

*County of Saginaw,  
Michigan*



Comprehensive Annual  
Financial Report

*For Fiscal Year Ended September 30, 2005*

# **COUNTY OF SAGINAW, MICHIGAN**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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***FOR FISCAL YEAR ENDED  
SEPTEMBER 30, 2005***

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

**COUNTY OF SAGINAW, MICHIGAN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

**TABLE OF CONTENTS**

---

<b>INTRODUCTORY SECTION</b>	<u>PAGE</u>
Letter of Transmittal	i - ix
GFOA Certificate of Achievement	x
Organizational Chart	xi
Board of Commissioners	xii
Principal Non-Elected Officials	xiii
 <b>FINANCIAL SECTION</b> 	
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-18
<b>Basic Financial Statements</b>	
Government-wide Financial Statements:	
Statement of Net Assets	19
Statement of Activities	20-21
Fund Financial Statements:	
Balance Sheet – Governmental Funds	22
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets	23
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
General Fund	26-27
Health Department	28
Michigan Works!	29
Small Cities Reuse	30
Statement of Net Assets – Proprietary Funds	31
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	32
Statement of Cash Flows – Proprietary Funds	33-34
Statement of Fiduciary Net Assets – Fiduciary Funds	35
Statement of Changes in Fiduciary Net Assets – Postemployment	
Health Benefits and Library Penal Fines Trust Funds	36
Combining Statement of Net Assets – Component Units	37
Combining Statement of Activities – Component Units	38-39
Notes to Basic Financial Statements	40-76

**COUNTY OF SAGINAW, MICHIGAN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

**TABLE OF CONTENTS**

---

	<u>PAGE</u>
<b>SUPPLEMENTARY INFORMATION</b>	
Non Major Governmental Funds	
Combining Balance Sheet	77-85
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	86-94
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Law Enforcement	95
County Road Patrol Millage	96
Parks and Recreation	97
G.I.S. System	98
Friend of the Court	99
Solid Waste	100
Lodging Excise Tax	101
Castle Museum and Historical Activity	102
Commission on Aging	103
Mosquito Control	104
Planning Commission	105
Principal Residence Exemption	106
Public Improvement	107
Courthouse Preservation Technology	108
Animal Control	109
Revenue Sharing Reserve	110
Register of Deeds Automation	111
E-911 Telephone Surcharge	112
E-911 Equipment Digital	113
Mobile Data Maintenance & Repair	114
Law Library	115
County Library Board	116
Michigan Works! Service Centers	117
Remonumentation	118
Special Projects	119
Special Projects - Sheriff	120
Special Projects – Prosecutor	121
Special Projects – Community Corrections	122
Local Correction Officer Training	123
MSU Extension	124
Family Independence Agency	125
Child Care	126
Soldiers’ Relief	127
Veterans’ Trust	128

**COUNTY OF SAGINAW, MICHIGAN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

**TABLE OF CONTENTS**

---

	<u>PAGE</u>
Non Major Enterprise Funds	
Combining Statement of Net Assets	129
Combined Statement of Revenues, Expenses and Changes in Fund Net Assets	130
Combining Statement of Cash Flows	131-132
Internal Service Funds	
Combining Statement of Net Assets	133-134
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	135-136
Combining Statement of Cash Flows	137-138
Fiduciary Funds	
Combining Statement of Fiduciary Net Assets	139-140
Combining Statement of Changes in Assets and Liabilities – Agency Funds	141-143
Component Units	
Statement of Net Assets and Governmental Fund Balance Sheet – Brownfield Redevelopment Authority	144
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance – Brownfield Redevelopment Authority	145-146
Statement of Net Assets and Governmental Fund Balance Sheet – Department of Public Works	147
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance – Department of Public Works	148
Statement of Net Assets – Proprietary Fund – Department of Public Works	149
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Fund – Department of Public Works	150
Statement of Cash Flows – Proprietary Fund – Department of Public Works	151
Statement of Net Assets and Governmental Fund Balance Sheet – Drain Commission	152-153
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance – Drain Commission	154-155

**COUNTY OF SAGINAW, MICHIGAN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**  
**TABLE OF CONTENTS**

---

**STATISTICAL SECTION**

	<u>PAGE</u>
General Governmental Expenditures by Function	156
General Governmental Revenues by Source	157
Property Tax Levies and Collections	158
Assessed and Estimated Actual Value of Taxable Property	159
Property Tax Rates - Direct and All Overlapping Governments	160
Special Assessments Billings and Collections	161
Major Taxpayers	162
Major Employers	163
Average Annual Unemployment Rates	164
Computation of Legal Debt Margin	165
Ratio of Net General Bonded Debt to State Equalized Valuation and Net Bonded Debt Per Capita	166
Ratio of Annual Debt Service Expenditures For General Obligation Bonded Debt To Total General Governmental Expenditures	167
Computation of Direct and Net Overlapping Debt	168
Demographic Statistics	169
Property Value, Construction and Bank Deposits	170
Property Value Changes	171

**COUNTY OF SAGINAW, MICHIGAN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

**TABLE OF CONTENTS**

---

**STATISTICAL SECTION**

	<u>PAGE</u>
General Fund Revenue and Expenditures and Other Financing Sources and Uses	172
Miscellaneous Statistical Data	173-177

**SINGLE AUDIT SECTION**

Schedule of Expenditures of Federal Awards	178-181
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	182-183
Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	184-185
Schedule of Findings and Questioned Costs	186-189
Summary Schedule of Prior Year Audit Findings	190



# COUNTY OF SAGINAW

111 SOUTH MICHIGAN AVENUE  
SAGINAW, MICHIGAN 48602

**MARC A. MCGILL**  
*Controller/Chief Administrative Officer*

March 8, 2006

Cheryl M. Hadsall, Chair  
Saginaw County Board of Commissioners  
111 South Michigan Avenue  
Saginaw, Michigan 48602

Dear Commissioners:

The Comprehensive Annual Financial Report of the County of Saginaw, Michigan, for the fiscal year ended September 30, 2005, is hereby submitted. This report was prepared by the Financial Services Department of the Office of the Controller. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical, and Single Audit.

The Introductory Section includes this letter of transmittal, a copy of the "Certificate of Achievement for Excellence in Financial Reporting" presented to the County of Saginaw, Michigan for the Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2004, the County's organizational chart, and a list of the County's Board of Commissioners and Principal Non-Elected Officials.

The Financial Section begins with the Independent Auditors' Report on the basic financial statements and schedules for the fiscal year ended September 30, 2005. Management's Discussion and Analysis (MD&A) follows it and is designed to compliment this letter of transmittal and accordingly, should be read in conjunction with it. The MD&A is a requirement of Generally Accepted Accounting Principals which require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The basic financial statements follow the MD&A and are comprised of government-wide financial statements, fund financial statements and the essential notes to the basic financial statements. Detailed financial information on fund types, and discretely presented component units are listed in the tabbed sub-sections within the Financial Section.

The Statistical Section includes unaudited financial and demographic information. It is presented on a multi-year basis upon availability.



The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Amendments of 1996. The U. S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments and Non-Profit Organizations, revised June 24, 1997, which rescinds OMB Circular A-128, also applies. Information related to this single audit, including the Schedule of Expenditures of Federal Awards and auditor's reports on internal control and compliance with applicable laws and regulations are included in the Single Audit Section.

This report includes all funds of the County and its component units. As required by Generally Accepted Accounting Principles, the component units listed below are included within the County's reporting entity because they are entities for which the County is considered to be financially accountable. The Building Authority has been included as a blended component unit in the County's financial statements since the County appoints the governing authority and the Building Authority provides its services entirely to the County of Saginaw. The Saginaw County Road Commission, Brownfield Redevelopment Authority, Drain Commission, and Department of Public Works have been discretely presented as separate component units of the County's financial reporting entity to emphasize that they are legally separate from the County.

## **PROFILE OF THE GOVERNMENT**

The County of Saginaw is a public corporation, established in February 1835. It was created under the Constitution and statutes of the State of Michigan and has general governmental power and authority. The County is an 812 square mile area located in the eastern central portion of Michigan's lower peninsula, approximately 15 miles southwest of Saginaw Bay and 95 miles northwest of the City of Detroit, Michigan.

Saginaw County contains three cities, twenty-seven townships and five incorporated villages. The official population of the County according to the Federal Census of 2000 is 210,039, of which the City of Saginaw has 61,799, and the Township of Saginaw has 39,657.

Saginaw County provides a full range of services to County residents. Services are provided in the areas of public safety (law enforcement, jail administration and planning/development), judicial (administration of the courts and probation departments), elections, public works, health services, social services, cultural (cooperative extension services), road repair and maintenance services, parks and recreation, and general administrative services.

Saginaw County's governing body is the County Board of Commissioners. The Board of Commissioners exercise the legislative power of the County and determines all matters of policy. The Board is comprised of 15 commissioners who are elected from their respective districts. Each commissioner serves a two year term. In addition to the Board of Commissioners, there are five Circuit Court judges, six District Court judges, two Probate Court judges, and six elected officials serving the County.

## **ECONOMIC CONDITION AND OUTLOOK**

Saginaw County continues to experience economic growth and development. While much of the focus in the past has been on General Motors Corp. and GM supported operations, the County has seen significant growth in other segments of the economy. Diversification from the automobile-driven economy is being accomplished at a steady non-disruptive pace as momentum is growing in the Saginaw Valley to shake off its rust belt reputation and take on something hipper and hotter for the next generation of workers. It is an economy in transition; you might say that it is changing from the automobile industry to a hub for regional health care. Saginaw County also has a strong manufacturing background and was recently ranked one of the top five best places to live for cost of living by Salary.com.

Following is a brief summary of some recent developmental activity in Saginaw County.

## COMMERCIAL/DEVELOPMENT

The Bay-Tittabawassee Road corridor, which is the major retail hub of the Tri-City area, continues to grow. Famous Dave's Barbeque restaurant opened its doors this year, as well as a new 13 acre park including bicycle paths near the Super Wal-Mart and Sam's Club. Construction began on a new Residence Inn by Marriott and has recently opened.

Throughout Saginaw County there has been development in both rural and urban areas. The Frankenmuth Bavarian Inn has expanded into the Zehnder Splash Village Hotel & Water Park. This new family entertainment and lodging facility includes 63 hotel suites, an arcade, restaurant, gift shop, and a 30,000 square foot indoor water park.

A \$500,000 investment in a historic building in Old Saginaw City has resulted in the reopening of the Schuch Hotel now renamed Perry's Schuch Hotel. The building now houses a bar and restaurant on the main level and loft apartments in the upper levels.

## ENTERTAINMENT

The Dow Event Center is home to the Saginaw Spirit, a hockey team comprised of young players who are developing their skills with hopes of making it to the National Hockey League. The Spirit will be hosting the 2007 Bell OHL All-Star Classic. SMG, the Event Center management group, continues to schedule a variety of touring concerts, theater productions, and ice-skating shows, as well as locally produced programs that appeal to the residents of the area.

## SERVICE/RECREATIONAL

Saginaw County's residents have access to the latest in medical and diagnostic technology. The four medical centers have more than 1,700 beds and offer a full range of treatments and preventive services. Saint Mary's of Michigan is a regional destination and specializes in treating burns, heart disease, cancer and neural problems. It has recently completed construction of a new four story, 48,000 square foot addition which provides needed expansion space for surgical services and related support departments. St. Mary's Ambulatory Care Center on Towne Centre in Saginaw Township has also built a 7,300 square foot expansion to its second floor adding significant space to the pain treatment center and the digestive care department.

Covenant HealthCare offers complete medical service for the County and controls the majority of the inpatient acute care beds. It is a leader in providing surgery, obstetric and trauma services and is the area's only pediatric and neonatal intensive care units. Covenant has recently opened a new \$24 million Emergency Care Center which is centrally located between its two medical centers in Downtown Saginaw.

HealthSource Saginaw is a tax-subsidized facility offering physical rehabilitation, substance abuse treatment and long-term nursing care. In August of 2004, the residents of Saginaw County passed a millage proposal for HealthSource Saginaw for the purpose of renovation, remodeling, equipping, and construction of the building. The Lutz Veterans Affairs Medical Center offers free or low-cost care for veterans and focuses mostly on outpatient care.

Among the latest large-scale developments is the Riverfront Medical Arts Condominiums, a multi-million dollar facility to be located adjacent to the Michigan CardioVascular Institute, one of Michigan's top leaders in cardiovascular procedures. The Riverfront Medical Arts Condominiums will house various medical and professional offices.

The Children's Zoo at Celebration Square continues its \$25 million expansion over twenty-five years. Among exhibits opening this year was the Crawl Space which features various bugs such as insects, spiders, scorpions, centipedes, and millipedes. The Mid-Michigan Children's Museum is another step closer to breaking ground on its new 30,000 square foot facility which will feature eleven different hands-on galleries that will be regularly updated.

A new golf centre has recently opened in Kochville Township. The Saginaw Golf Centre provides state-of-the-art golf learning facilities and also features a café, golf pro shop, a strength and flexibility area, and office space in its almost 20,000 square foot facility.

## RESIDENTIAL

Saginaw County continues to be one of the most affordable housing markets in the United States and was recently ranked as the second-most affordable region for householders in the nation by the National Association of Home Builders. The average selling price of a home in 2005 was \$106,000, which is still below the national average, and up from the range of \$85,000-\$90,000 in 2004 (Source: Michigan Association of Realtors). Homes are less expensive than in other states, but still appreciate significantly. The desirability of the area is further enhanced by the many choices of locations, both urban and rural. New neighborhoods are developing and growing in the County and mortgage interest rates remained low during 2005.

## EDUCATION

There are numerous opportunities for higher education in Saginaw County. Saginaw Valley State University offers Bachelor's and Master's degree programs in a wide variety of disciplines. Delta College offers Associate's degree programs as well as certificates. Together, they enrolled over 10,000 students during the fall semester of 2005. Saginaw Valley State University has completed over \$214 million in planned infrastructure upgrades during the past fourteen years while Delta College has recently completed the second phase of renovations totaling \$42.8 million.

Other County colleges include Davenport University in Kochville Township and a Central Michigan University extension center in Saginaw Township.

## INDUSTRIAL

Tri-City Office Machines, the largest Sharp dealer north of Detroit, is relocating to a larger facility in the city of Zilwaukee's Bridgeview Center Industrial Park. Tri-City Office has expanded its services to now providing digital networking, web site design, computers, and OKI data systems which has resulted in the need for a new facility. The \$325,000 new 8,700 square foot building will be constructed next to its existing facility and will be their second expansion in the past three years.

Gosen Tool and Machine, Inc. is in the process of investing over \$60,000 to expand their existing facility. Gosen Tool's primary business is the manufacture of tools, fixtures, machine components, proto-type and build assemblies. It offers complete machining as well as welding fabrication capabilities. The 5,000 square foot addition to their existing facility will enhance current manufacturing space and add new office space.

Duro-Last Roofing, Inc., the world's largest manufacturer of prefabricated roofing systems, is expanding offices at its corporate headquarters in Buena Vista Charter Township. The company plans to renovate the existing structure's façade and offices to include an 18,000 square foot, two-story, high-tech expansion. This expansion is needed due to the company's increased sales and staff growth over the last several years. Plastatech Engineering Ltd., a subsidiary of Duro-Last, is also making major capital improvements at its Buena Vista Charter Township facility. The project will include the expansion of its

facility and the purchase of new equipment. In addition to manufacturing high quality roofing membrane, Plastatech also produces materials for numerous end-use products within a wide variety of markets, including banner and billboard fabrics, RV and marine upholstery, and loose-leaf binders.

Unique Instruments, Inc., a medical device manufacturer that specializes in surgical cutting accessories, instruments, and implants, is investing \$9.8 million to expand its facility in Bridgeport Charter Township. The expansion will include adding 45,000 square feet to its facility and hiring 50 new employees.

## AGRICULTURE

In 2003 State, Federal and local officials announced a significant step in the state's agricultural pollution prevention efforts - the acquisition of the first permanent conservation easement in Chesaning. Saginaw County remains dominant in agriculture, which accounts for approximately 64% of the County's land use. The County ranks as one of the top 10 producers of the following crops in the state: dry edible beans, corn, wheat, soybeans, oats, and sugar beets. This creates a strong financial presence through crop production, transportation, handling and processing of the crops. Sugar beets are a favored cash crop in Saginaw County typically returning a higher value than corn or soybeans along with being very resilient and able to survive in adverse weather conditions. Mid-Michigan farmers reported a relatively good year for wheat, alfalfa, soybeans and sugar beets. Improvements in commodity prices have led to lower federal government farm payments but have increased farm profitability only slightly.

The Michigan Sugar Cooperative produced a near-record yield of 3.4 million tons of beets in 2005. The value of this crop approached \$300 million, which is put back into the community.

## **MAJOR ISSUES**

Each year various committees of the Board of Commissioners review and prioritize items under their respective authority. This process assists in focusing on major issues, providing direction and gauging accomplishments.

- Public Safety – The Saginaw County Board of Commissioners has established public safety as its' number one priority. To that end, a “No Boundaries Law Enforcement Plan”, crafted over an extended period of time with input from more than 120 individuals and in cooperation with the Crime Prevention Council, is expected to be placed on the ballot in August of 2006. This plan raises the county wide law enforcement tax rate from 0.34 mills to 1.6 mills for the ten year period of 2006 to 2015 and provides funding for an additional 56 law enforcement positions. Briefly stated, the plan adds personnel to the sheriff department and all local police departments throughout the County; adds special investigative and crime prevention units, provides additional prosecuting attorney staff, and includes funding for training and equipping the volunteer first responders in all local fire departments throughout the county.
- Five Year Financial Forecast – A combination of limited growth in local property tax revenue, the expected elimination of state revenue sharing, and ever-increasing personnel costs has resulted in a structural budget problem for Saginaw County. During recent budget cycles, the Saginaw County Board of Commissioners has adopted budgets that required the use of significant amounts of fund balance reserves in order to avoid staff and service reductions. Inasmuch as fund balance reserves are limited, this method of balancing the budget cannot continue indefinitely. In addition to the usual timely presentation of the annual budget, capital improvement plan, and audit, a five year financial forecast encompassing the fiscal years 2007 through 2011 is expected to be presented to the Board in April of 2006. This forecast is intended to allow the Board to understand the financial issues confronting the county and assist them in prioritizing needs and allocating resources in order to maintain a strong financial position.

- Collective Bargaining – Pay, pensions, and health care are major cost drivers contributing to the County’s structural budget problem. Contract negotiations are presently underway with the largest units of the County’s sixteen (16) labor groups. Some long-term cost containment strategies are being sought that will attempt to reduce or contain the rate of growth in these cost drivers. It is expected that a cooperative effort between union and management representatives will yield agreements that will treat employees fairly, while at the same time, helping the County to continue a high quality level of public services while maintaining a strong financial position.
- Public Information – The Board of Commissioners makes it a high priority to communicate regularly with its constituents/citizens, other municipalities, and financial markets regarding the level and extent of services provided, accomplishments, goals, and initiatives. The vehicles for these communications include compiling, publishing, and distributing of a general information book, an informational brochure, and an annual newspaper fold.
- Training – The Board of Commissioners seeks to ensure that its committees, advisory boards, and County staff are regularly trained and updated regarding pertinent issues, federal, state, and local laws, rules, and regulations, as well as having exposure to new and creative business practices that might be utilized in Saginaw County to provide services in a more efficient and cost effective manner and/or to assist in lobbying legislators regarding matters of interest. Accordingly, adequate funding and release time from work are provided for training purposes.

## **FINANCIAL INFORMATION**

Management of the County is responsible for establishing and maintaining internal control designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

## **SINGLE AUDIT**

As a recipient of Federal and State financial assistance, the County is responsible for ensuring that adequate internal control is in place to achieve compliance with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by management and the independent auditors of the County.

As part of the County's single audit, described earlier, tests are made to determine the adequacy of the internal control, including that portion related to Federal award programs, as well as to determine that the County has complied with applicable laws and regulations. The results of the County's single audit for the fiscal year ended September 30, 2005 provided instances of material weaknesses in internal control and violations of applicable laws and regulations.

## **BUDGETARY CONTROLS**

The level of budgetary control (that is, the level at which expenditures cannot legally exceed appropriated amounts) is established in accordance with a resolution of the Board of Commissioners. The County maintains secure budgetary controls with the objective of ensuring compliance with legal provisions embodied in the annual appropriated budget approved by the Saginaw County Board of Commissioners. Budgets are legally adopted on a fund and activity basis for the General Fund and Special Revenue Funds. Annual informational budget summaries are prepared for Debt Service Funds, Enterprise Funds (except the Building Authority Administration Fund) and Internal Service Funds. Project length financial plans are annually adopted and included in the Capital Projects Funds.

The Financial Services Department implemented the current Financial Management System and has developed it into an extremely efficient system. It provides on-line access to account transactions and activity balances. It also conducts budget checks to verify that sufficient funds are available within an approved budget prior to processing payments. Elected Officials and Department Heads acknowledge that it is an exceptionally useful management medium.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not currently employed by the County. However, the County has developed and implemented an encumbrance system that will more adequately reflect budgeted obligations.

As demonstrated by the statements and schedules included in the Financial Section of this report, the County continues to meet its responsibility for sound financial management.

## **CASH MANAGEMENT**

Cash temporarily idle during the year was invested by the County Treasurer in interest-bearing demand deposits, repurchase agreements collateralized by Federal Government securities, certificates of deposit from domestic banks, commercial paper and securities issued by the Federal Government. The investments made are of higher quality and lower risk when compared to other investment opportunities available in today's market.

The use of a computerized system to track the investments (Moneymax) permits some apparent advantages in the investment portfolio selection. The cash invested can be pooled and invested in larger amounts and for longer maturities. These larger amounts are offered a premium by many of the financial institutions. Moneymax calculates individual fund cash balances on a daily basis when distributing interest to these funds.

Interest rates were quite stable during 2005, which resulted in a relatively flat yield curve. Shorter-term rates were very competitive when compared to their longer-term counterparts. Thus, the average number of days to maturity for the investment portfolio has decreased to 171 days for 2005, and the average yield of 2.996% for 2005 is very good for this investment pool in this market.

The County Treasurer's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. The reduction of risks is realized by diversifying the types of securities held. The competitive yield is realized by pooling the investments and varying the maturities.

## **RISK MANAGEMENT**

The County is self-funded for workers' compensation, general liability insurance, health, vision and dental insurance.

The self-insurance program for workers' compensation is accounted for in the Employee Benefit Fund (an Internal Service Fund). An independent administrator (agency) is hired to process the daily claims and to perform auditing and management duties. Currently, the County insures \$350,000 in liability for each occurrence and Citizen's Management, Inc., the County's administrator for workers' compensation, insures the remainder through various reinsurance companies.

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 \$250,000 for each claim. After the first \$250,000 and up to \$15,000,000, insurance is provided by St. Paul/Travelers.

The self-insurance program for health insurance is accounted for in the Employee Benefit Fund (an Internal Service Fund). An independent administrator (Blue Cross) is hired to process 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. The County is also responsible for paying administrative charges and for actual prescription claims.

The self-insurance program for vision insurance is accounted for in the Employee Benefit Fund (an Internal Service Fund). An independent administrator (Blue Cross) is hired to process daily claims. The County is responsible for paying administrative charges and individual claims in excess of an employee co-pay amount ranging from \$25 up to amounts exceeding \$210 for contact lenses per covered visit.

The self-insurance program for dental insurance is accounted for in the Employee Benefit Fund (an Internal Service Fund). An independent administrator (Blue Cross) is hired to process the daily claims and perform management duties. The County is responsible for paying all allowable claims up to the maximum of \$1,500 per covered person annually.

## **OTHER INFORMATION**

### **Independent Audit**

The Michigan Uniform Accounting and Budgeting Act requires an annual audit by independent certified public accountants. The Saginaw County Board of Commissioners selected the accounting firm of Rehmann Robson, Certified Public Accountants. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Amendments of 1996. Also applicable is OMB Circular A-133, revised June 24, 1997, which rescinds OMB Circular A-128 issued in 1985. The auditor's report on the basic 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 is included in the Financial Section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit Section of this report.

## **FINANCIAL REPORTING EXCELLENCE AWARD**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Saginaw for its comprehensive annual financial report for the fiscal year ended September 30, 2004. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **ACKNOWLEDGEMENTS**

The preparation of the Comprehensive Annual Financial Report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Financial Services Department along with the staff of the Controller's Office. We would like to express our appreciation to all members of our office and others who assisted and contributed in its preparation. We would also like to take this opportunity to express our appreciation to the Board of Commissioners for their continued interest and support in planning and conducting the financial operations of the County of Saginaw in a responsible and progressive manner.

Should you have any questions regarding the information contained in this report, please do not hesitate to call upon us for assistance.

Respectfully submitted,

Marc A. McGill  
County Controller/CAO



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Saginaw,  
Michigan

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



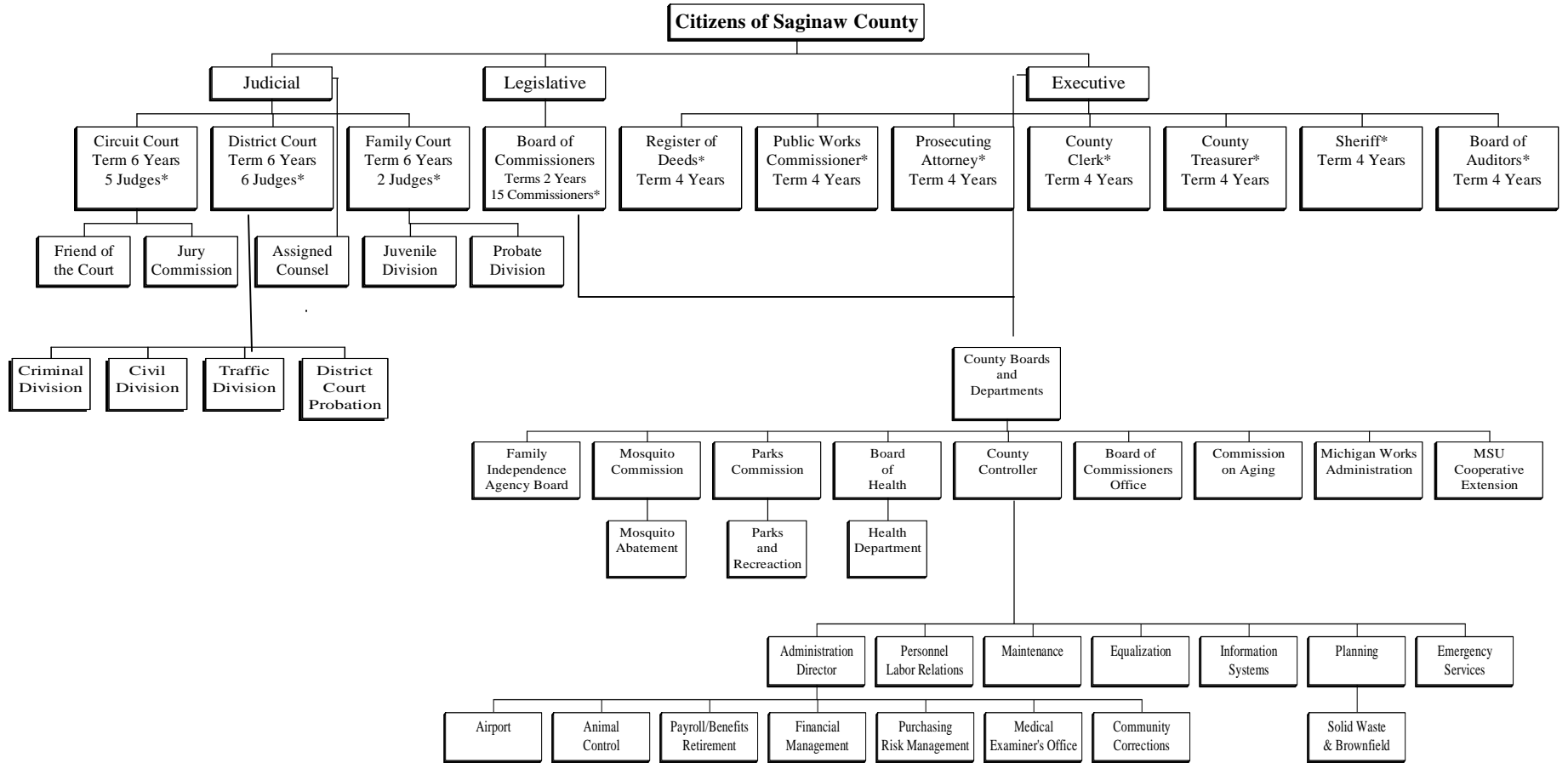
*Carla E. Perry*

President

*Jeffrey R. Emmer*

Executive Director

# County of Saginaw Organizational Chart 2006



\*Elected Officials

# COUNTY OF SAGINAW

## 2005/2006

### BOARD OF COMMISSIONERS

**Cheryl M. Hadsall**  
Chair

**Terry W. Sangster**  
Vice-Chair

**Raymond F. Bartels**

**Todd M. Hare**

**Thomas A. Basil**

**Kenneth B. Horn**

**Robert D. Blaine**

**Timothy M. Novak**

**Brigitte K. Braddock**

**Michael P. O'Hare**

**Ann M. Doyle**

**Carl E. Ruth**

**James M. Graham**

**Robert M. Woods, Jr.**

**Patrick A. Wurtzel**

**Marc A. McGill**  
Controller/Chief Administrative Officer

Prepared by:  
Financial Services Department

# County of Saginaw Principal Non-Elected Officials 2005 ~ 2006

<u>DEPARTMENT</u> <u>OFFICE</u> <u>PROGRAM</u>	<u>NAME AND</u> <u>TITLE</u>	<u>PHONE</u> <u>NUMBER</u>
Administration	Michael E. Thompson, Director	790-5209
Animal Control	Mark A. Wachner, Director	797-4500
Assigned Counsel	André Borrello, Attorney	790-5214
Board of Commissioners	Cheryl M. Hadsall, Chair	790-5267
Board of Commissioners	Kaye V. Schultz, Board Coordinator	790-5267
Circuit Court	David A. Cable, Administrator	790-5470
Commission on Aging	Karen Courneya, Director	797-6880
9-1-1 Com. Center Authority	Thomas E. McIntyre, Director	790-5504
Community Corrections	Michael E. Thompson, Director	790-5209
Controller	Marc A. McGill, Controller/CAO	790-5210
Controller/Event Center	Stephanie Beyersdorf, Management Assistant	790-5212
County Clerk	Thressa A. Zolton, Chief Deputy	790-5251
District Court	Cheryl B. Jarzabkowski, Administrator	790-5363
Emergency Services	Timothy Genovese, Director	797-6850
Equalization	James T. Totten, Director	790-5260
Facilities Management	Annette M. Taylor, Director	790-5235
Financial Services	Koren A. Reaman, Manager	790-5218
Friend of the Court	Susan K. Prine, Friend of the Court	790-5300
Geographic Information System	Johnathan J. Miller, Director	790-5506
Harry Browne Airport	Al Kaufman, Manager	758-2459
Health Department	Natasha Coulouris, Health Officer	758-3818
Information Systems & Services	Johnathan J. Miller, Director	790-5506
Juvenile Detention Home	Timothy J. Metro, Director	799-2821
Maintenance	Annette M. Taylor, Director	790-5235
Mental Health Authority	Sandra Lindsay, Director	797-3400
MSU Extension	Ruth Miller, Director	758-2510
Michigan Works! Administration	Edward M. Oberski, Director	754-1144
Mosquito Abatement Commission	Randall G. Knepper, Director	755-5751
Parks & Recreation Commission	John P. Schmude, Director	790-5280
Personnel	Jennifer J. Broadfoot, Assistant	790-5507
Planning	Douglas A. Bell, Director	797-6800
Probate Court	Terry K. Beagle, Register of Probate	790-5320
Prosecuting Attorney	Howard Gave, Assistant Prosecutor	790-5330
Pros. Attorney Welfare Enf.	Terry R. Manwell, Asst. Prosecuting Attn.	790-5315
Public Works Commissioner	Karleen A. Helmreich, Chief Deputy	790-5258
Register of Deeds	Penny L. Klein, Chief Deputy	790-5270
Retirement	Amy J. Deford, Retirement Coordinator	790-5211
Sheriff	Arnold J. Burns, Undersheriff	790-5456
Treasurer	Lynn J. Favara, Chief Deputy	790-5232



## INDEPENDENT AUDITORS' REPORT

March 8, 2006

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, 2005, 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 Road Commission Component Unit, which represents 63.2% and 84.4% respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the 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 and the report of other auditors provide 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, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons of the General, Health Department, Michigan Works! and Small Cities Reuse governmental funds for the year then ended in conformity with accounting principles general accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2006, on our consideration of the **County of Saginaw, Michigan's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **County of Saginaw, Michigan's** basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical tables 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 by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables, as listed in the table of contents, have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

## 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, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and 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 \$87,666,420 (*net assets*). Of this amount, \$44,297,514 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$9,153,931 during 2005.
- As of the close of the current fiscal year, the County's governmental funds (this includes the general fund, special revenue, debt service, capital projects, and permanent funds) reported combined ending fund balances of \$40,187,647, an increase of \$1,994,458 in comparison with the prior year. Approximately 46.4 percent of this total amount, or \$18,657,598, 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; however, the unreserved – designated fund balance for the general fund was \$9,112,381, or 26.9 percent of total general fund expenditures. Total fund balance for the general fund was \$20,069,399.
- The County's total bonded debt increased by \$27,877,669 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 Road Commission, a legally separate Brownfield Redevelopment Authority, a legally separate Department of Public Works, and a legally separate Drain Commission for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. Financial statements for the Road Commission were issued separately from the County and other component units. 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 19 - 21 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 44 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, Michigan Works! Fund and Small Cities Reuse Fund, each of which is considered to be major funds. Data from the other 40 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 22 - 30 of this report.

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

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

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

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

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. This includes the combining and individual fund financial statements and schedules. Combining and individual fund statements and schedules can be found on pages 77 - 155 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 \$87,666,420 at the close of the most recent fiscal year.

<b>County of Saginaw's Net Assets</b>						
<b>Fiscal Year Ending September 30,</b>	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 93,201,714	\$ 56,574,577	\$ 13,923,739	\$ 13,053,508	\$ 107,125,453	\$ 69,628,085
Capital assets, net of accumulated depreciation	30,265,059	27,073,962	18,837,364	19,417,534	49,102,423	46,491,496
Total assets	<u>123,466,773</u>	<u>83,648,539</u>	<u>32,761,103</u>	<u>32,471,042</u>	<u>156,227,876</u>	<u>116,119,581</u>
Long-term liabilities outstanding	43,298,090	11,951,874	15,944,329	16,758,382	59,242,419	28,710,256
Other liabilities	8,091,426	7,792,631	1,227,611	1,047,077	9,319,037	8,839,708
Total liabilities	<u>51,389,516</u>	<u>19,744,505</u>	<u>17,171,940</u>	<u>17,805,459</u>	<u>68,561,456</u>	<u>37,549,964</u>
Net assets:						
Invested in capital assets, net of related debt	23,870,059	18,693,962	9,042,364	8,182,534	32,912,423	26,876,496
Restricted	10,456,483	5,017,876	-	-	10,456,483	5,017,876
Unrestricted	37,750,715	40,192,196	6,546,799	6,483,049	44,297,514	46,675,245
Total net assets	<u><b>\$ 72,077,257</b></u>	<u><b>\$ 63,904,034</b></u>	<u><b>\$ 15,589,163</b></u>	<u><b>\$ 14,665,583</b></u>	<u><b>\$ 87,666,420</b></u>	<u><b>\$ 78,569,617</b></u>

One of the largest portions of the County's net assets, \$32,912,423 (37.5 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, \$10,456,483 (11.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, \$44,297,514 (50.5 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**

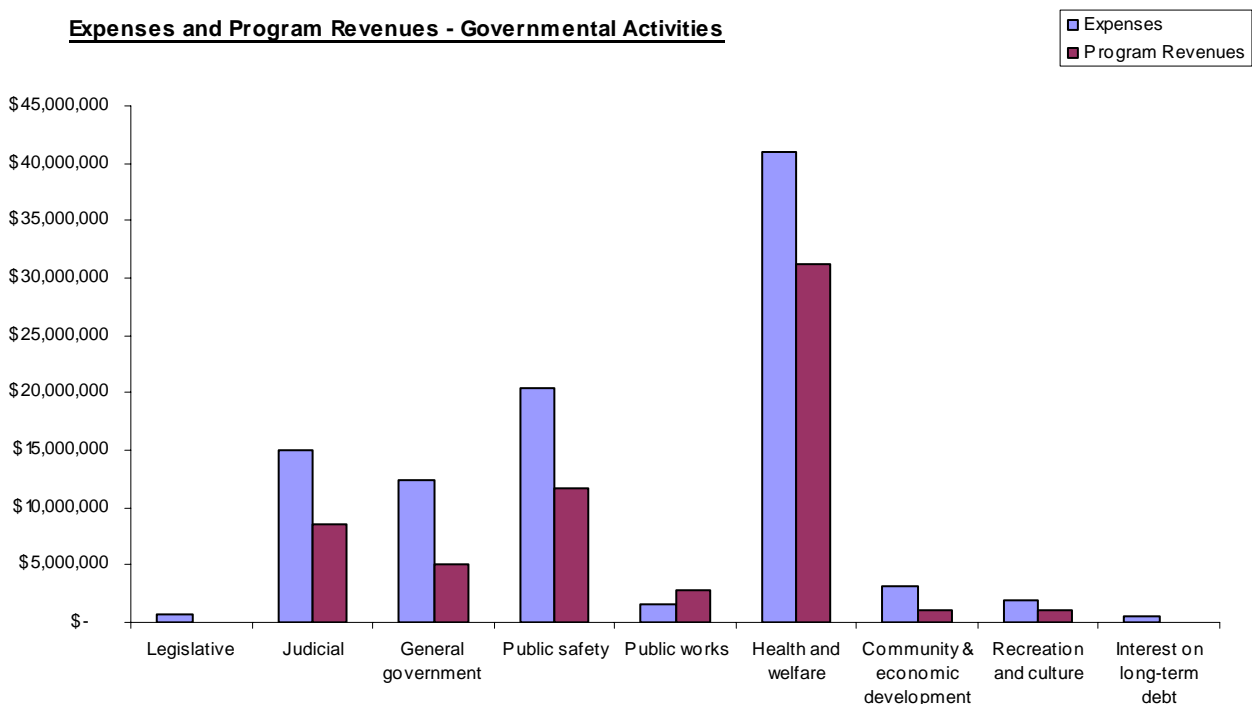
<b>Fiscal Year Ending September 30,</b>	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	2005	2004	2005	2004	2005	2004
<b>Revenues</b>						
Program revenue:						
Charges for services	\$ 19,834,297	\$ 20,887,788	\$ 6,183,698	\$ 5,959,369	\$ 26,017,995	\$ 26,847,157
Operating grants and contributions	38,639,893	36,045,992	-	-	38,639,893	36,045,992
Capital grants and contributions	2,776,384	106,417	151,995	315,889	2,928,379	422,306
General revenue:						
Property taxes	38,828,397	28,769,964	2,390,191	2,299,161	41,218,588	31,069,125
Accommodations tax	1,511,407	1,451,049	-	-	1,511,407	1,451,049
Grants and contributions not restricted to specific programs	497,033	4,372,580	-	-	497,033	4,372,580
Other	802,361	502,683	382,492	208,898	1,184,853	711,581
Total revenue	102,889,772	92,136,473	9,108,376	8,783,317	111,998,148	100,919,790
<b>Expenses</b>						
Legislative	701,591	668,853	-	-	701,591	668,853
Judicial	14,978,854	14,550,828	-	-	14,978,854	14,550,828
General government	12,315,843	11,062,527	-	-	12,315,843	11,062,527
Public safety	20,456,961	19,254,707	-	-	20,456,961	19,254,707
Public works	1,640,444	869,985	-	-	1,640,444	869,985
Health and welfare	40,985,926	39,677,325	-	-	40,985,926	39,677,325
Community and economic development	3,192,602	2,232,404	-	-	3,192,602	2,232,404
Recreation and culture	1,853,821	1,798,804	-	-	1,853,821	1,798,804
Interest on long-term debt	500,165	400,452	-	-	500,165	400,452
Delinquent tax revolving	-	-	281,667	168,793	281,667	168,793
Delinquent tax foreclosure	-	-	172,274	-	172,274	-
Building Authority Event Center	-	-	4,492,342	4,272,247	4,492,342	4,272,247
Building Authority administration	-	-	98,733	177,606	98,733	177,606
Parking system	-	-	62,250	62,934	62,250	62,934
Harry W. Browne Airport	-	-	542,608	539,446	542,608	539,446
Inmate services	-	-	568,136	507,227	568,136	507,227
Total expenses	96,626,207	90,515,885	6,218,010	5,728,253	102,844,217	96,244,138
Increase in net assets before transfers	6,263,565	1,620,588	2,890,366	3,055,064	9,153,931	4,675,652
Transfers	1,909,658	2,094,475	(1,909,658)	(2,094,475)	-	-
Increase in net assets	8,173,223	3,715,063	980,708	960,589	9,153,931	4,675,652
Net assets - beginning, as restated	63,904,034	60,188,971	14,608,455	13,704,994	78,512,489	73,893,965
<b>Net assets - end of year</b>	<b>\$72,077,257</b>	<b>\$ 63,904,034</b>	<b>\$15,589,163</b>	<b>\$14,665,583</b>	<b>\$ 87,666,420</b>	<b>\$ 78,569,617</b>

The County's net assets increased by \$9,153,931 during the current fiscal year. This increase is mainly attributable to the recognition of property taxes in the State mandated Revenue Sharing Reserve Fund. The remainder of this growth reflects the degree to which ongoing revenues exceeded ongoing expenses.

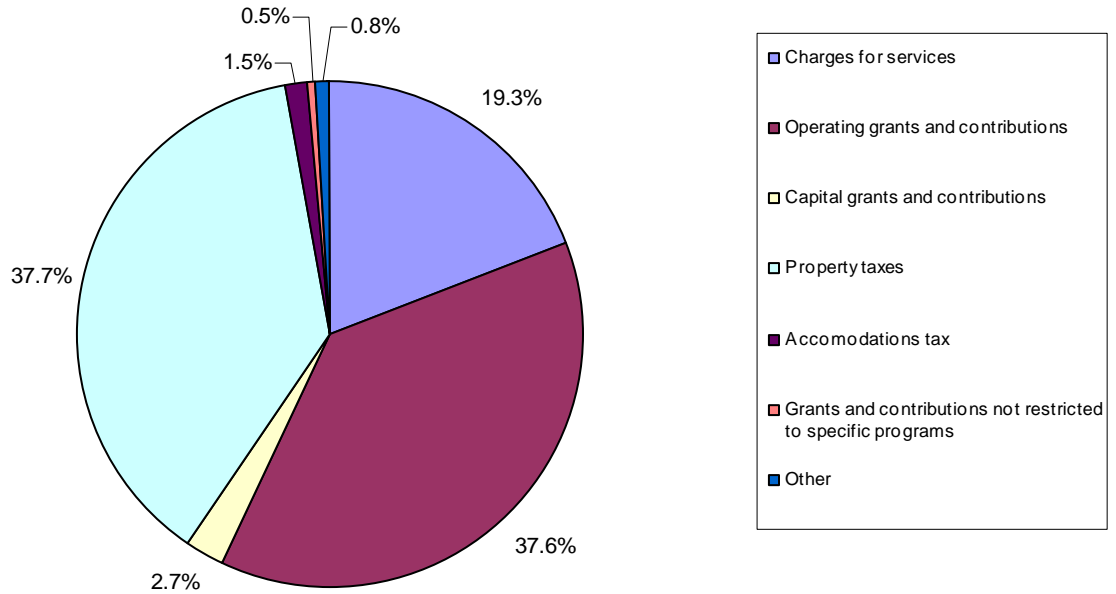
**Governmental activities.** Governmental activities increased the County's net assets by \$8,173,223, thereby accounting for 89.3 percent of the total growth in the net assets of the County. Key elements of this increase are as follows:

- Property taxes increased by approximately \$10,058,000 (35.0 percent) during the year. Of this amount, \$7,319,845 was recognized in the State mandated Revenue Sharing Reserve Fund pursuant to Public Act 357 of 2004. Approximately \$2,241,000 of the remaining increase in property taxes was the result of an additional voter approved millage of 0.49 mills to support the issuance of bonds for the purpose of renovation, remodeling, equipping, and construction at HealthSource Saginaw, a medical facility. The balance of the increase is a result of increased taxable values and residential growth.
- Operating grants and contributions increased by approximately \$2,594,000 (7.2 percent) during the year. Approximately \$1,023,000 of this increase was a result of local contributions received by private sources to assist in the river dredging project and the Imerman Park's riverbank stabilization and fishing access project. The remaining increase was due to grant awards which furnished additional resources to supplement programs in the areas of judicial, public safety and health.
- Capital grants and contributions increased by approximately \$2,670,000 due to grants received for the acquisition of land for the river dredging project and for the purchase of equipment to be used for homeland security.
- Grants and contributions not restricted to specific programs decreased by approximately \$3,876,000 (88.6 percent) as result of the State eliminating state revenue sharing payments per Public Act 357 of 2004.

**Expenses and Program Revenues - Governmental Activities**



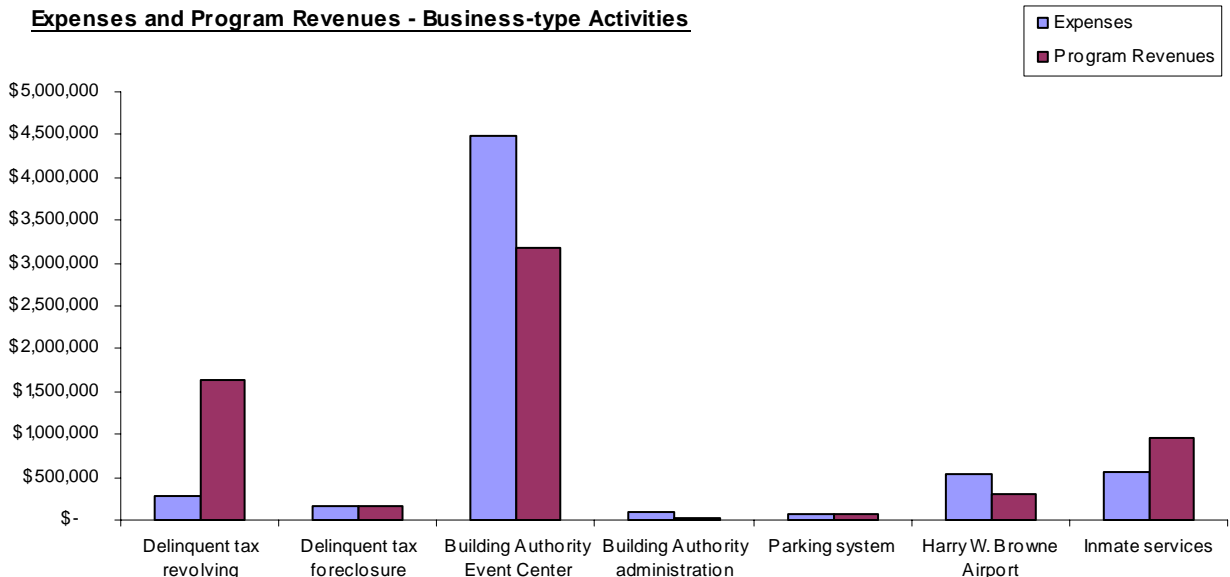
**Revenues by Source - Governmental Activities**



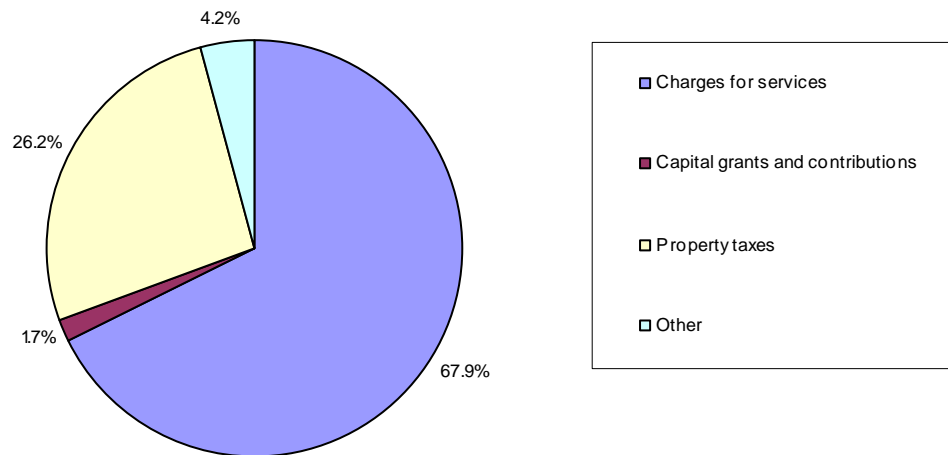
**Business-type activities.** Business-type activities increased the County’s net assets by \$980,708, thereby accounting for 10.7 percent of the total growth in the government’s net assets for the current year. Key elements of this increase are as follows:

- Revenues increased by 3.7 percent or \$325,059. This is a result of accounting for fees associated with the Delinquent Property Tax Foreclosure Fund for the first year and also an increase in charges for services relating to the Building Authority Event Center.
- Expenses increased 9.5 percent, or \$489,757, as a result of increased expenses associated with the Building Authority Event Center and also accounting for the activities related to the Delinquent Property Tax Foreclosure Fund.

**Expenses and Program Revenues - Business-type Activities**



### Revenues by Source - Business-type Activities



### Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$40,187,674, an increase of \$1,994,458 in comparison with the prior year. Approximately 46.4 percent of this total amount (\$18,657,598) 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* (\$11,659,089) and *unreserved – undesignated fund balance* (\$6,998,509). 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 (\$10,955,773), 2) cover prepaid expenditures (\$117,820), 3) pay debt service (\$2,668,914), 4) for capital projects (\$110,563), or 5) for restricted contributions (\$7,677,006).

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 \$9,112,381, while total fund balance amounted to \$20,069,399. 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 26.9 percent of total general fund expenditures, while total fund balance represents 59.2 percent of that same amount.

The fund balance of the County's general fund decreased by \$1,166,514 during the current fiscal year. Key factors in this decrease are as follows:

- Property tax revenue increased by \$304,388 (1.4 percent).
- State grants decreased by \$4,015,482 (58.0 percent) while transfers in increased by \$3,972,346. These changes are mainly attributable to the elimination of state revenue sharing payments in accordance with Public Act 357 of 2004.
- Expenditures increased by \$1,929,956 (6.0 percent) mainly in the areas of legislative, judicial, general government, public safety, and community and economic development.

The Health Department fund had an increase in fund balance for the current year of \$166,905, for an ending total of \$1,607,729. This increase was primarily the result of additional federal, state and local grants and contributions.

The Small Cities Reuse fund had a decrease in fund balance for the current year of \$974,677, for an ending total of \$717,632. This decrease can mainly be attributable to a one-time contribution towards the river dredging project and an increase in the number of loans made to local companies.

The debt service funds have a total fund balance of \$2,704,090 which is entirely designated for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$993,901. This was due to a new voter approved millage of 0.49 mills for HealthSource Saginaw.

The capital projects fund has a total fund balance of \$110,563, of which \$108,279 will be used for the continuing expansion of the Saginaw Valley Rail Trail project as overseen by the Parks and Recreation Commission and \$2,284 will be used for the river dredging project as overseen by the Department of Public Works. The net increase in fund balance during the year was \$21,066.

The permanent fund has a fund balance of \$28,862, which is entirely designated for maintenance of the Saginaw Valley Rail Trail and \$862 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 \$5,802,819, while those for the Building Authority Event Center amounted to \$37,268, and those of Harry W. Browne Airport amounted to \$312,819. The combined unrestricted net assets of the nonmajor enterprise funds and the internal service funds were \$393,427 and \$4,839,756, respectively, at the end of the year. The Delinquent Tax Revolving Fund had an increase in net assets for the year of \$18,384, whereas the Building Authority Event Center had an increase of \$1,019,968 and Harry W. Browne Airport had a decrease of \$146,742. The combined increase in net assets of the nonmajor enterprise funds was \$93,093 and of the internal service funds was \$860,272 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 0.3 percent decrease (\$103,653 decrease in appropriations); whereas the difference between the original budget and final amended budget for revenues resulted in a 10.3 percent decrease (\$3,992,812 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 \$96,989 decrease was allocated to judicial activities that was offset with an increase to transfers out to the Friend of the Court Fund. This adjustment was made to sustain the medical support program through the end of the fiscal year as the state retroactively cut the medical support program in half.
- A \$130,000 increase in transfers out to the Social Services Fund that was offset with an increase in the use of fund balance to allocate money to pay for resident county hospitalization costs.
- A \$3,992,812 decrease in state grants that was offset with an increase in transfers in as a result of the elimination of state revenue sharing payments pursuant to Public Act 357 of 2004. The increase in transfers in was for the amount allowable to spend from our Revenue Sharing Reserve Fund for current year operations.

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

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

- The negative variance in property taxes of \$459,204 occurred due to the shift in our county operating property tax millage from a winter tax levy to a summer tax levy. This amount represents taxes levied in July 2005 that have not been collected as of the end of the fiscal year.
- The negative variance in state grants of \$122,179 is due lower than expected revenue received for state court equity funding and jury compensation reimbursements.
- The favorable variance in charges for services of \$116,864 is a result of aggressive collections made by District Court for outstanding traffic violations which was offset by lower than anticipated revenue received from the exchange of property transactions through the Register of Deeds office.
- The negative variance in reimbursements of \$106,625 is a result of fewer than anticipated number of felons placed on the electronic monitoring system.
- The majority of the favorable variances in expenditures occurred as a result of lapse salaries and benefits because of delays in the filling of vacancies.

**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, 2005, and September 30, 2004, along with the amount and percentage of increases and decreases in relation to the 2004 fund balance:



	2005	2004	Variance from 2004	Percent Increase/ (Decrease)
Revenues	\$ 34,343,704	\$ 38,496,368	\$ (4,152,664)	-10.79%
Expenditures	<u>(33,910,421)</u>	<u>(31,980,465)</u>	<u>(1,929,956)</u>	6.03%
Revenues over expenditures	433,283	6,515,903	(6,082,620)	
Other Financing Sources (Uses):				
Transfers in	5,972,914	2,000,568	3,972,346	
Transfers out	<u>(7,572,711)</u>	<u>(8,167,801)</u>	<u>595,090</u>	
Net change in fund balances	(1,166,514)	348,670	(1,515,184)	
Fund balance, beginning of year	<u>21,235,913</u>	<u>20,887,243</u>	<u>348,670</u>	
Fund balance, end of year	<u>\$ 20,069,399</u>	<u>\$ 21,235,913</u>	<u>\$ (1,166,514)</u>	<u>-5.49%</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	\$ 10,955,773	\$ 10,280,140	\$ -	\$ 21,235,913
2004/2005 Transactions:				
Excess revenue over expenditures	-	433,283	-	433,283
Total other financing sources (uses)	<u>-</u>	<u>(1,599,797)</u>	<u>-</u>	<u>(1,599,797)</u>
2004/2005 net increase (decrease)	<u>-</u>	<u>(1,166,514)</u>	<u>-</u>	<u>(1,166,514)</u>
Fund balance, end of year	<u>\$ 10,955,773</u>	<u>\$ 9,113,626</u>	<u>\$ -</u>	<u>\$ 20,069,399</u>

The Board of Commissioners approved the Specific Fund Balance Policy within the Saginaw County Policy Book. This policy establishes a Reserve for Cash Flow and a Reserve for Budget Stabilization in the General Fund. The policy authorizes earmarking a minimum of five percent of the General Fund's upcoming budget for the Cash Flow Reserve and a minimum of ten percent of the General Fund's upcoming budget for the Budget Stabilization Reserve.

The current balance for Reserve for Cash Flow is \$1,967,472 or 4.5 percent, and for Budget Stabilization is \$1,343,902 or 3.1 percent. The Reserve for Advance Tax Collections, which was established with the change of the County's fiscal year during 1996, at 25% (twenty-five percent) of the upcoming year's budgeted tax collections with a current balance of \$5,801,007. The Reserve for Prepaid items is \$1,245, and it is the final component comprising the Reserve for Future Use classification shown above. There

were not any changes to the 100% Tax Payment Fund Reserve, the Reserve for Advances to Other Funds or to Component Units.

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

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

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

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

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

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

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

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

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

The State Education Tax Fund accounts for the collection and distribution of the State Education Tax. The Library Penal Fine Fund accounts for the collection of fines imposed for State law violations and distributes them to the libraries at the discretion of the State Library Board. The Hospital Millage Fund accounts for the collection and distribution of tax collections for the operations of HealthSource of Saginaw. The Dependent Care and the Medical Spending Reimbursement Funds account for the collection and distribution of pre-tax monies used for dependent care and medical spending by employees of the County.

The remaining fiduciary fund included is the 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, 2005 amounted to \$49,102,423 (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 increase in the County's investment in capital assets for the current fiscal year was 5.6 percent (an 11.8 percent increase for governmental activities and a 3.0 percent decrease for business-type activities).

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

- Land improvements and construction continue to be made to the Saginaw Valley Rail Trail project with approximately \$1,404,000 being placed in service for Phase II. Phase III of the project is still in progress with an approximate cost of \$342,000 during 2005. Construction also continued at Imerman Park for the riverbank stabilization and fishing access project at a cost of approximately \$806,000.
- Construction also began on the river dredging project at a cost of approximately \$1,725,000.
- Two AIS homes owned by the County were sold to the Saginaw County Community Mental Health Authority thereby reducing the County's assets by approximately \$410,000 of which \$41,000 represented land, \$11,700 represented land improvements and the remaining amount represented buildings.
- Building improvements at the jail occurred including the replacement of the north elevator at a cost of \$144,914.
- Construction continued at Harry W. Browne Airport on the apron reconstruction and expansion phase one and phase two at a cost of approximately \$165,500.

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

Fiscal Year Ending September 30,	Governmental Activities		Business-type Activities		Totals	
	2005	2004	2005	2004	2005	2004
Land	\$ 1,173,661	\$ 1,214,661	\$ 1,053,248	\$ 1,053,248	\$ 2,226,909	\$ 2,267,909
Air rights	-	-	117,761	117,761	117,761	117,761
Construction in progress	2,581,159	1,429,621	958,722	793,231	3,539,881	2,222,852
Land improvements	3,821,261	2,480,670	1,154	1,613	3,822,415	2,482,283
Buildings and improvements	18,453,621	19,172,726	13,769,576	14,138,216	32,223,197	33,310,942
Leasehold improvements	18,670	19,535	-	-	18,670	19,535
Planning and development	-	-	2,019,634	2,324,310	2,019,634	2,324,310
Equipment	3,543,065	2,263,946	833,761	878,832	4,376,826	3,142,778
Office furniture and fixtures	156,211	43,946	57,328	60,648	213,539	104,594
Vehicles	517,411	448,858	26,180	40,672	543,591	489,530
Total	<u>\$ 30,265,059</u>	<u>\$ 27,073,963</u>	<u>\$ 18,837,364</u>	<u>\$ 19,408,531</u>	<u>\$ 49,102,423</u>	<u>\$ 46,482,494</u>

Additional information on the County's capital assets can be found in note III.C. on pages 55 - 58 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of \$92,001,289. Of this amount, \$80,734,396 comprises debt backed by the full faith and credit of the government and \$4,595,252 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	
	2005	2004	2005	2004	2005	2004
<b>Primary Government</b>						
General obligation bonds	\$ 39,835,000	\$ 8,380,000	\$ 9,795,000	\$ 11,235,000	\$ 49,630,000	\$ 19,615,000
2004 GOL delinquent tax notes	-	-	-	5,521,000	-	5,521,000
2005 GOL delinquent tax notes	-	-	6,147,000	-	6,147,000	-
<b>Component Units</b>						
Revolving loans	524,641	166,785	-	-	524,641	166,785
General obligation bonds and notes	35,699,648	33,675,825	-	-	35,699,648	33,675,825
Special assessment debt with governmental commitment	-	5,145,010	-	-	-	5,145,010
<b>Total</b>	<u>\$ 76,059,289</u>	<u>\$ 47,367,620</u>	<u>\$ 15,942,000</u>	<u>\$ 16,756,000</u>	<u>\$ 92,001,289</u>	<u>\$ 64,123,620</u>

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

	Amount	Issue	Rate
HealthSource Saginaw	\$ 33,870,000	11/23/2004	2.0%-5.0%
2005 Series GOL Delinquent Tax Notes	9,500,000	6/2/2005	varies
Merrill Village Water System	540,000	8/23/2005	3.25%
Constant DuRussell Intercounty Drain	246,582	9/1/2005	3.00%-3.35%
Vasold Drain	231,000	6/1/2005	3.95%
Village of Oakley Sewage Disposal System	150,000	1/7/2005	2.56%

The County's total debt increased by \$27,877,669 (43.5 percent) during the fiscal year. This is a result of a new bond issued for HealthSource Saginaw for the purpose of renovation, remodeling, equipping, and construction.

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 "A1" bond rating with Standard & Poor's and an "M1G1" 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 \$500,046,134, 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 62 - 66 of this report.

### **Economic Factors and Next Year's Budget and Rates**

The following factors were considered in preparing the County's budget for the 2006 fiscal year:

- Estimates received from the County Equalization Department anticipated that property tax revenue would increase by approximately 5.66% or approximately \$1,200,000 for the General Operating Fund for fiscal 2006. This estimate is significantly higher than recent year increases of approximately 3.5% due to the movement of the tax levy from December to July pursuant to PA 357 of 2004. Public Act 357 of 2004 created a funding mechanism to serve as a substitute to state revenue sharing payments allowing the County to gradually shift its county operating property tax millage from a winter tax levy to a summer tax levy over three consecutive years. The County is required to deposit an amount equal to the County's December 2004 property tax levy into a separate special revenue fund in three separate distributions as follows:
  - in 2005, 1/3 from the December 2004 property tax levy
  - in 2006, 1/3 from the December 2005 property tax levy
  - in 2007, 1/3 from the December 2006 property tax levy

The County is then allowed to make distributions from the special revenue fund in an amount not to exceed its October 1, 2003 through September 30, 2004 revenue sharing payments adjusted for inflation. This amount for 2006 is \$4,084,647.

- Several of the County's sixteen (16) collective bargaining units did not have ratified agreements in place at the time of preparation of the fiscal 2006 budget. Accordingly, no wage increase was included in the budget for those individuals pending outcome of negotiations. The balance of the County's labor groups that did have ratified agreements, as well as all no union employees, were budgeted to received a wage freeze for fiscal year 2006 to be off set by a 3.5% lump sum payment. Merit step pay increases were budgeted where applicable and temporary wages, overtime/holiday pay, and per diem budgets were also budgeted in minimum amounts necessary to cover expenses based on actual costs from the past two years and/or best estimates for the upcoming year.
- 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 9% while contributions to the retiree health reserve went up from \$4,120 to \$4,750 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.
- The unemployment rate for the County of Saginaw as of September 30, 2005 was 8.1 percent, which is a decrease from a rate of 8.7 percent a year before. The County's September 30, 2005 rate is higher than the State's unemployment rate of 5.9 percent and the national rate of 5.1 at the same time period.

- Inflationary trends in the region were expected to compare favorably to national indices. Non personnel costs were generally budgeted to increase by inflationary trend.

During the current fiscal year, unreserved – designated fund balance in the general fund has decreased to \$9,112,381. The County has appropriated \$1,343,900 of this amount for spending in the 2006 fiscal year budget. This appropriation of available fund balance allows the County to adopt a balanced budget and eliminates the need to raise taxes or charges above the current recommended levels during the 2006 fiscal year.

### **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, 2005**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>Assets</b>				
Cash and investment pool	\$ 32,599,947	\$ 15,862,456	\$ 48,462,403	\$ 11,764,169
Receivables (net)	48,022,947	8,260,208	56,283,155	40,505,509
Internal balances	10,392,626	(10,392,626)	-	-
Prepaid items and other assets	129,395	193,701	323,096	804,300
Net pension asset	2,056,799	-	2,056,799	-
Capital assets, net:				
Assets not being depreciated	3,754,820	2,129,731	5,884,551	30,667,644
Assets being depreciated	26,510,239	16,707,633	43,217,872	150,144,186
<b>Total assets</b>	<b>123,466,773</b>	<b>32,761,103</b>	<b>156,227,876</b>	<b>233,885,808</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	7,054,085	1,220,077	8,274,162	2,163,684
Unearned revenue	1,037,341	7,534	1,044,875	5,249
Long-term liabilities:				
Due within one year	4,455,090	7,634,329	12,089,419	3,091,185
Due in more than one year	38,843,000	8,310,000	47,153,000	33,813,854
<b>Total liabilities</b>	<b>51,389,516</b>	<b>17,171,940</b>	<b>68,561,456</b>	<b>39,073,972</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	23,870,059	9,042,364	32,912,423	164,700,182
Restricted for:				
Debt service	2,668,914	-	2,668,914	754,717
Acquisition/construction of capital assets	110,563	-	110,563	4,623,469
Restricted contributions	7,648,144	-	7,648,144	8,144,209
Endowment				
Expendable	862	-	862	-
Nonexpendable	28,000	-	28,000	-
Unrestricted	37,750,715	6,546,799	44,297,514	16,589,259
<b>Total net assets</b>	<b>\$ 72,077,257</b>	<b>\$ 15,589,163</b>	<b>\$ 87,666,420</b>	<b>\$ 194,811,836</b>

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



**COUNTY OF SAGINAW, MICHIGAN  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Continued

	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government</b>						
Governmental activities:						
Legislative	\$ 701,591	\$ -	\$ -	\$ -	\$ -	\$ (701,591)
Judicial	14,449,080	529,774	3,197,694	5,398,977	21,805	(6,360,378)
General government	13,971,904	(1,656,061)	3,715,523	1,287,503	-	(7,312,817)
Public safety	20,390,513	66,448	8,262,353	2,319,496	1,031,059	(8,844,053)
Public works	1,636,820	3,624	712,869	653,002	1,343,000	1,068,427
Health and welfare	40,010,240	975,686	3,625,154	27,581,151	-	(9,779,621)
Community and economic development	3,157,390	35,212	157,693	891,503	-	(2,143,406)
Recreation and culture	1,812,806	41,015	162,301	508,261	380,520	(802,739)
Interest on long-term debt	500,165	-	710	-	-	(499,455)
Total governmental activities	96,630,509	(4,302)	19,834,297	38,639,893	2,776,384	(35,375,633)
Business-type activities:						
Delinquent tax revolving	281,667	-	1,628,449	-	-	1,346,782
Building Authority Event Center	4,492,342	-	3,179,516	-	-	(1,312,826)
Harry W. Browne Airport	542,608	-	148,360	-	151,995	(242,253)
Parking system	62,250	-	75,681	-	-	13,431
Delinquent tax foreclosure	172,274	-	167,757	-	-	(4,517)
Building Authority administration	98,733	-	28,900	-	-	(69,833)
Inmate services	563,834	4,302	955,035	-	-	386,899
Total business-type activities	6,213,708	4,302	6,183,698	-	151,995	117,683
Total primary government	102,844,217	\$ -	\$ 26,017,995	\$ 38,639,893	\$ 2,928,379	\$ (35,257,950)
<b>Component Units</b>						
Road Commission	\$ 16,841,075	\$ -	\$ 103,598	\$ 21,407,751	\$ -	\$ 4,670,274
Brownfield Redevelopment Authority	424,456	-	-	49,895	-	(374,561)
Department of Public Works	1,161,735	-	91,749	-	1,603,942	533,956
Drain Commission	2,151,889	-	160,965	-	1,868,461	(122,463)
Total component units	\$ 20,579,155	\$ -	\$ 356,312	\$ 21,457,646	\$ 3,472,403	\$ 4,707,206

**COUNTY OF SAGINAW, MICHIGAN  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

**Concluded**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>Change in net assets</b>				
Net (expense) revenue	\$ (35,375,633)	\$ 117,683	\$ (35,257,950)	\$ 4,707,206
General revenues:				
Property taxes	38,828,397	2,390,191	41,218,588	139,927
Accomodations tax	1,511,407	-	1,511,407	-
Grants and contributions not restricted to specific programs	497,033	-	497,033	-
Investment income - interest earned	791,922	380,242	1,172,164	218,884
Gain on sale of capital assets	10,439	2,250	12,689	53,608
Transfers	1,909,658	(1,909,658)	-	-
Total general revenues and transfers	43,548,856	863,025	44,411,881	412,419
Change in net assets	8,173,223	980,708	9,153,931	5,119,625
Net assets, beginning of year, as restated	63,904,034	14,608,455	78,512,489	189,692,211
Net assets, end of year	\$ 72,077,257	\$ 15,589,163	\$ 87,666,420	\$ 194,811,836

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

**COUNTY OF SAGINAW, MICHIGAN**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2005**

	General	Health Department	Michigan Works!	Small Cities Reuse	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and investment pool	\$ 6,014,647	\$ 1,608,390	\$ 179,521	\$ 772,665	\$ 17,500,690	\$ 26,075,913
Receivables (net):						
Taxes	2,218,010	-	-	-	286,143	2,504,153
Accounts	142,583	304,898	1,371	-	1,563,392	2,012,244
Notes	-	-	-	1,958,130	-	1,958,130
Accrued interest	55,785	-	846	3,415	57,573	117,619
Due from other funds	2,252,056	-	46,886	-	424,823	2,723,765
Due from other governmental units	792,451	988,539	1,647,643	136,678	3,705,750	7,271,061
Advances to other funds	10,555,773	-	-	-	-	10,555,773
Advances to component units	400,000	-	-	-	-	400,000
Advances to other governmental units	-	-	25,000	-	-	25,000
Prepaid items	1,245	-	7,260	-	116,575	125,080
<b>Total assets</b>	<b>\$ 22,432,550</b>	<b>\$ 2,901,827</b>	<b>\$ 1,908,527</b>	<b>\$ 2,870,888</b>	<b>\$ 23,654,946</b>	<b>\$ 53,768,738</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 414,914	\$ 567,661	\$ 1,472,638	\$ 188,526	\$ 1,683,858	\$ 4,327,597
Accrued liabilities	482,798	93,867	49,166	-	459,561	1,085,392
Deposits payable	-	46,858	-	-	20,787	67,645
Due to other funds	76,149	-	43,792	6,600	2,417,855	2,544,396
Due to other governmental units	-	139,842	62,395	-	184,895	387,132
Advances from other funds	-	-	-	-	300,000	300,000
Advances from other governmental units	-	-	-	-	198,000	198,000
Deferred revenue	1,389,290	445,870	280,536	1,958,130	597,076	4,670,902
<b>Total liabilities</b>	<b>2,363,151</b>	<b>1,294,098</b>	<b>1,908,527</b>	<b>2,153,256</b>	<b>5,862,032</b>	<b>13,581,064</b>
<b>Fund Balances</b>						
Reserved for:						
Long-term advances	10,955,773	-	-	-	-	10,955,773
Prepaid items	1,245	-	-	-	116,575	117,820
Debt service	-	-	-	-	2,668,914	2,668,914
Capital projects	-	-	-	-	110,563	110,563
Restricted contributions	-	-	-	-	7,677,006	7,677,006
Unreserved - designated for:						
Advance tax collections	5,801,007	-	-	-	-	5,801,007
Cash flow	1,967,472	-	-	-	-	1,967,472
Budget stabilization	1,343,902	-	-	-	-	1,343,902
Future use-special revenue funds	-	-	-	-	1,245,711	1,245,711
General improvements-special revenue funds	-	-	-	-	1,300,997	1,300,997
Unreserved - undesignated, reported in:						
Special revenue funds	-	1,607,729	-	717,632	4,673,148	6,998,509
<b>Total fund balances</b>	<b>20,069,399</b>	<b>1,607,729</b>	<b>-</b>	<b>717,632</b>	<b>17,792,914</b>	<b>40,187,674</b>
<b>Total liabilities and fund balances</b>	<b>\$ 22,432,550</b>	<b>\$ 2,901,827</b>	<b>\$ 1,908,527</b>	<b>\$ 2,870,888</b>	<b>\$ 23,654,946</b>	<b>\$ 53,768,738</b>

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, 2005**

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Fund balances - total governmental funds	\$ 40,187,674
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	44,814,765
Deduct - accumulated depreciation	(15,604,061)
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	1,675,433
Add - deferred revenue on notes receivable	1,958,130
Add - net pension asset	2,056,799
Add - long-term receivable for repayment of debt service	33,440,000
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.	
	5,893,645
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	(39,835,000)
Deduct - accrued interest on bonds payable	(775,209)
Deduct - accrued compensated absences	(1,734,919)
Net assets of governmental activities	<u>\$ 72,077,257</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, 2005**

	General	Health Department	Michigan Works!	Small Cities Reuse	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property taxes	\$ 21,500,331	\$ -	\$ -	\$ -	\$ 16,740,012	\$ 38,240,343
Accommodations tax	-	-	-	-	1,511,407	1,511,407
Licenses and permits	204,549	256,821	-	-	17,401	478,771
Federal grants	348,522	5,417,346	12,123,352	240,964	7,503,386	25,633,570
State grants	2,911,285	3,110,003	824,418	-	6,002,936	12,848,642
Local grants and contributions	-	1,163,012	-	-	1,820,819	2,983,831
Charges for services	5,030,332	1,907,046	-	-	6,482,239	13,419,617
Fines and forfeitures	664,521	-	-	1,196	143,998	809,715
Investment income	300,436	-	5,124	23,638	351,001	680,199
Rental revenue	-	-	-	-	791,084	791,084
Donations	-	55,202	-	-	1,586,645	1,641,847
Reimbursements	3,210,159	133,088	-	393,220	2,232,907	5,969,374
Other revenue	173,569	3,005	44,609	-	153,365	374,548
<b>Total revenues</b>	<b>34,343,704</b>	<b>12,045,523</b>	<b>12,997,503</b>	<b>659,018</b>	<b>45,337,200</b>	<b>105,382,948</b>
<b>Expenditures</b>						
Current:						
Legislative	692,177	-	-	-	-	692,177
Judicial	10,368,249	-	-	-	4,272,158	14,640,407
General government	10,653,503	-	-	-	2,647,881	13,301,384
Public safety	7,975,909	-	-	-	12,495,036	20,470,945
Public works	471,633	-	-	-	2,897,987	3,369,620
Health and welfare	2,375,333	12,447,801	12,467,113	-	12,792,003	40,082,250
Community and economic development	390,003	-	-	1,300,695	2,165,584	3,856,282
Recreation and culture	-	-	-	-	1,769,227	1,769,227
Other	983,614	-	-	-	-	983,614
Capital outlay	-	29,863	11,315	-	2,663,312	2,704,490
Debt service:						
Principal	-	-	-	-	2,415,000	2,415,000
Interest and fiscal charges	-	-	-	-	1,066,684	1,066,684
<b>Total expenditures</b>	<b>33,910,421</b>	<b>12,477,664</b>	<b>12,478,428</b>	<b>1,300,695</b>	<b>45,184,872</b>	<b>105,352,080</b>
Revenues over (under) expenditures	433,283	(432,141)	519,075	(641,677)	152,328	30,868
<b>Other Financing Sources (Uses)</b>						
Transfers in	5,972,914	599,046	-	-	8,412,351	14,984,311
Transfers out	(7,572,711)	-	(519,075)	(333,000)	(4,596,280)	(13,021,066)
Proceeds from sale of capital assets	-	-	-	-	345	345
<b>Total other financing sources (uses)</b>	<b>(1,599,797)</b>	<b>599,046</b>	<b>(519,075)</b>	<b>(333,000)</b>	<b>3,816,416</b>	<b>1,963,590</b>
Net change in fund balances	(1,166,514)	166,905	-	(974,677)	3,968,744	1,994,458
Fund balance, beginning of year	21,235,913	1,440,824	-	1,692,309	13,824,170	38,193,216
Fund balance, end of year	\$ 20,069,399	\$ 1,607,729	\$ -	\$ 717,632	\$ 17,792,914	\$ 40,187,674

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, 2005**

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Net change in fund balances - total governmental funds	\$ 1,994,458
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	4,755,573
Deduct - net loss on sale of capital assets	(292,088)
Deduct - depreciation expense	(1,162,515)
Revenues in the funds that represent repayment of taxes or loans receivable that do not affect the statement of activities	539,156
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	(342,356)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,415,000
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.	
Subtract - increase in accrued interest payable	(633,188)
Add - decrease in accrual for accrued compensated absences	34,916
Internal service funds are used by management to charge the costs of certain activities to individual funds. Some of the net revenue (expense) attributable to those funds is reported with governmental activities.	
Add - net operating income from governmental activities in internal service funds	795,692
Add - investment income from governmental internal service funds	111,723
Add - net gain on sale of capital assets in governmental internal service funds	10,439
Deduct - net transfers	(53,587)
Change in net assets of governmental activities	<u>\$ 8,173,223</u>

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

**COUNTY OF SAGINAW, MICHIGAN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 21,959,535	\$ 21,959,535	\$ 21,500,331	\$ (459,204)
Licenses and permits	195,800	195,800	204,549	8,749
Federal grants	358,255	358,255	348,522	(9,733)
State grants	7,026,276	3,033,464	2,911,285	(122,179)
Charges for services	4,913,468	4,913,468	5,030,332	116,864
Fines and forfeitures	649,800	649,800	664,521	14,721
Investment income	303,150	303,150	300,436	(2,714)
Reimbursements	3,316,784	3,316,784	3,210,159	(106,625)
Other revenue	156,216	156,216	173,569	17,353
Total revenues	38,879,284	34,886,472	34,343,704	(542,768)
<b>Expenditures</b>				
Legislative - Board of Commissioners	698,682	698,682	692,177	6,505
<b>Judicial:</b>				
Circuit Court	3,168,177	3,071,188	2,811,322	259,866
District Court	3,157,830	3,157,830	3,126,589	31,241
Probate Court	786,259	798,259	770,722	27,537
Family Division	2,697,478	2,690,814	2,623,613	67,201
Probation - Circuit Court	100,876	100,876	100,701	175
Probation - District Court	873,323	873,323	842,332	30,991
Assigned Counsel	92,858	92,858	91,470	1,388
Jury Commission	1,500	1,500	1,500	-
Total judicial	10,878,301	10,786,648	10,368,249	418,399
<b>General government:</b>				
Elections	86,762	86,762	99,410	(12,648)
Auditing	128,150	128,150	121,581	6,569
Coporate Counsel	141,000	141,000	156,436	(15,436)
County Clerk	1,063,276	1,063,276	1,044,614	18,662
Controller	1,177,805	1,177,805	1,068,810	108,995
Board of Auditors	780	780	406	374
Equalization	446,497	446,497	448,831	(2,334)
Prosecuting Attorney	2,679,169	2,679,169	2,663,500	15,669
Prosecuting Attorney - Welfare	531,741	531,741	516,945	14,796
Register of Deeds	526,901	526,301	494,004	32,297
County Treasurer	721,918	721,918	687,638	34,280
Maintenance	2,894,852	2,894,852	2,894,426	426
Maintenance - Telephone	115,000	115,000	149,977	(34,977)
Public Works Commissioner	311,307	311,307	306,925	4,382
Total general government	10,825,158	10,824,558	10,653,503	171,055

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, 2005**

Concluded

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures - continued</b>				
Public Safety:				
Sheriff	\$ 713,791	\$ 713,791	\$ 749,874	\$ (36,083)
Marine Law Enforcement	5,521	5,521	2,948	2,573
Sheriff - Jail Division	6,982,665	6,982,665	7,070,099	(87,434)
Corrections Reimbursement	154,664	154,664	152,988	1,676
Total public safety	<u>7,856,641</u>	<u>7,856,641</u>	<u>7,975,909</u>	<u>(119,268)</u>
Public Works - Drains	<u>505,000</u>	<u>505,000</u>	<u>471,633</u>	<u>33,367</u>
Health and Welfare:				
Medical Examiner	236,994	236,994	255,905	(18,911)
Veterans Burial	126,000	126,000	117,300	8,700
Contributions to Other Agencies	2,015,803	2,003,803	2,002,128	1,675
Total health and welfare	<u>2,378,797</u>	<u>2,366,797</u>	<u>2,375,333</u>	<u>(8,536)</u>
Community and Economic Development:				
Plat Board	2,000	2,600	2,386	214
Contributions to Other Agencies	390,000	390,000	387,617	2,383
Total community and economic development	<u>392,000</u>	<u>392,600</u>	<u>390,003</u>	<u>2,597</u>
Other general expenditures	<u>983,614</u>	<u>983,614</u>	<u>983,614</u>	<u>-</u>
Total expenditures	<u>34,518,193</u>	<u>34,414,540</u>	<u>33,910,421</u>	<u>504,119</u>
Revenues over (under) expenditures	<u>4,361,091</u>	<u>471,932</u>	<u>433,283</u>	<u>(38,649)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,959,883	5,952,695	5,972,914	20,219
Transfers out	(7,538,862)	(7,791,015)	(7,572,711)	218,304
Total other financing sources (uses)	<u>(5,578,979)</u>	<u>(1,838,320)</u>	<u>(1,599,797)</u>	<u>238,523</u>
Net change in fund balances	(1,217,888)	(1,366,388)	(1,166,514)	199,874
Fund balance, beginning of year	21,235,913	21,235,913	21,235,913	-
Fund balance, end of year	<u>\$ 20,018,025</u>	<u>\$ 19,869,525</u>	<u>\$ 20,069,399</u>	<u>\$ 199,874</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, 2005**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Licenses and permits	\$ 279,025	\$ 279,025	\$ 256,821	\$ (22,204)
Federal grants	5,417,346	5,417,346	5,417,346	-
State grants	1,581,067	3,024,508	3,110,003	85,495
Local grants and contributions	209,962	1,129,962	1,163,012	33,050
Charges for services	2,743,997	1,841,497	1,907,046	65,549
Donations	61,538	63,538	55,202	(8,336)
Reimbursements	43,600	109,083	133,088	24,005
Other revenue	225	105,825	3,005	(102,820)
<b>Total revenues</b>	<b>10,336,760</b>	<b>11,970,784</b>	<b>12,045,523</b>	<b>74,739</b>
<b>Expenditures</b>				
Health and welfare	11,431,604	12,971,145	12,447,801	523,344
Capital outlay	-	29,000	29,863	(863)
<b>Total expenditures</b>	<b>11,431,604</b>	<b>13,000,145</b>	<b>12,477,664</b>	<b>522,481</b>
Revenues over (under) expenditures	(1,094,844)	(1,029,361)	(432,141)	597,220
<b>Other Financing Sources (Uses)</b>				
Transfers in	856,298	856,298	599,046	(257,252)
Net change in fund balances	(238,546)	(173,063)	166,905	339,968
Fund balance, beginning of year	1,440,824	1,440,824	1,440,824	-
Fund balance, end of year	<u>\$ 1,202,278</u>	<u>\$ 1,267,761</u>	<u>\$ 1,607,729</u>	<u>\$ 339,968</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 - MICHIGAN WORKS! SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Federal grants	\$ 12,123,352	\$ 12,123,352	\$ 12,123,352	\$ -
State grants	1,342,881	3,091,419	824,418	(2,267,001)
Investment income	-	-	5,124	5,124
Other revenue	135,000	299,664	44,609	(255,055)
<b>Total revenues</b>	<b>13,601,233</b>	<b>15,514,435</b>	<b>12,997,503</b>	<b>(2,516,932)</b>
<b>Expenditures</b>				
Health and welfare	13,084,940	14,845,792	12,467,113	2,378,679
Capital outlay	-	45,000	11,315	33,685
<b>Total expenditures</b>	<b>13,084,940</b>	<b>14,890,792</b>	<b>12,478,428</b>	<b>2,412,364</b>
Revenues over (under) expenditures	516,293	623,643	519,075	(104,568)
<b>Other Financing Sources (Uses)</b>				
Transfers out	(516,293)	(623,643)	(519,075)	104,568
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - SMALL CITIES REUSE SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Federal grants	\$ -	\$ 623,000	\$ 240,964	\$ (382,036)
Fines and forfeitures	-	-	1,196	1,196
Investment income	25,000	25,000	23,638	(1,362)
Reimbursements	<u>346,172</u>	<u>346,172</u>	<u>393,220</u>	<u>47,048</u>
Total revenues	371,172	994,172	659,018	(335,154)
<b>Expenditures</b>				
Current:				
Community and economic development	<u>504,777</u>	<u>1,670,624</u>	<u>1,300,695</u>	<u>369,929</u>
Revenues over (under) expenditures	(133,605)	(676,452)	(641,677)	34,775
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(333,000)</u>	<u>(333,000)</u>	<u>(333,000)</u>	<u>-</u>
Net change in fund balances	(466,605)	(1,009,452)	(974,677)	34,775
Fund balance, beginning of year	<u>1,692,309</u>	<u>1,692,309</u>	<u>1,692,309</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,225,704</u>	<u>\$ 682,857</u>	<u>\$ 717,632</u>	<u>\$ 34,775</u>

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

**COUNTY OF SAGINAW, MICHIGAN**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2005**

	Business-type Activities - Enterprise Funds				Total	Governmental
	Delinquent Tax Revolving	Building Authority Event Center	Harry W. Browne Airport	Other Enterprise Funds		Internal Service Funds
<b>Assets</b>						
Current assets:						
Cash and investment pool	\$ 14,102,998	\$ 869,416	\$ 305,752	\$ 584,290	\$ 15,862,456	\$ 6,524,034
Receivables (net):						
Taxes	7,709,410	48,698	-	-	7,758,108	-
Accounts	208,380	27,554	25,004	51,091	312,029	275,560
Accrued interest	53,235	465	-	1,316	55,016	19,180
Due from other funds	15,257	123,971	-	-	139,228	6
Due from other governmental units	135,055	-	-	-	135,055	-
Advances to other funds	300,000	-	-	-	300,000	-
Unamortized bond issuance costs	-	109,413	-	-	109,413	-
Inventories	-	42,579	-	-	42,579	-
Prepaid items	-	36,971	4,738	-	41,709	39,491
<b>Total current assets</b>	<b>22,524,335</b>	<b>1,259,067</b>	<b>335,494</b>	<b>636,697</b>	<b>24,755,593</b>	<b>6,858,271</b>
Noncurrent assets - capital assets:						
Land	-	18,614	993,361	41,273	1,053,248	233,000
Air rights	-	-	117,761	-	117,761	-
Land improvements	-	-	6,625	33,933	40,558	25,387
Buildings and improvements	-	14,000,235	1,060,547	-	15,060,782	927,000
Leasehold improvements	-	-	-	-	-	23,628
Machinery and equipment	-	896,949	-	87,441	984,390	1,884,889
Office furniture and fixtures	-	61,201	-	-	61,201	84,750
Vehicles	-	29,518	50,414	54,428	134,360	1,467,239
Planning and development	-	-	6,687,878	-	6,687,878	-
Construction in progress	-	-	958,722	-	958,722	-
Accumulated depreciation	-	(613,418)	(5,481,239)	(166,879)	(6,261,536)	(3,591,538)
<b>Total noncurrent assets - capital assets</b>	<b>-</b>	<b>14,393,099</b>	<b>4,394,069</b>	<b>50,196</b>	<b>18,837,364</b>	<b>1,054,355</b>
<b>Total assets</b>	<b>22,524,335</b>	<b>15,652,166</b>	<b>4,729,563</b>	<b>686,893</b>	<b>43,592,957</b>	<b>7,912,626</b>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	71,091	179,394	3,227	83,279	336,991	397,795
Accrued liabilities	-	333,747	-	698	334,445	48,492
Deposits payable	2,652	492,771	-	15,852	511,275	-
Due to other funds	-	190,435	-	121,112	311,547	7,056
Due to other governmental units	-	-	15,658	-	15,658	-
Unearned revenue	-	3,744	3,790	-	7,534	-
Unamortized bond premium	-	21,708	-	-	21,708	-
Notes payable - current	6,147,000	-	-	-	6,147,000	-
Bonds payable - current	-	1,485,000	-	-	1,485,000	-
<b>Total current liabilities</b>	<b>6,220,743</b>	<b>2,706,799</b>	<b>22,675</b>	<b>220,941</b>	<b>9,171,158</b>	<b>453,343</b>
Noncurrent liabilities:						
Accrued liabilities	-	-	-	2,329	2,329	1,530,172
Advances from other funds	10,500,773	-	-	20,000	10,520,773	35,000
Bonds payable	-	8,310,000	-	-	8,310,000	-
<b>Total noncurrent liabilities</b>	<b>10,500,773</b>	<b>8,310,000</b>	<b>-</b>	<b>22,329</b>	<b>18,833,102</b>	<b>1,565,172</b>
<b>Total liabilities</b>	<b>16,721,516</b>	<b>11,016,799</b>	<b>22,675</b>	<b>243,270</b>	<b>28,004,260</b>	<b>2,018,515</b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	-	4,598,099	4,394,069	50,196	9,042,364	1,054,355
Unrestricted	5,802,819	37,268	312,819	393,427	6,546,333	4,839,756
<b>Total Net Assets</b>	<b>\$ 5,802,819</b>	<b>\$ 4,635,367</b>	<b>\$ 4,706,888</b>	<b>\$ 443,623</b>	<b>15,588,697</b>	<b>\$ 5,894,111</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					466	
Net assets of business-type activities					<u>\$ 15,589,163</u>	

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

**COUNTY OF SAGINAW, MICHIGAN**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

	Business-type Activities - Enterprise Funds				Total	Governmental
	Delinquent Tax Revolving	Building Authority Event Center	Harry W. Browne Airport	Other Enterprise Funds		Internal Service Funds
<b>Operating Revenues</b>						
Charges for services	\$ 513,600	\$ 2,934,418	\$ 25,678	\$ 1,137,835	\$ 4,611,531	\$ 293,053
Interest income	1,080,272	-	-	-	1,080,272	-
Fines and forfeitures	-	-	-	14,269	14,269	-
Rental revenue	-	-	108,271	-	108,271	697,313
Reimbursements	-	-	-	-	-	15,105,221
Other revenue	34,577	245,098	14,411	75,269	369,355	296,479
Total operating revenues	1,628,449	3,179,516	148,360	1,227,373	6,183,698	16,392,066
<b>Operating Expenses</b>						
Personal services	-	1,082,093	200	33,233	1,115,526	1,179,450
Fringe benefits	-	267,279	16	12,573	279,868	11,104,710
Supplies	-	381,064	4,751	487,836	873,651	208,410
Services and charges	107,440	1,246,063	175,719	295,915	1,825,137	2,758,481
Other	-	782,243	-	-	782,243	-
Amortization	-	13,836	-	-	13,836	-
Depreciation	-	382,426	357,216	13,510	753,152	349,318
Total operating expenses	107,440	4,155,004	537,902	843,067	5,643,413	15,600,369
Operating income (loss)	1,521,009	(975,488)	(389,542)	384,306	540,285	791,697
<b>Nonoperating Revenues (Expenses)</b>						
Property taxes	-	2,390,191	-	-	2,390,191	-
Federal grants	-	-	151,683	-	151,683	-
State grants	-	-	312	-	312	-
Investment income	366,224	7,140	-	6,878	380,242	111,723
Interest expense and fiscal charges	(174,227)	(396,375)	-	-	(570,602)	-
Gain on sale of capital assets	-	-	2,250	-	2,250	10,439
Total nonoperating revenues (expenses)	191,997	2,000,956	154,245	6,878	2,354,076	122,162
Income (loss) before transfers	1,713,006	1,025,468	(235,297)	391,184	2,894,361	913,859
<b>Transfers</b>						
Transfers in	-	-	88,555	98,548	187,103	-
Transfers out	(1,694,622)	(5,500)	-	(396,639)	(2,096,761)	(53,587)
Net transfers	(1,694,622)	(5,500)	88,555	(298,091)	(1,909,658)	(53,587)
Change in net assets	18,384	1,019,968	(146,742)	93,093	984,703	860,272
Net assets, beginning of year, as restated	5,784,435	3,615,399	4,853,630	350,530		5,033,839
Net assets, end of year	\$ 5,802,819	\$ 4,635,367	\$ 4,706,888	\$ 443,623		\$ 5,894,111
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(3,995)	
Change in net assets of business-type activities					\$ 980,708	

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, 2005**

Continued

	Business-type Activities - Enterprise Funds				Total	Governmental
	Delinquent Tax Revolving	Building Authority Event Center	Harry W. Browne Airport	Other Enterprise Funds		Internal Service Funds
<b>Cash flows from operating activities:</b>						
Receipts from customers	\$ 233,654	\$ 2,891,244	\$ 122,493	\$ 1,138,089	\$ 4,385,480	\$ -
Receipts from interfund services provided	(19,060)	(118,599)	-	(140,972)	(278,631)	16,484,732
Payments to employees	-	(1,349,372)	(216)	(47,146)	(1,396,734)	(1,364,061)
Payments to suppliers	(47,100)	(2,434,255)	(187,854)	(723,880)	(3,393,089)	(13,258,200)
Other operating revenue	1,114,849	245,098	14,411	89,538	1,463,896	296,479
Net cash provided by (used in) operating activities	1,282,343	(765,884)	(51,166)	315,629	780,922	2,158,950
<b>Cash flows from noncapital financing activities:</b>						
Property tax collections	-	2,390,191	-	-	2,390,191	-
Advances to other funds	(300,000)	-	-	-	(300,000)	-
Transfers in	-	-	88,555	98,548	187,103	-
Transfers out	(1,694,622)	(5,500)	-	(396,639)	(2,096,761)	(53,587)
Proceeds from issuing long-term debt	9,500,000	-	-	-	9,500,000	-
Principal paid on long-term debt	(8,874,000)	-	-	-	(8,874,000)	-
Interest paid on long-term debt	(174,227)	-	-	-	(174,227)	-
Net cash provided by (used in) noncapital financing activities	(1,542,849)	2,384,691	88,555	(298,091)	632,306	(53,587)
<b>Cash flows from capital and related financing activities:</b>						
Grant proceeds	-	-	151,995	-	151,995	-
Principal paid on capital debt	-	(1,440,000)	-	-	(1,440,000)	-
Interest paid on capital debt	-	(396,375)	-	-	(396,375)	-
Proceeds from sale of capital assets	-	-	2,250	-	2,250	17,750
Payments for capital asset acquisition	-	-	(165,491)	(7,494)	(172,985)	(246,755)
Net cash provided by (used in) capital and related financing activities	-	(1,836,375)	(11,246)	(7,494)	(1,855,115)	(229,005)
<b>Cash flows from investing activities:</b>						
Investment income	366,224	7,140	-	6,878	380,242	111,723
Net increase (decrease) in cash and cash equivalents	105,718	(210,428)	26,143	16,922	(61,645)	1,988,081
Cash and cash equivalents, beginning of year	13,997,280	1,079,844	279,609	567,368	15,924,101	4,535,953
Cash and cash equivalents, end of year	\$ 14,102,998	\$ 869,416	\$ 305,752	\$ 584,290	\$ 15,862,456	\$ 6,524,034

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, 2005**

Concluded

	Business-type Activities - Enterprise Funds					Governmental
	Delinquent Tax Revolving	Building Authority Event Center	Harry W. Browne Airport	Other Enterprise Funds	Total	Internal Service Funds
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ 1,521,009	\$ (975,488)	\$ (389,542)	\$ 384,306	\$ 540,285	\$ 791,697
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	382,426	357,216	13,510	753,152	349,318
Changes in assets and liabilities:						
Accounts receivable	(306,732)	(43,231)	(12,406)	254	(362,115)	244,175
Due from other funds	(4,669)	(12,805)	-	-	(17,474)	171,914
Due from other governmental units	26,786	17	-	-	26,803	-
Unamortized bond issuance costs	-	17,268	-	-	17,268	-
Inventories	-	(11,748)	-	-	(11,748)	-
Prepaid items	-	(27,309)	(138)	-	(27,447)	490,184
Accounts payable	60,616	(24,603)	(4,093)	59,871	91,791	(89,196)
Accrued liabilities	-	83,212	-	(1,340)	81,872	227,802
Deposits payable	(276)	(44,437)	-	-	(44,713)	-
Due to other funds	(14,391)	(105,794)	-	(140,972)	(261,157)	(26,944)
Due to other governmental units	-	-	(3,153)	-	(3,153)	-
Advances from other governmental units	-	-	-	-	-	-
Unearned revenue	-	40	950	-	990	-
Unamortized bond premium	-	(3,432)	-	-	(3,432)	-
Net cash provided by (used in) operating activities	<u>\$ 1,282,343</u>	<u>\$ (765,884)</u>	<u>\$ (51,166)</u>	<u>\$ 315,629</u>	<u>\$ 780,922</u>	<u>\$ 2,158,950</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, 2005**

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	<b>Post- Employment Health Benefits Trust Fund</b>	<b>Agency Funds</b>
<b>Assets</b>		
Cash and investment pool	\$ 8,722,971	\$ 9,908,953
Investments, at fair value - mutual funds	3,372,806	-
Investment in land contract	136,658	-
Receivables (net):		
Taxes	-	37,057
Accounts	97,514	3,635,736
Accrued interest	1,737	1,060
	<u>12,331,686</u>	<u>\$ 13,582,806</u>
<b>Liabilities</b>		
Accounts payable	3,500	\$ 516,833
Accrued liabilities	197,491	-
Deposits payable	-	4,219,564
Due to other governmental units	-	8,846,409
	<u>200,991</u>	<u>\$ 13,582,806</u>
<b>Net Assets</b>		
Held in trust for postemployment health benefits	<u>\$ 12,130,695</u>	

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



**COUNTY OF SAGINAW, MICHIGAN  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS - POSTEMPLOYMENT HEALTH BENEFITS TRUST FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

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**Additions**

Contributions:

Employer	\$ 2,854,077
Retirees	<u>155,932</u>

Total contributions	<u>3,010,009</u>
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Investment earnings:

Net appreciation in fair value of investments	774,517
Interest and dividends	<u>341,965</u>

Net investment earnings	<u>1,116,482</u>
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Total additions	<u>4,126,491</u>
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**Deductions**

Participant benefits	3,521,880
Administrative expenses	<u>151,485</u>

Total deductions	<u>3,673,365</u>
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Change in net assets	453,126
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Net assets, beginning of year	<u>11,677,569</u>
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Net assets, end of year	<u><u>\$ 12,130,695</u></u>
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The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF NET ASSETS - COMPONENT UNITS**  
**SEPTEMBER 30, 2005**

	<u>Road Commission</u>	<u>Brownfield Redevelopment Authority</u>	<u>Department of Public Works</u>	<u>Drain Commission</u>	<u>Total</u>
<b>Assets</b>					
Cash and investment pool	\$ 5,480,408	\$ 471,019	\$ 600,945	\$ 5,211,797	\$ 11,764,169
Receivables (net)	3,793,196	53,233	19,826,641	16,832,439	40,505,509
Prepaid items and other assets	804,300	-	-	-	804,300
Capital assets, net:					
Assets not being depreciated	30,456,411	-	-	211,233	30,667,644
Assets being depreciated	107,199,565	-	-	42,944,621	150,144,186
<b>Total assets</b>	<u>147,733,880</u>	<u>524,252</u>	<u>20,427,586</u>	<u>65,200,090</u>	<u>233,885,808</u>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	1,247,696	160,125	241,872	513,991	2,163,684
Deferred revenue	5,249	-	-	-	5,249
Long-term liabilities:					
Due within one year	-	13,674	1,800,000	1,277,511	3,091,185
Due in more than one year	680,750	510,967	17,788,000	14,834,137	33,813,854
<b>Total liabilities</b>	<u>1,933,695</u>	<u>684,766</u>	<u>19,829,872</u>	<u>16,625,639</u>	<u>39,073,972</u>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	137,655,976	-	-	27,044,206	164,700,182
Restricted for:					
Debt service	-	-	52,999	701,718	754,717
Acquisition/construction of capital assets	-	-	544,715	4,078,754	4,623,469
Restricted contributions	8,144,209	-	-	-	8,144,209
Unrestricted (deficit)	<u>(160,514)</u>	<u>(160,514)</u>	<u>-</u>	<u>16,749,773</u>	<u>16,589,259</u>
<b>Total net assets</b>	<u>\$ 145,800,185</u>	<u>\$ (160,514)</u>	<u>\$ 597,714</u>	<u>\$ 48,574,451</u>	<u>\$ 194,811,836</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, 2005**

**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>	
<b>Road Commission</b>					
Governmental Activities:					
Highways and streets	\$ 16,841,075	\$ 103,598	\$ 21,407,751	\$ -	\$ 4,670,274
<b>Brownfield Redevelopment Authority</b>					
Governmental Activities:					
Community and economic development	424,456	-	49,895	-	(374,561)
<b>Department of Public Works</b>					
Governmental Activities:					
Public works	330,774	91,749	-	19,694	(219,331)
Interest on long-term debt	830,961	-	-	1,584,248	753,287
Total Department of Public Works	<u>1,161,735</u>	<u>91,749</u>	<u>-</u>	<u>1,603,942</u>	<u>533,956</u>
<b>Drain Commission</b>					
Governmental Activities:					
Public works	1,611,715	160,965	-	521,853	(928,897)
Interest on long-term debt	540,174	-	-	1,346,608	806,434
Total Drain Commission	<u>2,151,889</u>	<u>160,965</u>	<u>-</u>	<u>1,868,461</u>	<u>(122,463)</u>
Total component units	<u>\$ 20,579,155</u>	<u>\$ 356,312</u>	<u>\$ 21,457,646</u>	<u>\$ 3,472,403</u>	<u>\$ 4,707,206</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, 2005**

**Concluded**

	<u>Road Commission</u>	<u>Brownfield Redevelopment Authority</u>	<u>Department of Public Works</u>	<u>Drain Commission</u>	<u>Total</u>
<b>Change in net assets</b>					
Net (expense) revenue	\$ 4,670,274	\$ (374,561)	\$ 533,956	\$ (122,463)	\$ 4,707,206
General revenues:					
Property taxes	-	139,927	-	-	139,927
Gain on disposal of capital assets	53,608	-	-	-	53,608
Investment income - interest earned	126,199	7,864	4,148	80,673	218,884
Total general revenues	179,807	147,791	4,148	80,673	412,419
Change in net assets	4,850,081	(226,770)	538,104	(41,790)	5,119,625
Net assets, (deficit) beginning of year, as restated	140,950,104	66,256	59,610	48,616,241	189,692,211
Net assets, end of year	<u>\$ 145,800,185</u>	<u>\$ (160,514)</u>	<u>\$ 597,714</u>	<u>\$ 48,574,451</u>	<u>\$ 194,811,836</u>

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### 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 County appoints a majority of the members of the governing board of the Road Commission. The Road Commission deposits receipts with the County. The Road Commission also has a balance in the County's common bank account and has investments through the County. 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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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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. A complete financial statement can be obtained from Saginaw County, Controller's Office, 111 S. Michigan Ave., Saginaw, Michigan 48602.

**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. The complete financial statements of the Department of Public Works are included in the supplementary information section of the County's financial statements.

**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. The complete financial statements of the Drain Commission are included in supplementary information section of the County's financial statements.

### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financial accountable.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **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.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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The government reports the following major governmental funds:

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

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

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

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

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.

The *Harry W. Browne airport fund* accounts for the operations of the Harry W. Browne International Airport.

Additionally, the County reports the following fund types:

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

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

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

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



# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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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, building authority event center and Harry W. Browne Airport enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues interest income and fees associated with hangar rentals, landing usage and the sale of fuel and oil. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

### **D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY**

#### **1. CASH AND CASH EQUIVALENTS**

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

#### **2. INVESTMENTS**

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

#### **3. RECEIVABLES**

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### 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 is valued at average cost for the Road Commission, a discretely presented component unit of Saginaw County. The costs of the Road Commission's inventory are recorded as assets when purchased and charged to expenditures when used, which is the consumption method.

### 7. CAPITAL ASSETS

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

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

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

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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Depreciation is recorded on the capital assets of the Road Commission Component Unit over the estimated useful lives (ranging from five to fifty years) of the assets, using the sum-of-years digits method for road equipment as prescribed by the Uniform Accounting Procedures for Michigan County Road Commissions, which does not vary significantly from the straight-line basis, and straight-line method for all other capital assets.

### **8. LONG-TERM OBLIGATIONS**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### **9. FUND EQUITY**

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

### **10. INTERFUND TRANSACTIONS**

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

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### 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 January 1993, 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 an unlimited amount 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 1,200 hours (150 days).

#### *Non-Union Employees*

Non-union employees are granted PTO days, based on length of service and may carry over an unlimited amount 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 (75 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.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### 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 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, 2005, established that the 2005 General Fund budgeted surplus be transferred as follows: two-thirds (2/3) of any such surplus to the Public Improvement Special Revenue Fund and the remaining one-third (1/3) to the General Fund Budget Stabilization Fund Balance account.

Results of operations for the year ended September 30, 2005 did not produce a General Fund unallocated surplus.

# 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, 2005.

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>GENERAL FUND</b>			
<b>GENERAL GOVERNMENT</b>			
Elections	\$ 86,762	\$ 99,410	\$ (12,648)
Corporate counsel	141,000	156,436	(15,436)
Equalization	446,497	448,831	(2,334)
Maintenance – Telephone	115,000	149,977	(34,977)
<b>PUBLIC SAFETY</b>			
Sheriff	713,791	749,874	(36,083)
Sheriff – Jail Division	6,982,665	7,070,099	(87,434)
<b>HEALTH AND WELFARE</b>			
Medical Examiner	251,994	270,905	(18,911)
<b>SPECIAL REVENUE FUNDS</b>			
Health Department –			
Capital outlay	29,000	29,863	(863)
Lodging Excise Tax –			
Community and Economic Development	1,365,000	1,511,407	(146,407)
Animal Control –			
Public safety	668,543	673,594	(5,051)
Mobile Data Maintenance & Repair –			
Capital outlay	150,000	929,922	(779,922)
Remonumentation –			
General government	134,115	141,156	(7,041)
Special Projects -			
General Government	2,300	5,753	(3,453)
Public Works	88,425	97,964	(9,539)
Sheriff Special Projects -			
Capital outlay	15,591	16,725	(1,134)
Transfers out	62,734	85,385	(22,651)
Prosecutor Special Projects –			
General government	545,285	574,177	(28,892)
<b>BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT</b>			
Interest and fiscal charges	3,324	3,333	(9)

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

### III. DETAILED NOTES ON ALL FUNDS

#### A. CASH AND INVESTMENT POOL

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

Statutes authorize the County to invest in the following:

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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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:

	<b><u>Carrying Amount</u></b>
Government-wide Financial Statement Captions:	
Primary Government:	
Cash and investment pool	\$ 48,462,403
Component Units:	
Cash and investment pool	11,764,169
Fiduciary Fund Financial Statement Captions:	
Cash and investment pool	18,631,924
Investments	<u>3,372,806</u>
 Total	 <u><u>\$ 82,231,302</u></u>
 Deposits and Investments:	
Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 11,131,569
Investments:	
U.S. agencies	27,453,147
Commercial paper	2,000,000
Mutual funds	11,892,640
Money market accounts	29,728,631
Cash on hand	<u>25,315</u>
 Total	 <u><u>\$ 82,231,302</u></u>



# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

	<u>Investment Maturities (In Years)</u>					<u>Credit Rating Range</u>	
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>	<u>Standard &amp; Poors</u>	<u>Moody's Investor's Services</u>
U.S. Agencies	\$ 27,453,147	\$18,465,859	\$ 8,987,288	\$ -	\$ -	AAA	Aaa
Commercial paper	<u>2,000,000</u>	<u>2,000,000</u>	-	-	-	A-1	P-1
	<u>\$ 29,453,147</u>	<u>\$20,465,859</u>	<u>\$ 8,987,288</u>	<u>\$ -</u>	<u>\$ -</u>		

\*\*The County's investments in U.S. Agencies include call options with a market value of \$27,453,147.

### **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.

*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 \$13,131,132 of the County's bank balance of \$14,377,440 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.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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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. Two of the County's mutual fund investment accounts comprise 5.67% and 7.99% of the County's total investment balance at year-end. All investments held at year end are reported above.

### B. RECEIVABLES

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Units</u>
Taxes	\$ 2,504,153	\$ 7,758,108	\$ -
Accounts	36,127,804	312,029	108,750
Notes			
Due within one year	336,325	-	-
Due after one year	2,367,478	-	-
Interest	136,799	55,016	23,350
Intergovernmental	7,295,631	135,055	40,373,409
Less: allowance for uncollectible accounts	<u>(745,673)</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 48,022,517</u>	<u>\$ 8,260,208</u>	<u>\$ 40,505,509</u>

Of the amounts recorded as receivables, approximately \$36,872,242, \$1,959,011 and \$33,575,139 of the governmental activities, business-type activities and component unit receivables, respectively, are not expected to be collected within one year.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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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:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (General Fund)	\$ 1,389,290	\$ -
Property taxes receivable (Non-major governmental fund types)	286,141	-
Notes receivable	1,958,130	-
Grant drawdowns prior to meeting all eligibility requirements (Health Department Fund)	-	445,870
Grant drawdowns prior to meeting all eligibility requirements (Michigan Works! Fund)	-	280,536
Grant drawdowns prior to meeting all eligibility requirements (Non-major Governmental fund types)	<u>-</u>	<u>310,935</u>
Total	<u>\$ 3,633,561</u>	<u>\$1,037,341</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### C. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2005 was as follows:

#### Primary Government

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets not being depreciated:				
Land	\$ 1,214,661	\$ -	\$ (41,000)	\$ 1,173,661
Construction in progress	<u>1,429,621</u>	<u>2,552,994</u>	<u>(1,401,456)</u>	<u>2,581,159</u>
Total capital assets not being depreciated	<u>2,644,282</u>	<u>2,552,994</u>	<u>(1,442,456)</u>	<u>3,754,820</u>
Capital assets being depreciated:				
Land improvements	3,853,082	1,433,713	(11,700)	5,275,095
Buildings	31,047,531	144,914	(357,628)	30,834,817
Leasehold improvements	23,628	-	-	23,628
Equipment	4,834,060	1,740,556	(102,753)	6,471,863
Office furniture & fixtures	84,750	131,500	-	216,250
Vehicles	<u>2,647,906</u>	<u>400,107</u>	<u>(163,828)</u>	<u>2,884,185</u>
Total capital assets being depreciated	<u>42,490,957</u>	<u>3,850,790</u>	<u>(635,909)</u>	<u>45,705,838</u>
Less accumulated depreciation				
Land improvements	(1,372,412)	(93,122)	11,700	(1,453,834)
Buildings	(11,874,805)	(614,871)	108,480	(12,381,196)
Leasehold improvements	(4,093)	(865)	-	(4,958)
Equipment	(2,570,114)	(452,186)	93,502	(2,928,798)
Office furniture & fixtures	(40,804)	(19,235)	-	(60,039)
Vehicles	<u>(2,199,048)</u>	<u>(331,554)</u>	<u>163,828</u>	<u>(2,366,774)</u>
Total accumulated depreciation	<u>(18,061,276)</u>	<u>(1,511,833)</u>	<u>377,510</u>	<u>(19,195,599)</u>
Total capital assets being depreciated, net	<u>24,429,681</u>	<u>2,338,957</u>	<u>(258,399)</u>	<u>26,510,239</u>
<b>Governmental activities capital assets, net</b>	<u>\$27,073,963</u>	<u>\$ 4,891,951</u>	<u>\$(1,700,855)</u>	<u>\$ 30,265,059</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
Capital assets not being depreciated:				
Land	\$ 1,053,248	\$ -	\$ -	\$ 1,053,248
Air rights	117,761	-	-	117,761
Construction in progress	<u>793,231</u>	<u>165,491</u>	-	<u>958,722</u>
Total capital assets not being depreciated	<u>1,964,240</u>	<u>165,491</u>	-	<u>2,129,731</u>
Capital assets being depreciated:				
Land improvements	40,558	-	-	40,558
Buildings	15,060,782	-	-	15,060,782
Office furniture and fixtures	61,201	-	-	61,201
Planning and development	6,687,878	-	-	6,687,878
Equipment	976,896	7,494	-	984,390
Vehicles	<u>134,360</u>	-	-	<u>134,360</u>
Total capital assets being depreciated	<u>22,961,675</u>	<u>7,494</u>	-	<u>22,969,169</u>
Less accumulated depreciation				
Land improvements	(38,945)	(459)	-	(39,404)
Buildings	(922,566)	(368,640)	-	(1,291,206)
Office furniture and fixtures	(553)	(3,320)	-	(3,873)
Planning and development	(4,363,568)	(304,676)	-	(4,668,244)
Equipment	(89,064)	(61,565)	-	(150,629)
Vehicles	<u>(93,688)</u>	<u>(14,492)</u>	-	<u>(108,180)</u>
Total accumulated depreciation	<u>(5,508,384)</u>	<u>(753,152)</u>	-	<u>(6,261,536)</u>
Total capital assets being depreciated, net	<u>17,453,291</u>	<u>(745,658)</u>	-	<u>16,707,633</u>
<b>Business-type activities capital assets, net</b>	<u>\$19,417,531</u>	<u>\$ (580,167)</u>	<u>\$ -</u>	<u>\$18,837,364</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

**Governmental activities:**

Judicial	\$ 46,163
General government	413,232
Public safety	261,022
Public works	6,270
Health and welfare	350,046
Community and economic development	1,250
Recreation and culture	84,532
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	349,318

**Total depreciation expense – governmental activities**     \$ 1,511,833

**Business-type activities:**

Building Authority Event Center	\$ 377,057
Harry W. Browne Airport	357,216
Parking system	4,512
Building Authority Administration	5,369
Inmate services	8,998

**Total depreciation expense – business-type activities**     \$ 753,152

**Discretely presented component units**

Activity for the Drain Commission for the year ended September 30, 2005, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Construction in progress	\$ 520,109	\$ 211,233	\$ (520,109)	\$ 211,233
Capital assets being depreciated:				
Infrastructure	57,917,420	1,292,910	-	59,210,330
Equipment	25,289	-	-	25,289
Total capital assets being depreciated	57,942,709	1,292,910	-	59,235,619

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Less accumulated depreciation				
Infrastructure	(15,121,561)	(1,161,886)	-	(16,283,447)
Equipment	<u>(4,251)</u>	<u>(3,300)</u>	<u>-</u>	<u>(7,551)</u>
Total accumulated depreciation	<u>(15,125,812)</u>	<u>(1,165,186)</u>	<u>-</u>	<u>(16,290,998)</u>
Total capital assets being depreciated, net	<u>42,816,897</u>	<u>127,724</u>	<u>-</u>	<u>42,944,621</u>
<b>Drain commission capital assets, net</b>	<u>\$43,337,006</u>	<u>\$ 338,957</u>	<u>\$(520,109)</u>	<u>\$43,155,854</u>

Activity for the Road Commission for the year ended September 30, 2005, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land and improvements	<u>\$28,821,809</u>	<u>\$1,634,602</u>	<u>\$ -</u>	<u>\$30,456,411</u>
Capital assets being depreciated:				
Infrastructure	178,757,547	9,360,610	-	188,118,157
Building	2,538,656	-	-	2,538,656
Road equipment	10,403,899	1,108,836	(310,051)	11,202,684
Equipment	<u>799,408</u>	<u>111,457</u>	<u>(25,513)</u>	<u>885,352</u>
Total capital assets being depreciated	<u>192,499,510</u>	<u>10,580,903</u>	<u>(335,564)</u>	<u>202,744,849</u>
Less accumulated depreciation				
Infrastructure	(77,849,961)	(7,076,418)	-	(84,926,379)
Building	(1,817,601)	(60,741)	-	(1,878,342)
Road equipment	(7,506,058)	(1,072,957)	305,194	(8,273,821)
Equipment	<u>(393,896)</u>	<u>(93,967)</u>	<u>21,121</u>	<u>(466,742)</u>
Total accumulated depreciation	<u>(87,567,516)</u>	<u>(8,304,083)</u>	<u>326,315</u>	<u>(95,545,284)</u>
Total capital assets being depreciated, net	<u>104,931,994</u>	<u>2,276,820</u>	<u>(9,249)</u>	<u>107,199,565</u>
<b>Road commission capital assets, net</b>	<u>\$133,753,803</u>	<u>\$3,911,422</u>	<u>\$ (9,249)</u>	<u>\$137,655,976</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### D. PAYABLES

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

	Governmental <u>Activities</u>	Business-type <u>Activities</u>
Accounts	\$ 4,725,392	\$ 336,991
Wages, fringe benefits and other accrued liabilities	1,941,561	867,428
Intergovernmental	<u>387,132</u>	<u>15,658</u>
Total	<u>\$ 7,054,085</u>	<u>\$ 1,220,077</u>

### E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to	Due from						Total
	General Fund	Michigan Works!	Non-major Governmental Funds	Delinquent Tax Revolving	Building Authority Event Center	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 65,683	\$ 10,460	\$ -	\$ 6	\$ 76,149
Michigan Works!	-	-	43,792	-	-	-	43,792
Small Cities Reuse Non-major	6,600	-	-	-	-	-	6,600
Governmental Funds	2,038,839	46,886	204,341	3,818	123,971	-	2,417,855
Building Authority Event Center	189,456	-	-	979	-	-	190,435
Non-major Enterprise Funds	10,105	-	111,007	-	-	-	121,112
Internal Service Funds	<u>7,056</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,056</u>
Total	<u>\$ 2,252,056</u>	<u>\$ 46,886</u>	<u>\$ 424,823</u>	<u>\$ 15,257</u>	<u>\$ 123,971</u>	<u>\$ 6</u>	<u>\$ 2,862,999</u>

The balances of \$2,038,839 and \$189,456 due to the General Fund from the non-major governmental funds and the Building Authority Event Center, respectively, resulted from short-term advances provided by the General Fund for cash flow requirements. The entire balance of these interfund receivables is scheduled to be collected in the subsequent year.

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



# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### Advances to/from other funds:

General	\$10,555,773	\$ -
Nonmajor governmental funds	-	300,000
Delinquent tax revolving	300,000	10,500,773
Nonmajor enterprise funds	-	20,000
Internal service funds	-	35,000
Total	<u>\$10,855,773</u>	<u>\$10,855,773</u>

Advances between the General Fund and the Delinquent Tax Revolving Fund exist to maintain adequate reserves in the Delinquent Tax Revolving Fund to assure prompt payment of general obligation limited tax notes. The advance between the Delinquent Tax Revolving Fund and the non-major governmental funds exists to assure that the River Dredging Capital Projects Fund has adequate cash to fund the river dredging project.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

Transfer to	General Fund	Michigan Works!	Small Cities Reuse	Non-major Governmental Funds	Delinquent Tax Revolving	Building Authority Event Center	Non-major Enterprise Funds	Internal Service Funds	Total
General Fund	\$ -	\$ -		\$ 4,033,695	\$ 1,650,000	\$ -	\$ 285,632	\$ 3,587	\$ 5,972,914
Health Department	599,046	-		-	-	-	-	-	599,046
Non-major Governmental Funds	6,885,110	519,075	333,000	514,159	-	-	111,007	50,000	8,412,351
Harry W. Brown Airport	88,555	-		-	-	-	-	-	88,555
Non-major Enterprise Funds	-	-	-	48,426	44,622	5,500	-	-	98,548
	<u>\$7,572,711</u>	<u>\$ 519,075</u>	<u>\$333,000</u>	<u>\$ 4,596,280</u>	<u>\$ 1,694,622</u>	<u>\$ 5,500</u>	<u>\$ 396,639</u>	<u>\$ 53,587</u>	<u>\$15,171,414</u>
Total		*							

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 (non-major governmental 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, 2005 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Primary Government					
Governmental activities:					
General obligation bonds	\$ 8,380,000	\$ 33,870,000	\$ (2,415,000)	\$ 39,835,000	\$ 1,190,000
Long-term advances	522,876	-	(324,876)	198,000	-
Internal service fund - Claims	1,197,498	6,830,529	(6,582,462)	1,445,565	1,445,565
Compensated absences	<u>1,851,500</u>	<u>2,225,229</u>	<u>(2,257,204)</u>	<u>1,819,525</u>	<u>1,819,525</u>
	<u>\$ 11,951,874</u>	<u>\$ 42,925,758</u>	<u>\$ (11,579,542)</u>	<u>\$ 43,298,090</u>	<u>\$ 4,455,090</u>
Business-type activities:					
Building Authority - General obligation bonds	\$ 11,235,000	\$ -	\$ (1,440,000)	\$ 9,795,000	\$ 1,485,000
Parking System - Compensated absences	2,382	2,690	(2,743)	2,329	2,329
Delinquent Tax - General obligation notes	<u>5,521,000</u>	<u>9,500,000</u>	<u>(8,874,000)</u>	<u>6,147,000</u>	<u>6,147,000</u>
	<u>\$ 16,758,382</u>	<u>\$ 9,502,690</u>	<u>\$ (10,316,743)</u>	<u>\$ 15,944,329</u>	<u>\$ 7,634,329</u>
Component Units					
Road Commission: Compensated absences	<u>\$ 666,231</u>	<u>\$ 443,646</u>	<u>\$ (429,127)</u>	<u>\$ 680,750</u>	<u>\$ -</u>
Brownfield Redevelopment Authority: Loans from State of Michigan	<u>\$ 166,785</u>	<u>\$ 371,229</u>	<u>\$ (13,373)</u>	<u>\$ 524,641</u>	<u>\$ 13,674</u>
Department of Public Works: General obligation bonds	<u>\$ 20,521,000</u>	<u>\$ 690,000</u>	<u>\$ (1,623,000)</u>	<u>\$ 19,588,000</u>	<u>\$ 1,800,000</u>
Drain Commission: General obligation bonds and notes	<u>\$ 18,299,835</u>	<u>\$ 477,582</u>	<u>\$ (2,665,769)</u>	<u>\$ 16,111,648</u>	<u>\$ 1,277,511</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, \$84,607 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### Primary Government

The County issues general obligation and revenue bonds to provide funds for the acquisition and construction of major capital facilities. General obligation and revenue bonds have been issued for governmental activities and business-type activities. During the year, general obligation bonds totaling \$33,870,000 were issued for construction at Healthsource Saginaw. Proceeds from this bond issue were received directly by Healthsource Saginaw and were accounted for as such by Healthsource Saginaw and are not accounted for as proceeds in the County's financial statements.

The County also issues general obligation notes to provide monies for the purchase of delinquent taxes receivable from local units of government. The original amount of the general obligation notes issued to purchase delinquent taxes in the year ended September 30, 2005 was \$9,500,000 and has a maturity date of March 2007.

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.75 – 7.0%	\$ 39,835,000
Business-type activities	1.23 – 4.0%	<u>15,942,000</u>
		<u>\$ 55,777,000</u>

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

<u>Year Ending</u> <u>September 30</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006 \$	1,190,000	\$ 1,864,175	\$ 7,632,000	\$ 429,473
2007	1,345,000	1,820,950	1,540,000	322,638
2008	1,410,000	1,772,175	1,595,000	266,813
2009	1,610,000	1,718,275	1,655,000	207,000
2010	1,080,000	1,653,188	1,725,000	140,800
2011-2015	5,175,000	7,654,263	1,795,000	71,800
2016-2020	7,535,000	6,280,063	-	-
2021-2025	9,690,000	4,228,500	-	-
2026-2029	<u>10,800,000</u>	<u>1,397,500</u>	<u>-</u>	<u>-</u>
Total	<u>\$39,835,000</u>	<u>\$28,389,089</u>	<u>\$15,942,000</u>	<u>\$1,438,524</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### Component Units

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.25%	<u>\$ 524,641</u>

Annual principal and interest requirements to service all debt outstanding as of September 30, 2005, are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2006	\$ 13,674	\$ 3,032
2007	30,553	2,724
2008	27,642	5,634
2009	28,264	5,012
2010	54,003	4,376
2011-2015	247,159	28,034
2016-2018	<u>123,346</u>	<u>5,718</u>
Total	<u>\$524,641</u>	<u>\$ 54,530</u>

### Department of Public Works

General obligation bonds are issued by the County to finance construction projects managed and administered by the Department of Public Works. During the year general obligation bonds and notes totaling \$690,000 were issued.

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 20-year serial bonds with varying amounts of principal maturing each year through January 2030 and bear interest at varying rates from 1.45% to 9.25%. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.45 – 9.25%	<u>\$ 19,588,000</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2006	\$ 1,800,000	\$ 717,132
2007	1,618,000	699,382
2008	1,683,000	613,214
2009	1,718,000	568,525
2010	1,624,000	501,730
2011-2015	7,521,000	1,597,981
2016-2020	3,335,000	390,448
2021-2025	135,000	52,485
2026-2030	<u>154,000</u>	<u>21,330</u>
<b>Total</b>	<b><u>\$ 19,588,000</u></b>	<b><u>\$ 5,162,227</u></b>

### **Drain Commission**

General obligation drain improvement bonds and notes are issued by the County to finance certain drainage district construction projects. General obligation bonds have been issued for governmental activities. During the year general obligation notes totaling \$231,000 were issued.

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.35 – 7.95%	<u>\$ 16,111,648</u>

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

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2006	\$ 1,277,512	\$ 356,460
2007	2,622,512	399,791
2008	2,371,941	315,165
2009	1,750,041	244,551
2010	1,719,241	189,080
2011-2015	5,526,671	437,824
2016-2018	<u>843,730</u>	<u>46,200</u>
<b>Total</b>	<b><u>\$ 16,111,648</u></b>	<b><u>\$ 1,989,071</u></b>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### **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 (\$600,000 is considered defeased as of September 30, 2005). 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.

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, 2005 was \$1,400,000.

On April 28, 2004, the Department of Public Works component unit issued general obligation limited tax bonds of \$965,000. Proceeds from this bond issue, along with a cash contribution from Taymouth Township of \$500,990 was used to advance refund four separately issued general obligation limited tax bonds issued between 1993 and 1996. The refunded bonds mature as scheduled on June 1, 1993 through 2015. The balance of the defeased debt outstanding at September 30, 2005 was \$1,275,000.

## **IV. OTHER INFORMATION**

### **A. DEFINED BENEFIT PENSION PLANS**

#### **Pension Plan**

##### **Plan Description**

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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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**

The County is required to contribute an amount equal to a percentage of covered payroll which is determined based on union negotiated rates and actuarially determined rates; the current rate ranges from 0% to 44.24% of annual covered payroll. Under the plan, only certain employees of the Sheriff Department are required to make contributions to the plan. Those Sheriff Department employees are required to contribute 4% 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.

### **Annual Pension Cost and Net Pension Obligation**

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

Annual required contribution	\$ 2,413,992
Less: Interest on net pension asset	(191,932)
Plus: Adjustment to annual required contribution	<u>447,336</u>
Annual pension cost	2,669,396
Contributions made	<u>2,327,040</u>
Decrease in net pension asset	342,356
Net pension (asset), beginning of year	<u>(2,399,155)</u>
Net pension (asset), end of year	<u><u>\$(2,056,799)</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, 2004, the date of the latest actuarial valuation, was 30 years.



# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### Three-Year Trend Information

<u>Fiscal Period Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
9/30/03	\$2,535,827	83%	\$(2,664,088)
9/30/04	2,428,518	89%	(2,399,155)
9/30/05	2,669,396	87%	(2,056,799)

### Pension Plan

#### Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) -Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
12/31/02	\$ 78,295,659	\$ 99,129,201	\$ 20,833,542	78.9%	\$ 13,083,241	159.2%
12/31/03	82,375,896	104,989,442	22,613,546	78.5%	13,005,956	173.9%
12/31/04	85,338,467	109,067,562	23,729,095	78.2%	12,470,470	190.3%

### 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.

#### Funding Policy

The Road Commission is required to contribute at an actuarially determined rate; the current rate is 4.7% for union employees and 2% for management of annual covered payroll. The contribution requirements of the Road Commission are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members, if any, are established and may be amended by the Road Commission depending on the MERS contribution program adopted by the Road Commission.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### Annual Pension Cost

For the year ended September 30, 2005, the Road Commission's annual pension cost and required contribution was \$165,245. The required contribution was determined as part of the December 31, 2003 actuarial valuation using the entry age actuarial cost method. The Road Commission chose to make voluntary contributions in the amount of \$76,000 for the fiscal year ended September 30, 2005. The actuarial assumptions included (a) an assumed rate of investment return which is used to discount liabilities and project what plan assets will earn from investment of present and future assets of 8.0%, (b) a mortality table projecting the number of employees who will die before retirement and the duration of benefit payments after retirement, (c) assumed retirement rates projected when employees will retire and commence receiving benefits, (d) a set of withdrawal and disability rates to estimate the number of employees who will leave the work force before retirement, (e) assumed rates of salary increases of 4.5% to project employees compensation in future years and (f) no specific price inflation assumption was needed for this valuation, the 4.5% wage inflation assumption would be consistent with a price inflation of 3% to 4%. 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 to reflect market value. The Road Commission's actuarial accrued liability is over-funded as of December 31, 2004, the date of the last actuary report.

### Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/03	\$ 27,062	289%	\$ (51,410)
9/30/04	118,458	151%	(60,000)
9/30/05	165,246	146%	(76,000)

### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/02	\$21,397,622	\$19,339,097	\$(2,058,525)	111%	\$3,537,272	(58)%
12/31/03	21,886,543	19,770,390	(2,116,153)	111%	3,433,645	(62)%
12/31/04	22,394,199	21,078,435	(1,315,764)	116%	3,814,645	(34)%

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### B. DEFINED CONTRIBUTION PENSION PLAN

#### Plan Description

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

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

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

At September 30, 2005, there were 418 plan members. 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. 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, 2005 amounted to \$1,460,497 and employee contributions were \$471,804.

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

### C. POST EMPLOYMENT HEALTH BENEFITS

The County provides a post retirement 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.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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Currently 366 retirees meet the eligibility requirements. The County pays between 25%-100% of the health insurance premiums for these retirees. A co-pay at the percentage indicated below, as established by board resolution, is required by non-union retirees who retired after January 1, 1991:

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

Union employees are also subject to the same or similar co-pay percentages based on retirement eligibility and years of service as specified in their individual union contract. Expenditures for the premiums are paid and recognized as they become due. During the year ended September 30, 2005, expenditures of \$3,521,880 were recognized for retiree health insurance costs.

The County had an actuarial valuation performed as of December 31, 2003, which showed the County's unfunded accrued liability for post-employment health benefits to be \$84,968,301.

The fair value of the cash and investments held to fund retiree health care costs as of September 30, 2005 was \$12,095,777. The cash and investments held to fund retiree health care costs are invested with several investment managers and are accounted for within the Post Employment Health Benefits Trust Fund.

### **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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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reimbursements from various funds having employees. Losses, damages and administrative expenses are all paid from this fund.

The claims liability of \$83,030 reported at September 30, 2005 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, 2004 and 2005 are as follows:

	<b><u>Beginning of Period Liability</u></b>	<b><u>Current Year Claims and Changes in Estimates</u></b>	<b><u>Claim Payments</u></b>	<b><u>End of Period Liability</u></b>
2004	\$213,053	\$ 123,866	\$ 99,614	\$237,305
2005	\$237,305	\$ (10,695)	\$143,580	\$ 83,030

### ***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 St. Paul Fire and Marine Insurance Co. 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.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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The changes in the claims liability for the years ended September 30, 2004 and 2005 are as follows:

	<b><u>Beginning of Period Liability</u></b>	<b><u>Current Year Claims and Changes in Estimates</u></b>	<b><u>Claim Payments</u></b>	<b><u>End of Period Liability</u></b>
2004	\$ 661,948	\$ (61,865)	\$137,563	\$ 462,520
2005	\$ 462,520	\$ 722,772	\$160,696	\$1,024,596

### *Health Insurance*

The self-insurance program for health insurance is accounted for in the Employee Benefits Fund (internal service fund) and the Post employment 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 of 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, 2004 and 2005 are as follows:

	<b><u>Beginning of Period Liability</u></b>	<b><u>Current Year Claims and Changes in Estimates</u></b>	<b><u>Claim Payments</u></b>	<b><u>End of Period Liability</u></b>
2004	\$ 405,495	\$8,205,403	\$7,909,212	\$701,686
2005	\$ 701,686	\$8,356,877	\$8,561,605	\$496,958

### *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

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The changes in the claims liability for the years ended September 30, 2004 and 2005 are as follows:

	<b><u>Beginning of Period Liability</u></b>	<b><u>Current Year Claims and Changes in Estimates</u></b>	<b><u>Claim Payments</u></b>	<b><u>End of Period Liability</u></b>
2004	\$ 45,662	\$ 586,566	\$ 569,985	\$ 62,243
2005	\$ 62,243	\$ 546,690	\$ 573,004	\$ 35,929

### *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, 2004 and 2005 are as follows:

	<b><u>Beginning of Period Liability</u></b>	<b><u>Current Year Claims and Changes in Estimates</u></b>	<b><u>Claim Payments</u></b>	<b><u>End of Period Liability</u></b>
2004	\$ 5,030	\$ 72,826	\$ 71,227	\$ 6,629
2005	\$ 6,629	\$ 59,276	\$ 63,362	\$ 2,543

### **E. PROPERTY TAXES**

The County levies property taxes on December 1 to fund operations for the current year; such taxes are due without penalty on or before February 14, with the final collection date of February 28 before they are added to the County's delinquent tax rolls.

The property taxes attach as an enforceable lien on property as of December 1. Property taxes are collected by the local taxing district until February 28 when the unpaid taxes become delinquent.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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The taxable value of real and personal property at December 1, 2004 totaled \$4,621,922,499. The tax levy for 2004/2005 operations was based on the following rates:

General Operating	4.86070 mills
Mosquito Control	.49980 mills
Senior Citizens	.32990 mills
Law Enforcement	.33980 mills
Hospital Debt	.49000 mills
County Parks	.16170 mills
Castle Museum	.19990 mills
Juvenile Home Renovation	.05280 mills
Event Center	.44980 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.

### G. PRIOR PERIOD ADJUSTMENTS

During the year ended September 30, 2005, a prior period adjustment in the amount of \$111,950 was necessary to properly account for activity accounted for in the Building Authority Administration Fund that should have been accounted for in the Building Authority Event Center Fund. The effect on the Building Authority Administration Fund net assets was as follows:

Net assets, beginning of year, as previously stated	\$ 392,735
Prior period adjustment Event Center fund activity	<u>(111,950)</u>
Net assets, beginning of year, as restated	<u>\$ 280,785</u>



# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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During the year ended September 30, 2005, a prior period adjustment in the amount of \$54,822 was necessary to properly account for taxes receivable, activity accounted for in the Building Authority Administration Fund that should have been accounted for in the Event Center Fund and accounts payable at September 30, 2004 in the Building Authority Event Center Fund. The effect on the Building Authority Event Center Fund net assets was as follows:

Net assets, beginning of year, as previously stated	\$ 3,560,577
Prior period adjustments	
Taxes receivable	45,261
Administration fund activity	111,950
Accounts payable	<u>(102,389)</u>
Net assets, beginning of year, as restated	<u>\$ 3,615,399</u>

During the year ended September 30, 2005, prior period adjustments were necessary to properly account for drain construction costs improperly included in the Special Assessment Drain Capital Projects Fund that should have been included as Chapter 8 Drain Capital Projects Fund expenditures. The net effect on total Drain Commission component unit net assets and on the Chapter 8 and Special Assessment Drain Capital Projects Funds' fund balances was as follows:

Net assets, beginning of year, as previously stated	\$48,622,839
Prior period adjustment	<u>(6,598)</u>
Net assets, beginning of year, as restated	<u>\$48,616,241</u>

Special Assessment Drain	
Fund balance, beginning of year, as previously stated	\$ 2,767,108
Prior period adjustment	<u>73,614</u>
Fund balance, beginning of year, as restated	<u>\$ 2,840,722</u>

Chapter 8 Drain	
Fund balance, beginning of year, as previously stated	\$ 1,273,638
Prior period adjustment	<u>(80,212)</u>
Fund balance, beginning of year, as restated	<u>\$ 1,193,426</u>

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## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

### SPECIAL REVENUE FUNDS (Continued)

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

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

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

**Principal 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)

**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.

**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.

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

## **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

### **SPECIAL REVENUE FUNDS (Continued)**

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

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

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

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

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

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

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

## **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

### **SPECIAL REVENUE FUNDS (Concluded)**

**Local Correction 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.

**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.

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

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

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

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

## **NONMAJOR GOVERNMENTAL FUNDS (Concluded)**

### **DEBT SERVICE FUNDS**

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

### **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, 2005**

Continued

	Special Revenue Funds				
	Law Enforcement	County Road Patrol Millage	Parks & Recreation	G.I.S. System	Friend of the Court
<b>Assets</b>					
Cash and investment pool	\$ 145,155	\$ 554,217	\$ 614,904	\$ -	\$ 1,476
Receivables (net):					
Taxes	-	49,409	21,559	-	-
Accounts	25,522	-	56,697	32,699	10,145
Accrued interest	461	2,210	2,161	-	96
Due from other funds	39,934	-	-	-	-
Due from other governmental units	-	-	-	-	838,286
Prepaid items	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 211,072</u>	<u>\$ 605,836</u>	<u>\$ 695,321</u>	<u>\$ 32,699</u>	<u>\$ 850,003</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 7,292	\$ 2,251	\$ 73,505	\$ -	\$ 8,967
Accrued liabilities	66,815	54,407	6,459	5,225	80,082
Deposits payable	-	-	-	-	-
Due to other funds	99,870	731	806	27,474	736,091
Due to other governmental units	-	-	-	-	840
Advances from other funds	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	49,409	21,559	-	1
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>173,977</u>	<u>106,798</u>	<u>102,329</u>	<u>32,699</u>	<u>825,981</u>
<b>Fund Balances</b>					
Reserved for:					
Prepaid items	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	130,325	499,165	-	24,022
Unreserved - designated for:					
Future use	37,095	368,713	93,827	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>37,095</u>	<u>499,038</u>	<u>592,992</u>	<u>-</u>	<u>24,022</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	<u>\$ 211,072</u>	<u>\$ 605,836</u>	<u>\$ 695,321</u>	<u>\$ 32,699</u>	<u>\$ 850,003</u>



**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2005**

Continued

	Special Revenue Funds				
	Solid Waste	Lodging Excise Tax	Castle Museum & Historical Activities	Commission on Aging	Mosquito Control
<b>Assets</b>					
Cash and investment pool	\$ 2,513,275	\$ 12,836	\$ 183,120	\$ 733,720	\$ 472,278
Receivables (net):					
Taxes	-	-	25,676	47,532	73,167
Accounts	106,673	640,179	-	6,742	1,500
Accrued interest	8,707	-	910	2,729	2,463
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	-	216,760	-
Prepaid items	-	-	-	18,891	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,891</u>	<u>-</u>
Total assets	<u>\$ 2,628,655</u>	<u>\$ 653,015</u>	<u>\$ 209,706</u>	<u>\$ 1,026,374</u>	<u>\$ 549,408</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 45,000	\$ 495,884	\$ -	\$ 93,531	\$ 66,211
Accrued liabilities	-	-	-	33,994	25,850
Deposits payable	-	-	-	-	-
Due to other funds	-	157,131	430	702	1,076
Due to other governmental units	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	-	25,675	64,255	73,167
	<u>-</u>	<u>-</u>	<u>25,675</u>	<u>64,255</u>	<u>73,167</u>
Total liabilities	<u>45,000</u>	<u>653,015</u>	<u>26,105</u>	<u>192,482</u>	<u>166,304</u>
<b>Fund Balances</b>					
Reserved for:					
Prepaid items	-	-	-	18,891	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	-	183,601	374,167	93,094
Unreserved - designated for:					
Future use	-	-	-	440,834	290,010
General improvements	-	-	-	-	-
Unreserved - undesignated	2,583,655	-	-	-	-
	<u>2,583,655</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>2,583,655</u>	<u>-</u>	<u>183,601</u>	<u>833,892</u>	<u>383,104</u>
Total liabilities and fund balances	<u>\$ 2,628,655</u>	<u>\$ 653,015</u>	<u>\$ 209,706</u>	<u>\$ 1,026,374</u>	<u>\$ 549,408</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2005**

Continued

	Special Revenue Funds				
	Planning Commission	Principal Residence Exemption	Public Improvement	Courthouse Preservation Technology	Animal Control
<b>Assets</b>					
Cash and investment pool	\$ 47,564	\$ 70,310	\$ 1,093,561	\$ 148,582	\$ 36,341
Receivables (net):					
Taxes	-	51,013	-	-	-
Accounts	17,157	-	-	1,013	5,014
Accrued interest	40	137	3,787	405	-
Due from other funds	-	-	261,007	-	-
Due from other governmental units	78,872	-	-	-	-
Prepaid items	429	-	-	-	-
	<u>144,062</u>	<u>121,460</u>	<u>1,358,355</u>	<u>150,000</u>	<u>41,355</u>
Total assets	<u>\$ 144,062</u>	<u>\$ 121,460</u>	<u>\$ 1,358,355</u>	<u>\$ 150,000</u>	<u>\$ 41,355</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 7,510	\$ 24,863	\$ 57,358	\$ -	\$ 3,208
Accrued liabilities	3,580	-	-	-	7,017
Deposits payable	-	-	-	-	-
Due to other funds	51,216	-	-	150,000	17,585
Due to other governmental units	-	56,919	-	-	-
Advances from other funds	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	66,957	-	-	-	-
	<u>129,263</u>	<u>81,782</u>	<u>57,358</u>	<u>150,000</u>	<u>27,810</u>
Total liabilities	<u>129,263</u>	<u>81,782</u>	<u>57,358</u>	<u>150,000</u>	<u>27,810</u>
<b>Fund Balances</b>					
Reserved for:					
Prepaid items	429	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	39,678	-	-	13,545
Unreserved - designated for:					
Future use	14,370	-	-	-	-
General improvements	-	-	1,300,997	-	-
Unreserved - undesignated	-	-	-	-	-
	<u>14,799</u>	<u>39,678</u>	<u>1,300,997</u>	<u>-</u>	<u>13,545</u>
Total fund balances	<u>14,799</u>	<u>39,678</u>	<u>1,300,997</u>	<u>-</u>	<u>13,545</u>
Total liabilities and fund balances	<u>\$ 144,062</u>	<u>\$ 121,460</u>	<u>\$ 1,358,355</u>	<u>\$ 150,000</u>	<u>\$ 41,355</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2005**

Continued

	<b>Special Revenue Funds</b>			
	<b>Revenue Sharing Reserve</b>	<b>Register of Deeds Automation</b>	<b>E-911 Telephone Surcharge</b>	<b>E-911 Equipment Digital</b>
<b>Assets</b>				
Cash and investment pool	\$ 2,541,839	\$ 426,339	\$ 947,990	\$ 1,779,873
Receivables (net):				
Taxes	-	-	-	-
Accounts	-	10,880	362,842	90,710
Accrued interest	6,946	1,354	2,809	5,265
Due from other funds	-	-	-	-
Due from other governmental units	-	-	72,640	-
Prepaid items	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,548,785</u>	<u>\$ 438,573</u>	<u>\$ 1,386,281</u>	<u>\$ 1,875,848</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 3,145	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governmental units	-	-	-	-
Advances from other funds	-	-	-	-
Advances from other governmental units	-	-	-	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>3,145</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Reserved for:				
Prepaid items	-	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Restricted contributions	2,548,785	435,428	-	1,875,848
Unreserved - designated for:				
Future use	-	-	-	-
General improvements	-	-	-	-
Unreserved - undesignated	-	-	1,386,281	-
	<u>-</u>	<u>-</u>	<u>1,386,281</u>	<u>-</u>
Total fund balances	<u>2,548,785</u>	<u>435,428</u>	<u>1,386,281</u>	<u>1,875,848</u>
Total liabilities and fund balances	<u>\$ 2,548,785</u>	<u>\$ 438,573</u>	<u>\$ 1,386,281</u>	<u>\$ 1,875,848</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2005**

Continued

	Special Revenue Funds				
	Mobile Data Maintenance & Repair	Law Library	County Library Board	Michigan Works! Service Centers	Remonu- mentation
<b>Assets</b>					
Cash and investment pool	\$ 933,138	\$ 26,613	\$ -	\$ 1,873	\$ 54,785
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	2,546	-	-	340	-
Accrued interest	4,473	-	-	-	-
Due from other funds	-	2,767	-	43,792	-
Due from other governmental units	180,000	-	-	-	67,709
Prepaid items	30,260	-	-	28,701	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 1,150,417</u>	<u>\$ 29,380</u>	<u>\$ -</u>	<u>\$ 74,706</u>	<u>\$ 122,494</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 60,993	\$ 9,763	\$ -	\$ 27,297	\$ 114,866
Accrued liabilities	-	192	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	19,425	-	46,886	-
Due to other governmental units	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	-	-	523	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>60,993</u>	<u>29,380</u>	<u>-</u>	<u>74,706</u>	<u>114,866</u>
<b>Fund Balances</b>					
Reserved for:					
Prepaid items	30,260	-	-	28,701	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	1,089,424	-	-	-	7,628
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	(30,260)	-	-	(28,701)	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>1,089,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,628</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	<u>\$ 1,150,417</u>	<u>\$ 29,380</u>	<u>\$ -</u>	<u>\$ 74,706</u>	<u>\$ 122,494</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2005**

Continued

	Special Revenue Funds				
	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections	Local Correction Officer Training
<b>Assets</b>					
Cash and investment pool	\$ 1	\$ 783,952	\$ -	\$ 906	\$ 55,355
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	26,675	74,625	-	-	520
Accrued interest	-	2,547	-	-	145
Due from other funds	2,132	14,776	60,415	-	-
Due from other governmental units	1,210,412	219,746	115,750	92,553	-
Prepaid items	1,187	-	-	-	1,931
	<u>1,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,931</u>
Total assets	<u>\$ 1,240,407</u>	<u>\$ 1,095,646</u>	<u>\$ 176,165</u>	<u>\$ 93,459</u>	<u>\$ 57,951</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 126,261	\$ 21,325	\$ 3,233	\$ 51,789	\$ 3,347
Accrued liabilities	5,685	19,231	16,245	4,263	222
Deposits payable	-	20,787	-	-	-
Due to other funds	784,215	40,070	156,217	37,407	-
Due to other governmental units	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	277,741	-	-	-
	<u>-</u>	<u>277,741</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>916,161</u>	<u>379,154</u>	<u>175,695</u>	<u>93,459</u>	<u>3,569</u>
<b>Fund Balances</b>					
Reserved for:					
Prepaid items	1,187	-	-	-	1,931
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	322,370	-	-	8,187
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	323,059	394,122	470	-	44,264
	<u>323,059</u>	<u>394,122</u>	<u>470</u>	<u>-</u>	<u>44,264</u>
Total fund balances	<u>324,246</u>	<u>716,492</u>	<u>470</u>	<u>-</u>	<u>54,382</u>
Total liabilities and fund balances	<u>\$ 1,240,407</u>	<u>\$ 1,095,646</u>	<u>\$ 176,165</u>	<u>\$ 93,459</u>	<u>\$ 57,951</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2005**

Continued

	Special Revenue Funds				
	MSU Extension	Family Independence Agency	Child Care	Soldiers' Relief	Veterans' Trust
<b>Assets</b>					
Cash and investment pool	\$ 32,395	\$ 228,825	\$ 14,183	\$ 3,459	\$ -
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	126	684	37,101	-	-
Accrued interest	67	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governmental units	53,579	109,257	302,328	-	8,756
Prepaid items	-	-	-	-	-
<b>Total assets</b>	<b>\$ 86,167</b>	<b>\$ 338,766</b>	<b>\$ 353,612</b>	<b>\$ 3,459</b>	<b>\$ 8,756</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 15,609	\$ 93,173	\$ 127,981	\$ 1,003	\$ 3,573
Accrued liabilities	2,599	95,413	32,282	-	-
Deposits payable	-	-	-	-	-
Due to other funds	12,125	7,180	63,048	2,456	5,183
Due to other governmental units	-	-	127,136	-	-
Advances from other funds	-	-	-	-	-
Advances from other governmental units	55,000	143,000	-	-	-
Deferred revenue	2	-	-	-	-
<b>Total liabilities</b>	<b>85,335</b>	<b>338,766</b>	<b>350,447</b>	<b>3,459</b>	<b>8,756</b>
<b>Fund Balances</b>					
Reserved for:					
Prepaid items	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	574	-	3,165	-	-
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	258	-	-	-	-
<b>Total fund balances</b>	<b>832</b>	<b>-</b>	<b>3,165</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 86,167</b>	<b>\$ 338,766</b>	<b>\$ 353,612</b>	<b>\$ 3,459</b>	<b>\$ 8,756</b>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2005**

	Debt Service Funds			Capital Projects Funds	
	Hospital Construction	Juvenile Center Renovation	Building Authority	Parks Building & Site	River Dredging Project
<b>Assets</b>					
Cash and investment pool	\$ 1,138,477	\$ 1,264	\$ 1,520,466	\$ 103,368	\$ 249,483
Receivables (net):					
Taxes	11,522	6,265	-	-	-
Accounts	-	-	-	-	53,002
Accrued interest	3,834	230	5,174	528	-
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	-	139,102	-
Prepaid items	-	-	35,176	-	-
	<u>-</u>	<u>-</u>	<u>35,176</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,153,833</u>	<u>\$ 7,759</u>	<u>\$ 1,560,816</u>	<u>\$ 242,998</u>	<u>\$ 302,485</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 134,719	\$ 201
Accrued liabilities	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	429	102	-	-	-
Due to other governmental units	-	-	-	-	-
Advances from other funds	-	-	-	-	300,000
Advances from other governmental units	-	-	-	-	-
Deferred revenue	11,522	6,265	-	-	-
	<u>11,522</u>	<u>6,265</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>11,951</u>	<u>6,367</u>	<u>-</u>	<u>134,719</u>	<u>300,201</u>
<b>Fund Balances</b>					
Reserved for:					
Prepaid items	-	-	35,176	-	-
Debt service	1,141,882	1,392	1,525,640	-	-
Capital projects	-	-	-	108,279	2,284
Restricted contributions	-	-	-	-	-
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,141,882</u>	<u>1,392</u>	<u>1,560,816</u>	<u>108,279</u>	<u>2,284</u>
Total liabilities and fund balances	<u>\$ 1,153,833</u>	<u>\$ 7,759</u>	<u>\$ 1,560,816</u>	<u>\$ 242,998</u>	<u>\$ 302,485</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2005**

**Concluded**

	<b>Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Rail Trail Endowment</b>	
<b>Assets</b>		
Cash and investment pool	\$ 28,767	\$ 17,500,690
Receivables (net):		
Taxes	-	286,143
Accounts	-	1,563,392
Accrued interest	95	57,573
Due from other funds	-	424,823
Due from other governmental units	-	3,705,750
Prepaid items	-	116,575
	<u>28,862</u>	<u>23,654,946</u>
Total assets	<u>\$ 28,862</u>	<u>\$ 23,654,946</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 1,683,858
Accrued liabilities	-	459,561
Deposits payable	-	20,787
Due to other funds	-	2,417,855
Due to other governmental units	-	184,895
Advances from other funds	-	300,000
Advances from other governmental units	-	198,000
Deferred revenue	-	597,076
	<u>-</u>	<u>5,862,032</u>
Total liabilities	<u>-</u>	<u>5,862,032</u>
<b>Fund Balances</b>		
Reserved for:		
Prepaid items	-	116,575
Debt service	-	2,668,914
Capital projects	-	110,563
Restricted contributions	28,000	7,677,006
Unreserved - designated for:		
Future use	862	1,245,711
General improvements	-	1,300,997
Unreserved - undesignated	-	4,673,148
	<u>28,862</u>	<u>17,792,914</u>
Total fund balances	<u>28,862</u>	<u>17,792,914</u>
Total liabilities and fund balances	<u>\$ 28,862</u>	<u>\$ 23,654,946</u>



**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Continued

	Special Revenue Funds				
	Law Enforcement	County Road Patrol Millage	Parks & Recreation	G.I.S. System	Friend of the Court
<b>Revenues</b>					
Property taxes	\$ -	\$ 1,538,166	\$ 731,815	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	2,782,271
State grants	-	-	-	-	183,516
Local grants and contributions	-	-	-	-	-
Charges for services	6,000	-	60,411	-	307,936
Fines and forfeitures	-	-	-	-	-
Investment income	5,430	9,180	12,791	-	567
Rental revenue	-	-	-	-	-
Donations	-	-	508,261	-	-
Reimbursements	220,376	773	-	129,915	71,134
Other revenue	-	-	9,493	-	-
<b>Total revenues</b>	<b>231,806</b>	<b>1,548,119</b>	<b>1,322,771</b>	<b>129,915</b>	<b>3,345,424</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	-	-	4,115,660
General government	-	-	-	133,439	-
Public safety	2,326,534	1,556,147	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	748,353	-	-
Capital outlay	-	-	520,536	-	131,500
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>2,326,534</b>	<b>1,556,147</b>	<b>1,268,889</b>	<b>133,439</b>	<b>4,247,160</b>
Revenues over (under) expenditures	(2,094,728)	(8,028)	53,882	(3,524)	(901,736)
<b>Other Financing Sources (Uses)</b>					
Transfers in	2,122,903	-	-	3,524	920,889
Transfers out	(28,177)	(7,047)	-	-	(18,262)
Sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,094,726</b>	<b>(7,047)</b>	<b>-</b>	<b>3,524</b>	<b>902,627</b>
Net change in fund balances	(2)	(15,075)	53,882	-	891
Fund balance, beginning of year	37,097	514,113	539,110	-	23,131
Fund balance, end of year	<u>\$ 37,095</u>	<u>\$ 499,038</u>	<u>\$ 592,992</u>	<u>\$ -</u>	<u>\$ 24,022</u>

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Continued

	Special Revenue Funds				
	Solid Waste	Lodging Excise Tax	Castle Museum & Historical Activities	Commission on Aging	Mosquito Control
<b>Revenues</b>					
Property taxes	\$ 3	\$ -	\$ 904,843	\$ 1,493,231	\$ 2,262,745
Accommodations tax	-	1,511,407	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	1,101,162	-
State grants	-	-	-	537,584	-
Local grants and contributions	-	-	-	3,552	-
Charges for services	368,499	-	-	209,246	3,756
Fines and forfeitures	-	-	-	-	-
Investment income	51,355	-	5,400	16,002	15,793
Rental revenue	-	-	-	-	644
Donations	-	-	-	287,731	-
Reimbursements	-	-	25,552	34,255	322,531
Other revenue	-	-	-	87,130	1,871
<b>Total revenues</b>	<b>419,857</b>	<b>1,511,407</b>	<b>935,795</b>	<b>3,769,893</b>	<b>2,607,340</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	458,120	-	-	-	-
Health and welfare	-	-	-	3,891,939	2,526,378
Community and economic development	-	1,511,407	-	-	-
Recreation and culture	-	-	954,029	-	-
Capital outlay	-	-	-	-	39,731
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>458,120</b>	<b>1,511,407</b>	<b>954,029</b>	<b>3,891,939</b>	<b>2,566,109</b>
Revenues over (under) expenditures	(38,263)	-	(18,234)	(122,046)	41,231
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	34,250
Transfers out	(160,608)	-	-	-	-
Sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(160,608)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,250</b>
Net change in fund balances	(198,871)	-	(18,234)	(122,046)	75,481
Fund balance, beginning of year	2,782,526	-	201,835	955,938	307,623
Fund balance, end of year	\$ 2,583,655	\$ -	\$ 183,601	\$ 833,892	\$ 383,104

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Continued

	Special Revenue Funds				
	Planning Commission	Principal Residence Exemption	Public Improvement	Courthouse Preservation Technology	Animal Control
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	17,401
Federal grants	391,214	-	-	-	-
State grants	-	-	-	-	-
Local grants and contributions	-	-	-	-	-
Charges for services	3,272	629	-	189,318	57,306
Fines and forfeitures	-	-	-	-	-
Investment income	138	20,155	19,731	2,312	-
Rental revenue	-	-	-	-	-
Donations	-	-	-	-	4,469
Reimbursements	-	-	6,501	-	-
Other revenue	33,009	-	-	-	-
<b>Total revenues</b>	<b>427,633</b>	<b>20,784</b>	<b>26,232</b>	<b>191,630</b>	<b>79,176</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	7,000	47,505	-
General government	-	-	183,959	-	-
Public safety	-	-	173,723	-	673,594
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	517,647	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>517,647</b>	<b>-</b>	<b>364,682</b>	<b>47,505</b>	<b>673,594</b>
Revenues over (under) expenditures	(90,014)	20,784	(338,450)	144,125	(594,418)
<b>Other Financing Sources (Uses)</b>					
Transfers in	77,891	-	161,007	-	597,415
Transfers out	-	-	(57,738)	(150,000)	-
Sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>77,891</b>	<b>-</b>	<b>103,269</b>	<b>(150,000)</b>	<b>597,415</b>
Net change in fund balances	(12,123)	20,784	(235,181)	(5,875)	2,997
Fund balance, beginning of year	26,922	18,894	1,536,178	5,875	10,548
Fund balance, end of year	<u>\$ 14,799</u>	<u>\$ 39,678</u>	<u>\$ 1,300,997</u>	<u>\$ -</u>	<u>\$ 13,545</u>

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Continued

	Special Revenue Funds			
	Revenue Sharing Reserve	Register of Deeds Automation	E-911 Telephone Surcharge	E-911 Equipment Digital
<b>Revenues</b>				
Property taxes	\$ 7,319,845	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants	-	-	289,306	-
Local grants and contributions	-	-	-	-
Charges for services	-	242,140	3,654,601	930,323
Fines and forfeitures	-	-	-	-
Investment income	36,189	7,688	15,963	26,315
Rental revenue	-	-	-	-
Donations	-	-	-	-
Reimbursements	-	-	-	-
Other revenue	-	-	-	-
Total revenues	<u>7,356,034</u>	<u>249,828</u>	<u>3,959,870</u>	<u>956,638</u>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	814,437	19,740	-	-
Public safety	-	-	3,554,714	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	111,122	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>814,437</u>	<u>130,862</u>	<u>3,554,714</u>	<u>-</u>
Revenues over (under) expenditures	<u>6,541,597</u>	<u>118,966</u>	<u>405,156</u>	<u>956,638</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	(3,992,812)	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>(3,992,812)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,548,785	118,966	405,156	956,638
Fund balance, beginning of year	-	316,462	981,125	919,210
Fund balance, end of year	<u>\$ 2,548,785</u>	<u>\$ 435,428</u>	<u>\$ 1,386,281</u>	<u>\$ 1,875,848</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Continued

	Special Revenue Funds				
	Mobile Data Maintenance & Repair	Law Library	County Library Board	Michigan Works! Service Centers	Remonu- mentation
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	-
State grants	-	-	-	-	141,156
Local grants and contributions	-	-	-	-	-
Charges for services	302,148	-	-	-	-
Fines and forfeitures	-	6,500	66,845	-	-
Investment income	32,519	-	-	-	-
Rental revenue	-	-	-	-	-
Donations	-	501	-	-	-
Reimbursements	-	-	-	41,264	-
Other revenue	-	-	-	-	-
<b>Total revenues</b>	<b>334,667</b>	<b>7,001</b>	<b>66,845</b>	<b>41,264</b>	<b>141,156</b>
<b>Expenditures</b>					
Current:					
Judicial	-	54,838	-	-	-
General government	-	-	-	-	141,156
Public safety	299,056	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	560,339	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	66,845	-	-
Capital outlay	929,922	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>1,228,978</b>	<b>54,838</b>	<b>66,845</b>	<b>560,339</b>	<b>141,156</b>
Revenues over (under) expenditures	(894,311)	(47,837)	-	(519,075)	-
<b>Other Financing Sources (Uses)</b>					
Transfers in	171,924	47,837	-	519,075	-
Transfers out	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>171,924</b>	<b>47,837</b>	<b>-</b>	<b>519,075</b>	<b>-</b>
Net change in fund balances	(722,387)	-	-	-	-
Fund balance, beginning of year	1,811,811	-	-	-	7,628
Fund balance, end of year	\$ 1,089,424	\$ -	\$ -	\$ -	\$ 7,628

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Continued

	<b>Special Revenue Funds</b>				
	<b>Special Projects</b>	<b>Sheriff Special Projects</b>	<b>Prosecutor Special Projects</b>	<b>Community Corrections</b>	<b>Local Correction Officer Training</b>
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	1,444,411	215,297	45,402	-	-
State grants	70,288	465,073	244,341	1,000,461	-
Local grants and contributions	-	126,603	-	-	-
Charges for services	14,390	31,984	-	-	94,440
Fines and forfeitures	7,123	31,634	31,896	-	-
Investment income	-	14,018	-	-	861
Rental revenue	-	-	-	-	-
Donations	57,980	46,183	425	-	-
Reimbursements	111,542	995,133	31,461	-	-
Other revenue	2,180	53	-	-	-
	<u>1,707,914</u>	<u>1,925,978</u>	<u>353,525</u>	<u>1,000,461</u>	<u>95,301</u>
Total revenues					
<b>Expenditures</b>					
Current:					
Judicial	47,155	-	-	-	-
General government	5,753	-	574,177	-	-
Public safety	851,851	1,991,430	-	980,873	87,114
Public works	97,964	-	-	-	-
Health and welfare	7,149	-	-	-	-
Community and economic development	136,530	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	550,804	16,725	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
	<u>1,697,206</u>	<u>2,008,155</u>	<u>574,177</u>	<u>980,873</u>	<u>87,114</u>
Total expenditures					
Revenues over (under) expenditures	<u>10,708</u>	<u>(82,177)</u>	<u>(220,652)</u>	<u>19,588</u>	<u>8,187</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	93,096	136,638	220,652	17,354	46,195
Transfers out	-	(85,385)	-	(36,942)	-
Sale of capital assets	-	345	-	-	-
	<u>93,096</u>	<u>51,598</u>	<u>220,652</u>	<u>(19,588)</u>	<u>46,195</u>
Total other financing sources (uses)					
Net change in fund balances	103,804	(30,579)	-	-	54,382
Fund balance, beginning of year	<u>220,442</u>	<u>747,071</u>	<u>470</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 324,246</u>	<u>\$ 716,492</u>	<u>\$ 470</u>	<u>\$ -</u>	<u>\$ 54,382</u>

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Continued

	Special Revenue Funds				
	MSU Extension	Family Independence Agency	Child Care	Soldiers' Relief	Veterans' Trust
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	110,568	-	70,061	-	-
State grants	120,000	1,069,971	1,645,431	-	51,289
Local grants and contributions	273,251	-	21,707	-	-
Charges for services	5,840	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	377	-	-	-	-
Rental revenue	-	-	-	-	-
Donations	-	-	28,093	-	-
Reimbursements	-	-	242,470	-	-
Other revenue	2,919	6,000	10,000	-	-
<b>Total revenues</b>	<b>512,955</b>	<b>1,075,971</b>	<b>2,017,762</b>	<b>-</b>	<b>51,289</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	-	-	-
General government	775,220	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	1,303,691	4,431,582	19,636	51,289
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	13,433	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>775,220</b>	<b>1,303,691</b>	<b>4,445,015</b>	<b>19,636</b>	<b>51,289</b>
Revenues over (under) expenditures	(262,265)	(227,720)	(2,427,253)	(19,636)	-
<b>Other Financing Sources (Uses)</b>					
Transfers in	262,506	227,720	2,398,839	19,636	-
Transfers out	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>262,506</b>	<b>227,720</b>	<b>2,398,839</b>	<b>19,636</b>	<b>-</b>
Net change in fund balances	241	-	(28,414)	-	-
Fund balance, beginning of year	591	-	31,579	-	-
Fund balance, end of year	\$ 832	\$ -	\$ 3,165	\$ -	\$ -

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Continued

	Debt Service Funds			Capital Projects Funds	
	Hospital Construction	Juvenile Center Renovation	Building Authority	Parks Building & Site	River Dredging Project
<b>Revenues</b>					
Property taxes	\$ 2,247,383	\$ 241,981	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	1,343,000
State grants	-	-	-	184,520	-
Local grants and contributions	1,199,706	-	-	196,000	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	20,817	1,843	32,014	2,986	-
Rental revenue	-	-	790,440	-	-
Donations	-	-	-	-	653,002
Reimbursements	-	-	-	-	-
Other revenue	710	-	-	-	-
<b>Total revenues</b>	<b>3,468,616</b>	<b>243,824</b>	<b>822,454</b>	<b>383,506</b>	<b>1,996,002</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	2,341,903
Health and welfare	-	-	-	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	349,539	-
Debt service:					
Principal	1,580,000	175,000	660,000	-	-
Interest and fiscal charges	739,841	63,442	263,401	-	-
<b>Total expenditures</b>	<b>2,319,841</b>	<b>238,442</b>	<b>923,401</b>	<b>349,539</b>	<b>2,341,903</b>
Revenues over (under) expenditures	1,148,775	5,382	(100,947)	33,967	(345,901)
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	333,000
Transfers out	(6,893)	(3,990)	(48,426)	-	-
Sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(6,893)</b>	<b>(3,990)</b>	<b>(48,426)</b>	<b>-</b>	<b>333,000</b>
Net change in fund balances	1,141,882	1,392	(149,373)	33,967	(12,901)
Fund balance, beginning of year	-	-	1,710,189	74,312	15,185
Fund balance, end of year	<u>\$ 1,141,882</u>	<u>\$ 1,392</u>	<u>\$ 1,560,816</u>	<u>\$ 108,279</u>	<u>\$ 2,284</u>



**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

**Concluded**

	<b>Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Rail Trail Endowment</b>	
<b>Revenues</b>		
Property taxes	\$ -	\$ 16,740,012
Accommodations tax	-	1,511,407
Licenses and permits	-	17,401
Federal grants	-	7,503,386
State grants	-	6,002,936
Local grants and contributions	-	1,820,819
Charges for services	-	6,482,239
Fines and forfeitures	-	143,998
Investment income	557	351,001
Rental revenue	-	791,084
Donations	-	1,586,645
Reimbursements	-	2,232,907
Other revenue	-	153,365
	557	45,337,200
<b>Expenditures</b>		
Current:		
Judicial	-	4,272,158
General government	-	2,647,881
Public safety	-	12,495,036
Public works	-	2,897,987
Health and welfare	-	12,792,003
Community and economic development	-	2,165,584
Recreation and culture	-	1,769,227
Capital outlay	-	2,663,312
Debt service:		
Principal	-	2,415,000
Interest and fiscal charges	-	1,066,684
	-	45,184,872
Revenues over (under) expenditures	557	152,328
<b>Other Financing Sources (Uses)</b>		
Transfers in	-	8,412,351
Transfers out	-	(4,596,280)
Sale of capital assets	-	345
	-	3,816,416
Net change in fund balances	557	3,968,744
Fund balance, beginning of year	28,305	13,824,170
Fund balance, end of year	\$ 28,862	\$ 17,792,914

**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, 2005**

	<b>Law Enforcement</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for services	\$ -	\$ 6,000	\$ 6,000	\$ -
Investment income	-	-	5,430	5,430
Reimbursements	162,854	168,130	220,376	52,246
<b>Total revenues</b>	<b>162,854</b>	<b>174,130</b>	<b>231,806</b>	<b>57,676</b>
<b>Expenditures</b>				
Current:				
Public safety	2,386,881	2,399,823	2,326,534	73,289
<b>Revenues over (under) expenditures</b>	<b>(2,224,027)</b>	<b>(2,225,693)</b>	<b>(2,094,728)</b>	<b>130,965</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,221,666	2,228,608	2,122,903	(105,705)
Transfers out	(34,735)	(40,011)	(28,177)	11,834
<b>Total other financing sources (uses)</b>	<b>2,186,931</b>	<b>2,188,597</b>	<b>2,094,726</b>	<b>(93,871)</b>
<b>Net change in fund balances</b>	<b>(37,096)</b>	<b>(37,096)</b>	<b>(2)</b>	<b>37,094</b>
<b>Fund balance, beginning of year</b>	<b>37,097</b>	<b>37,097</b>	<b>37,097</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 37,095</b>	<b>\$ 37,094</b>

**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, 2005**

	<u>County Road Patrol Millage</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Property taxes	\$ 1,535,139	\$ 1,535,139	\$ 1,538,166	\$ 3,027
Investment income	1,505	1,505	9,180	7,675
Reimbursements	-	-	773	773
Total revenues	<u>1,536,644</u>	<u>1,536,644</u>	<u>1,548,119</u>	<u>11,475</u>
<b>Expenditures</b>				
Current:				
Public safety	<u>1,529,597</u>	<u>1,673,422</u>	<u>1,556,147</u>	<u>117,275</u>
Revenues over (under) expenditures	<u>7,047</u>	<u>(136,778)</u>	<u>(8,028)</u>	<u>128,750</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(7,047)</u>	<u>(7,047)</u>	<u>(7,047)</u>	<u>-</u>
Net change in fund balances	-	(143,825)	(15,075)	128,750
Fund balance, beginning of year	<u>514,113</u>	<u>514,113</u>	<u>514,113</u>	<u>-</u>
Fund balance, end of year	<u>\$ 514,113</u>	<u>\$ 370,288</u>	<u>\$ 499,038</u>	<u>\$ 128,750</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, 2005**

	<b>Parks &amp; Recreation</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Property taxes	\$ 730,525	\$ 730,525	\$ 731,815	\$ 1,290
Charges for services	41,500	41,500	60,411	18,911
Investment income	8,325	8,325	12,791	4,466
Donations	20,000	1,047,125	508,261	(538,864)
Other revenue	15,000	15,000	9,493	(5,507)
<b>Total revenues</b>	<b>815,350</b>	<b>1,842,475</b>	<b>1,322,771</b>	<b>(519,704)</b>
<b>Expenditures</b>				
Current:				
Recreation and culture	717,748	1,282,484	748,353	534,131
Capital outlay	97,602	561,689	520,536	41,153
<b>Total expenditures</b>	<b>815,350</b>	<b>1,844,173</b>	<b>1,268,889</b>	<b>575,284</b>
Net change in fund balances	-	(1,698)	53,882	55,580
Fund balance, beginning of year	539,110	539,110	539,110	-
Fund balance, end of year	<u>\$ 539,110</u>	<u>\$ 537,412</u>	<u>\$ 592,992</u>	<u>\$ 55,580</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, 2005**

	G.I.S. System			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Reimbursements	129,651	129,651	129,915	264
<b>Total revenues</b>	<u>129,651</u>	<u>129,651</u>	<u>129,915</u>	<u>264</u>
<b>Expenditures</b>				
Current:				
General government	129,651	134,651	133,439	1,212
<b>Revenues over (under) expenditures</b>	-	(5,000)	(3,524)	1,476
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	5,000	3,524	(1,476)
<b>Net change in fund balances</b>	-	-	-	-
<b>Fund balance, beginning of year</b>	-	-	-	-
<b>Fund balance, end of year</b>	<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, 2005**

	Friend of the Court			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Federal grants	\$ 2,906,262	\$ 2,906,262	\$ 2,782,271	\$ (123,991)
State grants	253,405	298,386	183,516	(114,870)
Charges for services	270,600	270,600	307,936	37,336
Investment income	262	262	567	305
Reimbursements	76,500	76,500	71,134	(5,366)
Total revenues	<u>3,507,029</u>	<u>3,552,010</u>	<u>3,345,424</u>	<u>(206,586)</u>
<b>Expenditures</b>				
Current:				
Judicial	4,183,924	4,340,894	4,115,660	225,234
Capital outlay	160,000	145,000	131,500	13,500
Total expenditures	<u>4,343,924</u>	<u>4,485,894</u>	<u>4,247,160</u>	<u>238,734</u>
Revenues over (under) expenditures	<u>(836,895)</u>	<u>(933,884)</u>	<u>(901,736)</u>	<u>32,148</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	855,157	952,146	920,889	(31,257)
Transfers out	(18,262)	(18,262)	(18,262)	-
Total other financing sources (uses)	<u>836,895</u>	<u>933,884</u>	<u>902,627</u>	<u>(31,257)</u>
Net change in fund balances	-	-	891	891
Fund balance, beginning of year	<u>23,131</u>	<u>23,131</u>	<u>23,131</u>	<u>-</u>
Fund balance, end of year	<u>\$ 23,131</u>	<u>\$ 23,131</u>	<u>\$ 24,022</u>	<u>\$ 891</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, 2005**

	<b>Solid Waste</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ 3	\$ 3
Charges for services	320,818	320,818	368,499	47,681
Investment income	26,235	26,235	51,355	25,120
<b>Total revenues</b>	<b>347,053</b>	<b>347,053</b>	<b>419,857</b>	<b>72,804</b>
<b>Expenditures</b>				
Current:				
Public works	307,827	468,310	458,120	10,190
<b>Revenues over (under) expenditures</b>	<b>39,226</b>	<b>(121,257)</b>	<b>(38,263)</b>	<b>82,994</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(160,608)	(160,608)	(160,608)	-
<b>Net change in fund balances</b>	<b>(121,382)</b>	<b>(281,865)</b>	<b>(198,871)</b>	<b>82,994</b>
Fund balance, beginning of year	2,782,526	2,782,526	2,782,526	-
<b>Fund balance, end of year</b>	<b>\$ 2,661,144</b>	<b>\$ 2,500,661</b>	<b>\$ 2,583,655</b>	<b>\$ 82,994</b>

**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, 2005**

	<b>Lodging Excise Tax</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Accommodations tax	\$ 1,365,000	\$ 1,365,000	\$ 1,511,407	\$ 146,407
<b>Expenditures</b>				
Current:				
Community and economic development	1,365,000	1,365,000	1,511,407	(146,407)
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, 2005**

	Castle Museum & Historical Activities			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Property taxes	\$ 903,102	\$ 903,102	\$ 904,843	\$ 1,741
Investment income	2,000	2,000	5,400	3,400
Reimbursements	25,602	25,602	25,552	(50)
Total revenues	930,704	930,704	935,795	5,091
<b>Expenditures</b>				
Current:				
Recreation and culture	930,704	962,104	954,029	8,075
Net change in fund balances	-	(31,400)	(18,234)	13,166
Fund balance, beginning of year	201,835	201,835	201,835	-
Fund balance, end of year	<u>\$ 201,835</u>	<u>\$ 170,435</u>	<u>\$ 183,601</u>	<u>\$ 13,166</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, 2005**

	<u>Commission on Aging</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Property taxes	\$ 1,490,412	\$ 1,490,412	\$ 1,493,231	\$ 2,819
Federal grants	1,243,206	1,332,929	1,101,162	(231,767)
State grants	342,108	346,308	537,584	191,276
Local grants and contributions	-	13,804	3,552	(10,252)
Charges for services	263,025	263,025	209,246	(53,779)
Investment income	25,597	25,597	16,002	(9,595)
Donations	275,848	284,848	287,731	2,883
Reimbursements	46,030	46,030	34,255	(11,775)
Other revenue	93,890	101,860	87,130	(14,730)
<b>Total revenues</b>	<u>3,780,116</u>	<u>3,904,813</u>	<u>3,769,893</u>	<u>(134,920)</u>
<b>Expenditures</b>				
Current:				
Health and welfare	<u>3,780,116</u>	<u>3,908,313</u>	<u>3,891,939</u>	<u>16,374</u>
Net change in fund balances	-	(3,500)	(122,046)	(118,546)
Fund balance, beginning of year	<u>955,938</u>	<u>955,938</u>	<u>955,938</u>	<u>-</u>
Fund balance, end of year	<u>\$ 955,938</u>	<u>\$ 952,438</u>	<u>\$ 833,892</u>	<u>\$ (118,546)</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, 2005**

	<b>Mosquito Control</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Property taxes	\$ 2,257,984	\$ 2,257,984	\$ 2,262,745	\$ 4,761
Charges for services	10,000	10,000	3,756	(6,244)
Investment income	10,000	10,000	15,793	5,793
Rental revenue	900	900	644	(256)
Reimbursements	193,750	193,750	322,531	128,781
Other revenue	-	-	1,871	1,871
<b>Total revenues</b>	<u>2,472,634</u>	<u>2,472,634</u>	<u>2,607,340</u>	<u>134,706</u>
<b>Expenditures</b>				
Current:				
Health and welfare	2,599,213	2,631,613	2,526,378	105,235
Capital outlay	-	43,100	39,731	3,369
<b>Total expenditures</b>	<u>2,599,213</u>	<u>2,674,713</u>	<u>2,566,109</u>	<u>108,604</u>
Revenues over (under) expenditures	(126,579)	(202,079)	41,231	243,310
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>34,250</u>	<u>34,250</u>	<u>34,250</u>	<u>-</u>
Net change in fund balances	(92,329)	(167,829)	75,481	243,310
Fund balance, beginning of year	<u>307,623</u>	<u>307,623</u>	<u>307,623</u>	<u>-</u>
Fund balance, end of year	<u>\$ 215,294</u>	<u>\$ 139,794</u>	<u>\$ 383,104</u>	<u>\$ 243,310</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, 2005**

	<b>Planning Commission</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Federal grants	\$ 804,000	\$ 504,000	\$ 391,214	\$ (112,786)
Charges for services	1,000	1,000	3,272	2,272
Investment income	-	-	138	138
Reimbursements	1,000	1,000	-	(1,000)
Other revenue	10,000	35,000	33,009	(1,991)
<b>Total revenues</b>	<u>816,000</u>	<u>541,000</u>	<u>427,633</u>	<u>(113,367)</u>
<b>Expenditures</b>				
Current:				
Community and economic development	<u>893,891</u>	<u>618,891</u>	<u>517,647</u>	<u>101,244</u>
Revenues over (under) expenditures	(77,891)	(77,891)	(90,014)	(12,123)
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>77,891</u>	<u>77,891</u>	<u>77,891</u>	<u>-</u>
Net change in fund balances	-	-	(12,123)	(12,123)
Fund balance, beginning of year	<u>26,922</u>	<u>26,922</u>	<u>26,922</u>	<u>-</u>
Fund balance, end of year	<u>\$ 26,922</u>	<u>\$ 26,922</u>	<u>\$ 14,799</u>	<u>\$ (12,123)</u>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

	Principal Residence Exemption			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Charges for services	\$ 500	\$ 500	\$ 629	\$ 129
Investment income	9,500	9,500	20,155	10,655
Net change in fund balances	10,000	10,000	20,784	10,784
Fund balance, beginning of year	18,894	18,894	18,894	-
Fund balance, end of year	<u>\$ 28,894</u>	<u>\$ 28,894</u>	<u>\$ 39,678</u>	<u>\$ 10,784</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, 2005**

	<b>Public Improvement</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Investment income	\$ -	\$ -	\$ 19,731	\$ 19,731
Reimbursements	-	-	6,501	6,501
Total revenues	-	-	26,232	26,232
<b>Expenditures</b>				
Current:				
Judicial	7,000	7,000	7,000	-
General government	64,000	240,612	183,959	56,653
Public safety	315,914	294,020	173,723	120,297
Total expenditures	386,914	541,632	364,682	176,950
Revenues over (under) expenditures	(386,914)	(541,632)	(338,450)	203,182
<b>Other Financing Sources (Uses)</b>				
Transfers in	220,000	220,000	161,007	(58,993)
Transfers out	(58,477)	(58,477)	(57,738)	739
Total other financing sources (uses)	161,523	161,523	103,269	(58,254)
Net change in fund balances	(225,391)	(380,109)	(235,181)	144,928
Fund balance, beginning of year	1,536,178	1,536,178	1,536,178	-
Fund balance, end of year	<u>\$ 1,310,787</u>	<u>\$ 1,156,069</u>	<u>\$ 1,300,997</u>	<u>\$ 144,928</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, 2005**

	<b>Courthouse Preservation Technology</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for services	\$ 180,752	\$ 180,752	\$ 189,318	\$ 8,566
Investment income	673	673	2,312	1,639
<b>Total revenues</b>	<b>181,425</b>	<b>181,425</b>	<b>191,630</b>	<b>10,205</b>
<b>Expenditures</b>				
Current:				
Judicial	48,000	48,000	47,505	495
<b>Revenues over (under) expenditures</b>	<b>133,425</b>	<b>133,425</b>	<b>144,125</b>	<b>10,700</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(150,000)	(150,000)	(150,000)	-
<b>Net change in fund balances</b>	<b>(16,575)</b>	<b>(16,575)</b>	<b>(5,875)</b>	<b>10,700</b>
Fund balance, beginning of year	5,875	5,875	5,875	-
<b>Fund balance, end of year</b>	<b>\$ (10,700)</b>	<b>\$ (10,700)</b>	<b>\$ -</b>	<b>\$ 10,700</b>

**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, 2005**

	<b>Animal Control</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Licenses and permits	\$ 10,313	\$ 10,313	\$ 17,401	\$ 7,088
Charges for services	39,930	39,930	57,306	17,376
Donations	3,300	3,300	4,469	1,169
<b>Total revenues</b>	<b>53,543</b>	<b>53,543</b>	<b>79,176</b>	<b>25,633</b>
<b>Expenditures</b>				
Current:				
Public safety	668,543	668,543	673,594	(5,051)
<b>Revenues over (under) expenditures</b>	<b>(615,000)</b>	<b>(615,000)</b>	<b>(594,418)</b>	<b>20,582</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	615,000	615,000	597,415	(17,585)
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>2,997</b>	<b>2,997</b>
<b>Fund balance, beginning of year</b>	<b>10,548</b>	<b>10,548</b>	<b>10,548</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 10,548</b>	<b>\$ 10,548</b>	<b>\$ 13,545</b>	<b>\$ 2,997</b>



**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, 2005**

	Revenue Sharing Reserve			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Property taxes	\$ -	\$ 7,319,845	\$ 7,319,845	\$ -
Investment income	-	-	36,189	36,189
Total revenues	-	7,319,845	7,356,034	36,189
<b>Expenditures</b>				
Current:				
General government	-	3,327,033	814,437	2,512,596
Revenues over (under) expenditures	-	3,992,812	6,541,597	2,548,785
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	(3,992,812)	(3,992,812)	-
Net change in fund balances	-	-	2,548,785	2,548,785
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 2,548,785	\$ 2,548,785

**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, 2005**

	<b>Register of Deeds Automation</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for services	\$ 350,000	\$ 350,000	\$ 242,140	\$ (107,860)
Investment income	1,000	1,000	7,688	6,688
Total revenues	<u>351,000</u>	<u>351,000</u>	<u>249,828</u>	<u>(101,172)</u>
<b>Expenditures</b>				
Current:				
General government	351,000	80,640	19,740	60,900
Capital outlay	-	270,360	111,122	159,238
Total expenditures	<u>351,000</u>	<u>351,000</u>	<u>130,862</u>	<u>220,138</u>
Net change in fund balances	-	-	118,966	118,966
Fund balance, beginning of year	<u>316,462</u>	<u>316,462</u>	<u>316,462</u>	<u>-</u>
Fund balance, end of year	<u>\$ 316,462</u>	<u>\$ 316,462</u>	<u>\$ 435,428</u>	<u>\$ 118,966</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, 2005**

	<b>E-911 Telephone Surcharge</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
State grants	\$ 260,000	\$ 260,000	\$ 289,306	\$ 29,306
Charges for services	4,080,289	4,080,289	3,654,601	(425,688)
Investment income	-	-	15,963	15,963
Total revenues	<u>4,340,289</u>	<u>4,340,289</u>	<u>3,959,870</u>	<u>(380,419)</u>
<b>Expenditures</b>				
Current:				
Public safety	<u>4,440,289</u>	<u>4,440,289</u>	<u>3,554,714</u>	<u>885,575</u>
Net change in fund balances	(100,000)	(100,000)	405,156	505,156
Fund balance, beginning of year	<u>981,125</u>	<u>981,125</u>	<u>981,125</u>	<u>-</u>
Fund balance, end of year	<u>\$ 881,125</u>	<u>\$ 881,125</u>	<u>\$ 1,386,281</u>	<u>\$ 505,156</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, 2005**

	<b>E-911 Equipment Digital</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for services	\$ 1,008,000	\$ 1,008,000	\$ 930,323	\$ (77,677)
Investment income	-	-	26,315	26,315
Total revenues	1,008,000	1,008,000	956,638	(51,362)
<b>Expenditures</b>				
Capital outlay	1,008,000	1,008,000	-	1,008,000
Net change in fund balances	-	-	956,638	956,638
Fund balance, beginning of year	919,210	919,210	919,210	-
Fund balance, end of year	<u>\$ 919,210</u>	<u>\$ 919,210</u>	<u>\$ 1,875,848</u>	<u>\$ 956,638</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, 2005**

	<b>Mobile Data Maintenance &amp; Repair</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for services	\$ 300,582	\$ 300,582	\$ 302,148	\$ 1,566
Investment income	-	-	32,519	32,519
Total revenues	<u>300,582</u>	<u>300,582</u>	<u>334,667</u>	<u>34,085</u>
<b>Expenditures</b>				
Current:				
Public safety	622,506	472,506	299,056	173,450
Capital outlay	-	150,000	929,922	(779,922)
Total expenditures	<u>622,506</u>	<u>622,506</u>	<u>1,228,978</u>	<u>(606,472)</u>
Revenues over (under) expenditures	(321,924)	(321,924)	(894,311)	(572,387)
<b>Other Financing Sources (Uses)</b>				
Transfers in	171,924	171,924	171,924	-
Net change in fund balances	(150,000)	(150,000)	(722,387)	(572,387)
Fund balance, beginning of year	<u>1,811,811</u>	<u>1,811,811</u>	<u>1,811,811</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,661,811</u>	<u>\$ 1,661,811</u>	<u>\$ 1,089,424</u>	<u>\$ (572,387)</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, 2005**

	<b>Law Library</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Fines and forfeitures	\$ 6,500	\$ 6,500	\$ 6,500	\$ -
Donations	-	-	501	501
<b>Total revenues</b>	<b>6,500</b>	<b>6,500</b>	<b>7,001</b>	<b>501</b>
<b>Expenditures</b>				
Current:				
Judicial	73,762	73,762	54,838	18,924
<b>Revenues over (under) expenditures</b>	<b>(67,262)</b>	<b>(67,262)</b>	<b>(47,837)</b>	<b>19,425</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	67,262	67,262	47,837	(19,425)
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, 2005**

	<b>County Library Board</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Fines and forfeitures	\$ 130,000	\$ 130,000	\$ 66,845	\$ (63,155)
<b>Expenditures</b>				
Current:				
Recreation and culture	130,000	130,000	66,845	63,155
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, 2005**

	<b>Michigan Works! Service Centers</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Reimbursements	\$ -	\$ -	\$ 41,264	\$ 41,264
<b>Expenditures</b>				
Current:				
Health and welfare	516,293	623,643	560,339	63,304
Revenues over (under) expenditures	(516,293)	(623,643)	(519,075)	104,568
<b>Other Financing Sources (Uses)</b>				
Transfers in	516,293	623,643	519,075	(104,568)
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, 2005**

	<b>Remonumentation</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
State grants	\$ 150,000	\$ 134,115	\$ 141,156	\$ 7,041
<b>Expenditures</b>				
Current:				
General government	150,000	134,115	141,156	(7,041)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	7,628	7,628	7,628	-
Fund balance, end of year	\$ 7,628	\$ 7,628	\$ 7,628	\$ -

**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, 2005**

	Special Projects			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Federal grants	\$ 242,435	\$ 1,664,191	\$ 1,444,411	\$ (219,780)
State grants	20,000	41,805	70,288	28,483
Charges for services	2,300	2,300	14,390	12,090
Fines and forfeitures	10,000	10,000	7,123	(2,877)
Donations	-	57,980	57,980	-
Reimbursements	114,725	114,725	111,542	(3,183)
Other revenue	-	-	2,180	2,180
<b>Total revenues</b>	<b>389,460</b>	<b>1,891,001</b>	<b>1,707,914</b>	<b>(183,087)</b>
<b>Expenditures</b>				
Current:				
Judicial	95,861	80,366	47,155	33,211
General government	2,300	2,300	5,753	(3,453)
Public safety	339,067	1,107,105	851,851	255,254
Public works	88,425	88,425	97,964	(9,539)
Health and welfare	17,000	7,494	7,149	345
Community and economic development	-	284,342	136,530	147,812
Capital outlay	26,300	550,810	550,804	6
<b>Total expenditures</b>	<b>568,953</b>	<b>2,120,842</b>	<b>1,697,206</b>	<b>423,636</b>
Revenues over (under) expenditures	(179,493)	(229,841)	10,708	240,549
<b>Other Financing Sources (Uses)</b>				
Transfers in	88,632	100,796	93,096	(7,700)
Net change in fund balances	(90,861)	(129,045)	103,804	232,849
Fund balance, beginning of year	220,442	220,442	220,442	-
Fund balance, end of year	<u>\$ 129,581</u>	<u>\$ 91,397</u>	<u>\$ 324,246</u>	<u>\$ 232,849</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, 2005**

	<b>Sheriff Special Projects</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Federal grants	\$ 225,946	\$ 292,651	\$ 215,297	\$ (77,354)
State grants	440,458	453,717	465,073	11,356
Local grants and contributions	135,688	135,688	126,603	(9,085)
Charges for services	145,083	35,083	31,984	(3,099)
Fines and forfeitures	185,000	185,000	31,634	(153,366)
Investment income	-	-	14,018	14,018
Donations	216,728	216,728	46,183	(170,545)
Reimbursements	1,238,235	1,238,235	995,133	(243,102)
Other revenue	-	-	53	53
<b>Total revenues</b>	<b>2,587,138</b>	<b>2,557,102</b>	<b>1,925,978</b>	<b>(631,124)</b>
<b>Expenditures</b>				
Current:				
Public safety	2,802,955	2,789,187	1,991,430	797,757
Capital outlay	11,111	15,591	16,725	(1,134)
<b>Total expenditures</b>	<b>2,814,066</b>	<b>2,804,778</b>	<b>2,008,155</b>	<b>796,623</b>
Revenues over (under) expenditures	(226,928)	(247,676)	(82,177)	165,499
<b>Other Financing Sources (Uses)</b>				
Transfers in	110,097	159,843	136,638	(23,205)
Transfers out	(18,264)	(62,734)	(85,385)	(22,651)
Sale of capital assets	-	-	345	345
<b>Total other financing sources (uses)</b>	<b>91,833</b>	<b>97,109</b>	<b>51,598</b>	<b>(45,511)</b>
Net change in fund balances	(135,095)	(150,567)	(30,579)	119,988
Fund balance, beginning of year	747,071	747,071	747,071	-
Fund balance, end of year	<u>\$ 611,976</u>	<u>\$ 596,504</u>	<u>\$ 716,492</u>	<u>\$ 119,988</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, 2005**

	Prosecutor Special Projects			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Federal grants	\$ 98,066	\$ 98,066	\$ 45,402	\$ (52,664)
State grants	239,091	245,373	244,341	(1,032)
Fines and forfeitures	20,000	20,436	31,896	11,460
Donations	908	908	425	(483)
Reimbursements	20,000	20,000	31,461	11,461
Total revenues	378,065	384,783	353,525	(31,258)
<b>Expenditures</b>				
Current:				
General government	538,567	545,285	574,177	(28,892)
Revenues over (under) expenditures	(160,502)	(160,502)	(220,652)	(60,150)
<b>Other Financing Sources (Uses)</b>				
Transfers in	160,502	160,502	220,652	60,150
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	470	470	470	-
Fund balance, end of year	\$ 470	\$ 470	\$ 470	\$ -

**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, 2005**

	<b>Community Corrections</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
State grants	\$ 1,023,831	\$ 1,035,831	\$ 1,000,461	\$ (35,370)
<b>Expenditures</b>				
Current:				
Public safety	1,034,595	1,039,653	980,873	58,780
Revenues over (under) expenditures	(10,764)	(3,822)	19,588	23,410
<b>Other Financing Sources (Uses)</b>				
Transfers in	40,764	40,764	17,354	(23,410)
Transfers out	(30,000)	(36,942)	(36,942)	-
Total other financing sources (uses)	10,764	3,822	(19,588)	(23,410)
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, 2005**

	<b>Local Correction Officer Training</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for services	\$ -	\$ 110,000	\$ 94,440	\$ (15,560)
Investment income	-	-	861	861
Total revenues	-	110,000	95,301	(14,699)
<b>Expenditures</b>				
Current:				
Public safety	-	110,000	87,114	22,886
Revenues over (under) expenditures	-	-	8,187	8,187
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	46,195	46,195
Net change in fund balances	-	-	54,382	54,382
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,382</u>	<u>\$ 54,382</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, 2005**

	MSU Extension			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Federal grants	\$ 128,010	\$ 128,010	\$ 110,568	\$ (17,442)
State grants	120,000	120,000	120,000	-
Local grants and contributions	291,380	291,380	273,251	(18,129)
Charges for services	20,000	20,000	5,840	(14,160)
Investment income	-	-	377	377
Other revenue	-	-	2,919	2,919
Total revenues	559,390	559,390	512,955	(46,435)
<b>Expenditures</b>				
Current:				
General government	834,020	834,020	775,220	58,800
Revenues over (under) expenditures	(274,630)	(274,630)	(262,265)	12,365
<b>Other Financing Sources (Uses)</b>				
Transfers in	274,630	274,630	262,506	(12,124)
Net change in fund balances	-	-	241	241
Fund balance, beginning of year	591	591	591	-
Fund balance, end of year	\$ 591	\$ 591	\$ 832	\$ 241

**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, 2005**

	<b>Family Independence Agency</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
State grants	\$ 1,544,576	\$ 1,544,576	\$ 1,069,971	\$ (474,605)
Other revenue	-	-	6,000	6,000
<b>Total revenues</b>	<b>1,544,576</b>	<b>1,544,576</b>	<b>1,075,971</b>	<b>(468,605)</b>
<b>Expenditures</b>				
Current:				
Health and welfare	1,649,476	1,779,476	1,303,691	475,785
<b>Revenues over (under) expenditures</b>	<b>(104,900)</b>	<b>(234,900)</b>	<b>(227,720)</b>	<b>7,180</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	104,900	234,900	227,720	(7,180)
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, 2005**

	<b>Child Care</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Federal grants	\$ 64,078	\$ 64,078	\$ 70,061	\$ 5,983
State grants	1,838,563	1,846,563	1,645,431	(201,132)
Local grants and contributions	100,000	100,000	21,707	(78,293)
Donations	59,200	59,200	28,093	(31,107)
Reimbursements	326,700	326,700	242,470	(84,230)
Other revenue	8,000	8,000	10,000	2,000
Total revenues	<u>2,396,541</u>	<u>2,404,541</u>	<u>2,017,762</u>	<u>(386,779)</u>
<b>Expenditures</b>				
Current:				
Health and welfare	4,851,928	4,854,428	4,431,582	422,846
Capital outlay	-	13,500	13,433	67
Total expenditures	<u>4,851,928</u>	<u>4,867,928</u>	<u>4,445,015</u>	<u>422,913</u>
Revenues over (under) expenditures	(2,455,387)	(2,463,387)	(2,427,253)	36,134
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>2,453,887</u>	<u>2,461,887</u>	<u>2,398,839</u>	<u>(63,048)</u>
Net change in fund balances	(1,500)	(1,500)	(28,414)	(26,914)
Fund balance, beginning of year	<u>31,579</u>	<u>31,579</u>	<u>31,579</u>	<u>-</u>
Fund balance, end of year	<u>\$ 30,079</u>	<u>\$ 30,079</u>	<u>\$ 3,165</u>	<u>\$ (26,914)</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, 2005**

	<b>Soldiers' Relief</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Expenditures</b>				
Current:				
Health and welfare	\$ 22,092	\$ 22,092	\$ 19,636	\$ 2,456
<b>Other Financing Sources (Uses)</b>				
Transfers in	22,092	22,092	19,636	(2,456)
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, 2005**

	<b>Veterans' Trust</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
State grants	\$ 82,000	\$ 82,000	\$ 51,289	\$ (30,711)
<b>Expenditures</b>				
Current:				
Health and welfare	82,000	82,000	51,289	30,711
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## **NONMAJOR ENTERPRISE FUNDS**

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

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

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

**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, 2005**

	<u>Parking System</u>	<u>Delinquent Property Tax Foreclosure</u>	<u>Building Authority Administration</u>	<u>Inmate Services</u>	<u>Total</u>
<b>Assets</b>					
Current assets:					
Cash and investment pool	\$ 12,613	\$ 71,579	\$ 335,601	\$ 164,497	\$ 584,290
Receivables (net):					
Accounts	731	-	-	50,360	51,091
Accrued interest	-	231	1,085	-	1,316
Total current assets	<u>13,344</u>	<u>71,810</u>	<u>336,686</u>	<u>214,857</u>	<u>636,697</u>
Noncurrent assets - capital assets:					
Land	41,273	-	-	-	41,273
Land improvements	33,933	-	-	-	33,933
Machinery and equipment	80,549	-	-	6,892	87,441
Vehicles	-	-	-	54,428	54,428
Accumulated depreciation	(108,029)	-	-	(58,850)	(166,879)
Total noncurrent assets - capital assets	<u>47,726</u>	<u>-</u>	<u>-</u>	<u>2,470</u>	<u>50,196</u>
Total assets	<u>61,070</u>	<u>71,810</u>	<u>336,686</u>	<u>217,327</u>	<u>686,893</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	212	30,784	6,815	45,468	83,279
Accrued liabilities	698	-	-	-	698
Deposits payable	-	-	-	15,852	15,852
Due to other funds	10,105	-	-	111,007	121,112
Total current liabilities	<u>11,015</u>	<u>30,784</u>	<u>6,815</u>	<u>172,327</u>	<u>220,941</u>
Noncurrent liabilities:					
Accrued liabilities	2,329	-	-	-	2,329
Advances from other funds	-	-	-	20,000	20,000
Total noncurrent liabilities	<u>2,329</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>22,329</u>
Total liabilities	<u>13,344</u>	<u>30,784</u>	<u>6,815</u>	<u>192,327</u>	<u>243,270</u>
<b>Net Assets</b>					
Invested in capital assets	47,726	-	-	2,470	50,196
Unrestricted	-	41,026	329,871	22,530	393,427
<b>Total Net Assets</b>	<u>\$ 47,726</u>	<u>\$ 41,026</u>	<u>\$ 329,871</u>	<u>\$ 25,000</u>	<u>\$ 443,623</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**FUND NET ASSETS - NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

	<b>Parking System</b>	<b>Delinquent Property Tax Foreclosure</b>	<b>Building Authority Administration</b>	<b>Inmate Services</b>	<b>Total</b>
<b>Operating Revenues</b>					
Charges for services	\$ 61,412	\$ 167,757	\$ 28,900	\$ 879,766	\$ 1,137,835
Fines and forfeitures	14,269	-	-	-	14,269
Other revenue	-	-	-	75,269	75,269
Total operating revenues	<u>75,681</u>	<u>167,757</u>	<u>28,900</u>	<u>955,035</u>	<u>1,227,373</u>
<b>Operating Expenses</b>					
Personal services	32,573	-	660	-	33,233
Fringe benefits	12,573	-	-	-	12,573
Supplies	2,508	-	-	485,328	487,836
Services and charges	10,794	172,274	39,037	73,810	295,915
Depreciation	4,512	-	-	8,998	13,510
Total operating expenses	<u>62,960</u>	<u>172,274</u>	<u>39,697</u>	<u>568,136</u>	<u>843,067</u>
Operating income (loss)	12,721	(4,517)	(10,797)	386,899	384,306
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	-	921	5,957	-	6,878
Income (loss) before transfers	<u>12,721</u>	<u>(3,596)</u>	<u>(4,840)</u>	<u>386,899</u>	<u>391,184</u>
<b>Transfers</b>					
Transfers in	-	44,622	53,926	-	98,548
Transfers out	(9,740)	-	-	(386,899)	(396,639)
Net transfers	<u>(9,740)</u>	<u>44,622</u>	<u>53,926</u>	<u>(386,899)</u>	<u>(298,091)</u>
Change in net assets	2,981	41,026	49,086	-	93,093
Net assets, beginning of year	<u>44,745</u>	<u>-</u>	<u>280,785</u>	<u>25,000</u>	<u>350,530</u>
Net assets, end of year	<u>\$ 47,726</u>	<u>\$ 41,026</u>	<u>\$ 329,871</u>	<u>\$ 25,000</u>	<u>\$ 443,623</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Continued

	<u>Parking System</u>	<u>Delinquent Property Tax Foreclosure</u>	<u>Building Authority Administration</u>	<u>Inmate Services</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>					
Receipts from customers	\$ 61,125	\$ 167,526	\$ 29,019	\$ 880,419	\$ 1,138,089
Interfund reimbursements	(6,588)	-	-	(134,384)	(140,972)
Payments to employees	(46,318)	-	(828)	-	(47,146)
Payments to suppliers	(13,433)	(141,490)	(32,222)	(536,735)	(723,880)
Other operating revenue	14,269	-	-	75,269	89,538
	<u>9,055</u>	<u>26,036</u>	<u>(4,031)</u>	<u>284,569</u>	<u>315,629</u>
<b>Net cash provided by (used in) operating activities</b>					
<b>Cash flows from noncapital financing activities:</b>					
Transfers in	-	44,622	53,926	-	98,548
Transfers out	(9,740)	-	-	(386,899)	(396,639)
	<u>(9,740)</u>	<u>44,622</u>	<u>53,926</u>	<u>(386,899)</u>	<u>(298,091)</u>
<b>Net cash provided by (used in) noncapital financing activities</b>					
<b>Cash flows from capital and related financing activities:</b>					
Payments for capital asset acquisition	(7,494)	-	-	-	(7,494)
<b>Cash flows from investing activities:</b>					
Investment income	-	921	5,957	-	6,878
<b>Net increase (decrease) in cash and cash equivalents</b>	(8,179)	71,579	55,852	(102,330)	16,922
Cash and cash equivalents, beginning of year	20,792	-	279,749	266,827	567,368
Cash and cash equivalents, end of year	<u>\$ 12,613</u>	<u>\$ 71,579</u>	<u>\$ 335,601</u>	<u>\$ 164,497</u>	<u>\$ 584,290</u>

**COUNTY OF SAGINAW, MICHIGAN  
STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

**Concluded**

	<u>Parking System</u>	<u>Delinquent Property Tax Foreclosure</u>	<u>Building Authority Administration</u>	<u>Inmate Services</u>	<u>Total</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 12,721	\$ (4,517)	\$ (10,797)	\$ 386,899	\$ 384,306
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	4,512	-	-	8,998	13,510
Changes in assets and liabilities:					
Accounts receivable	(287)	(231)	119	653	254
Accounts payable	(131)	30,784	6,815	22,403	59,871
Accrued liabilities	(1,172)	-	(168)	-	(1,340)
Deposits payable	-	-	-	-	-
Due to other funds	(6,588)	-	-	(134,384)	(140,972)
Net cash provided by (used in) operating activities	<u>\$ 9,055</u>	<u>\$ 26,036</u>	<u>\$ (4,031)</u>	<u>\$ 284,569</u>	<u>\$ 315,629</u>



## INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

## **INTERNAL SERVICE FUNDS (Concluded)**

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

**Health Center Building Fund** - This fund is used to account for the operations of the County's Health Department Building. Money for the operation of this fund is supplied by rental payments made by departments and other entities utilizing the Health Department. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended

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

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

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2005**

Continued

	<b>MERS Retirement</b>	<b>ICMA Retirement</b>	<b>Information Systems &amp; Services</b>	<b>Equipment Revolving</b>	<b>Mailing Department</b>	<b>Motor Pool</b>
<b>Assets</b>						
Current assets:						
Cash and investment pool	\$ 262,869	\$ 119,926	\$ 293,809	\$ 387,143	\$ 21,643	\$ 506,191
Receivables (net):						
Accounts	59,678	26,993	1,271	-	-	-
Accrued interest	68	415	-	1,308	-	-
Due from other funds	-	-	-	-	6	-
Prepaid items	-	-	205	-	30,000	-
Total current assets	<u>322,615</u>	<u>147,334</u>	<u>295,285</u>	<u>388,451</u>	<u>51,649</u>	<u>506,191</u>
Noncurrent assets - capital assets:						
Land	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-
Buildings and improvements	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-
Machinery and equipment	-	-	1,680,805	197,486	-	-
Office furniture and fixtures	-	-	84,750	-	-	-
Vehicles	-	-	-	-	-	1,467,239
Accumulated depreciation	-	-	(1,314,364)	(29,603)	-	(1,286,001)
Total noncurrent assets - capital assets	<u>-</u>	<u>-</u>	<u>451,191</u>	<u>167,883</u>	<u>-</u>	<u>181,238</u>
Total assets	<u>322,615</u>	<u>147,334</u>	<u>746,476</u>	<u>556,334</u>	<u>51,649</u>	<u>687,429</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	300,710	27,206	7,630	2,580	16,649	-
Accrued liabilities	-	1,113	39,797	436	-	-
Due to other funds	-	-	-	-	-	3,469
Total current liabilities	<u>300,710</u>	<u>28,319</u>	<u>47,427</u>	<u>3,016</u>	<u>16,649</u>	<u>3,469</u>
Noncurrent liabilities:						
Accrued liabilities	-	4,671	58,958	256	-	-
Advances from other funds	-	-	-	-	35,000	-
Total noncurrent liabilities	<u>-</u>	<u>4,671</u>	<u>58,958</u>	<u>256</u>	<u>35,000</u>	<u>-</u>
Total liabilities	<u>300,710</u>	<u>32,990</u>	<u>106,385</u>	<u>3,272</u>	<u>51,649</u>	<u>3,469</u>
<b>Net Assets</b>						
Invested in capital assets	-	-	451,191	167,883	-	181,238
Unrestricted	21,905	114,344	188,900	385,179	-	502,722
<b>Total Net Assets</b>	<u>\$ 21,905</u>	<u>\$ 114,344</u>	<u>\$ 640,091</u>	<u>\$ 553,062</u>	<u>\$ -</u>	<u>\$ 683,960</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2005**

**Concluded**

	<b>Risk Management</b>	<b>Investment Pool</b>	<b>Health Center Building</b>	<b>Employee Benefits</b>	<b>Retiree Health Savings Plan</b>	<b>Total</b>
<b>Assets</b>						
Current assets:						
Cash and investment pool	\$ 1,842,325	\$ 9,525	\$ 266,751	\$ 2,813,849	\$ 3	\$ 6,524,034
Receivables (net):						
Accounts	12,377	-	-	174,928	313	275,560
Accrued interest	6,384	-	850	10,154	1	19,180
Due from other funds	-	-	-	-	-	6
Prepaid items	-	-	-	9,286	-	39,491
<b>Total current assets</b>	<b>1,861,086</b>	<b>9,525</b>	<b>267,601</b>	<b>3,008,217</b>	<b>317</b>	<b>6,858,271</b>
Noncurrent assets - capital assets:						
Land	-	-	233,000	-	-	233,000
Land improvements	-	-	25,387	-	-	25,387
Buildings and improvements	-	-	927,000	-	-	927,000
Leasehold improvements	-	-	23,628	-	-	23,628
Machinery and equipment	6,598	-	-	-	-	1,884,889
Office furniture and fixtures	-	-	-	-	-	84,750
Vehicles	-	-	-	-	-	1,467,239
Accumulated depreciation	(6,598)	-	(954,972)	-	-	(3,591,538)
<b>Total noncurrent assets - capital assets</b>	<b>-</b>	<b>-</b>	<b>254,043</b>	<b>-</b>	<b>-</b>	<b>1,054,355</b>
<b>Total assets</b>	<b>1,861,086</b>	<b>9,525</b>	<b>521,644</b>	<b>3,008,217</b>	<b>317</b>	<b>7,912,626</b>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	1,746	3,192	6,199	31,570	313	397,795
Accrued liabilities	2,104	669	2,934	1,439	-	48,492
Due to other funds	-	3,587	-	-	-	7,056
<b>Total current liabilities</b>	<b>3,850</b>	<b>7,448</b>	<b>9,133</b>	<b>33,009</b>	<b>313</b>	<b>453,343</b>
Noncurrent liabilities:						
Accrued liabilities	1,028,390	2,077	5,979	429,841	-	1,530,172
Advances from other funds	-	-	-	-	-	35,000
<b>Total noncurrent liabilities</b>	<b>1,028,390</b>	<b>2,077</b>	<b>5,979</b>	<b>429,841</b>	<b>-</b>	<b>1,565,172</b>
<b>Total liabilities</b>	<b>1,032,240</b>	<b>9,525</b>	<b>15,112</b>	<b>462,850</b>	<b>313</b>	<b>2,018,515</b>
<b>Net Assets</b>						
Invested in capital assets	-	-	254,043	-	-	1,054,355
Unrestricted	828,846	-	252,489	2,545,367	4	4,839,756
<b>Total Net Assets</b>	<b>\$ 828,846</b>	<b>\$ -</b>	<b>\$ 506,532</b>	<b>\$ 2,545,367</b>	<b>\$ 4</b>	<b>\$ 5,894,111</b>

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Continued

	<b>MERS Retirement</b>	<b>ICMA Retirement</b>	<b>Information Systems &amp; Services</b>	<b>Equipment Revolving</b>	<b>Mailing Department</b>	<b>Motor Pool</b>
<b>Operating Revenues</b>						
Charges for services	\$ -	\$ -	\$ 46,954	\$ 59,875	\$ 186,224	\$ -
Rental revenue	-	-	-	54,854	-	215,698
Reimbursements	2,424,753	1,932,301	1,452,025	-	-	-
Other revenue	-	120,598	-	-	-	-
Total operating revenues	<u>2,424,753</u>	<u>2,052,899</u>	<u>1,498,979</u>	<u>114,729</u>	<u>186,224</u>	<u>215,698</u>
<b>Operating Expenses</b>						
Personal services	-	96,390	811,689	3,982	-	-
Fringe benefits	2,408,417	1,932,301	391,734	2,386	-	-
Supplies	-	-	25,558	-	172,727	156
Services and charges	16,336	1,763	274,848	36,442	13,497	69,049
Depreciation	-	-	182,758	20,603	-	145,025
Total operating expenses	<u>2,424,753</u>	<u>2,030,454</u>	<u>1,686,587</u>	<u>63,413</u>	<u>186,224</u>	<u>214,230</u>
Operating income (loss)	<u>-</u>	<u>22,445</u>	<u>(187,608)</u>	<u>51,316</u>	<u>-</u>	<u>1,468</u>
<b>Nonoperating Revenues (Expenses)</b>						
Investment income	5,249	2,352	-	7,883	-	-
Gain (loss) on sale of capital assets	-	-	23,474	(30,785)	-	17,750
Total nonoperating revenues (expenses)	<u>5,249</u>	<u>2,352</u>	<u>23,474</u>	<u>(22,902)</u>	<u>-</u>	<u>17,750</u>
Income (loss) before transfers	<u>5,249</u>	<u>24,797</u>	<u>(164,134)</u>	<u>28,414</u>	<u>-</u>	<u>19,218</u>
<b>Transfers</b>						
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	5,249	24,797	(164,134)	28,414	-	19,218
Net assets, beginning of year	<u>16,656</u>	<u>89,547</u>	<u>804,225</u>	<u>524,648</u>	<u>-</u>	<u>664,742</u>
Net assets, end of year	<u>\$ 21,905</u>	<u>\$ 114,344</u>	<u>\$ 640,091</u>	<u>\$ 553,062</u>	<u>\$ -</u>	<u>\$ 683,960</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, 2005**

Concluded

	<b>Risk Management</b>	<b>Investment Pool</b>	<b>Health Center Building</b>	<b>Employee Benefits</b>	<b>Retiree Health Savings Plan</b>	<b>Total</b>
<b>Operating Revenues</b>						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 293,053
Rental revenue	-	-	426,761	-	-	697,313
Reimbursements	1,650,223	87,515	7	7,530,306	28,091	15,105,221
Other revenue	-	-	-	175,881	-	296,479
Total operating revenues	<u>1,650,223</u>	<u>87,515</u>	<u>426,768</u>	<u>7,706,187</u>	<u>28,091</u>	<u>16,392,066</u>
<b>Operating Expenses</b>						
Personal services	44,733	28,511	124,284	69,861	-	1,179,450
Fringe benefits	11,001	14,568	90,872	6,253,431	-	11,104,710
Supplies	25	-	9,203	741	-	208,410
Services and charges	1,860,142	40,849	173,672	243,793	28,090	2,758,481
Depreciation	-	-	932	-	-	349,318
Total operating expenses	<u>1,915,901</u>	<u>83,928</u>	<u>398,963</u>	<u>6,567,826</u>	<u>28,090</u>	<u>15,600,369</u>
Operating income (loss)	<u>(265,678)</u>	<u>3,587</u>	<u>27,805</u>	<u>1,138,361</u>	<u>1</u>	<u>791,697</u>
<b>Nonoperating Revenues (Expenses)</b>						
Investment income	38,642	-	3,059	54,535	3	111,723
Gain (loss) on sale of capital assets	-	-	-	-	-	10,439
Total nonoperating revenues (expenses)	<u>38,642</u>	<u>-</u>	<u>3,059</u>	<u>54,535</u>	<u>3</u>	<u>122,162</u>
Income (loss) before transfers	<u>(227,036)</u>	<u>3,587</u>	<u>30,864</u>	<u>1,192,896</u>	<u>4</u>	<u>913,859</u>
<b>Transfers</b>						
Transfers out	<u>(50,000)</u>	<u>(3,587)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,587)</u>
Change in net assets	<u>(277,036)</u>	<u>-</u>	<u>30,864</u>	<u>1,192,896</u>	<u>4</u>	<u>860,272</u>
Net assets, beginning of year	<u>1,105,882</u>	<u>-</u>	<u>475,668</u>	<u>1,352,471</u>	<u>-</u>	<u>5,033,839</u>
Net assets, end of year	<u>\$ 828,846</u>	<u>\$ -</u>	<u>\$ 506,532</u>	<u>\$ 2,545,367</u>	<u>\$ 4</u>	<u>\$ 5,894,111</u>

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Continued

	<b>MERS Retirement</b>	<b>ICMA Retirement</b>	<b>Information Systems &amp; Services</b>	<b>Equipment Revolving</b>	<b>Mailing Department</b>	<b>Motor Pool</b>
<b>Cash flows from operating activities:</b>						
Receipts from interfund services provided	\$ 2,557,519	\$ 1,977,520	\$ 1,503,744	\$ 114,511	\$ 186,218	\$ 217,849
Payments to employees	-	-	(1,213,245)	(5,676)	-	-
Payments to suppliers	(2,418,008)	(2,094,298)	(320,313)	(48,497)	(185,529)	(69,205)
Other operating revenue	-	120,598	-	-	-	-
Net cash provided by (used in) operating activities	<u>139,511</u>	<u>3,820</u>	<u>(29,814)</u>	<u>60,338</u>	<u>689</u>	<u>148,644</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfers out	-	-	-	-	-	-
<b>Cash flows from capital and related financing activities:</b>						
Proceeds from sale of capital assets	-	-	-	-	-	17,750
Payments for capital asset acquisition	-	-	-	(53,261)	-	(193,494)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,261)</u>	<u>-</u>	<u>(175,744)</u>
<b>Cash flows from investing activities:</b>						
Investment income	<u>5,249</u>	<u>2,352</u>	<u>-</u>	<u>7,883</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	144,760	6,172	(29,814)	14,960	689	(27,100)
Cash and cash equivalents, beginning of year	<u>118,109</u>	<u>113,754</u>	<u>323,623</u>	<u>372,183</u>	<u>20,954</u>	<u>533,291</u>
Cash and cash equivalents, end of year	<u>\$ 262,869</u>	<u>\$ 119,926</u>	<u>\$ 293,809</u>	<u>\$ 387,143</u>	<u>\$ 21,643</u>	<u>\$ 506,191</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ -	\$ 22,445	\$ (187,608)	\$ 51,316	\$ -	\$ 1,468
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	182,758	20,603	-	145,025
Changes in assets and liabilities:						
Accounts receivable	158,584	45,222	4,766	(218)	-	-
Due from other funds	-	-	-	-	(6)	-
Prepaid items	-	-	(205)	-	-	-
Accounts payable	6,745	(62,086)	(19,702)	(12,055)	695	-
Accrued liabilities	-	(1,758)	(9,822)	692	-	-
Due to other funds	(25,818)	(3)	(1)	-	-	2,151
Net cash provided by (used in) operating activities	<u>\$ 139,511</u>	<u>\$ 3,820</u>	<u>\$ (29,814)</u>	<u>\$ 60,338</u>	<u>\$ 689</u>	<u>\$ 148,644</u>

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Continued

	<b>Risk Management</b>	<b>Investment Pool</b>	<b>Health Center Building</b>	<b>Employee Benefits</b>	<b>Retiree Health Savings Plan</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>						
Receipts from interfund services provided	\$ 1,651,919	\$ 84,242	\$ 598,828	\$ 7,564,605	\$ 27,777	\$ 16,484,732
Payments to employees	506,233	(43,452)	(219,913)	(388,008)	-	(1,364,061)
Payments to suppliers	(1,364,704)	(45,523)	(182,531)	(6,501,815)	(27,777)	(13,258,200)
Other operating revenue	-	-	-	175,881	-	296,479
Net cash provided by (used in) operating activities	<u>793,448</u>	<u>(4,733)</u>	<u>196,384</u>	<u>850,663</u>	<u>-</u>	<u>2,158,950</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfers out	(50,000)	(3,587)	-	-	-	(53,587)
<b>Cash flows from capital and related financing activities:</b>						
Proceeds from sale of capital assets	-	-	-	-	-	17,750
Payments for capital asset acquisition	-	-	-	-	-	(246,755)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(229,005)</u>
<b>Cash flows from investing activities:</b>						
Investment income	38,642	-	3,059	54,535	3	111,723
Net increase (decrease) in cash and cash equivalents	782,090	(8,320)	199,443	905,198	3	1,988,081
Cash and cash equivalents, beginning of year	1,060,235	17,845	67,308	1,908,651	-	4,535,953
Cash and cash equivalents, end of year	<u>\$ 1,842,325</u>	<u>\$ 9,525</u>	<u>\$ 266,751</u>	<u>\$ 2,813,849</u>	<u>\$ 3</u>	<u>\$ 6,524,034</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ (265,678)	\$ 3,587	\$ 27,805	\$ 1,138,361	\$ 1	\$ 791,697
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	932	-	-	349,318
Changes in assets and liabilities:						
Accounts receivable	867	-	2,863	32,405	(314)	244,175
Due from other funds	829	-	169,197	1,894	-	171,914
Prepaid items	494,555	-	-	(4,166)	-	490,184
Accounts payable	908	(4,674)	344	316	313	(89,196)
Accrued liabilities	561,967	(373)	(4,757)	(318,147)	-	227,802
Due to other funds	-	(3,273)	-	-	-	(26,944)
Net cash provided by (used in) operating activities	<u>\$ 793,448</u>	<u>\$ (4,733)</u>	<u>\$ 196,384</u>	<u>\$ 850,663</u>	<u>\$ -</u>	<u>\$ 2,158,950</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, 2005**

Continued

	<u>Trust &amp; Agency</u>	<u>State Education Tax</u>	<u>Library Penal Fine</u>
<b>Assets</b>			
Cash and investment pool	\$ 1,415,475	\$ 8,248,283	\$ 218,312
Receivables (net):			
Taxes	-	-	-
Accounts	3,633,636	-	2,100
Accrued interest	48	-	798
	<u>5,049,159</u>	<u>8,248,283</u>	<u>221,210</u>
Total assets	<u>\$ 5,049,159</u>	<u>\$ 8,248,283</u>	<u>\$ 221,210</u>
<b>Liabilities</b>			
Accounts payable	\$ 456,794	\$ -	\$ -
Deposits payable	4,215,449	-	-
Due to other governmental units	376,916	8,248,283	221,210
	<u>5,049,159</u>	<u>8,248,283</u>	<u>221,210</u>
Total liabilities	<u>\$ 5,049,159</u>	<u>\$ 8,248,283</u>	<u>\$ 221,210</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS -**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2005**

**Concluded**

	<u>Hospital Millage</u>	<u>Dependent Care</u>	<u>Medical Spending Reimbursement</u>	<u>Total</u>
<b>Assets</b>				
Cash and investment pool	\$ 17,782	\$ 3,669	\$ 5,432	\$ 9,908,953
Receivables (net):				
Taxes	37,057	-	-	37,057
Accounts	-	-	-	3,635,736
Accrued interest	214	-	-	1,060
	<u>55,053</u>	<u>3,669</u>	<u>5,432</u>	<u>13,582,806</u>
Total assets	<u>\$ 55,053</u>	<u>\$ 3,669</u>	<u>\$ 5,432</u>	<u>\$ 13,582,806</u>
<b>Liabilities</b>				
Accounts payable	\$ 55,053	\$ 1,855	\$ 3,131	\$ 516,833
Deposits payable	-	1,814	2,301	4,219,564
Due to other governmental units	-	-	-	8,846,409
	<u>55,053</u>	<u>3,669</u>	<u>5,432</u>	<u>13,582,806</u>
Total liabilities	<u>\$ 55,053</u>	<u>\$ 3,669</u>	<u>\$ 5,432</u>	<u>\$ 13,582,806</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Continued

	<u>Balance October 1, 2004</u>	<u>Additions</u>	<u>(Deductions)</u>	<u>Balance September 30, 2005</u>
<b><u>Trust &amp; Agency</u></b>				
<b>Assets</b>				
Cash and investment pool	\$ 1,910,813	\$ 101,909,010	\$ (102,404,348)	\$ 1,415,475
Receivables (net):				
Accounts	4,820,293	947,583	(2,134,240)	3,633,636
Accrued interest	42	284	(278)	48
	<u>\$ 6,731,148</u>	<u>\$ 102,856,877</u>	<u>\$ (104,538,866)</u>	<u>\$ 5,049,159</u>
<b>Liabilities</b>				
Accounts payable	\$ 373,233	\$ 7,048,395	\$ (6,964,834)	\$ 456,794
Deposits payable	6,044,856	85,199,070	(87,028,477)	4,215,449
Due to other funds	-	105,405	(105,405)	-
Due to other governmental units	313,059	16,827,786	(16,763,929)	376,916
	<u>\$ 6,731,148</u>	<u>\$ 109,180,656</u>	<u>\$ (110,862,645)</u>	<u>\$ 5,049,159</u>
<b><u>State Education Tax</u></b>				
<b>Assets</b>				
Cash and investment pool	\$ 6,206,903	\$ 30,253,850	\$ (28,212,470)	\$ 8,248,283
Due from other funds	-	77,517	(77,517)	-
	<u>\$ 6,206,903</u>	<u>\$ 30,331,367</u>	<u>\$ (28,289,987)</u>	<u>\$ 8,248,283</u>
<b>Liabilities</b>				
Due to other funds	\$ -	\$ 13,644	\$ (13,644)	\$ -
Due to other governmental units	6,206,903	34,036,315	(31,994,935)	8,248,283
	<u>\$ 6,206,903</u>	<u>\$ 34,049,959</u>	<u>\$ (32,008,579)</u>	<u>\$ 8,248,283</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Continued

	<u>Balance October 1, 2004</u>	<u>Additions</u>	<u>(Deductions)</u>	<u>Balance September 30, 2005</u>
<b><u>Library Penal Fine</u></b>				
<b>Assets</b>				
Cash and investment pool	\$ 212,996	\$ 854,668	\$ (849,352)	\$ 218,312
Receivables (net):				
Accounts	694	2,100	(694)	2,100
Accrued interest	593	9,813	(9,608)	798
	<u>\$ 214,283</u>	<u>\$ 866,581</u>	<u>\$ (859,654)</u>	<u>\$ 221,210</u>
<b>Total assets</b>	<u>\$ 214,283</u>	<u>\$ 866,581</u>	<u>\$ (859,654)</u>	<u>\$ 221,210</u>
<b>Liabilities</b>				
Due to other governmental units	<u>\$ 214,283</u>	<u>\$ 859,815</u>	<u>\$ (852,888)</u>	<u>\$ 221,210</u>
<b><u>Hospital Millage</u></b>				
<b>Assets</b>				
Cash and investment pool	\$ 10,586	\$ 1,134,938	\$ (1,127,742)	\$ 17,782
Receivables (net):				
Taxes	40,402	5,433	(8,778)	37,057
Accrued interest	101	1,841	(1,728)	214
Due from other funds	-	3,255	(3,255)	-
Due from other governmental units	9	-	(9)	-
	<u>\$ 51,098</u>	<u>\$ 1,145,467</u>	<u>\$ (1,141,512)</u>	<u>\$ 55,053</u>
<b>Total assets</b>	<u>\$ 51,098</u>	<u>\$ 1,145,467</u>	<u>\$ (1,141,512)</u>	<u>\$ 55,053</u>
<b>Liabilities</b>				
Accounts payable	\$ 51,098	\$ 1,159,449	\$ (1,155,494)	\$ 55,053
Due to other funds	-	538	(538)	-
	<u>\$ 51,098</u>	<u>\$ 1,159,987</u>	<u>\$ (1,156,032)</u>	<u>\$ 55,053</u>
<b>Total liabilities</b>	<u>\$ 51,098</u>	<u>\$ 1,159,987</u>	<u>\$ (1,156,032)</u>	<u>\$ 55,053</u>
<b><u>Dependent Care</u></b>				
<b>Assets</b>				
Cash and investment pool	<u>\$ 2,507</u>	<u>\$ 46,939</u>	<u>\$ (45,777)</u>	<u>\$ 3,669</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 50,504	\$ (48,649)	\$ 1,855
Deposits payable	2,507	47,565	(48,258)	1,814
	<u>\$ 2,507</u>	<u>\$ 98,069</u>	<u>\$ (96,907)</u>	<u>\$ 3,669</u>
<b>Total liabilities</b>	<u>\$ 2,507</u>	<u>\$ 98,069</u>	<u>\$ (96,907)</u>	<u>\$ 3,669</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2005**

**Concluded**

	<u>Balance October 1, 2004</u>	<u>Additions</u>	<u>(Deductions)</u>	<u>Balance September 30, 2005</u>
<b><u>Medical Spending Reimbursement</u></b>				
<b>Assets</b>				
Cash and investment pool	\$ 7,490	\$ 82,615	\$ (84,673)	\$ 5,432
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 102,312	\$ (99,181)	\$ 3,131
Deposits payable	7,490	85,779	(90,968)	2,301
Total liabilities	<u>\$ 7,490</u>	<u>\$ 188,091</u>	<u>\$ (190,149)</u>	<u>\$ 5,432</u>
<b><u>Total - All Agency Funds</u></b>				
<b>Assets</b>				
Cash and investment pool	\$ 8,351,295	\$ 134,282,020	\$ (132,724,362)	\$ 9,908,953
Receivables (net):				
Taxes	40,402	5,433	(8,778)	37,057
Accounts	4,820,987	949,683	(2,134,934)	3,635,736
Accrued interest	736	11,938	(11,614)	1,060
Due from other funds	-	80,772	(80,772)	-
Due from other governmental units	9	-	(9)	-
Total assets	<u>\$ 13,213,429</u>	<u>\$ 135,329,846</u>	<u>\$ (134,960,469)</u>	<u>\$ 13,582,806</u>
<b>Liabilities</b>				
Accounts payable	\$ 424,331	\$ 8,360,660	\$ (8,268,158)	\$ 516,833
Deposits payable	6,054,853	85,332,414	(87,167,703)	4,219,564
Due to other funds	-	119,587	(119,587)	-
Due to other governmental units	6,734,245	51,723,916	(49,611,752)	8,846,409
Total liabilities	<u>\$ 13,213,429</u>	<u>\$ 145,536,577</u>	<u>\$ (145,167,200)</u>	<u>\$ 13,582,806</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, 2005**

	<b>Brownfield Redevelopment Authority</b>	<b>Adjustments</b>	<b>Statement of Net Assets</b>
<b>Assets</b>			
Cash and investment pool	\$ 471,019	\$ -	\$ 471,019
Accrued interest receivable	1,382	-	1,382
Due from other governmental units	51,851	-	51,851
Total assets	\$ 524,252	\$ -	524,252
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 160,125	\$ -	160,125
Deferred revenue	37,529	(37,529)	-
Long-term liabilities:			
Due within one year	-	13,674	13,674
Due in more than one year	-	510,967	510,967
Total liabilities	197,654	487,112	684,766
<b>Fund Balances</b>			
Unreserved	326,598	(326,598)	-
Total liabilities and fund balances	\$ 524,252		
<b>Net assets:</b>			
Unrestricted (deficit)		(160,514)	(160,514)
Total net assets		\$ (160,514)	\$ (160,514)



**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, 2005**

	<b>Brownfield Redevelopment Authority</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>Revenues</b>			
Property taxes	\$ 138,905	\$ 1,022	\$ 139,927
Federal grants	49,895	-	49,895
State grants	371,229	(371,229)	-
Investment income	7,864	-	7,864
	<hr/>	<hr/>	<hr/>
Total revenues	567,893	(370,207)	197,686
<b>Expenditures / Expenses</b>			
Current:			
Community and economic development	421,123	-	421,123
Debt service:			
Principal	13,373	(13,373)	-
Interest and fiscal charges	3,333	-	3,333
	<hr/>	<hr/>	<hr/>
Total expenditures / expenses	437,829	(13,373)	424,456
Net change in fund balances	130,064	(130,064)	-
Change in net assets	-	(226,770)	(226,770)
Fund balance / net assets, beginning of year	<hr/>	<hr/>	<hr/>
	196,534	(130,278)	66,256
Fund balance / net assets, end of year	<u>\$ 326,598</u>	<u>\$ (487,112)</u>	<u>\$ (160,514)</u>

**COUNTY OF SAGINAW, MICHIGAN  
 BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Property taxes	\$ 177,470	\$ 177,470	\$ 138,905	\$ (38,565)
Federal grants	950,024	950,024	49,895	(900,129)
State grants	208,955	438,955	371,229	(67,726)
Investment income	-	-	7,864	7,864
	<u>1,336,449</u>	<u>1,566,449</u>	<u>567,893</u>	<u>(998,556)</u>
<b>Expenditures</b>				
Current:				
Community and economic development	1,319,368	1,549,368	421,123	1,128,245
Debt service:				
Principal	13,757	13,757	13,373	384
Interest and fiscal charges	3,324	3,324	3,333	(9)
	<u>1,336,449</u>	<u>1,566,449</u>	<u>437,829</u>	<u>1,128,620</u>
Net change in fund balances	-	-	130,064	130,064
Fund balance, beginning of year	<u>196,534</u>	<u>196,534</u>	<u>196,534</u>	<u>-</u>
Fund balance, end of year	<u>\$ 196,534</u>	<u>\$ 196,534</u>	<u>\$ 326,598</u>	<u>\$ 130,064</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, 2005**

	<u>Debt Service</u>	<u>Construction</u>	<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
<b>Assets</b>					
Cash and investment pool	\$ 125,653	\$ 475,292	\$ 600,945	\$ -	\$ 600,945
Accrued interest receivable	-	831	831	-	831
Due from other governmental units	-	-	-	19,808,733	19,808,733
Prepaid items	602,183	-	602,183	(602,183)	-
Total assets	<u>\$ 727,836</u>	<u>\$ 476,123</u>	<u>\$ 1,203,959</u>	<u>\$ 19,206,550</u>	<u>20,410,509</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,294	\$ 2,768	\$ 4,062	\$ 220,733	\$ 224,795
Deferred revenue	673,543	-	673,543	(673,543)	-
Long-term liabilities:					
Due within one year	-	-	-	1,800,000	1,800,000
Due in more than one year	-	-	-	17,788,000	17,788,000
Total liabilities	<u>674,837</u>	<u>2,768</u>	<u>677,605</u>	<u>19,135,190</u>	<u>19,812,795</u>
<b>Fund Balances</b>					
Reserved for:					
Debt service	<u>52,999</u>	<u>473,355</u>	<u>526,354</u>	<u>(526,354)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 727,836</u>	<u>\$ 476,123</u>	<u>\$ 1,203,959</u>		
<b>Net assets:</b>					
Restricted for:					
Debt service				52,999	52,999
Acquisition/construction of capital assets				544,715	544,715
Total net assets				<u>\$ 597,714</u>	<u>\$ 597,714</u>

**COUNTY OF SAGINAW, MICHIGAN  
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT  
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

	<u>Debt Service</u>	<u>Construction</u>	<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues</b>					
Local grants and contributions	\$ 2,459,001	\$ 19,694	\$ 2,478,695	\$ (874,753)	\$ 1,603,942
Investment income	1,462	2,686	4,148	-	4,148
Total revenues	<u>2,460,463</u>	<u>22,380</u>	<u>2,482,843</u>	<u>(874,753)</u>	<u>1,608,090</u>
<b>Expenditures / Expenses</b>					
Current:					
Public works	-	239,025	239,025	-	239,025
Debt service:					
Principal	1,613,000	-	1,613,000	(1,613,000)	-
Interest and fiscal charges	845,949	-	845,949	(14,988)	830,961
Total expenditures / expenses	<u>2,458,949</u>	<u>239,025</u>	<u>2,697,974</u>	<u>(1,627,988)</u>	<u>1,069,986</u>
Revenues over (under) expenditures	<u>1,514</u>	<u>(216,645)</u>	<u>(215,131)</u>	<u>753,235</u>	<u>538,104</u>
<b>Other Financing Sources (Uses)</b>					
Note proceeds	-	690,000	690,000	(690,000)	-
Net change in fund balances	1,514	473,355	474,869	(474,869)	-
Change in net assets	-	-	-	538,104	538,104
Fund balance / net assets, beginning of year	<u>51,485</u>	<u>-</u>	<u>51,485</u>	<u>8,125</u>	<u>59,610</u>
Fund balance / net assets, end of year	<u>\$ 52,999</u>	<u>\$ 473,355</u>	<u>\$ 526,354</u>	<u>\$ 71,360</u>	<u>\$ 597,714</u>

**COUNTY OF SAGINAW, MICHIGAN  
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT  
STATEMENT OF NET ASSETS - PROPRIETARY FUND  
SEPTEMBER 30, 2005**

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	<u>Administration</u>
<b>Assets</b>	
Current assets:	
Accounts receivable	\$ 5,160
Due from other governmental units	<u>11,917</u>
Total current assets	<u>17,077</u>
 <b>Liabilities</b>	
Current liabilities:	
Accounts payable	15,744
Accrued liabilities	<u>1,333</u>
Total current liabilities	<u>17,077</u>
 <b>Net Assets</b>	
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, 2005**

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	<b>Administration</b>
<b>Operating Revenues</b>	
Licenses and permits	\$ 66,665
Reimbursements	25,084
	91,749
Total operating revenues	91,749
<b>Operating Expenses</b>	
Personal services	29,121
Fringe benefits	10,564
Supplies	1,133
Services and charges	50,931
	91,749
Total operating expenses	91,749
Operating income (loss)	-
Net assets, beginning of year	-
Net assets, end of year	\$ -

**COUNTY OF SAGINAW, MICHIGAN  
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

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	<u>Administration</u>
<b>Cash flows from operating activities:</b>	
Receipts from customers	\$ 61,657
Payments to employees	(40,382)
Payments to suppliers	(70,083)
Other operating revenue	<u>25,084</u>
Net cash provided by (used in) operating activities	(23,724)
Cash and cash equivalents, beginning of year	<u>23,724</u>
Cash and cash equivalents, end of year	<u><u>\$ -</u></u>
 <b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>	
Operating income (loss)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Changes in assets and liabilities:	
Accounts receivable	(4,820)
Due from other governmental units	(188)
Accounts payable	(18,019)
Accrued liabilities	<u>(697)</u>
Net cash provided by (used in) operating activities	<u><u>\$ (23,724)</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, 2005**

Continued

	Debt Service Funds		Capital Projects Funds		
	Chapter 8 Drains	Chapter 20 Drains	Special Assessment Drain	Chapter 8 Drains	Chapter 20 Drains
<b>Assets</b>					
Cash and investment pool	\$ 861,267	\$ 49,570	\$ 3,286,318	\$ 808,424	\$ 133,864
Receivables (net):					
Special assessments	4,061,003	12,771,396	-	-	-
Accounts	-	-	20	-	-
Due from other funds	57,661	-	22,129	217,026	-
Prepaid items	-	1,377,621	-	-	-
Capital assets, net:					
Assets not being depreciated	-	-	-	-	-
Assets being depreciated	-	-	-	-	-
<b>Total assets</b>	<b>\$ 4,979,931</b>	<b>\$ 14,198,587</b>	<b>\$ 3,308,467</b>	<b>\$ 1,025,450</b>	<b>\$ 133,864</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 25,879	\$ 3,968	\$ -
Due to other funds	266,780	-	372,649	53,260	-
Advances from primary government	-	-	-	-	-
Deferred revenue	4,061,003	14,149,017	-	-	-
Long-term liabilities:					
Due within one year	-	-	-	-	-
Due in more than one year	-	-	-	-	-
<b>Total liabilities</b>	<b>4,327,783</b>	<b>14,149,017</b>	<b>398,528</b>	<b>57,228</b>	<b>-</b>
<b>Fund Balances</b>					
Reserved for:					
Debt service	652,148	49,570	-	-	-
Capital projects	-	-	2,909,939	968,222	133,864
<b>Total fund balances</b>	<b>652,148</b>	<b>49,570</b>	<b>2,909,939</b>	<b>968,222</b>	<b>133,864</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,979,931</b>	<b>\$ 14,198,587</b>	<b>\$ 3,308,467</b>	<b>\$ 1,025,450</b>	<b>\$ 133,864</b>

**COUNTY OF SAGINAW, MICHIGAN  
DRAIN COMMISSION COMPONENT UNIT  
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET  
SEPTEMBER 30, 2005**

**Concluded**

	<b>Capital Projects Funds</b>		<b>Total Governmental Funds</b>	<b>Adjustments</b>	<b>Statement of Net Assets</b>
	<b>Revolving Drain</b>	<b>Revolving Drain Maintenance</b>			
<b>Assets</b>					
Cash and investment pool	\$ 28,086	\$ 44,268	\$ 5,211,797	\$ -	\$ 5,211,797
Receivables (net):					
Special assessments	-	-	16,832,399	-	16,832,399
Accounts	-	20	40	-	40
Due from other funds	373,707	23,057	693,580	(693,580)	-
Prepaid items	-	-	1,377,621	(1,377,621)	-
Capital assets, net:					
Assets not being depreciated	-	-	-	211,233	211,233
Assets being depreciated	-	-	-	42,944,621	42,944,621
<b>Total assets</b>	<b>\$ 401,793</b>	<b>\$ 67,345</b>	<b>\$ 24,115,437</b>	<b>41,084,653</b>	<b>65,200,090</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 902	\$ 616	\$ 31,365	82,626	113,991
Due to other funds	891	-	693,580	(693,580)	-
Advances from primary government	400,000	-	400,000	-	400,000
Deferred revenue	-	-	18,210,020	(18,210,020)	-
Long-term liabilities:					
Due within one year	-	-	-	1,277,511	1,277,511
Due in more than one year	-	-	-	14,834,137	14,834,137
<b>Total liabilities</b>	<b>401,793</b>	<b>616</b>	<b>19,334,965</b>	<b>(2,709,326)</b>	<b>16,625,639</b>
<b>Fund Balances</b>					
Reserved for:					
Debt service	-	-	701,718	(701,718)	-
Capital projects	-	66,729	4,078,754	(4,078,754)	-
<b>Total fund balances</b>	<b>-</b>	<b>66,729</b>	<b>4,780,472</b>	<b>(4,780,472)</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 401,793</b>	<b>\$ 67,345</b>	<b>\$ 24,115,437</b>		
<b>Net assets:</b>					
Invested in capital assets, net of related debt				27,044,206	27,044,206
Restricted for:					
Debt service				701,718	701,718
Acquisition/construction of capital assets				4,078,754	4,078,754
Unrestricted				16,749,773	16,749,773
<b>Total net assets</b>				<b>\$ 48,574,451</b>	<b>\$ 48,574,451</b>

**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, 2005**

	<u>Major Debt Service Funds</u>		<u>Major Capital Projects Funds</u>		
	<u>Chapter 8 Drains</u>	<u>Chapter 20 Drains</u>	<u>Special Assessment Drain</u>	<u>Chapter 8 Drains</u>	<u>Chapter 20 Drains</u>
<b>Revenues</b>					
Special assessments	\$ 1,197,798	\$ -	\$ 401,569	\$ -	\$ -
Federal grants	-	-	-	97,445	-
Local grants and contributions	306,670	1,596,770	20,241	-	-
Investment income	15,790	1,551	47,642	11,980	1,289
Reimbursements	-	-	139,627	-	-
Total revenues	<u>1,520,258</u>	<u>1,598,321</u>	<u>609,079</u>	<u>109,425</u>	<u>1,289</u>
<b>Expenditures</b>					
Current:					
Public works	246,582	-	142,323	40,247	250
Capital outlay	-	-	459,809	524,225	-
Depreciation	-	-	-	-	-
Debt service:					
Principal	1,365,768	1,275,000	-	-	-
Interest and fiscal charges	236,157	311,882	-	-	-
Total expenditures	<u>1,848,507</u>	<u>1,586,882</u>	<u>602,132</u>	<u>564,472</u>	<u>250</u>
Revenues over (under) expenditures	<u>(328,249)</u>	<u>11,439</u>	<u>6,947</u>	<u>(455,047)</u>	<u>1,039</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	62,270	-	-
Transfers out	(61,113)	-	-	(1,157)	-
Bond proceeds	246,582	-	-	-	-
Note proceeds	-	-	-	231,000	-
Total other financing sources (uses)	<u>185,469</u>	<u>-</u>	<u>62,270</u>	<u>229,843</u>	<u>-</u>
Net change in fund balances	(142,780)	11,439	69,217	(225,204)	1,039
Fund balance / net assets, beginning of year, as restated	<u>794,928</u>	<u>38,131</u>	<u>2,840,722</u>	<u>1,193,426</u>	<u>132,825</u>
Fund balance / net assets, end of year	<u>\$ 652,148</u>	<u>\$ 49,570</u>	<u>\$ 2,909,939</u>	<u>\$ 968,222</u>	<u>\$ 133,864</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, 2005**

	<u>Major Capital Projects Funds</u>		<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
	<u>Revolving Drain</u>	<u>Revolving Drain Maintenance</u>			
<b>Revenues</b>					
Special assessments	\$ -	\$ -	\$ 1,599,367	\$ (491,953)	\$ 1,107,414
Federal grants	-	-	97,445	-	97,445
Local grants and contributions	-	-	1,923,681	(1,262,677)	661,004
Investment income	-	2,421	80,673	-	80,673
Reimbursements	-	23,936	163,563	-	163,563
Total revenues	<u>-</u>	<u>26,357</u>	<u>3,864,729</u>	<u>(1,754,630)</u>	<u>2,110,099</u>
<b>Expenditures / Expenses</b>					
Current:					
Public works	-	17,127	446,529	-	446,529
Capital outlay	-	-	984,034	(984,034)	-
Depreciation	-	-	-	1,165,186	1,165,186
Debt service:					
Principal	-	-	2,640,768	(2,640,768)	-
Interest and fiscal charges	-	-	548,039	(7,865)	540,174
Total expenditures / expenses	<u>-</u>	<u>17,127</u>	<u>4,619,370</u>	<u>(2,467,481)</u>	<u>2,151,889</u>
Revenues over (under) expenditures	<u>-</u>	<u>9,230</u>	<u>(754,641)</u>	<u>712,851</u>	<u>(41,790)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	62,270	(62,270)	-
Transfers out	-	-	(62,270)	62,270	-
Bond proceeds	-	-	246,582	(246,582)	-
Note proceeds	-	-	231,000	(231,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>477,582</u>	<u>(477,582)</u>	<u>-</u>
Net change in fund balances	-	9,230	(277,059)	277,059	-
Change in net assets	-	-	-	(41,790)	(41,790)
Fund balance / net assets, beginning of year, as restated	<u>-</u>	<u>57,499</u>	<u>5,057,531</u>	<u>43,558,710</u>	<u>48,616,241</u>
Fund balance / net assets, end of year	<u>\$ -</u>	<u>\$ 66,729</u>	<u>\$ 4,780,472</u>	<u>\$ 43,793,979</u>	<u>\$ 48,574,451</u>

COUNTY OF SAGINAW

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION  
(UNAUDITED)  
LAST TEN YEARS**

Year	Legislative	Judicial	General Government	Public Safety	Public Works	Health and Welfare	Community & Economic Development	Recreation and Cultural	Other Functions	Capital Projects	Debt Service	Pooled Costs & Fees	Total	
1996	(1) (3)	\$ 384,977	\$ 6,426,294	\$ 6,114,666	\$ 10,381,465	\$ 12,037,468	\$ 49,491,822	\$ -	\$ 1,733,545	\$ 106,051	\$ 6,749,096	\$ 5,396,129	\$ -	\$ 98,821,513
1996/1997	(1) (4)	529,267	9,167,811	8,786,498	15,439,621	14,344,461	60,142,498	-	2,437,530	460,692	8,605,660	8,305,853	-	128,219,891
1997/1998	(1) (4)	576,261	8,833,443	8,957,120	15,267,283	16,126,960	32,978,998	-	2,571,939	643,629	8,685,829	7,680,341	1,028,333	103,350,136
1998/1999	(1) (4)	571,950	8,828,910	8,875,721	16,942,940	18,794,089	36,181,138	-	2,634,515	484,613	11,817,482	8,963,829	2,224,379	116,319,566
1999/2000	(1) (4)	581,279	9,194,760	8,926,317	21,645,831	23,365,026	38,314,903	-	2,889,026	898,080	5,121,913	8,497,280	2,639,824	122,074,239
2000/2001	(1) (4)	636,076	9,747,468	9,811,784	19,895,101	21,330,723	41,254,760	-	3,664,186	596,436	3,000,723	7,705,164	2,836,560	120,478,981
2001/2002	(1) (4)	642,725	10,149,975	10,136,764	21,251,088	25,109,079	43,190,293	-	2,974,709	811,463	4,460,121	7,713,975	-	126,440,192
2002/2003	(2) (4)	616,217	13,758,483	12,395,693	19,062,965	775,952	39,985,219	2,703,399	1,644,117	870,421	990,676	2,349,626	-	95,152,768
2003/2004	(4) (5)	650,860	13,960,908	11,925,144	19,102,853	865,444	39,429,284	2,915,523	1,739,480	890,908	493,681	1,545,955	-	93,520,040
2004/2005	(4) (5)	692,177	14,640,407	13,301,384	20,470,945	3,369,620	40,082,250	3,856,282	1,769,227	983,614	2,704,490	3,481,684	-	105,352,080

(1) Includes general, special revenue, debt service, capital projects funds and the discretely presented component units.

(2) Includes general, special revenue, debt service and capital projects funds.

(3) Nine-month fiscal year ended September 30, 1996.

(4) The County of Saginaw now operates on an October through September fiscal year.

(5) Includes general, special revenue, debt service, capital projects, and permanent funds.

Source: Saginaw County Finance Department

COUNTY OF SAGINAW

GENERAL GOVERNMENTAL REVENUES BY SOURCE  
(UNAUDITED)  
LAST TEN YEARS

Year		Property Taxes	Accommodations Tax	Licenses and Permits	Federal Grants	State Grants	Local Grants and Contributions	Charges for Services	Fines and Forfeitures	Investment Income	Rental Revenue	Donations	Special Assessments	Reimbursements	Other Revenue	Loan Repayments	Total
1996	(1) (3)	\$ 21,212,376	\$ -	\$ 364,650	\$ 9,175,715	\$ 39,767,388	\$ 4,313,691	\$ 10,008,006	\$ 1,187,495	\$ 1,549,903	\$ 1,801,234	\$ 219,126	\$ 471,049	\$ 5,985,789	\$ 681,228	\$ 261,053	\$ 96,998,703
1996/1997	(1) (4)	22,582,691	-	391,151	14,430,287	51,224,936	7,556,630	11,822,664	1,263,136	1,806,739	1,890,823	437,554	745,631	6,369,978	773,598	278,560	121,574,378
1997/1998	(1) (4)	23,506,467	-	400,304	14,866,062	30,028,929	8,653,854	7,537,401	1,455,151	2,099,164	1,055,518	346,971	1,161,639	5,388,719	2,271,923	270,769	99,042,871
1998/1999	(1) (4)	25,006,934	-	441,531	19,368,243	30,416,096	10,025,823	8,550,555	1,571,717	2,431,826	793,986	339,160	1,929,219	6,263,600	2,199,158	454,481	109,792,329
1999/2000	(1) (4)	26,224,793	-	472,029	24,465,693	31,502,355	9,702,651	10,769,768	1,154,000	2,642,811	905,786	379,182	1,954,750	7,200,229	2,086,339	374,830	119,835,216
2000/2001	(1) (4)	26,892,029	-	416,148	21,225,146	31,764,400	8,196,371	10,234,094	977,623	2,429,768	1,081,960	434,378	1,703,179	7,798,396	2,114,669	256,098	115,524,259
2001/2002	(1) (4)	28,196,295	-	491,242	22,150,440	36,302,486	9,799,194	11,574,582	1,883,866	1,434,088	1,061,609	418,466	1,927,605	4,411,247	1,693,617	151,308	121,496,045
2002/2003	(2) (4)	27,704,824	1,421,480	464,531	26,454,653	13,916,767	1,248,967	12,517,704	1,126,489	631,230	831,261	531,032	-	5,733,568	395,154	-	92,977,660
2003/2004	(4) (5)	28,490,665	1,451,049	505,333	22,999,398	15,941,652	928,143	14,340,063	1,027,075	409,880	794,848	632,432	-	5,678,315	342,577	-	93,541,430
2004/2005	(4) (5)	38,240,343	1,511,407	478,771	25,633,570	12,848,642	2,983,831	13,419,617	809,715	680,199	791,084	1,641,847	-	5,969,374	374,548	-	105,382,948

(1) Includes general, special revenue, debt service, capital projects funds and the discretely presented component units.

(2) Includes general, special revenue, debt service and capital projects funds.

(3) Nine-month fiscal year ended September 30, 1996.

(4) The County of Saginaw now operates on an October through September fiscal year.

(5) Includes general, special revenue, debt service, capital projects, and permanent funds.

Source: Saginaw County Finance Department

**COUNTY OF SAGINAW**

**PROPERTY TAX LEVIES AND COLLECTIONS  
(UNAUDITED)  
LAST TEN YEARS**

(1) Year	Total Tax Levy	Current Tax Collections to March 1st	Percentage of Levy Collected	Delinquent Tax Collections to December 31	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Tax Levy
1996	\$ 21,432,539	\$ 19,969,868	93.18%	\$ 603,490	\$ 20,573,358	95.99%	\$ 859,181	4.01%
1997	21,958,917	20,423,623	93.01%	750,085	21,173,443	96.42%	785,474	3.58%
1998	22,844,817	21,200,992	92.80%	829,790	22,030,782	96.44%	814,035	3.56%
1999	24,296,135	22,517,012	92.68%	963,833	23,480,845	96.64%	815,290	3.36%
2000	25,285,393	23,614,203	93.39%	1,082,716	24,696,919	97.67%	588,474	2.33%
2001	26,144,344	24,411,398	93.37%	1,188,250	25,599,648	97.92%	544,696	2.08%
2002	29,934,657	27,522,023	91.94%	1,347,657	28,869,680	96.44%	1,064,977	3.56%
2003	31,134,725	29,196,651	93.78%	773,069	29,969,720	96.26%	1,165,005	3.74%
2004	32,233,659	30,239,367	93.81%	1,306,023	31,545,390	97.86%	688,269	2.14%
2005	35,285,143	33,006,808	93.54%	1,555,009	34,561,817	97.95%	723,326	2.05%

(1) Year tax collected.

NOTE: The Delinquent Tax Fund purchases the delinquent taxes of each unit on or about May or June of each year.  
Taxes levied are for County Operating (5 Mills) and all other extra voted taxes.

Source: Saginaw County Treasurer's Office



**COUNTY OF SAGINAW**

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
(UNAUDITED)  
LAST TEN YEARS**

(1) Year	Real Property		Personal Property		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1996	\$ 2,899,457,585	\$ 5,798,915,170	\$ 486,385,660	\$ 972,771,320	\$ 3,385,843,245	\$ 6,771,686,490
1997	3,147,764,094	6,295,528,188	502,881,909	1,005,763,818	3,650,646,003	7,301,292,006
1998	3,362,279,262	6,724,558,524	568,638,272	1,137,276,544	3,930,917,534	7,861,835,068
1999	3,576,456,501	7,152,913,002	555,969,687	1,111,939,374	4,132,426,188	8,264,852,376
2000	3,814,128,656	7,628,257,312	556,893,158	1,113,786,316	4,371,021,814	8,742,043,628
2001	4,056,548,190	8,113,096,380	619,837,395	1,239,674,790	4,676,385,585	9,352,771,170
2002	4,357,303,496	8,714,606,992	558,421,300	1,116,842,600	4,915,724,796	9,831,449,592
2003	4,616,251,781	9,232,503,562	526,687,722	1,053,375,444	5,142,939,503	10,285,879,006
2004	4,887,129,006	9,774,258,012	491,400,272	982,800,544	5,378,529,278	10,757,058,556
2005	5,104,737,902	10,209,475,804	470,172,681	940,345,362	5,574,910,583	11,149,821,166

(1) Year tax was levied.

NOTE: The ratio of assessed value to estimated actual value is approximately 50% for all of the above years.

Source: Saginaw County Equalization Department

COUNTY OF SAGINAW

PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS  
 (UNAUDITED)  
 LAST TEN YEARS  
 (Per \$1,000 of Assessed Value)

Year	(1) Townships	(1) Cities & Villages	Saginaw County			Community College	(1) Intermediate Schools	State Education Tax	(1) Local Schools	(1) Average Effective Rate		
			Operating	Debt	Extra Voted					H	NH	
1996	2.92	10.90	4.86	.188	1.57	2.04	2.18	6.000	4.14 22.14	H NH	29.92 47.92	H NH
1997	2.98	10.44	4.86	.1224	1.579	2.0427	2.18	6.000	4.29 22.29	H NH	27.78 45.78	H NH
1998	2.97	10.33	4.86	.1224	1.579	2.0427	2.20	6.000	3.86 21.86	H NH	27.3141 45.3141	H NH
1999	2.69	10.09	4.86	.1847	1.6345	2.0427	2.145	6.000	4.17 22.05	H NH	27.43 45.30	H NH
2000	2.77	10.11	4.86	.1413	1.6345	2.0427	2.14	6.000	4.52 22.42	H NH	27.40 45.29	H NH
2001	2.59	10.02	4.86	0.1218	2.2227	2.5427	2.14	6.000	4.56 22.44	H NH	28.75 46.63	H NH
2002	2.50	10.47	4.86	0.1173	2.2227	2.5427	2.14	6.000	4.83 22.66	H NH	29.19 47.03	H NH
2003	2.50	10.47	4.86	0.1412	2.2318	2.5427	2.14	5.000	4.80 22.53	H NH	28.2 45.55	H NH
2004	2.50	10.45	4.86	0.5428	2.2308	2.0427	2.15	6.000	4.98 22.83	H NH	29.28 47.132	H NH
2005	2.50	10.4	4.86	0.4521	2.2283	2.0427	2.15	6.000	4.87 22.69	H NH	29.01 46.83	H NH

(1) Averages based on Totaled Rates divided by Number of Jurisdictions.

Note: School rates are separated into Homestead and Non-Homestead.

Source: Saginaw County Equalization Department

**COUNTY OF SAGINAW**

**SPECIAL ASSESSMENTS BILLINGS AND COLLECTIONS  
(UNAUDITED)  
LAST TEN YEARS**

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<u>(1) Year</u>	<u>Amount of Special Assessments Becoming Due During Year</u>	<u>Current Assessment Collected To March 1</u>	<u>Total Amount Special Assessments Uncollected</u>
1996	\$475,877	\$453,878	\$21,999
1997	498,501	474,205	24,296
1998	674,456	631,827	42,629
1999	710,314	639,494	70,820
2000	754,424	689,043	65,381
2001	621,600	557,469	64,131
2002	854,012	795,171	58,841
2003	868,973	796,488	72,485
2004	849,794	789,143	60,651
2005	802,425	740,130	62,295

(1) Year of Collection.

Note: Each year the Public Works Commissioner turns over for collection the portion of Special Assessment Drains to be paid by taxpayers in a drainage district. Those are collected by the local units up to March 1st and then turned into the County as delinquent. Delinquent taxes are paid 100 percent by the Delinquent Tax assessments. Total outstanding assessments include both levied and unlevied assessments.

Source: Saginaw County Public Works Commissioner and Saginaw County Treasurer

**COUNTY OF SAGINAW**

**MAJOR TAXPAYERS**

**(UNAUDITED)**

**YEAR ENDED SEPTEMBER 30, 2005**

<u>Taxpayer</u>	<u>Taxable Valuation</u>	<u>Percent of Total County Taxable Value</u>
1. Delphi Automotive Systems	\$ 97,904,835	2.04%
2. General Motors	39,894,385	0.83%
3. Consumers Energy	87,298,930	1.82%
4. Hemlock Semi-Conductor	22,432,168	0.47%
5. Frankenmuth Bavarian Inn	22,222,516	0.46%
6. Saginaw Joint Ventures (Fashion Sq.)	21,067,463	0.44%
7. Sahasa/SSP Associates	20,158,499	0.42%
8. Birch Run Outlet Center	20,066,195	0.42%
9. Dow Corning Company	13,141,084	0.27%
10. Wal Mart	12,836,500	0.27%
<b>Total</b>	<b>\$ 357,022,575</b>	<b>7.44%</b>

Above total represents 7.44% of the 2005 tax base.

Additional valuation has been placed on the Industrial and Commercial Facilities roll as follows:

	<u>IFT Exemption</u>	<u>328 Exemption</u>
Delphi Automotive Systems	\$ 58,363,900	\$ 97,970,900
General Motors	42,344,900	25,015,700
Hemlock Semi-Conductor	50,758,800	
Dow Corning Company	159,400	
	<b>\$ 151,627,000</b>	<b>\$ 122,986,600</b>

Source: Saginaw County Equalization Department

COUNTY OF SAGINAW

MAJOR PRIVATE EMPLOYERS  
(UNAUDITED)  
YEAR ENDED SEPTEMBER 30, 2005

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<u>EMPLOYER</u>	<u>TYPE OF BUSINESS</u>	<u>EMPLOYEES</u>
1. Delphi Automotive Systems	Automotive	6,800
2. Covenant HealthCare	Medical	4,129
3. General Motors Powertrain	Automotive	2,637
4. Saint Mary's	Medical	2,460
5. SBC	Communication	1,273
6. Frankenmuth Bavarian Inn Inc.	Restaurant/Hotel	1,000
7. H.E. Services	Engineering	750
8. Meijer	Department Store	600
9. Zehnder's of Frankenmuth	Restaurant	600
10. Frankenmuth Mutual Insurance	Insurance	525
11. Means Industries	Auto Stampings	489
12. Dow Corning Corporation/Hemlock Semiconductor	R&D Healthcare Materials/Polycrystalline Silicon	489
13. Consumers Energy	Energy	450
14. Eaton Corporation	Motor Vehicle Parts	395
15. Michigan Sugar Company	Beet Sugar	350
16. Duro-Last Roofing Inc.	Roofing Materials	325
17. Hehr Companies	Glass Products	325
18. XO Communications	Internet Provider	320
19. Morley Companies	Meetings, Interactive Services & Travel	300
20. The Saginaw News	Newspaper Publishing	265
21. Citizens Bank	Banking, Finance	252
22. Saginaw Control & Engineering	Electronic Controls	215
23. Dixie Cut Stone & Marble	Patio Blocks & Landscape Stone	190
24. Merrill Tool Holding Company	Machining	180
25. Nash Finch	Wholesale Grocery Supplier	180
	<b>Total</b>	<b><u><u>25,499</u></u></b>

\* List does not include government, school, non-profits or higher academic institution employers

Source: Saginaw Future, Inc.

**COUNTY OF SAGINAW**

**ANNUAL AVERAGE UNEMPLOYMENT RATES  
(UNAUDITED)  
LAST TEN YEARS**

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<u>Year</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Rate</u>
1996	98,500	93,975	4,525	4.6%
1997	99,000	95,100	3,900	3.9%
1998	101,258	96,535	4,723	4.7%
1999	102,354	97,850	4,504	4.4%
2000	102,425	98,375	4,050	4.0%
2001	103,275	97,528	5,747	5.6%
2002	101,629	94,708	6,921	6.8%
2003	102,238	93,556	8,682	8.5%
2004	98,735	90,119	8,616	8.7%
2005	101,436	93,184	8,252	8.1%

Source: Michigan Department of Career Development.

**COUNTY OF SAGINAW**

**COMPUTATION OF LEGAL DEBT MARGIN  
(UNAUDITED)  
SEPTEMBER 30, 2005**

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State Equalized Valuation		\$	5,574,910,583
Debt Limit - 10% of State Equalized Valuation			<u>0.10</u>
Amount of Debt applicable to Debt Limit		\$	557,491,058
Total Bonded Debt (1)	\$	92,001,288	
Less: Deductions Allowed by Law:			
DPW - Water Bonds	\$	10,238,000	
DPW - Sewer Bonds		9,350,000	
Drains - Chapter 20 Bonds		11,516,396	
Drains - Special Assessment Bonds		4,086,123	
Drains - Special Assessment Notes		<u>509,129</u>	<u>35,699,648</u>
Net Debt Subject to Statutory Limitations	\$	56,301,640	
Less: Restricted Amount Available for Debt Service			<u>(1,143,284)</u>
Total Amount of Debt Applicable to Debt Limit			<u>57,444,924</u>
LEGAL DEBT MARGIN		\$	<u>500,046,134</u>

(1) Accumulated Vacation and Sick Leave not included.

COUNTY OF SAGINAW

**RATIO OF NET GENERAL BONDED DEBT TO STATE EQUALIZED VALUATION AND NET BONDED DEBT PER CAPITA  
(UNAUDITED)  
LAST TEN YEARS**

(1) Year	(2) Population	State Equalized Valuation	(3) Total Debt	Less Deductions	Net General Bonded Debt	Ratio of Net General Bonded Debt to State Equalized Value	Net Bonded Debt per Capita
1996	(4) 212,366	\$ 3,385,843,245	\$ 69,136,874	\$ 63,843,067	\$ 5,293,807	0.156%	\$ 24.93
1996/1997	(5) 211,742	3,650,646,003	68,191,815	63,251,228	4,940,587	0.135%	23.33
1997/1998	(5) 210,101	3,930,917,534	73,762,862	68,999,788	4,763,074	0.121%	22.67
1998/1999	(5) 210,101	4,132,426,188	74,917,864	70,562,098	4,355,766	0.105%	20.73
1999/2000	(5) 209,245	4,371,021,814	71,720,711	67,784,279	3,936,432	0.090%	18.81
2000/2001	(5) 210,039	4,676,385,585	66,034,282	62,463,555	3,570,727	0.076%	17.00
2001/2002	(5) 209,461	4,915,724,796	73,875,566	56,650,603	17,224,963	0.350%	82.23
2002/2003	(5) 210,087	5,142,939,503	73,396,016	56,525,972	16,870,044	0.328%	80.30
2003/2004	(5) 209,327	5,378,529,278	64,123,620	50,690,405	13,433,215	0.250%	64.17
2004/2005	(5) 209,062	5,574,910,583	92,001,288	47,718,180	44,283,108	0.794%	211.82

(1) Represents year taxes are levied.

(2) Source: State of Michigan Department of Commerce.

(3) Does not include the non-current portion of the annual vacation and sick leave accrual.

(4) Nine-month fiscal year ended September 30, 1996.

(5) The County of Saginaw now operates on an October through September fiscal year.



**COUNTY OF SAGINAW**

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT  
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES  
(UNAUDITED)  
LAST TEN YEARS**

Year	Principal	(1) Interest and Fiscal Charges	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
1996 (3)	\$ 3,544,609	\$ 1,790,564	\$ 5,335,173	\$ 98,821,513 (2)	5.4%
1996/1997 (4)	5,752,831	2,516,752	8,269,583	128,219,891 (2)	6.4%
1997/1998 (4)	5,122,399	2,488,224	7,610,623	103,350,136 (2)	7.4%
1998/1999 (4)	6,346,798	2,591,011	8,937,809	116,319,566 (2)	7.7%
1999/2000 (4)	5,898,304	2,577,352	8,475,656	122,074,239 (2)	6.9%
2000/2001 (4)	5,044,151	2,641,745	7,685,896	120,478,981 (2)	6.4%
2001/2002 (4)	5,255,922	2,442,580	7,698,502	126,612,815 (2)	6.1%
2002/2003 (4)	1,842,000	507,626	2,349,626	95,152,768 (5)	2.5%
2003/2004 (4)	1,125,000	420,955	1,545,955	93,520,040 (6)	1.7%
2004/2005 (4)	2,415,000	1,066,684	3,481,684	105,352,080 (6)	3.3%

(1) Excludes bond issuance and other costs.

(2) Includes general, special revenue, debt service, capital project funds and discretely presented component units.

(3) Nine-month fiscal year ended September 30, 1996.

(4) The County of Saginaw now operates on an October through September fiscal year.

(5) Includes general, special revenue, debt service and capital project funds.

(6) Includes general, special revenue, debt service, capital project, and permanent funds.

**COUNTY OF SAGINAW**

**COMPUTATION OF NET DIRECT AND OVERLAPPING DEBT  
(UNAUDITED)  
SEPTEMBER 30, 2005**

	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>County Share of Debt</u>
<b>NET DIRECT DEBT</b>			
DPW - Water Bonds	\$ 10,238,000		
DPW - Sewer Bonds	9,350,000		
Drains - Chapter 20 Bonds	11,516,396		
Drains - Special Assessment Bonds	4,086,123		
Drains - Special Assessment Notes	509,129		
Gol Tax Notes	6,147,000		
Building Authority Bonds	15,139,999		
HealthSource (Saginaw Comm. Hosp.)	33,440,000		
Juvenile Center Renovation	1,050,000		
Brownfield Redevelopment Authority	<u>524,641</u>		
Gross Bonded Debt	92,001,288		
<b>Less Self-Supporting Bonds</b>			
DPW - Water Bonds	10,238,000		
DPW - Sewer Bonds	9,350,000		
Drains - Chapter 20 Bonds	11,516,396		
Drains - Special Assessment Bonds	4,086,123		
Drains - Special Assessment Notes	509,129		
Gol Tax Notes	<u>6,147,000</u>		
Total Self-Supporting Bonds	41,846,648		
Less Restricted Amount Available for Debt Service	<u>(1,143,284)</u>		
<b>TOTAL NET DIRECT DEBT</b>	51,297,924	100%	\$ 51,297,924
<b>OVERLAPPING DEBT</b>			
School Districts	173,410,595		
Cities and Villages	26,484,140		
Townships	25,967,440		
Community College and Intermediate S/Ds	<u>233,817,679</u>		
<b>TOTAL NET OVERLAPPING DEBT</b>	<u>459,679,854</u>	100%	<u>459,679,854</u>
<b>TOTAL NET DIRECT AND OVERLAPPING DEBT</b>	<u>\$ 510,977,778</u>		<u>\$ 510,977,778</u>

**COUNTY OF SAGINAW**

**DEMOGRAPHIC STATISTICS  
(UNAUDITED)  
LAST TEN YEARS**

Year	(1) Population	(2) Per Capita Income	(1) Median Age	(3) School Enrollment		(4) Unemployment Rate
				Public	Private	
1996	212,366	\$ 20,740	33.9	38,618	6,251	4.6%
1997	211,742	21,732	32.9	37,068	5,805	3.9%
1998	210,101	22,770	32.7	37,133	4,783	4.7%
1999	210,101	23,889	32.0	36,639	4,809	4.4%
2000	209,245	25,081	36.9	36,504	4,471	4.0%
2001	210,039	26,351	36.3	36,474	4,300	5.6%
2002	209,461	19,438	36.3	36,389	4,300	6.8%
2003	210,087	19,438	36.3	36,159	N/A	8.5%
2004	209,327	25,297	36.3	35,441	N/A	8.7%
2005	209,062	26,454	36	35,404	4,054	8.1%

(1) State of Michigan Dept. of Management & Budget estimate.

(2) Woods & Poole Economics, Inc. 1994 Data Pamphlet 2002 -2000 Census.

(3) Saginaw Co. Intermediate School District.

(4) Michigan Department of Career Development.

**COUNTY OF SAGINAW**

**PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS  
(UNAUDITED)  
LAST TEN YEARS**

Fiscal Year		Commercial Construction (1)		Residential Construction (1)		Bank Deposits (000's)	True Cash Value Real & Personal (not including I. F. T.)		
		Number of Permits (2)	Value	Number of Permits (2)	Value		Industrial Commercial Utility	Residential	Agricultural
1996	(3)	39	\$ 4,680,000	302	\$ 28,596,895	\$ 2,572,847	\$ 2,286,844,526	\$ 3,947,851,388	\$ 514,990,922
1996/1997	(4)	35	4,444,020	245	24,766,183	2,626,075	2,447,330,918	4,284,912,026	543,574,404
1997/1998	(4)	109	13,839,948	173	22,978,250	2,690,232	2,659,932,694	4,610,183,544	572,009,330
1998/1999	(4)	73	10,106,412	416	38,395,136	2,734,236	2,688,043,874	4,976,653,998	580,699,684
1999/2000	(4)	56	7,552,440	549	49,395,136	2,817,594	2,758,627,726	5,365,491,814	599,167,974
2000/2001	(4)	53	7,729,944	464	49,199,392	(5)	2,936,990,714	5,788,633,284	612,377,272
2001/2002	(4)	38	5,571,066	616	60,206,608	(5)	2,974,024,492	6,208,994,954	632,803,146
2002/2003	(4)	50	8,009,000	605	66,500,000	(5)	3,027,785,192	6,578,512,574	724,141,040
2003/2004	(4)	34	5,175,000	566	57,500,000	(5)	3,057,313,884	7,021,181,666	654,333,206
2004/2005	(4)	19	3,390,284	317	28,796,033	(5)	3,084,184,478	7,367,679,882	673,245,206

(1) Information provided by Michigan State Housing Development Authority and Saginaw County Planning Dept. & Equalization.

(2) New Construction.

(3) Nine-month fiscal year ended September 30, 1996.

(4) The County of Saginaw now operates on an October through September fiscal year.

(5) Figures not available.

COUNTY OF SAGINAW

PROPERTY VALUE CHANGES  
(UNAUDITED)  
LAST TEN YEARS

Year	Agriculture & Timber Cut*	Percent Increase (Decrease)	Commercial & Development	Percent Increase (Decrease)	Industrial & Utility	Percent Increase (Decrease)	Residential	Percent Increase (Decrease)	Total SEV	Percent Increase (Decrease)
1996	\$ 259,657,371	4.65%	\$ 700,894,913	5.70%	\$ 451,365,267	8.22%	\$ 1,973,925,694	5.81%	\$ 3,385,843,245	6.01%
% of Total	7.67%		20.70%		13.33%		58.30%		100.00%	
1997	273,900,674	5.49%	780,329,930	11.33%	453,959,386	0.57%	2,142,456,013	8.54%	3,650,646,003	7.82%
	7.50%		21.37%		12.44%		58.69%		100.00%	
1998	288,045,815	5.16%	821,871,168	5.32%	515,908,779	13.65%	2,305,091,772	7.59%	3,930,917,534	7.68%
	7.33%		20.91%		13.12%		58.64%		100.00%	
1999	292,280,502	1.47%	864,088,591	5.14%	487,730,096	-5.46%	2,488,326,999	7.95%	4,132,426,188	5.13%
	7.07%		20.91%		11.80%		60.22%		100.00%	
2000	301,563,794	3.18%	898,854,676	4.02%	487,857,437	0.03%	2,682,745,907	7.81%	4,371,021,814	5.77%
	6.90%		20.56%		11.16%		61.38%		100.00%	
2001	306,572,736	1.66%	932,442,385	3.74%	543,053,822	11.31%	2,894,316,642	7.89%	4,676,385,585	6.99%
	6.56%		19.94%		11.61%		61.89%		100.00%	
2002	316,401,573	3.21%	1,018,039,957	9.18%	476,785,789	-12.20%	3,104,497,477	7.26%	4,915,724,796	5.12%
	6.44%		20.71%		9.70%		63.15%		100.00%	
2003	326,070,520	3.06%	1,069,310,831	5.04%	458,301,865	-3.88%	3,289,256,287	5.95%	5,142,939,503	4.62%
	6.34%		20.79%		8.91%		63.96%		100.00%	
2004	327,166,603	0.34%	1,107,626,965	3.58%	433,144,877	-5.49%	3,510,590,833	6.73%	5,378,529,278	4.58%
	6.08%		20.59%		8.05%		65.28%		100.00%	
2005	336,622,603	2.89%	1,134,939,206	2.47%	419,508,833	-3.15%	3,683,839,941	4.94%	5,574,910,583	3.65%
	6.04%		20.36%		7.52%		66.08%		100.00%	

Source: Saginaw County Equalization Department.

\* Timber Cutover classification is included in the Residential classification starting in 2002.

COUNTY OF SAGINAW

GENERAL FUND REVENUE AND EXPENDITURES AND OTHER FINANCING SOURCES AND USES  
(UNAUDITED)  
LAST TEN YEARS

	1996 (1)	1996/1997 (2)	1997/1998 (2)	1998/1999 (2)	1999/2000 (2)	2000/2001 (2)	2001/2002 (2)	2002/2003 (2)	2003/2004 (2)	2004/2005 (2)
Revenues	\$27,579,522	\$32,965,336	\$35,750,155	\$37,451,436	\$34,728,744	\$35,273,406	\$33,284,525	\$33,904,535	\$38,496,368	\$34,343,704
Expenditures	(18,223,600)	(24,626,789)	(26,735,639)	(28,031,379)	(29,790,488)	(32,004,127)	(30,615,091)	(31,614,137)	(31,980,465)	(33,910,421)
Revenues Over Expenditures	9,355,922	8,338,547	9,014,516	9,420,057	4,938,256	3,269,279	2,669,434	2,290,398	6,515,903	433,283
Transfers In	3,214,370	2,768,739	1,998,578	2,386,035	3,022,325	2,343,789	1,855,403	2,086,586	2,000,568	5,972,914
Transfers Out	(7,980,325)	(9,935,008)	(9,885,778)	(10,337,868)	(7,237,347)	(5,930,161)	(6,432,788)	(4,073,511)	(8,167,801)	(7,572,711)
Sale of Capital Assets	-	-	-	-	-	-	363,303	-	-	-
Net Change in Fund Balances	4,589,967	1,172,278	1,127,316	1,468,224	723,234	(317,093)	(1,544,648)	303,473	348,670	(1,166,514)
Fund Balance, Beginning of Year	13,055,608	17,645,575	18,910,419	20,694,207	22,162,431	22,885,665	22,128,418	20,583,770	20,887,243	21,235,913
Residual Equity Trfr Out	-	-	-	-	-	(179,071)	-	-	-	-
Prior Period Adjustment	-	92,566	656,472	-	-	(261,083)	-	-	-	-
Fund Balance, September 30	<u>\$17,645,575</u>	<u>\$18,910,419</u>	<u>\$20,694,207</u>	<u>\$22,162,431</u>	<u>\$22,885,665</u>	<u>\$22,128,418</u>	<u>\$20,583,770</u>	<u>\$20,887,243</u>	<u>\$21,235,913</u>	<u>\$20,069,399</u>

(1) Nine-month fiscal year ended September 30, 1996.

(2) The County of Saginaw now operates on an October through September fiscal year.

# COUNTY OF SAGINAW

## MISCELLANEOUS STATISTICAL DATA (UNAUDITED)

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**Date of Establishment:** February 1835

**Form of Government:** Elected Board of Commissioners (15) by specified districts

**Area:** 809 square miles

**County Seat:** City of Saginaw

**Townships:** (27) twenty-seven

**Cities:** (3) three

**Villages:** (5) five

**Transportation:**

Public Road Mileage	2,134
Bus Lines	2
Truck Lines	54
Rail Lines	6
Ports	30
Airports	4
Airlines	5

**Recreation:**

	<b>Acres</b>
U. S. Wildlife Refuge	8,984
State Game Area	14,665
Township Parks	598
City Parks	650
Village Parks	60
Lions Club	23
County Parks (6)	553
Beach	1
Campground	1
Boat Launch	2
Trails	8 miles
Fishing Docks	3
Rail trails	8 miles open

**Police Protection:**

Jail Capacity	513
Certified Officers	67
Patrol units	39
Detectives	10

## COUNTY OF SAGINAW

### MISCELLANEOUS STATISTICAL DATA (UNAUDITED)

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#### Educational Facilities – Public:

School Districts	13
Elementary	40
Middle	16
High Schools	14
Vocational & Special Ed.	7

#### Educational Facilities – Non-Public:

Pre-Kindergarten - 8	16
Kindergarten - 8	2
Kindergarten - 12	3
High Schools	4
Vocational	2
Other	6

#### Colleges & Universities:

Central Michigan University	1
Davenport University	1
Delta College (two year community college)	1
Saginaw Valley State University	1

#### Public Libraries:

14

#### Financial Institutions:

#### Offices

Amalgamated Credit Union	2
Bank One	7
Bethel African Meth. Epis. Fed. Credit Union	1
Catholic Federal Credit Union	2
Charter One	1
Chemical Bank	4
Christopher Credit Union	1
Citizens Bank	16
Communications Family Credit Union	1
Community State Bank	4
Consumers Choice Credit Union	1
Credit Union Plus	1
Family First Credit Union	2
Fifth Third Bank	1
First Area Credit Union	1
First Bank	2
Flagstar Bank	1
Frankenmuth Credit Union	2
Freeland State Bank	1
Generation Family Credit Union	2
Independent Bank	2
Lake Huron Credit Union	1



**COUNTY OF SAGINAW**

**MISCELLANEOUS STATISTICAL DATA  
(UNAUDITED)**

<b>Financial Institutions (continued):</b>	<b>Offices</b>
LaSalle Bank	8
Montrose State Bank	1
National City Bank	10
Saginaw Automotive Employee Fed Credit Union	2
Saginaw County Employees Credit Union	1
Saginaw Medical Federal Credit Union	2
Saginaw VA Hospital Federal Credit Union	1
Security Federal Credit Union	1
SECU Credit Union	2
Standard Federal Bank	9
Team One Credit Union	2
TCF Bank	6
Town & Country Family Credit Union	1
United Financial Credit Union	4
Valley State Employees Credit Union	1
Wanigas Federal Credit Union	2
Wolverine Bank	2

**Churches:** 243

**Synagogues:** 2

<b>Property Tax Base (2005):</b>	
Agricultural & Timber Cutover	7%
Residential	72%
Industrial & Utility	3%
Commercial	18%

**Population:**

<u>Decade</u>	<u>U. S. Census</u>	<u>Increase / (Decrease)</u>
1880	59,095	
1890	82,273	39.2%
1900	81,222	(1.3%)
1910	89,290	9.9%
1920	100,297	12.3%
1930	120,717	20.4%
1940	130,468	8.1%
1950	153,515	17.7%
1960	190,752	24.3%
1970	219,743	15.2%
1980	228,059	3.8%
1990	211,946	(7.1%)
2000	210,039	(0.9%)

**COUNTY OF SAGINAW**

**MISCELLANEOUS STATISTICAL DATA  
(UNAUDITED)**

---

**Industrial Sites:**

Parks	3
Acres	679
Sites	53

**Media:**

**Newspapers:**

The Saginaw News (daily)  
 Birch Run-Bridgeport Herald (weekly)  
 Tri-County Citizen (weekly)  
 Frankenmuth News (weekly)  
 The Township Times (weekly)  
 The Saginaw Press (weekly)

**Radio Stations:**

WCEN-FM	Country		94.5
WGER-FM	Adult Contemporary, soft rock	106.3	
WHNN-FM	Oldies	96.1	
WILZ-FM	Classic Rock	104.5	
WIOG-FM	Top 40	102.5	
WKCQ-FM	Country		98.1
WKQZ-FM	Classic Rock	93.3	
WMJO-FM	Variety	97.3	
WOWE-FM	Rhythmic Oldies	98.9	
WRLC-FM	Hip Hop	93.7	
WTLZ-FM	Urban Contemporary	107.1	
WXQL-FM	Rhythmic Oldies	100.5	
WYLZ-FM	Classic Rock	100.9	
WMAX-AM	Catholic Broadcasting	1440	
WNEM-AM	News and Information	1250	
WSAM-AM	Nostalgic Pop	1400	
WSGW-AM	News and Information	790	

**Television Stations:**

WAQP	Channel 49	Independent
WDCQ	Channel 19 (PBS)	Delta
WEYI	Channel 25	NBC
WJRT	Channel 12	ABC
WNEM	Channel 5	CBS
WSMH	Channel 66	FOX

**Cable:**

Charter Communications

**Telephone:**

SBC  
 Century Telephone Co. of MI  
 Verizon  
 McLeod USA

## COUNTY OF SAGINAW

### MISCELLANEOUS STATISTICAL DATA (UNAUDITED)

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<b>Utilities:</b>	Consumers Energy - Natural gas Consumers Energy - Electricity
<b>Natural Resources:</b>	Lime, construction sand, gravel, oil and timber.
<b>Museums:</b>	Castle Museum of Saginaw County History Bridgeport Historical Village Frankenmuth Historical Museum Michigan's Own Military and Space Museum Marshall M. Fredericks Sculpture Museum Saginaw Art Museum Saginaw Valley Railroad Historical Society
<b>Theaters-Stage:</b>	Fischer Hall Heritage Theater – The Dow Event Center Pit & Balcony Community Theater Saginaw Valley State University Theater Temple Theater
<b>Attractions:</b>	Bronner's Christmas Wonderland, Frankenmuth Chesaning Showboat, Chesaning Children's Zoo at Celebration Square, Saginaw Frankenmuth River Place, Frankenmuth Green Point Nature Center, Saginaw Hartley Outdoor Education Center, St. Charles Historic Olde Home Shoppes, Chesaning Japanese Tea House and Cultural Center, Saginaw Junction Valley Railroad, Bridgeport Prime Outlets at Birch Run, Birch Run Saginaw Spirit Hockey, Saginaw Saginaw Valley Rail Trail, St. Charles Splash Village, Frankenmuth Westside Art Fair, Saginaw Wilderness Trails Animal Park, Frankenmuth William H. Haithco Recreation Area, Saginaw

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2005

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS - THROUGH GRANTOR'S NUMBER	FEDERAL AWARDS EXPENDED
<b>PRIMARY GOVERNMENT:</b>			
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
PASSED THROUGH MICHIGAN DEPARTMENT OF COMMUNITY HEALTH			
Smoking prevention	93.283	N/A	\$ 14,000
Laboratory services	93.283	N/A	15,000
Bioterrorism - focus area A	93.283	N/A	157,143
Bioterrorism - focus area B	93.283	N/A	41,079
Bioterrorism - focus area C	93.283	N/A	172,141
Bioterrorism - focus area E	93.283	N/A	20,444
Bioterrorism - focus area F	93.283	N/A	13,591
Bioterrorism - focus area G	93.283	N/A	6,417
Laboratory services	93.977	N/A	43,322
Family planning	93.217	N/A	173,624
Federally funded vaccines	93.268	N/A	1,020,434
Immunizations - IAP	93.268	N/A	89,438
Immunizations - vaccine handling	93.268	N/A	7,690
Immunizations - field rep	93.268	N/A	52,555
HIV / AIDS counseling and testing	93.940	N/A	60,067
Infant mortality coalition support	93.778	N/A	30,780
Case management services	93.778	N/A	29,054
Minority health program	93.991	N/A	24,912
Local MCH	93.994	N/A	204,387
Family planning	93.994	N/A	36,126
Case management services	93.994	N/A	34,951
PASSED THROUGH HEALTH RESOURCES & SERVICES ADMINISTRATION			
Healthy start initiative	93.926	N/A	622,631
PASSED THROUGH OFFICE OF DRUG CONTROL POLICY			
Substance abuse prevention and treatment block grant	93.959	N/A	1,007,614
B.A.S.A.R.A. substance abuse treatment	93.959	N/A	397,245
SIG - Saginaw county youth protection council	93.243	N/A	89,268
PASSED THROUGH MICHIGAN FAMILY INDEPENDENCE AGENCY			
Title IVB Subpart 2 Family Presentation and Support Services	93.556	N/A	100,000
Temporary Assistance for Needy Families / Healthy Families	93.558	N/A	67,560
Temporary Assistance for Needy Families / Family Nutrition	93.558	N/A	11,476
AFDC Maintenance Assistance (Federal Incentive)	93.560	N/A	438,256
IV-D Cooperative Reimbursement - Med (FOC)	93.563	N/A	65,202
IV-D Cooperative Reimbursement Grant (FOC)	93.563	N/A	2,278,813
IV-D Cooperative Reimbursement Grant (GF)	93.563	N/A	341,183
PASSED THROUGH MICHIGAN OFFICE OF AGING SERVICES AND THE REGION VII AREA AGENCY ON AGING			
Aging Cluster:			
Case Coordination and Support	93.044	N/A	77,563
Transportation	93.044	N/A	15,043
Senior Center Staffing	93.044	N/A	13,059
Senior Center Staffing - MO	93.044	N/A	3,930
Senior Center Operations	93.044	N/A	8,379
Outreach	93.044	N/A	20,305
Title III E Kinship Care	93.558	N/A	5,053
Nutrition - Title III C-1	93.045	N/A	209,046
Nutrition - Title III C-2	93.045	N/A	155,317
National Family Caregiver Support Program	93.052	N/A	64,439
Supplemental funds - Title III E	93.558	N/A	10,703
SPAP	93.779	N/A	4,660
MMAF	93.779	N/A	2,000
PASSED THROUGH MICHIGAN DEPARTMENT OF CAREER DEVELOPMENT			
Temporary Assistance for Needy Families (TANF) / Work First (Note 3)	93.558	N/A	4,256,376
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>12,512,276</u>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			
Foster Grandparent Program	94.011	N/A	<u>251,124</u>

(Continued)

COUNTY OF SAGINAW  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2005

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	FEDERAL AWARDS EXPENDED
<b>PRIMARY GOVERNMENT (continued):</b>			
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
PASSED THROUGH MICHIGAN OFFICE OF AGING SERVICES AND THE REGION VII AREA AGENCY ON AGING			
Nutrition - Title IIIC-1	10.550	N/A	\$ 58,987
Nutrition - Title IIIC-2	10.550	N/A	97,620
PASSED THROUGH MICHIGAN DEPARTMENT OF EDUCATION National School Lunch-Breakfast Program - County Children's Facility	10.553	8350-41-1185	70,061
PASSED THROUGH MICHIGAN DEPARTMENT OF COMMUNITY HEALTH Women and Infant Care	10.557	N/A	637,031
PASSED THROUGH MICHIGAN DEPARTMENT OF CAREER DEVELOPMENT Food Stamps	10.561	N/A	<u>202,433</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>1,066,132</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<b>DIRECT PROGRAM</b>			
Lead Hazard-Control	14.900	N/A	334,760
PASSED THROUGH CITY OF SAGINAW Housing Self Maintenance	14.219	N/A	30,211
PASSED THROUGH THE MICHIGAN DEPARTMENT OF COMMERCE Community Development Block Grant	14.228	MSC-97-0540-HO	1,875
PASSED THROUGH THE MICHIGAN STRATEGIC FUND AGENCY Community Development Block Grant (Note 2)	14.228	CDBG #2	214,912
River Dredging	14.228	N/A	1,343,000
Genesee Avenue Road Improvement	14.228	N/A	<u>240,964</u>
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u>2,165,722</u>
<b>U.S. DEPARTMENT OF LABOR</b>			
<b>DIRECT PROGRAM</b>			
H-1B Department of Labor Training Grant	17.261	N/A	<u>877,738</u>
PASSED THROUGH MICHIGAN DEPARTMENT OF CAREER DEVELOPMENT (Note 3)			
Trade Act	17.245	N/A	145,696
Employment Services	17.207	N/A	634,675
Employment Services - MDCC	17.207	N/A	1,920
Re-employment Services	17.207	N/A	15,835
Workforce Investment Act - Capacity building professional development	17.258	N/A	6,550
Workforce Investment Act - Performance incentive Type D	17.258	N/A	157
Workforce Investment Act - Adult	17.258	N/A	1,726,354
Workforce Investment Act - Administration	17.258	N/A	132,199
Workforce Investment Act - Service center operations	17.258	N/A	13,667
Workforce Investment Act - Incumbant worker	17.258	N/A	33,829
Workforce Investment Act - MIRSA	17.258	N/A	15,955
Workforce Investment Act - Capacity building professional development	17.259	N/A	7,162
Workforce Investment Act - Performance incentive Type D	17.259	N/A	172
Workforce Investment Act - Youth	17.259	N/A	1,108,486
Workforce Investment Act - Administration	17.259	N/A	144,541
Workforce Investment Act - Service center operations	17.259	N/A	14,943
Workforce Investment Act - MIRSA	17.259	N/A	17,444
Workforce Investment Act - Incumbant worker	17.259	N/A	36,988
Workforce Investment Act - Dislocated	17.260	N/A	1,314,910
Workforce Investment Act - Administration	17.260	N/A	197,943
Workforce Investment Act - Service center operations	17.260	N/A	20,464
Workforce Investment Act - Incumbant worker	17.260	N/A	50,652
Workforce Investment Act - Capacity building professional development	17.260	N/A	9,808
Workforce Investment Act - Performance incentive Type D	17.260	N/A	235
Workforce Investment Act - MIRSA	17.260	N/A	23,889
Reed Act - Work First	Note 4	N/A	941,336
Reed Act - SCO	Note 4	N/A	<u>170,995</u>
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>			<u>7,664,543</u>

(Continued)

COUNTY OF SAGINAW  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2005

FEDERAL GRANTOR / PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	FEDERAL AWARDS EXPENDED
<b>PRIMARY GOVERNMENT (continued):</b>			
<b>U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			
PASSED THROUGH MICHIGAN STATE POLICE DEPARTMENT			
Pre-disaster mitigation planning grant	83.557	N/A	\$ 16,633
Hazard mitigation grant for the Carrollton and Zilwaukee Road Relief Drain	97.039	FEMA-1413-DR-MI	97,445
PASSED THROUGH SAGINAW COUNTY UNITED WAY			
Emergency Food and Shelter - National Program	83.523	N/A	3,934
<b>TOTAL U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			<u>118,012</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
PASSED THROUGH MICHIGAN STATE POLICE DEPARTMENT			
Emergency management performance grants	97.042	N/A	28,984
State Homeland Security Grant Program - equipment grant	97.004	N/A	97,331
State Homeland Security Grant Program - Part II Solution Area Planner	97.004	N/A	21,498
State Homeland Security Grant Program	97.004	N/A	7,149
2003 SHSG Part II Training	97.004	N/A	106,026
Saginaw County Citizens Core	97.004	N/A	33,640
2004 SHSG - Orthophotography	97.004	N/A	59,433
2004 Law Enforcement Terrorism Prevention	97.004	N/A	258,837
2004 State Homeland Security	97.004	N/A	736,832
2005 State Homeland Security	97.004	N/A	1,750
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u>1,351,480</u>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
Brownfield Pilots Cooperative Agreements	66.811	N/A	49,895
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Twenty First Century Community Learning Centers	84.287A	N/A	1,321
PASSED THROUGH OFFICE OF DRUG CONTROL POLICY			
Community-many faiths-1 goal	84.186	N/A	81,642
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>82,963</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Local Law Enforcement Block Grant			
State Criminal Alien Assistance Program	16.592	N/A	132,162
	16.606	N/A	7,339
PASSED THROUGH STATE COURT ADMINISTRATOR'S OFFICE			
Juvenile Accountability Incentive Block Grant	16.523	N/A	92,931
PASSED THROUGH MICHIGAN DEPARTMENT OF STATE POLICE OFFICE OF DRUG CONTROL POLICY			
Prosecutors Asset Forfeiture Unit	16.523	N/A	45,402
Saginaw County substance abuse treatment	16.580	N/A	38,159
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<u>315,993</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
PASSED THROUGH MICHIGAN DEPARTMENT OF TRANSPORTATION - AERONAUTICS			
Airport improvement program	20.106	B-26-0114-0803	100,110
Airport improvement program	20.106	B-26-0114-0904	51,573
PASSED THROUGH MICHIGAN DEPARTMENT OF TRANSPORTATION			
Urban Planning - FHWA	20.500	FHWA PL-0123-025	128,648
Urban Planning - FTA	20.500	FTA 97874	29,146
Operation ABC	20.600	N/A	37,656
S.C.A.R.E.	20.600	N/A	7,320
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<u>354,453</u>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE - PRIMARY GOVERNMENT, BROWNFIELD AUTHORITY AND DRAIN COMMISSION COMPONENT UNITS</b>			<u>\$ 25,932,593</u>

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2005

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	<b>FEDERAL AWARDS EXPENDED</b>
<b>RECONCILIATION TO FEDERAL REVENUE RECOGNIZED IN STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES</b>	
<hr/>	
TOTAL FEDERAL FINANCIAL ASSISTANCE - PRIMARY GOVERNMENT AND COMPONENT UNITS EXCEPT ROAD COMMISSION	\$ 25,932,593
ADD: FEDERAL AWARDS AUDITED IN SEPARATELY ISSUED FINANCIAL STATEMENTS: SAGINAW COUNTY ROAD COMMISSION - Component Unit	<u>2,467,380</u>
<b>FEDERAL REVENUE RECOGNIZED IN FINANCIAL STATEMENTS</b>	<u>\$ 28,399,973</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) To date, CFDA numbers have not been issued for these grants.
- (5) The County's Health Department also received \$1,018,464 for Medicaid funded substance abuse programs, which include Adult Well Benefits and MI Child. These were received under CFDA #93.778 and are included as charges for services revenue due to the nature of the program.



**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 8, 2006

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, 2005, and have issued our report thereon dated March 8, 2006. We did not audit the financial statements of the Road Commission Component Unit, which represents 63.2% and 84.4%, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the *County of Saginaw, Michigan's* internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the *County of Saginaw, Michigan's* ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2005-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over



financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

### **Compliance and Other Matters**

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

However, we noted other matters involving the internal control over financial reporting that we have reported to management of *County of Saginaw, Michigan* in a separate letter dated March 8, 2006.

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.



## 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 8, 2006

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, 2005. The *County of Saginaw, Michigan's* major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the *County of Saginaw, Michigan's* management. Our responsibility is to express an opinion on the *County of Saginaw, Michigan's* compliance based on our audit.

The *County of Saginaw, Michigan's* financial statements include the operations of the Road Commission component unit, which received \$2,467,380 in federal awards which is not included in the Schedule of Federal Awards for the year ended September 30, 2005. Our audit, described below, did not include the operations of the Road Commission Component Unit because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

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

In our opinion, the *County of Saginaw, Michigan* complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and are described in the accompanying schedule of findings and questioned costs as items 2005-1, 2005-2 and 2005-3.

### **Internal Control Over Compliance**

The management of the *County of Saginaw, Michigan* is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the *County of Saginaw, Michigan's* internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a matter involving the internal control over compliance that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the *County of Saginaw, Michigan's* ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2005-3.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable condition described above is considered to be a material weakness.

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

# COUNTY OF SAGINAW

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2005

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### SECTION I - SUMMARY OF AUDITOR'S RESULTS

#### Financial Statements

Type of auditor's report issued: *Unqualified on basic financial statements*

Internal controls over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes  no

Reportable condition(s) 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

Reportable condition(s) identified not considered to be material weaknesses? \_\_\_\_\_ yes  none reported

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

*Unqualified*

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

yes \_\_\_\_\_ no

Identification of Major Programs:

#### CFDA Number(s)

14.228

93.563

93.959

97.004

#### Name of Federal Program or Cluster

Community Development Block

Grants/State's Program

Child Support Enforcement

Block Grants for Treatment and Prevention of Substance Abuse

Homeland Security Cluster

# COUNTY OF SAGINAW

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2005

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Dollar threshold used to distinguish  
between Type A and Type B programs: \$777,965

Auditee qualified as low-risk auditee?  X  yes   no

### SECTION II – FINANCIAL STATEMENT FINDINGS

**2005-1** Accounting for Housing Rehabilitation Loans

**Grantor:** U.S. Department of Housing and Urban Development

**CFDA #:** 14.228

**Award Name:** Community Development Block Grants/State's Program

**Condition:** One function of the housing program is to provide housing rehabilitation loans to eligible program recipients. The balance of the outstanding rehabilitation loans is not accounted for on the County's general ledger accounting system, nor is a reliable subsidiary ledger maintained of the outstanding loan balances.

This situation does not allow the County to maintain a complete and accurate accounting of loans granted through the housing rehabilitation program.

No costs were questioned in the current year as a result of this finding.

**Recommendation:** The County should maintain a reliable subsidiary ledger of all outstanding housing rehabilitation loans and account for activity of the loans on its general ledger accounting system.

### SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**2005-2** Cash Management

**Grantor:** U.S. Department of Housing and Urban Development

**CFDA #:** 14.228

**Award Name:** Community Development Block Grants/State’s Program

**Condition:** Office of Management and Budget Circular No. A-102, *Grants and Cooperative Agreements with State and Local Governments*, requires that an agency must have methods and procedures for minimizing the time elapsed between the transfer of recipients of grants and cooperative agreements and the recipient’s need for the funds.

During the year ended September 30, 2005, the County made draw downs of CDBG funds, which were not expended in a timely manner. We noted during our audit that the time frame between the requests of funds and the time these funds were disbursed approximated four months. Throughout the grant reporting period, the County made draw down requests for funds that were not required for immediate cash needs. At year-end, the County had in excess of \$50,000 of unexpended grant proceeds on hand.

No costs were questioned in the current year as a result of this finding.

**Recommendation:** The County should modify its procedures related to drawing down on CDBG / Housing program grant funds so that the proceeds received are expended in accordance with applicable cash management compliance requirements.

**2005-3** Documentation of Expenditure Approval

**Grantor:** U.S. Department of Housing and Urban Development

**CFDA #:** 14.228

**Award Name:** Community Development Block Grants/State’s Program

**Condition:** Internal control policies over expenditures of the County’s Housing Rehabilitation program require approval by (1) Housing program management, (2) the contractor that performed the rehabilitation work and (3) the owner of the home on which the rehabilitation work was performed. Documentation of the approval process is performed via signatures of the parties involved on a “Contractor Payment Request Form”.

Results of our procedures indicated that on several occasions, expenditures were made even though documentation of approval was not present on the Contractor Payment Request Form. This situation indicates that controls over expenditures of this program are not effective.

No costs were questioned in the current year as a result of this finding.

**Recommendation:** The County should enforce its existing control policies over expenditures of this program and require documentation of expenditure approval prior to payment.

**COUNTY OF SAGINAW**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2005**

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There were no findings in the prior year.