

COUNTY OF
SAGINAW,
MICHIGAN



Year Ended
September 30,
2021

Financial
Statements

Rehmann

COUNTY OF SAGINAW, MICHIGAN

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	5
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	21
Statement of Activities	22
Fund Financial Statements:	
Balance Sheet – Governmental Funds	24
Reconciliation of Fund Balances for Governmental Funds to Net Position of Governmental Activities	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	26
Reconciliation of the Net Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	27
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund	28
Michigan Works! Special Revenue Fund	30
American Rescue Plan Act Special Revenue Fund	31
Statement of Net Position – Proprietary Funds	32
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	33
Statement of Cash Flows – Proprietary Funds	34
Statement of Fiduciary Net Position – Fiduciary Funds	36
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	37
Combining Statement of Net Position – Discretely Presented Component Units	38
Combining Statement of Activities – Discretely Presented Component Units	40
Notes to Financial Statements	44

COUNTY OF SAGINAW, MICHIGAN

Table of Contents

	<u>Page</u>
Required Supplementary Information	
MERS Agent Multiple-Employer Defined Benefit Pension Plan:	
Schedule of Changes in the County's Net Pension Liability and Related Ratios	99
Schedule of Contributions	101
Notes to Required Supplementary Information	102
Single Employer Defined Benefit Other Postemployment Benefit Plan:	
Schedule of Changes in the County's Net OPEB Liability and Related Ratios	103
Schedule of Contributions	104
Schedule of Investment Returns	105
Notes to Required Supplementary Information	106
Combining and Individual Fund Financial Statements	
Nonmajor Governmental Funds:	
Combining Balance Sheet	114
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	120
Nonmajor Enterprise Funds:	
Combining Statement of Net Position	127
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	128
Combining Statement of Cash Flows	129
Internal Service Funds:	
Combining Statement of Net Position	132
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	134
Combining Statement of Cash Flows	136
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position - Custodial Funds	139
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds	140
Component Units:	
Brownfield Redevelopment Authority:	
Statement of Net Position and Governmental Fund Balance Sheet	142
Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balances	143

COUNTY OF SAGINAW, MICHIGAN

Table of Contents

	<u>Page</u>
Combining and Individual Fund Financial Statements (concluded)	
Department of Public Works:	
Statement of Net Position	145
Statement of Activities	146
Balance Sheet	147
Reconciliation of Fund Balance of Governmental Fund of the Department of Public Works Component Unit to Net Position of the Governmental Activities of the Department of Public Works Component Unit	148
Statement of Revenues, Expenditures and Changes in Fund Balance	149
Reconciliation of Net Change in Fund Balance of Governmental Fund of the Department of Public Works Component Unit to Change in Net Position of the Governmental Activities of the Department of Public Works Component Unit	150
Statement of Net Position - Proprietary Fund	151
Statement of Revenues, Expenditures and Changes in Fund Balance - Proprietary Fund	152
Statement of Cash Flows - Proprietary Fund	153
Drain Commission:	
Statement of Net Position and Governmental Fund Balance Sheet	155
Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balances	157

Independent Auditors' Report

March 29, 2022

Board of Commissioners
 County of Saginaw
 Saginaw, Michigan

Report on the Financial Statements

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** (the "County"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Saginaw County Road Commission, a discretely presented component unit, which represent the indicated percentages of total aggregate discretely presented component units assets and deferred outflows, net position, and revenues:

	Percent of Total Assets and Deferred Outflows	Percent of Total Net Position	Percent of Total Revenues
Saginaw County Road Commission	58%	63%	60%

Those 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 Saginaw County Road Commission, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Implementation of GASB 84

As described in Note 20, the County implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*, in the current year. The beginning net position and fund balance of governmental activities, nonmajor governmental funds and custodial fund were restated. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for the pension and other postemployment benefit plans listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued, under a separate cover, our report dated March 29, 2022, on our consideration of the County’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* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Rehmann Johnson LLC". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF SAGINAW, MICHIGAN

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, 2021. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

Financial Highlights

· Total primary government net position	\$ 33,350,876
· Change in total primary government net position	20,416,468
· Fund balances, governmental funds	69,210,601
· Change in fund balances, governmental funds	(487,293)
· Unassigned fund balance, general fund	5,914,225
· Change in fund balance, general fund	454,055
· Primary government installment debt outstanding	114,140,263
· Primary government change in installment debt	4,473,276

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 position* presents information on all of the County's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 on long-term debt).

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, building authority event center, building authority administration, delinquent property tax foreclosure, 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 includes the Road Commission, Brownfield Redevelopment Authority, Department of Public Works, Drain Commission, Economic Development Corporation and Land Bank Authority which are legally separate entities that 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 a blended component unit of the primary government.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

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 funds balance sheet and the governmental funds 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 many individual governmental funds. Information is presented separately in the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, Michigan Works! Fund, American Rescue Plan Act, Animal Care and Control Resource Center Construction, and Mainframe Conversion Project, each of which is considered to be a major fund. Data from the other nonmajor 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 have been provided herein to demonstrate compliance with the budgets of the general and major special revenue funds.

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, building authority event center, delinquent property tax foreclosure, 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 uses internal service funds to account for its MERS (Defined Benefit) retirement system, MERS (Defined Contribution) retirement system, information technology operations, equipment revolving (computer equipment maintenance and replacement) activities, motor pool operations, risk management program, investment pool, employee benefits, and retiree health savings plan activities. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Delinquent Tax Revolving Fund and Building Authority Event Center, each of which are considered to be major funds. Data from the other proprietary funds are combined and presented in two separate columns distinguishing between business-type activities and governmental activities. Individual fund data for each of these nonmajor enterprise funds and internal service funds are provided in the form of combining statements elsewhere in this report.

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.

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.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the County's progress in funding its obligation to provide pension and other post employment benefits to its retirees as well as other supplementary information such as the combining and individual fund financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, as the following table demonstrates, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$33,350,876 at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 113,910,822	\$ 95,772,902	\$ 45,841,436	\$ 29,814,107	\$ 159,752,258	\$ 125,587,009
Capital assets, net	61,450,673	59,241,587	25,382,083	22,025,746	86,832,756	81,267,333
Total assets	175,361,495	155,014,489	71,223,519	51,839,853	246,585,014	206,854,342
Deferred outflows of resources	3,198,699	6,429,356	-	-	3,198,699	6,429,356
Liabilities						
Long-term liabilities	91,075,415	96,852,800	31,380,866	19,305,996	122,456,281	116,158,796
Other liabilities	83,313,933	72,508,494	5,180,330	2,514,438	88,494,263	75,022,932
Total liabilities	174,389,348	169,361,294	36,561,196	21,820,434	210,950,544	191,181,728
Deferred inflows of resources	5,482,293	10,559,642	-	-	5,482,293	10,559,642
Net position						
Net investment in capital assets	18,754,640	19,715,492	7,239,409	18,559,746	25,994,049	38,275,238
Restricted	22,157,181	16,450,324	-	-	22,157,181	16,450,324
Unrestricted (deficit)	(42,223,268)	(54,642,907)	27,422,914	11,459,673	(14,800,354)	(43,183,234)
Total net position	\$ (1,311,447)	\$ (18,477,091)	\$ 34,662,323	\$ 30,019,419	\$ 33,350,876	\$ 11,542,328

One of the largest portions of the County's net position, \$25,994,049, 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 position, \$22,157,181 represents resources that are subject to external restrictions on how they may be used. This leaves a negative (deficit) unrestricted net position (deficit) of \$14,800,354.

At the end of the current fiscal year, the County is able to report positive balances in two of the three categories of net position for the government as a whole. The third category of unrestricted net position is reporting a negative balance mainly due to the requirements of GASB Statement No. 68 and 75 to record the net pension and OPEB liabilities.

In governmental activities, current and other assets increased by \$18,137,920, deferred outflows of resources decreased by \$3,230,657, other liabilities increased by \$10,805,439 and deferred inflows of resources decreased by \$5,077,349. This is due to the requirements of GASB Statement No. 68 and 75 recording net pension and OPEB liabilities.

In business-type activities, current and other assets increased by \$16,027,329 and total liabilities increased by \$14,740,762. Both the increase in assets and liabilities is primarily due to a bond issuance for the DOW Event Center of \$12,900,000.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 27,888,116	\$ 25,704,779	\$ 10,278,572	\$ 7,130,560	\$ 38,166,688	\$ 32,835,339
Operating grants and contributions	44,135,316	41,189,557	2,441,987	-	46,577,303	41,189,557
Capital grants and contributions	-	-	-	774,268	-	774,268
General revenues:						
Property taxes	52,820,001	43,974,933	1,157,197	1,127,724	53,977,198	45,102,657
Accommodations tax	2,713,818	2,161,084	-	-	2,713,818	2,161,084
Grants and contributions not restricted to specific programs	499,963	465,086	-	-	499,963	465,086
Investment income (loss)	(232,384)	1,391,138	481,452	588,072	249,068	1,979,210
Total revenues	127,824,830	114,886,577	14,359,208	9,620,624	142,184,038	124,507,201
Expenses						
Legislative	468,616	341,799	-	-	468,616	341,799
Judicial	16,125,997	10,831,554	-	-	16,125,997	10,831,554
General government	17,090,763	8,547,644	-	-	17,090,763	8,547,644
Public safety	32,362,285	25,688,821	-	-	32,362,285	25,688,821
Public works	914,026	759,974	-	-	914,026	759,974
Health and welfare	38,746,410	32,762,200	-	-	38,746,410	32,762,200
Community and economic development	3,101,586	2,602,162	-	-	3,101,586	2,602,162
Recreation and culture	2,549,038	2,351,950	-	-	2,549,038	2,351,950
Interest on long-term debt	3,375,629	3,345,109	-	-	3,375,629	3,345,109
Delinquent tax revolving	-	-	325,173	1,739,704	325,173	1,739,704
Delinquent tax foreclosure	-	-	1,878,438	1,329,959	1,878,438	1,329,959
Building Authority						
Event Center	-	-	2,998,623	3,734,546	2,998,623	3,734,546
Building Authority administration	-	-	12,130	115,941	12,130	115,941
Parking system	-	-	27,514	85,493	27,514	85,493
Harry W. Browne Airport	-	-	645,855	553,339	645,855	553,339
Inmate services	-	-	1,145,487	682,059	1,145,487	682,059
Total expenses	114,734,350	87,231,213	7,033,220	8,241,041	121,767,570	95,472,254
Change in net position before transfers	13,090,480	27,655,364	7,325,988	1,379,583	20,416,468	29,034,947
Transfers	2,683,084	2,390,201	(2,683,084)	(2,390,201)	-	-
Change in net position	15,773,564	30,045,565	4,642,904	(1,010,618)	20,416,468	29,034,947
Net position:						
Beginning of year (deficit) as previously reported	(18,477,091)	(48,522,656)	30,019,419	31,030,037	11,542,328	(17,492,619)
Restatement	1,392,080	-	-	-	1,392,080	-
End of year (deficit)	\$ (1,311,447)	\$ (18,477,091)	\$ 34,662,323	\$ 30,019,419	\$ 33,350,876	\$ 11,542,328

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

Governmental activities. Governmental activities increased the County's net position by \$15,773,564. Key elements of this increase are as follows:

- Revenues from FY 2020 to FY 2021 showed an increase of \$12,938,253 (11.3 percent). This increase was the result of increases in multiple areas. Charges for services increased mainly due to addition of jail bed rental space to outside agencies, increased activity for Register of Deeds and judicial functions. The increase in Operating Grants and Contributions is due to additional grant funds received from various agencies in response to the COVID-19 pandemic as well as an increase in grant funds received for MI Works activities. The Property tax increase is due to the increase in taxable value of properties as well as an additional millage added for our Health Department and an increase in the millage rate for the DOW Event Center.
- Expenses increased during the year as compared to the prior year by \$27,503,137 (31.5 percent). This was mainly a result of increased activity for the Animal Care and Control Resource Center and Mainframe Modernization projects offset by an increase to the net pension obligation and a decrease to the OPEB obligation recorded per GASB 68 and 75.

Business-type activities. Business-type activities increased the County's net position by \$4,642,904. Key elements of this increase are as follows:

- Revenues increased 49.3 percent, or \$4,738,584 mainly in the area of Charges for Services and Operating Grants and Contributions due increased services at the DOW Event Center and property tax foreclosures as well as grants received in response to the COVID-19 pandemic.
- Expenses decreased 14.7 percent, or \$1,207,821, mainly as a result of activity in the delinquent tax revolving fund due to not recording activity related to property sales. This will be caught up and recorded in FY 2022.
- Transfers netted to an increase of \$292,883 or 12.3 percent. This is mainly the result of a transfer made in 2021 from our Delinquent Tax Fund to the Animal Care and Control Resource Center Project to cover additional project costs beyond the bond issuance as well as an increase in the transfer made from the Inmate Services fund to the Public Improvement Fund.

Financial Analysis of the Government's Funds

As noted earlier, the 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, *unassigned fund balance* may serve as a useful measurement of a government's net resources available for spending at the end of the fiscal year.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$69,210,601, a decrease of \$487,293 in comparison with the prior year. Fund balances are separated into two main categories, restricted and unrestricted. Restricted fund balance indicates that it is not available for new spending because it has already been set aside for specific purposes. Unrestricted is further separated into nonspendable, committed, assigned, and unassigned fund balance. The underlying distinction between committed and assigned is that committed fund balance has been designated based upon either the County's Fund Balance Policy or for a specific purpose and can only be uncommitted by a formal Board motion. Total governmental fund's had the following fund balance classifications at year end:

	Fund Balances		
	Unrestricted	Restricted	Total
Nonspendable:			
Advances:			
Inmate services fund	\$ 20,000	\$ -	\$ 20,000
Drain Commission component unit	400,000	-	400,000
Permanent fund	36,390	-	36,390
Prepays	259,492	-	259,492
Restricted	-	33,343,697	33,343,697
Committed	2,215,583	-	2,215,583
Assigned	27,021,214	-	27,021,214
Unassigned	5,914,225	-	5,914,225
Total	<u>\$ 35,866,904</u>	<u>\$ 33,343,697</u>	<u>\$ 69,210,601</u>

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, fund balance was separated into the following categories:

Nonspendable	\$ 432,915
Restricted	202,202
Assigned	15,182,410
Unassigned	<u>5,914,225</u>
Total	<u>\$ 21,731,752</u>

As a measure of the General Fund's liquidity, it may be useful to compare unassigned and assigned fund balance and total fund balance to total fund expenditures. Unassigned and assigned fund balance represents 51 percent of total General Fund expenditures, while total fund balance represents 53 percent of that same amount. Ending fund balance and net change in fund balance for each major fund is as follows:

	General	Michigan Works!	American Rescue Plan Act	Animal Care and Control Resource Center Construction Fund	Mainframe Conversion Project
Ending fund balance	\$ 21,731,752	\$ 339,078	\$ 52,682	\$ 9,567,413	\$ 5,377,667
Net change in fund balance	454,055	166,251	52,682	(66,632)	(3,656,599)

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

Key factors in the change in the fund balance of the County's General Fund are as follows:

- Property tax revenue increased \$551,596 (2.2 percent) due to an increase in taxable value of properties.
- Federal grant revenue increased \$754,940 (51.93%) due to the various grants received due to the COVID-19 pandemic through the CARES Act for Coronavirus Relief Local Government Grants (CRLGG) Program and Public Safety and Public Health Payroll Reimbursement Program (PSPHPR).
- State grant revenue increased \$1,198,717 (15.89 percent) due to the State of Michigan withholding the County's final State Revenue Sharing payment of \$1,117,567.93 in FY 2020 and instead awarding us funding under the CARES Act to spend on prevention and mitigation of the COVID-19 pandemic. The State of Michigan did not withhold any State Revenue Sharing payments in FY 2021.
- Charges for services increased by \$1,177,983 (26.1 percent). A small portion of this increase occurred in monies collected by our 10th Circuit Court and 70th District Court for court costs and other fees as the Courthouse reopened to the public and court cases were proceeding through the court system. The majority of the increase was in the Register of Deeds due to the increase in real estate transactions and in the Sheriff Jail Division due to additional jail beds rented to outside agencies.
- Fines and forfeitures increased by \$98,289 (21.93 percent) also mainly due to the Courthouse being closed to the public for the majority of 2020 in response to the COVID-19 pandemic and no court cases were heard during that time. The Courthouse reopened to the public and court cases are proceeding through the court system.
- Investment income decreased \$748,503 (136.89 percent) due to the recording of investments at fair market value per GASB 72 which resulted in a loss at year end.
- Expenditures increased \$667,393 (1.66 percent) with the largest increase in general government (\$1,411,160) mainly due to increased wages and fringes from implementation of Phase II and III of the Job Classification and Total Compensation Study. This increase was offset by a decrease of \$350,587 in public safety in fringes and jail medical costs and a decrease of \$359,441 in health and welfare due to contracting out Medical Examiner services and reducing maintenance of effort payments to Saginaw County Community Health Authority.
- Transfers in increased \$96,733 (1.91 percent) due to an increase of \$38,000 in the operating transfer from the animal care and control fund to the Prosecutor's budget, and an increase of \$58,734 in the operating transfer from the law enforcement fund due to county policy.
- Transfers out increased \$1,029,320 (11.57 percent) mainly due to a one-time transfer to the indigent defense fund of \$447,202 to account for payments made to attorneys in excess of the grant award amount. This transfer will be repaid in FY 2022 from indigent defense grant funds. The Board also approved a one-time transfer to the PLUS home surveillance program of \$164,000 to cover a shortage in revenues received for tethers. There were also increases in the following transfers out: a net increase of \$328,698 in amounts transferred to the adult detention & sheriff administration facility project and debt service funds, child care fund (\$65,823), the health department (\$275,516) and a one-time transfer of \$18,598 to the SSSPP grant program.

The Michigan Works! special revenue fund had an increase in fund balance of \$166,251, for an ending fund balance of \$339,078. This increase was a result of additional funds being receipted into the Strategic Planning activity.

The American Rescue Plan Act special revenue fund had an increase in fund balance of \$52,682, for an ending fund balance of \$52,682. This increase was a result of investment income earned on the first tranche of ARPA funds received.

The Animal Care and Control Resource Center Construction capital projects fund had a decrease in its ending fund balance of \$66,632, for an ending fund balance of \$9,567,413. This decrease was the result of expending the bond funds received for the project in FY 2020.

The Mainframe Conversion Project capital projects fund had a decrease in its ending fund balance of \$3,656,599, for an ending fund balance of \$5,377,667. This decrease was the result of expending the bond proceeds which were received in a prior year on the project.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities. The ending unrestricted net position as well as the change in net position is as follows:

	Delinquent Tax Revolving	Building Authority Event Center	Nonmajor Enterprise Funds	Internal Service Funds
Unrestricted ending net position	\$ 13,071,321	\$ 13,764,161	\$ 501,364	\$ 4,263,734
Increase (decrease) in net position	3,689,121	1,191,474	(243,382)	(1,938,665)

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

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

The Building Authority Event Center Fund accounts for the operations of the County-owned facility that includes an arena, theater, conference center, and an outdoor pavilion. The facilities are run by an outside management company. Money for the operation of this fund is supplied through a voter approved millage of 0.45 mills to be levied through fiscal year 2021, charges for services, as well as donations received for specific purposes. This millage was increased and extended by the voters in November 2020 to continue support for the on-going operations, upkeep and investment in the facility.

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

The Parking System Fund accounts for revenues, expenses and transactions relating to the operation of the municipal parking lots located around the Courthouse. The parking lots are a gated system where customers obtain a ticket upon entry and then can pay the ticket in the Courthouse or through the kiosk upon departure of the parking lot. Approximately 21.9 percent of the Parking System revenue is attributable to the fines received from tickets.

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

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

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

General Fund budgetary highlights. The differences between the original budget and final amended budget for expenditures resulted in a 4.35 percent increase (\$1,762,278 increase in appropriations); whereas the difference between the original budget and final amended budget for revenues resulted in a 6.10 percent increase (\$2,655,720 increase in revenues). All of these budgetary adjustments were offset by either an adjustment to other expenditures and transfers out or to revenues and transfers in and use of fund balance.

The budgetary differences are summarized as follows:

- The Board of Commissioners approved an increase in the Sheriff's office budget to allow for the increase in part-time wages for jail and law enforcement, utilizing \$112,000 in fund balance.
- The Board of Commissioners approved an increase in funding to Saginaw Future, having met the terms of the first amendment to the services agreement. This resulted in an increase in the use of \$150,000 in fund balance.
- The Board of Commissioners approved the funding of three (3) clerical positions in the prosecutor's office, offset by an increase in the State Juvenile Life without Parole reimbursement of \$68,398 and use of fund balance of \$44,000.
- The Board of Commissioners approved the hiring of four (4) temporary workers in the circuit court records office, utilizing fund balance for a total of \$50,000. The Board also approved four (4) new positions in the clerk's office, using \$44,324 in fund balance.
- The Board of Commissioners approved the completion of Phase II and III of the job classification study, utilizing \$42,410 in fund balance and an increase in property tax revenue of \$184,773.
- The Board of Commissioners approved amending the budget to account for the execution of the job classification and compensation study, resulting in an increase of the use of fund balance of \$50,312.
- The Board of Commissioners approved using \$164,000 in fund balance to cover five (5) months of tether fees in the Sheriff's Plus-Home Surveillance budget, due to the shortage in revenue.
- The Board of Commissioners approved the receipt of the remaining Coronavirus Relief Local Government Grant Funds for \$1,440,510. These were used to offset wages, fringes, and other various expenditures in the general fund.
- The Board of Commissioners approved the spending of \$447,203 of Local Community Stabilization funds for an increase in attorney payments related to the MIDC grant in FY2021. These expenditures will be returned in FY22 when reimbursed by the MIDC grant.
- The Board of Commissioners approved the receipt of \$174,967 of CDBG CARES Grant funding, offset by salaries and wages in the Sheriff's department, Jail division.
- The Board of Commissioners approved the purchase of a mobile clinic for the health department, utilizing \$258,945 of Local Community Stabilization funds.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

Overall during the year, actual General Fund revenues and expenditures were less than the amended budgetary estimates, resulting in an actual increase in fund balance of \$454,055 and the final amended budget amount was expected to be a decrease of \$874,919 in fund balance.

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

- The favorable variance in property taxes of \$89,927 occurred due to a larger than anticipated increase in overall taxable value.
- The favorable variance in State Grant revenue of \$91,218 relates to receiving a larger amount of Local Community Stabilization Funds than anticipated.
- The favorable variance of \$270,331 in Charges for Services relates to more real estate transfer taxes and recording fees than anticipated, due to an increase in real estate transactions. The hotel-motel tax administration fees were also higher than expected as travel increased from the prior year, as restrictions due to the Coronavirus pandemic decreased during the year.
- The unfavorable variance of \$330,329 in investment income occurred due to the recording of investments at fair market value to comply with GASB 72.
- The favorable variance for total judicial expenditures of \$302,023 relates to the decrease in court processes due to the Coronavirus pandemic. In-person court proceedings were limited, which reduced many court-related expenditures, including jury costs and revenues received from state for jury costs, appeals costs, witness fees, and court-appointed attorney expenditures.
- The favorable variance for the County Clerk's office of \$108,886 relates to salary and fringes being under budget as there were multiple vacant positions within the Clerk's office during the fiscal year.
- The favorable variance for the Controller's office of \$144,059 relates to both the Financial Management Division and the Personnel Division. Consultant services and employee assistance were not utilized as expected during the year. Additionally, staff training was not used as employees were not attending trainings due to the Coronavirus pandemic.
- The favorable variance in the Prosecutor's office of \$70,465 is due to fewer court costs, including transcripts, witness fees, and travel. Due to the Coronavirus pandemic, court proceedings were limited which reduced most court-related expenditures.
- The favorable variance of \$91,843 in the Maintenance department relates to lower expenditures when the courthouse was closed to the public and many employees were working remotely.

General Fund. The following schedule presents a comparative summary of changes in the fund balance of the General Fund for the fiscal years ended September 30, 2021 and September 30, 2020, along with the amount and percentage of increases and decreases in relation to the 2020 amounts:

	2021	2020	Variance from 2020	Percent Increase/ (Decrease)
Revenues	\$ 46,199,754	\$ 43,230,007	\$ 2,969,747	6.87%
Expenditures	(40,979,674)	(40,313,426)	(666,248)	1.65%
Revenues over expenditures	5,220,080	2,916,581	2,303,499	
Other financing sources (uses)				
Transfers in	5,157,153	5,060,420	96,733	1.91%
Transfers out	(9,923,178)	(8,893,858)	(1,029,320)	11.57%
Net change in fund balance	454,055	(916,857)	1,370,912	
Fund balance, beginning of year	21,277,697	22,194,554	(916,857)	
Fund balance, end of year	<u>\$ 21,731,752</u>	<u>\$ 21,277,697</u>	<u>\$ 454,055</u>	2.13%

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

The following schedule enumerates the particular changes in the General Fund's classifications of fund balance.

	Fund Balance Analysis			
	Nonspendable	Restricted	Assigned and Unassigned	Total Fund Balance
Fund balance, beginning of year	\$ 431,830	\$ 202,202	\$ 20,643,665	\$ 21,277,697
Fiscal year transactions:				
Excess revenue over expenditures	1,085	-	5,218,995	5,220,080
Total other financing sources (uses)	-	-	(4,766,025)	(4,766,025)
Fiscal year net increase (decrease)	1,085	-	452,970	454,055
Fund balance, end of year	<u>\$ 432,915</u>	<u>\$ 202,202</u>	<u>\$ 21,096,635</u>	<u>\$ 21,731,752</u>

The Board of Commissioners approved the Fund Balance Policy within Saginaw County policies which establishes an Employee Payroll Reserve and a Budget Stabilization Reserve in the General Fund. The policy authorizes earmarking a minimum of fifty percent of the most current Board approved General Fund budget for property tax collections for the Employee Payroll Reserve and a minimum of five percent of the most current Board approved General Fund budget for the Budget Stabilization Reserve.

The current balance for Employee Payroll Reserve is \$13,066,680 or 50.0 percent of the most current Board approved General Fund budget for property tax collections and the current balance for Budget Stabilization is \$5,914,225 or 11.2 percent of the most current Board approved General Fund budget. These amounts are presented as assigned and unassigned fund balance, respectively, in the governmental funds balance sheet. The remaining balance in the assigned fund balance category of \$2,115,730 represents the budgeted use of fund balance for FY 2022.

Fiduciary operations. The fiduciary operations of the County include a postemployment health benefits fund and five custodial funds: a General Custodial Fund, the State Education Tax Fund, the Library Penal Fine Fund, the Postemployment Health Benefits Trust Fund, the Dependent Care Fund and the Medical Spending Reimbursement Fund.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2021 amounted to \$86,832,756 (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 6.8 percent (a 3.7 percent increase for governmental activities and a 15.2 percent increase for business-type activities).

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

- Health Department upgrades were completed to the chemistry room, the microbiology room, and the washroom for a total cost of \$80,167.
- The VFD (variable frequency drive) project at the Courthouse was completed, installing 16 units for a total cost of \$87,860. This project updated our ventilation system.
- Construction and installation of parking gates was completed for the metered parking lot system at the Courthouse at a total cost of \$145,394.
- Multiple departments purchased vehicles during fiscal year 2021 at a total cost of \$1,196,606. The health department converted a Coach to a Mobile Health Clinic for \$258,945. Commission on Aging purchased a van and an SUV totaling \$72,521. Mosquito Control purchased four (4) pick-up trucks at a total cost of \$96,723.20. The Sheriff's department purchased nine (9) Tahoes, six (6) Chargers, and four (4) additional vehicles for various use at a total cost of \$643,846.
- Construction began on the Haithco Park Splash Pad at a total cost of \$84,600 and for the Animal Care and Control Resource Center at a total cost of \$653,645. The Adult Detention Center also had construction costs of \$2,016,615 during fiscal year 2021.
- Hockey dasher boards were purchased for the Dow Event Center at a cost of \$293,781.
- Construction continued at the Harry W. Browne Airport, constructing and installing lighting and nav aids for a cost in fiscal year 2021 of \$186,378.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 3,965,708	\$ 3,965,708	\$ 2,258,248	\$ 2,258,248	\$ 6,223,956	\$ 6,223,956
Air rights	-	-	238,854	238,854	238,854	238,854
Construction in progress	3,830,931	942,595	4,798,969	729,305	8,629,900	1,671,900
Land improvements	4,669,767	4,763,072	2,289,702	2,465,991	6,959,469	7,229,063
Buildings and improvements	44,937,959	46,072,383	12,264,626	12,837,418	57,202,585	58,909,801
Machinery and equipment	2,008,172	1,938,002	527,701	275,482	2,535,873	2,213,484
Office furniture & fixtures	361,628	499,573	22,983	23,683	384,611	523,256
Planning and development	-	-	2,930,275	3,181,765	2,930,275	3,181,765
Vehicles	1,676,508	1,060,254	50,725	15,000	1,727,233	1,075,254
Total	\$ 61,450,673	\$ 59,241,587	\$ 25,382,083	\$ 22,025,746	\$ 86,832,756	\$ 81,267,333

Additional information on the County's capital assets can be found in the Note 5 in the financial statements.

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding (less accrued compensated absences and bond premium) of \$159,177,139. Of this amount, \$123,168,403 comprises debt backed by the full faith and credit of the government and \$36,008,736 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 capital leases secured by specific assets.

	Outstanding Debt			
	Governmental Activities		Business-type Activities	
	2021	2020	2021	2020
General obligation bonds and notes	\$ 84,717,263	\$ 90,366,987	\$ 15,150,000	\$ 2,425,000
Delinquent tax notes	-	-	14,273,000	16,875,000
Total	\$ 84,717,263	\$ 90,366,987	\$ 29,423,000	\$ 19,300,000

	Outstanding Debt			
	Component Units		Totals	
	2021	2020	2021	2020
General obligation bonds and notes	\$ 44,697,255	\$ 40,632,865	\$ 144,564,518	\$ 133,424,852
Delinquent tax notes	-	-	14,273,000	16,875,000
Capital Lease	339,621	418,532	339,621	418,532
Total	\$ 45,036,876	\$ 41,051,397	\$ 159,177,139	\$ 150,718,384

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

During the year, the County of Saginaw and its component units (not including the Road Commission component unit) issued the following tax-exempt bonds and notes:

	Amount	Issue	Rate
2021 Series General Obligation Delinquent Tax Notes	\$ 11,935,000	5/26/2021	0.55%
Limited Tax General Obligation Bonds, Series 2020B - Dow Event Center Improvements	12,900,000	11/18/2020	4.00%
Sanderson Drain Note	242,000	9/16/2021	0.84% - 1.98%
Short Creek Drain	589,000	9/16/2021	0.84% - 1.98%
Gage Drain	5,325,000	8/2/2021	1.00% - 2.125%
Webster Drain	815,000	3/4/2021	2.90%

The County's total debt increased by \$8,458,755 (5.6 percent) during the fiscal year, which was the net of the new issues noted above and the scheduled principal payments on existing debt.

The County has an "Aa2" rating with Moody's for its general obligation debt.

State statute (Article 7, Section 11, Michigan Constitution of 1963) limits 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 \$648,996,168, 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 the Note 8 in the financial statements.

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the County's budget for the 2022 fiscal year:

- Property Taxes – Estimates received from the County Equalization Department anticipated that property tax revenue for the General Fund and the special millage funds would increase by 2.99 percent for fiscal 2022.
- Wages and Fringe Benefits – The County's authorized staff count saw an increase from 2020 to 2021 with the addition of 4.27 F.T.E.'s for a total of 583.95 F.T.E.'s budgeted for. The wage rates for these positions were budgeted with a base wage increase for fiscal 2021 of 2.00% plus any merit adjustments from the Job Classification and Total Compensation Study. 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 as well as MERS DB unfunded liability contributions and retiree health reserve contributions. Illustrative health premiums increased due the cost of providing health insurance and contributions to the retiree health reserve remained the same at \$13,200 per position. Contributions to the MERS DB unfunded liability were budgeted using 32.5% of budgeted wages for 2021 which is an increase of 0.50% from the 2020 budget (which was budgeted using 32% of budgeted wages). The County continues to allocate both the MERS DB unfunded liability and retiree health reserve costs in a consistent manner across all funds as we contend with the ongoing structural budget deficit due to the increase in costs of providing these benefits as well as provide for the most equitable approach in allocating these costs. All other fixed fringe benefits remained constant due to favorable negotiations and competitive bidding. Variable benefits include: social security tax, workers' compensation insurance, DC 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.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

- Use of Reserves – Structural Deficit – The structural budget deficit situation was still an issue for fiscal 2022 due to the Board of Commissioners approving to use fund balance in an amount of \$2,115,730 for the following purposes: balancing revenues with expenditures; budgeting for the increase in wages and fringes associated with the Job Classification and Compensation Study and increased costs in providing benefits; continue funding for MSU Extension; and funding of the additional four (4) positions approved for the Clerk's Office. The General Fund 2022 budget also includes the use of \$1 million in American Plan Rescue Act (ARPA) funds that reduced the use of fund balance. Without these dollars, the General Fund budget would have reflected a use of fund balance in the amount of \$3,115,730.
- During FY 2022 and into the FY 2023 budget cycle, the Board of Commissioners and the Controller/CAO will continue to communicate with all County departments regarding the County's continuing financial challenges of using reserves to balance the general fund budget in an effort to eliminate the reliance on the use of fund balance in future budget cycles.
- The Board of Commissioners authorized a hiring freeze in FY 2013 that was carried over into FY 2021 to allow departments the ability to analyze their operations and justify the need for filling positions that become vacant in an effort to reduce the amount of budgeted reserves. The Board of Commissioners lifted the hiring freeze for FY 2022.
- The FY 2022 budget confirms the Board of Commissioner's priorities set during their FY 2019 Strategic Planning Sessions. The Board identified three (2) Vision/Priorities Categories: Quality of Life, Accessibility of Services and Revenue/Cost Control/Efficiency. Within these categories, the Board has identified the following priorities: competitive pay system; construction of a modern, more efficient jail; construction of a "stat of the arts" animal shelter; enhancing senior services; improving technology; enhancing preventative health services; job creation and business expansion; and crime reduction. These priorities were reviewed during the FY 2022 budget process and will impact future budget cycles in various ways including where the Board prioritizes departmental budget requests. Additionally, the Board of Commissioners will continue to review and update these priorities as necessary.
- Inflationary trends in the region were expected to compare favorably to national indices. Non personnel costs were either held steady or budgeted to increase by inflationary trends.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

COUNTY OF SAGINAW, MICHIGAN

Statement of Net Position

September 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investment pool	\$ 91,086,006	\$ 29,282,088	\$ 120,368,094	\$ 25,192,285
Receivables, net	22,639,012	15,931,549	38,570,561	49,248,300
Internal balances	(583,059)	583,059	-	-
Inventory	-	43,657	43,657	1,942,905
Prepays	368,863	1,083	369,946	354,840
Advances to component unit	400,000	-	400,000	-
Advance to land bank	-	-	-	611,640
Capital assets:				
Assets not being depreciated	7,796,639	7,296,071	15,092,710	55,540,726
Assets being depreciated, net	53,654,034	18,086,012	71,740,046	193,897,556
Total assets	175,361,495	71,223,519	246,585,014	326,788,252
Deferred outflows of resources				
Deferred pension amounts	3,164,391	-	3,164,391	852,239
Deferred OPEB amounts	34,308	-	34,308	299,003
Total deferred outflows of resources	3,198,699	-	3,198,699	1,151,242
Liabilities				
Accounts payable and accrued liabilities	15,435,024	4,066,875	19,501,899	2,969,227
Unearned revenue	18,752,958	72,455	18,825,413	-
Advances from primary government	-	-	-	400,000
Advance from brownfield redevelopment	-	-	-	611,640
Long-term liabilities:				
Due within one year	8,072,169	707,063	8,779,232	2,977,118
Due in more than one year	83,003,246	30,673,803	113,677,049	42,788,737
Due to Saginaw Hockey Club, LLC, due in more than one year	-	1,041,000	1,041,000	-
Net pension liability, due in more than one year	33,805,508	-	33,805,508	11,515,884
Net other postemployment benefit liability, due in more than one year	15,320,443	-	15,320,443	21,484,423
Total liabilities	174,389,348	36,561,196	210,950,544	82,747,029
Deferred inflows of resources				
Deferred pension amounts	4,365,927	-	4,365,927	769,221
Deferred OPEB amounts	1,116,366	-	1,116,366	272,363
Total deferred inflows of resources	5,482,293	-	5,482,293	1,041,584
Net position				
Net investment in capital assets	18,754,640	7,239,409	25,994,049	213,089,925
Restricted for:				
Public improvement	2,979,079	-	2,979,079	-
Drain projects	-	-	-	14,953,944
Debt service	3,209,963	-	3,209,963	37,242,238
CMH renovations	564,702	-	564,702	-
Public safety	1,765,578	-	1,765,578	-
Health and welfare	8,044,527	-	8,044,527	-
Recreation	2,688,843	-	2,688,843	-
Other	2,904,489	-	2,904,489	-
Unrestricted (deficit)	(42,223,268)	27,422,914	(14,800,354)	(21,135,226)
Total net position (deficit)	\$ (1,311,447)	\$ 34,662,323	\$ 33,350,876	\$ 244,150,881

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Activities

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government						
Governmental activities:						
Legislative	\$ 467,373	\$ 1,243	\$ -	\$ -	\$ -	\$ (468,616)
Judicial	15,382,242	743,755	2,423,835	5,647,924	-	(8,054,238)
General government	19,405,845	(2,315,082)	9,703,104	9,245,451	-	1,857,792
Public safety	32,092,192	270,093	8,582,900	6,397,741	-	(17,381,644)
Public works	900,062	13,964	1,168,363	-	-	254,337
Health and welfare	37,517,579	1,228,831	5,884,131	22,375,272	-	(10,487,007)
Community and economic development	3,070,879	30,707	11,516	-	-	(3,090,070)
Recreation and culture	2,530,206	18,832	114,267	468,928	-	(1,965,843)
Interest on long-term debt	3,375,629	-	-	-	-	(3,375,629)
Total governmental activities	114,742,007	(7,657)	27,888,116	44,135,316	-	(42,710,918)
Business-type activities:						
Delinquent tax revolving	325,173	-	6,157,101	-	-	5,831,928
Delinquent tax foreclosure	1,878,438	-	1,237,902	-	-	(640,536)
Building Authority Event Center	2,998,623	-	719,545	2,262,823	-	(16,255)
Building Authority administration	12,130	-	17,922	-	-	5,792
Parking system	27,382	132	6,623	-	-	(20,891)
Harry W. Browne Airport	645,471	384	428,353	179,164	-	(38,338)
Inmate services	1,138,346	7,141	1,711,126	-	-	565,639
Total business-type activities	7,025,563	7,657	10,278,572	2,441,987	-	5,687,339
Total primary government	\$ 121,767,570	\$ -	\$ 38,166,688	\$ 46,577,303	\$ -	\$ (37,023,579)
Component units						
Road Commission	\$ 22,398,479	\$ -	\$ 90,001	\$ 28,700,351	\$ -	\$ 6,391,873
Brownfield Redevelopment Authority	323	-	500	-	-	177
Department of Public Works	446,025	-	213,907	-	293,126	61,008
Drain Commission	10,759,918	-	-	168,261	17,473,631	6,881,974
Economic Development Corporation	26,262	-	21,664	-	-	(4,598)
Land Bank Authority	1,238,336	-	-	1,264,900	-	26,564
Total component units	\$ 34,869,343	\$ -	\$ 326,072	\$ 30,133,512	\$ 17,766,757	\$ 13,356,998

continued...

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Activities

For the Year Ended September 30, 2021

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Change in net position				
Net (expense) revenue	\$ (42,710,918)	\$ 5,687,339	\$ (37,023,579)	\$ 13,356,998
General revenues:				
Property taxes	52,820,001	1,157,197	53,977,198	3,197
Accommodations tax	2,713,818	-	2,713,818	-
Grants and contributions not restricted to specific programs	499,963	-	499,963	-
Investment income (loss) - interest earned	(232,384)	481,452	249,068	172,191
Transfers - internal activities	2,683,084	(2,683,084)	-	-
Total general revenues and transfers	58,484,482	(1,044,435)	57,440,047	175,388
Change in net position	15,773,564	4,642,904	20,416,468	13,532,386
Net position (deficit), beginning of year, as restated	(17,085,011)	30,019,419	12,934,408	230,618,495
Net position (deficit), end of year	<u>\$ (1,311,447)</u>	<u>\$ 34,662,323</u>	<u>\$ 33,350,876</u>	<u>\$ 244,150,881</u>

Concluded

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

COUNTY OF SAGINAW, MICHIGAN

Balance Sheet

Governmental Funds
September 30, 2021

	Special Revenue Funds			Capital Projects Funds			Total Governmental Funds
	General	Michigan Works!	American Rescue Plan Act	Animal Care and Control Resource Center Construction	Mainframe Conversion Project	Nonmajor Governmental Funds	
Assets							
Cash and investment pool	\$ 14,222,766	\$ 209,664	\$ 18,240,216	\$ 9,749,881	\$ 5,806,913	\$ 34,544,956	\$ 82,774,396
Receivables:							
Taxes	8,829,551	-	-	-	-	321,328	9,150,879
Accounts	441,863	1,411	-	-	-	2,855,622	3,298,896
Loans	-	-	-	-	-	2,161,979	2,161,979
Lease	-	-	-	-	-	3,090,751	3,090,751
Interest	-	1,266	5,026	2,686	1,600	9,018	19,596
Due from other funds	315,954	-	-	-	-	450,238	766,192
Due from other governmental unit:	876,011	1,224,661	-	-	-	2,317,931	4,418,603
Advances to other funds	20,000	-	-	-	-	-	20,000
Advances to component units	400,000	-	-	-	-	-	400,000
Prepays	12,915	72,021	27,500	-	-	147,056	259,492
Total assets	\$ 25,119,060	\$ 1,509,023	\$ 18,272,742	\$ 9,752,567	\$ 5,808,513	\$ 45,898,879	\$ 106,360,784
Liabilities							
Accounts payable	\$ 345,427	\$ 1,135,460	\$ 61,500	\$ 185,154	\$ 430,846	\$ 4,863,270	\$ 7,021,657
Accrued liabilities	694,937	34,485	8,400	-	-	822,215	1,560,037
Deposits payable	-	-	-	-	-	29,151	29,151
Due to other funds	254	-	-	-	-	420,664	420,918
Due to other governmental units	-	-	-	-	-	1,697,944	1,697,944
Unearned revenue	-	-	18,150,160	-	-	602,798	18,752,958
Total liabilities	1,040,618	1,169,945	18,220,060	185,154	430,846	8,436,042	29,482,665
Deferred inflows of resources							
Unavailable revenue - property taxes	2,346,690	-	-	-	-	277,130	2,623,820
Unavailable revenue - long-term receivables	-	-	-	-	-	5,043,698	5,043,698
Total deferred inflows of resources	2,346,690	-	-	-	-	5,320,828	7,667,518
Fund balances							
Nonspendable	432,915	72,021	27,500	-	-	183,446	715,882
Restricted	202,202	-	25,182	9,567,413	5,377,667	18,171,233	33,343,697
Committed	-	-	-	-	-	2,215,583	2,215,583
Assigned	15,182,410	267,057	-	-	-	11,571,747	27,021,214
Unassigned	5,914,225	-	-	-	-	-	5,914,225
Total fund balances	21,731,752	339,078	52,682	9,567,413	5,377,667	32,142,009	69,210,601
Total liabilities, deferred inflows of resources and fund balances	\$ 25,119,060	\$ 1,509,023	\$ 18,272,742	\$ 9,752,567	\$ 5,808,513	\$ 45,898,879	\$ 106,360,784

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

COUNTY OF SAGINAW, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
 To Net Position of Governmental Activities
 September 30, 2021

Fund balances - total governmental funds	\$ 69,210,601
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets, not being depreciated	7,796,639
Capital assets, being depreciated	53,654,034
Less: Internal service fund capital assets, net	(1,287,032)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Deferred inflows for long-term receivables and unavailable property tax revenue	7,667,518
Certain pension and other postemployment benefit (OPEB)-related amounts, such as the net pension and OPEB liabilities and related deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.	
Net pension liability	(33,805,508)
Deferred outflows related to the net pension liability	3,164,391
Deferred inflows related to the net pension liability	(4,365,927)
Net OPEB liability	(15,320,443)
Deferred outflows related to the net OPEB liability	34,308
Deferred inflows related to the net OPEB liability	(1,116,366)
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 position.	
Net position of the governmental activity internal service funds	5,550,766
Portion of the governmental activity's internal service fund net position allocated to business-type activities	(86,068)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(84,717,263)
Premium on bond issuance	(4,278,850)
Accrued interest on bonds payable	(1,421,368)
Accrued compensated absences	(1,990,879)
Net position of governmental activities	<u><u>\$ (1,311,447)</u></u>

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended September 30, 2021

	Special Revenue Funds			Capital Projects Funds		Nonmajor Governmental Funds	Total Governmental Funds
	General	Michigan Works!	American Rescue Plan Act	Animal Care and Control Resource Center Construction	Mainframe Conversion Project		
Revenues							
Property taxes	\$ 25,560,472	\$ -	\$ -	\$ -	\$ -	\$ 27,212,242	\$ 52,772,714
Accommodations tax	-	-	-	-	-	2,713,818	2,713,818
Licenses and permits	129,710	-	-	-	-	580,807	710,517
Federal grants	2,208,788	9,724,989	354,824	-	-	9,301,544	21,590,145
State grants	8,741,865	1,016,945	-	-	-	11,802,614	21,561,424
Local grants and contributions	6,500	-	-	-	-	1,271,992	1,278,492
Charges for services	5,689,776	9,296	-	-	-	7,836,761	13,535,833
Fines and forfeitures	546,477	-	-	-	-	42,198	588,675
Investment income (loss)	(202,079)	1,381	52,681	54,983	(48,269)	(64,985)	(206,288)
Rental revenue	-	32,856	-	-	-	161,185	194,041
Donations	-	-	-	-	-	192,628	192,628
Reimbursements	3,488,445	2,337,227	-	460,000	-	8,664,581	14,950,253
Other revenue	29,800	-	-	-	-	410,402	440,202
Total revenues	46,199,754	13,122,694	407,505	514,983	(48,269)	70,125,787	130,322,454
Expenditures							
Current:							
Legislative	575,201	-	-	-	-	-	575,201
Judicial	13,267,777	-	-	-	-	5,656,999	18,924,776
General government	15,405,837	-	-	-	3,524,024	1,127,033	20,056,894
Public safety	9,737,343	-	354,823	-	-	23,200,499	33,292,665
Public works	328,481	-	-	-	-	555,449	883,930
Health and welfare	1,350,284	12,956,443	-	-	-	26,994,532	41,301,259
Community and economic development	314,751	-	-	-	-	2,836,057	3,150,808
Recreation and culture	-	-	-	-	-	2,474,201	2,474,201
Capital outlay	-	-	-	722,201	84,306	3,873,550	4,680,057
Debt service:							
Principal	-	-	-	-	-	5,649,724	5,649,724
Interest and fiscal charges	-	-	-	-	-	3,670,879	3,670,879
Total expenditures	40,979,674	12,956,443	354,823	722,201	3,608,330	76,038,923	134,660,394
Revenues over (under) expenditures	5,220,080	166,251	52,682	(207,218)	(3,656,599)	(5,913,136)	(4,337,940)
Other financing sources (uses)							
Transfers in	5,157,153	-	-	140,586	-	12,245,230	17,542,969
Transfers out	(9,923,178)	-	-	-	-	(3,769,144)	(13,692,322)
Total other financing sources (uses)	(4,766,025)	-	-	140,586	-	8,476,086	3,850,647
Net change in fund balances	454,055	166,251	52,682	(66,632)	(3,656,599)	2,562,950	(487,293)
Fund balances, beginning of year, as restated	21,277,697	172,827	-	9,634,045	9,034,266	29,579,059	69,697,894
Fund balances, end of year	\$ 21,731,752	\$ 339,078	\$ 52,682	\$ 9,567,413	\$ 5,377,667	\$ 32,142,009	\$ 69,210,601

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

COUNTY OF SAGINAW, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended September 30, 2021

Net change in fund balances - total governmental funds \$ (487,293)

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.

Capital assets purchased	4,720,359
Loss on disposal of capital assets	(5,881)
Depreciation expense	(2,566,801)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to subsequent fiscal years.

Change in deferred inflows related to unavailable property tax revenue	47,287
Change in deferred inflows related to long-term lease receivable	(272,969)
Change in deferred inflows related to long-term loans receivable	(15,255)

Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments on long-term liabilities	5,649,724
Change in accrued interest payable and amortization of bond premium	295,250

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.

Change in net pension liability and related deferred amounts	(3,680,719)
Change in net other postemployment benefit liability and related deferred amounts	14,194,296
Change in accrued compensated absences	(160,078)

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.

Change in net position of internal service funds	(1,938,665)
Operating income from governmental activities in internal service funds charged to business-type activities	(5,691)

Change in net position of governmental activities \$ 15,773,564

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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 25,285,772	\$ 25,470,545	\$ 25,560,472	\$ 89,927
Licenses and permits	150,500	150,500	129,710	(20,790)
Federal grants	520,760	2,167,259	2,208,788	41,529
State grants	7,944,499	8,650,647	8,741,865	91,218
Local grants and contributions	6,500	6,500	6,500	-
Charges for services	5,384,445	5,419,445	5,689,776	270,331
Fines and forfeitures	621,642	621,642	546,477	(75,165)
Investment income (loss)	128,250	128,250	(202,079)	(330,329)
Reimbursements	3,467,112	3,514,058	3,488,445	(25,613)
Other revenue	501	36,855	29,800	(7,055)
Total revenues	43,509,981	46,165,701	46,199,754	34,053
Expenditures				
Current:				
Legislative - Board of Commissioners	562,492	578,207	575,201	(3,006)
Judicial:				
Circuit Court	3,186,271	3,248,921	3,102,848	(146,073)
District Court	4,538,870	4,515,312	4,489,009	(26,303)
Probate Court	1,140,274	1,140,464	1,118,519	(21,945)
Law Library	57,500	57,500	39,872	(17,628)
Family Division	2,754,261	2,725,396	2,710,285	(15,111)
Probation - Circuit Court	72,063	72,063	47,182	(24,881)
Probation - District Court	873,553	893,071	842,989	(50,082)
Assigned Counsel	936,024	916,773	916,773	-
Jury Commission	300	300	300	-
Total judicial	13,559,116	13,569,800	13,267,777	(302,023)
General government:				
Elections	85,700	102,800	96,168	(6,632)
Auditing	113,000	114,800	114,379	(421)
Corporate Counsel	180,180	200,180	180,963	(19,217)
County Clerk	1,600,923	1,744,038	1,635,152	(108,886)
Controller	1,635,987	2,430,388	2,286,329	(144,059)
Equalization	660,405	684,537	670,741	(13,796)
Prosecuting Attorney	4,263,567	4,394,452	4,323,987	(70,465)
Prosecuting Attorney - Welfare	783,644	797,402	787,377	(10,025)
Register of Deeds	707,420	720,801	719,981	(820)
County Treasurer	892,432	892,709	912,862	20,153
Maintenance	3,081,428	3,203,508	3,111,665	(91,843)
Maintenance - Telephone	52,500	52,500	52,144	(356)
Public Works Commissioner	522,196	547,618	514,089	(33,529)
Total general government	14,579,382	15,885,733	15,405,837	(479,896)

continued...

COUNTY OF SAGINAW, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued):				
Current (continued):				
Public safety:				
Sheriff	\$ 799,246	\$ 773,579	\$ 731,794	\$ (41,785)
Marine Law Enforcement	3,555	8,500	7,725	(775)
Sheriff - Jail Division	9,069,282	9,365,025	8,917,641	(447,384)
Corrections Reimbursement	75,990	80,497	80,183	(314)
Total public safety	<u>9,948,073</u>	<u>10,227,601</u>	<u>9,737,343</u>	<u>(490,258)</u>
Public works - Drains	350,000	350,000	328,481	(21,519)
Health and welfare:				
Medical Examiner	466,041	466,041	511,478	45,437
Veterans Burial	28,000	28,000	25,366	(2,634)
Contributions to other agencies	813,461	813,461	813,440	(21)
Total health and welfare	<u>1,307,502</u>	<u>1,307,502</u>	<u>1,350,284</u>	<u>42,782</u>
Community and economic development:				
Plat Board	300	300	-	(300)
Contributions to other agencies	175,000	325,000	314,751	(10,249)
Total community and economic development	<u>175,300</u>	<u>325,300</u>	<u>314,751</u>	<u>(10,549)</u>
Total expenditures	<u>40,481,865</u>	<u>42,244,143</u>	<u>40,979,674</u>	<u>(1,264,469)</u>
Revenues over expenditures	3,028,116	3,921,558	5,220,080	1,298,522
Other financing sources (uses)				
Transfers in	5,157,154	5,157,154	5,157,153	(1)
Transfers out	(9,209,428)	(9,953,631)	(9,923,178)	(30,453)
Total other financing sources (uses)	<u>(4,052,274)</u>	<u>(4,796,477)</u>	<u>(4,766,025)</u>	<u>(30,452)</u>
Net change in fund balance	<u>(1,024,158)</u>	<u>(874,919)</u>	<u>454,055</u>	<u>1,328,974</u>
Fund balance, beginning of year	21,277,697	21,277,697	21,277,697	-
Fund balance, end of year	<u>\$ 20,253,539</u>	<u>\$ 20,402,778</u>	<u>\$ 21,731,752</u>	<u>\$ 1,328,974</u>

Concluded

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, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal grants	\$ 13,460,295	\$ 14,970,679	\$ 9,724,989	\$ (5,245,690)
State grants	1,548,028	3,834,833	1,016,945	(2,817,888)
Charges for services	157,600	157,600	9,296	(148,304)
Investment income	-	-	1,381	1,381
Rental revenue	-	-	32,856	32,856
Reimbursements	2,589,918	2,547,026	2,337,227	(209,799)
Total revenues	17,755,841	21,510,138	13,122,694	(8,387,444)
Expenditures				
Current:				
Health and welfare	17,755,841	21,510,138	12,956,443	(8,553,695)
Net change in fund balance	-	-	166,251	166,251
Fund balance, beginning of year	172,827	172,827	172,827	-
Fund balance, end of year	\$ 172,827	\$ 172,827	\$ 339,078	\$ 166,251

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 - American Rescue Plan Act Special Revenue Fund

For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal grants	\$ -	\$ 355,000	\$ 354,824	\$ (176)
Investment income	-	-	52,681	52,681
Total revenues	-	355,000	407,505	52,505
Expenditures				
Public safety	-	355,000	354,823	(177)
Net change in fund balance	-	-	52,682	52,682
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,682</u>	<u>\$ 52,682</u>

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Net Position

Proprietary Funds
September 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Building Authority Event Center	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets					
Current assets:					
Cash and investment pool	\$ 11,073,611	\$ 16,616,256	\$ 1,592,221	\$ 29,282,088	\$ 8,311,610
Receivables, net:					
Taxes	12,342,382	43,856	-	12,386,238	-
Accounts	121,026	60,720	367,468	549,214	328,425
Interest and fees	2,871,437	4,373	359	2,876,169	2,314
Due from other governmental units	8,091	111,837	-	119,928	167,569
Inventory	-	30,024	13,633	43,657	-
Prepays	-	-	1,083	1,083	109,371
Total current assets	<u>26,416,547</u>	<u>16,867,066</u>	<u>1,974,764</u>	<u>45,258,377</u>	<u>8,919,289</u>
Noncurrent assets:					
Advances to other funds	977,965	-	-	977,965	-
Capital assets not being depreciated	-	5,189,137	2,106,934	7,296,071	819,413
Capital assets being depreciated, net	-	14,466,947	3,619,065	18,086,012	467,619
Total noncurrent assets	<u>977,965</u>	<u>19,656,084</u>	<u>5,725,999</u>	<u>26,360,048</u>	<u>1,287,032</u>
Total assets	<u>27,394,512</u>	<u>36,523,150</u>	<u>7,700,763</u>	<u>71,618,425</u>	<u>10,206,321</u>
Liabilities					
Current liabilities:					
Accounts payable	43,149	2,167,247	1,129,385	3,339,781	746,229
Accrued liabilities	7,042	278,251	5,900	291,193	2,958,638
Deposits payable	-	397,867	38,034	435,901	-
Due to other funds	-	-	271,974	271,974	73,300
Unearned revenue	-	70,540	1,915	72,455	-
Current portion of bonds payable	-	707,063	-	707,063	-
Total current liabilities	<u>50,191</u>	<u>3,620,968</u>	<u>1,447,208</u>	<u>5,118,367</u>	<u>3,778,167</u>
Noncurrent liabilities:					
Advances from other funds	-	189,000	20,000	209,000	788,965
Due to Saginaw Hockey Club, LLC	-	1,041,000	-	1,041,000	-
Accrued compensated absences	-	-	6,192	6,192	88,423
Notes payable	14,273,000	-	-	14,273,000	-
Bonds payable, net of current portion	-	16,394,611	-	16,394,611	-
Total noncurrent liabilities	<u>14,273,000</u>	<u>17,624,611</u>	<u>26,192</u>	<u>31,923,803</u>	<u>877,388</u>
Total liabilities	<u>14,323,191</u>	<u>21,245,579</u>	<u>1,473,400</u>	<u>37,042,170</u>	<u>4,655,555</u>
Net position					
Net investment in capital assets	-	1,513,410	5,725,999	7,239,409	1,287,032
Unrestricted	13,071,321	13,764,161	501,364	27,336,846	4,263,734
Total net position	<u>\$ 13,071,321</u>	<u>\$ 15,277,571</u>	<u>\$ 6,227,363</u>	<u>34,576,255</u>	<u>\$ 5,550,766</u>
Adjustment to reflect the consolidation of internal service fund activities related to business-type activities				86,068	
Net position of business-type activities				<u>\$ 34,662,323</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 Position

Proprietary Funds

For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Building Authority Event Center	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues					
Charges for services	\$ 713,581	\$ 691,021	\$ 3,178,784	\$ 4,583,386	\$ 213,605
Interest on delinquent taxes	1,793,307	-	5,464	1,798,771	-
Fines and forfeitures	-	-	1,451	1,451	-
Rental revenue	-	-	111,178	111,178	295,559
Reimbursements	-	-	25,569	25,569	21,653,676
Other revenue	3,650,213	28,524	79,480	3,758,217	264,620
Total operating revenues	6,157,101	719,545	3,401,926	10,278,572	22,427,460
Operating expenses					
Personnel services	-	476,224	185,981	662,205	975,684
Fringe benefits	-	-	-	-	17,964,239
Supplies	55,036	34,466	784,962	874,464	160,680
Services and charges	100,330	846,761	2,461,619	3,408,710	3,899,200
Other	-	141,197	-	141,197	3,016
Depreciation	-	832,337	273,474	1,105,811	169,647
Total operating expenses	155,366	2,330,985	3,706,036	6,192,387	23,172,466
Operating income (loss)	6,001,735	(1,611,440)	(304,110)	4,086,185	(745,006)
Nonoperating revenues (expenses)					
Property taxes	-	1,157,197	-	1,157,197	-
Federal grants	-	1,171,073	171,950	1,343,023	-
State grants	-	1,091,750	7,214	1,098,964	-
Investment income (loss)	(2,221)	60,311	423,362	481,452	(26,096)
Loss on disposal of capital assets	-	(23,536)	-	(23,536)	-
Interest expense and fiscal charges	(169,807)	(653,181)	-	(822,988)	-
Total nonoperating revenues (expenses)	(172,028)	2,803,614	602,526	3,234,112	(26,096)
Income (loss) before transfers	5,829,707	1,192,174	298,416	7,320,297	(771,102)
Transfers in	-	-	7,000	7,000	-
Transfers out	(2,140,586)	(700)	(548,798)	(2,690,084)	(1,167,563)
Change in net position	3,689,121	1,191,474	(243,382)	4,637,213	(1,938,665)
Net position, beginning of year	9,382,200	14,086,097	6,470,745		7,489,431
Net position, end of year	\$ 13,071,321	\$ 15,277,571	\$ 6,227,363		\$ 5,550,766
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				5,691	
Change in net position of business-type activities				\$ 4,642,904	

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, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Building Authority Event Center	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities					
Receipts from customers	\$ 6,741,788	\$ 833,938	\$ 3,412,906	\$ 10,988,632	\$ -
Receipts from interfund services provided	-	-	-	-	22,441,653
Payments to employees	-	(491,243)	(183,944)	(675,187)	(1,726,854)
Payments to suppliers	(134,637)	(956,320)	(2,722,444)	(3,813,401)	(19,892,270)
Net cash provided by (used in) operating activities	<u>6,607,151</u>	<u>(613,625)</u>	<u>506,518</u>	<u>6,500,044</u>	<u>822,529</u>
Cash flows from noncapital financing activities					
Property tax collections	-	1,155,866	-	1,155,866	-
State and federal grant proceeds	-	2,150,986	-	2,150,986	-
Transfers in	-	-	7,000	7,000	-
Transfers out	(2,140,586)	(700)	(548,798)	(2,690,084)	(1,167,563)
Proceeds from issuance of long-term debt	11,935,000	14,941,263	-	26,876,263	-
Principal paid on long-term debt	(14,537,000)	-	-	(14,537,000)	-
Interest paid on long-term debt	(172,028)	-	-	(172,028)	-
Net cash provided by (used in) noncapital financing activities	<u>(4,914,614)</u>	<u>18,247,415</u>	<u>(541,798)</u>	<u>12,791,003</u>	<u>(1,167,563)</u>
Cash flows from capital and related financing activities					
Advances from other funds	-	(31,500)	-	(31,500)	(252,662)
Advances to other funds	284,162	-	-	284,162	-
Principal paid on long-term debt	-	(175,000)	-	(175,000)	-
Interest paid on long-term debt	-	(578,336)	-	(578,336)	-
Payments for capital asset acquisition	-	(2,268,001)	(226,379)	(2,494,380)	(231,056)
Net cash provided by (used in) capital and related financing activities	<u>284,162</u>	<u>(3,052,837)</u>	<u>(226,379)</u>	<u>(2,995,054)</u>	<u>(483,718)</u>
Cash flows from investing activities					
Investment income received	-	69,882	425,620	495,502	38,834
Net change in cash and investment pool	<u>1,976,699</u>	<u>14,650,835</u>	<u>163,961</u>	<u>16,791,495</u>	<u>(789,918)</u>
Cash and investment pool:					
Beginning of year	<u>9,096,912</u>	<u>1,965,421</u>	<u>1,428,260</u>	<u>12,490,593</u>	<u>9,101,528</u>
End of year	<u>\$ 11,073,611</u>	<u>\$ 16,616,256</u>	<u>\$ 1,592,221</u>	<u>\$ 29,282,088</u>	<u>\$ 8,311,610</u>

continued...

COUNTY OF SAGINAW, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Building Authority Event Center	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ 6,001,735	\$ (1,611,440)	\$ (304,110)	\$ 4,086,185	\$ (745,006)
Nonoperating income	-	-	179,164	179,164	-
net cash provided by (used in) operating activities:					
Depreciation	-	832,337	273,474	1,105,811	169,647
Changes in operating assets and liabilities that provided (used) cash:					
Receivables, net	584,617	10,949	(171,033)	424,533	1,492
Due from other funds	-	-	-	-	-
Due from other governmental units	70	-	30,000	30,070	12,701
Inventory	-	12,652	-	12,652	-
Prepays	-	-	(1,018)	(1,018)	(106,331)
Accounts payable	21,310	34,775	405,211	461,296	124,116
Accrued liabilities	(581)	3,658	1,841	4,918	1,357,944
Deposits payable	-	142,452	(24,769)	117,683	-
Due to other funds	-	-	152,297	152,297	6,595
Due to other governmental units	-	-	(32,353)	(32,353)	-
Unearned revenue	-	(39,008)	(2,382)	(41,390)	-
Accrued compensated absences	-	-	196	196	1,371
Net cash provided by (used in) operating activities	<u>\$ 6,607,151</u>	<u>\$ (613,625)</u>	<u>\$ 506,518</u>	<u>\$ 6,500,044</u>	<u>\$ 822,529</u>
					Concluded
Noncash transactions:					
Capital assets purchased with accounts payable	\$ -	\$ 1,991,304	\$ -	\$ 1,991,304	\$ -

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds
September 30, 2021

	Post- employment Health Benefits Trust Fund	Custodial Funds
Assets		
Current assets:		
Cash and investment pool	\$ 17,689,873	\$ 13,759,575
Investments, at fair value - mutual funds	25,168,008	-
Receivables (net):		
Accounts	72,059	1,609,371
Accrued interest	103,927	39
Due from other governmental units	-	53,533
Prepays	11,052	-
Total assets	<u>43,044,919</u>	<u>15,422,518</u>
Liabilities		
Current liabilities:		
Accounts payable	23,552	970,308
Accrued liabilities	722,444	-
Deposits payable	-	2,159,242
Due to other governmental units	-	12,278,222
Total liabilities (all current)	<u>745,996</u>	<u>15,407,772</u>
Net position restricted for		
Other postemployment benefits	42,298,923	-
Individuals, organizations and other governments	-	14,746
Total net position	<u>\$ 42,298,923</u>	<u>\$ 14,746</u>

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended September 30, 2021

	Post- employment Health Benefits Trust Fund	Custodial Funds
Additions		
Contributions:		
Employer	\$ 7,450,740	\$ -
Investment earnings:		
Net appreciation in fair value of investments	3,038,821	-
Interest and dividends	1,250,964	-
State education tax collected for other governments	-	33,162,041
Fees and fines collected on behalf of other units of government	-	10,095,079
Employee medical withholdings collected	-	42,321
Total additions	<u>11,740,525</u>	<u>43,299,441</u>
Deductions		
Participant benefits	3,750,981	-
Administrative expenses	206,352	-
Payments of state education tax to other governments	-	33,162,041
Fees and fines remitted to other units of government	-	10,095,079
Employee medical withholdings remitted	-	42,598
Total deductions	<u>3,957,333</u>	<u>43,299,718</u>
Change in net position	7,783,192	(277)
Net position, beginning of year, as restated	<u>34,515,731</u>	<u>15,023</u>
Net position, end of year	<u>\$ 42,298,923</u>	<u>\$ 14,746</u>

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

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Net Position

Discretely Presented Component Units
September 30, 2021

	Road Commission	Brownfield Redevelopment Authority	Department of Public Works	Drain Commission
Assets				
Cash and investment pool	\$ 2,521,592	\$ 774,945	\$ 414,260	\$ 18,849,252
Receivables, net	4,175,562	12,310	9,043,945	34,966,753
Inventory	893,806	-	-	-
Prepays	354,840	-	-	-
Advance to land bank	-	611,640	-	-
Capital assets:				
Assets not being depreciated	44,863,183	-	-	10,677,543
Assets being depreciated, net	135,084,758	-	45,563	58,767,235
Total assets	<u>187,893,741</u>	<u>1,398,895</u>	<u>9,503,768</u>	<u>123,260,783</u>
Deferred outflows of resources				
Deferred pension amounts	852,239	-	-	-
Deferred OPEB amounts	299,003	-	-	-
Total deferred outflows of resources	<u>1,151,242</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities				
Accounts payable and accrued liabilities	1,154,183	323	135,559	1,545,886
Advances from primary government	-	-	-	400,000
Advance from brownfield redevelopment	-	-	-	-
Long-term liabilities:				
Due within one year	81,239	-	351,000	2,544,879
Due in more than one year	987,361	-	8,337,519	33,463,857
Net pension liability, due in more than one year	11,515,884	-	-	-
Net other postemployment benefit liability, due in more than one year	21,484,423	-	-	-
Total liabilities	<u>35,223,090</u>	<u>323</u>	<u>8,824,078</u>	<u>37,954,622</u>
Deferred inflows of resources				
Deferred pension amounts	769,221	-	-	-
Deferred OPEB amounts	272,363	-	-	-
Total liabilities	<u>1,041,584</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position				
Net investment in capital assets	179,608,320	-	45,563	33,436,042
Restricted for:				
Debt service	-	-	326,063	36,916,175
Acquisition/construction of capital assets	-	-	-	14,953,944
Unrestricted (deficit)	(26,828,011)	1,398,572	308,064	-
Total net position	<u>\$ 152,780,309</u>	<u>\$ 1,398,572</u>	<u>\$ 679,690</u>	<u>\$ 85,306,161</u>

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

Economic Development Corporation	Land Bank Authority	Total
\$ 93,274	\$ 2,538,962	\$ 25,192,285
-	1,049,730	49,248,300
-	1,049,099	1,942,905
-	-	354,840
-	-	611,640
-	-	55,540,726
-	-	193,897,556
<u>93,274</u>	<u>4,637,791</u>	<u>326,788,252</u>
-	-	852,239
-	-	299,003
-	-	<u>1,151,242</u>
113	133,163	2,969,227
-	-	400,000
-	611,640	611,640
-	-	2,977,118
-	-	42,788,737
-	-	11,515,884
-	-	<u>21,484,423</u>
<u>113</u>	<u>744,803</u>	<u>82,747,029</u>
-	-	769,221
-	-	272,363
-	-	<u>1,041,584</u>
-	-	213,089,925
-	-	37,242,238
-	-	14,953,944
<u>93,161</u>	<u>3,892,988</u>	<u>(21,135,226)</u>
<u>\$ 93,161</u>	<u>\$ 3,892,988</u>	<u>\$ 244,150,881</u>

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Activities

Discretely Presented Component Units
For the Year Ended September 30, 2021

	Program Revenues			Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	
Road Commission				
Governmental activities:				
Highways and streets	\$ 22,398,479	\$ 90,001	\$ 28,700,351	\$ -
				\$ 6,391,873
Brownfield Redevelopment Authority				
Governmental Activities:				
Community and economic development	323	500	-	-
				177
Department of Public Works				
Business-type Activities:				
Public works	136,658	213,907	-	-
				77,249
Governmental Activities:				
Public works	-	-	-	293,126
				293,126
Interest on long-term debt	309,367	-	-	-
				(309,367)
Total Department of Public Works	446,025	213,907	-	293,126
				61,008
Drain Commission				
Governmental Activities:				
Public works	9,942,576	-	168,261	17,473,631
				7,699,316
Interest on long-term debt	817,342	-	-	-
				(817,342)
Total Drain Commission	10,759,918	-	168,261	17,473,631
				6,881,974
Economic Development Corporation				
Business-type Activities:				
Community and economic development	26,262	21,664	-	-
				(4,598)
Land Bank Authority				
Business-type Activities:				
Community and economic development	1,238,336	-	1,264,900	-
				26,564
Total component units	\$ 34,869,343	\$ 326,072	\$ 30,133,512	\$ 17,766,757
				\$ 13,356,998

continued...

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Activities

Discretely Presented Component Units
For the Year Ended September 30, 2021

	Road Commission	Brownfield Redevelopment Authority	Department of Public Works	Drain Commission
Change in net position				
Net (expense) revenue	\$ 6,391,873	\$ 177	\$ 61,008	\$ 6,881,974
General revenues:				
Property taxes	-	3,197	-	-
Investment income (loss)	11,863	18,357	-	146,482
Total general revenues	11,863	21,554	-	146,482
Change in net position	6,403,736	21,731	61,008	7,028,456
Net position, beginning of year	146,376,573	1,376,841	618,682	78,277,705
Net position, end of year	<u>\$ 152,780,309</u>	<u>\$ 1,398,572</u>	<u>\$ 679,690</u>	<u>\$ 85,306,161</u>

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



Economic Development Corporation	Land Bank Authority	Total
\$ (4,598)	\$ 26,564	\$ 13,356,998
-	-	3,197
<u>11</u>	<u>(4,522)</u>	<u>172,191</u>
<u>11</u>	<u>(4,522)</u>	<u>175,388</u>
(4,587)	22,042	13,532,386
<u>97,748</u>	<u>3,870,946</u>	<u>230,618,495</u>
<u>\$ 93,161</u>	<u>\$ 3,892,988</u>	<u>\$ 244,150,881</u>

Concluded

NOTES TO FINANCIAL STATEMENTS

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The boundaries of the *County of Saginaw, Michigan* (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 2020 is 190,124.

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

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 be financially accountable.

Blended component unit - The Building Authority has been included as part of the County’s financial statements since the County appoints the governing authority and the Building Authority provides its services entirely to the County. The Building Authority does not issue a separate financial statement.

The Postemployment Health Benefits component unit - The Postemployment Health Benefits Trust Fund is considered a fiduciary component unit. The County created a trust fund to account for the activities of the retiree healthcare, which accumulates resources for other postemployment benefit payments to qualified retirees. The Trust fund meets the criteria of a fiduciary component unit because the trust is considered a legally separate entity. The Trust Fund Board consists of 3 members and they are appointed by the Board of Commissioners. Because the County makes contributions to the Trust fund it is considered to have a financial burden/benefit.

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

Saginaw County Road Commission (the “Road Commission”) – The Road Commission is governed by a five-member board of County Road Commissioners appointed by the Saginaw County Board of Commissioners. The Road Commission deposits receipts with the County, has a balance in the County’s common bank account and has investments through the County. The County does not have appropriation authority or budgetary control over the activities of the Road Commission; however, the nature and significance of the relationship between the primary government and the Road Commission is such that exclusion would cause the reporting entity’s financial statements to be misleading. Due to the difference in the fiscal year-end of the Road Commission, the December 31, 2020 amounts have been included in the County audit.

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

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

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

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

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

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

Component Unit Financial Statements

Complete financial statements for the Road Commission may be obtained from the entity's administrative office. Separate financial statements are not prepared for the remaining component units.

Saginaw County Road Commission
3020 Sheridan Avenue
Saginaw, Michigan 48601

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Government-wide and Fund Financial Statements

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

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

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. 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 County.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

The County reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the primary government, except those accounted for and reported in another fund.

The *Michigan Works! Fund* (special revenue) accounts for the grant revenues and the related job placement operations of the Great Lakes Bay Michigan Works! consortium.

The *American Rescue Plan Act Fund* (special revenue) accounts for accounts for funds received under the American Rescue Plan Act (ARPA) of 2021. These funds will be spent on appropriate COVID-19 related expenditures in accordance with federal regulations.

The *Animal Care and Control Resource Center Construction Fund* (capital project) was established to account for the acquisition of property and construction of a new Animal Care and Control Resource facility. Money for the operation of this fund is supplied from bond proceeds.

The *Mainframe Conversion Project* (capital project) was established to account for the conversion of the County's existing mainframe software to a .net platform and replace existing IBM hardware. It is anticipated that this conversion will take place in four separate phases over several years. Money for the operation of this fund is supplied from contributions from other funds and interest earnings.

The government reports the following major proprietary funds:

The *Delinquent Tax Revolving Fund* accounts for the purchase of delinquent taxes from other local taxing units.

The *Building Authority Event Center Fund* accounts for the operations of the Saginaw County Event Center.

Additionally, the County reports the following fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditure for specified purposes other than debt service or capital projects.

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

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

Enterprise funds account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

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

Custodial funds are used to account for assets held by the County in a fiduciary capacity, including tax collections.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the delinquent tax revolving and building authority event center enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues interest income and fees associated with banquet room rentals, and the sale of entertainment admission. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Assets, deferred outflows of resources, liabilities, deferred inflows of resources and equity

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.

Investments

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

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Receivables and payables

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

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Amounts received in advance of project costs being incurred are reported as unearned revenue.

Certain receivables in governmental funds consist of rehabilitation and redevelopment loans that are generally not expected or scheduled to be collected in the subsequent year.

Advances

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

Inventory and prepaids

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both government-wide and fund financial statements.

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 acquisition cost at the date of donation.

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

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

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

	Years
Land improvements	15-20
Buildings and improvements	5-45
Machinery and equipment	3-10
Office furniture & fixtures	5-20
Planning and development	5-30
Vehicles	2-8
Infrastructure	50

Deferred outflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and, as such, will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows of resources related to its net pension and OPEB liabilities.

Due to Saginaw Hockey Club, LLC

On August 23, 2016, the County entered into an agreement with the Saginaw Hockey Club, LLC (the "Club"), tenant of the County's Event Center, to reimburse the Club for certain building improvements. The agreement requires the County to reimburse the Club for up to 60% of the total cost of the building improvements up to a maximum County reimbursement of \$1,041,000. The County is only required to reimburse the Club if an increased millage is approved by the County voters commencing in tax year 2021. If the millage passes, the County will be required to repay its portion of the improvements from the increased millage proceeds over a ten year period. If the millage does not pass, the County will not be required to reimburse the Club for any amounts related to the building improvements. The County believes that the millage will pass and they will reimburse the club for the County's 60% share of the building improvements. As of September 30, 2021, the Club had expended \$1,880,871 on the agreed upon building improvements which has resulted in the County recognizing a liability of \$1,041,000 at year end.

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 position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

Compensated absences

Union employees

In March 1989, the County modified its sick leave policy for certain bargaining units. The sick day bank was frozen and accrual of sick days for these employees was discontinued. Sick leave was replaced with disability payments at 60% of the employees' annual salary, for a duration of one year. In April 2006, the County modified its vacation and sick leave policy for certain union employees. Previously accumulated vacation, personal leave and frozen sick leave were converted to Paid-Time-Off days ("PTO"). Union employees are granted PTO days, based on length of service and may carry over 700 hours of PTO to any subsequent year. Upon separation from the County, employees are compensated for one-half of their accumulated PTO hours at their current hourly rate, up to a maximum of 600 hours (maximum payout is for 300 hours / 37.5 days).

Non-union employees

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

Compensated absence liability recognition

Accumulated PTO is accrued when incurred in the governmental activities and 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 governmental activities Statement of Net Position.

Deferred inflows of resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arise only under a modified accrual basis of accounting, from property taxes and long-term receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the County reports deferred inflows of resources in the government-wide financial statements related to its net pension and OPEB liabilities.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Fund balances

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Commissioners. A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The County Controller has been given the authority to assign fund balances. Unassigned fund balance is the residual classification for the General Fund.

When the County incurs an expenditure for purposes for which various fund balance classifications can be used, it is the County's policy to use restricted fund balance first, then committed, assigned, and finally unassigned.

The Board of Commissioners has established a Fund Balance Policy within Saginaw County policies which establish an Employee Payroll Reserve and a Budget Stabilization Reserve in the General Fund. The policy authorizes earmarking a minimum of fifty percent of the most current Board approved General Fund budget for property tax collections for the Employee Payroll Reserve and a minimum of five percent of the most current Board approved General Fund budget for the Budget Stabilization Reserve. At year end, the County had \$13,066,680 assigned for the Employee Payroll Reserve and an additional amount of \$5,914,226 set aside within unassigned fund balance for the Budget Stabilization Reserve.

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 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.

Pensions and OPEB Plans

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Plans and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. The County utilizes various investment instruments which are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

2. BUDGETARY INFORMATION

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 \$75,000. Revisions that alter the total expenditures of any fund must be approved by the Board of Commissioners. The activity level in the General Fund and the special revenue funds is the legal level of control.
- Budgets for the General and special revenue funds are prepared on a modified accrual basis, while the internal service and enterprise fund informational budgets are prepared using the accrual basis of accounting. Both methods are consistent with generally accepted accounting principles (“GAAP”).
- Budget appropriations lapse at year-end with certain exceptions based on the approval of the Controller/CAO.
- 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 adopted a policy to establish the manner in which a surplus fund balance in the General Fund is distributed among the County funds. This policy requires that the General Fund budget surplus will first be used to bring any reserve balances in the General Fund into compliance with the policy as well as any budget surplus in the sheriff's jail division will be transferred to the Sheriff's Adult Detention and Administration Facility Bonds debt service fund. Any remaining General Fund budgeted surplus is to be transferred as follows: one-third (1/3) of any such surplus to the Public Improvement Special Revenue Fund; one-third (1/3) distributed to the OPEB fund (reported as contributions to postemployment health benefits trust fund, in the General Fund), and; the remaining one-third (1/3) to be distributed to the General Fund assigned fund balance accounts to be used towards maintaining an adequate level of reserves.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended September 30, 2021, the County incurred expenditures in certain activities within budgetary funds which were in excess of the amounts appropriated, as follows:

	Final Budget	Actual	Variance
General Fund:			
General government:			
County treasurer	\$ 892,709	\$ 912,862	\$ 20,153
Health and welfare:			
Medical examiner	466,041	511,478	45,437

The above items represent a violation of the County’s budgeting policies. Revenues were sufficient to cover expenditures in total.

3. DEPOSITS AND INVESTMENTS

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 date of purchase.
- Repurchase agreements consisting of instruments in item one above.
- Banker's acceptances 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 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.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

- Mutual Funds registered under Investment Company Act of 1940, Title I of Chapter 686, 54 Stat. 789, 15 U.S.C. 80a-3 and 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. The Mutual Fund must be limited to securities whose intention is to maintain a net asset value of \$1 per share. Only the interest rate will differ from day to day.

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

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and investment pool	\$ 120,368,094	\$ 25,192,285	\$ 145,560,379
Statement of Net Position - Fiduciary Funds			
Postemployment Health Benefits Trust Fund:			
Cash and investment pool	17,689,873	-	17,689,873
Investments	25,168,008	-	25,168,008
Custodial Funds:			
Cash and investment pool	13,759,575	-	13,759,575
Total	\$ 176,985,550	\$ 25,192,285	\$ 202,177,835

Deposits and Investments

Bank deposits:			
Checking and savings accounts			\$ 103,643,447
Certificates of deposit:			
Due in one to five years			21,962,044
Due in more than five years			3,460,411
Investments:			
Primary government			47,653,709
Fiduciary funds			25,168,008
Cash on hand			21,990
Timing difference for component unit with different fiscal year end			268,226
Total			\$ 202,177,835

	Carrying Amount (Fair Value)	No Maturity	Maturity Less than 1 Year	Maturity 1-5 Years	Maturity 5-10 Years
Investments					
Municipal bonds	\$ 30,478,245	\$ -	\$ -	\$ 10,524,158	\$ 16,795,292
U.S. government bonds	6,424,962	-	-	1,218,564	4,166,623
Michigan Class investment pool	1,421,930	1,421,930	-	-	-
Commercial paper	4,037,862	-	-	4,037,862	-
Mutual funds	25,168,008	25,168,008	-	-	-
Money market	5,290,710	5,290,710	-	-	-
Total	\$ 72,821,717	\$ 31,880,648	\$ -	\$ 15,780,584	\$ 20,961,915

continued...

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

	Maturity 10-15 Years	Maturity 15-20 Years
Investments		
Municipal bonds	\$ 193,497	\$ 2,965,298
U.S. government bonds	-	1,039,775
Michigan Class investment pool	-	-
Commercial paper	-	-
Mutual funds	-	-
Money market	-	-
Total	<u>\$ 193,497</u>	<u>\$ 4,005,073</u>
		Concluded

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 investments are summarized 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 Standard and Poor's or Moody's ratings for each investment identified above for investments held at year-end are as followings:

	Carrying Amount (Fair Value)
Investments	
AA+	\$ 6,899,577
AA	7,063,347
A+	734,488
A1	1,755,966
A-	1,152,469
AA-	1,062,530
Not rated	54,153,340
Total	<u>\$ 72,821,717</u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

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, \$118,818,687 of the County’s bank balance of \$121,568,815 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified above. The County’s investment policy does not limit concentration of credit risk. At September 30, 2021, the County has no investments that exceeded 5% of total investments.

Fair Value Measurement

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County had the following recurring fair value measurements as of year end:

Investment Type	Level 1	Level 2	Level 3	Total Fair Value
Municipal bonds	\$ -	\$ 30,478,245	\$ -	\$ 30,478,245
U.S. government	-	6,424,962	-	6,424,962
Mutual funds	25,168,008	-	-	25,168,008
	<u>\$ 25,168,008</u>	<u>\$ 36,903,207</u>	<u>\$ -</u>	<u>62,071,215</u>
Investments not subject to fair value hierarchy:				
Michigan Class investment pool				1,421,930
Commercial paper (maturity less than one year)				4,037,862
Money market funds				<u>5,290,710</u>
Total investments				<u>\$ 72,821,717</u>

There have been no changes from the prior year in the methodologies used. The following is a description of the valuation methodology used for assets recorded at fair value:

Mutual funds classified as Level 1 of the fair value hierarchy are valued based on quoted market prices in active markets.

Municipal bonds and government bonds are classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Investments in Entities that Calculate Net Asset Value per Share

The County holds shares in Michigan CLASS whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient.

At year end, the net asset value of the County's investment in Michigan CLASS was \$1,421,900. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies.

4. RECEIVABLES

Receivables, net are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Property taxes	\$ 9,150,879	\$ 12,386,238	\$ -
Special assessments:			
Due within one year	-	-	4,476,640
Due in more than one year	-	-	27,000,222
Accounts receivable	3,627,321	549,214	1,300,879
Loans:			
Due within one year	7,026	-	-
Due in more than one year	2,154,953	-	-
Lease:			
Due within one year	330,000	-	-
Due in more than one year	2,760,751	-	-
Interest, net	21,910	2,876,169	13,049
Due from other governmental units:			
Due within one year	4,586,172	119,928	4,359,610
Due in more than one year	-	-	12,097,900
Total receivables, net	\$ 22,639,012	\$ 15,931,549	\$ 49,248,300

The interest receivable in the business-type activities is net of an allowance for uncollectible accounts of approximately \$207,000.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

5. CAPITAL ASSETS

Primary government capital asset activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 3,965,708	\$ -	\$ -	\$ -	\$ 3,965,708
Construction in progress	942,595	2,991,851	-	(103,515)	3,830,931
	<u>4,908,303</u>	<u>2,991,851</u>	<u>-</u>	<u>(103,515)</u>	<u>7,796,639</u>
Capital assets being depreciated:					
Land improvements	9,238,534	134,489	-	-	9,373,023
Buildings and improvements	66,889,124	243,377	-	-	67,132,501
Machinery and equipment	8,337,043	413,274	(35,782)	103,515	8,818,050
Office furniture & fixtures	1,151,355	-	-	-	1,151,355
Vehicles	3,667,594	1,168,424	(566,381)	-	4,269,637
	<u>89,283,650</u>	<u>1,959,564</u>	<u>(602,163)</u>	<u>103,515</u>	<u>90,744,566</u>
Less accumulated depreciation:					
Land improvements	(4,475,462)	(227,794)	-	-	(4,703,256)
Buildings and improvements	(20,816,741)	(1,377,801)	-	-	(22,194,542)
Machinery and equipment	(6,399,041)	(444,364)	33,527	-	(6,809,878)
Office furniture & fixtures	(651,782)	(137,945)	-	-	(789,727)
Vehicles	(2,607,340)	(548,544)	562,755	-	(2,593,129)
	<u>(34,950,366)</u>	<u>(2,736,448)</u>	<u>596,282</u>	<u>-</u>	<u>(37,090,532)</u>
Total capital assets being depreciated, net	<u>54,333,284</u>	<u>(776,884)</u>	<u>(5,881)</u>	<u>103,515</u>	<u>53,654,034</u>
Governmental activities capital assets, net	<u>\$ 59,241,587</u>	<u>\$ 2,214,967</u>	<u>\$ (5,881)</u>	<u>\$ -</u>	<u>\$ 61,450,673</u>

As of September 30, 2021, the County had an outstanding commitment for the Jail Project of \$568,689, \$10,064,433.29 for the Animal Care and Control Resource Center and \$10,988,817 for the DOW Event Center project.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 2,258,248	\$ -	\$ -	\$ -	\$ 2,258,248
Air rights	238,854	-	-	-	238,854
Construction in progress	729,305	4,151,900	-	(82,236)	4,798,969
	<u>3,226,407</u>	<u>4,151,900</u>	<u>-</u>	<u>(82,236)</u>	<u>7,296,071</u>
Capital assets being depreciated:					
Land improvements	4,317,125	-	-	82,236	4,399,361
Buildings and improvements	19,960,845	-	(161,392)	-	19,799,453
Machinery and equipment	950,812	293,784	-	-	1,244,596
Office furniture & fixtures	61,201	-	-	-	61,201
Planning and development	11,525,825	-	-	-	11,525,825
Vehicles	139,318	40,000	-	-	179,318
	<u>36,955,126</u>	<u>333,784</u>	<u>(161,392)</u>	<u>82,236</u>	<u>37,209,754</u>
Less accumulated depreciation:					
Land improvements	(1,851,134)	(258,525)	-	-	(2,109,659)
Buildings and improvements	(7,123,427)	(549,256)	137,856	-	(7,534,827)
Machinery and equipment	(675,330)	(41,565)	-	-	(716,895)
Office furniture & fixtures	(37,518)	(700)	-	-	(38,218)
Planning and development	(8,344,060)	(251,490)	-	-	(8,595,550)
Vehicles	(124,318)	(4,275)	-	-	(128,593)
	<u>(18,155,787)</u>	<u>(1,105,811)</u>	<u>137,856</u>	<u>-</u>	<u>(19,123,742)</u>
Total capital assets being depreciated, net	<u>18,799,339</u>	<u>(772,027)</u>	<u>(23,536)</u>	<u>82,236</u>	<u>18,086,012</u>
Business-type activities capital assets, net	<u>\$ 22,025,746</u>	<u>\$ 3,379,873</u>	<u>\$ (23,536)</u>	<u>\$ -</u>	<u>\$ 25,382,083</u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

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

Governmental activities

Judicial	\$	48,537
General government		602,362
Public safety		1,090,532
Public works		73,588
Health and welfare		568,891
Recreation and culture		182,891
Capital assets held by the government's internal service funds are charged to the various functions based on the usage of the assets		<u>169,647</u>
	<u>\$</u>	<u>2,736,448</u>

Business-type activities

Building Authority Event Center	\$	832,337
Harry W. Browne Airport		271,174
Parking system		<u>2,300</u>
	<u>\$</u>	<u>1,105,811</u>

Discretely presented component units

Department of Public Works capital asset activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets being depreciated:					
Vehicles	\$ 70,861	\$ -	\$ -	\$ -	\$ 70,861
Less accumulated depreciation:					
Vehicles	<u>(15,175)</u>	<u>(10,123)</u>	<u>-</u>	<u>-</u>	<u>(25,298)</u>
	<u>\$ 55,686</u>	<u>\$ (10,123)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,563</u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Road Commission capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Land, land improvements and infrastructure	\$ 41,742,963	\$ 2,561,585	\$ -	\$ -	\$ 44,304,548
Land	558,635	-	-	-	558,635
	<u>42,301,598</u>	<u>2,561,585</u>	<u>-</u>	<u>-</u>	<u>44,863,183</u>
Capital assets being depreciated:					
Land improvements	411,945	8,410	-	-	420,355
Depletable assets	35,013	-	-	-	35,013
Buildings and improvements	3,861,636	58,700	-	-	3,920,336
Office furniture & fixtures	633,856	10,704	-	-	644,560
Infrastructure	326,220,499	12,827,312	-	-	339,047,811
Equipment	20,512,690	1,916,284	(778,805)	-	21,650,169
	<u>351,675,639</u>	<u>14,821,410</u>	<u>(778,805)</u>	<u>-</u>	<u>365,718,244</u>
Less accumulated depreciation:					
Land improvements	(385,027)	(6,939)	-	-	(391,966)
Depletable assets	(13,846)	(1,751)	-	-	(15,597)
Buildings and improvements	(2,142,129)	(138,419)	-	-	(2,280,548)
Office furniture & fixtures	(366,357)	(52,071)	-	-	(418,428)
Infrastructure	(200,587,176)	(9,252,025)	-	-	(209,839,201)
Equipment	(16,911,516)	(1,555,035)	778,805	-	(17,687,746)
	<u>(220,406,051)</u>	<u>(11,006,240)</u>	<u>778,805</u>	<u>-</u>	<u>(230,633,486)</u>
Total capital assets being depreciated, net	<u>131,269,588</u>	<u>3,815,170</u>	<u>-</u>	<u>-</u>	<u>135,084,758</u>
Road Commission capital assets, net	<u>\$ 173,571,186</u>	<u>\$ 6,376,755</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,947,941</u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Drain Commission capital asset activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Construction in progress	\$ 10,385,610	\$ 5,664,800	\$ -	\$ (5,372,867)	\$ 10,677,543
Capital assets being depreciated:					
Infrastructure	90,525,837	1,500	-	5,372,867	95,900,204
Equipment	548,056	-	-	-	548,056
Vehicles	93,077	28,184	-	-	121,261
	<u>91,166,970</u>	<u>29,684</u>	<u>-</u>	<u>5,372,867</u>	<u>96,569,521</u>
Less accumulated depreciation:					
Infrastructure	(35,609,564)	(1,819,471)	-	-	(37,429,035)
Equipment	(236,746)	(50,265)	-	-	(287,011)
Vehicles	(70,654)	(15,586)	-	-	(86,240)
	<u>(35,916,964)</u>	<u>(1,885,322)</u>	<u>-</u>	<u>-</u>	<u>(37,802,286)</u>
Total capital assets being depreciated, net	<u>55,250,006</u>	<u>(1,855,638)</u>	<u>-</u>	<u>5,372,867</u>	<u>58,767,235</u>
Drain Commission capital assets, net	<u>\$ 65,635,616</u>	<u>\$ 3,809,162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,444,778</u>

As of September 30, 2021, the County had outstanding commitments related to the Misteguay Creek Drain and Shorts Creek in the amounts of approximately \$410,183 and 411,851.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts payable	\$ 7,767,886	\$ 3,339,781	\$ 2,564,732
Accrued liabilities	5,940,043	291,193	404,495
Due to other government units	1,697,944	-	-
Deposits payable	29,151	435,901	-
Total accounts payable and accrued liabilities	<u>\$ 15,435,024</u>	<u>\$ 4,066,875</u>	<u>\$ 2,969,227</u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

7. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of year-end, was as follows:

Due to/from primary government funds:

	Due from Other Funds	Due to Other Funds
General fund	\$ 315,954	\$ 254
Nonmajor governmental funds	450,238	420,664
Nonmajor enterprise funds	-	271,974
Internal service funds	-	73,300
	<u>\$ 766,192</u>	<u>\$ 766,192</u>

The County has interfund balances between many of its funds. The sum of all balances presented in the tables above agrees with the sum of interfund balances presented in the statements of net position/balance sheet for governmental funds and proprietary funds. These interfund balances resulted primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances to/from other funds:

	Advance To	Advance From
General	\$ 20,000	\$ -
Delinquent Tax Revolving	977,965	-
Building Authority Event Center	-	189,000
Nonmajor enterprise funds	-	20,000
Internal services funds	-	788,965
Total	<u>\$ 997,965</u>	<u>\$ 997,965</u>

The advances from the General Fund to the nonmajor enterprise and internal service funds exist to maintain adequate cash reserves in the funds. The advance from the Delinquent Tax Revolving fund to the Building Authority Event Center fund was used for renovations at the event center. In addition, the advance from the Delinquent Tax Revolving fund to the Internal Service fund was used for fiber installation to all County owned facilities.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Advances to and from component units:

	Advance to Component Unit	Advance from Primary Government
General fund	\$ 400,000	\$ -
Drain Commission	-	400,000
Total	\$ 400,000	\$ 400,000

The advance to the Drain Commission component unit in the General Fund is to maintain adequate cash reserves and assist with acquisition of equipment if necessary.

For the year ended September 30, 2021, interfund transfers consisted of the following:

Transfers Out	General Fund	Transfers In			Total
		Animal Care and Control Resource Center Construction	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
General fund	\$ -	\$ -	\$ 9,923,178	\$ -	\$ 9,923,178
Nonmajor governmental funds	2,880,330	-	482,514	6,300	3,769,144
Delinquent Tax Revolving	2,000,000	140,586	-	-	2,140,586
Building Authority Event Center	-	-	-	700	700
Nonmajor enterprise funds	276,823	-	271,975	-	548,798
Internal Service Fund	-	-	1,167,563	-	1,167,563
Total	\$ 5,157,153	\$ 140,586	\$ 11,845,230	\$ 7,000	\$ 17,549,969

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

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.

8. LONG-TERM DEBT

Long-term debt activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Primary Government					
Governmental activities:					
General obligation bonds:					
2013 pension bonds	\$ 31,065,000	\$ -	\$ (3,325,000)	\$ 27,740,000	\$ 3,455,000
2017 Sheriff's Adult Detention and Administration Facility bonds	36,675,000	-	(680,000)	35,995,000	705,000
2019 Mainframe Modernization project bonds	8,320,000	-	(765,000)	7,555,000	805,000
2018 Community Mental Health Facility bonds	3,940,000	-	(325,000)	3,615,000	330,000
2020 Animal Care and Control Resource Center bonds	9,540,000	-	(410,000)	9,130,000	350,000
2010 Capital Improvement bonds	826,987	-	(144,724)	682,263	147,180
	<u>90,366,987</u>	<u>-</u>	<u>(5,649,724)</u>	<u>84,717,263</u>	<u>5,792,180</u>
Compensated absences	1,917,853	1,552,708	(1,391,259)	2,079,302	1,990,879
Bond premium	4,567,960	-	(289,110)	4,278,850	289,110
	<u>96,852,800</u>	<u>1,552,708</u>	<u>(7,330,093)</u>	<u>91,075,415</u>	<u>8,072,169</u>
Business-type activities:					
Direct placement:					
Delinquent tax notes	16,875,000	11,935,000	(14,537,000)	14,273,000	-
General obligation bonds	2,425,000	12,900,000	(175,000)	15,150,000	605,000
	<u>19,300,000</u>	<u>24,835,000</u>	<u>(14,712,000)</u>	<u>29,423,000</u>	<u>605,000</u>
Bond premium	-	2,041,263	(89,589)	1,951,674	102,063
Compensated absences	5,996	10,344	(10,148)	6,192	-
	<u>19,305,996</u>	<u>26,886,607</u>	<u>(14,811,737)</u>	<u>31,380,866</u>	<u>707,063</u>
Total primary government	<u>\$ 116,158,796</u>	<u>\$ 28,439,315</u>	<u>\$ (22,141,830)</u>	<u>\$ 122,456,281</u>	<u>\$ 8,779,232</u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

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, \$88,423 of internal service funds compensated absences are included in the above amounts. For governmental activities, compensated absences are generally liquidated by the General Fund and internal service funds.

General obligation bonds and notes payable are direct obligations and pledge the full faith and credit of the County. These bonds are generally issued as 5 to 20-year serial bonds with varying amounts of principal maturing each year through fiscal year 2048. Delinquent tax notes payable generally mature within 24 months of issuance with interest due annually. General obligation bonds and notes payable currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental activities	1.90 - 5.75%	\$ 84,717,263
Business-type activities	1.90 - 2.85%	<u>29,423,000</u>
Total primary government		<u>\$ 114,140,263</u>

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

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2022	\$ 5,792,180	\$ 3,548,701
2023	6,019,679	3,320,249
2024	6,272,219	3,057,199
2025	6,559,802	2,773,656
2026	6,778,383	2,463,092
2027-2031	20,650,000	7,870,922
2032-2036	9,265,000	6,886,550
2037-2041	9,890,000	6,170,993
2042-2046	9,275,000	5,745,281
2047-2048	<u>4,215,000</u>	<u>5,388,909</u>
Total	<u>\$ 84,717,263</u>	<u>\$ 47,225,552</u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Annual debt service requirements to maturity for business-type activities general obligation bonds and direct placement obligations are as follows:

Year Ending September 30,	Direct Placement Obligations		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2022	\$ -	\$ 311,693	\$ 605,000	\$ 537,363
2023	2,338,000	110,065	630,000	518,638
2024	11,935,000	65,643	650,000	496,288
2025	-	-	675,000	473,980
2026	-	-	700,000	451,330
2027-2031	-	-	3,930,000	1,865,299
2032-2036	-	-	3,725,000	1,124,490
2037-2041	-	-	4,235,000	364,175
Total	\$ 14,273,000	\$ 487,401	\$ 15,150,000	\$ 5,831,561

The County is party to an agreement with HealthSource Saginaw ("HealthSource"), a Municipal Health Facilities Organization under Public Act 230 of Public Acts of 1987, whereas HealthSource issued bonds to fund improvements to its facility. The County has agreed to levy the voter-approved property tax millage and provide these funds to HealthSource for it to make the required principal and interest payments. HealthSource has pledged its net revenue as security on the bonds. The County provided its full faith and credit for the prompt repayment of these bonds; however, the County does not expect to be obligated for any payments since the voters have approved a property tax millage to fund the bond obligation and HealthSource has pledged its net revenues. At year end, the outstanding balance on these bonds, which mature May 1, 2029, was \$18,440,000. Because the County only provides a guarantee related to these bonds, there is no related liability recorded in these financial statements.

Component Units

Road Commission Component Unit

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Direct placements:					
Michigan Transportation Note	\$ 400,000	\$ -	\$ (400,000)	\$ -	\$ -
Equipment lease	418,532	-	(78,911)	339,621	81,239
	818,532	-	(478,911)	339,621	81,239
Compensated absences	669,359	112,891	(53,271)	728,979	-
	\$ 1,487,891	\$ 112,891	\$ (532,182)	\$ 1,068,600	\$ 81,239

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Annual debt service requirements to maturity for direct placement installment debt are as follows:

Year Ending December 31,	Principal	Interest
2021	\$ 81,239	\$ 10,019
2022	83,636	7,622
2023	86,103	5,155
2024	88,643	2,615
Total	\$ 339,621	\$ 25,411

Department of Public Works Component Unit

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Direct Placement:					
General obligation bonds	\$ 6,636,000	\$ -	\$ (206,481)	\$ 6,429,519	\$ 212,000
General obligation bonds	2,396,000	-	(137,000)	2,259,000	139,000
	<u>\$ 9,032,000</u>	<u>\$ -</u>	<u>\$ (343,481)</u>	<u>\$ 8,688,519</u>	<u>\$ 351,000</u>

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

These bonds are direct obligations, and pledge the full faith and credit of the County and the associated municipalities and authorities. The bonds are issued as 8 to 40-year serial bonds with varying amounts of principal maturing each year through fiscal year 2051 and bear interest at varying rates from 3.00% to 5.90%.

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

Year Ending September 30,	Direct Placement Obligations		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2022	\$ 212,000	\$ 234,785	\$ 139,000	\$ 78,925
2023	225,000	227,157	141,000	72,780
2024	235,000	219,141	143,000	66,320
2025	240,000	210,824	145,000	59,545
2026	255,000	202,255	68,000	52,440
2027-2031	1,408,000	869,793	344,000	222,990
2032-2036	1,590,000	610,016	252,000	173,310
2037-2041	1,548,000	318,764	291,000	132,765
2042-2046	716,519	103,388	340,000	85,500
2047-2051	-	-	396,000	30,450
Total	\$ 6,429,519	\$ 2,996,123	\$ 2,259,000	\$ 975,025

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Drain Commission Component Unit

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Direct placement:					
Notes payable	\$ 245,715	\$ -	\$ (61,429)	\$ 184,286	\$ 61,429
General obligation bonds	30,955,150	8,542,000	(3,672,700)	35,824,450	2,483,450
	<u>\$ 31,200,865</u>	<u>\$ 8,542,000</u>	<u>\$ (3,734,129)</u>	<u>\$ 36,008,736</u>	<u>\$ 2,544,879</u>

General obligation drain improvement bonds and notes are issued by the County to finance certain drainage district construction projects. General obligation bonds have been issued for governmental activities. These bonds and notes are direct obligations, and pledge the full faith and credit of the County and the respective drainage districts. The bonds are generally issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year through fiscal year 2048 and bear interest rates varying from 1.05% to 4.00%.

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

Year Ending September 30,	Direct Placement Obligations		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2022	\$ 61,429	\$ 4,512	\$ 2,483,450	\$ 942,319
2023	37,428	3,008	2,485,450	896,357
2024	37,429	2,106	2,496,450	835,796
2025	16,000	1,195	2,485,450	737,187
2026	16,000	797	2,370,450	714,565
2027-2031	16,000	398	9,541,700	2,740,888
2032-2036	-	-	7,342,500	1,583,289
2037-2041	-	-	4,452,500	652,501
2042-2046	-	-	1,547,500	234,813
2047-2048	-	-	619,000	28,179
Total	<u>\$ 184,286</u>	<u>\$ 12,016</u>	<u>\$ 35,824,450</u>	<u>\$ 9,365,894</u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

9. DEFINED BENEFIT PENSION PLANS

Primary Government

General Information About the Plan

Plan Description. The County participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits Provided. Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 or 5 year period) and multipliers ranging from 2.25% to 2.50%. Participants are considered to be fully vested in the plan after 6 years. Normal retirement age is 60 with early retirement options including 25 years of service and out and ages 50 to 55 with 15 to 25 years of service, depending on division/bargaining unit. Member contributions range from 0% to 4.34%. The MERS plan is closed to all new hires.

Employees Covered by Benefit Terms. As of the most recent valuation date, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	563
Inactive employees entitled to but not yet receiving benefits	38
Active employees	<u>9</u>
Total membership	<u><u>610</u></u>

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. For fiscal year 2021, the actuarially determined monthly employer contributions ranged from \$23 to \$102,760 for all divisions.

Net Pension Liability. The County's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.00% in the long-term
Investment rate of return	7.35%, net of investment and administrative expense including inflation

The base mortality tables used are constructed as described below and are based on are amount weighted sex distinct rates:

- Pre-retirement mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 100% of PubG-2010 Employee Mortality Tables for Ages 18-80, and 100% of PubG-2010 Healthy Retiree Tables for ages 81-120
- Non-disabled retired plan members and beneficiaries mortality based on 106% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 106% of PubG-2010 Employee Mortality Tables for Ages 18-49, and 106% of PubG-2010 Healthy Retiree Tables for ages 50-120
- Disables retired plan members mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, and 100% of PubNS-2010 Disabled Retiree Tables for ages 18-120

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

Long-term Expected Rate of Return. The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.00%	5.25%	3.15%
Global fixed income	20.00%	1.25%	0.25%
Private investments	20.00%	7.25%	1.45%
	<u>100.00%</u>		
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u><u>7.60%</u></u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2020 was 7.6%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2019	\$ 146,517,475	\$ 112,265,256	\$ 34,252,219
Changes for the year:			
Service cost	60,841	-	60,841
Interest	11,851,105	-	11,851,105
Difference between expected and actual experience	72,218	-	72,218
Changes in assumptions	5,545,935	-	5,545,935
Employer contributions	-	3,595,010	(3,595,010)
Employee contributions	-	8,070	(8,070)
Net investment income	-	14,591,798	(14,591,798)
Benefit payments, including refunds of employee contributions	(13,343,085)	(13,343,085)	-
Administrative expense	-	(218,068)	218,068
Net changes	<u>4,187,014</u>	<u>4,633,725</u>	<u>(446,711)</u>
Balances at December 31, 2020	<u>\$ 150,704,489</u>	<u>\$ 116,898,981</u>	<u>\$ 33,805,508</u>

Changes in assumptions. A 5-year experience study analyzing historical experience from 2013 through 2018 was completed in February 2020. In addition to changes to the economic assumptions which took effect with the fiscal year 2021 contribution rates, the experience study recommended updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.6%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.6%) or 1% higher (8.6%) than the current rate:

	1% Decrease (6.6%)	Current Discount Rate (7.6%)	1% Increase (8.6%)
County's net pension liability	\$ 46,505,238	\$ 33,805,508	\$ 20,689,608

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended September 30, 2021, the County recognized pension expense of \$6,679,404. The County reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 4,365,927	\$ (4,365,927)
Contributions subsequent to the measurement date	3,164,391	-	3,164,391
Total	<u>\$ 3,164,391</u>	<u>\$ 4,365,927</u>	<u>\$ (1,201,536)</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending September 30, 2022. Other amounts reported as pension-related deferred outflows of resources will be recognized in pension expense as follows:

Year Ended September 30,	Amount
2022	\$ (905,032)
2023	306,052
2024	(2,479,335)
2025	<u>(1,287,612)</u>
Total	<u>\$ (4,365,927)</u>

Payable to the Pension Plan. At September 30, 2021, the County had no amounts payable for contributions to the pension plan.

The net pension liability is generally liquidated by the General Fund.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Component Unit – Road Commission

General Information About the Plan

Plan Description. The Road Commission participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits Provided. Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 or 5 year period) and multipliers ranging from 1.50% to 2.50%. Participants are considered to be fully vested in the plan after 6 or 10 years. Normal retirement age is 60 with early retirement at age 55 with 15 to 25 years of service or age 50 with 25 years of service. Member contributions were 4.70% of annual compensation. Four of the seven divisions included in the Plan are closed to new hires.

Employees Covered by Benefit Terms. At December 31, 2019, the date of the most recent actuarial valuation, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	104
Inactive employees entitled to but not yet receiving benefits	15
Active employees	<u>70</u>
Total membership	<u><u>189</u></u>

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. For the year ended December 31, 2019, employer contributions ranged from 4.49% to 5.07% of annual payroll for open divisions. Closed divisions have a monthly employer contribution ranging from \$100 to \$55,093.

Net Pension Liability. The Commission's net pension liability was measured as of December 31, 2020, the date of the actuary report, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019.

Actuarial Assumptions. The total pension liability was rolled forward to December 31, 2020 using the December 31, 2019 actuarial valuation with the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.00% in the long-term
Investment rate of return	7.35%, net of investment and administrative expense including inflation

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

The mortality table used to project the mortality experience of non-disabled plan members is a 50% male, 50% female blend of the following tables:

- The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%
- The RP-2014 Employee Mortality Tables
- The RP-2014 Juvenile Mortality Tables

The mortality table used to project the mortality experience of disabled plan members is 50% Male, 50% Female blend of RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of the most recent actuarial experience study of 2009-2013.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.00%	5.25%	3.15%
Global fixed income	20.00%	1.25%	0.25%
Private Investments	20.00%	7.25%	1.45%
	<u>100.00%</u>		
Inflation			2.50%
Administrative and investment expenses netted above			<u>0.25%</u>
			<u>7.60%</u>

Discount Rate. The discount rate used to measure the total pension liability is 7.60%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Changes in Net Pension Liability

The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2019	\$ 34,975,754	\$ 23,253,409	\$ 11,722,345
Changes for the year:			
Service cost	402,424	-	402,424
Interest	2,580,502	-	2,580,502
Employer contributions	-	1,262,398	(1,262,398)
Employee contributions	-	204,804	(204,804)
Net investment income	-	2,869,402	(2,869,402)
Benefit payments, including refunds of employee contributions	(2,445,996)	(2,445,996)	-
Experience changes	(60,342)	-	(60,342)
Assumption changes	1,071,706	-	1,071,706
Administrative expense	-	(46,151)	46,151
Other changes	89,702	-	89,702
Net changes	<u>1,637,996</u>	<u>1,844,457</u>	<u>(206,461)</u>
Balances at December 31, 2020	<u>\$ 36,613,750</u>	<u>\$ 25,097,866</u>	<u>\$ 11,515,884</u>

Changes in assumptions. In 2021, amounts reported as changes of assumptions related to updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the Commission, calculated using the discount rate of 7.60%, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.60%) or 1% higher (8.60%) than the current rate:

	1% Decrease (pre-65 6.50% post-65 4.75%)	Current Discount Rate (pre-65 7.50% post-65 5.75%)	1% Increase (pre65 8.50% post-65 4.75)
Commission's net pension liability	\$ 15,326,739	\$ 11,515,884	\$ 8,274,308

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended December 31, 2020, the Commission recognized pension expense of \$1,155,485. The Commission reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 769,221	\$ (769,221)
Differences in experience	48,459	-	48,459
Differences in assumptions	803,780	-	803,780
	<u>\$ 852,239</u>	<u>\$ 769,221</u>	<u>\$ 83,018</u>

Amounts reported as pension-related deferred outflows/inflows of resources will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2021	\$ 100,970
2022	426,944
2023	(216,679)
2024	<u>(228,217)</u>
Total	<u>\$ 83,018</u>

Payable to the Pension Plan. At December 31, 2020, the Commission reported no payable to the pension plan required for the year ended December 31, 2020.

Additional information and required supplementary information can be found in the Commission's separately issued report.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

10. DEFINED CONTRIBUTION PENSION PLAN

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 MERS. 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 are automatically enrolled in the Defined Contribution Plan. Employees vest in the County's contributions in accordance with the following scale:

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

Currently, the County has a two-tiered system regarding employee and employer contributions to the defined contribution pension plan based upon the employee's date of hire. Current plan provisions do not allow for any employee to change his/her election contribution. Each bargaining group negotiated a specific date to use when defining an employee as a new hire or as a current employee and these dates generally reflect the date its contract was ratified. These dates range for new hires between November 2004 and September 2007 (refer to specific bargaining agreements for exact dates).

Employees classified as current employees under each bargaining agreement may elect to contribute either 0% or 3% of their annual salary. If the employee elects to contribute 0% of their salary, the County is required to contribute 6% of the employee's salary. If the employee elects to contribute 3% of their salary, the County is required to contribute 9% of the employee's annual salary.

More recently, employees classified as a new hire under each bargaining agreement may elect to contribute either 0% or 6% of their annual salary. If the employee elects to contribute 0% of their annual salary, the County is required to contribute 3% of the employee's annual salary. If the employee elects to contribute 6% of their annual salary, the County is required to contribute 6% of the employee's annual salary.

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

Employer contributions to the Plan for the year amounted to \$2,027,252 and employee contributions were \$1,383,737.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

11. POSTEMPLOYMENT HEALTH BENEFITS

Primary Government

Plan Description. The County provides a defined benefit postemployment group hospitalization plan provided proper application is made prior to retirement for union and non-union employees. This Plan was established through employees' union contracts and through a Board resolution for non-union employees. A vested employee who leaves County employment before attaining the age and service required to receive a pension shall not be eligible for health insurance coverage. Employees who retire on or after January 1, 1993, may elect to receive a monthly stipend ranging from \$75 to \$150 per month in lieu of health coverage provided they are not covered as a dependent under a County-paid health plan. New hires after January 1, 1993, will receive only single coverage for their health insurance upon retirement. The plan is closed to all new hires.

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

Method Used to Value Investments. Investments are reported at fair value which is determined using selected bases as follows: short-term investments are reported at cost, which approximates fair value; securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; investments for which market quotations are not readily available are valued at fair market values as determined by the custodian under the direction of the Board of Commissioners, with the assistance of a valuation service; and cash deposits are reported at carrying amounts which reasonably estimates fair value.

Funding Policy. The contribution requirements of the Plan members and the County are established and may be amended by the County Board of Commissioners, in accordance with County policies, union contracts, and Plan provisions. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined through the annual actuarial valuation. For the year ended September 30, 2021, the County contributed \$7,450,740 to the Plan.

At September 30, 2021, the date of the latest actuarial valuation, participants in the plan consisted of:

Retirees and beneficiaries currently receiving benefits	662
Active employees	<u>149</u>
Total	<u><u>811</u></u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Benefits. The County pays between 10%-100% of the health insurance premiums for these retirees. At age 65 retirees and covered spouses are required to enroll in Medicare parts A and B when eligible. The retiree is responsible for payment of the Medicare part B premiums. Effective August 1, 2017, eligible retirees and their spouses that become Medicare eligible are transferred into a Medicare Plus Blue PPO (Medicare Advantage) fully insured plan. Retirees are required to enroll in both Part A and Part B of Medicare to continue under the County's group coverage. A premium share at the percentage indicated below, as established by Board resolution, is required by non-union retirees:

Years of Service	Retirement on or after October 1, 2013	
	Employer Pays	Employee Pays
0-5	0%	100%
6	10%	90%
7	15%	85%
8	20%	80%
9	25%	75%
10	30%	70%
11	35%	65%
12	4%	96%
13	45%	55%
14	50%	50%
15	55%	45%
16	60%	40%
17	65%	35%
18	70%	30%
19	75%	25%
20 or more	80%	20%

Except for employees retired prior to January 1, 1991 in which no premium contributions is required, all other non-union employees are required to pay premiums as follows: *Pub. H. Nurses. Retired prior to October 1, 2013:* varies by retirement date, *OPEIU hired prior to March 29, 1986:* contributes percentages of funding premium according to table above, except that members with 20 or more years of service pay 0% of funding premium.

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 contracts. During year ended September 30, 2021, retiree contributions amounted to \$121,087.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Changes in Net OPEB Liability

The components of the change in the net OPEB liability are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at September 30, 2020	58,056,348	34,515,731	23,540,617
Changes for the year:			
Service cost	468,981	-	468,981
Interest	3,384,923	-	3,384,923
Difference between expected and actual experience	891,997	-	891,997
Changes in assumptions	(1,431,902)	-	(1,431,902)
Employer contributions	-	7,450,740	(7,450,740)
Net investment income	-	4,289,785	(4,289,785)
Benefit payments, including refunds of employee contributions	(3,750,981)	(3,750,981)	-
Administrative expenses	-	(206,352)	206,352
Net changes	<u>(436,982)</u>	<u>7,783,192</u>	<u>(8,220,174)</u>
Balances at September 30, 2021	<u>57,619,366</u>	<u>42,298,923</u>	<u>15,320,443</u>

Changes in assumptions. In 2021, changes in assumptions had a decreased immediate trend from 8.00% to 7.50% pre-65, and from 6.25% to 5.75% post-65 for disability.

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

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

The total OPEB liability was calculated as of September 30, 2021, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Retirement age for active employees— Based on the retirement rates used in the most recent MERS pension valuation.

Spousal election rates— 80% of participating retirees are assumed to be married at retirement. 100% of married participants at retirement will elect to cover their spouse.

Mortality—Pre-Retirement : Pub-2010 General Employees Mortality Table without adjustment. *Healthy Retirees* : Pub-2010 General Retiree Mortality Table scaled by a factor of 106%. *Disabled Retirees* : PubNS-2010 Disabled Retiree Mortality Table without adjustment. The mortality assumptions include a margin for future mortality improvements using Scale MP-2019 projected fully-generationally from the central year of data, 2010.

Healthcare cost trend rate— The expected rate of increase in healthcare insurance premiums was based on projections by the County's management. A pre-65 rate of 7.50% and a post-65 rate of 5.75% were used for the first year reducing by .25% each year until leveling out at 4.50%.

Inflation rate— The expected long-term inflation assumption used was 2.50%.

Payroll growth rate— The expected long-term payroll growth was 3.00%.

Investment rate of return— Based on the historical and expected returns of the County's long-term investment portfolio, a discount rate of 6.00% was used.

Investments

Investment Policy. The OPEB Plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment processes that the Board deems appropriate. The OPEB Plan's asset allocation policy is shown below.

Rate of Return. For the year ended September 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 11.85%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

The long-term expected rate of return on OPEB Plan investments was determined using a forward looking estimate of capital market returns model for each investment major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and investment expenses. The target allocation and best estimates of arithmetic real rates of return for each asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic fixed income	40.0%	1.00%	0.41%
Domestic equity	50.0%	5.50%	2.75%
International equity	5.0%	6.50%	0.36%
Other	5.0%	-0.50%	-0.02%
	100.0%		
Inflation			2.50%
Investment rate of return			6.00%

Discount Rate. The discount rate used to measure the total OPEB liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the County, calculated using the discount rate of 6.00%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (5.00%) or 1% higher (7.00%) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
County's net OPEB liability	\$ 22,675,208	\$ 15,320,443	\$ 9,266,259

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability of the County, calculated using the healthcare cost trend rate of 8.25% (post-65 6.50%), as well as what the County's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (7.00%)	Current Trend Rate (6.00%)	1% Increase (8.00%)
County's net OPEB liability	\$ 8,855,993	\$ 15,320,443	\$ 23,138,161

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the County recognized OPEB expense of \$(25,768,117). The County reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 34,308	\$ -	\$ 34,308
Changes in assumptions	-	55,073	(55,073)
Net difference between projected and actual earnings on pension plan investments	-	1,061,293	(1,061,293)
Total	\$ 34,308	\$ 1,116,366	\$ (1,082,058)

Amounts reported as OPEB-related deferred outflows/inflows of resources will be recognized in OPEB expense as follows:

Year Ended September 30,	Amount
2022	\$ (137,267)
2023	(173,363)
2024	(348,621)
2025	(422,807)
Total	\$ (1,082,058)

Payable to the OPEB Plan. At September 30, 2021, the County reported no payable to the OPEB plan required for the year ended September 30, 2021.

The net OPEB liability is generally liquidated by the General Fund.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Component Unit - Road Commission

Plan Description. The Road Commission administers a single employer defined benefit postemployment benefit plan (the "Plan"). The Plan provides healthcare, dental and life insurance benefits in accordance with the Saginaw County Road Commission's union contract Article 28, to all employees who retire from the Road Commission and qualify for benefits under MERS. Coverage for non-union employees is provided upon the discretion of management. The Plan provides up to 100% of health insurance benefits depending on coverage elected by the employee. The Plan is closed to union members and managers hired on or after December 27, 2011 for medical, dental or life insurance benefits and commissioners hired on or after January 1, 2020 for medical or dental insurance.

Contributions. The Saginaw County Road Commission OPEB was established and is being funded under the authority of the Road Commission and under agreements with the unions representing various classes of employees. The plan's funding policy is that the Road Commission will contribute \$200,000 annually in addition to making benefit payments from general operating funds until the OPEB trust meets its goal of 40% funded status while continuing to pay plan benefits from general operating funds. There are no long term contracts for contributions to the plan.

At December 31, 2020, retirement plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	99
Active employees	<u>31</u>
Total	<u><u>130</u></u>

Benefits. Dental premiums, life insurance premiums stipends for retirees opting out of medical coverage are fully paid by the Commission. Union retirees hired on or after February 9, 2004 pay a percentage of their medical premiums based on their service years at retirement. If healthcare premiums exceed the hard caps as set by the State of Michigan under MCL 15.563, retirees must contribute the cost of the medical premiums in excess of those caps.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Changes in Net OPEB Liability

The components of the change in the net OPEB liability are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at December 31, 2019	21,317,376	360,159	20,957,217
Changes for the year:			
Service cost	172,054	-	172,054
Interest	1,227,755	-	1,227,755
Net investment income	-	53,533	(53,533)
Differences between expected and actual experience	(713,497)	-	(713,497)
Changes in assumptions	874,008	-	874,008
Contributions to OPEB trust	-	120,000	(120,000)
Employer contributions	-	860,331	(860,331)
Benefit payments, including refunds of employee contributions	(860,331)	(860,331)	-
Administrative expenses	-	(750)	750
Net changes	699,989	172,783	527,206
Balances at December 31, 2020	22,017,365	532,942	21,484,423

Changes in assumptions— (1) mortality improvement scale changed from MP-2018 to MP-2020 (2) timing of claims changed from middle of year to beginning of year (3) trend rates updated from rates prescribed by Public Act 202 for 2019 to 2020.

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

The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Retirement age for active employees— Based on the retirement rates used in the most recent MERS pension valuation.

Election rates— 100% of participants will elect coverage at retirement.

Mortality— 2010 Public-General Employees and Healthy Retirees, Headcount weighted.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Healthcare cost trend rate— The expected rate of increase in healthcare insurance premiums was based on projections by the County’s management. A rate 8.25% reducing by .25% each year until leveling out at 4.50%.

Inflation rate— The expected long-term inflation assumption used was 2.50%.

Payroll growth rate— The expected long-term payroll growth was 3.50%.

Investment rate or return— Based on the historical and expected returns of the County’s long-term investment portfolio, a discount rate of 5.83%, including inflation, was used.

The long-term expected rate of return on OPEB Plan investments was determined using a forward looking estimate of capital market returns model for each investment major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and investment expenses. The target allocation and best estimates of arithmetic real rates of return for each asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Total market portfolio	50.0%	4.85%	2.43%
Global fixed income	50.0%	1.80%	0.90%
	100.0%		
Inflation			2.50%
Investment rate of return			5.83%

Discount Rate. The discount rate used to measure the total OPEB liability was 5.83%. The projection of cash flows used to determine the discount rate assumed that the Road Commission made an annual contribution of \$120,000 this year, and will make annual contributions of \$200,000 in subsequent year until the plan attains 40% funded status. In addition, it is assumed that the plan sponsor will continue to pay current benefits from general operating funds. Based on these assumptions, the retirement plan’s fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members, therefore, there is no cross-over point depletion date. Projected benefits were discounted at a discount rate equal to the long-term rate of return, plus inflation, as shown above. At December 31, 2020, the discount rate used to value OPEB liabilities was 5.83%.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the Commission, calculated using the discount rate of 5.83%, as well as what the Commission’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower (4.83%) or 1% higher (6.83%) than the current rate:

	1% Decrease (4.83%)	Current Discount Rate (5.83%)	1% Increase (6.83%)
Commission’s net OPEB liability	\$ 24,048,997	\$ 21,484,423	\$ 19,355,054

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability of the Commission, calculated using the healthcare cost trend rate of 8.25% reducing to an ultimate rate of 4.50%, as well as what the Commission's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (7.25%)	Current Trend Rate (8.25%)	1% Increase (9.25%)
Commission's net OPEB liability	\$ 19,259,218	\$ 21,484,423	\$ 24,161,060

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the Commission recognized OPEB expense of \$(2,222,979). The Road Commission reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 244,091	\$ (244,091)
Changes in assumptions	299,003	-	299,003
Net difference between projected and actual earnings on pension plan investments	-	28,272	(28,272)
Total	<u>\$ 299,003</u>	<u>\$ 272,363</u>	<u>\$ 26,640</u>

Amounts reported as OPEB-related deferred outflows/inflows of resources will be recognized in OPEB expense as follows:

Year Ended December 31,	Amount
2021	\$ 47,426
2022	(7,486)
2023	(7,488)
2024	<u>(5,812)</u>
Total	<u>\$ 26,640</u>

Payable to the OPEB Plan. At December 31, 2020, the Commission did not have any outstanding contributions payable to the OPEB plan for the year ended December 31, 2020.

Additional information and required supplementary information can be found in the Road Commission's separately issued report.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

12. 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 insured for \$500,000 in liability for each occurrence and Eagles Claims Management, the County’s administrator for worker’s compensation, insures the remainder, through Midwest Employers Casualty Company, up to \$1,000,000 for each occurrence. The revenue for this activity’s operation is derived through reimbursements from various funds having employees. Losses, damages and administrative expenses are all paid from this fund.

The claims liability as reported at September 30, 2021, is based on requirements 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, 2021 and 2020, are as follows:

	Beginning of Period Liability	Claims and Changes in Estimates	Claim Payments	End of Period Liability
2020	\$ 118,065	\$ 62,549	\$ 128,560	\$ 52,054
2021	52,054	87,264	86,562	52,756

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 \$250,000 for each claim. After the first \$250,000 and up to \$10,000,000, insurance is provided by Tokio Marine. The County has an excess carrier, Markel American Insurance Company, that provides an additional \$5,000,000 for a total of \$15,000,000. 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, modifiers, 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, MICHIGAN

Notes To Financial Statements

The changes in the claims liability for the years ended September 30, 2021 and 2020, are as follows:

	Beginning of Period Liability	Claims and Changes in Estimates	Claim Payments	End of Period Liability
2020	\$ 305,783	\$ 422,567	\$ 424,443	\$ 303,907
2021	303,907	241,194	248,086	297,015

Health Insurance

The self-insurance program for health insurance is accounted for in the Employee Benefits Fund (internal service fund) and the Postemployment Health Benefits Fund (an other employee benefit trust fund). An independent administrator (Blue Cross) is hired to process the daily claims. The County is responsible for individual claims up to \$300,000 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. Effective August 1, 2017, eligible retirees and their spouses that become Medicare eligible are transferred into a Medicare Plus Blue PPO (Medicare Advantage) fully insured plan. Retirees are required to enroll in both Part A and Part B of Medicare to continue under the County's group coverage. The revenues for this Fund's operation are reimbursements from various funds and employee payroll withholdings. The liability at the end of the year is based on claims already incurred and reported and on estimates of incurred but not reported claims as provided by Blue Cross. No annuity contracts have been purchased to satisfy claim liabilities. Settled claims have not exceeded insurance coverage in any of the past three years.

The changes in the claims liability for the years ended September 30, 2021 and 2020, are as follows:

	Beginning of Period Liability	Claims and Changes in Estimates	Claim Payments	End of Period Liability
2020	\$ 595,000	\$ 3,955,292	\$ 4,276,180	\$ 274,112
2021	274,112	8,522,896	6,099,622	2,697,386

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

13. PROPERTY TAXES

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

The taxable value of real property at December 1, 2020 totaled \$5,327,955,573. The tax levy for 2020/2021 operations were based on the following rates:

General operating	4.8558	mills
Mosquito control	0.6400	mills
Senior citizens	0.5900	mills
Sheriff service	1.7500	mills
County parks	0.2942	mills
Castle Museum	0.1997	mills
Event center	0.2250	mills
9-1-1 Authority	0.2800	mills
Animal control	0.4250	mills
Children zoo	0.2000	mills
HealthSource	0.4494	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 Delinquent Tax Revolving enterprise fund.

14. 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.

The County is a defendant in litigation related to provisions of the Michigan General Property Tax Act and surplus proceeds generated through the auction of property tax-foreclosed properties under the statute, with similarly situated counties in the state. Proceedings are currently stayed while an appeal pending in the U.S. Circuit Court of Appeals is heard. The County may be required to repay in the future some portion of the surplus from previous years proceeds to former owners of property tax-foreclosed properties for the tax-foreclosed property dispositions. As of September 30, 2021, the County is not able to reasonably estimate this potential liability. Accordingly, no amounts for this potential liability have been recognized in the County's delinquent tax foreclosure fund.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

15. NET POSITION

Restricted Net Position

The composition of restricted net position as of year end, was as follows:

	Governmental Activities	Component Units
Public improvement	\$ 2,979,079	\$ -
Drain projects	-	14,953,944
Debt service	3,209,963	37,242,238
CMH renovations	564,702	-
Public safety	1,765,578	-
Health and welfare	8,044,527	-
Recreation	2,688,843	-
Other:		
Public works	499,634	-
Community and economic development	1,978,861	-
Register of Deeds	384,553	-
Endowment:		
Nonexpendable	36,390	-
Expendable	5,051	-
Total restricted net position	<u>\$ 22,157,181</u>	<u>\$ 52,196,182</u>

Net Investment in Capital Assets

The composition of net investment in capital assets as of year end, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 7,796,639	\$ 7,296,071	\$ 55,540,726
Capital assets being depreciated, net	53,654,034	18,086,012	193,897,556
	<u>61,450,673</u>	<u>25,382,083</u>	<u>249,438,282</u>
Related debt:			
Due within one year	8,072,169	707,063	2,977,118
Due in more than one year	83,003,246	30,673,803	42,788,737
Due to Saginaw Hockey Club, LLC	-	1,041,000	-
Less:			
Department of Public Works conduit debt	-	-	(8,688,519)
Compensated absences	(2,079,302)	(6,192)	(728,979)
Delinquent tax notes	-	(14,273,000)	-
Unexpended bond proceeds	(14,945,080)	-	-
Community Mental Health bonds	(3,615,000)	-	-
Pension bonds	(27,740,000)	-	-
	<u>42,696,033</u>	<u>18,142,674</u>	<u>36,348,357</u>
Net investment in capital assets	<u>\$ 18,754,640</u>	<u>\$ 7,239,409</u>	<u>\$ 213,089,925</u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

16. FUND BALANCES - GOVERNMENTAL FUNDS

Detailed information on fund balances of governmental funds is as follows:

	General Fund	Michigan Works!	American Rescue Plan Act	Animal Care and Control Resource Center Construction Fund	Mainframe Conversion Project	Nonmajor Governmental Funds	Total
Nonspendable:							
Long-term advances	\$ 420,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 420,000
Prepays	12,915	72,021	27,500	-	-	147,056	259,492
Permanent fund corpus	-	-	-	-	-	36,390	36,390
Total nonspendable	432,915	72,021	27,500	-	-	183,446	715,882
Restricted for:							
Public safety	-	-	25,182	-	-	1,692,892	1,718,074
Public works	-	-	-	-	-	499,634	499,634
Health and welfare	-	-	-	-	-	7,766,544	7,766,544
Community and economic development	-	-	-	-	-	68,205	68,205
Recreation	-	-	-	-	-	2,670,520	2,670,520
Family counseling	202,202	-	-	-	-	-	202,202
Register of Deeds	-	-	-	-	-	384,553	384,553
Debt service	-	-	-	-	-	1,540,053	1,540,053
Public Improvement	-	-	-	-	-	2,979,079	2,979,079
Mainframe conversion	-	-	-	-	5,377,667	-	5,377,667
Animal Care and Control Resource Center	-	-	-	9,567,413	-	-	9,567,413
CMH Renovations	-	-	-	-	-	564,702	564,702
ARPA grant	-	-	-	-	-	-	-
Permanent trusts	-	-	-	-	-	5,051	5,051
Total restricted	202,202	-	25,182	9,567,413	5,377,667	18,171,233	33,343,697
Committed for:							
Public safety	-	-	-	-	-	2,215,583	2,215,583
Recreation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Total committed	-	-	-	-	-	2,215,583	2,215,583
Assigned for:							
Employee payroll reserve	13,066,680	-	-	-	-	-	13,066,680
G.I.S. System	-	-	-	-	-	30,075	30,075
Courts	-	-	-	-	-	413,902	413,902
General government	-	-	-	-	-	1,841,788	1,841,788
Public safety	-	-	-	-	-	257,269	257,269
Community and economic development	-	267,057	-	-	-	149,439	416,496
Health and welfare	-	-	-	-	-	7,002,399	7,002,399
Capital projects	-	-	-	-	-	114,915	114,915
Debt service	-	-	-	-	-	1,761,960	1,761,960
Subsequent year	2,115,730	-	-	-	-	-	2,115,730
Total assigned	15,182,410	267,057	-	-	-	11,571,747	27,021,214
Unassigned	5,914,225	-	-	-	-	-	5,914,225
Total fund balances, governmental funds	\$ 21,731,752	\$ 339,078	\$ 52,682	\$ 9,567,413	\$ 5,377,667	\$ 32,142,009	\$ 69,210,601

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

17. TAX ABATEMENTS

The County received reduced property tax revenues during 2021 as a result of industrial facilities tax exemptions (IFT's), brownfield redevelopment agreements and personal property exemption (Act 328 of 1998) agreements entered into by the local municipalities.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the County. The abatements by local unit which reduced tax revenues to the County for 2021 were as follows:

Governmental Entity	Taxable Value	Abatement Amount
Townships:		
Blumfield	\$ 1,343,100	\$ 6,654
Bridgeport	2,170,700	10,755
Buena Vista	6,830,300	33,841
Carrollton	247,400	1,226
Frankenmuth	79,400	393
Jonesfield	1,918,300	9,504
Kochville	549,500	2,723
Saginaw	2,440,134	12,090
Spaulding	85,851	425
Swan Creek	225,300	1,116
Thomas	74,203,650	367,646
Tittabawassee	355,900	1,763
Cities:		
Frankenmuth	2,730,200	13,527
Saginaw	3,133,614	15,526
		<u>\$ 477,189</u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

The New Personal Property Exemption, PA 328 of 1998, (MCL 211.9 f) as amended, affords a 100% property tax exemption for specific businesses located within eligible distressed communities. This exemption is for all new personal property placed in a district that has been established by the local unit of government. The local unit of government determines the number of years granted and may grant any number of years for the exemption. Applications are filed, reviewed and approved by the local unit of government, but are also subject to review at the State level by the Property Services Division and the State Tax Commission. The abatements by local unit which reduced tax revenues to the County for 2021 were as follows:

Governmental Entity	Taxable Value	Abatement Amount
City of Saginaw	\$ 312,720,900	\$ 3,098,783
Buena Vista Township	124,360,900	1,232,305
Thomas Township	4,177,100	41,391
		<u>\$ 4,372,479</u>

18. FEDERAL GRANTS - ROAD COMMISSION

The Michigan Department of Transportation (MDOT) requires that road commissions report all Federal and State grants pertaining to their county. During the year ended December 31, 2020 the Federal aid received and expended by the Road Commission was \$4,036,647 for contracted projects and \$0 for negotiated projects. Contracted projects are defined as projects performed by private contractors paid for and administered by MDOT (they are included in MDOT's single audit). Negotiated projects are projects where the Commission administers the grant and either performs the work or contracts it out. The Road Commission is subject to single audit requirements if they expended \$750,000 or more for negotiated projects.

19. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. The extent of the ultimate impact of the pandemic on the County's operational and financial performance will depend on various developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, it may place additional demands on the County for providing emergency services to its citizens. While management reasonably expects the COVID-19 outbreak to negatively impact the County's financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

20. RESTATEMENTS

The County implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*, during the current year. The implementation of this new standard includes a restatement to fund balance at the beginning of the year for the Hospital Millage and the Saginaw Children's Zoo Millage nonmajor special revenue funds which resulted in increases of \$1,315,710 and \$76,370, respectively. The beginning net position of governmental activities was also restated by \$1,392,080. The beginning net position for the Dependent Care and Medical Spending Reimbursement custodial funds were restated by \$15,023.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

21. SUBSEQUENT EVENTS

The County approved the utilize \$475,000 in fund balance in fiscal year 2022 to complete the installation of a Splash Pad, playground, and amenities at Haithco Recreation Area.

The County approved to appropriate from General Fund balance \$1,025,925 for funding for a Medical Examiner's Office and to permanently replace the existing services (forensic pathology, investigation, transportation, and storage) and procure an autopsy suite and storage facility.



REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF SAGINAW, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Changes in County's Net Pension Liability and Related Ratios

	Year Ended September 30,				
	2021	2020	2019	2018	2017
Total pension liability					
Service cost	\$ 60,841	\$ 63,245	\$ 141,797	\$ 271,358	\$ 343,667
Interest	11,851,105	11,000,096	11,077,621	11,161,488	11,214,831
Difference between expected and actual experience	72,218	(142,834)	747,985	5,196	(125,333)
Changes in assumptions	5,545,935	4,725,317	-	-	-
Benefit payments, including refunds of employee contributions	(13,343,085)	(13,195,896)	(12,598,428)	(12,244,774)	(11,882,834)
Other changes	-	-	(3)	2	3
Net change in total pension liability	<u>4,187,014</u>	<u>2,449,928</u>	<u>(631,028)</u>	<u>(806,730)</u>	<u>(449,666)</u>
Total pension liability, beginning of year	<u>146,517,475</u>	<u>144,067,547</u>	<u>144,698,575</u>	<u>145,505,305</u>	<u>145,954,971</u>
Total pension liability, end of year	<u>150,704,489</u>	<u>146,517,475</u>	<u>144,067,547</u>	<u>144,698,575</u>	<u>145,505,305</u>
Plan fiduciary net position					
Employer contributions	3,595,010	3,245,914	2,457,345	1,141,350	401,184
Employee contributions	8,070	20,360	56,056	54,021	61,122
Net investment income (loss)	14,591,798	14,210,014	(4,496,238)	15,139,260	12,879,155
Benefit payments, including refunds of employee contributions	(13,343,085)	(13,195,896)	(12,598,428)	(12,244,774)	(11,882,834)
Administrative expense	(218,068)	(244,503)	(231,362)	(240,839)	(254,838)
Net change in plan fiduciary net position	<u>4,633,725</u>	<u>4,035,889</u>	<u>(14,812,627)</u>	<u>3,849,018</u>	<u>1,203,789</u>
Plan fiduciary net position, beginning of year	<u>112,265,256</u>	<u>108,229,367</u>	<u>123,041,994</u>	<u>119,192,976</u>	<u>117,989,187</u>
Plan fiduciary net position, end of year	<u>116,898,981</u>	<u>112,265,256</u>	<u>108,229,367</u>	<u>123,041,994</u>	<u>119,192,976</u>
County's net pension liability	<u>\$ 33,805,508</u>	<u>\$ 34,252,219</u>	<u>\$ 35,838,180</u>	<u>\$ 21,656,581</u>	<u>\$ 26,312,329</u>
Plan fiduciary net position as a percentage of total pension liability	77.6%	76.6%	75.1%	85.0%	81.9%
Covered payroll	\$ 499,531	\$ 513,152	\$ 1,081,792	\$ 2,079,913	\$ 2,579,083
County's net pension liability as a percentage of covered payroll	6767.4%	6674.9%	3312.9%	1041.2%	1020.2%

See notes to required supplementary information.

Year Ended September 30,	
2016	2015
\$ 366,482	\$ 470,724
11,030,766	11,028,920
(116,667)	-
6,937,875	-
(11,572,681)	(11,276,793)
(159)	(415)
<u>6,645,616</u>	<u>222,436</u>
<u>139,309,355</u>	<u>139,086,919</u>
<u>145,954,971</u>	<u>139,309,355</u>
384,689	52,025,528
95,891	98,809
(1,845,639)	7,963,230
(11,572,681)	(11,276,793)
<u>(277,640)</u>	<u>(292,649)</u>
<u>(13,215,380)</u>	<u>48,518,125</u>
<u>131,204,567</u>	<u>82,686,442</u>
<u>117,989,187</u>	<u>131,204,567</u>
<u>\$ 27,965,784</u>	<u>\$ 8,104,788</u>

80.8% 94.2%

\$ 2,767,719 \$ 3,525,912

1010.4% 229.9%

COUNTY OF SAGINAW, MICHIGAN

Required Supplementary Information
MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Contributions

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2015	\$ 338,547	\$ 338,547	\$ -	\$ 3,566,631	9.5%
2016	300,847	300,847	-	3,014,094	10.0%
2017	701,460	701,460	-	2,486,296	28.2%
2018	2,461,020	2,461,020	-	1,963,141	125.4%
2019	3,012,960	3,012,960	-	1,135,893	265.3%
2020	3,386,952	3,386,952	-	561,185	603.5%
2021	4,219,188	4,219,188	-	499,530	844.6%

See notes to required supplementary information.

COUNTY OF SAGINAW, MICHIGAN

Notes to Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Notes to Schedule of Changes in County's Net Pension Liability and Related Ratios

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Changes in assumptions.

- * In 2021, amounts reported as changes of assumptions related to updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.

- * In 2020, amounts reported as changes of assumptions resulted primarily from a decrease in the assumed rate of return from 7.75% to 7.35%, and a decrease in the assumed rate of wage inflation from 3.75% to 3.00%.

- * In 2016, amounts reported as changes in assumptions resulted in primarily from adjustments to the mortality table to reflect longer lifetimes, decreases in the assumed rate of return and changes in asset smoothing.

Notes to Schedule of Contributions

GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Valuation Date Actuarially determined contribution rates are calculated as of December 31, which is 21 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	15-20 years depending on division
Asset valuation method	5-year smooth market
Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment and administrative expense including inflation
Retirement age	Age 60
Mortality	50% Female/50% Male blend of the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%, the RP-2014 Employee Mortality Tables, and the RP-2014 Juvenile Mortality Tables

COUNTY OF SAGINAW, MICHIGAN

Required Supplementary Information

Single Employer Defined Benefit Other Postemployment Benefit Plan

Schedule of Changes in County's Net OPEB Liability and Related Ratios

	Year Ended September 30,				
	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 468,981	\$ 779,823	\$ 751,637	\$ 941,815	\$ 934,769
Interest	3,384,923	5,592,103	5,488,195	5,969,257	6,243,989
Differences between expected and actual experience	891,997	(51,173,560)	-	1,329,614	-
Changes in assumptions	(1,431,902)	12,441,144	-	(12,017,195)	-
Benefit payments, including refunds of employee contributions	(3,750,981)	(4,792,873)	(4,267,244)	(4,006,144)	(7,347,208)
Net change in total OPEB liability	(436,982)	(37,153,363)	1,972,588	(7,782,653)	(168,450)
Total OPEB liability, beginning of year	58,056,348	95,209,711	93,237,123	101,019,776	101,188,226
Total OPEB liability, end of year	57,619,366	58,056,348	95,209,711	93,237,123	101,019,776
Plan fiduciary net position					
Employer contributions	7,450,740	7,731,321	7,999,149	8,991,013	8,331,754
Net investment income	4,289,785	1,522,488	776,801	1,034,722	1,726,727
Benefit payments, including refunds of employee contributions	(3,750,981)	(4,792,873)	(4,267,244)	(4,006,144)	(7,347,208)
Administrative expense	(206,352)	(65,918)	(147,505)	(133,404)	(160,297)
Net change in plan fiduciary net position	7,783,192	4,395,018	4,361,201	5,886,187	2,550,976
Plan fiduciary net position, beginning of year	34,515,731	30,120,713	25,759,512	19,873,325	17,322,349
Plan fiduciary net position, end of year	42,298,923	34,515,731	30,120,713	25,759,512	19,873,325
County's net OPEB liability	\$ 15,320,443	\$ 23,540,617	\$ 65,088,998	\$ 67,477,611	\$ 81,146,451
Plan fiduciary net position as a percentage of total OPEB liability	73.4%	59.5%	31.6%	27.6%	19.7%
Covered payroll	\$ 8,585,103	\$ 8,296,124	\$ 8,418,944	\$ 8,073,230	\$ 9,793,458
County's net OPEB liability as a percentage of covered payroll	178.5%	283.8%	773.1%	835.8%	828.6%

See notes to required supplementary information.

COUNTY OF SAGINAW, MICHIGAN

Required Supplementary Information
 Single Employer Defined Benefit Other Postemployment Benefit Plan

Schedule of Contributions

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as Percentage of Covered- Employee Payroll
2017	\$ 11,412,510	\$ 8,331,754	\$ 3,080,756	\$ 9,793,458	85.1%
2018	6,457,457	8,991,013	(2,533,556)	8,073,230	111.4%
2019	5,807,513	7,999,149	(2,191,636)	8,418,944	95.0%
2020	5,836,545	7,731,321	(1,894,776)	8,296,124	93.2%
2021	2,293,426	7,450,740	(5,157,314)	8,585,103	86.8%

See notes to required supplementary information.

COUNTY OF SAGINAW, MICHIGAN

Required Supplementary Information

Single Employer Defined Benefit Other Postemployment Benefit Plan

Schedule of Investment Returns

Fiscal Year Ended September 30,	Annual Rate of Return*
2017	9.74%
2018	4.73%
2019	2.82%
2020	4.83%
2021	11.85%

* Annual money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

See notes to required supplementary information.

COUNTY OF SAGINAW, MICHIGAN

Notes to Required Supplementary Information

Single Employer Defined Benefit Other Postemployment Benefit Plan

Notes to Schedule of Changes in County's Net OPEB Liability and Related Ratios

The amounts presented for each fiscal year were determined as of September 30 of the preceding year.

GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Changes in assumptions for the September 30, 2018 actuarial valuation were (1) per-capita claims and fixed cost rates were updated to reflect experience since the previous valuation; (2) healthcare trend rates were changed to (a) pre-65 first year was reduced to 8.50% reducing 0.25% each year until reaching 4.50% (b) post-65 first year was reduced to 7.00% reducing 0.25% each year until reaching 4.50%; and (3) pre-65 healthcare cost trend assumption was adjusted to account for potential excise taxes on "Cadillac" plan benefits. Adjustment included a 0.50% increase in the ultimate trend rate.

Changes in assumptions for the September 30, 2020 actuarial valuation were (1) annual wage increase rate was decreased from 3.75% to 3.00%, plus merit-related increases per the MERS of Michigan experience study published February 2020; (2) per-capita costs were updated to reflect experience and insurer changes since the previous valuation; (3) loads on healthcare trend to estimate the impact of the 'Cadillac Tax' were removed as the tax was repealed in December 2019; (4) post-65 immediate medical trend rate was decreased to 6.50%; (5) percentage of future retirees assumed to be married at retirement was increased from 70% to 80% per the MERS of Michigan experience study published February 2020; (6) mortality, withdrawal, and retirement rates were updated to the current MERS of Michigan assumptions per the experience study published February 2020; (7) pre-Medicare medical insurer was changed from BCBS (Anthem) to Aetna, and the Medicare Advantage insurer was changed from BCBS (Anthem) to Humana; and (8) premium equivalent rates were updated to reflect current rates.

Changes in assumptions for the September 30, 2021 actuarial valuation had a decreased immediate trend from 8.00% to 7.50% pre-65, and from 6.25% to 5.75% post-65 for disability.

COUNTY OF SAGINAW, MICHIGAN

Notes to Required Supplementary Information

Single Employer Defined Benefit Other Postemployment Benefit Plan

Notes to Schedule of Contributions

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Valuation Date Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry-age normal
Amortization method	Level percent of payroll
Remaining amortization period	28 years
Asset valuation method	Market value of assets
Health care inflation rates	7.50% (pre age 65) 5.25% (post age 65) reduced 0.25% each year until the rate reaches 4.50%
Salary increases	Long-term salary increases consist of 3.75% increases.
Investment rate of return	6.00%
Retirement age	Rates are based on the Retirement rates used in the most recent OPEB valuation.

Mortality *Pre-Retirement*: Pub-2010 General Employees Mortality Table without adjustment. *Healthy Retirees*: Pub-2010 General Retiree Mortality Table scaled by a factor of 106%. *Disabled Retirees*: PubNS-2010 Disabled Retiree Mortality Table without adjustment. The mortality assumptions include a margin for future mortality improvements using Scale MP-2019 projected fully-generationally from the central year of data, 2010.

Notes to Schedule of Investment Returns

GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

COUNTY OF SAGINAW, MICHIGAN

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 a special voted tax, 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.

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

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

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

Health Department Fund - This fund is used to account for the grant revenues and the related operations of the Saginaw County Department of Public Health.

Solid Waste Management 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 & 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.

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.

COUNTY OF SAGINAW, MICHIGAN

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

Dredged Materials Disposal Fund – This fund is used to account for the operations and maintenance 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 donations from private sources, rental agreements, and interest earnings. 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.

Principal Residence Exemption 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 was established under Public Act 136 of 1956 and 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 capital assets, state shared revenues, and interest earned. Once money is placed in this fund, it becomes restricted and cannot be expended or transferred for purposes other than the public improvements.

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 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.

Small Cities Reuse Fund - This fund is used to account for the operations of a service providing low interest loans to assist professional, commercial and industrial entities in rehabilitation and expansion of existing businesses and construction of new businesses within the County. Money for the operation of this fund is supplied from federal (pass-thru state) grants, interest earnings from loans, interest earnings from investments, and principal repayments. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

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

Indigent Care - This fund was established under Public Act 93 of 2013 and is used to account for the County's plan to comply with the provisions of the Public Act to provide indigent defendants with effective counsel. Money for the operation of this fund is supplied from a state grant, and a required local share from the general fund. 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.

COUNTY OF SAGINAW, MICHIGAN

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

Mobile Data Maintenance & 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.

Concealed Pistol Licensing Fund - This fund is used to account for the collection of various fees under Act 3 of the Public Acts of 2015, which is used by the County Clerk for the cost of administering the Act. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

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

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.

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.

COUNTY OF SAGINAW, MICHIGAN

Nonmajor Governmental Funds

Special Revenue Funds (Concluded)

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

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

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

Hospital Millage Fund - This fund is used to account for the collection and distribution of tax collections levied by the County and provided to HealthSource of Saginaw for operations and debt service.

Saginaw Children's Zoo Millage Fund - This fund is used to account for the collection and distribution of tax collections levied by the County and provided to the Children's Zoo.

Debt Service Funds

MERS (DB) Pension Obligation Bond 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 to fund its unfunded accrued pension liabilities for the County's defined benefit pension plan retirement program. Money in this fund is received from charges to other funds to be used for debt retirement.

Qualified Energy Bond 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 energy improvements at County facilities. Money in this fund is received from lease payments from governmental departments to be used for debt retirement and interest credits received by the IRS.

Juvenile Center Renovation 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.

Animal Control Building Bonds 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 in FY 2020 for a new Animal Care and Control Resource facility. Money from this fund is received by transfers from the Animal Control Fund.

Community Mental Health Bonds Fund - This fund accounts for the resources accumulated from the Saginaw County Community Mental Health Authority capital lease to pay the principal and interest on the bonds.

COUNTY OF SAGINAW, MICHIGAN

Nonmajor Governmental Funds

Mainframe Modernization Bonds Fund - This fund is used to account for the payment of principal and interest on long-term debt. The debt was created when the County issued bonds in FY 2019 to convert the County's existing mainframe software to new software vendors and replace existing IBM hardware. Money in this fund is received from the IT Cost allocation plan through charges to benefiting departments.

Sheriff's Adult Detention and Administration Facility Bonds 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 construction of the Sheriff's Adult Detention & Administration building. Funding will generally be transfers from the General Fund Sheriff's Jail activity.

Capital Projects Funds

Parks Building & 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.

Community Mental Health Renovations Fund - This fund is used to account for acquiring, constructing, improving and equipping Saginaw County Community Mental Health Authority facilities. Money for the operation of this fund is supplied from bond proceeds.

Sheriff's Adult Detention and Administration Facility Fund - This fund was established to account for the bond proceeds that were received and the construction of the new County adult detention and administration facility.

Permanent Fund

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

COUNTY OF SAGINAW, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2021

	Special Revenue Funds						
	Law Enforcement	Parks & Recreation Commission	Geographic Information System	Friend of the Court	Health Department	Solid Waste Management	Lodging Excise Tax
Assets							
Cash and investment pool	\$ 2,297,618	\$ 2,539,999	\$ -	\$ 1,400	\$ 7,864,128	\$ 418,760	\$ -
Receivables:							
Taxes	88,491	18,323	-	-	4,079	-	-
Accounts	75,199	60	60,921	8,198	114,301	106,632	1,043,613
Loans	-	-	-	-	-	-	-
Lease	-	-	-	-	-	-	-
Accrued interest	632	702	-	-	2,167	115	-
Due from other funds	-	115,495	-	-	-	-	-
Due from other governmental units	2,872	-	-	576,483	144,016	-	-
Prepays	9,401	100	-	3,281	2,020	-	-
Total assets	<u>\$ 2,474,213</u>	<u>\$ 2,674,679</u>	<u>\$ 60,921</u>	<u>\$ 589,362</u>	<u>\$ 8,130,711</u>	<u>\$ 525,507</u>	<u>\$ 1,043,613</u>
Liabilities							
Accounts payable	\$ 30,409	\$ 18,228	\$ -	\$ 6,424	\$ 247,129	\$ 25,873	\$ 991,508
Accrued liabilities	114,076	15,656	4,822	77,682	112,032	-	-
Deposits payable	3,738	-	-	-	25,053	-	-
Due to other funds	12,515	-	26,024	88,073	-	-	52,105
Due to other governmental units	-	-	-	-	1,370,169	-	-
Unearned revenue	-	-	-	-	446,534	-	-
Total liabilities	<u>160,738</u>	<u>33,884</u>	<u>30,846</u>	<u>172,179</u>	<u>2,200,917</u>	<u>25,873</u>	<u>1,043,613</u>
Deferred inflows of resources							
Unavailable revenue:							
Property taxes	88,491	18,323	-	-	4,079	-	-
Long-term receivables	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>88,491</u>	<u>18,323</u>	<u>-</u>	<u>-</u>	<u>4,079</u>	<u>-</u>	<u>-</u>
Fund balances							
Nonspendable	9,401	100	-	3,281	2,020	-	-
Restricted	-	2,622,372	-	-	-	499,634	-
Committed	2,215,583	-	-	-	-	-	-
Assigned	-	-	30,075	413,902	5,923,695	-	-
Total fund balances	<u>2,224,984</u>	<u>2,622,472</u>	<u>30,075</u>	<u>417,183</u>	<u>5,925,715</u>	<u>499,634</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,474,213</u>	<u>\$ 2,674,679</u>	<u>\$ 60,921</u>	<u>\$ 589,362</u>	<u>\$ 8,130,711</u>	<u>\$ 525,507</u>	<u>\$ 1,043,613</u>

Special Revenue Funds								
Castle Museum & Historical Activities	Commission on Aging	Mosquito Control	Dredged Materials Disposal	Planning Commission	Principal Residence Exemption	Public Improvement	Courthouse Preservation Technology	Animal Control
\$ 139,293	\$ 1,822,771	\$ 4,613,159	\$ 870	\$ 68,186	\$ 68,517	\$ 2,879,572	\$ 94,638	\$ 745,382
14,329	37,526	42,520	-	-	44,197	-	-	14,700
-	9,133	663	-	-	-	-	7,241	24
-	-	-	-	2,119,688	-	-	-	-
-	-	-	-	-	-	-	-	-
38	502	1,271	-	19	19	793	26	206
-	-	-	-	-	-	271,974	-	-
-	213,802	3,600	-	-	-	-	-	-
-	38,255	445	-	-	-	-	-	-
<u>\$ 153,660</u>	<u>\$ 2,121,989</u>	<u>\$ 4,661,658</u>	<u>\$ 870</u>	<u>\$ 2,187,893</u>	<u>\$ 112,733</u>	<u>\$ 3,152,339</u>	<u>\$ 101,905</u>	<u>\$ 760,312</u>
\$ 91,183	\$ 54,618	\$ 68,492	\$ 453	\$ -	\$ 22,949	\$ 173,260	\$ -	\$ 40,340
-	69,327	31,208	-	-	-	-	-	22,358
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	209,032	43,007	-	-	-
-	-	-	-	-	-	-	-	-
<u>91,183</u>	<u>123,945</u>	<u>99,700</u>	<u>453</u>	<u>209,032</u>	<u>65,956</u>	<u>173,260</u>	<u>-</u>	<u>62,698</u>
14,329	37,526	42,519	-	-	-	-	-	14,700
-	-	-	-	1,910,656	-	-	-	-
<u>14,329</u>	<u>37,526</u>	<u>42,519</u>	<u>-</u>	<u>1,910,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,700</u>
-	38,255	445	-	-	-	-	-	-
48,148	1,922,263	4,518,994	-	68,205	-	2,979,079	-	682,914
-	-	-	-	-	-	-	-	-
-	-	-	417	-	46,777	-	101,905	-
<u>48,148</u>	<u>1,960,518</u>	<u>4,519,439</u>	<u>417</u>	<u>68,205</u>	<u>46,777</u>	<u>2,979,079</u>	<u>101,905</u>	<u>682,914</u>
<u>\$ 153,660</u>	<u>\$ 2,121,989</u>	<u>\$ 4,661,658</u>	<u>\$ 870</u>	<u>\$ 2,187,893</u>	<u>\$ 112,733</u>	<u>\$ 3,152,339</u>	<u>\$ 101,905</u>	<u>\$ 760,312</u>

continued...

COUNTY OF SAGINAW, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2021

	Special Revenue Funds					
	Small Cities Reuse	Register of Deeds Automation	Indigent Care	E-911 Telephone Surcharge	Mobile Data Maintenance & Repair	Concealed Pistol Licensing
Assets						
Cash and investment pool	\$ 149,589	\$ 378,018	\$ 467,922	\$ 391,424	\$ 1,671,384	\$ 174,602
Receivables:						
Taxes	-	-	-	5,304	-	-
Accounts	667	8,560	-	1,364,248	-	1,272
Loans	42,291	-	-	-	-	-
Lease	-	-	-	-	-	-
Accrued interest	41	104	-	108	467	48
Due from other funds	-	-	-	-	-	-
Due from other governmental units	-	-	-	53,679	-	-
Prepays	-	-	-	-	-	-
Total assets	<u>\$ 192,588</u>	<u>\$ 386,682</u>	<u>\$ 467,922</u>	<u>\$ 1,814,763</u>	<u>\$ 1,671,851</u>	<u>\$ 175,922</u>
Liabilities						
Accounts payable	\$ 858	\$ 2,129	\$ 467,922	\$ 1,369,356	\$ 352	\$ 3,296
Accrued liabilities	-	-	-	-	-	1,251
Deposits payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>858</u>	<u>2,129</u>	<u>467,922</u>	<u>1,369,356</u>	<u>352</u>	<u>4,547</u>
Deferred inflows of resources						
Unavailable revenue:						
Property taxes	-	-	-	5,304	-	-
Long-term receivables	42,291	-	-	-	-	-
Total deferred inflows of resources	<u>42,291</u>	<u>-</u>	<u>-</u>	<u>5,304</u>	<u>-</u>	<u>-</u>
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	384,553	-	440,103	-	171,375
Committed	-	-	-	-	-	-
Assigned	149,439	-	-	-	1,671,499	-
Total fund balances	<u>149,439</u>	<u>384,553</u>	<u>-</u>	<u>440,103</u>	<u>1,671,499</u>	<u>171,375</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 192,588</u>	<u>\$ 386,682</u>	<u>\$ 467,922</u>	<u>\$ 1,814,763</u>	<u>\$ 1,671,851</u>	<u>\$ 175,922</u>

Special Revenue Funds								
County Library Board	Remuneration	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections	Local Correction Officer Training	MSU Extension	
\$ -	\$ -	\$ 91,899	\$ 207,097	\$ -	\$ 208,675	\$ 181,656	\$ 164,741	
-	-	-	-	-	-	-	-	-
-	-	16,292	26,456	-	39	7,862	-	-
-	-	-	-	-	-	-	-	-
-	-	-	11	-	-	50	2	-
-	-	-	12,515	-	-	-	-	-
-	44,959	238,604	94,497	50,833	106,099	-	-	-
-	-	-	6,824	-	-	-	-	-
<u>\$ -</u>	<u>\$ 44,959</u>	<u>\$ 346,795</u>	<u>\$ 347,400</u>	<u>\$ 50,833</u>	<u>\$ 314,813</u>	<u>\$ 189,568</u>	<u>\$ 164,743</u>	
\$ -	\$ 6,381	\$ 137,163	\$ 69,852	\$ 2	\$ 25,026	\$ 2,359	\$ 163,475	
-	-	13,425	8,877	4,357	8,670	760	-	-
-	-	-	360	-	-	-	-	-
-	30,950	-	-	45,502	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	82,980	4,218	-	69,066	-	-	-
-	37,331	233,568	83,307	49,861	102,762	3,119	163,475	
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	6,824	-	-	-	-	-
-	-	-	-	-	212,051	186,449	-	-
-	-	-	-	-	-	-	-	-
-	7,628	113,227	257,269	972	-	-	1,268	
-	7,628	113,227	264,093	972	212,051	186,449	1,268	
<u>\$ -</u>	<u>\$ 44,959</u>	<u>\$ 346,795</u>	<u>\$ 347,400</u>	<u>\$ 50,833</u>	<u>\$ 314,813</u>	<u>\$ 189,568</u>	<u>\$ 164,743</u>	

continued...

COUNTY OF SAGINAW, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2021

	Special Revenue Funds				Debt Service Funds		
	Department of Human Services	Child Care	Hospital Millage	Saginaw Children's Zoo Millage	MERS (DB) Pension Obligation Bond	Qualified Energy Bond	Juvenile Center Renovation
Assets							
Cash and investment pool	\$ 266,098	\$ 602,243	\$ 1,318,931	\$ 57,902	\$ 2,412	\$ 222	\$ 33,502
Receivables:							
Taxes	-	-	44,244	7,088	-	-	527
Accounts	-	4,241	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Lease	-	-	-	-	-	-	-
Accrued interest	-	-	363	16	1	-	9
Due from other funds	-	-	-	-	-	-	-
Due from other governmental units	-	638,216	-	-	-	-	-
Prepays	-	85,730	-	-	-	-	-
Total assets	<u>\$ 266,098</u>	<u>\$ 1,330,430</u>	<u>\$ 1,363,538</u>	<u>\$ 65,006</u>	<u>\$ 2,413</u>	<u>\$ 222</u>	<u>\$ 34,038</u>
Liabilities							
Accounts payable	\$ 472	\$ 17,896	\$ -	\$ 52,201	\$ -	\$ -	\$ -
Accrued liabilities	265,626	72,088	-	-	-	-	-
Deposits payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Due to other governmental units	-	75,736	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>266,098</u>	<u>165,720</u>	<u>-</u>	<u>52,201</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources							
Unavailable revenue:							
Property taxes	-	-	44,244	7,088	-	-	527
Long-term receivables	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>44,244</u>	<u>7,088</u>	<u>-</u>	<u>-</u>	<u>527</u>
Fund balances							
Nonspendable	-	85,730	-	-	-	-	-
Restricted	-	276	1,319,294	5,717	2,413	222	33,511
Committed	-	-	-	-	-	-	-
Assigned	-	1,078,704	-	-	-	-	-
Total fund balances	<u>-</u>	<u>1,164,710</u>	<u>1,319,294</u>	<u>5,717</u>	<u>2,413</u>	<u>222</u>	<u>33,511</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 266,098</u>	<u>\$ 1,330,430</u>	<u>\$ 1,363,538</u>	<u>\$ 65,006</u>	<u>\$ 2,413</u>	<u>\$ 222</u>	<u>\$ 34,038</u>

Debt Service Funds				Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
Animal Control Building Bonds	Community Mental Health Bonds	Mainframe Modernization Bonds	Sheriff's Adult Detention and Administration Facility Bonds	Parks Building & Site	Community Mental Health Renovations	Sheriff's Adult Detention and Administration Facility	Rail Trail Endowment	
\$ 1,761,463	\$ 76	\$ 12	\$ 1,553,403	\$ 49	\$ 564,546	\$ 701,367	\$ 41,430	\$ 34,544,956
-	-	-	-	-	-	-	-	321,328
-	-	-	-	-	-	-	-	2,855,622
-	-	-	-	-	-	-	-	2,161,979
-	3,090,751	-	-	-	-	-	-	3,090,751
485	-	-	428	35	156	193	11	9,018
-	-	-	-	-	-	50,254	-	450,238
-	-	-	-	150,271	-	-	-	2,317,931
500	-	500	-	-	-	-	-	147,056
<u>\$ 1,762,448</u>	<u>\$ 3,090,827</u>	<u>\$ 512</u>	<u>\$ 1,553,831</u>	<u>\$ 150,355</u>	<u>\$ 564,702</u>	<u>\$ 751,814</u>	<u>\$ 41,441</u>	<u>\$ 45,898,879</u>
\$ -	\$ -	\$ -	\$ -	\$ 21,850	\$ -	\$ 751,814	\$ -	\$ 4,863,270
-	-	-	-	-	-	-	-	822,215
-	-	-	-	-	-	-	-	29,151
-	-	-	50,000	115,495	-	-	-	420,664
-	-	-	-	-	-	-	-	1,697,944
-	-	-	-	-	-	-	-	602,798
-	-	-	50,000	137,345	-	751,814	-	8,436,042
-	-	-	-	-	-	-	-	277,130
-	3,090,751	-	-	-	-	-	-	5,043,698
-	3,090,751	-	-	-	-	-	-	5,320,828
500	-	500	-	-	-	-	36,390	183,446
-	76	-	1,503,831	-	564,702	-	5,051	18,171,233
-	-	-	-	-	-	-	-	2,215,583
1,761,948	-	12	-	13,010	-	-	-	11,571,747
1,762,448	76	512	1,503,831	13,010	564,702	-	41,441	32,142,009
<u>\$ 1,762,448</u>	<u>\$ 3,090,827</u>	<u>\$ 512</u>	<u>\$ 1,553,831</u>	<u>\$ 150,355</u>	<u>\$ 564,702</u>	<u>\$ 751,814</u>	<u>\$ 41,441</u>	<u>\$ 45,898,879</u>

Concluded

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended September 30, 2021

	Special Revenue Funds						
	Law Enforcement	Parks & Recreation Commission	Geographic Information System	Friend of the Court	Health Department	Solid Waste Management	Lodging Excise Tax
Revenue							
Property taxes	\$ 8,967,969	\$ 1,508,151	\$ -	\$ -	\$ 2,455,559	\$ -	\$ -
Accommodations tax	-	-	-	-	-	-	2,713,818
Licenses and permits	-	-	-	-	457,898	-	-
Federal grants	55,642	12,071	-	3,208,166	4,190,061	-	-
State grants	268,420	119,967	-	312,038	2,185,014	-	-
Local grants and contributions	-	1,935	-	-	54,435	-	-
Charges for services	110,773	62,328	-	396,508	428,800	418,371	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment income (loss)	(5,705)	(4,908)	-	-	26,275	(25)	26
Rental revenue	-	-	-	-	-	-	-
Donations	-	26,734	-	-	1,595	-	-
Reimbursements	839,004	-	243,681	-	1,964,295	-	-
Other revenue	-	5,925	-	-	370,580	-	-
Total revenue	10,236,103	1,732,203	243,681	3,916,712	12,134,512	418,346	2,713,844
Expenditures							
Current:							
Judicial	-	-	-	5,083,375	-	-	-
General government	-	-	241,468	-	-	-	-
Public safety	7,001,357	-	-	-	-	-	-
Public works	-	-	-	-	-	214,962	-
Health and welfare	-	-	-	-	11,019,029	-	-
Community and economic development	-	-	-	-	-	-	2,713,844
Recreation and culture	-	1,323,743	-	-	-	-	-
Capital outlay	557,988	66,034	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	7,559,345	1,389,777	241,468	5,083,375	11,019,029	214,962	2,713,844
Revenues over (under) expenditures	2,676,758	342,426	2,213	(1,166,663)	1,115,483	203,384	-
Other financing sources (uses)							
Transfers in	770,375	-	-	1,179,505	2,411,637	-	-
Transfers out	(2,884,845)	-	-	-	-	(45,999)	-
Total other financing sources (uses)	(2,114,470)	-	-	1,179,505	2,411,637	(45,999)	-
Net change in fund balances	562,288	342,426	2,213	12,842	3,527,120	157,385	-
Fund balances, beginning of year, as restated	1,662,696	2,280,046	27,862	404,341	2,398,595	342,249	-
Fund balances, end of year	\$ 2,224,984	\$ 2,622,472	\$ 30,075	\$ 417,183	\$ 5,925,715	\$ 499,634	\$ -

Special Revenue Funds								
Castle Museum & Historical Activities	Commission on Aging	Mosquito Control	Dredged Materials Disposal	Planning Commission	Principal Residence Exemption	Public Improvement	Courthouse Preservation Technology	Animal Control
\$ 1,024,539	\$ 3,024,775	\$ 3,282,949	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,177,058
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	7,425
-	1,143,531	-	-	-	-	-	-	-
81,419	712,842	264,606	-	-	-	-	-	173,306
-	110,364	-	-	-	-	-	-	-
-	53,320	22,043	-	-	2,692	-	98,813	52,941
-	-	-	-	-	-	-	-	-
(464)	(2,108)	(11,440)	(26)	(224)	7,272	(14,872)	(306)	6,809
-	-	1,638	-	-	-	-	-	-
-	115,036	-	-	-	-	-	-	23,613
10,549	-	86,654	-	7,533	-	-	-	-
-	10,384	-	-	3,923	-	13,790	-	-
<u>1,116,043</u>	<u>5,168,144</u>	<u>3,646,450</u>	<u>(26)</u>	<u>11,232</u>	<u>9,964</u>	<u>(1,082)</u>	<u>98,507</u>	<u>2,441,152</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	171,427	-	-
-	-	-	-	-	-	-	-	1,608,839
-	-	-	-	-	-	-	-	-
-	4,787,825	3,103,937	3,496	-	-	-	-	-
-	-	-	-	117,586	-	-	-	-
1,114,993	-	-	-	-	-	-	-	-
-	87,257	224,887	-	-	-	555,484	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>1,114,993</u>	<u>4,875,082</u>	<u>3,328,824</u>	<u>3,496</u>	<u>117,586</u>	<u>-</u>	<u>726,911</u>	<u>-</u>	<u>1,608,839</u>
<u>1,050</u>	<u>293,062</u>	<u>317,626</u>	<u>(3,522)</u>	<u>(106,354)</u>	<u>9,964</u>	<u>(727,993)</u>	<u>98,507</u>	<u>832,313</u>
-	-	-	3,497	-	-	284,974	-	32,992
-	-	-	-	-	-	-	(75,000)	(746,500)
-	-	-	3,497	-	-	284,974	(75,000)	(713,508)
1,050	293,062	317,626	(25)	(106,354)	9,964	(443,019)	23,507	118,805
47,098	1,667,456	4,201,813	442	174,559	36,813	3,422,098	78,398	564,109
<u>\$ 48,148</u>	<u>\$ 1,960,518</u>	<u>\$ 4,519,439</u>	<u>\$ 417</u>	<u>\$ 68,205</u>	<u>\$ 46,777</u>	<u>\$ 2,979,079</u>	<u>\$ 101,905</u>	<u>\$ 682,914</u>

continued...

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended September 30, 2021

	Special Revenue Funds					
	Small Cities Reuse	Register of Deeds Automation	Indigent Care	E-911 Telephone Surcharge	Mobile Data Maintenance & Repair	Concealed Pistol Licensing
Revenue						
Property taxes	\$ -	\$ -	\$ -	\$ 1,433,379	\$ -	\$ -
Accommodations tax	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	115,484
Federal grants	-	-	-	-	-	-
State grants	-	-	2,878,514	554,699	-	-
Local grants and contributions	-	-	916,773	-	145,465	-
Charges for services	-	199,475	-	5,295,216	139,490	25,350
Fines and forfeitures	-	-	-	-	-	-
Investment income (loss)	(331)	(874)	-	(1,647)	(7,201)	648
Rental revenue	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Reimbursements	12,623	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenue	12,292	198,601	3,795,287	7,281,647	277,754	141,482
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	163,124	-	-	-	-
Public safety	-	-	4,242,489	7,077,339	347,353	99,481
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Community and economic development	4,627	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	4,627	163,124	4,242,489	7,077,339	347,353	99,481
Revenues over (under) expenditures	7,665	35,477	(447,202)	204,308	(69,599)	42,001
Other financing sources (uses)						
Transfers in	-	-	447,202	-	121,500	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	447,202	-	121,500	-
Net change in fund balances	7,665	35,477	-	204,308	51,901	42,001
Fund balances, beginning of year, as restated	141,774	349,076	-	235,795	1,619,598	129,374
Fund balances, end of year	\$ 149,439	\$ 384,553	\$ -	\$ 440,103	\$ 1,671,499	\$ 171,375

Special Revenue Funds							
County Library Board	Remuneration	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections	Local Correction Officer Training	MSU Extension
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	461,636	117,664	-	-	-	-
-	75,372	370,003	175,618	248,431	488,921	-	14,209
-	-	-	-	-	-	-	-
-	-	1,410	45,330	-	990	39,742	-
35,465	-	733	-	6,000	-	-	-
-	-	-	(61)	-	-	(340)	(75)
-	-	-	-	-	-	-	-
-	-	300	-	-	-	-	-
-	-	289,992	415,201	-	-	-	-
-	-	-	-	-	-	-	-
<u>35,465</u>	<u>75,372</u>	<u>1,124,074</u>	<u>753,752</u>	<u>254,431</u>	<u>489,911</u>	<u>39,402</u>	<u>14,134</u>
-	-	573,624	-	-	-	-	-
-	75,371	-	-	277,962	1,613	-	192,959
-	-	215,214	940,241	-	478,493	13,786	-
-	-	290,487	-	-	-	-	-
-	-	171,825	-	-	-	-	-
-	-	-	-	-	-	-	-
35,465	-	-	-	-	-	-	-
-	-	-	28,695	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>35,465</u>	<u>75,371</u>	<u>1,251,150</u>	<u>968,936</u>	<u>277,962</u>	<u>480,106</u>	<u>13,786</u>	<u>192,959</u>
-	1	(127,076)	(215,184)	(23,531)	9,805	25,616	(178,825)
-	-	120,311	222,514	23,532	-	-	180,000
-	-	-	(10,500)	-	-	-	-
-	-	120,311	212,014	23,532	-	-	180,000
-	1	(6,765)	(3,170)	1	9,805	25,616	1,175
-	7,627	119,992	267,263	971	202,246	160,833	93
<u>\$ -</u>	<u>\$ 7,628</u>	<u>\$ 113,227</u>	<u>\$ 264,093</u>	<u>\$ 972</u>	<u>\$ 212,051</u>	<u>\$ 186,449</u>	<u>\$ 1,268</u>

continued...

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended September 30, 2021

	Special Revenue Funds				Debt Service Funds		
	Department of Human Services	Child Care	Hospital Millage	Saginaw Children's Zoo Millage	MERS (DB) Pension Obligation Bond	Qualified Energy Bond	Juvenile Center Renovation
Revenue							
Property taxes	\$ -	\$ -	\$ 2,313,606	\$ 1,024,010	\$ -	\$ -	\$ 247
Accommodations tax	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Federal grants	-	112,773	-	-	-	-	-
State grants	-	2,457,850	195,083	81,556	-	-	-
Local grants and contributions	-	43,020	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment income (loss)	-	-	(13)	(312)	(648)	12	(90)
Rental revenue	-	-	-	-	-	159,547	-
Donations	-	25,350	-	-	-	-	-
Reimbursements	-	12,790	-	-	4,782,259	-	-
Other revenue	-	5,800	-	-	-	-	-
Total revenue	-	2,657,583	2,508,676	1,105,254	4,781,611	159,559	157
Expenditures							
Current:							
Judicial	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-
Public safety	-	-	-	1,175,907	-	-	-
Public works	-	-	-	-	-	-	-
Health and welfare	16,944	5,386,384	2,505,092	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-
Capital outlay	-	23,862	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	3,325,000	144,724	-
Interest and fiscal charges	-	-	-	-	1,457,509	14,823	-
Total expenditures	16,944	5,410,246	2,505,092	1,175,907	4,782,509	159,547	-
Revenues over (under) expenditures	(16,944)	(2,752,663)	3,584	(70,653)	(898)	12	157
Other financing sources (uses)							
Transfers in	16,944	2,691,493	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	16,944	2,691,493	-	-	-	-	-
Net change in fund balances	-	(61,170)	3,584	(70,653)	(898)	12	157
Fund balances, beginning of year, as restated	-	1,225,880	1,315,710	76,370	3,311	210	33,354
Fund balances, end of year	\$ -	\$ 1,164,710	\$ 1,319,294	\$ 5,717	\$ 2,413	\$ 222	\$ 33,511

Debt Service Funds				Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
Animal Control Building Bonds	Community Mental Health Bonds	Mainframe Modernization Bonds	Sheriff's Adult Detention and Administration Facility Bonds	Parks Building & Site	Community Mental Health Renovations	Sheriff's Adult Detention and Administration Facility	Rail Trail Endowment	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,212,242
-	-	-	-	-	-	-	-	2,713,818
-	-	-	-	-	-	-	-	580,807
-	-	-	-	-	-	-	-	9,301,544
-	-	-	-	144,746	-	-	-	11,802,614
-	-	-	-	-	-	-	-	1,271,992
-	443,169	-	-	-	-	-	-	7,836,761
-	-	-	-	-	-	-	-	42,198
1,165	12	(46)	908	(370)	(7,124)	(48,788)	(114)	(64,985)
-	-	-	-	-	-	-	-	161,185
-	-	-	-	-	-	-	-	192,628
-	-	-	-	-	-	-	-	8,664,581
-	-	-	-	-	-	-	-	410,402
<u>1,165</u>	<u>443,181</u>	<u>(46)</u>	<u>908</u>	<u>144,376</u>	<u>(7,124)</u>	<u>(48,788)</u>	<u>(114)</u>	<u>70,125,787</u>
-	-	-	-	-	-	-	-	5,656,999
-	-	-	-	-	-	3,109	-	1,127,033
-	-	-	-	-	-	-	-	23,200,499
-	-	-	-	50,000	-	-	-	555,449
-	-	-	-	-	-	-	-	26,994,532
-	-	-	-	-	-	-	-	2,836,057
-	-	-	-	-	-	-	-	2,474,201
-	-	-	-	94,746	699	2,233,898	-	3,873,550
410,000	325,000	765,000	680,000	-	-	-	-	5,649,724
195,678	118,169	400,400	1,484,300	-	-	-	-	3,670,879
<u>605,678</u>	<u>443,169</u>	<u>1,165,400</u>	<u>2,164,300</u>	<u>144,746</u>	<u>699</u>	<u>2,237,007</u>	<u>-</u>	<u>76,038,923</u>
<u>(604,513)</u>	<u>12</u>	<u>(1,165,446)</u>	<u>(2,163,392)</u>	<u>(370)</u>	<u>(7,823)</u>	<u>(2,285,795)</u>	<u>(114)</u>	<u>(5,913,136)</u>
702,500	-	1,165,400	1,320,600	-	-	550,254	-	12,245,230
-	-	-	(6,300)	-	-	-	-	(3,769,144)
<u>702,500</u>	<u>-</u>	<u>1,165,400</u>	<u>1,314,300</u>	<u>-</u>	<u>-</u>	<u>550,254</u>	<u>-</u>	<u>8,476,086</u>
97,987	12	(46)	(849,092)	(370)	(7,823)	(1,735,541)	(114)	2,562,950
<u>1,664,461</u>	<u>64</u>	<u>558</u>	<u>2,352,923</u>	<u>13,380</u>	<u>572,525</u>	<u>1,735,541</u>	<u>41,555</u>	<u>29,579,059</u>
<u>\$ 1,762,448</u>	<u>\$ 76</u>	<u>\$ 512</u>	<u>\$ 1,503,831</u>	<u>\$ 13,010</u>	<u>\$ 564,702</u>	<u>\$ -</u>	<u>\$ 41,441</u>	<u>\$ 32,142,009</u>

Concluded

COUNTY OF SAGINAW, MICHIGAN

Nonmajor Enterprise Funds

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

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

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

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

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

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds
September 30, 2021

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
Assets						
Current assets:						
Cash and investment pool	\$ 1,062,060	\$ 231,889	\$ 37,961	\$ 129,323	\$ 130,988	\$ 1,592,221
Receivables, net:						
Accounts	-	7,965	1,588	50,565	307,350	367,468
Accrued interest	294	65	-	-	-	359
Inventory	-	-	-	13,633	-	13,633
Prepays	-	-	-	1,083	-	1,083
Total current assets	1,062,354	239,919	39,549	194,604	438,338	1,974,764
Noncurrent assets:						
Capital assets not being depreciated	-	-	41,273	2,065,661	-	2,106,934
Capital assets being depreciated, net	-	-	3,257	3,615,808	-	3,619,065
Total noncurrent assets	-	-	44,530	5,681,469	-	5,725,999
Total assets	1,062,354	239,919	84,079	5,876,073	438,338	7,700,763
Liabilities						
Current liabilities:						
Accounts payable	1,050,354	2,835	2,971	6,739	66,486	1,129,385
Accrued liabilities	5,807	93	-	-	-	5,900
Deposits payable	-	-	-	-	38,034	38,034
Due to other funds	-	-	-	-	271,974	271,974
Unearned revenue	-	-	-	1,915	-	1,915
Total current liabilities	1,056,161	2,928	2,971	8,654	376,494	1,447,208
Noncurrent liabilities:						
Advances from other funds	-	-	-	-	20,000	20,000
Accrued compensated absences	6,192	-	-	-	-	6,192
Total noncurrent liabilities	6,192	-	-	-	20,000	26,192
Total liabilities	1,062,353	2,928	2,971	8,654	396,494	1,473,400
Net position						
Net investment in capital assets	-	-	44,530	5,681,469	-	5,725,999
Unrestricted	1	236,991	36,578	185,950	41,844	501,364
Total net position	\$ 1	\$ 236,991	\$ 81,108	\$ 5,867,419	\$ 41,844	\$ 6,227,363

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Revenues, Expenses and Changes In Fund Net Position

Nonmajor Enterprise Funds

For the Year Ended September 30, 2021

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
Operating revenues						
Charges for services	\$ 1,232,438	\$ 17,922	\$ 5,172	\$ 267,778	\$ 1,655,474	\$ 3,178,784
Interest on delinquent taxes	5,464	-	-	-	-	5,464
Fines and forfeitures	-	-	1,451	-	-	1,451
Rental revenue	-	-	-	111,178	-	111,178
Reimbursements	-	-	-	9,397	16,172	25,569
Other revenue	-	-	-	40,000	39,480	79,480
Total operating revenues	1,237,902	17,922	6,623	428,353	1,711,126	3,401,926
Operating expenses						
Personnel services	182,340	3,641	-	-	-	185,981
Supplies	-	-	935	390	783,637	784,962
Services and charges	1,692,098	3,410	25,544	378,717	361,850	2,461,619
Depreciation	-	-	2,300	271,174	-	273,474
Total operating expenses	1,874,438	7,051	28,779	650,281	1,145,487	3,706,036
Operating income (loss)	(636,536)	10,871	(22,156)	(221,928)	565,639	(304,110)
Nonoperating revenues (expenses)						
Federal grants	-	-	-	171,950	-	171,950
State grants	-	-	-	7,214	-	7,214
Investment income	424,180	(819)	-	-	1	423,362
Total nonoperating revenues (expenses)	424,180	(819)	-	179,164	1	602,526
Income (loss) before transfers	(212,356)	10,052	(22,156)	(42,764)	565,640	298,416
Transfers in	-	7,000	-	-	-	7,000
Transfers out	-	-	-	-	(548,798)	(548,798)
Change in net position	(212,356)	17,052	(22,156)	(42,764)	16,842	(243,382)
Net position, beginning of year	212,357	219,939	103,264	5,910,183	25,002	6,470,745
Net position, end of year	\$ 1	\$ 236,991	\$ 81,108	\$ 5,867,419	\$ 41,844	\$ 6,227,363

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2021

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
Cash flows from operating activities						
Receipts from customers	\$ 1,256,834	\$ 35,260	\$ 5,560	\$ 608,255	\$ 1,506,997	\$ 3,412,906
Payments to employees	(180,396)	(3,548)	-	-	-	(183,944)
Payments to suppliers	(1,319,827)	(1,257)	(23,508)	(410,286)	(967,566)	(2,722,444)
Net cash provided by (used in) operating activities	(243,389)	30,455	(17,948)	197,969	539,431	506,518
Cash flows from noncapital financing activities						
Transfers in	-	7,000	-	-	-	7,000
Transfers out	-	-	-	-	(548,798)	(548,798)
Net cash provided by (used in) noncapital financing activities	-	7,000	-	-	(548,798)	(541,798)
Cash flows from capital and related financing activities						
Payments for capital asset acquisition	-	-	-	(226,379)	-	(226,379)
Cash flows from investing activities						
Investment income	424,180	1,439	-	-	1	425,620
Net change in cash and investment pool	180,791	38,894	(17,948)	(28,410)	(9,366)	163,961
Cash and investment pool: Beginning of year	881,269	192,995	55,909	157,733	140,354	1,428,260
End of year	\$ 1,062,060	\$ 231,889	\$ 37,961	\$ 129,323	\$ 130,988	\$ 1,592,221

continued...

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2021

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
Reconciliation of operating income						
(loss) to net cash provided by						
(used in) operating activities						
Operating income (loss)	\$ (636,536)	\$ 10,871	\$ (22,156)	\$ (221,928)	\$ 565,639	\$ (304,110)
Nonoperating income	-	-	-	179,164	-	179,164
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	2,300	271,174	-	273,474
Changes in operating assets and liabilities that provided (used) cash:						
Receivables, net	18,932	17,338	(1,063)	(26,880)	(179,360)	(171,033)
Due from other governments	-	-	-	30,000	-	30,000
Prepays	-	-	-	(1,018)	-	(1,018)
Accounts payable	372,271	2,153	2,971	2,192	25,624	405,211
Accrued liabilities	1,748	93	-	-	-	1,841
Deposits payable	-	-	-	-	(24,769)	(24,769)
Due to other funds	-	-	-	-	152,297	152,297
Due to other governments	-	-	-	(32,353)	-	(32,353)
Accrued compensated absences	196	-	-	-	-	196
Unearned revenue	-	-	-	(2,382)	-	(2,382)
Net cash provided by (used in) operating activities	<u>\$ (243,389)</u>	<u>\$ 30,455</u>	<u>\$ (17,948)</u>	<u>\$ 197,969</u>	<u>\$ 539,431</u>	<u>\$ 506,518</u>

Concluded

COUNTY OF SAGINAW, MICHIGAN

Internal Service Funds

MERS (DB) 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.

MERS (DC) 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 Technology 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.

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

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

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

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 Position

Internal Service Funds
September 30, 2021

	MERS (DB) Retirement	MERS (DC) Retirement	Information Technology	Equipment Revolving
Assets				
Current assets:				
Cash and investment pool	\$ 355,650	\$ 1,202,258	\$ 1,033,114	\$ 19,167
Receivables:				
Accounts	-	68,976	1,475	-
Accrued interest	98	331	-	5
Due from other governmental units	-	-	167,569	-
Prepays	-	590	-	-
Total current assets	355,748	1,272,155	1,202,158	19,172
Noncurrent assets:				
Capital assets not being depreciated	-	-	819,413	-
Capital assets being depreciated, net	-	-	467,619	-
Total noncurrent assets	-	-	1,287,032	-
Total assets	355,748	1,272,155	2,489,190	19,172
Liabilities				
Current liabilities:				
Accounts payable	-	69,559	314,567	-
Accrued liabilities	-	760	37,592	-
Due to other funds	-	-	-	-
Total current liabilities	-	70,319	352,159	-
Noncurrent liabilities:				
Advances from other funds	-	-	788,965	-
Accrued compensated absences	-	3,139	66,542	-
Total noncurrent liabilities	-	3,139	855,507	-
Total liabilities	-	73,458	1,207,666	-
Net position				
Net investment in capital assets	-	-	1,287,032	-
Unrestricted (deficit)	355,748	1,198,697	(5,508)	19,172
Total net position	\$ 355,748	\$ 1,198,697	\$ 1,281,524	\$ 19,172

Motor Pool	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
\$ 191,775	\$ 3,162,884	\$ 91,502	\$ 2,255,105	\$ 155	\$ 8,311,610
-	16,442	132	234,154	7,246	328,425
-	867	-	1,013	-	2,314
-	-	-	-	-	167,569
-	4,788	-	103,993	-	109,371
<u>191,775</u>	<u>3,184,981</u>	<u>91,634</u>	<u>2,594,265</u>	<u>7,401</u>	<u>8,919,289</u>
-	-	-	-	-	819,413
-	-	-	-	-	467,619
-	-	-	-	-	<u>1,287,032</u>
<u>191,775</u>	<u>3,184,981</u>	<u>91,634</u>	<u>2,594,265</u>	<u>7,401</u>	<u>10,206,321</u>
15,529	14,679	5,093	319,556	7,246	746,229
-	883,972	637	2,035,677	-	2,958,638
-	-	73,300	-	-	73,300
<u>15,529</u>	<u>898,651</u>	<u>79,030</u>	<u>2,355,233</u>	<u>7,246</u>	<u>3,778,167</u>
-	-	-	-	-	788,965
-	6,956	2,653	9,133	-	88,423
-	6,956	2,653	9,133	-	877,388
<u>15,529</u>	<u>905,607</u>	<u>81,683</u>	<u>2,364,366</u>	<u>7,246</u>	<u>4,655,555</u>
-	-	-	-	-	1,287,032
<u>176,246</u>	<u>2,279,374</u>	<u>9,951</u>	<u>229,899</u>	<u>155</u>	<u>4,263,734</u>
<u>\$ 176,246</u>	<u>\$ 2,279,374</u>	<u>\$ 9,951</u>	<u>\$ 229,899</u>	<u>\$ 155</u>	<u>\$ 5,550,766</u>

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Year Ended September 30, 2021

	MERS (DB) Retirement	MERS (DC) Retirement	Information Technology	Equipment Revolving
Operating revenues				
Charges for services	\$ -	\$ -	\$ 180,684	\$ -
Rental revenue	-	-	-	1,685
Reimbursements	4,452,501	3,609,708	4,304,751	-
Other revenue	-	260,658	-	-
Total operating revenues	4,452,501	3,870,366	4,485,435	1,685
Operating expenses				
Personnel services	-	19,444	802,628	-
Fringe benefits	4,226,030	3,625,771	704,592	-
Supplies	-	-	22,100	-
Services and charges	76,152	8,541	1,666,876	4,424
Other	-	-	-	-
Depreciation	-	-	169,647	-
Total operating expenses	4,302,182	3,653,756	3,365,843	4,424
Operating income (loss)	150,319	216,610	1,119,592	(2,739)
Nonoperating revenues (expenses)				
Investment income (loss)	1,249	(2,103)	(18,727)	(82)
Income (loss) before transfers	151,568	214,507	1,100,865	(2,821)
Transfers in	-	-	-	-
Transfers out	-	-	(1,165,400)	-
Change in net position	151,568	214,507	(64,535)	(2,821)
Net position, beginning of year	204,180	984,190	1,346,059	21,993
Net position, end of year	\$ 355,748	\$ 1,198,697	\$ 1,281,524	\$ 19,172

Motor Pool	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
\$ 28,025	\$ 4,896	\$ -	\$ -	\$ -	\$ 213,605
293,874	-	-	-	-	295,559
-	1,487,996	62,977	7,299,027	436,716	21,653,676
-	-	-	3,962	-	264,620
<u>321,899</u>	<u>1,492,892</u>	<u>62,977</u>	<u>7,302,989</u>	<u>436,716</u>	<u>22,427,460</u>
-	62,415	16,150	75,047	-	975,684
-	37,580	11,891	9,358,375	-	17,964,239
134,054	71	-	4,455	-	160,680
164,951	1,155,120	34,937	351,482	436,717	3,899,200
-	-	-	3,016	-	3,016
-	-	-	-	-	169,647
<u>299,005</u>	<u>1,255,186</u>	<u>62,978</u>	<u>9,792,375</u>	<u>436,717</u>	<u>23,172,466</u>
22,894	237,706	(1)	(2,489,386)	(1)	(745,006)
-	(4,927)	-	(1,499)	(7)	(26,096)
22,894	232,779	(1)	(2,490,885)	(8)	(771,102)
-	-	-	-	-	-
-	(2,163)	-	-	-	(1,167,563)
22,894	230,616	(1)	(2,490,885)	(8)	(1,938,665)
153,352	2,048,758	9,952	2,720,784	163	7,489,431
<u>\$ 176,246</u>	<u>\$ 2,279,374</u>	<u>\$ 9,951</u>	<u>\$ 229,899</u>	<u>\$ 155</u>	<u>\$ 5,550,766</u>

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2021

	MERS (DB) Retirement	MERS (DC) Retirement	Information Technology	Equipment Revolving
Cash flows from operating activities				
Receipts from interfund services provided	\$ 4,452,501	\$ 3,860,963	\$ 4,498,377	\$ 1,685
Payments to employees	-	(18,880)	(1,509,051)	-
Payments to suppliers	(4,302,182)	(3,624,776)	(1,439,158)	(4,529)
Net cash provided by (used in) operating activities	<u>150,319</u>	<u>217,307</u>	<u>1,550,168</u>	<u>(2,844)</u>
Cash flows from noncapital financing activities				
Transfers out	-	-	(1,165,400)	-
Cash flows from capital and related financing activities				
Repayment of advances	-	-	(252,662)	-
Payments for capital asset acquisition	-	-	(231,056)	-
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(483,718)</u>	<u>-</u>
Cash flows from investing activities				
Investment income (loss)	1,151	7,617	(18,727)	141
Net change in cash and investment pool	151,470	224,924	(117,677)	(2,703)
Cash and investment pool:				
Beginning of year	204,180	977,334	1,150,791	21,870
End of year	<u>\$ 355,650</u>	<u>\$ 1,202,258</u>	<u>\$ 1,033,114</u>	<u>\$ 19,167</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 150,319	\$ 216,610	\$ 1,119,592	\$ (2,739)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	-	169,647	-
Changes in operating assets and liabilities that provided (used) cash:				
Receivables, net	-	(9,403)	241	-
Due from other governments	-	-	12,701	-
Prepays	-	(590)	3,040	-
Accounts payable	-	9,995	246,778	(105)
Accrued liabilities	-	131	1,440	-
Due to other funds	-	-	-	-
Accrued compensated absences	-	564	(3,271)	-
Net cash provided by (used in) operating activities	<u>\$ 150,319</u>	<u>\$ 217,307</u>	<u>\$ 1,550,168</u>	<u>\$ (2,844)</u>

Motor Pool	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
\$ 322,000	\$ 1,491,680	\$ 62,845	\$ 7,316,198	\$ 435,404	\$ 22,441,653
-	(98,514)	(27,906)	(72,503)	-	(1,726,854)
(293,470)	(1,264,788)	(24,419)	(8,503,543)	(435,405)	(19,892,270)
28,530	128,378	10,520	(1,259,848)	(1)	822,529
-	(2,163)	-	-	-	(1,167,563)
-	-	-	-	-	(252,662)
-	-	-	-	-	(231,056)
-	-	-	-	-	(483,718)
-	21,472	-	27,169	11	38,834
28,530	147,687	10,520	(1,232,679)	10	(789,918)
163,245	3,015,197	80,982	3,487,784	145	9,101,528
<u>\$ 191,775</u>	<u>\$ 3,162,884</u>	<u>\$ 91,502</u>	<u>\$ 2,255,105</u>	<u>\$ 155</u>	<u>\$ 8,311,610</u>
\$ 22,894	\$ 237,706	\$ (1)	\$ (2,489,386)	\$ (1)	\$ (745,006)
-	-	-	-	-	169,647
101	(1,212)	(132)	13,209	(1,312)	1,492
-	-	-	-	-	12,701
-	(4,788)	-	(103,993)	-	(106,331)
5,535	(17,007)	3,923	(126,315)	1,312	124,116
-	(87,802)	82	1,444,093	-	1,357,944
-	-	6,595	-	-	6,595
-	1,481	53	2,544	-	1,371
<u>\$ 28,530</u>	<u>\$ 128,378</u>	<u>\$ 10,520</u>	<u>\$ (1,259,848)</u>	<u>\$ (1)</u>	<u>\$ 822,529</u>

COUNTY OF SAGINAW, MICHIGAN

Fiduciary Funds

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

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

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

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 Position

Custodial Funds
September 30, 2021

	General Custodial	State Education Tax	Library Penal Fine	Dependent Care	Medical Spending Reimbursement	Total
Assets						
Cash and investment pool	\$ 4,822,215	\$ 8,799,367	\$ 123,247	\$ 3,999	\$ 10,747	\$ 13,759,575
Receivables:						
Accounts	1,578,295	-	31,076	-	-	1,609,371
Accrued interest	5	-	34	-	-	39
Due from other governmental units	53,533	-	-	-	-	53,533
Total assets	6,454,048	8,799,367	154,357	3,999	10,747	15,422,518
Liabilities						
Accounts payable	970,308	-	-	-	-	970,308
Deposits payable	2,159,242	-	-	-	-	2,159,242
Due to other governmental units	3,324,498	8,799,367	154,357	-	-	12,278,222
Total liabilities	6,454,048	8,799,367	154,357	-	-	15,407,772
Net position						
Restricted for:						
Individuals, organizations and other governments	\$ -	\$ -	\$ -	\$ 3,999	\$ 10,747	\$ 14,746

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended September 30, 2021

	General Custodial	State Education Tax	Library Penal Fine	Dependent Care	Medical Spending Reimbursement	Total
Additions						
State education tax collected for other governments	\$ -	\$ 33,162,041	\$ -	\$ -	\$ -	\$ 33,162,041
Fees and fines collected on behalf of other units of government	9,673,207	-	421,872	-	-	10,095,079
Employee medical withholdings collected	-	-	-	19,815	22,506	42,321
Total additions	<u>9,673,207</u>	<u>33,162,041</u>	<u>421,872</u>	<u>19,815</u>	<u>22,506</u>	<u>43,299,441</u>
Deductions						
Payments of state education tax to other governments	-	33,162,041	-	-	-	33,162,041
Fees and fines remitted to other units of government	9,673,207	-	421,872	-	-	10,095,079
Employee medical withholdings remitted	-	-	-	25,230	17,368	42,598
Total deductions	<u>9,673,207</u>	<u>33,162,041</u>	<u>421,872</u>	<u>25,230</u>	<u>17,368</u>	<u>43,299,718</u>
Change in net position	-	-	-	(5,415)	5,138	(277)
Net position, beginning of year, as restated	-	-	-	9,414	5,609	15,023
Net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,999</u>	<u>\$ 10,747</u>	<u>\$ 14,746</u>

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

COUNTY OF SAGINAW, MICHIGAN

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

Statement of Net Position and Governmental Fund Balance Sheet

Brownfield Redevelopment Authority Component Unit

September 30, 2021

	Brownfield Redevelopment Authority	Adjustments	Statement of Net Position
Assets			
Cash and investment pool	\$ 774,945	\$ -	\$ 774,945
Receivables:			
Accrued interest	12,310	-	12,310
Advances to land bank	611,640	-	611,640
	<u>611,640</u>	<u>-</u>	<u>611,640</u>
Total assets	<u>\$ 1,398,895</u>	<u>-</u>	<u>1,398,895</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 323	-	323
	<u>323</u>	<u>-</u>	<u>323</u>
Fund balance			
Nonspendable	611,640	(611,640)	-
Unassigned	786,932	(786,932)	-
	<u>786,932</u>	<u>(786,932)</u>	<u>-</u>
Total fund balance	<u>1,398,572</u>	<u>(1,398,572)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,398,895</u>		
Net position			
Unrestricted		<u>\$ 1,398,572</u>	<u>\$ 1,398,572</u>

COUNTY OF SAGINAW, MICHIGAN

Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balances
 Brownfield Redevelopment Authority Component Unit
 For the Year Ended September 30, 2021

	Brownfield Redevelopment Authority	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 3,197	\$ -	\$ 3,197
Charges for services	500	-	500
Investment income	18,357	-	18,357
Total revenues	22,054	-	22,054
Expenditures / expenses			
Current:			
Community and economic development	323	-	323
Change in fund balance / net position	21,731	-	21,731
Fund balance / net position, beginning of year	1,376,841	-	1,376,841
Fund balance / net position, end of year	<u>\$ 1,398,572</u>	<u>\$ -</u>	<u>\$ 1,398,572</u>

COUNTY OF SAGINAW, MICHIGAN

Department of Public Works

Component Unit of Saginaw County

Department of Public Works Debt Service Fund (DPW) - 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 principal and interest 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 Administration Fund - This fund is used to account for the preliminary work performed on DPW projects that benefit other local units of government and is reported as an enterprise fund of the DPW. 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

Statement of Net Position

Department of Public Works Component Unit
September 30, 2021

	Governmental Activities	Business-type Activities	Totals
Assets			
Cash and investment pool	\$ 98,870	\$ 315,390	\$ 414,260
Accounts receivable	227,193	900	228,093
Due from other governmental units	8,815,852	-	8,815,852
	<u>9,141,915</u>	<u>316,290</u>	<u>9,458,205</u>
Noncurrent assets:			
Capital assets being depreciated, net	-	45,563	45,563
	<u>-</u>	<u>45,563</u>	<u>45,563</u>
Total assets	<u>\$ 9,141,915</u>	<u>361,853</u>	<u>9,503,768</u>
Liabilities			
Accrued liabilities	127,333	8,226	135,559
Long-term liabilities:			
Due within one year	351,000	-	351,000
Due in more than one year	8,337,519	-	8,337,519
	<u>8,815,852</u>	<u>8,226</u>	<u>8,824,078</u>
Total liabilities	<u>8,815,852</u>	<u>8,226</u>	<u>8,824,078</u>
Net position			
Net investment in capital assets	-	45,563	45,563
Restricted for:			
Debt service	326,063	-	326,063
Unrestricted	-	308,064	308,064
	<u>-</u>	<u>308,064</u>	<u>308,064</u>
Total net position	<u>\$ 326,063</u>	<u>\$ 353,627</u>	<u>\$ 679,690</u>

COUNTY OF SAGINAW, MICHIGAN

Statement of Activities

Department of Public Works Component Unit
For the Year Ended September 30, 2021

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenues	
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:					
Public works	\$ -	\$ -	\$ 293,126	\$ 293,126	\$ -
Interest on long-term debt	309,367	-	-	(309,367)	-
Business-type activities:					
Public works	136,658	213,907	-	-	77,249
Net program (expense) revenue	<u>\$ 446,025</u>	<u>\$ 213,907</u>	<u>\$ 293,126</u>	<u>(16,241)</u>	<u>77,249</u>
Change in net position				(16,241)	77,249
Net position, beginning of year				<u>342,304</u>	<u>276,378</u>
Net position, end of year				<u>\$ 326,063</u>	<u>\$ 353,627</u>

COUNTY OF SAGINAW, MICHIGAN

Balance Sheet

Department of Public Works Component Unit
September 30, 2021

	Debt Service
Assets	
Cash and investment pool	\$ 98,870
Accounts receivable	227,193
Due from other governmental units	<u>8,688,519</u>
Total assets	<u>\$ 9,014,582</u>
Deferred inflows of resources	
Unavailable revenue - long-term receivables	\$ 8,688,519
Fund balance	
Restricted for:	
Debt service	<u>326,063</u>
Total liabilities, deferred inflow of resources and fund balance	<u>\$ 9,014,582</u>

COUNTY OF SAGINAW, MICHIGAN

Reconciliation

Fund Balance of Governmental Fund of the Department of Public Works Component Unit
to Net Position of the Governmental Activities of the Department of Public Works Component Unit
September 30, 2021

Fund balance - governmental fund - Department of Public Works \$ 326,063

Amounts reported for *governmental activities* in the statement of net position are different because:

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e., receivables) are offset by deferred inflows of resources in the governmental funds and, therefore, are not included in fund balance.

Deferred long-term receivables 8,688,519

Long-term debt and related deferred outflows are not due and payable in the current period and therefore are not reported in the fund.

Bonds and notes payable current (351,000)
Bonds and notes payable (8,337,519)

Net position of governmental activities - Department of Public Works \$ 326,063

COUNTY OF SAGINAW, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Department of Public Works Component Unit

For the Year Ended September 30, 2021

	Debt Service
Revenues	
Local grants and contributions	\$ 641,708
Expenditures	
Debt service:	
Principal	343,481
Interest and fiscal charges	314,468
Total expenditures	<u>657,949</u>
Change in fund balance	(16,241)
Fund balance, beginning of year	<u>342,304</u>
Fund balance, end of year	<u><u>\$ 326,063</u></u>

COUNTY OF SAGINAW, MICHIGAN

Reconciliation

Net Change in Fund Balance of Governmental Fund of the Department of Public Works Component Unit
to Change in Net Position of Governmental Activities of the Department of Public Works Component Unit
For the Year Ended September 30, 2021

Net change in fund balance of governmental fund - Department of Public Works \$ (16,241)

Amounts reported for *governmental activities* in the statement of net position are different because:

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to subsequent fiscal years.

Change in deferred long-term receivables (348,582)

Repayment of debt principal is an expenditure in the fund, but the repayment reduces long-term debt in the statement of net position.

Principal payments on bonds and notes payable current 343,481

Some 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.

Change in accrued interest payable on long-term debt 5,101

Change in net position of governmental activities - Department of Public Works \$ (16,241)

COUNTY OF SAGINAW, MICHIGAN

Statement of Net Position

Department of Public Works Component Unit - Proprietary Fund
September 30, 2021

	Administration
Assets	
Current assets:	
Cash and investment pool	\$ 315,390
Accounts receivable	900
Noncurrent assets:	
Capital assets being depreciated, net	<u>45,563</u>
Total assets	<u>361,853</u>
Liabilities	
Accrued liabilities	<u>8,226</u>
Net position	
Investment in capital assets	45,563
Unrestricted	<u>308,064</u>
Total net position	<u>\$ 353,627</u>

COUNTY OF SAGINAW, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Department of Public Works Component Unit - Proprietary Fund

For the Year Ended September 30, 2021

	Administration
Operating revenues	
Licenses and permits	\$ 207,571
Other revenue	6,336
Total operating revenue	<u>213,907</u>
Operating expenses	
Personnel services	119,087
Supplies	1,316
Services and charges	6,132
Depreciation	10,123
Total operating expenses	<u>136,658</u>
Change in net position	77,249
Net position, beginning of year	<u>276,378</u>
Net position, end of year	<u><u>\$ 353,627</u></u>

COUNTY OF SAGINAW, MICHIGAN

Statement of Cash Flows

Department of Public Works Component Unit - Proprietary Fund
For the Year Ended September 30, 2021

	Administration
Cash flows from operating activities	
Receipts from customers	\$ 216,482
Payments to employees	(117,250)
Payments to suppliers	(7,448)
	<hr/>
Net cash provided by operating activities / change in cash and investment pool	91,784
Cash and investment pool:	
Beginning of year	<hr/> 223,606
End of year	<hr/> <u>\$ 315,390</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income	\$ 77,249
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	10,123
Changes in operating assets and liabilities that provided (used) cash:	
Accounts receivable	2,575
Accrued liabilities	1,837
	<hr/>
Net cash provided by operating activities	<hr/> <u>\$ 91,784</u>

COUNTY OF SAGINAW, MICHIGAN

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.

Special Assessment Drain Capital Projects 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 Capital Projects 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.

Revolving Drain Capital Projects 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 Capital Projects 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

Statement of Net Position and Governmental Fund Balance Sheet

Drain Commission Component Unit
September 30, 2021

	Debt Service Fund	Capital Projects Funds	
	Chapter 8 Drains	Special Assessment Drain	Chapter 8 Drains
Assets			
Cash and investment pool	\$ 2,688,471	\$ 6,390,077	\$ 9,456,296
Receivables:			
Special assessments	31,325,930	-	-
Accounts	-	467	-
Due from other funds	-	-	-
Advance to other funds	-	473,469	-
Due from other governmental units	3,633,048	-	-
Capital assets:			
Assets not being depreciated	-	-	-
Assets being depreciated, net	-	-	-
Total assets	<u>\$ 37,647,449</u>	<u>\$ 6,864,013</u>	<u>\$ 9,456,296</u>
Liabilities			
Accounts payable	\$ 966	\$ 169,368	\$ 1,118,588
Accrued liabilities	-	-	-
Due to other funds	-	44	-
Advance from other funds	473,469	-	-
Advances from primary government	-	-	-
Long-term liabilities:			
Due within one year	-	-	-
Due in more than one year	-	-	-
Total liabilities	<u>474,435</u>	<u>169,412</u>	<u>1,118,588</u>
Deferred inflows of resources			
Unavailable revenue - long-term receivables	34,958,978	-	-
Fund balances / net position			
Restricted for:			
Debt service	2,214,036	-	-
Capital projects	-	6,694,601	8,337,708
Total fund balances (deficit)	<u>2,214,036</u>	<u>6,694,601</u>	<u>8,337,708</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 37,647,449</u>	<u>\$ 6,864,013</u>	<u>\$ 9,456,296</u>
Net position:			
Net investment in capital assets			
Restricted for:			
Debt service			
Acquisition/construction of capital assets			
Total net position			

Capital Projects Funds		Total		Statement of
Revolving Drain	Revolving Drain Maintenance	Governmental Funds	Adjustments	Net Position
\$ 182,500	\$ 131,908	\$ 18,849,252	\$ -	\$ 18,849,252
-	-	31,325,930	-	31,325,930
-	7,308	7,775	-	7,775
217,500	44	217,544	(217,544)	-
-	-	473,469	(473,469)	-
-	-	3,633,048	-	3,633,048
-	-	-	10,677,543	10,677,543
-	-	-	58,767,235	58,767,235
<u>\$ 400,000</u>	<u>\$ 139,260</u>	<u>\$ 54,507,018</u>	<u>68,753,765</u>	<u>123,260,783</u>
\$ -	\$ 125	\$ 1,289,047	-	1,289,047
-	-	-	256,839	256,839
-	217,500	217,544	(217,544)	-
-	-	473,469	(473,469)	-
400,000	-	400,000	-	400,000
-	-	-	2,544,879	2,544,879
-	-	-	33,463,857	33,463,857
<u>400,000</u>	<u>217,625</u>	<u>2,380,060</u>	<u>35,574,562</u>	<u>37,954,622</u>
-	-	34,958,978	(34,958,978)	-
-	-	2,214,036	(2,214,036)	-
-	(78,365)	14,953,944	(14,953,944)	-
-	(78,365)	17,167,980	(17,167,980)	-
<u>\$ 400,000</u>	<u>\$ 139,260</u>	<u>\$ 54,507,018</u>		
			33,436,042	33,436,042
			36,916,175	36,916,175
			14,953,944	14,953,944
			<u>\$ 85,306,161</u>	<u>\$ 85,306,161</u>

COUNTY OF SAGINAW, MICHIGAN

Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balances

Drain Commission Component Unit
For the Year Ended September 30, 2021

	Debt	Capital Projects Funds	
	Service Fund	Special Assessment Drain	Chapter 8 Drains
	Chapter 8 Drains		Chapter 8 Drains
Revenues			
Special assessments	\$ 2,388,033	\$ 645,090	\$ 1,303,324
Federal grants and contributions	-	-	50,000
State grants and contributions	-	10,201	1,097,600
Local grants and contributions	4,070,603	3,289,423	-
Investment income	132,504	13,312	624
Reimbursements	(4,280)	17,894	-
Total revenues	<u>6,586,860</u>	<u>3,975,920</u>	<u>2,451,548</u>
Expenditures / expenses			
Current:			
Public works	1,101,757	1,836,018	10,739,948
Depreciation	-	-	-
Debt service:			
Principal	3,734,129	-	-
Interest and fiscal charges	805,164	-	-
Total expenditures	<u>5,641,050</u>	<u>1,836,018</u>	<u>10,739,948</u>
Revenues over (under) expenditures/expenses	945,810	2,139,902	(8,288,400)
Other financing sources			
Proceeds from issuance of long-term debt	-	-	8,542,000
Change in fund balance / net position	945,810	2,139,902	253,600
Fund balances (deficit) / net position, beginning of year	<u>1,268,226</u>	<u>4,554,699</u>	<u>8,084,108</u>
Fund balances (deficit) / net position, end of year	<u>\$ 2,214,036</u>	<u>\$ 6,694,601</u>	<u>\$ 8,337,708</u>

Capital Projects Funds		Total		Statement of
Revolving Drain	Revolving Drain Maintenance	Governmental Funds	Adjustments	Net Position
\$ -	\$ -	\$ 4,336,447	\$ 4,669,357	\$ 9,005,804
-	-	50,000	-	50,000
-	-	1,107,801	-	1,107,801
-	-	7,360,026	-	7,360,026
-	42	146,482	-	146,482
-	104,647	118,261	-	118,261
-	104,689	13,119,017	4,669,357	17,788,374
-	74,011	13,751,734	(5,694,480)	8,057,254
-	-	-	1,885,322	1,885,322
-	-	3,734,129	(3,734,129)	-
-	-	805,164	12,178	817,342
-	74,011	18,291,027	(7,531,109)	10,759,918
-	30,678	(5,172,010)	12,200,466	7,028,456
-	-	8,542,000	(8,542,000)	-
-	30,678	3,369,990	3,658,466	7,028,456
-	(109,043)	13,797,990	64,479,715	78,277,705
\$ -	\$ (78,365)	\$ 17,167,980	\$ 68,138,181	\$ 85,306,161