
Income (loss) before transfers	<u>(69,212)</u>	<u>(67,824)</u>	<u>25,977</u>	<u>(23,405)</u>	<u>-</u>	<u>76,865</u>
Transfers						
Transfers out	-	-	-	-	-	(190,000)
Change in net assets	(69,212)	(67,824)	25,977	(23,405)	-	(113,135)
Net assets, beginning of year	112,665	85,430	675,119	248,127	-	701,074
Net assets, end of year	<u>\$ 43,453</u>	<u>\$ 17,606</u>	<u>\$ 701,096</u>	<u>\$ 224,722</u>	<u>\$ -</u>	<u>\$ 587,939</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, 2009

Concluded

	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
Operating revenues					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 227,998
Federal grants	6,922	-	-	-	6,922
Rental revenue	-	-	-	-	261,384
Reimbursements	1,364,889	69,681	7,728,934	182,308	16,715,334
Other revenue	-	-	246,084	-	276,379
Total operating revenues	<u>1,371,811</u>	<u>69,681</u>	<u>7,975,018</u>	<u>182,308</u>	<u>17,488,017</u>
Operating expenses					
Personal services	46,389	14,073	54,159	-	929,790
Fringe benefits	16,362	8,498	8,146,378	-	14,357,970
Supplies	-	-	510	-	207,373
Services and charges	1,352,890	28,689	257,318	182,308	2,364,012
Depreciation	-	-	-	-	185,983
Total operating expenses	<u>1,415,641</u>	<u>51,260</u>	<u>8,458,365</u>	<u>182,308</u>	<u>18,045,128</u>
Operating income (loss)	<u>(43,830)</u>	<u>18,421</u>	<u>(483,347)</u>	<u>-</u>	<u>(557,111)</u>
Nonoperating revenues (expenses)					
Investment income	40,072	-	90,785	17	142,862
Loss on sale of capital assets	-	-	-	-	(21,232)
Total nonoperating revenues (expenses)	<u>40,072</u>	<u>-</u>	<u>90,785</u>	<u>17</u>	<u>121,630</u>
Income (loss) before transfers	<u>(3,758)</u>	<u>18,421</u>	<u>(392,562)</u>	<u>17</u>	<u>(435,481)</u>
Transfers					
Transfers out	<u>(50,000)</u>	<u>(59,666)</u>	<u>-</u>	<u>-</u>	<u>(299,666)</u>
Change in net assets	<u>(53,758)</u>	<u>(41,245)</u>	<u>(392,562)</u>	<u>17</u>	<u>(735,147)</u>
Net assets, beginning of year	<u>854,605</u>	<u>41,245</u>	<u>5,259,578</u>	<u>221</u>	<u>7,978,064</u>
Net assets, end of year	<u>\$ 800,847</u>	<u>\$ -</u>	<u>\$ 4,867,016</u>	<u>\$ 238</u>	<u>\$ 7,242,917</u>

COUNTY OF SAGINAW, MICHIGAN

**COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Continued

	MERS Retirement	ICMA Retirement	Information Systems & Services	Equipment Revolving	Mailing Department	Motor Pool
Cash flows from operating activities:						
Receipts from interfund services provided	\$ 3,248,354	\$ 2,508,498	\$ 1,558,259	\$ 89,465	\$ 195,648	\$ 188,579
Payments to employees	-	-	(1,070,967)	(15,164)	-	-
Payments to suppliers	(3,320,369)	(2,603,459)	(411,883)	(103,685)	(196,300)	(58,391)
Other operating revenue	-	30,295	-	-	-	-
Net cash provided by (used in) operating activities	<u>(72,015)</u>	<u>(64,666)</u>	<u>75,409</u>	<u>(29,384)</u>	<u>(652)</u>	<u>130,188</u>
Cash flows from noncapital financing activities:						
Transfers out	-	-	-	-	-	(190,000)
Cash flows from capital and related financing activities:						
Payments for capital asset acquisition	-	-	(63,052)	(5,140)	-	(31,123)
Cash flows from investing activities:						
Investment income	7,281	1,096	-	3,611	-	-
Net increase (decrease) in cash and cash equivalents	(64,734)	(63,570)	12,357	(30,913)	(652)	(90,935)
Cash and cash equivalents, beginning of year	382,240	91,251	466,277	237,051	22,451	509,575
Cash and cash equivalents, end of year	<u>\$ 317,506</u>	<u>\$ 27,681</u>	<u>\$ 478,634</u>	<u>\$ 206,138</u>	<u>\$ 21,799</u>	<u>\$ 418,640</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (76,493)	\$ (68,920)	\$ 25,977	\$ (5,784)	\$ -	\$ 76,865
Adjustments to reconcile operating income loss to net cash provided by (used in) operating activities:						
Depreciation	-	-	58,570	8,810	-	118,603
Changes in assets and liabilities:						
Accounts receivable	2,068	(7,948)	(2,431)	2,990	-	-
Due from other funds	-	552	(52)	-	-	(53,437)
Other assets	-	-	-	-	-	-
Accounts payable	2,410	11,061	(6,968)	(35,446)	(652)	-
Accrued liabilities	-	589	313	46	-	-
Due to other funds	-	-	-	-	-	(11,843)
Net cash provided by (used in) operating activities	<u>\$ (72,015)</u>	<u>\$ (64,666)</u>	<u>\$ 75,409</u>	<u>\$ (29,384)</u>	<u>\$ (652)</u>	<u>\$ 130,188</u>

COUNTY OF SAGINAW, MICHIGAN

**COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Concluded

	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
Cash flows from operating activities:					
Receipts from interfund services provided	\$ 1,326,337	\$ 129,347	\$ 7,721,949	\$ 181,411	\$ 17,147,847
Payments to employees	(62,751)	(22,400)	116,754	-	(1,054,528)
Payments to suppliers	(788,735)	(28,671)	(8,368,539)	(181,419)	(16,061,451)
Other operating revenue	-	-	246,084	-	276,379
Net cash provided by (used in) operating activities	<u>474,851</u>	<u>78,276</u>	<u>(283,752)</u>	<u>(8)</u>	<u>308,247</u>
Cash flows from noncapital financing activities:					
Transfers out	<u>(50,000)</u>	<u>(59,666)</u>	-	-	<u>(299,666)</u>
Cash flows from capital and related financing activities:					
Payments for capital asset acquisition	-	-	-	-	<u>(99,315)</u>
Cash flows from investing activities:					
Investment income	<u>40,072</u>	-	<u>90,785</u>	<u>17</u>	<u>142,862</u>
Net increase (decrease) in cash and cash equivalents	464,923	18,610	(192,967)	9	52,128
Cash and cash equivalents, beginning of year	<u>2,249,694</u>	<u>44,086</u>	<u>5,661,286</u>	<u>210</u>	<u>9,664,121</u>
Cash and cash equivalents, end of year	<u>\$ 2,714,617</u>	<u>\$ 62,696</u>	<u>\$ 5,468,319</u>	<u>\$ 219</u>	<u>\$ 9,716,249</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (43,830)	\$ 18,421	\$ (483,347)	\$ -	\$ (557,111)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	-	185,983
Changes in assets and liabilities:					
Accounts receivable	14,167	-	(12,104)	(897)	(4,155)
Due from other funds	(9,755)	-	5,119	-	(57,573)
Other assets	-	-	6,398	-	6,398
Accounts payable	(251)	18	29,269	889	330
Accrued liabilities	564,406	171	170,913	-	736,438
Due to other funds	(49,886)	59,666	-	-	(2,063)
Net cash provided by (used in) operating activities	<u>\$ 474,851</u>	<u>\$ 78,276</u>	<u>\$ (283,752)</u>	<u>\$ (8)</u>	<u>\$ 308,247</u>

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 Expendable Trust 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, 2009

Continued

	Trust & Agency	State Education Tax	Library Penal Fine
Assets			
Cash and investment pool	\$ 2,010,113	\$ 8,043,398	\$ 173,824
Receivables (net):			
Taxes	-	-	-
Accounts	4,133,344	108	360
Accrued interest	49	-	1,182
	<u>6,143,506</u>	<u>8,043,506</u>	<u>175,366</u>
Total assets	<u>\$ 6,143,506</u>	<u>\$ 8,043,506</u>	<u>\$ 175,366</u>
Liabilities			
Accounts payable	\$ 452,109	\$ 22,034	\$ -
Deposits payable	5,572,986	-	-
Due to other governmental units	118,411	8,021,472	175,366
	<u>6,143,506</u>	<u>8,043,506</u>	<u>175,366</u>
Total liabilities	<u>\$ 6,143,506</u>	<u>\$ 8,043,506</u>	<u>\$ 175,366</u>

COUNTY OF SAGINAW, MICHIGAN

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS -
AGENCY FUNDS
SEPTEMBER 30, 2009**

Concluded

	<u>Hospital Millage</u>	<u>Dependent Care</u>	<u>Medical Spending Reimbursement</u>	<u>Total</u>
Assets				
Cash and investment pool	\$ 5,533	\$ 1,743	\$ -	\$ 10,234,611
Receivables (net):				
Taxes	19,323	-	-	19,323
Accounts	2,262	-	3,553	4,139,627
Accrued interest	167	-	-	1,398
	<u>27,285</u>	<u>1,743</u>	<u>3,553</u>	<u>14,394,959</u>
Total assets	<u>\$ 27,285</u>	<u>\$ 1,743</u>	<u>\$ 3,553</u>	<u>\$ 14,394,959</u>
Liabilities				
Accounts payable	\$ 27,285	\$ 1,743	\$ 3,553	\$ 506,724
Deposits payable	-	-	-	5,572,986
Due to other governmental units	-	-	-	8,315,249
	<u>27,285</u>	<u>1,743</u>	<u>3,553</u>	<u>14,394,959</u>
Total liabilities	<u>\$ 27,285</u>	<u>\$ 1,743</u>	<u>\$ 3,553</u>	<u>\$ 14,394,959</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, 2009**

	Brownfield Redevelopment Authority	Adjustments	Statement of Net Assets
Assets			
Cash and investment pool	\$ 1,451,066	\$ -	\$ 1,451,066
Accounts receivable	-	-	-
Accrued interest receivable	2,516	-	2,516
	<hr/>	<hr/>	<hr/>
Total assets	\$ 1,453,582	\$ -	1,453,582
	<hr/>	<hr/>	<hr/>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 8,688	\$ -	8,688
Long-term liabilities:			
Due within one year	-	53,075	53,075
Due in more than one year	-	383,453	383,453
	<hr/>	<hr/>	<hr/>
Total liabilities	8,688	436,528	445,216
	<hr/>	<hr/>	<hr/>
Fund balances / net assets			
Unreserved	1,444,894	(1,444,894)	-
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 1,453,582		
	<hr/>		
Net assets:			
Unrestricted		1,008,366	1,008,366
		<hr/>	<hr/>
Total net assets		\$ 1,008,366	\$ 1,008,366
		<hr/>	<hr/>

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, 2009**

	Brownfield Redevelopment Authority	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 117,959	\$ -	\$ 117,959
Reimbursements	15,914	-	15,914
Investment income	13,104	-	13,104
Total revenues	<u>146,977</u>	<u>-</u>	<u>146,977</u>
Expenditures / expenses			
Current:			
Community and economic development	36,192	-	36,192
Debt service:			
Principal	27,357	(27,357)	-
Interest and fiscal charges	5,263	-	5,263
Total expenditures / expenses	<u>68,812</u>	<u>(27,357)</u>	<u>41,455</u>
Net change in fund balances	78,165	(78,165)	-
Change in net assets	-	105,522	105,522
Fund balance / net assets, beginning of year	<u>1,366,729</u>	<u>(463,885)</u>	<u>902,844</u>
Fund balance / net assets, end of year	<u>\$ 1,444,894</u>	<u>\$ (436,528)</u>	<u>\$ 1,008,366</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, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Property taxes	\$ 247,604	\$ 247,804	\$ 117,959	\$ (129,845)
Reimbursements	-	-	15,914	15,914
Investment income	-	-	13,104	13,104
Total revenues	<u>247,604</u>	<u>247,804</u>	<u>146,977</u>	<u>(100,827)</u>
Expenditures / expenses				
Current:				
Community and economic development	214,984	215,184	36,192	178,992
Debt service:				
Principal	27,357	27,357	27,357	-
Interest and fiscal charges	5,263	5,263	5,263	-
Total expenses	<u>247,604</u>	<u>247,804</u>	<u>68,812</u>	<u>178,992</u>
Net change in fund balances	-	-	78,165	78,165
Fund balance, beginning of year	<u>1,366,729</u>	<u>1,366,729</u>	<u>1,366,729</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,366,729</u>	<u>\$ 1,366,729</u>	<u>\$ 1,444,894</u>	<u>\$ 78,165</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, 2009**

	Debt Service	Construction	Total Governmental Funds	Adjustments	Statement of Net Assets
Assets					
Cash and investment pool	\$ 62,433	\$ 25,247	\$ 87,680	\$ -	\$ 87,680
Accrued interest receivable	-	76	76	-	76
Accounts receivable	-	113	113	-	113
Due from other governmental units	-	-	-	17,294,219	17,294,219
Prepaid items	622,099	-	622,099	(622,099)	-
Total assets	\$ 684,532	\$ 25,436	\$ 709,968	\$ 16,672,120	17,382,088
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 1,213	\$ 1,213	\$ 231,219	232,432
Deferred revenue	622,579	-	622,579	(622,579)	-
Long-term liabilities:					
Due within one year	-	-	-	1,084,000	1,084,000
Due in more than one year	-	-	-	15,979,000	15,979,000
Total liabilities	622,579	1,213	623,792	16,671,640	17,295,432
Fund balances / net assets					
Reserved for:					
Debt service	61,953	24,223	86,176	(86,176)	-
Total liabilities and fund balances	\$ 684,532	\$ 25,436	\$ 709,968		
Net assets:					
Restricted for:					
Debt service				61,953	61,953
Acquisition/construction of capital assets				24,703	24,703
Total net assets				\$ 86,656	\$ 86,656

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, 2009**

	<u>Debt Service</u>	<u>Construction</u>	<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues					
Federal grants	\$ -	\$ 159,732	\$ 159,732	\$ -	\$ 159,732
Local grants and contributions	2,735,573	-	2,735,573	(1,973,989)	761,584
Investment income	2,185	461	2,646	-	2,646
Reimbursements	-	34,113	34,113	-	34,113
Total revenues	<u>2,737,758</u>	<u>194,306</u>	<u>2,932,064</u>	<u>(1,973,989)</u>	<u>958,075</u>
Expenditures / expenses					
Current:					
Public works	-	189,954	189,954	-	189,954
Debt service:					
Principal	1,945,000	-	1,945,000	(1,945,000)	-
Interest and fiscal charges	793,497	-	793,497	(28,989)	764,508
Total expenditures / expenses	<u>2,738,497</u>	<u>189,954</u>	<u>2,928,451</u>	<u>(1,973,989)</u>	<u>954,462</u>
Net change in fund balances	(739)	4,352	3,613	(3,613)	-
Change in net assets	-	-	-	3,613	3,613
Fund balance / net assets, beginning of year	62,692	19,871	82,563	480	83,043
Fund balance / net assets, end of year	<u>\$ 61,953</u>	<u>\$ 24,223</u>	<u>\$ 86,176</u>	<u>\$ 480</u>	<u>\$ 86,656</u>

COUNTY OF SAGINAW, MICHIGAN

**DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT
STATEMENT OF NET ASSETS - PROPRIETARY FUND
SEPTEMBER 30, 2009**

	<u>Administration</u>
Assets	
Current assets:	
Due from other governmental units	\$ 44,811
Liabilities	
Current liabilities:	
Accounts payable	43,461
Accrued liabilities	1,350
Total current liabilities	<u>44,811</u>
Net assets	
Unrestricted	<u><u>\$ -</u></u>

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, 2009**

	<u>Administration</u>
Operating revenues	
Licenses and permits	\$ 50,570
Reimbursements	44,744
	<hr/>
Total operating revenues	95,314
	<hr/>
Operating expenses	
Personal services	30,758
Fringe benefits	18,330
Supplies	711
Services and charges	47,361
	<hr/>
Total operating expenses	97,160
	<hr/>
Operating loss	(1,846)
Net assets, beginning of year	1,846
	<hr/>
Net assets, end of year	<u><u>\$ -</u></u>

COUNTY OF SAGINAW, MICHIGAN

DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Administration</u>
Cash flows from operating activities:	
Receipts from customers	\$ 13,613
Payments to employees	(48,823)
Payments to suppliers	(9,534)
Other operating revenue	<u>44,744</u>
Net cash provided by (used in) operating activities	-
Cash and cash equivalents, beginning of year	<u>-</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	\$ (1,846)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	
Changes in assets and liabilities:	
Due from other governmental units	(36,957)
Accounts payable	38,538
Accrued liabilities	<u>265</u>
Net cash provided by (used in) operating activities	<u><u>\$ -</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, 2009

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	\$ 262,685	\$ 204,317	\$ 4,237,030	\$ 326,972	\$ -
Receivables (net):					
Special assessments	1,335,332	7,291,396	-	-	-
Accounts	-	-	-	-	-
Due from other funds	-	-	8,796	-	-
Prepaid items	333	1,429,084	-	-	-
Capital assets, net:					
Assets not being depreciated	-	-	-	-	-
Assets being depreciated	-	-	-	-	-
Total assets	<u>\$ 1,598,350</u>	<u>\$ 8,924,797</u>	<u>\$ 4,245,826</u>	<u>\$ 326,972</u>	<u>\$ -</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 30,280	\$ 182	\$ -
Due to other funds	14,196	-	415,021	61,213	-
Advances from primary government	-	-	-	-	-
Deferred revenue	1,335,330	8,720,630	-	-	-
Long-term liabilities:					
Due within one year	-	-	-	-	-
Due in more than one year	-	-	-	-	-
Total liabilities	<u>1,349,526</u>	<u>8,720,630</u>	<u>445,301</u>	<u>61,395</u>	<u>-</u>
Fund balances / net assets					
Reserved for:					
Debt service	248,824	204,167	-	-	-
Capital projects	-	-	3,800,525	265,577	-
Total fund balances	<u>248,824</u>	<u>204,167</u>	<u>3,800,525</u>	<u>265,577</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,598,350</u>	<u>\$ 8,924,797</u>	<u>\$ 4,245,826</u>	<u>\$ 326,972</u>	<u>\$ -</u>

COUNTY OF SAGINAW, MICHIGAN

DRAIN COMMISSION COMPONENT UNIT

STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET

SEPTEMBER 30, 2009

Concluded

	Capital Projects Funds		Total Governmental Funds	Adjustments	Statement of Net Assets
	Revolving Drain	Revolving Drain Maintenance			
Assets					
Cash and investment pool	\$ 2	\$ 30,591	\$ 5,061,597	\$ -	\$ 5,061,597
Receivables (net):					
Special assessments	-	-	8,626,728	-	8,626,728
Accounts	-	13,874	13,874	-	13,874
Due from other funds	478,727	2,907	490,430	(490,430)	-
Prepaid items	-	-	1,429,417	(1,429,086)	331
Capital assets, net:					
Assets not being depreciated	-	-	-	58,492	58,492
Assets being depreciated	-	-	-	39,906,338	39,906,338
 Total assets	<u>\$ 478,729</u>	<u>\$ 47,372</u>	<u>\$ 15,622,046</u>	<u>38,045,314</u>	<u>53,667,360</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 78,729	\$ 1,771	\$ 110,962	38,234	149,196
Due to other funds	-	-	490,430	(490,430)	-
Advances from primary government	400,000	-	400,000	-	400,000
Deferred revenue	-	-	10,055,960	(10,055,808)	152
Long-term liabilities:					
Due within one year	-	-	-	558,394	558,394
Due in more than one year	-	-	-	7,190,402	7,190,402
 Total liabilities	<u>478,729</u>	<u>1,771</u>	<u>11,057,352</u>	<u>(2,759,208)</u>	<u>8,298,144</u>
Fund balances / net assets					
Reserved for:					
Debt service	-	-	452,991	(452,991)	-
Capital projects	-	45,601	4,111,703	(4,111,703)	-
 Total fund balances	<u>-</u>	<u>45,601</u>	<u>4,564,694</u>	<u>(4,564,694)</u>	<u>-</u>
 Total liabilities and fund balances	<u>\$ 478,729</u>	<u>\$ 47,372</u>	<u>\$ 15,622,046</u>		
Net assets:					
Invested in capital assets, net of related debt				32,216,034	32,216,034
Restricted for:					
Debt service				452,991	452,991
Acquisition/construction of capital assets				4,111,703	4,111,703
Unrestricted				8,588,488	8,588,488
 Total net assets				<u>\$ 45,369,216</u>	<u>\$ 45,369,216</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, 2009**

Continued

	Debt Service Funds		Capital Projects Funds		
	Chapter 8 Drains	Chapter 20 Drains	Special Assessment Drain	Chapter 8 Drains	Chapter 20 Drains
Revenues					
Special assessments	\$ 429,314	\$ -	\$ 18,502	\$ -	\$ -
Local grants and contributions	184,434	1,603,651	475,462	-	-
Investment income	5,860	1,885	35,472	7,610	1,134
Reimbursements	-	-	41,545	22,500	-
Total revenues	<u>619,608</u>	<u>1,605,536</u>	<u>570,981</u>	<u>30,110</u>	<u>1,134</u>
Expenditures / expenses					
Current:					
Public works	-	-	1,270,191	59,624	-
Depreciation	-	-	-	-	-
Debt service:					
Principal	553,194	1,410,000	-	-	-
Interest and fiscal charges	<u>102,556</u>	<u>193,653</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>655,750</u>	<u>1,603,653</u>	<u>1,270,191</u>	<u>59,624</u>	<u>-</u>
Revenues over (under) expenditures/expenses	<u>(36,142)</u>	<u>1,883</u>	<u>(699,210)</u>	<u>(29,514)</u>	<u>1,134</u>
Other financing sources					
Transfers in	58,152	146,925	925,000	-	-
Transfers out	<u>(373,966)</u>	<u>-</u>	<u>(116,358)</u>	<u>(492,828)</u>	<u>(146,925)</u>
Total other financing sources	<u>(315,814)</u>	<u>146,925</u>	<u>808,642</u>	<u>(492,828)</u>	<u>(146,925)</u>
Net change in fund balances	(351,956)	148,808	109,432	(522,342)	(145,791)
Change in net assets	-	-	-	-	-
Fund balance / net assets, beginning of year	<u>600,780</u>	<u>55,359</u>	<u>3,691,093</u>	<u>787,919</u>	<u>145,791</u>
Fund balance / net assets, end of year	<u>\$ 248,824</u>	<u>\$ 204,167</u>	<u>\$ 3,800,525</u>	<u>\$ 265,577</u>	<u>\$ -</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, 2009**

Concluded

	Capital Projects Funds		Total Governmental Funds	Adjustments	Statement of Activities
	Revolving Drain	Revolving Drain Maintenance			
Revenues					
Special assessments	\$ -	\$ -	\$ 447,816	\$ -	\$ 447,816
Local grants and contributions	-	-	2,263,547	(1,814,382)	449,165
Investment income	-	1,389	53,350	-	53,350
Reimbursements	-	30,242	94,287	-	94,287
Total revenues	-	31,631	2,859,000	(1,814,382)	1,044,618
Expenditures / expenses					
Current:					
Public works	-	46,344	1,376,159	(67,651)	1,308,508
Depreciation	-	-	-	1,224,263	1,224,263
Debt service:					
Principal	-	-	1,963,194	(1,963,194)	-
Interest and fiscal charges	-	-	296,209	(22,906)	273,303
Total expenditures / expenses	-	46,344	3,635,562	(829,488)	2,806,074
Revenues over (under) expenditures/expenses	-	(14,713)	(776,562)	(984,894)	(1,761,456)
Other financing sources					
Transfers in	-	-	1,130,077	-	1,130,077
Transfers out	-	-	(1,130,077)	-	(1,130,077)
Total other financing sources	-	-	-	-	-
Net change in fund balances	-	(14,713)	(776,562)	(984,894)	(1,761,456)
Change in net assets	-	-	-	-	-
Fund balance / net assets, beginning of year	-	60,314	5,341,256	41,789,416	47,130,672
Fund balance / net assets, end of year	\$ -	\$ 45,601	\$ 4,564,694	\$ 40,804,522	\$ 45,369,216

SINGLE AUDIT SECTION

COUNTY OF SAGINAW, MICHIGAN

**Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2009**

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Federal Awards Expended
U.S. Department of Agriculture			
Passed through Michigan Department of Education Food Distribution:			
Entitlement Commodities	10.550	N/A	\$ 3,679
Bonus Commodities	10.550	N/A	1,923
National School Lunch Program - Children's Facility	10.553	730008002	64,005
National School Lunch Program Equipment Assistance Grant (ARRA)	10.579	N/A	14,781
Passed through Michigan Department of Community Health Women and Infant Care	10.557	N/A	703,538
Passed through Michigan Department of Human Services SNAP - Supplemental Nutrition Assistance Program	10.561	N/A	14,341
Passed through Michigan Department of Energy, Labor and Economic Growth Food Assistance & Employment Training Type A	10.561	N/A	196,141
Food Assistance & Employment Training / SS Type B	10.561	N/A	515
Direct Award			
Water and Waste Disposal Systems for Rural Communities - Merrill Village	10.760	Grant	73,000
Water and Waste Disposal Systems for Rural Communities - Village of Oakley	10.760	Grant	<u>86,732</u>
Total U.S. Department of Agriculture			<u>1,158,655</u>
U.S. Department of Housing and Urban Development			
Passed through the City of Saginaw Home Maintenance Self Help	14.218	N/A	14,315
Passed through the Michigan Strategic Fund Agency Photovoltaic Industry Planning Grant	14.228	MSC 207031-EDPA	3,178
Passed through Michigan State Housing Development Authority Community Development Block Grant	14.228	MSC-2008-0540-HOA	225,067
Community Development Block Grant - Administration	14.228	MSC-2008-0540-HOA	44,967
Passed through the Regents of the University of Michigan Preventative Intervention for Childhood Asthma & Lead Poisoning in the City of Saginaw, Michigan (Healthy Homes)	14.901	MILHH0161-08	<u>74,263</u>
Total U.S. Department of Housing and Urban Development			<u>361,790</u>
U.S. Department of Justice			
Passed through Michigan Department of Human Services Juvenile Accountability Block Grants Program - Truancy Early Intervention V	16.523	N/A	8,774
Juvenile Accountability Block Grants Program - Truancy Early Intervention VI	16.523	N/A	6,357
Juvenile Justice and Delinquency Prevention Allocation to States (Drug Court)	16.540	JDMHC09-73001	19,550
Direct Award			
State Criminal Alien Assistance Program	16.606	N/A	6,871
Bulletproof Vest Partnership Program	16.607	N/A	628
Edward Byrne Memorial Justice Assistance Grant (JAG) Program - 2006	16.738	N/A	54,185
Edward Byrne Memorial Justice Assistance Grant (JAG) Program - 2007	16.738	N/A	94,902
Edward Byrne Memorial Justice Assistance Grant (JAG) Program - ARRA	16.804	N/A	57,275
Passed through Detroit Community Justice Partnership Project Safe Neighborhoods - Gun Violence	16.609	N/A	2,859
Project Safe Neighborhoods - Gang Violence	16.744	N/A	8,027
Passed through Michigan Department of State Police Office of Drug Control Policy Prosecutor's BAYANET-Bay Area Narcotics Enforcement Team	16.738	70909-9-09-B	45,402
Passed through Michigan Department of Community Health Recovery Act Byrne JAG 2009	16.803	2009-SU-B9-0017	<u>10,000</u>
Total U.S. Department of Justice			<u>314,830</u>

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COUNTY OF SAGINAW, MICHIGAN

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2009

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Federal Awards Expended
U.S. Department of Labor			
Passed through Michigan Department of Energy, Labor and Economic Growth (Note 3)			
Employment Service	17.207	N/A	\$ 606,029
Employment Service - No Worker Left Behind	17.207	N/A	17,952
Trade Adjustment Assistance	17.245	N/A	645,119
Workforce Investment Act - Capacity Building	17.258	N/A	5,569
Workforce Investment Act - Performance Incentive Type D	17.258	N/A	7,830
Workforce Investment Act - Adult	17.258	N/A	3,513,792
Workforce Investment Act - Administration	17.258	N/A	306,604
Workforce Investment Act - One Stop Operations	17.258	N/A	27,537
Workforce Investment Act - Career Transition	17.258	N/A	176
Workforce Investment Act - TANF Replacement Funds Type M	17.258	N/A	65,003
Workforce Investment Act - RSA Healthcare	17.258	N/A	4,641
Workforce Investment Act - Career Advancement Account	17.258	N/A	6,846
Workforce Investment Act - No Worker Left Behind Type V	17.258	N/A	(40,284)
Workforce Investment Act - RCAR Year 1	17.258	N/A	118,836
Workforce Investment Act - RCAR Year 2	17.258	N/A	146,143
Workforce Investment Act - Adult ARRA	17.258	N/A	257,127
Workforce Investment Act - Administration ARRA	17.258	N/A	14,004
Workforce Investment Act - No Worker Left Behind Support ARRA	17.258	N/A	12,500
Workforce Investment Act - ECAR ARRA	17.258	N/A	11,140
Workforce Investment Act - NCRC	17.258	N/A	734
Workforce Investment Act - Capacity Building	17.259	N/A	5,946
Workforce Investment Act - Performance Incentive Type D	17.259	N/A	8,359
Workforce Investment Act - Youth	17.259	N/A	1,725,799
Workforce Investment Act - Administration	17.259	N/A	150,588
Workforce Investment Act - One Stop Operations	17.259	N/A	29,399
Workforce Investment Act - Career Transition	17.259	N/A	188
Workforce Investment Act - TANF Replacement Funds Type M	17.259	N/A	69,398
Workforce Investment Act - RSA Healthcare	17.259	N/A	4,955
Workforce Investment Act - Career Advancement Account	17.259	N/A	7,309
Workforce Investment Act - No Worker Left Behind Type V	17.259	N/A	(43,009)
Workforce Investment Act - Youth ARRA	17.259	N/A	1,919,963
Workforce Investment Act - Administration ARRA	17.259	N/A	104,570
Workforce Investment Act - No Worker Left Behind Support ARRA	17.259	N/A	13,345
Workforce Investment Act - ECAR ARRA	17.259	N/A	11,893
Workforce Investment Act - NCRC	17.259	N/A	783
Workforce Investment Act - Dislocated Worker	17.260	N/A	2,008,141
Workforce Investment Act - Dislocated Worker NWLB Type C	17.260	N/A	33,355
Workforce Investment Act - Administration	17.260	N/A	178,135
Workforce Investment Act - One Stop Operations	17.260	N/A	66,383
Workforce Investment Act - Incumbent worker	17.260	N/A	193,424
Workforce Investment Act - Capacity Building	17.260	N/A	13,426
Workforce Investment Act - Performance Incentive Type D	17.260	N/A	18,875
Workforce Investment Act - Career Transition	17.260	N/A	424
Workforce Investment Act - TANF Replacement Funds Type M	17.260	N/A	156,699
Workforce Investment Act - RSA Healthcare	17.260	N/A	11,189
Workforce Investment Act - Career Advancement Account	17.260	N/A	16,504
Workforce Investment Act - NEG Type J	17.260	N/A	150,920
Workforce Investment Act - Dislocated Worker Career Advancement Account	17.260	N/A	28,000
Workforce Investment Act - No Worker Left Behind Type V	17.260	N/A	(97,112)
Workforce Investment Act - Dislocated Worker ARRA	17.260	N/A	281,400
Workforce Investment Act - Administration ARRA	17.260	N/A	15,326
Workforce Investment Act - No Worker Left Behind Support ARRA	17.260	N/A	30,133
Workforce Investment Act - ECAR ARRA	17.260	N/A	26,854
Workforce Investment Act - NCRC	17.260	N/A	1,768
Work Incentive Grants - Disability Program Navigator	17.266	N/A	64,598
Total U.S. Department of Labor			12,935,226
U.S. Department of Transportation			
Passed through Michigan Department of Transportation - Aeronautics			
Airport Improvement Program	20.106	B-26-0114-1508	53,985
Airport Improvement Program	20.106	B-26-0114-1307	10,281
Passed through Michigan Department of Community Health			
Safe Routes to Schools	20.205	87315	2,000

continued...

COUNTY OF SAGINAW, MICHIGAN

**Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2009**

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Federal Awards Expended
Passed through Michigan Public Transit Association Rural Transit Assistance Program (RTAP)	20.509	N/A	\$ 2,933
Passed through Michigan Department of Transportation Tri-County Regional Pathway Study	20.205	2009-0008	2,400
Urban Planning - FHWA	20.205	2009-0008/Z2	163,856
Urban Planning - FTA	20.500	2009-0008/Z1	18,653
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	2007-0283	48,954
Passed through Michigan Department of State Police Alcohol Impaired Driving Prevention (Project Safe & Sober)	20.601	PT-09-37	25,192
Police Traffic Services (Alcohol Reduction S.C.A.R.E.)	20.601	PT-09-37	18,958
Occupant Protection (Alcohol Reduction S.C.A.R.E.)	20.602	PT-09-37	3,978
Police Traffic Services (Alcohol Reduction S.C.A.R.E.)	20.609	PT-09-37	<u>29,123</u>
Total U.S. Department of Transportation			<u>380,313</u>
U.S. Environmental Protection Agency			
Passed through Michigan Department of Community Health Saginaw River/Bay - Eat Safe Fish and Game	66.716	00E82801-0	<u>5,833</u>
U.S. Department of Education			
Passed through Michigan Department of Education Inmate Rehabilitation	84.013	101700	55,529
Passed through Michigan Department of Community Health Safe and Drug-Free Schools and Communities - Governors' Grants	84.186B	N/A	<u>66,500</u>
Total U.S. Department of Education			<u>122,029</u>
U.S. Department of Health and Human Services			
Passed through Michigan Department of Community Health Childhood Lead Poisoning	93.197	N/A	7,000
Family Planning	93.217	N/A	178,401
Immunizations - IAP	93.268	N/A	88,485
Provider Visits and Nurse Education	93.268	N/A	8,550
Federally Funded Vaccines	93.268	N/A	1,024,279
Bioterrorism - Focus C	93.283	N/A	121,679
Bioterrorism - Pan Flu	93.283	N/A	3,500
Bioterrorism - Focus A	93.283	N/A	173,629
EPI and Lab Capacity	93.283	N/A	11,250
Asthma Care Coordination	93.283	N/A	25,000
AIDS / HIV Prevention Counseling and Testing	93.940	N/A	61,059
Infant Mortality Coalition Support	93.778	N/A	40,320
Case Management Services	93.778	N/A	39,876
Childhood Lead	93.778	N/A	30,334
Substance Abuse - Medicaid	93.778	N/A	846,450
Medicaid Outreach	93.778	N/A	92,255
Laboratory Services	93.977	N/A	22,211
Primary Care Services	93.991	N/A	16,342
STD control	93.991	N/A	52,502
Local MCH Block Grant	93.994	N/A	202,622
Case Management Services	93.994	N/A	29,712
Passed through Health Resources and Services Administration Healthy Start Initiative	93.926	N/A	584,467
Passed through the Office of Drug Control Policy SIG - Saginaw County Youth Protection Council	93.243	N/A	96,890
Substance Abuse Prevention and Treatment Block Grant (Note 4)	93.959	N/A	1,190,367
B.A.S.A.R.A. Substance Abuse Treatment	93.959	N/A	162,292
Direct Award Drug Free Communities Support Program	93.276	5H79SP011386-05	100,000

continued...

COUNTY OF SAGINAW, MICHIGAN

**Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2009**

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Federal Awards Expended
Passed through Michigan Department of Human Services			
SFSC (Strong Families Safe Children) Family Reunification	93.556	SFSC-07-73003	\$ 51,062
Temporary Assistance for Needy Families / Healthy Families	93.558	CTFPR-09-73001	76,852
AFDC Maintenance Assistance (Federal Incentive)	93.560	N/A	357,348
Title IV-D Cooperative Reimbursement Program (FOC)	93.563	CSFOC-09-73001	2,516,936
Title IV-D Cooperative Reimbursement Program (PA)	93.563	CSPA-09-73002	365,106
Passed through State Court Administrative Office			
Federal Access and Visitation	93.597	N/A	9,000
Passed through Michigan Office of Aging Services and the Region VII Area Agency on Aging			
Medication Management	93.043	N/A	2,783
Aging Cluster:			
Case Coordination and Support	93.044	N/A	74,255
Outreach	93.044	N/A	17,603
Transportation	93.044	N/A	12,570
Senior Center Staffing - MO	93.044	N/A	10,512
Senior Center Staffing	93.044	N/A	6,909
Senior Center Operations	93.044	N/A	7,000
Nutrition - Title III C-1 Congregate	93.045	N/A	125,014
Nutrition - Title III C-2 HDM	93.045	N/A	151,452
Nutrition - Title III C-2 HDM Weekend	93.045	N/A	20,706
Nutrition Services Incentive Program - Congregate Meals	93.053	N/A	45,797
Nutrition Services Incentive Program - HDM	93.053	N/A	118,866
Nutrition Services Incentive Program - HDM Weekend	93.053	N/A	9,403
Nutrition ARRA - HDM	93.705	N/A	5,928
Nutrition ARRA - Congregate Meals	93.707	N/A	12,041
Title III E Kinship Care	93.052	N/A	4,875
National Family Caregiver Support Program	93.052	N/A	58,854
Supplemental funds - Title III E	93.052	N/A	17,803
Medicaid reimbursement - TCM	93.778	N/A	5,405
POS Waiver	93.778	N/A	64,433
Passed through Michigan Department of Energy, Labor and Economic Growth			
TANF - JET Supportive Services Type E (Note 3)	93.558	N/A	461,065
TANF - JET Type T (Note 3)	93.558	N/A	3,818,643
TANF - JET Plus Community Outreach Type H (Note 3)	93.558	N/A	511,902
TANF - JET Plus Campus-Centered Type M	93.558	N/A	211,703
Total U.S. Department of Health and Human Services			<u>14,361,298</u>
Corporation for National and Community Service			
Foster Grandparent Program	94.011	07SFNMI004	<u>248,786</u>
U.S. Department of Homeland Security			
Passed through Michigan Department of Natural Resources and Environment			
Marine Safety Program	97.012	N/A	6,472
Passed through United Way of Saginaw County			
Emergency Food and Shelter National Board Program	97.024	N/A	3,876
Passed through Michigan State Police Department			
FEMA Disaster Grant - Public Assistance	97.036	145-U32AA	7,609
Emergency Management Performance Grant	97.042	N/A	<u>30,640</u>
Total U.S. Department of Homeland Security			<u>48,597</u>
Total Federal Financial Assistance			<u>\$ 29,937,357</u>

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 22, 2010

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, 2009, which collectively comprise the *County of Saginaw, Michigan's* basic financial statements, and have issued our report thereon dated March 22, 2010. We did not audit the financial statements of the County of Saginaw Road Commission, an aggregate discretely presented component unit of the County. Those financial statements were audited by other auditors whose report was furnished to us, and our opinions, insofar as they relate to the amounts included for the County of Saginaw Road Commission, is based solely on the report of the other auditors. 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 the County'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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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'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's financial statements 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 a material misstatement of the financial statements will not be prevented or detected by the County'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 or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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 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 that we have reported to management of the County of Saginaw in a separate letter dated March 22, 2010.

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, reading "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 22, 2010

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, 2009. The County'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's management. Our responsibility is to express an opinion on the County'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'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's compliance with those requirements.

In our opinion, the County 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, 2009.

Internal Control Over Compliance

The management of the County 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'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.

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

COUNTY OF SAGINAW

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2009

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unqualified*

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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
17.258/17.259/17.260	Workforce Investment Act Cluster
93.268	Immunization
93.778	Medical Assistance Program (Medicaid)
93.558	Temporary Assistance for Needy Families (TANF)

Dollar threshold used to distinguish
between Type A and Type B programs: \$898,121

Auditee qualified as low-risk auditee? _____ yes no

COUNTY OF SAGINAW

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2009

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV – SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

2008-1 BANK RECONCILIATION PROCEDURES (SIGNIFICANT DEFICIENCY)

This finding has been corrected by the County.

2008-2 DAILY BALANCING PROCEDURES (SIGNIFICANT DEFICIENCY)

This finding has been corrected by the County.

**Saginaw County Department of Public Health
Coordinating Agency**

Schedule A

**SUBSTANCE ABUSE PREVENTION AND TREATMENT
Schedule of Budgeted, Reported, and Audited Amounts
For the Year Ended September 30, 2009**

<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	\$ 1,208,837	\$ 1,121,672	\$ 1,121,672	\$ -	
2 Prevention	519,152	569,152	569,152	-	
3 Communicable disease	26,862	26,862	26,862	-	
4 State Disability Assistance	67,112	67,112	67,112	-	
5 SPF/SIG	153,098	96,890	96,890	-	
A Sub-total	<u>1,975,061</u>	<u>1,881,688</u>	<u>1,881,688</u>	<u>-</u>	
B Medicaid					
1 Current year PEPM (Federal & State)	880,802	854,401	854,401	-	
2 Women's Specialty - Federal	164,806	221,771	221,771	-	
3 Women's Specialty - State	129,491	146,190	146,190	-	
4 Reinvestment savings	19,134	-	-	-	
B Sub-total	<u>1,194,233</u>	<u>1,222,362</u>	<u>1,222,362</u>	<u>-</u>	
C Adult Benefit Waiver					
1 Current year PEPM (Federal share only)	50,564	59,265	59,265	-	
C Sub-total	<u>50,564</u>	<u>59,265</u>	<u>59,265</u>	<u>-</u>	
D MI Child					
1 Current year PEPM	2,596	108	108	-	-
D Sub-total	<u>2,596</u>	<u>108</u>	<u>108</u>	<u>-</u>	
E Local					
1 Current year PA2	421,582	244,423	244,423	-	244,423
2 PA2 fund balance	-	-	-	-	-
3 Other local (R325.4152 excl. subsection (1)(b))	-	-	-	-	-
E Sub-total	<u>421,582</u>	<u>244,423</u>	<u>244,423</u>	<u>-</u>	
F Fees & Collections (R325.4151 (1)(d))	<u>25,000</u>	<u>11,620</u>	<u>11,620</u>	<u>-</u>	<u>11,620</u>
G Other Contracts & Sources	<u>165,000</u>	<u>166,500</u>	<u>166,500</u>	<u>-</u>	
Grand Total of Subtotals A-G	<u>\$ 3,834,036</u>	<u>\$ 3,585,966</u>	<u>\$ 3,585,966</u>	<u>\$ -</u>	
Amount billable to MDCH (Section A audited subtotal)			\$ 1,881,688		
Total MDCH Payments (through 9/30/09)			<u>1,975,061</u>		
(Overpayment) / Underpayment			<u>\$ (93,373)</u>		
Local Match Funds Total					\$ 256,043
Local Match Requirement [(grand total of audited expenditures minus subtotals B,C,D & G) * 10%]					<u>213,773</u>
Local Match (Shortfall) / Excess					<u>\$ 42,270</u>

**Saginaw County Department of Public Health
Coordinating Agency**

Schedule B

**SUBSTANCE ABUSE PREVENTION AND TREATMENT
Schedule of Expenditures and Funding Sources by Program
For the Year Ended September 30, 2009**

Program	Budgeted (FINAL)	Reported (FINAL RER)	Audited Expenditures				Audited Funding Sources						Variance (Audited - Reported)	Questioned Costs (Expends - Funding)	Unexpended Fund Balance	
			Gross Amount	Less Medicaid	Less Fees	Net Amount	State Agreement	SDA	PA2	Other Sources	ABW	MI Child				Total Funding
Administration	\$ 426,380	\$ 418,304	\$ 418,304	\$ 255,298	\$ 3,300	\$ 159,706	\$ 159,706	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 159,706	\$ -	\$ -	\$ -
Prevention	1,081,250	1,032,510	1,032,510	-	-	1,032,510	666,042	-	199,968	166,500	-	-	1,032,510	-	-	-
Treatment	1,496,614	1,367,685	1,367,685	599,103	8,320	760,262	704,549	38,316	17,397	-	-	-	760,262	-	-	-
Women's Services	676,767	618,316	618,316	367,961	-	250,355	221,559	28,796	-	-	-	-	250,355	-	-	-
HIV / EIP Training	53,724	53,920	53,920	-	-	53,920	26,862	-	-	27,058	-	-	53,920	-	-	-
ABW	73,638	88,552	88,552	-	-	88,552	29,287	-	-	-	59,265	-	88,552	-	-	-
MI Child	3,596	150	150	-	-	150	42	-	-	-	-	108	150	-	-	-
SOH Admin	6,529	6,529	6,529	-	-	6,529	6,529	-	-	-	-	-	6,529	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	2,341	2,341	-	-	2,341
Totals	\$3,818,498	\$ 3,585,966	\$3,585,966	\$1,222,362	\$ 11,620	\$2,351,984	\$1,814,576	\$67,112	\$217,365	\$ 193,558	\$ 59,265	\$ 2,449	\$ 2,354,325	\$ -	\$ -	\$ 2,341

Reconciliation of PA2 funds:

Beginning Balance	\$ 408,966
Additions	244,423
Expended	(217,365)
Ending Balance	<u>\$ 436,024</u>

Reconciliation of Medicaid Managed Care Funds (PEPM)

PEPM Payments received	\$1,306,135
+ Medicaid savings c/o	40,078
- Expenditures - SCCMHA admin	29,608
- Expenditures - Coord. Agency	(1,251,970)
- Medicaid savings carryforward	<u>(123,851)</u>
- Returned to PIHP	<u>\$ -</u>

Note 1: The Coordinating Agency received and spent \$96,890 in SIG funds during the year ended September 30, 2009. 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, 2009, the Coordinating Agency had no unspent ABW funds and \$2,341 unspent MI Child funds, as reported above.