

# COUNTY OF SAGINAW, MICHIGAN

Year Ended  
September 30,  
2016

Financial  
Statements and  
Single Audit Act  
Compliance

# COUNTY OF SAGINAW, MICHIGAN

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## Independent Auditors' Report

March 30, 2017

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, 2016, 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 County of Saginaw Road Commission or the Saginaw County Community Mental Health Authority discretely presented component units, 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	63%	74%	22%
Saginaw County Community Mental Health Authority	9%	1%	69%

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 County of Saginaw Road Commission and the Saginaw County Community Mental Health Authority, 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, 2016, 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.

### *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 our report dated March 30, 2017, 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.

*Rehmann Lobson LLC*

## 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, 2016. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

### Financial Highlights

- The County implemented GASB Statement No. 68 in the prior year. In addition to expanded disclosure requirements, the County is required to report its net pension liability on the statement of net position. This change has resulted in a negative unrestricted net position of \$58,219,401 in governmental activities.
- The liabilities exceeded assets and deferred outflows of resources of the County at the close of the most recent fiscal year by \$1,344,735 (net position).
- The County's total net position decreased by \$10,769,302 during 2016.
- As of the close of the current fiscal year, the County's governmental funds (this includes the general fund, special revenue, debt service, capital projects, and permanent funds) reported combined ending fund balances of \$38,125,351, an increase of \$44,825 in comparison with the prior year. Approximately 81 percent of this total amount, or \$30,962,466, is unrestricted (committed, assigned or unassigned fund balance). This amount is inclusive of both the committed amount, which has been designated based upon either County policy or for a specific purpose, and the assigned amount.
- At the end of the current fiscal year, the General Fund had unrestricted fund balance of \$17,770,850, or 49 percent of total general fund expenditures. Total fund balance for the General Fund was \$18,228,836.
- The County's total primary government debt (except for compensated absences) increased by \$2,111,955 during the current fiscal year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets, deferred outflows of resources and liabilities, 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).

# COUNTY OF SAGINAW, MICHIGAN

## Management's Discussion and Analysis

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include legislative, judicial, general government, public safety, public works, health and welfare, community and economic development, and recreation and culture. The business-type activities of the County include the Delinquent Tax Revolving Fund, Building Authority Event Center, Building Authority Administration, Delinquent Tax Foreclosure Fund, 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, Land Bank Authority, and Saginaw County Community Mental Health 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 and Saginaw County Community Mental Health Authority 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.

**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, Health Department Fund, Michigan Works! Fund, Planning Commission Fund, and Public Improvement Fund, 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 major special revenue funds.

# COUNTY OF SAGINAW, MICHIGAN

## Management's Discussion and Analysis

*Proprietary funds.* The County maintains two different types of proprietary funds: enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Delinquent Tax Revolving Fund, Delinquent Property Tax Foreclosure Fund, Building Authority Event Center, Building Authority Administration, Parking System, Harry W. Browne Airport, and Inmate Services operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its MERS (DB) Retirement System, MERS (DC) Retirement System, Information Systems and Services operations, Equipment Revolving (computer equipment maintenance and replacement) activities, Mailing Services, Motor Pool operations, Risk Management program, Investment Pool, Employee Benefits, and Retiree Health Savings Plan. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

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

*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.

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 employees 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, liabilities exceeded assets and deferred outflows of resources by \$1,344,735 at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Current and other assets	\$ 61,045,848	\$ 63,669,553	\$ 34,918,764	\$ 29,134,146	\$ 95,964,612	\$ 92,803,699
Capital assets, net	21,897,753	22,528,596	21,330,210	21,037,435	43,227,963	43,566,031
<b>Total assets</b>	<b>82,943,601</b>	<b>86,198,149</b>	<b>56,248,974</b>	<b>50,171,581</b>	<b>139,192,575</b>	<b>136,369,730</b>
Deferred outflows of resources	10,305,404	734,693	-	-	10,305,404	734,693
<b>Liabilities</b>						
Long-term liabilities	46,505,525	49,818,315	23,641,074	18,205,127	70,146,599	68,023,442
Other liabilities	77,898,719	57,382,502	2,797,396	2,273,912	80,696,115	59,656,414
<b>Total liabilities</b>	<b>124,404,244</b>	<b>107,200,817</b>	<b>26,438,470</b>	<b>20,479,039</b>	<b>150,842,714</b>	<b>127,679,856</b>

# COUNTY OF SAGINAW, MICHIGAN

## Management's Discussion and Analysis

	Net Position (Continued)					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Net Position</b>						
Net investment in capital assets	\$ 20,515,621	\$ 20,773,419	\$ 17,701,768	\$ 17,932,435	\$ 38,217,389	\$ 38,705,854
Restricted	6,548,541	7,716,470	-	-	6,548,541	7,716,470
Unrestricted (deficit)	(58,219,401)	(48,757,864)	12,108,736	11,760,107	(46,110,665)	(36,997,757)
<b>Total net position</b>	<b>\$ (31,155,239)</b>	<b>\$ (20,267,975)</b>	<b>\$ 29,810,504</b>	<b>\$ 29,692,542</b>	<b>\$ (1,344,735)</b>	<b>\$ 9,424,567</b>

One of the largest portions of the County's net position, \$38,217,389 (exceeding total net position) 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, \$6,548,541 represents resources that are subject to external restrictions on how they may be used. This leaves a negative net position of \$46,110,665 as unrestricted net position.

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 due to the implementation of GASB Statement No. 68. During 2016, the County had a significant increase in deferred outflows of resources and the other liabilities, which was the result of the adjustments required by GASB 68 related to the County's MERS pension plan.

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 27,108,570	\$ 28,298,555	\$ 9,029,215	\$ 9,117,034	\$ 36,137,785	\$ 37,415,589
Operating grants and contributions	33,830,743	34,672,046	-	-	33,830,743	34,672,046
Capital grants and contributions	18,220	-	524,292	1,179,645	542,512	1,179,645
General revenues:						
Property taxes	37,186,388	36,995,108	1,069,342	1,063,476	38,255,730	38,058,584
Accommodations tax	2,974,587	2,841,604	-	-	2,974,587	2,841,604
Grants and contributions not restricted to specific program	462,969	866,288	-	-	462,969	866,288
Other revenue, net	333,193	156,110	91,542	34,026	424,735	190,136
<b>Total revenues</b>	<b>101,914,670</b>	<b>103,829,711</b>	<b>10,714,391</b>	<b>11,394,181</b>	<b>112,629,061</b>	<b>115,223,892</b>

# COUNTY OF SAGINAW, MICHIGAN

## Management's Discussion and Analysis

	Changes in Net Position (Continued)					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Expenses</b>						
Legislative	\$ 618,741	\$ 547,771	\$ -	\$ -	\$ 618,741	\$ 547,771
Judicial	20,013,400	18,709,562	-	-	20,013,400	18,709,562
General government	15,407,329	14,201,237	-	-	15,407,329	14,201,237
Public safety	29,363,146	29,031,795	-	-	29,363,146	29,031,795
Public works	1,127,368	834,919	-	-	1,127,368	834,919
Health and welfare	39,164,214	39,549,336	-	-	39,164,214	39,549,336
Community and economic development	4,171,465	4,183,653	-	-	4,171,465	4,183,653
Recreation and culture	2,881,410	2,026,155	-	-	2,881,410	2,026,155
Interest on long-term debt	1,848,186	1,882,744	-	-	1,848,186	1,882,744
Delinquent tax revolving	-	-	940,787	1,238,414	940,787	1,238,414
Delinquent tax foreclosure	-	-	1,501,978	1,522,765	1,501,978	1,522,765
Building Authority Event Center	-	-	5,356,935	4,765,890	5,356,935	4,765,890
Building Authority administration	-	-	43,080	88,646	43,080	88,646
Parking system	-	-	83,826	115,740	83,826	115,740
Harry W. Browne Airport	-	-	463,844	458,095	463,844	458,095
Inmate services	-	-	412,654	494,765	412,654	494,765
<b>Total expenses</b>	<b>114,595,259</b>	<b>110,967,172</b>	<b>8,803,104</b>	<b>8,684,315</b>	<b>123,398,363</b>	<b>119,651,487</b>
Change in net position before transfers	(12,680,589)	(7,137,461)	1,911,287	2,709,866	(10,769,302)	(4,427,595)
Transfers	1,793,325	1,839,558	(1,793,325)	(1,839,558)	-	-
<b>Change in net position</b>	<b>(10,887,264)</b>	<b>(5,297,903)</b>	<b>117,962</b>	<b>870,308</b>	<b>(10,769,302)</b>	<b>(4,427,595)</b>
<b>Net position:</b>						
Beginning of year	(20,267,975)	42,255,908	29,692,542	25,968,772	9,424,567	68,224,680
Restatement	-	(57,225,980)	-	2,853,462	-	(54,372,518)
	<b>(20,267,975)</b>	<b>(14,970,072)</b>	<b>29,692,542</b>	<b>28,822,234</b>	<b>9,424,567</b>	<b>13,852,162</b>
<b>Net position, end of year</b>	<b>\$ (31,155,239)</b>	<b>\$ (20,267,975)</b>	<b>\$ 29,810,504</b>	<b>\$ 29,692,542</b>	<b>\$ (1,344,735)</b>	<b>\$ 9,424,567</b>

Governmental activities. Governmental activities decreased the County's net position by \$10,887,264 thereby accounting for the majority of the total decrease in the government's net position during the year. Key elements of this decrease are as follows:

- Revenues from FY 2015 to FY 2016 showed a decrease of \$1,915,041 (1.8 percent). The County saw more revenue in the areas of property taxes, accommodations tax, and other revenue and less revenue in the areas of charges for services, operating grants and contributions, and grants and contributions not restricted to a specific program. The County Treasurer continues to be conservative in investments to keep them in 100% FDIC insured accounts which typically pay a slightly lower rate for interest.
- Expenses increased during the year as compared to the prior year by \$3,628,087 (3.3 percent). This was mainly a result of a base wage increase for employees of 1.5% as well as an increase in the County's portion of drain expenditures.

# COUNTY OF SAGINAW, MICHIGAN

## Management's Discussion and Analysis

Business-type activities. Business-type activities increased the County's net position by \$117,962. Key elements of this increase are as follows:

- Revenues decreased 6.0 percent, or \$679,790 mainly in the area of capital grants and contributions due to the decrease in the Event Center of contributed money for the FirstMerit pavilion.
- Expenses increased 1.4 percent, or \$118,789, mainly as a result of increased activity within the building authority event center fund.
- Transfers netted to a decrease of \$46,233 or 2.5 percent. This is a result of a decrease of \$41,365 in the amount transferred out from the inmate services fund into the public improvement fund from the prior year.

### 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.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$38,125,351, an increase of \$44,825 in comparison with the prior year. Approximately 81 percent of this total amount (\$30,962,466) constitutes unrestricted fund balance. However, the unrestricted fund balance amount is further separated into committed fund balance (\$5,645,002), assigned fund balance (\$19,179,958) and unassigned fund balance (\$6,137,506). 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. Approximately 2 percent of the total fund balance amount (\$617,989) is categorized as nonspendable for advances to the Mailing Department fund (\$25,000), the Inmate Services fund (\$20,000), to the Drain Commission component unit (\$400,000) as well as a permanent trust (\$36,070) and prepaids (\$136,919). The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been set aside for: 1) specific purposes (\$6,509,191), 2) pay debt service (\$32,455), or 3) for permanent trusts (\$3,250).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the assigned fund balance of the General Fund was \$11,633,344 and the unassigned portion was \$6,137,506, while total fund balance amounted to \$18,228,836. 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 49 percent of total General Fund expenditures, while total fund balance represents 50 percent of that same amount.

The fund balance of the County's General Fund increased by \$914,133 during the current fiscal year. Key factors in this increase are as follows:

- Property tax revenue remained relatively stagnant with a decrease of \$522,328 (2.3 percent).
- State grants decreased by \$426,270 (5.9 percent) mainly due to a decrease in State shared revenues for Convention/Facilities payment.
- Charges for services decreased by \$416,208 (8.1 percent) mainly due to a decrease in monies collected by the 70th District Court for court costs and other fees.
- Fines and forfeitures decreased by \$74,938 (9.9 percent) mainly due to a decrease in monies collected by the 70th District Court for local ordinance fines and costs.

## COUNTY OF SAGINAW, MICHIGAN

### Management's Discussion and Analysis

- Reimbursements increased by \$219,819 (6.0 percent) due to an increase in indirect charges allocated to other departments of \$139,729 along with an increase in the reimbursement from the Road Commission for their portion of drain expenditures of \$103,914.
- Expenditures remained relatively flat overall with the largest decrease occurring in the contribution to the postemployment health benefits trust fund of \$781,323. This was due to a budgeted contribution in 2015 of \$372,607 that was not budgeted for in 2016 along with the budget surplus distribution policy by the Board of Commissioners allocating one-third of the general fund surplus to the postemployment health benefits trust fund. The amount of this surplus distribution for 2015 was \$885,580 and for 2016 was \$476,864.
- Transfers in increased by \$434,390 (9.8 percent) mainly due to a one-time transfer in of \$437,206 from the Special Projects fund of a surplus to properly account for the 70th District Court Alcohol Caseflow funds within the General Fund. This balance is included in the assigned fund balance category.
- Transfers out decreased by \$483,176 (6.6 percent) mainly due to the budget surplus distribution policy allocating one-third of the general fund surplus to the public improvement fund. The amount of this transfer was a decrease of \$408,716 from the prior fiscal year amount of \$885,580. The appropriation to the Law Enforcement fund decreased by \$102,981 mainly due to an appropriation from the Road Patrol Millage fund to offset expenses. These decreases were offset by an increase in appropriation to Friend of the Court of \$100,868.

The Health Department fund had a decrease in fund balance for the current year of \$148,213, for an ending total of \$1,144,720. This decrease was the result of several factors including a decrease in revenues offset with a smaller decrease in expenditures. The Health Department also eliminated their dental program in 2016.

The debt service funds have a total fund balance of \$32,455 which is entirely restricted for the payment of debt service. The net decrease in fund balance during the current year in the debt service funds was \$39,921.

The capital project funds have a total fund balance of \$5,391,304, of which \$5,231,266 is restricted for public improvement, \$152,626 is assigned for mainframe conversion project and \$7,412 is related to prepaid items and is considered nonspendable.

The permanent fund has a fund balance of \$39,320, of which \$36,070 is nonspendable and the remaining \$3,250 restricted for maintenance of the Saginaw Valley Rail Trail.

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

Unrestricted net position of the Delinquent Tax Revolving Fund at the end of the year amounted to \$11,063,651, while unrestricted net position for the Building Authority Event Center amounted to a \$377,260. The combined unrestricted net position of the nonmajor enterprise funds and the internal service funds were \$605,774 and \$8,791,111, respectively, at the end of the year. The Delinquent Tax Revolving Fund had an increase in net position for the year of \$598,417, whereas the Building Authority Event Center had a decrease of \$489,551. The combined decrease in net position of the nonmajor enterprise funds was \$194 and the combined increase in net position of the internal service funds was \$1,408,686 for the year. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities for enterprise funds and governmental activities for internal service funds.

**General Fund budgetary highlights.** The differences between the original budget and final amended budget for expenditures resulted in a 0.36 percent increase (\$133,757 increase in appropriations); whereas the difference between the original budget and final amended budget for revenues resulted in a 1.19 percent increase (\$474,369 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.

## COUNTY OF SAGINAW, MICHIGAN

### Management's Discussion and Analysis

The budgetary differences are summarized as follows:

- Towards the beginning of the year, an adjustment was made to amend the various budgets to reflect the costs for indirect and ISS charges as determined by the finalized cost allocation plan and ISS user rate plan pursuant to approval by the Board of Commissioners. This adjustment allocated a \$394,101 increase to reimbursement revenue, a \$26,723 increase in federal grant revenue and a \$394,527 decrease in the use of fund balance as well as the following affect on expenditures: a \$1,464 decrease in legislative functions, a \$2,121 increase in judicial functions, a \$56,325 increase in general government functions, a \$9,562 increase in public safety functions, a \$2,728 increase in health and welfare functions and a \$42,975 decrease in transfers out to various other funds.
- During the year, the Board of Commissioners approved an increase of \$50,000 in the Elections activity offset with an increase in reimbursement revenue to account for the additional expenditures and reimbursement from the State for the Presidential Primary election.
- The Board of Commissioners approved an increase in transfers out to Animal Control of \$8,750 offset with the use of fund balance to engage a company to provide temperament testing training and protocol for the employees of SCACC.
- An increase in the Marine Law Enforcement activity of \$3,545 with an offsetting increase in federal grant revenue was approved to amend the budgeted grant award for additional funding received.
- The Board of Commissioners approved an increase of \$9,940 in the Medical Examiners activity that was offset with the use of fund balance.
- The Board of Commissioners also approved an transfer out to the River Preservation fund of \$20,000 that was offset with the use of fund balance due to the pump breaking multiple times.
- During the budget process for 2017, the Board of Commissioners approved rolling the 70th District Court Alcohol Caseflow activity from the Special Projects fund and accounting for it in the General Fund. This approval included an adjustment to the 2016 budget to increase transfers in by \$417,800 with an offset to reduce the use of fund balance to zero out this activity.

Overall during the year, actual General Fund revenues were lower than the amended budgetary estimates and expenditures were less than the amended budget, resulting in an actual increase in fund balance that was more than the final amended budget amount which expected an increase of \$749,653 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 unfavorable variance in property taxes of \$220,985 occurred due to lower than anticipated revenue received based on the estimates provided by Equalization.
- The unfavorable variance in state grants of \$117,918 is a result of receiving less than anticipated in State jury reimbursements and State Court Equity funding offset with receiving a higher than anticipated amount for Conventions Facilities tax.
- The unfavorable variance in charges for services of \$202,954 is manly due to receiving lower than anticipated court costs in 70th District Court.
- The unfavorable variance in fines and forfeitures of \$88,050 is due to lower than anticipated revenue received from the collection of local ordinance fines and costs by 70th District Court.
- The majority of the favorable variances in expenditures occurred as a result of lapsed salaries and benefits because of delays in the filling of vacancies as well as the implementation of a hiring freeze during the previous fiscal years which further increased the delay in the filling of vacancies.



# COUNTY OF SAGINAW, MICHIGAN

## Management's Discussion and Analysis

- The unfavorable variance in contributions to postemployment health benefits trust fund and in transfers out occurred mainly as a result of the transfer of one-third of the surplus to both the Postemployment Health Benefits Trust fund and the Public Improvement fund pursuant to the County Policy as approved by the Board of Commissioners.

General Fund Fund Balance. The following schedule presents a comparative summary of changes in the fund balance of the General Fund for the fiscal years ended September 30, 2016, and September 30, 2015, along with the amount and percentage of increases and decreases in relation to the 2015 fund balance:

	2016	2015	Variance from 2015	Percent Increase/ (Decrease)
Revenues	\$ 39,470,059	\$ 40,608,079	\$ (1,138,020)	-2.80%
Expenditures	(36,585,561)	(36,590,009)	4,448	-0.01%
Revenues over expenditures	2,884,498	4,018,070	(1,133,572)	
Other financing sources (uses)				
Transfers in	4,869,829	4,435,439	434,390	9.79%
Transfers out	(6,840,194)	(7,323,370)	483,176	-6.60%
Net change in fund balances	914,133	1,130,139	(216,006)	
Fund balance, beginning of year	17,314,703	16,184,564	1,130,139	
Fund balance, end of year	\$ 18,228,836	\$ 17,314,703	\$ 914,133	5.28%

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

	General Fund Fund Balance Analysis		
	Nonspendable	Assigned and Unassigned	Total Fund Balance
Fund balance, beginning of year	\$ 457,974	\$ 16,856,729	\$ 17,314,703
Fiscal year 2015 transactions:			
Excess revenue over expenditures	12	2,884,486	2,884,498
Total other financing sources (uses)	-	(1,970,365)	(1,970,365)
Fiscal year net increase (decrease)	12	914,121	914,133
Fund balance, end of year	\$ 457,986	\$ 17,770,850	\$ 18,228,836

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

## COUNTY OF SAGINAW, MICHIGAN

### Management's Discussion and Analysis

The current balance for Employee Payroll Reserve is \$11,196,138 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 \$6,137,506 or 12.3 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.

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

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

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

The Building Authority Event Center Fund accounts for the operations of the County-owned facility that includes an arena, theater, 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 0.225 mills to be levied through 2020, charges for services, as well as donations received for specific purposes.

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

The Parking System Fund accounts for revenues, expenses and transactions relating to the operation of the municipal parking lots located around the Courthouse. A full-time parking attendant patrols the lots and issues parking tickets for violations. Approximately 21.5 percent of the Parking System revenue is attributable to the fines received from the tickets.

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

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

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

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

The Dependent Care and the Medical Spending Reimbursement Funds account for the collection and distribution of pre-tax monies used for dependent care and medical spending by employees of the County. The remaining fiduciary fund included is the Post Employment Health Benefits Trust Fund.

# COUNTY OF SAGINAW, MICHIGAN

## Management's Discussion and Analysis

### Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2016 amounted to \$43,227,963 (net of accumulated depreciation). This investment in capital assets includes land, air rights, construction in progress, land improvements, buildings, leasehold improvements, machinery and equipment, office furniture and fixtures, and vehicles. The total decrease in the County's investment in capital assets for the current fiscal year was 0.8 percent (a 2.8 percent decrease for governmental activities and a 1.4 percent increase for business-type activities).

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

- Phase 1 & 2 of the security upgrades at the Courthouse continued with a cost totaling \$196,585 and proximity locks were added at Family Division at a cost of \$11,995.
- Renovations of the two elevators at the Courthouse began with one elevator completed with a cost of \$132,621.
- The Register of Deeds office implemented a new recording software program totaling \$367,300 and the Friend of the Court upgraded their current scanning software totaling \$74,566.
- Commission on Aging purchased two double deck convection ovens for \$15,579 as well as a transit van for \$38,099.
- Several copiers were purchased for various departments at a cost of \$16,154.
- Several vehicles were replaced in various county departments at a total cost of \$277,533.
- Renovations were completed at the FirstMerit pavilion across from the Dow Event Center to add facilities to the outdoor building at a cost of \$434,182. Also a new video board and sound system were installed in the arena at THEDOW at a cost of \$908,554 and \$130,516 respectively.
- Construction on the Bay/Zilwaukee portion of the Great Lakes Bay Rail Trail was written off at a cost of \$447,030 as a memorandum of understanding was signed identifying the County's responsibility as maintenance only.
- Construction was completed on the runway joint/crack repair project at Harry W. Browne Airport and placed into service at a cost of \$384,848 and the update to the airport layout plan continued with a cost of \$35,617.

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Land	\$ 3,549,807	\$ 3,549,807	\$ 2,258,248	\$ 2,258,248	\$ 5,808,055	\$ 5,808,055
Air rights	-	-	117,761	117,761	117,761	117,761
Construction in progress	418,343	840,223	191,179	674,071	609,522	1,514,294
Land improvements	5,109,809	5,338,738	3,346,369	3,597,996	8,456,178	8,936,734
Buildings and improvements	10,381,220	10,812,491	13,406,089	12,579,078	23,787,309	23,391,569
Machinery and equipment	1,368,620	1,320,187	387,344	438,327	1,755,964	1,758,514
Office furniture & fixtures	466,993	62,854	26,483	27,183	493,476	90,037
Planning and development	-	-	1,583,285	1,326,039	1,583,285	1,326,039
Vehicles	602,961	604,296	13,452	18,732	616,413	623,028
<b>Total</b>	<b>\$ 21,897,753</b>	<b>\$ 22,528,596</b>	<b>\$ 21,330,210</b>	<b>\$ 21,037,435</b>	<b>\$ 43,227,963</b>	<b>\$ 43,566,031</b>

# COUNTY OF SAGINAW, MICHIGAN

## Management's Discussion and Analysis

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

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding (less accrued compensated absences) of \$97,005,609. Of this amount, \$86,267,221 comprises debt backed by the full faith and credit of the government and \$10,329,065 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		Totals	
	2016	2015	2016	2015	2016	2015
<b>Primary Government</b>						
General obligation bonds	\$ 44,797,132	\$ 48,120,177	\$ 3,005,000	\$ 3,105,000	\$ 47,802,132	\$ 51,225,177
Delinquent tax notes	-	-	20,630,000	15,095,000	20,630,000	15,095,000
<b>Component Units</b>						
Revolving loans	-	222,424	-	-	-	222,424
Capital Lease	409,323	331,322	-	-	409,323	331,322
General obligation bonds and notes	28,164,154	25,594,986	-	-	28,164,154	25,594,986
<b>Total</b>	<b>\$ 73,370,609</b>	<b>\$ 74,268,909</b>	<b>\$ 23,635,000</b>	<b>\$ 18,200,000</b>	<b>\$ 97,005,609</b>	<b>\$ 92,468,909</b>

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

	Amount	Issue	Rate
2016 Series GOL Delinquent Tax Notes	\$ 12,225,000	5/26/2016	LIBOR + 0.65%
Hemlock Tile Drain Bonds	800,000	3/31/2016	0.65%
Upper Hogan Drain Bonds	120,000	8/1/2016	2.49%
Zehnder Drain Bonds	150,000	4/29/2016	2.37%
Wolf Creek Drain Bonds	395,000	2/22/2016	1.05-2.50%
Whitman Drain Bonds	255,000	2/22/2016	1.05-2.50%
Tucker Drain Bonds	145,000	2/22/2016	1.05-2.85%
Southfield Village Relief Drain Bonds	1,290,000	6/28/2016	2.00%
George Reinbold Subdivision Drain Bonds	790,000	6/28/2016	2.00-3.00%

The County's total debt increased by \$4,536,700 (4.9 percent) during the fiscal year.

The County maintains 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 \$539,424,121, 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 notes to the financial statements.

# COUNTY OF SAGINAW, MICHIGAN

## Management's Discussion and Analysis

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

The following factors were considered in preparing the County's budget for the 2017 fiscal year:

- Property Taxes - Estimates received from the County Equalization Department anticipated that property tax revenue for the General Fund would decrease by 2.13% for fiscal 2017 while property tax revenue for the special millage funds would decrease by 1.88% for fiscal 2017.
- Wages and Fringe Benefits - The County's authorized staff count saw a decrease from 2015 to 2016 with the reduction of 10.10 F.T.E.'s or 623.13 F.T.E.'s budgeted for. The wage rates for these positions were frozen without increase for fiscal 2017. 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 went up from \$9,200 per covered employee to \$10,005 per full time position. Contributions to the MERS DB unfunded liability changed in 2017 from a percentage of wages of 17% to a fixed amount per F.T.E. of \$8,800. The change in allocation method to both the MERS DB unfunded liability and retiree health reserve fund were made in an effort to 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.
- Use of Reserves - Structural Deficit - The structural budget deficit situation was fortunately not an issue for fiscal 2017 as anticipated due to staff turnover and staff reductions. However, the Board of Commissioners approved the use of fund balance in an amount of \$245,391 from Alcohol Caseflow Funds to support District Court operations due to the decline in their revenue. We also anticipate through our five year financial forecast that the County will need to use reserves in future budget cycles to maintain current staffing levels and to balance anticipated revenues with expenditures.
- The Board of Commissioners authorized a hiring freeze in FY 2013 that has been carried over into FY 2017 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.
- During FY 2015, the Board of Commissioners engaged a process of developing a Strategic Plan for the County. The Board created a mission and vision statement and also discussed various goals and priorities that were submitted by departments. There were six major priorities identified by the Board during this process: addressing legacy costs, jail renovation, budgeting for capital improvements, investing in animal control, undergoing a county compensation study, and developing a countywide technology plan. These priorities were reviewed for FY 2017 and will impact future budget cycles in various ways including where the Board prioritizes departmental budget requests.
- Also during FY 2015, the Board of Commissioners created a Retiree Healthcare Task Force. This Task Force was charged with reviewing retiree healthcare costs and identifying opportunities for addressing/funding the County's unfunded accrued liability, which may include bonding for a portion or all of this liability, and ways of controlling/reducing these costs. A final recommendation has been presented to the Board in FY 2016 and any recommendations implemented by the Board will impact future budget cycles.
- 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.

## COUNTY OF SAGINAW, MICHIGAN

### Management's Discussion and Analysis

#### 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, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and investment pool	\$ 41,279,175	\$ 18,171,365	\$ 59,450,540	\$ 28,777,124
Receivables (net)	19,221,678	16,631,365	35,853,043	28,830,237
Internal balances	(11,973)	11,973	-	-
Inventory	-	96,775	96,775	1,648,004
Prepays	156,968	7,286	164,254	812,249
Advances to component unit	400,000	-	400,000	-
Capital assets:				
Assets not being depreciated	3,968,150	2,567,188	6,535,338	50,500,444
Assets being depreciated, net	17,929,603	18,763,022	36,692,625	166,825,033
<b>Total assets</b>	<b>82,943,601</b>	<b>56,248,974</b>	<b>139,192,575</b>	<b>277,393,091</b>
<b>Deferred outflows of resources</b>				
Deferred pension amounts	10,305,404	-	10,305,404	2,887,772
<b>Liabilities</b>				
Accounts payable and accrued liabilities	9,805,804	1,753,327	11,559,131	15,940,763
Unearned revenue	514,998	107,152	622,150	360,018
Advances from primary government	-	-	-	400,000
Due to Saginaw Hockey Club, LLC	-	623,442	623,442	-
Long-term liabilities:				
Due within one year	4,778,375	115,000	4,893,375	4,004,378
Due in more than one year	41,727,150	23,526,074	65,253,224	25,843,896
Net pension liability	27,965,784	-	27,965,784	15,960,642
Net other postemployment benefit obligation	39,612,133	313,475	39,925,608	7,288,663
<b>Total liabilities</b>	<b>124,404,244</b>	<b>26,438,470</b>	<b>150,842,714</b>	<b>69,798,360</b>
<b>Net position</b>				
Net investment in capital assets	20,515,621	17,701,768	38,217,389	200,280,785
Restricted for:				
Debt service	-	-	-	10,211,375
Public safety	608,638	-	608,638	-
Public works	44,810	-	44,810	-
Health and welfare	49,777	-	49,777	2,707,803
Community and economic development	40,695	-	40,695	5,191,021
Recreation	115,542	-	115,542	-
Register of Deeds	418,493	-	418,493	-
Public improvement	5,231,266	-	5,231,266	-
Endowment:				
Nonexpendable	36,070	-	36,070	-
Expendable	3,250	-	3,250	-
Unrestricted (deficit)	(58,219,401)	12,108,736	(46,110,665)	(7,908,481)
<b>Total net position (deficit)</b>	<b>\$ (31,155,239)</b>	<b>\$ 29,810,504</b>	<b>\$ (1,344,735)</b>	<b>\$ 210,482,503</b>

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



COUNTY OF SAGINAW, MICHIGAN

**Statement of Activities**

For the Year Ended September 30, 2016

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>						
Governmental activities:						
Legislative	\$ 617,913	\$ 828	\$ -	\$ -	\$ -	\$ (618,741)
Judicial	19,458,292	555,108	3,342,203	5,177,143	-	(11,494,054)
General government	17,569,939	(2,162,610)	8,101,050	5,941,870	-	(1,364,409)
Public safety	29,105,751	257,395	8,973,702	2,311,825	17,045	(18,060,574)
Public works	1,118,645	8,723	725,245	(37,089)	-	(439,212)
Health and welfare	37,879,538	1,284,676	5,853,262	19,933,925	-	(13,377,027)
Community and economic development	4,160,000	11,465	16,537	455,834	-	(3,699,094)
Recreation and culture	2,845,290	36,120	96,571	47,235	1,175	(2,736,429)
Interest on long-term debt	1,848,186	-	-	-	-	(1,848,186)
<b>Total governmental activities</b>	<b>114,603,554</b>	<b>(8,295)</b>	<b>27,108,570</b>	<b>33,830,743</b>	<b>18,220</b>	<b>(53,637,726)</b>
Business-type activities:						
Delinquent tax revolving	940,787	-	2,962,371	-	-	2,021,584
Delinquent tax foreclosure	1,501,978	-	1,493,313	-	-	(8,665)
Building Authority Event Center	5,356,910	25	3,412,494	-	415,628	(1,528,813)
Building Authority administration	43,080	-	17,401	-	-	(25,679)
Parking system	83,559	267	98,610	-	-	14,784
Harry W. Browne Airport	463,442	402	334,280	-	108,664	(20,900)
Inmate services	405,053	7,601	710,746	-	-	298,092
<b>Total business-type activities</b>	<b>8,794,809</b>	<b>8,295</b>	<b>9,029,215</b>	<b>-</b>	<b>524,292</b>	<b>750,403</b>
<b>Total primary government</b>	<b>\$123,398,363</b>	<b>\$ -</b>	<b>\$ 36,137,785</b>	<b>\$ 33,830,743</b>	<b>\$ 542,512</b>	<b>\$ (52,887,323)</b>
<b>Component units</b>						
Road Commission	\$ 22,818,150	\$ -	\$ 76,236	\$ 23,558,037	\$ -	\$ 816,123
Brownfield Redevelopment Authority	4,413	-	-	15,914	-	11,501
Department of Public Works	474,301	-	51,040	28,750	389,567	(4,944)
Drain Commission	2,894,788	-	-	1,063,572	5,507,308	3,676,092
Economic Development Corporation	14,170	-	29,083	-	-	14,913
Land Bank Authority	3,168,684	-	-	2,138,874	431,680	(598,130)
Saginaw County Community Mental Health Authority	76,909,659	-	2,306,267	69,145,618	2,729,009	(2,728,765)
<b>Total component units</b>	<b>\$106,284,165</b>	<b>\$ -</b>	<b>\$ 2,462,626</b>	<b>\$ 95,950,765</b>	<b>\$ 9,057,564</b>	<b>\$ 1,186,790</b>

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, 2016

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Change in net position				
Net (expense) revenue	\$ (53,637,726)	\$ 750,403	\$ (52,887,323)	\$ 1,186,790
General revenues:				
Property taxes	37,186,388	1,069,342	38,255,730	699
Accommodations tax	2,974,587	-	2,974,587	-
Grants and contributions not restricted to specific programs	462,969	-	462,969	-
Investment income - interest earned	333,193	91,542	424,735	415,068
Transfers - internal activities	1,793,325	(1,793,325)	-	-
Total general revenues and transfers	<u>42,750,462</u>	<u>(632,441)</u>	<u>42,118,021</u>	<u>415,767</u>
Change in net position	(10,887,264)	117,962	(10,769,302)	1,602,557
Net position (deficit), beginning of year	<u>(20,267,975)</u>	<u>29,692,542</u>	<u>9,424,567</u>	<u>208,879,946</u>
Net position (deficit), end of year	<u>\$ (31,155,239)</u>	<u>\$ 29,810,504</u>	<u>\$ (1,344,735)</u>	<u>\$ 210,482,503</u>

Concluded

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

COUNTY OF SAGINAW, MICHIGAN

**Balance Sheet**

Governmental Funds  
September 30, 2016

	Special Revenue Funds				Capital Projects Fund
	General	Health Department	Michigan Works!	Planning Commission	Public Improvement
<b>Assets</b>					
Cash and investment pool	\$ 13,200,249	\$ 1,145,035	\$ 317,002	\$ 17,300	\$ 4,805,353
Receivables:					
Taxes	5,535,352	-	-	-	-
Accounts	447,018	176,608	1,503	-	1,022
Loans	-	-	-	2,218,145	-
Accrued interest	57,665	-	1,645	124	18,985
Due from other funds	1,955,392	-	-	-	498,165
Due from other governmental units	696,009	27,894	2,038,560	91,621	-
Advances to other funds	45,000	-	-	-	-
Advances to component units	400,000	-	-	-	-
Prepays	12,986	2,800	62,840	-	-
<b>Total assets</b>	<b>\$ 22,349,671</b>	<b>\$ 1,352,337</b>	<b>\$ 2,421,550</b>	<b>\$ 2,327,190</b>	<b>\$ 5,323,525</b>
<b>Liabilities</b>					
Accounts payable	\$ 932,445	\$ 118,876	\$ 1,828,644	\$ 50,923	\$ 92,110
Accrued liabilities	345,170	64,779	12,071	4,018	-
Deposits payable	-	18,642	-	-	-
Due to other funds	602,639	-	-	13,408	149
Due to other governmental units	-	5,320	-	235,032	-
Unearned revenue	-	-	421,020	-	-
<b>Total liabilities</b>	<b>1,880,254</b>	<b>207,617</b>	<b>2,261,735</b>	<b>303,381</b>	<b>92,259</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue - property taxes	2,240,581	-	-	-	-
Unavailable revenue - long-term receivables	-	-	-	1,983,114	-
<b>Total deferred inflows of resources</b>	<b>2,240,581</b>	<b>-</b>	<b>-</b>	<b>1,983,114</b>	<b>-</b>
<b>Fund balances</b>					
Nonspendable	457,986	2,800	62,840	-	-
Restricted	-	-	-	40,695	5,231,266
Committed	-	-	-	-	-
Assigned	11,633,344	1,141,920	96,975	-	-
Unassigned (deficit)	6,137,506	-	-	-	-
<b>Total fund balances</b>	<b>18,228,836</b>	<b>1,144,720</b>	<b>159,815</b>	<b>40,695</b>	<b>5,231,266</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 22,349,671</b>	<b>\$ 1,352,337</b>	<b>\$ 2,421,550</b>	<b>\$ 2,327,190</b>	<b>\$ 5,323,525</b>

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



Nonmajor Governmental Funds	Total Governmental Funds
\$ 11,914,766	\$ 31,399,705
153,102	5,688,454
2,805,147	3,431,298
244,965	2,463,110
48,540	126,959
304,202	2,757,759
4,020,622	6,874,706
-	45,000
-	400,000
58,293	136,919
<u>\$ 19,549,637</u>	<u>\$ 53,323,910</u>
\$ 3,012,460	\$ 6,035,458
522,023	948,061
15,489	34,131
2,107,192	2,723,388
106,298	346,650
93,978	514,998
<u>5,857,440</u>	<u>10,602,686</u>
127,213	2,367,794
<u>244,965</u>	<u>2,228,079</u>
<u>372,178</u>	<u>4,595,873</u>
94,363	617,989
1,272,935	6,544,896
5,645,002	5,645,002
6,307,719	19,179,958
-	6,137,506
<u>13,320,019</u>	<u>38,125,351</u>
<u>\$ 19,549,637</u>	<u>\$ 53,323,910</u>

## COUNTY OF SAGINAW, MICHIGAN

### Reconciliation

Fund Balances for Governmental Funds  
To Net Position of Governmental Activities  
September 30, 2016

Fund balances - total governmental funds	\$ 38,125,351
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	3,968,150
Capital assets, being depreciated	17,929,603
Less: Internal service fund capital assets, net	(291,184)
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	4,595,873
Certain pension-related amounts, such as the net pension liability and 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	(27,965,784)
Deferred outflows related to the net pension liability	10,305,404
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.	
	9,020,244
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	(44,797,132)
Other postemployment benefit obligation	(39,612,133)
Accrued interest on bonds payable	(775,559)
Accrued compensated absences	(1,658,072)
Net position of governmental activities	<u>\$ (31,155,239)</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, 2016

	Special Revenue Funds				Capital Projects Fund
	General	Health Department	Michigan Works!	Planning Commission	Public Improvement
<b>Revenues</b>					
Property taxes	\$ 22,657,679	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	171,371	392,866	-	-	-
Federal grants	415,454	1,968,049	10,344,125	367,973	-
State grants	6,791,896	1,953,463	1,461,352	7,172	-
Local grants and contributions	6,500	-	-	-	-
Charges for services	4,709,326	970,698	-	-	-
Fines and forfeitures	683,350	-	-	-	-
Investment income	113,598	-	25,473	225	35,464
Rental revenue	-	-	-	-	-
Donations	-	3,658	-	-	-
Reimbursements	3,909,296	1,720,219	1,495,385	-	-
Other revenue	11,589	540,435	-	7,481	-
<b>Total revenues</b>	<b>39,470,059</b>	<b>7,549,388</b>	<b>13,326,335</b>	<b>382,851</b>	<b>35,464</b>
<b>Expenditures</b>					
Current:					
Legislative	502,991	-	-	-	-
Judicial	11,572,565	-	-	-	-
General government	11,641,120	-	-	-	193,599
Public safety	10,174,279	-	-	-	-
Public works	354,711	-	-	-	-
Health and welfare	1,550,338	9,216,648	13,166,520	-	-
Community and economic development	305,168	-	-	466,415	-
Recreation and culture	-	-	-	-	-
Contributions to postemployment health benefits trust fund	476,864	-	-	-	-
Capital outlay	7,525	-	-	-	739,432
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>36,585,561</b>	<b>9,216,648</b>	<b>13,166,520</b>	<b>466,415</b>	<b>933,031</b>
Revenues over (under) expenditures	2,884,498	(1,667,260)	159,815	(83,564)	(897,567)
<b>Other financing sources (uses)</b>					
Transfers in	4,869,829	1,519,047	-	53,037	548,165
Transfers out	(6,840,194)	-	-	-	(84,650)
<b>Total other financing sources (uses)</b>	<b>(1,970,365)</b>	<b>1,519,047</b>	<b>-</b>	<b>53,037</b>	<b>463,515</b>
<b>Net change in fund balances</b>	<b>914,133</b>	<b>(148,213)</b>	<b>159,815</b>	<b>(30,527)</b>	<b>(434,052)</b>
Fund balances, beginning of year	17,314,703	1,292,933	-	71,222	5,665,318
<b>Fund balances, end of year</b>	<b>\$ 18,228,836</b>	<b>\$ 1,144,720</b>	<b>\$ 159,815</b>	<b>\$ 40,695</b>	<b>\$ 5,231,266</b>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 14,513,066	\$ 37,170,745
2,974,587	2,974,587
87,364	651,601
4,542,615	17,638,216
5,880,161	16,094,044
217,026	223,526
6,627,169	12,307,193
317,718	1,001,068
96,421	271,181
386,548	386,548
277,404	281,062
7,677,841	14,802,741
55,644	615,149
<u>43,653,564</u>	<u>104,417,661</u>
-	502,991
4,997,824	16,570,389
1,832,559	13,667,278
15,298,248	25,472,527
567,193	921,904
11,653,449	35,586,955
3,327,757	4,099,340
2,188,815	2,188,815
-	476,864
785,705	1,532,662
3,323,045	3,323,045
1,867,496	1,867,496
<u>45,842,091</u>	<u>106,210,266</u>
<u>(2,188,527)</u>	<u>(1,792,605)</u>
5,336,443	12,326,521
<u>(3,564,247)</u>	<u>(10,489,091)</u>
<u>1,772,196</u>	<u>1,837,430</u>
(416,331)	44,825
<u>13,736,350</u>	<u>38,080,526</u>
<u>\$ 13,320,019</u>	<u>\$ 38,125,351</u>

## 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, 2016

Net change in fund balances - total governmental funds	\$ 44,825
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	1,271,721
Net book value of disposed capital assets	(465,021)
Depreciation expense	(1,381,101)
Revenues in the funds that represent repayment of taxes or loans receivable that do not affect the statement of activities	(244,690)
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	3,323,045
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 accrued interest payable	19,310
Change in net pension liability and related deferred amounts	(10,290,285)
Change in net other postemployment benefit obligation	(4,552,136)
Change in accrued compensated absences	(12,328)
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.	
Operating income from governmental activities in internal service funds	1,392,122
Operating income from governmental activities in internal service funds charged to business-type activities	(9,290)
Investment income from governmental internal service funds	62,012
Loss on sale of capital assets in governmental internal service funds	(1,343)
Net interfund transfers - governmental internal service funds	(44,105)
Change in net position of governmental activities	<u>\$ (10,887,264)</u>

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



COUNTY OF SAGINAW, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended September 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 22,878,664	\$ 22,878,664	\$ 22,657,679	\$ (220,985)
Licenses and permits	189,525	189,525	171,371	(18,154)
Federal grants	426,797	457,065	415,454	(41,611)
State grants	6,909,814	6,909,814	6,791,896	(117,918)
Local grants and contributions	6,500	6,500	6,500	-
Charges for services	4,912,280	4,912,280	4,709,326	(202,954)
Fines and forfeitures	771,400	771,400	683,350	(88,050)
Investment income	60,050	60,050	113,598	53,548
Reimbursements	3,576,514	4,020,615	3,909,296	(111,319)
Other revenue	11,501	11,501	11,589	88
<b>Total revenues</b>	<b>39,743,045</b>	<b>40,217,414</b>	<b>39,470,059</b>	<b>(747,355)</b>
<b>Expenditures</b>				
<b>Current:</b>				
Legislative - Board of Commissioners	563,078	561,614	502,991	(58,623)
<b>Judicial:</b>				
Circuit Court	3,493,376	3,500,005	3,364,843	(135,162)
District Court	3,762,722	3,763,994	3,691,358	(72,636)
Probate Court	963,350	964,983	926,342	(38,641)
Law Library	52,552	52,552	52,552	-
Family Division	2,668,156	2,665,109	2,581,440	(83,669)
Probation - Circuit Court	91,299	91,299	84,571	(6,728)
Probation - District Court	833,013	832,367	765,966	(66,401)
Assigned Counsel	109,397	105,677	105,193	(484)
Jury Commission	300	300	300	-
<b>Total judicial</b>	<b>11,974,165</b>	<b>11,976,286</b>	<b>11,572,565</b>	<b>(403,721)</b>
<b>General government:</b>				
Elections	99,400	149,400	135,811	(13,589)
Auditing	115,300	115,300	115,273	(27)
Corporate Counsel	181,600	181,600	111,942	(69,658)
County Clerk	1,320,531	1,326,676	1,319,202	(7,474)
Controller	1,406,409	1,413,803	1,229,410	(184,393)
Equalization	547,075	555,331	421,202	(134,129)
Prosecuting Attorney	3,096,360	3,083,744	2,992,993	(90,751)
Prosecuting Attorney - Welfare	633,094	673,584	656,260	(17,324)
Register of Deeds	519,427	519,427	508,670	(10,757)
County Treasurer	822,896	823,064	773,548	(49,516)
Maintenance	3,214,357	3,215,219	2,927,471	(287,748)
Maintenance - Telephone	90,000	90,000	77,767	(12,233)
Public Works Commissioner	397,450	403,076	371,571	(31,505)
<b>Total general government</b>	<b>12,443,899</b>	<b>12,550,224</b>	<b>11,641,120</b>	<b>(909,104)</b>

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, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued):				
Current (continued):				
Public safety:				
Sheriff	\$ 659,411	\$ 669,904	\$ 667,642	\$ (2,262)
Marine Law Enforcement	3,555	7,100	4,590	(2,510)
Sheriff - Jail Division	9,564,720	9,559,564	9,395,599	(163,965)
Corrections Reimbursement	102,401	106,626	106,448	(178)
Total public safety	<u>10,330,087</u>	<u>10,343,194</u>	<u>10,174,279</u>	<u>(168,915)</u>
Public works - Drains	<u>395,000</u>	<u>395,000</u>	<u>354,711</u>	<u>(40,289)</u>
Health and welfare:				
Medical Examiner	444,090	456,758	447,569	(9,189)
Veterans Burial	32,400	32,400	18,294	(14,106)
Contributions to other agencies	1,084,803	1,084,803	1,084,475	(328)
Total health and welfare	<u>1,561,293</u>	<u>1,573,961</u>	<u>1,550,338</u>	<u>(23,623)</u>
Community and economic development:				
Plat Board	600	600	197	(403)
Contributions to other agencies	303,971	304,971	304,971	-
Total community and economic development	<u>304,571</u>	<u>305,571</u>	<u>305,168</u>	<u>(403)</u>
Contributions to postemployment health benefits trust fund	<u>-</u>	<u>-</u>	<u>476,864</u>	<u>476,864</u>
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>7,525</u>	<u>(2,475)</u>
Total expenditures	<u>37,582,093</u>	<u>37,715,850</u>	<u>36,585,561</u>	<u>(1,130,289)</u>
Revenues over expenditures	<u>2,160,952</u>	<u>2,501,564</u>	<u>2,884,498</u>	<u>382,934</u>
Other financing sources (uses)				
Transfers in	4,441,007	4,858,807	4,869,829	11,022
Transfers out	<u>(6,624,943)</u>	<u>(6,610,718)</u>	<u>(6,840,194)</u>	<u>229,476</u>
Total other financing sources (uses)	<u>(2,183,936)</u>	<u>(1,751,911)</u>	<u>(1,970,365)</u>	<u>218,454</u>
Net change in fund balance	(22,984)	749,653	914,133	164,480
Fund balance, beginning of year	<u>17,314,703</u>	<u>17,314,703</u>	<u>17,314,703</u>	<u>-</u>
Fund balance, end of year	<u>\$ 17,291,719</u>	<u>\$ 18,064,356</u>	<u>\$ 18,228,836</u>	<u>\$ 164,480</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 - Health Department Special Revenue Fund  
 For the Year Ended September 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Licenses and permits	\$ 408,310	\$ 408,310	\$ 392,866	\$ (15,444)
Federal grants	300,000	300,000	1,968,049	1,668,049
State grants	3,868,198	3,952,835	1,953,463	(1,999,372)
Charges for services	1,042,357	1,042,357	970,698	(71,659)
Donations	69,950	69,950	3,658	(66,292)
Reimbursements	1,938,898	1,938,898	1,720,219	(218,679)
Other revenue	545,216	545,216	540,435	(4,781)
<b>Total revenues</b>	<b>8,172,929</b>	<b>8,257,566</b>	<b>7,549,388</b>	<b>(708,178)</b>
<b>Expenditures</b>				
Health and welfare	10,085,095	10,051,017	9,216,648	(834,369)
<b>Revenues under expenditures</b>	<b>(1,912,166)</b>	<b>(1,793,451)</b>	<b>(1,667,260)</b>	<b>126,191</b>
<b>Other financing sources</b>				
Transfers in	1,519,046	1,519,046	1,519,047	1
<b>Net change in fund balance</b>	<b>(393,120)</b>	<b>(274,405)</b>	<b>(148,213)</b>	<b>126,192</b>
<b>Fund balance, beginning of year</b>	<b>1,292,933</b>	<b>1,292,933</b>	<b>1,292,933</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 899,813</b>	<b>\$ 1,018,528</b>	<b>\$ 1,144,720</b>	<b>\$ 126,192</b>

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, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal grants	\$ 11,835,749	\$ 14,496,221	\$ 10,344,125	\$ (4,152,096)
State grants	815,799	2,131,680	1,461,352	(670,328)
Investment income	1,737	1,907	25,473	23,566
Donations	945,877	945,877	-	(945,877)
Reimbursements	1,734,757	1,751,729	1,495,385	(256,344)
<b>Total revenues</b>	<b>15,333,919</b>	<b>19,327,414</b>	<b>13,326,335</b>	<b>(6,001,079)</b>
Expenditures				
Health and welfare	15,333,919	19,327,414	13,166,520	(6,160,894)
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>159,815</b>	<b>159,815</b>
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 159,815</b>	<b>\$ 159,815</b>

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 - Planning Commission Special Revenue Fund  
For the Year Ended September 30, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal grants	\$ 645,869	\$ 645,869	\$ 367,973	\$ (277,896)
State grants	20,000	20,000	7,172	(12,828)
Investment income	600	600	225	(375)
Reimbursements	23,478	23,478	-	(23,478)
Other revenue	33,000	33,000	7,481	(25,519)
<b>Total revenues</b>	<b>722,947</b>	<b>722,947</b>	<b>382,851</b>	<b>(340,096)</b>
Expenditures				
Community and economic development	790,973	789,231	466,415	(322,816)
<b>Revenues over (under) expenditures</b>	<b>(68,026)</b>	<b>(66,284)</b>	<b>(83,564)</b>	<b>(17,280)</b>
Other financing sources				
Transfers in	53,037	53,037	53,037	-
<b>Net change in fund balances</b>	<b>(14,989)</b>	<b>(13,247)</b>	<b>(30,527)</b>	<b>(17,280)</b>
Fund balance, beginning of year	71,222	71,222	71,222	-
<b>Fund balance, end of year</b>	<b>\$ 56,233</b>	<b>\$ 57,975</b>	<b>\$ 40,695</b>	<b>\$ (17,280)</b>

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Net Position

Proprietary Funds  
September 30, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Building Authority Event Center	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Assets</b>					
Current assets:					
Cash and investment pool	\$ 15,287,029	\$ 1,170,265	\$ 1,714,071	\$ 18,171,365	\$ 9,879,470
Receivables (net):					
Taxes	13,391,633	38,180	-	13,429,813	-
Accounts	349,955	70,884	94,088	514,927	603,636
Accrued interest and fees	2,644,507	2,104	5,722	2,652,333	33,515
Due from other funds	-	-	6,075	6,075	8,058
Due from other governmental units	34,292	-	-	34,292	-
Inventory	-	64,255	32,520	96,775	-
Prepays	-	-	7,286	7,286	20,049
Total current assets	<u>31,707,416</u>	<u>1,345,688</u>	<u>1,859,762</u>	<u>34,912,866</u>	<u>10,544,728</u>
Noncurrent assets:					
Capital assets not being depreciated	-	1,223,614	1,343,574	2,567,188	-
Capital assets being depreciated, net	8,861	16,539,242	2,214,919	18,763,022	291,184
Total noncurrent assets	<u>8,861</u>	<u>17,762,856</u>	<u>3,558,493</u>	<u>21,330,210</u>	<u>291,184</u>
Total assets	<u>31,716,277</u>	<u>19,108,544</u>	<u>5,418,255</u>	<u>56,243,076</u>	<u>10,835,912</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	11,460	179,122	862,643	1,053,225	135,922
Accrued liabilities	2,305	111,374	3,428	117,107	1,530,023
Deposits payable	-	576,134	6,861	582,995	-
Due to other funds	-	-	36,153	36,153	12,351
Unearned revenue	-	101,798	5,354	107,152	-
Current portion of bonds payable	-	115,000	-	115,000	-
Total current liabilities	<u>13,765</u>	<u>1,083,428</u>	<u>914,439</u>	<u>2,011,632</u>	<u>1,678,296</u>
Noncurrent liabilities:					
Advances from other funds	-	-	20,000	20,000	25,000
Due to Saginaw Hockey Club, LLC	-	623,442	-	623,442	-
Accrued compensated absences	-	-	6,074	6,074	50,321
Notes payable	20,630,000	-	-	20,630,000	-
Bonds payable, net of current portion	-	2,890,000	-	2,890,000	-
Net other postemployment benefit obligation	-	-	313,475	313,475	-
Total noncurrent liabilities	<u>20,630,000</u>	<u>3,513,442</u>	<u>339,549</u>	<u>24,482,991</u>	<u>75,321</u>
Total liabilities	<u>20,643,765</u>	<u>4,596,870</u>	<u>1,253,988</u>	<u>26,494,623</u>	<u>1,753,617</u>
<b>Net position</b>					
Net investment in capital assets	8,861	14,134,414	3,558,493	17,701,768	291,184
Unrestricted	<u>11,063,651</u>	<u>377,260</u>	<u>605,774</u>	<u>12,046,685</u>	<u>8,791,111</u>
Total net position	<u>\$ 11,072,512</u>	<u>\$ 14,511,674</u>	<u>\$ 4,164,267</u>	<u>29,748,453</u>	<u>\$ 9,082,295</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>62,051</u>	
Net position of business-type activities				<u>\$ 29,810,504</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, 2016

	Business-type Activities - Enterprise Funds				Governmental
	Delinquent Tax Revolving	Building Authority Event Center	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues					
Charges for services	\$ 660,734	\$ 3,175,693	\$ 2,094,914	\$ 5,931,341	\$ 307,093
Interest income	1,348,527	-	391,911	1,740,438	-
Fines and forfeitures	-	-	21,217	21,217	-
Rental revenue	-	-	102,039	102,039	483,305
Reimbursements	-	-	5,284	5,284	14,494,162
Other revenue	953,110	236,801	38,985	1,228,896	188,852
<b>Total operating revenues</b>	<b>2,962,371</b>	<b>3,412,494</b>	<b>2,654,350</b>	<b>9,029,215</b>	<b>15,473,412</b>
Operating expenses					
Personal services	-	1,427,474	137,766	1,565,240	804,274
Fringe benefits	-	-	137,252	137,252	10,462,603
Supplies	54,531	410,857	395,522	860,910	288,234
Services and charges	709,169	2,277,792	1,669,259	4,656,220	2,357,932
Other	-	253,072	-	253,072	62,235
Depreciation	2,874	716,747	146,532	866,153	106,012
<b>Total operating expenses</b>	<b>766,574</b>	<b>5,085,942</b>	<b>2,486,331</b>	<b>8,338,847</b>	<b>14,081,290</b>
Operating income (loss)	2,195,797	(1,673,448)	168,019	690,368	1,392,122
Nonoperating revenues (expenses)					
Property taxes	-	1,069,342	-	1,069,342	-
Investment income	76,833	3,961	10,748	91,542	62,012
Interest expense and fiscal charges	(174,213)	(73,630)	-	(247,843)	-
Loss on disposal of capital assets	-	(225,704)	-	(225,704)	(1,343)
<b>Total nonoperating revenues (expenses)</b>	<b>(97,380)</b>	<b>773,969</b>	<b>10,748</b>	<b>687,337</b>	<b>60,669</b>
Income before capital contributions and transfers	2,098,417	(899,479)	178,767	1,377,705	1,452,791
Capital contributions:					
Federal grants	-	-	97,039	97,039	-
State grants	-	-	11,625	11,625	-
Other	-	415,628	-	415,628	-
Transfers in	-	-	10,500	10,500	8,058
Transfers out	(1,500,000)	(5,700)	(298,125)	(1,803,825)	(52,163)
Change in net position	598,417	(489,551)	(194)	108,672	1,408,686
Net position, beginning of year	10,474,095	15,001,225	4,164,461		7,673,609
Net position, end of year	\$ 11,072,512	\$ 14,511,674	\$ 4,164,267		\$ 9,082,295
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				9,290	
Change in net position of business-type activities				\$ 117,962	

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, 2016

	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	\$ 3,377,054	\$ 3,633,853	\$ 2,597,344	\$ 9,608,251	\$ -
Receipts from interfund services provided	-	-	-	-	15,379,275
Payments to employees	-	(1,459,635)	(261,540)	(1,721,175)	(1,355,546)
Payments to suppliers	(807,040)	(3,107,953)	(2,084,652)	(5,999,645)	(12,494,129)
<b>Net cash provided by (used in) operating activities</b>	<b>2,570,014</b>	<b>(933,735)</b>	<b>251,152</b>	<b>1,887,431</b>	<b>1,529,600</b>
Cash flows from noncapital financing activities					
Property tax collections	-	1,072,340	-	1,072,340	-
Transfers in	-	-	10,500	10,500	8,058
Transfers out	(1,500,000)	(5,700)	(298,125)	(1,803,825)	(52,163)
Proceeds from issuance of long-term debt	12,225,000	-	-	12,225,000	-
Principal paid on long-term debt	(6,690,000)	-	-	(6,690,000)	-
Interest paid on long-term debt	(174,213)	-	-	(174,213)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>3,860,787</b>	<b>1,066,640</b>	<b>(287,625)</b>	<b>4,639,802</b>	<b>(44,105)</b>
Cash flows from capital and related financing activities					
Receipts from federal and state grants	-	-	108,664	108,664	967
Principal paid on long-term debt	-	(100,000)	-	(100,000)	-
Interest paid on long-term debt	-	(74,463)	-	(74,463)	-
Payments for capital asset acquisition	-	(225,025)	(120,538)	(345,563)	(50,913)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>-</b>	<b>(399,488)</b>	<b>(11,874)</b>	<b>(411,362)</b>	<b>(49,946)</b>
Cash flows from investing activities					
Investment income received	76,833	3,196	10,137	90,166	41,619
<b>Net change in cash and investment pool</b>	<b>6,507,634</b>	<b>(263,387)</b>	<b>(38,210)</b>	<b>6,206,037</b>	<b>1,477,168</b>
Cash and investment pool:					
Beginning of year	8,779,395	1,433,652	1,752,281	11,965,328	8,402,302
<b>End of year</b>	<b>\$ 15,287,029</b>	<b>\$ 1,170,265</b>	<b>\$ 1,714,071</b>	<b>\$ 18,171,365</b>	<b>\$ 9,879,470</b>

continued...



COUNTY OF SAGINAW, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2016

	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)	\$ 2,195,797	\$ (1,673,448)	\$ 168,019	\$ 690,368	\$ 1,392,122
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	2,874	716,747	146,532	866,153	106,012
Changes in operating assets and liabilities that provided (used) cash:					
Receivables, net	441,574	49,326	(29,362)	461,538	(25,353)
Due from other funds	-	-	(6,075)	(6,075)	(7,865)
Due from other governmental units	(26,891)	-	-	(26,891)	-
Inventory	-	21,274	1,230	22,504	-
Prepays	-	1,500	3,992	5,492	67,547
Accounts payable	(43,714)	(218,076)	2,388	(259,402)	(82,615)
Accrued liabilities	374	(3,091)	(13,104)	(15,821)	135,605
Deposits payable	-	160,402	(20,996)	139,406	-
Due to other funds	-	-	(27,481)	(27,481)	6,776
Unearned revenue	-	11,631	(573)	11,058	(60,556)
Accrued compensated absences	-	-	947	947	(2,073)
Net OPEB obligation	-	-	25,635	25,635	-
Net cash provided by (used in) operating activities	<u>\$ 2,570,014</u>	<u>\$ (933,735)</u>	<u>\$ 251,152</u>	<u>\$ 1,887,431</u>	<u>\$ 1,529,600</u>
					Concluded
Noncash transaction:					
Building improvements purchased with a long-term obligation	<u>\$ -</u>	<u>\$ 623,442</u>	<u>\$ -</u>	<u>\$ 623,442</u>	<u>\$ -</u>
Donated building improvements	<u>\$ -</u>	<u>\$ 415,627</u>	<u>\$ -</u>	<u>\$ 415,627</u>	<u>\$ -</u>

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

# COUNTY OF SAGINAW, MICHIGAN

## Statement of Fiduciary Net Position

Fiduciary Funds

September 30, 2016

	Post- Employment Health Benefits Trust Fund	Agency Funds
<b>Assets</b>		
Cash and investment pool	\$ 1,649,692	\$ 12,384,424
Investments, at fair value - mutual funds	15,921,805	-
Receivables (net):		
Taxes	-	33,975
Accounts	646,796	1,043,174
Accrued interest	5,183	7,021
Due from other governmental units	-	133,155
<b>Total assets</b>	<u>18,223,476</u>	<u>\$ 13,601,749</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	302,059	\$ 10,213,888
Accrued liabilities	599,068	-
Deposits payable	-	1,406,885
Due to other governmental units	-	1,980,976
<b>Total liabilities (all current)</b>	<u>901,127</u>	<u>\$ 13,601,749</u>
<b>Net position restricted for:</b>		
Other postemployment benefits	<u>\$ 17,322,349</u>	

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

## COUNTY OF SAGINAW, MICHIGAN

### Statement of Changes in Fiduciary Net Position

Fiduciary Fund - Postemployment Health Benefits Trust Fund  
For the Year Ended September 30, 2016

Additions	
Contributions:	
Employer	\$ 6,389,785
Retirees	413,707
	<hr/>
Total contributions	6,803,492
	<hr/>
Investment earnings:	
Net increase in fair value of investments	615,254
Interest and dividends	728,701
	<hr/>
Net investment earnings	1,343,955
	<hr/>
Total additions	8,147,447
	<hr/>
Deductions	
Participant benefits	6,489,757
Administrative expenses	146,842
	<hr/>
Total deductions	6,636,599
	<hr/>
Change in net position	1,510,848
	<hr/>
Net position, beginning of year	15,811,501
	<hr/>
Net position, end of year	\$ 17,322,349
	<hr/> <hr/>

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

COUNTY OF SAGINAW, MICHIGAN

**Combining Statement of Net Position**

Component Units  
September 30, 2016

	Road Commission 12/31/2015	Brownfield Redevelopment Authority	Department of Public Works	Drain Commission
<b>Assets</b>				
Cash and investment pool	\$ 185,992	\$ 1,322,022	\$ 405,332	\$ 7,373,694
Investments	7,820,449	-	-	-
Receivables (net)	4,500,965	5,063	11,661,575	9,361,562
Inventory	284,407	-	-	-
Prepays	496,724	-	-	-
Capital assets:				
Assets not being depreciated	39,708,858	-	-	9,928,464
Assets being depreciated, net	122,044,655	-	31,582	33,030,092
<b>Total assets</b>	<b>175,042,050</b>	<b>1,327,085</b>	<b>12,098,489</b>	<b>59,693,812</b>
<b>Deferred outflows of resources</b>				
Deferred pension amounts	1,677,784	-	-	-
<b>Liabilities</b>				
Accounts payable and accrued liabilities	1,308,566	215	165,129	1,160,793
Unearned revenue	-	-	120,169	-
Advances from primary government	-	-	-	400,000
Long-term liabilities:				
Due within one year	514,100	15,221	630,000	2,001,117
Due in more than one year	2,466,991	15,564	10,868,000	8,507,949
Net pension liability	9,492,064	-	-	-
Net other postemployment benefit obligation	6,141,676	-	-	-
<b>Total liabilities</b>	<b>19,923,397</b>	<b>31,000</b>	<b>11,783,298</b>	<b>12,069,859</b>
<b>Net position</b>				
Net investment in capital assets	159,352,914	-	31,582	32,449,490
Restricted for:				
Debt service	-	-	227,933	9,983,442
Acquisition/construction of capital assets	-	-	-	5,191,021
Postemployment health benefits	-	-	-	-
Unrestricted (deficit)	(2,556,477)	1,296,085	55,676	-
<b>Total net position</b>	<b>\$ 156,796,437</b>	<b>\$ 1,296,085</b>	<b>\$ 315,191</b>	<b>\$ 47,623,953</b>

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

Economic Development Corporation	Land Bank Authority	Saginaw County Community Mental Health Authority	Total
\$ 73,561	\$ 1,717,375	\$ 6,312,238	\$ 17,390,214
-	-	3,566,461	11,386,910
-	818,234	2,482,838	28,830,237
-	1,207,500	156,097	1,648,004
-	-	315,525	812,249
-	-	863,122	50,500,444
-	-	11,718,704	166,825,033
<u>73,561</u>	<u>3,743,109</u>	<u>25,414,985</u>	<u>277,393,091</u>
-	-	1,209,988	2,887,772
413	431,924	12,873,723	15,940,763
-	28,602	211,247	360,018
-	-	-	400,000
-	-	843,940	4,004,378
-	-	3,985,392	25,843,896
-	-	6,468,578	15,960,642
-	-	1,146,987	7,288,663
<u>413</u>	<u>460,526</u>	<u>25,529,867</u>	<u>69,798,360</u>
-	-	8,446,799	200,280,785
-	-	-	10,211,375
-	-	-	5,191,021
-	-	2,707,803	2,707,803
<u>73,148</u>	<u>3,282,583</u>	<u>(10,059,496)</u>	<u>(7,908,481)</u>
<u>\$ 73,148</u>	<u>\$ 3,282,583</u>	<u>\$ 1,095,106</u>	<u>\$ 210,482,503</u>

COUNTY OF SAGINAW, MICHIGAN

**Combining Statement of Activities**

Component Units

For the Year Ended September 30, 2016

	Program Revenues				Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Road Commission</b>					
Governmental activities:					
Highways and streets	\$ 22,818,150	\$ 76,236	\$ 23,558,037	\$ -	\$ 816,123
<b>Brownfield Redevelopment Authority</b>					
Governmental Activities:					
Community and economic development	4,413	-	15,914	-	11,501
<b>Department of Public Works</b>					
Governmental Activities:					
Public works	36,591	51,040	28,750	389,567	432,766
Interest on long-term debt	437,710	-	-	-	(437,710)
<b>Total Department of Public Works</b>	<b>474,301</b>	<b>51,040</b>	<b>28,750</b>	<b>389,567</b>	<b>(4,944)</b>
<b>Drain Commission</b>					
Governmental Activities:					
Public works	2,615,115	-	1,063,572	5,507,308	3,955,765
Interest on long-term debt	279,673	-	-	-	(279,673)
<b>Total Drain Commission</b>	<b>2,894,788</b>	<b>-</b>	<b>1,063,572</b>	<b>5,507,308</b>	<b>3,676,092</b>
<b>Economic Development Corporation</b>					
Business-type Activities:					
Community and economic development	14,170	29,083	-	-	14,913
<b>Land Bank Authority</b>					
Business-type Activities:					
Community and economic development	3,168,684	-	2,138,874	431,680	(598,130)
<b>Saginaw County Community Mental Health Authority</b>					
Business-type Activities:					
Community services	76,909,659	2,306,267	69,145,618	2,729,009	(2,728,765)
<b>Total component units</b>	<b>\$ 106,284,165</b>	<b>\$ 2,462,626</b>	<b>\$ 95,950,765</b>	<b>\$ 9,057,564</b>	<b>\$ 1,186,790</b>

continued...

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

COUNTY OF SAGINAW, MICHIGAN

**Combining Statement of Activities**

Component Units

For the Year Ended September 30, 2016

	Road Commission 12/31/2015	Brownfield Redevelopment Authority	Department of Public Works	Drain Commission
Change in net position				
Net (expense) revenue	\$ 816,123	\$ 11,501	\$ (4,944)	\$ 3,676,092
General revenues:				
Property taxes	-	699	-	-
Investment income - interest earned	44,327	9,603	650	76,941
Total general revenues	44,327	10,302	650	76,941
Change in net position	860,450	21,803	(4,294)	3,753,033
Net position, beginning of year	155,935,987	1,274,282	319,485	43,870,920
Net position, end of year	<u>\$ 156,796,437</u>	<u>\$ 1,296,085</u>	<u>\$ 315,191</u>	<u>\$ 47,623,953</u>

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

Economic Development Corporation	Land Bank Authority	Saginaw County Community Mental Health Authority	Total
\$ 14,913	\$ (598,130)	\$ (2,728,765)	\$ 1,186,790
-	-	-	699
2	12,568	270,977	415,068
2	12,568	270,977	415,767
14,915	(585,562)	(2,457,788)	1,602,557
58,233	3,868,145	3,552,894	208,879,946
<u>\$ 73,148</u>	<u>\$ 3,282,583</u>	<u>\$ 1,095,106</u>	<u>\$ 210,482,503</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 2010 is 200,169.

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

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

**Saginaw County Road Commission (the “Road Commission”)** - The Road Commission is governed by a 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, 2015 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.

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

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### *Component Unit Financial Statements*

Complete financial statements for the Road Commission and Saginaw County Community Mental Health Authority may be obtained from each entity's administrative offices. Separate financial statements are not prepared for the remaining component units.

Saginaw County Road Commission  
3020 Sheridan Avenue  
Saginaw, Michigan 48601

Saginaw County Community Mental Health Authority  
500 Hancock Street  
Saginaw, Michigan 48602

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

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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.

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 *Health Department Fund* accounts for the grant revenues and the related operations of the Saginaw County Department of Public Health.

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

The *Planning Commission Fund* accounts 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.

The *Public Improvement 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 fixed assets, state shared revenues, and interest earned. Once money is placed in this fund, it becomes restricted and cannot be expended or transferred for purposes other than the public improvements.

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.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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.

*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.

*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.

*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.

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

*Agency funds* are used to account for assets held for other governments in an agency 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.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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.

### *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.

### *Inventories and prepaids*

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

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

# COUNTY OF SAGINAW, MICHIGAN

## Notes To 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.

Major outlays for capital assets and improvements are capitalized as projects when constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the asset 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 in the proprietary fund and government-wide statements for deferred losses on advance bond refundings. The amounts result from the difference in the carrying value of refunded debt and its reacquisition price and are amortized over the shorter of the life of the refunded or refunding debt. In addition, the County reports deferred outflows of resources related to the net pension liability.



# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### *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, 2016, the Club had expended \$1,039,070 on the agreed upon building improvements which has resulted in the County recognizing a liability of \$623,442 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.

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).

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### 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 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 loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the County sometimes reports deferred inflows of resources in its full-accrual statements related to the net pension liability.

### *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.

The Board of Commissioners has established a Fund Balance Policy within the Saginaw County Policy Book which establishes an Employee Payroll Reserve and a Budget Stabilization Reserve in the General Fund. The policy authorizes earmarking a minimum of fifty percent of the most current Board approved General Fund budget for property tax collections for the Employee Payroll Reserve and a minimum of five percent of the most current Board approved General Fund budget for the Budget Stabilization Reserve. At year end the County had \$11,633,344 assigned for the Employee Payroll Reserve and an additional amount of \$6,137,506 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.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

### *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 \$50,000. 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.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

- The County's 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 General Fund budgeted surplus 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 reserve fund balance accounts to be used towards maintaining an adequate level of reserves.

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, 2016, 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			
Contributions to postemployment health benefits trust fund	\$ -	\$ 476,864	\$ 476,864
Transfers out	6,610,718	6,840,194	229,476

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

### 3. DEFICIT EQUITY

Governmental activities reported a deficit in unrestricted net position in the amount of \$58,219,401 at September 30, 2016, which was mainly the result of implementing GASB 68 during the prior year. Total net position amounted to a deficit of \$31,155,239.

The Saginaw County Community Mental Health Authority component unit reported a deficit in unrestricted net position of \$10,059,496 at September 30, 2016. Total net position (which includes net investment in capital assets of \$8,446,799 and restricted net position of \$2,694,499), was \$1,095,106.

The Parking System enterprise fund reported a deficit unrestricted net position in the amount of \$14,562 at September 30, 2016. Total net position (which includes net investment in capital assets of \$56,321), was \$41,759.

### 4. 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.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

- 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.
- 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	\$ 59,450,540	\$ 28,777,124	\$ 88,227,664
Statement of Net Position - Fiduciary Funds			
Postemployment Health Benefits Trust Fund:			
Cash and investment pool	1,649,692	-	1,649,692
Investments	15,921,805	-	15,921,805
Agency Funds:			
Cash and investment pool	12,384,424	-	12,384,424
<b>Total</b>	<b>\$ 89,406,461</b>	<b>\$ 28,777,124</b>	<b>\$ 118,183,585</b>

### Deposits and Investments

#### Bank deposits:

  Checking and savings accounts \$ 56,203,230

#### Certificates of deposit:

  Due within one year 10,061,401

  Due in one to five years 4,535,547

#### Investments:

  Primary government 25,554,489

  Fiduciary funds 15,921,805

  Component units 3,566,461

Cash on hand 34,705

Timing difference for funds with different fiscal year ends 2,305,947

**Total \$ 118,183,585**

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

	Carrying Amount (Fair Value)	No Maturity	Maturity Less than 1 Year	Maturity 1-5 Years	Maturity 5-10 Years
Investments - primary government					
Michigan Class					
investment pool	\$ 1,334,982	\$ -	\$ 1,334,982	\$ -	\$ -
U.S. agencies	24,059,733	-	948,211	17,043,010	6,068,512
Mutual funds	15,921,805	15,921,805	-	-	-
Money Market	159,774	159,774	-	-	-
<b>Total</b>	<b>\$ 41,476,294</b>	<b>\$ 16,081,579</b>	<b>\$ 2,283,193</b>	<b>\$ 17,043,010</b>	<b>\$ 6,068,512</b>

### 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 - primary government	
AA+	\$ 8,066,393
AA	4,800,601
AA-	5,792,570
A+	1,836,549
Not rated	20,980,181
<b>Total</b>	<b>\$ 41,476,294</b>

# 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, \$60,275,227 of the County's bank balance of \$69,604,954 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, 2016, 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
Municipals bonds	\$ -	\$ 16,711,694	\$ -	\$ 16,711,694
Government bonds	-	6,399,828	-	6,399,828
Michigan Class investment pool	-	1,334,982	-	1,334,982
Fixed income	-	948,211	-	948,211
Mutual funds	15,921,805	-	-	15,921,805
	<u>\$ 15,921,805</u>	<u>\$ 25,394,715</u>	<u>\$ -</u>	<u>\$ 41,316,520</u>

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

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

Municipal bonds, government bonds, Michigan Class investment pool and fixed income 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

### 5. RECEIVABLES

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

	Governmental Activities	Business-type Activities	Component Units
Property taxes	\$ 5,688,454	\$ 13,429,813	\$ -
Special assessments:			
Due within one year	-	-	656,149
Due in more than one year	-	-	9,039,884
Accounts receivable	4,034,934	514,927	2,030,893
Loans:			
Due within one year	62,531	-	-
Due in more than one year	2,400,579	-	-
Interest, net	160,474	2,652,333	11,796
Due from other governments:			
Due within one year	6,874,706	34,292	630,000
Due in more than one year	-	-	16,461,515
<b>Total receivables, net</b>	<b>\$ 19,221,678</b>	<b>\$ 16,631,365</b>	<b>\$ 28,830,237</b>

The interest receivable in the business-type activities is net of an allowance for uncollectible accounts of approximately \$200,000.

### 6. CAPITAL ASSETS

Primary government capital asset activity for the year ended September 30, 2016, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 3,549,807	\$ -	\$ -	\$ -	\$ 3,549,807
Construction in progress	840,223	25,150	(447,030)	-	418,343
	<u>4,390,030</u>	<u>25,150</u>	<u>(447,030)</u>	<u>-</u>	<u>3,968,150</u>
 Capital assets being depreciated:					
Land improvements	8,684,351	-	-	-	8,684,351
Building and improvements	28,234,736	149,073	-	-	28,383,809
Machinery and equipment	6,603,856	390,913	(91,307)	-	6,903,462
Office furniture & fixtures	209,237	441,866	-	-	651,103
Vehicles	2,956,708	315,632	(317,308)	-	2,955,032
	<u>46,688,888</u>	<u>1,297,484</u>	<u>(408,615)</u>	<u>-</u>	<u>47,577,757</u>



# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Less accumulated depreciation:					
Land improvements	\$ (3,345,613)	\$ (228,929)	\$ -	\$ -	\$ (3,574,542)
Buildings and improvements	(17,422,245)	(580,344)	-	-	(18,002,589)
Machinery and equipment	(5,283,669)	(342,480)	91,307	-	(5,534,842)
Office furniture & fixtures	(146,383)	(37,727)	-	-	(184,110)
Vehicles	(2,352,412)	(297,633)	297,974	-	(2,352,071)
	<u>(28,550,322)</u>	<u>(1,487,113)</u>	<u>389,281</u>	<u>-</u>	<u>(29,648,154)</u>
Total capital assets being depreciated, net	<u>18,138,566</u>	<u>(189,629)</u>	<u>(19,334)</u>	<u>-</u>	<u>17,929,603</u>
Governmental activities capital assets, net	<u>\$ 22,528,596</u>	<u>\$ (164,479)</u>	<u>\$ (466,364)</u>	<u>\$ -</u>	<u>\$ 21,897,753</u>
Business-type activities Capital assets not being depreciated:					
Land	\$ 2,258,248	\$ -	\$ -	\$ -	\$ 2,258,248
Air rights	117,761	-	-	-	117,761
Construction in progress	674,071	120,538	-	(603,430)	191,179
	<u>3,050,080</u>	<u>120,538</u>	<u>-</u>	<u>(603,430)</u>	<u>2,567,188</u>
Capital assets being depreciated:					
Land improvements	4,183,745	-	-	-	4,183,745
Buildings and improvements	17,505,883	1,254,669	(570,200)	218,582	18,408,934
Machinery and equipment	1,150,613	9,425	-	-	1,160,038
Office furniture & fixtures	61,201	-	-	-	61,201
Planning and development	8,761,188	-	-	384,848	9,146,036
Vehicles	125,318	-	-	-	125,318
	<u>31,787,948</u>	<u>1,264,094</u>	<u>(570,200)</u>	<u>603,430</u>	<u>33,085,272</u>
Less accumulated depreciation:					
Land improvements	(585,749)	(251,627)	-	-	(837,376)
Buildings and improvements	(4,926,805)	(420,536)	344,496	-	(5,002,845)
Machinery and equipment	(712,286)	(60,408)	-	-	(772,694)
Office furniture & fixtures	(34,018)	(700)	-	-	(34,718)
Planning and development	(7,435,149)	(127,602)	-	-	(7,562,751)
Vehicles	(106,586)	(5,280)	-	-	(111,866)
	<u>(13,800,593)</u>	<u>(866,153)</u>	<u>344,496</u>	<u>-</u>	<u>(14,322,250)</u>
Total capital assets being depreciated, net	<u>17,987,355</u>	<u>397,941</u>	<u>(225,704)</u>	<u>603,430</u>	<u>18,763,022</u>
Business-type activities capital assets, net	<u>\$ 21,037,435</u>	<u>\$ 518,479</u>	<u>\$ (225,704)</u>	<u>\$ -</u>	<u>\$ 21,330,210</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	\$	73,152
General government		434,342
Public safety		311,869
Public works		89,207
Health and welfare		320,600
Recreation and culture		151,931
Capital assets held by the government's internal service funds are charged to the various functions based on the usage of the assets		<u>106,012</u>
	\$	<u>1,487,113</u>

### Business-type activities

Building Authority Event Center	\$	716,747
Harry W. Browne Airport		144,159
Parking system		2,373
Delinquent tax revolving fund		<u>2,874</u>
	\$	<u>866,153</u>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

Discretely presented component units

Department of Public Works capital asset activity for the year ended September 30, 2016, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets being depreciated:					
Vehicles	\$ -	\$ 34,021	\$ -	\$ -	\$ 34,021
Less accumulated depreciation:					
Vehicles	-	(2,439)	-	-	(2,439)
	<u>\$ -</u>	<u>\$ 31,582</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,582</u>

Road Commission capital asset activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Land and improvements, infrastructure	\$ 39,051,526	\$ 98,697	\$ -	\$ -	\$ 39,150,223
Land	558,635	-	-	-	558,635
	<u>39,610,161</u>	<u>98,697</u>	<u>-</u>	<u>-</u>	<u>39,708,858</u>
Capital assets being depreciated:					
Land improvements	460,211	-	-	-	460,211
Depletable assets	35,013	-	-	-	35,013
Buildings and improvements	2,496,323	47,767	-	-	2,544,090
Office furniture & fixtures	914,440	-	(434,506)	-	479,934
Infrastructure	273,060,881	11,999,204	-	-	285,060,085
Equipment	16,782,638	575,086	(556,611)	-	16,801,113
	<u>293,749,506</u>	<u>12,622,057</u>	<u>(991,117)</u>	<u>-</u>	<u>305,380,446</u>
Less accumulated depreciation:					
Land improvements	(429,015)	(5,032)	-	-	(434,047)
Depletable assets	(3,914)	-	-	-	(3,914)
Buildings and improvements	(1,984,037)	(56,384)	-	-	(2,040,421)
Office furniture & fixtures	(854,083)	(33,300)	433,201	-	(454,182)
Infrastructure	(156,732,238)	(8,419,138)	-	-	(165,151,376)
Equipment	(14,965,800)	(743,399)	457,348	-	(15,251,851)
	<u>(174,969,087)</u>	<u>(9,257,253)</u>	<u>890,549</u>	<u>-</u>	<u>(183,335,791)</u>
Total capital assets being depreciated, net	<u>118,780,419</u>	<u>3,364,804</u>	<u>(100,568)</u>	<u>-</u>	<u>122,044,655</u>
Road Commission capital assets, net	<u>\$ 158,390,580</u>	<u>\$ 3,463,501</u>	<u>\$ (100,568)</u>	<u>\$ -</u>	<u>\$ 161,753,513</u>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

Drain Commission capital asset activity for the year ended September 30, 2016, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Construction in progress	\$ 3,813,829	\$ 6,440,503	\$ (325,868)	\$ -	\$ 9,928,464
Capital assets being depreciated:					
Infrastructure	62,018,678	340,021	-	-	62,358,699
Equipment	47,699	376,473	-	-	424,172
Vehicles	45,460	-	-	-	45,460
	<u>62,111,837</u>	<u>716,494</u>	<u>-</u>	<u>-</u>	<u>62,828,331</u>
Less accumulated depreciation:					
Infrastructure	(28,481,647)	(1,241,508)	-	-	(29,723,155)
Equipment	(43,180)	(17,666)	-	-	(60,846)
Vehicles	(7,745)	(6,493)	-	-	(14,238)
	<u>(28,532,572)</u>	<u>(1,265,667)</u>	<u>-</u>	<u>-</u>	<u>(29,798,239)</u>
Total capital assets being depreciated, net	<u>33,579,265</u>	<u>(549,173)</u>	<u>-</u>	<u>-</u>	<u>33,030,092</u>
Drain Commission capital assets, net	<u>\$ 37,393,094</u>	<u>\$ 5,891,330</u>	<u>\$ (325,868)</u>	<u>\$ -</u>	<u>\$ 42,958,556</u>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

Community Mental Health Authority capital asset activity for the year ended September 30, 2016, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 842,015	\$ -	\$ -	\$ -	\$ 842,015
Construction in progress	259,089	21,107	-	(259,089)	21,107
	<u>1,101,104</u>	<u>21,107</u>	<u>-</u>	<u>(259,089)</u>	<u>863,122</u>
Capital assets being depreciated:					
Buildings and improvements	19,950,396	1,450,655	-	259,089	21,660,140
Office furniture & fixtures	1,641,725	-	(172,651)	-	1,469,074
Vehicles	1,600,935	(206)	(31,036)	-	1,569,693
Equipment	2,459,103	225,126	(488,630)	-	2,195,599
	<u>25,652,159</u>	<u>1,675,575</u>	<u>(692,317)</u>	<u>259,089</u>	<u>26,894,506</u>
Less accumulated depreciation:					
Buildings and improvements	(10,293,899)	(1,132,628)	-	-	(11,426,527)
Office furniture & fixtures	(767,373)	(124,165)	90,190	-	(801,348)
Vehicles	(1,229,099)	(236,394)	31,036	-	(1,434,457)
Equipment	(1,672,366)	(319,392)	478,288	-	(1,513,470)
	<u>(13,962,737)</u>	<u>(1,812,579)</u>	<u>599,514</u>	<u>-</u>	<u>(15,175,802)</u>
Total capital assets being depreciated, net	<u>11,689,422</u>	<u>(137,004)</u>	<u>(92,803)</u>	<u>259,089</u>	<u>11,718,704</u>
Community Mental Health Authority capital assets, net	<u>\$ 12,790,526</u>	<u>\$ (115,897)</u>	<u>\$ (92,803)</u>	<u>\$ -</u>	<u>\$ 12,581,826</u>

## 7. 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	\$ 6,171,380	\$ 1,053,225	\$ 10,206,059
Accrued liabilities	3,253,643	117,107	1,400,159
Due to other governments	346,650	-	4,334,545
Deposits payable	34,131	582,995	-
Total accounts payable and accrued liabilities	<u>\$ 9,805,804</u>	<u>\$ 1,753,327</u>	<u>\$ 15,940,763</u>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### 8. 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	\$ 1,955,392	\$ 602,639
Planning Commission	-	13,408
Public Improvement	498,165	149
Nonmajor governmental funds	304,202	2,107,192
Nonmajor enterprise funds	6,075	36,153
Internal service funds	8,058	12,351
	<u>\$ 2,771,892</u>	<u>\$ 2,771,892</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 From	Advance To
General	\$ 45,000	\$ -
Nonmajor enterprise funds	-	20,000
Internal service funds	-	25,000
	<u>\$ 45,000</u>	<u>\$ 45,000</u>

The advances from the General Fund to the nonmajor enterprise and internal service funds exist to maintain adequate cash reserves in the funds. In addition, there is a \$400,000 advance from the General Fund to the Drain Commission to maintain adequate cash reserves.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

For the year ended September 30, 2016, interfund transfers consisted of the following:

	Transfers In	Transfers Out
General fund	\$ 4,869,829	\$ 6,840,194
Health Department	1,519,047	-
Planning Commission	53,037	-
Public Improvement	548,165	84,650
Nonmajor governmental funds	5,336,443	3,564,247
Delinquent Tax Revolving fund	-	1,500,000
Building Authority Event Center	-	5,700
Nonmajor enterprise funds	10,500	298,125
Internal service funds	8,058	52,163
	<u>\$ 12,345,079</u>	<u>\$ 12,345,079</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## 9. LONG-TERM DEBT

### Changes in Long-term Debt

Long-term debt activity for the year ended September 30, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Primary Government</b>					
Governmental activities:					
General obligation bonds:					
2013 General Obligation pension bonds	\$ 46,365,000	\$ -	\$ (2,950,000)	\$ 43,415,000	\$ 2,985,000
2010 Capital Improvement	1,515,177	-	(133,045)	1,382,132	135,303
2011 Limited Tax Refunding	240,000	-	(240,000)	-	-
	<u>48,120,177</u>	<u>-</u>	<u>(3,323,045)</u>	<u>44,797,132</u>	<u>3,120,303</u>
Compensated absences	1,698,138	1,877,243	(1,866,988)	1,708,393	1,658,072
	<u>\$ 49,818,315</u>	<u>\$ 1,877,243</u>	<u>\$ (5,190,033)</u>	<u>\$ 46,505,525</u>	<u>\$ 4,778,375</u>
<b>Business-type activities:</b>					
Delinquent tax notes	\$ 15,095,000	\$ 12,225,000	\$ (6,690,000)	\$ 20,630,000	\$ -
General obligation bonds	3,105,000	-	(100,000)	3,005,000	115,000
	<u>18,200,000</u>	<u>12,225,000</u>	<u>(6,790,000)</u>	<u>23,635,000</u>	<u>115,000</u>
Compensated absences	5,127	9,762	(8,815)	6,074	-
	<u>\$ 18,205,127</u>	<u>\$ 12,234,762</u>	<u>\$ (6,798,815)</u>	<u>\$ 23,641,074</u>	<u>\$ 115,000</u>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Component Units</b>					
Road Commission:					
SIB Loan	\$ 222,424	\$ -	\$ (222,424)	\$ -	\$ -
Michigan Transportation Note	-	2,000,000	-	2,000,000	400,000
Equipment lease	285,847	232,662	(117,910)	400,599	114,100
	<u>508,271</u>	<u>2,232,662</u>	<u>(340,334)</u>	<u>2,400,599</u>	<u>514,100</u>
Compensated absences	540,799	61,058	(21,365)	580,492	-
	<u>\$ 1,049,070</u>	<u>\$ 2,293,720</u>	<u>\$ (361,699)</u>	<u>\$ 2,981,091</u>	<u>\$ 514,100</u>
<b>Brownfield Redevelopment Authority:</b>					
Loans from State of Michigan	\$ 45,671	\$ -	\$ (14,886)	\$ 30,785	\$ 15,221
<b>Department of Public Works:</b>					
General obligation bonds	\$ 13,440,000	\$ -	\$ (1,942,000)	\$ 11,498,000	\$ 630,000
<b>Drain Commission:</b>					
General obligation bonds and notes	\$ 7,364,484	\$ 3,945,000	\$ (800,418)	\$ 10,509,066	\$ 2,001,117
<b>Community Mental Health Authority:</b>					
Notes	\$ 4,744,831	\$ -	\$ (618,528)	\$ 4,126,303	\$ 493,294
Capital lease	45,475	-	(36,751)	8,724	3,493
	<u>4,790,306</u>	<u>-</u>	<u>(655,279)</u>	<u>4,135,027</u>	<u>496,787</u>
Compensated absences	569,993	241,949	(117,637)	694,305	347,153
	<u>\$ 5,360,299</u>	<u>\$ 241,949</u>	<u>\$ (772,916)</u>	<u>\$ 4,829,332</u>	<u>\$ 843,940</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for those funds are included as part of the above totals for governmental activities. At year-end, \$50,321 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the General Fund.

### Primary Government

General obligation bonds and notes payable are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued as 5 to 20-year serial bonds with varying amounts of principal maturing each year. Delinquent tax notes payable are 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	2.75 - 7.0%	\$ 44,797,132
Business-type activities	1.23 - 4.0%	<u>23,635,000</u>
Total primary government		<u>\$ 68,432,132</u>



# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 3,120,303	\$ 1,875,299	\$ 115,000	\$ 356,437
2018	3,177,599	1,810,772	8,535,000	354,137
2019	3,254,934	1,728,650	12,390,000	195,036
2020	3,352,309	1,625,874	170,000	51,900
2021	3,469,724	1,502,739	175,000	48,500
2022-2026	19,542,263	5,145,196	925,000	212,948
2027-2031	8,880,000	680,901	1,085,000	117,049
2032	-	-	240,000	6,840
<b>Total</b>	<b>\$ 44,797,132</b>	<b>\$ 14,369,431</b>	<b>\$ 23,635,000</b>	<b>\$ 1,342,847</b>

The County is party to an agreement with HealthSource Saginaw, a non-profit organization, ("HealthSource"), 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 has 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 their net revenues. At year end, the outstanding balance on these bonds, which mature May 1, 2029, was \$25,555,000. 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*

Annual debt service requirements to maturity for the Road Commission's installment debt are as follows:

Year Ending December 31,	Principal	Interest
2016	\$ 514,100	\$ 50,761
2017	517,644	42,084
2018	520,874	29,438
2019	447,981	19,143
2020	400,000	8,800
<b>Total</b>	<b>\$ 2,400,599</b>	<b>\$ 150,226</b>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### *Brownfield Redevelopment Authority*

The Brownfield Redevelopment Authority has outstanding balances from the State of Michigan, Department of Environmental Quality Revitalization. The monies were used for the renovations and construction expenditures related to the KBC (Sahasa) Realty project. The loan will be repaid in annual installments beginning in December 2007 and ending in December 2017 with an interest rate of 2.25%.

Annual principal and interest requirements to service all debt outstanding at year-end, are as follows:

Year Ending September 30,	Principal	Interest
2017	\$ 15,221	\$ 693
2018	15,564	350
Total	<u>\$ 30,785</u>	<u>\$ 1,043</u>

### *Department of Public Works*

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

These bonds are direct obligations, and pledge the full faith and credit of the County and the associated municipalities and authorities. The bonds are issued as 8 to 40-year serial bonds with varying amounts of principal maturing each year through November 2050 and bear interest at varying rates from 2.00% to 7.00%.

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

Year Ending September 30,	Principal	Interest
2017	\$ 630,000	\$ 405,948
2018	637,000	384,698
2019	644,000	364,316
2020	516,000	345,750
2021	358,000	328,620
2022-2026	1,877,000	1,422,777
2027-2031	1,824,000	1,074,693
2032-2036	1,912,000	749,351
2037-2041	1,856,000	401,534
2042-2046	848,000	160,538
2047-2051	396,000	29,190
Total	<u>\$ 11,498,000</u>	<u>\$ 5,667,415</u>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### *Drain Commission*

General obligation drain improvement bonds and notes are issued by the County to finance certain drainage district construction projects. General obligation bonds have been issued for governmental activities. These bonds and notes are direct obligations, and pledge the full faith and credit of the County and the respective drainage districts. The bonds are generally issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year and bear interest rates varying from 1.35% to 7.95%.

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

Year Ending September 30,	Principal	Interest
2017	\$ 2,001,117	\$ 269,991
2018	807,117	241,513
2019	752,117	219,566
2020	735,429	200,519
2021	610,429	181,010
2022-2026	2,857,857	681,822
2027-2031	1,605,000	352,674
2032-2036	1,140,000	104,069
<b>Total</b>	<b>\$ 10,509,066</b>	<b>\$ 2,251,164</b>

### *Community Mental Health Authority*

The Community Mental Health Authority has a capital lease and various notes for group homes. There are monthly installments due through 2023 and bear interest rates varying from 2.73% to 4.42%.

Annual debt service requirements to maturity for notes payable are as follows:

Year Ending September 30,	Principal	Interest
2017	\$ 493,294	\$ 120,271
2018	3,092,742	101,785
2019	99,909	19,191
2020	103,621	15,479
2021	107,552	11,548
2022-2023	229,185	10,826
<b>Total</b>	<b>\$ 4,126,303</b>	<b>\$ 279,100</b>

The Authority has entered into multiple agreements to lease various copy machines for five year terms expiring in 2019. These leases meet capitalization criteria specified by generally accepted accounting principles and are therefore reported as capital lease obligations. Service fees for usage apply and are expensed as incurred, which totaled \$98,785 for the year ended September 30, 2016.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

Required future payments for remaining noncancelable lease terms in excess of one year as of year-end are as follows:

Year Ending September 30,	Payments
2017	\$ 3,493
2018	3,493
2019	<u>1,738</u>
Total minimum future payments	<u><u>\$ 8,724</u></u>

## 10. 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](http://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	60
Active employees	<u>53</u>
Total membership	<u><u>676</u></u>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

*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 2016, the actuarially determined monthly employer contributions ranged from \$1,898 to \$213,459 for all divisions.

*Net Pension Liability.* The County's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment and administrative expense including inflation

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of the most recent actuarial experience study of 2009-2013.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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	57.50%	5.02%	2.89%
Global fixed income	20.00%	2.18%	0.44%
Real assets	12.50%	4.23%	0.51%
Diversifying strategies	<u>10.00%</u>	6.56%	0.66%
	<u>100.00%</u>		
Inflation			3.25%
Administrative expenses netted above			<u>0.50%</u>
Investment rate of return			<u>8.25%</u>

*Discount Rate.* The discount rate used to measure the total pension liability is 8.25% for 2015. 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, 2014	\$ 139,309,355	\$ 131,204,567	\$ 8,104,788
Changes for the year:			
Service cost	366,482	-	366,482
Interest	11,030,766	-	11,030,766
Difference between expected and actual experience	(116,667)	-	(116,667)
Changes in assumptions	6,937,875	-	6,937,875
Employer contributions	-	384,689	(384,689)
Employee contributions	-	95,891	(95,891)
Net investment income (loss)	-	(1,845,639)	1,845,639
Benefit payments, including refunds of employee contributions	(11,572,681)	(11,572,681)	-
Administrative expense	-	(277,640)	277,640
Other changes	(159)	-	(159)
Net changes	<u>6,645,616</u>	<u>(13,215,380)</u>	<u>19,860,996</u>
Balances at December 31, 2015	<u>\$ 145,954,971</u>	<u>\$ 117,989,187</u>	<u>\$ 27,965,784</u>

*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 8.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.25%) or 1% higher (9.25%) than the current rate:

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
County's net pension liability	\$ 41,707,809	\$ 27,965,784	\$ 16,200,197

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

*Changes in Assumptions.* Based on the 2009-2013 Experience Study the following assumptions were changed starting with the December 31, 2015 valuation: (1) mortality table was adjusted to reflect longer lifetimes, (2) assumed annual rate of return of investment return, net of all expenses, was lowered from 8% to 7.75% (3) asset smoothing period was changed from 10 years to 5 years.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### *Pension Expense and Deferred Outflows of Resources Related to Pensions*

For the year ended September 30, 2016, the County recognized pension expense of \$10,591,132. The County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 10,079,585
Contributions subsequent to the measurement date	<u>225,819</u>
Total	<u>\$ 10,305,404</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, 2017. Other amounts reported as pension-related deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended September 30,	Amount
2017	\$ 2,546,461
2018	2,546,461
2019	2,546,461
2020	<u>2,440,202</u>
Total	<u>\$ 10,079,585</u>

*Payable to the Pension Plan.* At September 30, 2016, the County had \$25,091 in outstanding required contributions to report as payable to the pension plan for the year ended September 30, 2016.



# 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](http://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 range from 4.00% to 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, 2015, the date of the most recent actuarial valuation, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	107
Inactive employees entitled to but not yet receiving benefits	7
Active employees	<u>60</u>
Total membership	<u><u>174</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, 2015, employer contributions ranged from 3.11% to 1.54% of annual payroll for open divisions. Closed divisions have a monthly employer contribution ranging from \$5,460 to \$24,776.

*Net Pension Liability.* The Commission's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment and administrative expense including inflation

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in the December 31, 2015 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	57.50%	5.02%	2.89%
Global fixed income	20.00%	2.18%	0.44%
Real assets	12.50%	4.23%	0.51%
Diversifying strategies	<u>10.00%</u>	6.56%	0.66%
	<u><u>100.00%</u></u>		
Inflation			3.25%
Administrative and investment expenses netted above			<u>0.50%</u>
			<u><u>8.25%</u></u>

*Discount Rate.* The discount rate used to measure the total pension liability is 8.25% for 2015. 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, 2014	\$ 29,970,835	\$ 22,834,807	\$ 7,136,028
Changes for the year:			
Service cost	350,849	-	350,849
Interest	2,327,034	-	2,327,034
Employer contributions	-	562,134	(562,134)
Employee contributions	-	153,886	(153,886)
Net investment income (loss)	-	(328,425)	328,425
Benefit payments, including refunds of employee contributions	(2,116,662)	(2,116,662)	-
Administrative expense	-	(48,855)	48,855
Other changes	16,893	-	16,893
Net changes	<u>578,114</u>	<u>(1,777,922)</u>	<u>2,356,036</u>
Balances at December 31, 2015	<u>\$ 30,548,949</u>	<u>\$ 21,056,885</u>	<u>\$ 9,492,064</u>

*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 8.25%, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.25%) or 1% higher (9.25%) than the current rate:

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
Commission's net pension liability	\$ 12,646,402	\$ 9,492,064	\$ 6,806,441

*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 of Resources Related to Pensions*

For the year ended December 31, 2015, the Commission recognized pension expense of \$1,240,387. The Commission reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	<u>\$ 1,677,784</u>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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

Year Ended September 30,	Amount
2016	\$ 419,446
2017	419,446
2018	419,446
2019	<u>419,446</u>
Total	<u>\$ 1,677,784</u>

*Payable to the Pension Plan.* At December 31, 2015, the Commission reported \$59,262 in outstanding contributions to the pension plan required for the year ended December 31, 2015.

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

### Component Unit - Community Mental Health Authority

#### *General Information About the Plan*

*Plan Description.* The Authority 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](http://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 at age 55 with 20 years of service or age 50 with 25 years of service. Members are not required to make contributions. Two of the five divisions included in the Plan are closed to new hires.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

*Employees Covered by Benefit Terms.* At December 31, 2015, the date of the most recent actuarial valuation, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	88
Inactive employees entitled to but not yet receiving benefits	24
Active employees	<u>13</u>
 Total membership	 <u><u>125</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 September 30, 2016, employer contributions ranged from 16.62% to 35.80% of annual payroll for open divisions. Closed divisions have an annual employer contribution ranging from \$1,512 to \$4,032.

*Net Pension Liability.* The Authority's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment and administrative expense including inflation

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of the most recent actuarial experience study of 2009-2013.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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	57.50%	5.02%	2.89%
Global fixed income	20.00%	2.18%	0.44%
Real assets	12.50%	4.23%	0.51%
Diversifying strategies	<u>10.00%</u>	6.56%	0.66%
	<u>100.00%</u>		
Inflation			3.25%
Administrative and investment expenses netted above			<u>0.50%</u>
			<u>8.25%</u>

*Discount Rate.* The discount rate used to measure the total pension liability is 8.25% for 2015. 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, 2014	\$ 16,449,390	\$ 12,220,645	\$ 4,228,745
Changes for the year:			
Service cost	64,467	-	64,467
Interest	1,309,507	-	1,309,507
Difference between expected and actual experience	97,655	-	97,655
Changes in assumptions	834,335	-	834,335
Employer contributions	-	266,010	(266,010)
Net investment income (loss)	-	(173,891)	173,891
Benefit payments, including refunds of employee contributions	(1,217,624)	(1,217,624)	-
Administrative expense	-	(25,988)	25,988
Other changes	-	-	-
Net changes	<u>1,088,340</u>	<u>(1,151,493)</u>	<u>2,239,833</u>
Balances at December 31, 2015	<u>\$ 17,537,730</u>	<u>\$ 11,069,152</u>	<u>\$ 6,468,578</u>

*Changes in Assumptions.* Based on the 2009-2013 Experience Study the following assumptions were changed starting with the December 31, 2015 valuation: (1) mortality table was adjusted to reflect longer lifetimes, (2) assumed annual rate of return of investment return, net of all expenses, was lowered from 8% to 7.75% (3) asset smoothing period was changed from 10 years to 5 years.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the Authority, calculated using the discount rate of 8.25%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.25%) or 1% higher (9.25%) than the current rate:

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
Authority's net pension liability	\$ 8,047,662	\$ 6,468,578	\$ 5,100,561

*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 of Resources Related to Pensions*

For the year ended September 30, 2016, the Authority recognized pension expense of \$1,659,173. The Authority reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,019,795
Contributions subsequent to the measurement date	<u>190,193</u>
Total	<u>\$ 1,209,988</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, 2017. Other amounts reported as pension-related deferred outflows of resources will be recognized in pension expense as follows:

Year Ended September 30,	Amount
2017	\$ 265,769
2018	265,769
2019	265,769
2020	<u>222,488</u>
Total	<u>\$ 1,019,795</u>

*Payable to the Pension Plan.* The Authority reported \$23,577 in outstanding contributions to the pension plan required for the year ended September 30, 2016.

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



# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### 11. DEFINED CONTRIBUTION PENSION PLAN

*Plan description.* The Saginaw County Employees Defined Contribution Pension Plan (the “Plan”) is a single employer defined contribution pension plan, established by the County and administered by 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 have the option of becoming a participant in the Defined Contribution Plan. Employees vest in the County’s contributions in accordance with the following scale:

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 their 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 their contract was ratified. These dates range for new hires, which fall 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 ended September 30, 2016, amounted to \$1,788,747 and employee contributions were \$1,024,675.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### 12. 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.

*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, 2016, the County contributed \$6,389,785 into the Plan.

*Funding progress.* For the year ended September 30, 2016, the County estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2014. Such valuation computes the annual required contribution ("ARC") that represents a level of funding, that if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

At December 31, 2014, the date of the latest actuarial valuation, participants in the plan consisted of:

Retirees and beneficiaries currently receiving benefits	484
Active employees	<u>236</u>
Total	<u><u>720</u></u>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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

Years of Service	Retirement after January 1, 1991 and prior to January 1, 2014		Retirement after January 1, 2014	
	Employer Pays	Employee Pays	Employer Pays	Employee Pays
6	25%	75%	10%	90%
7	30%	70%	15%	85%
8	35%	65%	20%	80%
9	40%	60%	25%	75%
10	45%	55%	30%	70%
11	50%	50%	35%	65%
12	55%	45%	40%	60%
13	60%	40%	45%	55%
14	65%	35%	50%	50%
15	70%	30%	55%	45%
16	75%	25%	60%	40%
17	80%	20%	65%	35%
18	85%	15%	70%	30%
19	90%	10%	75%	25%
20 or more	95%	5%	80%	20%

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.

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

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

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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

The Plan's unfunded actuarial accrued liability was determined as part of an actuarial valuation of the Plan as of December 31, 2014. Significant actuarial assumptions used in determining the Plan's unfunded accrued liability included (a) a rate of return on the investment of present and future assets of 6% per year compounded annually, (b) MERS merit and longevity salary scale in addition to a 4.5% wage base, and (c) health care cost increases of 9.0% in 2015 and scaling down to 4.5% over ten years.

The information presented in the required supplementary information was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actuarial valuation was as follows:

Actuarial cost method	Entry-age Normal Actuarial Cost Method
Amortization method	Level dollar, open
Remaining amortization period	25 years
Asset valuation method	Market value
Actuarial assumptions:	
Discount rate	6.0% per year
Projected salary increases	4.5%
Valuation health care cost trend rate	9.0% in 2015, grading to 4.5% over ten years

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

Annual required contribution	\$ 11,532,059
Interest on net OPEB obligation	2,120,870
Adjustment to annual required contribution	<u>(2,685,373)</u>
Annual OPEB cost (expense)	10,967,556
Contributions made	<u>(6,389,785)</u>
Increase in net OPEB obligation	4,577,771
Net OPEB obligation, beginning of year	35,347,837
Net OPEB obligation, end of year	<u><u>\$ 39,925,608</u></u>

Three-Year Trend Information			
Fiscal Year Ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
9/30/2014	\$ 11,924,504	42%	\$ 30,902,418
9/30/2015	11,820,988	62%	35,347,837
9/30/2016	10,967,556	58%	39,925,608

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

*Funded Status and Funding Progress.* As of December 31, 2014, the most recent actuarial valuation date, the Plan was 10 percent funded. The actuarial accrued liability for benefits was \$143,075,530, and the actuarial value of assets was \$14,898,591, resulting in an unfunded actuarial accrued liability (UAAL) of \$128,176,939. The covered payroll (annual payroll of active employees covered by the Plan) was \$11,565,492, and the ratio of the UAAL to the covered payroll was 1,108 percent.

### 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. As the time of the last actuarial report, as of December 31, 2015, the Plan provided up to 100% of health insurance benefits depending on coverage elected by the employee.

*Annual OPEB Cost and Net OPEB Obligation.* The Plan’s annual other postemployment benefit (“OPEB”) cost (expenses) is calculated based on the annual required contribution of the employer (“ARC”), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

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

Three-Year Trend Information			
Fiscal Year Ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
12/31/2013	\$ 1,499,004	47%	\$ 3,206,019
12/31/2014	1,534,215	35%	4,131,523
12/31/2015	3,019,091	22%	6,141,676

*Funded Status and Funding Progress.* As of December 31, 2015, the most recent actuarial valuation date, the Plan was zero percent funded. The actuarial accrued liability for benefits was \$22,518,466, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$22,518,466.

*Actuarial Methods and Assumptions.* The Plan’s unfunded accrued liability was determined as part of an actuarial valuation of the Plan as of December 31, 2015. Significant actuarial assumptions used in determining the Plan’s unfunded accrued liability included (a) a rate of return on the investment of present and future assets of 4.0% per year compounded annually, (b) projected salary increases of 2.0% per year, and (c) health care cost increases of 4.5% to 9%.

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

### Component Unit - Community Mental Health Authority

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

*Annual OPEB Cost and Net OPEB Obligation.* The Plan’s annual other postemployment benefit (“OPEB”) cost (expenses) is calculated based on the annual required contribution of the employer (“ARC”), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

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

Three-Year Trend Information			
Fiscal Year Ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
9/30/2014	\$ 1,049,485	87%	\$ 132,074
9/30/2015	1,041,805	53%	626,461
9/30/2016	976,301	46%	1,160,291

*Funded Status and Funding Progress.* As of December 31, 2013, the most recent actuarial valuation date, the Plan was 42.8 percent funded. The actuarial accrued liability for benefits was \$17,935,665, and the actuarial value of assets was \$11,819,776, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,115,889.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

*Actuarial Methods and Assumptions.* The Plan’s unfunded accrued liability was determined as part of an actuarial valuation of the Plan as of December 31, 2013. Significant actuarial assumptions used in determining the Plan’s unfunded accrued liability included (a) a rate of return on the investment of present and future assets of 7% per year compounded annually, (b) projected salary increases of 4% per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0.3% to 13% per year, depending on age, attributable to seniority/merit, and (d) health care cost increases of 9% in 2012 and scaling down by 0.5% every year until it reaches 4%.

Additional information and required supplementary information can be found in the Community Mental Health Authority’s separately issued report.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### 13. 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, 2016, 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, 2016 and 2015, are as follows:

	Beginning of Period Liability	Claims and Changes in Estimates	Claim Payments	End of Period Liability
2015	\$ 101,434	\$ 76,095	\$ 103,907	\$ 73,622
2016	73,622	140,420	132,138	81,904

#### *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 \$15,000,000, insurance is provided by Travelers. There were no reductions of insurance coverage from the prior year. The revenues for this fund’s operation are reimbursements from various funds. The funds are charged for general liability insurance based on number of employees, previous claims, number of vehicles and other pertinent criteria.

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

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

The changes in the claims liability for the years ended September 30, 2016 and 2015, are as follows:

	Beginning of Period Liability	Claims and Changes in Estimates	Claim Payments	End of Period Liability
2015	\$ 297,769	\$ 737,272	\$ 752,448	\$ 282,593
2016	282,593	264,137	269,039	277,691

### Health Insurance

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

The changes in the claims liability for the years ended September 30, 2016 and 2015, are as follows:

	Beginning of Period Liability	Claims and Changes in Estimates	Claim Payments	End of Period Liability
2015	\$ 682,448	\$ 10,164,009	\$ 10,287,687	\$ 558,770
2016	558,770	10,283,885	9,772,458	1,070,197

### Dental Insurance

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

The changes in the claims liability for the years ended September 30, 2016 and 2015, are as follows:

	Beginning of Period Liability	Claims and Changes in Estimates	Claim Payments	End of Period Liability
2015	\$ 24,462	\$ 442,119	\$ 438,065	\$ 28,516
2016	28,516	498,621	475,260	51,877



# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### Vision Insurance

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

The changes in the claims liability for the years ended September 30, 2016 and 2015, are as follows:

	Beginning of Period Liability	Claims and Changes in Estimates	Claim Payments	End of Period Liability
2015	\$ 1,395	\$ 36,707	\$ 36,782	\$ 1,320
2016	1,320	54,933	50,668	5,585

## 14. PROPERTY TAXES

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

The taxable value of real and personal property at December 1, 2014, totaled \$4,926,248,765. The tax levy for 2015/2016 operations were based on the following rates:

General Operating	4.85580	mills
Law Enforcement	0.33940	mills
Mosquito Control	0.64000	mills
Senior Citizens	0.43000	mills
Sheriff Service	1.00000	mills
Hospital Debt	0.44640	mills
County Parks	0.29420	mills
Castle Museum	0.19970	mills
Event Center	0.22500	mills
Animal Control	0.15000	mills
Children's Zoo	0.20000	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.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### 15. 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.

### 16. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of September 30, 2016, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 3,968,150	\$ 2,567,188	\$ 50,500,444
Capital assets being depreciated, net	<u>17,929,603</u>	<u>18,763,022</u>	<u>166,825,033</u>
	<u>21,897,753</u>	<u>21,330,210</u>	<u>217,325,477</u>
Related debt:			
Due within one year	4,778,375	115,000	4,004,378
Due in more than one year	41,727,150	23,526,074	25,843,896
Due to Saginaw Hockey Club, LLC	-	623,442	-
Less:			
Department of Public Works conduit debt	-	-	(11,498,000)
Brownfield Redevelopment Authority debt	-	-	(30,785)
Compensated absences	(1,708,393)	(6,074)	(1,274,797)
Delinquent tax notes	-	(20,630,000)	-
Pension bonds	<u>(43,415,000)</u>	-	-
	<u>1,382,132</u>	<u>3,628,442</u>	<u>17,044,692</u>
Net investment in capital assets	<u>\$ 20,515,621</u>	<u>\$ 17,701,768</u>	<u>\$ 200,280,785</u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

17. FUND BALANCES - GOVERNMENTAL FUNDS

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

	General Fund	Health	Michigan Works!	Planning Commission	Public Improvement	Nonmajor Funds	Total
Nonspendable:							
Long-term advances	\$ 445,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 445,000
Prepays	12,986	2,800	62,840	-	-	58,293	136,919
Permanent fund corpus	-	-	-	-	-	36,070	36,070
<b>Total nonspendable</b>	<b>457,986</b>	<b>2,800</b>	<b>62,840</b>	<b>-</b>	<b>-</b>	<b>94,363</b>	<b>617,989</b>
Restricted for:							
Public safety	-	-	-	-	-	608,608	608,608
Public works	-	-	-	-	-	44,810	44,810
Health and welfare	-	-	-	-	-	49,777	49,777
Community and economic development	-	-	-	40,695	-	-	40,695
Recreation	-	-	-	-	-	115,542	115,542
Register of Deeds	-	-	-	-	-	418,493	418,493
Debt service	-	-	-	-	-	32,455	32,455
Public Improvement	-	-	-	-	5,231,266	-	5,231,266
Permanent trusts	-	-	-	-	-	3,250	3,250
<b>Total restricted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,695</b>	<b>5,231,266</b>	<b>1,272,935</b>	<b>6,544,896</b>
Committed for:							
Public safety	-	-	-	-	-	864,052	864,052
Recreation	-	-	-	-	-	928,918	928,918
Health and welfare	-	-	-	-	-	3,852,032	3,852,032
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,645,002</b>	<b>5,645,002</b>
Assigned for:							
Employee payroll reserve	11,196,138	-	-	-	-	-	11,196,138
G.I.S. System	-	-	-	-	-	23,694	23,694
Courts	437,206	-	-	-	-	447,383	884,589
General government	-	-	-	-	-	21,776	21,776
Public safety	-	-	-	-	-	2,224,460	2,224,460
Community and economic development	-	-	96,975	-	-	70,691	167,666
Health and welfare	-	1,141,920	-	-	-	3,004,370	4,146,290
Capital projects	-	-	-	-	-	515,345	515,345
<b>Total assigned</b>	<b>11,633,344</b>	<b>1,141,920</b>	<b>96,975</b>	<b>-</b>	<b>-</b>	<b>6,307,719</b>	<b>19,179,958</b>
Unassigned (deficit)	6,137,506	-	-	-	-	-	6,137,506
<b>Total fund balances, governmental funds</b>	<b>\$ 18,228,836</b>	<b>\$ 1,144,720</b>	<b>\$ 159,815</b>	<b>\$ 40,695</b>	<b>\$ 5,231,266</b>	<b>\$ 13,320,019</b>	<b>\$38,125,351</b>

18. SUBSEQUENT EVENTS

In March 2017, the Drain Commission, a component unit of the County, issued the King Street Tile Drain Bonds, Series 2017 in the amount of \$975,000.



## 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, 2016	Year Ended September 30, 2015
<b>Total pension liability</b>		
Service cost	\$ 366,482	\$ 470,724
Interest	11,030,766	11,028,920
Difference between expected and actual experience	(116,667)	-
Changes in assumptions	6,937,875	-
Benefit payments, including refunds of employee contributions	(11,572,681)	(11,276,793)
Other changes	(159)	(415)
<b>Net change in total pension liability</b>	<u>6,645,616</u>	<u>222,436</u>
<b>Total pension liability, beginning of year</b>	<u>139,309,355</u>	<u>139,086,919</u>
<b>Total pension liability, end of year</b>	<u>145,954,971</u>	<u>139,309,355</u>
<b>Plan fiduciary net position</b>		
Employer contributions	384,689	52,025,528
Employee contributions	95,891	98,809
Net investment income (loss)	(1,845,639)	7,963,230
Benefit payments, including refunds of employee contributions	(11,572,681)	(11,276,793)
Administrative expense	(277,640)	(292,649)
<b>Net change in plan fiduciary net position</b>	<u>(13,215,380)</u>	<u>48,518,125</u>
<b>Plan fiduciary net position, beginning of year</b>	<u>131,204,567</u>	<u>82,686,442</u>
<b>Plan fiduciary net position, end of year</b>	<u>117,989,187</u>	<u>131,204,567</u>
<b>County's net pension liability</b>	<u>\$ 27,965,784</u>	<u>\$ 8,104,788</u>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	80.8%	94.2%
<b>Covered payroll</b>	\$ 2,767,719	\$ 3,525,912
<b>County's net pension liability as a percentage of covered-employee payroll</b>	1010.4%	229.9%

#### Notes:

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.

COUNTY OF SAGINAW, MICHIGAN

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

Schedule of the County's Net Pension Liability

Fiscal Year Ended September 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as Percentage of Total Pension Liability	Covered-Employee Payroll	Net Pension Liability as Percentage of Covered Payroll
2015	\$ 139,309,355	\$ 131,204,567	\$ 8,104,788	94.2%	\$ 3,525,912	229.86%
2016	145,954,971	117,989,187	27,965,784	80.8%	2,767,719	1010.43%

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

Note: 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 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.

# 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-Employee Payroll	Contributions as Percentage of Covered-Employee Payroll
2015	\$ 338,547	\$ 338,547	\$ -	\$ 3,566,631	9.5%
2016	300,847	300,847	-	3,014,094	10.0%

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

#### Notes to Schedule of Contributions

**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	23 years
Asset valuation method	Closed; 10-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-based table of rates that are specific to the type of eligibility condition. The Normal Retirement rates were first used for the December 31, 2015 actuarial valuations. The Early Retirement rates were first used for the December 31, 2015 actuarial valuations.

**Mortality** Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

COUNTY OF SAGINAW, MICHIGAN

**Required Supplementary Information**  
Other Postemployment Benefits Plan

Schedule of Funding Progress						
Actuarial Valuation Date December 31,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2011	\$ 11,913,064	\$ 136,884,482	\$ 124,971,418	9%	\$ 15,109,758	827%
2012	12,794,484	148,984,488	136,190,004	9%	15,639,762	871%
2014	14,898,591	143,075,530	128,176,939	10%	11,565,492	1108%

Schedule of Employer Contributions		
Year Ended September 30,	Annual Required Contribution	Percentage Contributed
2014	\$ 12,314,498	37%
2015	12,314,498	41%
2016	11,532,059	55%



**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.

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

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

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

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

**Solid Waste 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 (Continued)

#### 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.

**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.

**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.

**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.

**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 OF SAGINAW, MICHIGAN

### Nonmajor Governmental Funds (Continued)

#### Special Revenue Funds (Continued)

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

**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.

**Jail Records Management Fund** - This fund is used to account for the creation and maintenance of a records management system for the Saginaw County jail. 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.

## COUNTY OF SAGINAW, MICHIGAN

### Nonmajor Governmental Funds (Continued)

#### 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.

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

#### Debt Service Funds

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

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

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

Building Authority Fund - This fund is used to account for the payment of interest and principal on long-term debt. Money in this fund is received from lease payments from governmental departments to be used for debt retirement. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

## COUNTY OF SAGINAW, MICHIGAN

### ■ Nonmajor Governmental Funds (Concluded)

#### 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.

**Mainframe Conversion Project Fund** - This fund is used 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.

#### 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, 2016

	Special Revenue Funds				
	Law Enforcement	County Road Patrol Millage	Parks & Recreation	G.I.S System	Friend of the Court
<b>Assets</b>					
Cash and investment pool	\$ 216,005	\$ 449,497	\$ 893,353	\$ 26,461	\$ 1,664
Receivables:					
Taxes	30,042	20,706	10,557	-	-
Accounts	158,763	19,430	14,060	-	11,502
Loans	-	-	-	-	-
Accrued interest	6,309	2,877	3,992	-	447
Due from other funds	17,045	-	169,587	-	-
Due from other governmental units	-	-	7,777	-	1,105,148
Prepays	450	8,600	-	-	316
<b>Total assets</b>	<b>\$ 428,614</b>	<b>\$ 501,110</b>	<b>\$ 1,099,326</b>	<b>\$ 26,461</b>	<b>\$ 1,119,077</b>
<b>Liabilities</b>					
Accounts payable	\$ 11,793	\$ 2,986	\$ 24,572	\$ -	\$ 8,206
Accrued liabilities	43,390	16,494	6,166	2,767	47,051
Deposits payable	6,003	-	-	-	-
Due to other funds	2,654	-	20,169	-	616,121
Due to other governmental units	-	-	-	-	-
Unearned revenue	7,299	-	-	-	-
<b>Total liabilities</b>	<b>71,139</b>	<b>19,480</b>	<b>50,907</b>	<b>2,767</b>	<b>671,378</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue - property taxes	30,042	20,706	10,557	-	-
Unavailable revenue - long-term receivables	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>30,042</b>	<b>20,706</b>	<b>10,557</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>					
Nonspendable	450	8,600	-	-	316
Restricted	-	-	115,542	-	-
Committed	326,983	452,324	922,320	-	-
Assigned	-	-	-	23,694	447,383
<b>Total fund balances</b>	<b>327,433</b>	<b>460,924</b>	<b>1,037,862</b>	<b>23,694</b>	<b>447,699</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 428,614</b>	<b>\$ 501,110</b>	<b>\$ 1,099,326</b>	<b>\$ 26,461</b>	<b>\$ 1,119,077</b>

Special Revenue Funds							
Solid Waste Management	Lodging Excise Tax	Castle Museum & Historical Activities	Commission on Aging	Mosquito Control	Dredged Materials Disposal	Principal Residence Exemption	Courthouse Preservation Technology
\$ 280	\$ -	\$ 6,206	\$ 1,520,118	\$ 2,192,053	\$ 36	\$ 33,975	\$ 133,898
-	-	9,292	24,247	26,091	-	25,889	-
103,228	925,481	-	14,915	403	-	-	10,710
-	-	-	-	-	-	-	-
473	-	392	7,582	9,702	61	95	544
-	-	-	-	-	12,270	-	-
-	-	-	291,129	7,208	-	-	-
-	-	-	20,830	-	-	-	-
<u>\$ 103,981</u>	<u>\$ 925,481</u>	<u>\$ 15,890</u>	<u>\$ 1,878,821</u>	<u>\$ 2,235,457</u>	<u>\$ 12,367</u>	<u>\$ 59,959</u>	<u>\$ 145,152</u>
\$ 83	\$ 884,161	\$ -	\$ 64,771	\$ 29,201	\$ 297	\$ -	\$ -
-	-	-	31,620	16,336	-	519	-
-	-	-	-	-	-	-	-
59,088	41,320	-	-	-	12,070	-	-
-	-	-	-	-	-	45,293	-
-	-	-	-	-	-	-	-
<u>59,171</u>	<u>925,481</u>	<u>-</u>	<u>96,391</u>	<u>45,537</u>	<u>12,367</u>	<u>45,812</u>	<u>-</u>
-	-	9,292	24,247	26,091	-	-	-
-	-	-	-	-	-	-	-
-	-	9,292	24,247	26,091	-	-	-
-	-	-	20,830	-	-	-	-
44,810	-	-	49,150	-	-	-	-
-	-	6,598	1,688,203	2,163,829	-	-	-
-	-	-	-	-	-	14,147	145,152
<u>44,810</u>	<u>-</u>	<u>6,598</u>	<u>1,758,183</u>	<u>2,163,829</u>	<u>-</u>	<u>14,147</u>	<u>145,152</u>
<u>\$ 103,981</u>	<u>\$ 925,481</u>	<u>\$ 15,890</u>	<u>\$ 1,878,821</u>	<u>\$ 2,235,457</u>	<u>\$ 12,367</u>	<u>\$ 59,959</u>	<u>\$ 145,152</u>

continued...



COUNTY OF SAGINAW, MICHIGAN

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2016

	Special Revenue Funds				
	Animal Control	Small Cities Reuse	Register of Deeds Automation	E-911 Telephone Surcharge	Mobile Data Maintenance & Repair
<b>Assets</b>					
Cash and investment pool	\$ 146,467	\$ 262,056	\$ 485,156	\$ 103,699	\$ 1,824,483
Receivables:					
Taxes	5,750	-	-	-	-
Accounts	2,673	-	7,250	1,273,942	-
Loans	-	244,965	-	-	-
Accrued interest	-	675	2,729	2,602	6,946
Due from other funds	81,400	-	-	-	-
Due from other governmental units	10,000	-	-	99,603	-
Prepays	-	-	-	-	-
<b>Total assets</b>	<b>\$ 246,290</b>	<b>\$ 507,696</b>	<b>\$ 495,135</b>	<b>\$ 1,479,846</b>	<b>\$ 1,831,429</b>
<b>Liabilities</b>					
Accounts payable	\$ 13,826	\$ 192,040	\$ 76,642	\$ 1,294,794	\$ 20,103
Accrued liabilities	6,683	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>20,509</b>	<b>192,040</b>	<b>76,642</b>	<b>1,294,794</b>	<b>20,103</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue - property taxes	5,750	-	-	-	-
Unavailable revenue - long-term receivables	-	244,965	-	-	-
<b>Total deferred inflows of resources</b>	<b>5,750</b>	<b>244,965</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>					
Nonspendable	-	-	-	-	-
Restricted	135,286	-	418,493	185,052	-
Committed	84,745	-	-	-	-
Assigned	-	70,691	-	-	1,811,326
<b>Total fund balances</b>	<b>220,031</b>	<b>70,691</b>	<b>418,493</b>	<b>185,052</b>	<b>1,811,326</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 246,290</b>	<b>\$ 507,696</b>	<b>\$ 495,135</b>	<b>\$ 1,479,846</b>	<b>\$ 1,831,429</b>

Special Revenue Funds							
Concealed Pistol Licensing	Area Records Management System	County Library Board	Remuneration	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections
\$ 62,422	\$ 607	\$ -	\$ 32,180	\$ 407,769	\$ 256,396	\$ -	\$ 5,284
-	-	-	-	-	-	-	-
4,010	-	-	-	50,119	31,766	-	8
-	-	-	-	-	-	-	-
-	1,024	-	-	-	438	-	-
-	-	-	-	826	2,654	-	-
-	459,948	-	43,117	242,096	214,019	134,869	98,521
-	-	-	-	-	10,183	-	30
<u>\$ 66,432</u>	<u>\$ 461,579</u>	<u>\$ -</u>	<u>\$ 75,297</u>	<u>\$ 700,810</u>	<u>\$ 515,456</u>	<u>\$ 134,869</u>	<u>\$ 103,843</u>
\$ -	\$ 6,795	\$ -	\$ 67,668	\$ 38,718	\$ 37,688	\$ 534	\$ 10,832
433	-	-	-	7,314	8,189	13,239	4,358
-	-	-	-	-	9,486	-	-
-	422,408	-	-	437,206	-	120,151	-
-	-	-	-	-	-	-	-
-	-	-	-	5	37,719	-	-
<u>433</u>	<u>429,203</u>	<u>-</u>	<u>67,668</u>	<u>483,243</u>	<u>93,082</u>	<u>133,924</u>	<u>15,190</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	10,183	-	30
65,999	32,376	-	-	-	2	-	88,623
-	-	-	-	-	-	-	-
-	-	-	7,629	217,567	412,189	945	-
<u>65,999</u>	<u>32,376</u>	<u>-</u>	<u>7,629</u>	<u>217,567</u>	<u>422,374</u>	<u>945</u>	<u>88,653</u>
<u>\$ 66,432</u>	<u>\$ 461,579</u>	<u>\$ -</u>	<u>\$ 75,297</u>	<u>\$ 700,810</u>	<u>\$ 515,456</u>	<u>\$ 134,869</u>	<u>\$ 103,843</u>

continued...

COUNTY OF SAGINAW, MICHIGAN

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2016

	Special Revenue Funds					
	Local Correction Officer Training	Jail Records Management	MSU Extension	Department of Human Services	Child Care	Veterans' Trust
<b>Assets</b>						
Cash and investment pool	\$ 118,253	\$ -	\$ 57,788	\$ 352,422	\$ 2,102,474	\$ -
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	580	-	-	-	175,963	-
Loans	-	-	-	-	-	-
Accrued interest	458	-	170	-	-	-
Due from other funds	-	-	-	-	250	-
Due from other governmental units	-	-	-	-	1,144,466	13,944
Prepays	-	-	-	-	10,472	-
<b>Total assets</b>	<b>\$ 119,291</b>	<b>\$ -</b>	<b>\$ 57,958</b>	<b>\$ 352,422</b>	<b>\$ 3,433,625</b>	<b>\$ 13,944</b>
<b>Liabilities</b>						
Accounts payable	\$ 4,943	\$ -	\$ 14,291	\$ -	\$ 204,371	\$ 3,053
Accrued liabilities	13,078	-	-	265,446	38,940	-
Deposits payable	-	-	-	-	-	-
Due to other funds	-	-	-	81,688	113,840	10,891
Due to other governmental units	-	-	-	-	61,005	-
Unearned revenue	-	-	43,667	5,288	-	-
<b>Total liabilities</b>	<b>18,021</b>	<b>-</b>	<b>57,958</b>	<b>352,422</b>	<b>418,156</b>	<b>13,944</b>
<b>Deferred inflows of resources</b>						
Unavailable revenue - property taxes	-	-	-	-	-	-
Unavailable revenue - long-term receivables	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>						
Nonspendable	-	-	-	-	10,472	-
Restricted	101,270	-	-	-	627	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	3,004,370	-
<b>Total fund balances</b>	<b>101,270</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,015,469</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 119,291</b>	<b>\$ -</b>	<b>\$ 57,958</b>	<b>\$ 352,422</b>	<b>\$ 3,433,625</b>	<b>\$ 13,944</b>

Debt Service Funds				Capital Projects Funds		Permanent Fund	Total Nonmajor Governmental Funds
MERS (DB) Pension Obligation Bond	Qualified Energy Bond	Juvenile Center Renovation	Building Authority	Parks Building & Site	Mainframe Conversion Project	Rail Trail Endowment	
\$ 1,719	\$ 118	\$ 30,484	\$ -	\$ 376	\$ 151,900	\$ 39,167	\$ 11,914,766
-	-	528	-	-	-	-	153,102
-	-	-	-	344	-	-	2,805,147
-	-	-	-	-	-	-	244,965
3	12	119	-	11	726	153	48,540
-	-	-	-	20,170	-	-	304,202
-	-	-	-	148,777	-	-	4,020,622
-	-	-	-	-	7,412	-	58,293
<u>\$ 1,722</u>	<u>\$ 130</u>	<u>\$ 31,131</u>	<u>\$ -</u>	<u>\$ 169,678</u>	<u>\$ 160,038</u>	<u>\$ 39,320</u>	<u>\$ 19,549,637</u>
\$ -	\$ -	\$ -	\$ -	\$ 92	\$ -	\$ -	\$ 3,012,460
-	-	-	-	-	-	-	522,023
-	-	-	-	-	-	-	15,489
-	-	-	-	169,586	-	-	2,107,192
-	-	-	-	-	-	-	106,298
-	-	-	-	-	-	-	93,978
-	-	-	-	169,678	-	-	5,857,440
-	-	528	-	-	-	-	127,213
-	-	-	-	-	-	-	244,965
-	-	528	-	-	-	-	372,178
-	-	-	-	-	7,412	36,070	94,363
1,722	130	30,603	-	-	-	3,250	1,272,935
-	-	-	-	-	-	-	5,645,002
-	-	-	-	-	152,626	-	6,307,719
<u>1,722</u>	<u>130</u>	<u>30,603</u>	<u>-</u>	<u>-</u>	<u>160,038</u>	<u>39,320</u>	<u>13,320,019</u>
<u>\$ 1,722</u>	<u>\$ 130</u>	<u>\$ 31,131</u>	<u>\$ -</u>	<u>\$ 169,678</u>	<u>\$ 160,038</u>	<u>\$ 39,320</u>	<u>\$ 19,549,637</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, 2016

	Special Revenue Funds				
	Law Enforcement	County Road Patrol Millage	Parks & Recreation	G.I.S System	Friend of the Court
<b>Revenue</b>					
Property taxes	\$ 4,751,288	\$ 1,613,263	\$ 1,399,157	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	7,777	-	2,702,357
State grants	-	-	17,374	-	389,132
Local grants and contributions	-	-	10,000	-	-
Charges for services	62,514	11,100	25,595	-	341,783
Fines and forfeitures	-	-	-	-	-
Investment income	11,313	5,214	7,195	-	839
Rental revenue	-	-	-	-	-
Donations	-	-	12,084	-	-
Reimbursements	799,187	106,209	-	201,053	73,053
Other revenue	-	-	4,535	-	-
<b>Total revenue</b>	<b>5,624,302</b>	<b>1,735,786</b>	<b>1,483,717</b>	<b>201,053</b>	<b>3,507,164</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	-	-	4,387,318
General government	-	-	-	197,042	-
Public safety	3,921,597	1,371,351	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	945,119	-	-
Capital outlay	38,633	98,152	78,442	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>3,960,230</b>	<b>1,469,503</b>	<b>1,023,561</b>	<b>197,042</b>	<b>4,387,318</b>
<b>Revenues over (under) expenditures</b>	<b>1,664,072</b>	<b>266,283</b>	<b>460,156</b>	<b>4,011</b>	<b>(880,154)</b>
<b>Other financing sources (uses)</b>					
Transfers in	969,998	1,457	18,810	-	1,133,629
Transfers out	(2,655,567)	(170,706)	(38,979)	-	-
<b>Total other financing sources (uses)</b>	<b>(1,685,569)</b>	<b>(169,249)</b>	<b>(20,169)</b>	<b>-</b>	<b>1,133,629</b>
<b>Net change in fund balances</b>	<b>(21,497)</b>	<b>97,034</b>	<b>439,987</b>	<b>4,011</b>	<b>253,475</b>
Fund balances, beginning of year	348,930	363,890	597,875	19,683	194,224
<b>Fund balances, end of year</b>	<b>\$ 327,433</b>	<b>\$ 460,924</b>	<b>\$ 1,037,862</b>	<b>\$ 23,694</b>	<b>\$ 447,699</b>

Special Revenue Funds							
Solid Waste Management	Lodging Excise Tax	Castle Museum & Historical Activities	Commission on Aging	Mosquito Control	Dredged Materials Disposal	Principal Residence Exemption	Courthouse Preservation Technology
\$ -	\$ -	\$ 949,083	\$ 2,043,712	\$ 3,042,751	\$ -	\$ -	\$ -
-	2,974,587	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1,136,813	-	-	-	-
-	-	-	411,719	9,058	-	-	-
-	-	-	-	-	-	-	-
358,265	-	-	17,261	4,269	-	1,257	141,696
-	-	-	-	-	-	-	-
825	-	647	13,894	18,018	55	5,618	1,038
-	-	-	-	1,500	16,170	-	-
-	-	-	208,307	650	-	-	-
-	-	8,989	19,318	225,632	-	-	-
-	-	-	41,741	965	-	-	-
<u>359,090</u>	<u>2,974,587</u>	<u>958,719</u>	<u>3,892,765</u>	<u>3,302,843</u>	<u>16,225</u>	<u>6,875</u>	<u>142,734</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
375,419	-	-	-	-	-	-	-
-	-	-	3,792,070	2,519,969	32,506	-	-
-	2,974,587	-	-	-	-	26,950	-
-	-	1,186,244	-	-	-	-	-
-	-	-	53,678	100,601	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>375,419</u>	<u>2,974,587</u>	<u>1,186,244</u>	<u>3,845,748</u>	<u>2,620,570</u>	<u>32,506</u>	<u>26,950</u>	<u>-</u>
<u>(16,329)</u>	<u>-</u>	<u>(227,525)</u>	<u>47,017</u>	<u>682,273</u>	<u>(16,281)</u>	<u>(20,075)</u>	<u>142,734</u>
-	-	-	-	-	12,270	-	-
<u>(87,929)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
<u>(87,929)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,270</u>	<u>-</u>	<u>(150,000)</u>
<u>(104,258)</u>	<u>-</u>	<u>(227,525)</u>	<u>47,017</u>	<u>682,273</u>	<u>(4,011)</u>	<u>(20,075)</u>	<u>(7,266)</u>
<u>149,068</u>	<u>-</u>	<u>234,123</u>	<u>1,711,166</u>	<u>1,481,556</u>	<u>4,011</u>	<u>34,222</u>	<u>152,418</u>
<u>\$ 44,810</u>	<u>\$ -</u>	<u>\$ 6,598</u>	<u>\$ 1,758,183</u>	<u>\$ 2,163,829</u>	<u>\$ -</u>	<u>\$ 14,147</u>	<u>\$ 145,152</u>

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COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended September 30, 2016

	Special Revenue Funds				
	Animal Control	Small Cities Reuse	Register of Deeds Automation	E-911 Telephone Surcharge	Mobile Data Maintenance & Repair
Revenue					
Property taxes	\$ 713,694	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	10,812	-	-	-	-
Federal grants	-	-	-	-	-
State grants	-	-	-	437,279	-
Local grants and contributions	-	-	-	-	115,500
Charges for services	59,381	-	160,740	5,128,577	180,000
Fines and forfeitures	-	-	-	-	-
Investment income	-	1,159	5,092	4,472	12,931
Rental revenue	-	-	-	-	-
Donations	23,902	-	-	-	-
Reimbursements	-	343,214	-	-	-
Other revenue	183	-	-	-	-
<b>Total revenue</b>	<b>807,972</b>	<b>344,373</b>	<b>165,832</b>	<b>5,570,328</b>	<b>308,431</b>
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	-	-	288,272	-	-
Public safety	862,900	-	-	5,541,627	266,643
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	-	325,811	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	327,857	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>862,900</b>	<b>325,811</b>	<b>616,129</b>	<b>5,541,627</b>	<b>266,643</b>
Revenues over (under) expenditures	(54,928)	18,562	(450,297)	28,701	41,788
Other financing sources (uses)					
Transfers in	94,910	-	-	-	150,000
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>94,910</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,000</b>
Net change in fund balances	39,982	18,562	(450,297)	28,701	191,788
Fund balances, beginning of year	180,049	52,129	868,790	156,351	1,619,538
<b>Fund balances, end of year</b>	<b>\$ 220,031</b>	<b>\$ 70,691</b>	<b>\$ 418,493</b>	<b>\$ 185,052</b>	<b>\$ 1,811,326</b>

Special Revenue Funds							
Concealed Pistol Licensing	Area Records Management System	County Library Board	Remonu- mentation	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
76,552	-	-	-	-	-	-	-
-	-	-	-	176,924	240,322	212,784	-
-	427,964	-	72,824	517,265	245,386	271,880	412,932
-	-	-	-	-	-	-	-
-	-	-	-	26,642	37,473	-	-
-	-	57,452	-	10,643	183,482	66,141	-
-	1,869	-	-	-	832	-	-
-	-	-	-	-	-	-	-
-	-	-	-	7,707	-	-	-
-	-	-	-	191,429	620,644	66,141	-
-	-	-	-	-	-	-	-
<u>76,552</u>	<u>429,833</u>	<u>57,452</u>	<u>72,824</u>	<u>930,610</u>	<u>1,328,139</u>	<u>616,946</u>	<u>412,932</u>
-	-	-	-	610,506	-	-	-
-	-	-	72,824	-	-	896,310	-
26,725	660,381	-	-	248,825	1,629,888	-	395,190
-	-	-	-	191,430	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	409	-	-	-
-	-	57,452	-	-	-	-	-
-	803	-	-	-	6,900	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>26,725</u>	<u>661,184</u>	<u>57,452</u>	<u>72,824</u>	<u>1,051,170</u>	<u>1,636,788</u>	<u>896,310</u>	<u>395,190</u>
<u>49,827</u>	<u>(231,351)</u>	<u>-</u>	<u>-</u>	<u>(120,560)</u>	<u>(308,649)</u>	<u>(279,364)</u>	<u>17,742</u>
-	-	-	-	138,018	66,788	279,365	-
-	-	-	-	(437,206)	(19,060)	-	-
-	-	-	-	(299,188)	47,728	279,365	-
49,827	(231,351)	-	-	(419,748)	(260,921)	1	17,742
16,172	263,727	-	7,629	637,315	683,295	944	70,911
<u>\$ 65,999</u>	<u>\$ 32,376</u>	<u>\$ -</u>	<u>\$ 7,629</u>	<u>\$ 217,567</u>	<u>\$ 422,374</u>	<u>\$ 945</u>	<u>\$ 88,653</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, 2016

	Special Revenue Funds					
	Local Correction Officer Training	Jail Records Management	MSU Extension	Department of Human Services	Child Care	Veterans' Trust
<b>Revenue</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Federal grants	-	-	-	-	65,638	-
State grants	-	291,300	159,231	-	2,213,278	39,797
Local grants and contributions	-	-	-	-	91,182	-
Charges for services	70,210	-	406	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	863	-	323	-	-	-
Rental revenue	-	-	-	-	-	-
Donations	-	-	-	-	24,734	-
Reimbursements	-	-	-	211	238,462	-
Other revenue	-	-	-	-	8,197	-
<b>Total revenue</b>	<b>71,073</b>	<b>291,300</b>	<b>159,960</b>	<b>211</b>	<b>2,641,491</b>	<b>39,797</b>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	364,004	-	-	-
Public safety	81,821	291,300	-	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	25,877	5,243,230	39,797
Community and economic development	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>81,821</b>	<b>291,300</b>	<b>364,004</b>	<b>25,877</b>	<b>5,243,230</b>	<b>39,797</b>
Revenues over (under) expenditures	(10,748)	-	(204,044)	(25,666)	(2,601,739)	-
<b>Other financing sources (uses)</b>						
Transfers in	-	-	204,044	17,112	2,229,872	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>204,044</b>	<b>17,112</b>	<b>2,229,872</b>	<b>-</b>
Net change in fund balances	(10,748)	-	-	(8,554)	(371,867)	-
Fund balances, beginning of year	112,018	-	-	8,554	3,387,336	-
<b>Fund balances, end of year</b>	<b>\$ 101,270</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,015,469</b>	<b>\$ -</b>

Debt Service Funds				Capital Projects Funds		Permanent Fund	Total Nonmajor Governmental Funds
MERS (DB) Pension Obligation Bond	Qualified Energy Bond	Juvenile Center Renovation	Building Authority	Parks Building & Site	Mainframe Conversion Project	Rail Trail Endowment	
\$ -	\$ -	\$ 118	\$ -	\$ -	\$ -	\$ -	\$ 14,513,066
-	-	-	-	-	-	-	2,974,587
-	-	-	-	-	-	-	87,364
-	-	-	-	-	-	-	4,542,615
-	-	-	-	(36,258)	-	-	5,880,161
-	-	-	-	344	-	-	217,026
-	-	-	-	-	-	-	6,627,169
-	-	-	-	-	-	-	317,718
1,722	21	221	138	574	1,264	284	96,421
-	162,183	-	206,695	-	-	-	386,548
-	-	-	-	-	-	20	277,404
4,784,299	-	-	-	-	-	-	7,677,841
-	-	-	23	-	-	-	55,644
<u>4,786,021</u>	<u>162,204</u>	<u>339</u>	<u>206,856</u>	<u>(35,340)</u>	<u>1,264</u>	<u>304</u>	<u>43,653,564</u>
-	-	-	-	-	-	-	4,997,824
-	-	-	-	-	14,107	-	1,832,559
-	-	-	-	-	-	-	15,298,248
-	-	-	-	344	-	-	567,193
-	-	-	-	-	-	-	11,653,449
-	-	-	-	-	-	-	3,327,757
-	-	-	-	-	-	-	2,188,815
-	-	-	-	(1,063)	81,702	-	785,705
2,950,000	133,045	-	240,000	-	-	-	3,323,045
1,834,299	29,139	-	4,058	-	-	-	1,867,496
<u>4,784,299</u>	<u>162,184</u>	<u>-</u>	<u>244,058</u>	<u>(719)</u>	<u>95,809</u>	<u>-</u>	<u>45,842,091</u>
<u>1,722</u>	<u>20</u>	<u>339</u>	<u>(37,202)</u>	<u>(34,621)</u>	<u>(94,545)</u>	<u>304</u>	<u>(2,188,527)</u>
-	-	-	-	20,170	-	-	5,336,443
-	-	-	(4,800)	-	-	-	(3,564,247)
-	-	-	(4,800)	20,170	-	-	1,772,196
1,722	20	339	(42,002)	(14,451)	(94,545)	304	(416,331)
-	110	30,264	42,002	14,451	254,583	39,016	13,736,350
<u>\$ 1,722</u>	<u>\$ 130</u>	<u>\$ 30,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,038</u>	<u>\$ 39,320</u>	<u>\$ 13,320,019</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, 2016

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
<b>Assets</b>						
Current assets:						
Cash and investment pool	\$ 1,015,812	\$ 285,146	\$ 99,707	\$ 286,545	\$ 26,861	\$ 1,714,071
Receivables (net):						
Accounts	-	-	1,571	15,101	77,416	94,088
Accrued interest	4,604	1,118	-	-	-	5,722
Due from other funds	-	-	-	-	6,075	6,075
Inventory	-	-	-	32,520	-	32,520
Prepays	-	-	-	7,286	-	7,286
<b>Total current assets</b>	<b>1,020,416</b>	<b>286,264</b>	<b>101,278</b>	<b>341,452</b>	<b>110,352</b>	<b>1,859,762</b>
Noncurrent assets:						
Capital assets not being depreciated	-	-	41,273	1,302,301	-	1,343,574
Capital assets being depreciated, net	-	-	15,048	2,199,871	-	2,214,919
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>56,321</b>	<b>3,502,172</b>	<b>-</b>	<b>3,558,493</b>
<b>Total assets</b>	<b>1,020,416</b>	<b>286,264</b>	<b>157,599</b>	<b>3,843,624</b>	<b>110,352</b>	<b>5,418,255</b>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	811,912	-	104	27,026	23,601	862,643
Accrued liabilities	2,760	-	668	-	-	3,428
Deposits payable	-	-	-	-	6,861	6,861
Due to other funds	-	-	1,263	-	34,890	36,153
Unearned revenue	-	-	-	5,354	-	5,354
<b>Total current liabilities</b>	<b>814,672</b>	<b>-</b>	<b>2,035</b>	<b>32,380</b>	<b>65,352</b>	<b>914,439</b>
Noncurrent liabilities:						
Advances from other funds	-	-	-	-	20,000	20,000
Accrued compensated absences	5,407	-	667	-	-	6,074
Net other postemployment benefit obligation	200,337	-	113,138	-	-	313,475
<b>Total noncurrent liabilities</b>	<b>205,744</b>	<b>-</b>	<b>113,805</b>	<b>-</b>	<b>20,000</b>	<b>339,549</b>
<b>Total liabilities</b>	<b>1,020,416</b>	<b>-</b>	<b>115,840</b>	<b>32,380</b>	<b>85,352</b>	<b>1,253,988</b>
<b>Net position</b>						
Net investment in capital assets	-	-	56,321	3,502,172	-	3,558,493
Unrestricted (deficit)	-	286,264	(14,562)	309,072	25,000	605,774
<b>Total net position</b>	<b>\$ -</b>	<b>\$ 286,264</b>	<b>\$ 41,759</b>	<b>\$ 3,811,244</b>	<b>\$ 25,000</b>	<b>\$ 4,164,267</b>

COUNTY OF SAGINAW, MICHIGAN

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

Nonmajor Enterprise Funds

For the Year Ended September 30, 2016

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
Operating revenues						
Charges for services	\$ 1,101,402	\$ 17,401	\$ 77,393	\$ 230,515	\$ 668,203	\$ 2,094,914
Interest income	391,911	-	-	-	-	391,911
Fines and forfeitures	-	-	21,217	-	-	21,217
Rental revenue	-	-	-	102,039	-	102,039
Reimbursements	-	-	-	1,507	3,777	5,284
Other revenue	-	-	-	219	38,766	38,985
<b>Total operating revenues</b>	<b>1,493,313</b>	<b>17,401</b>	<b>98,610</b>	<b>334,280</b>	<b>710,746</b>	<b>2,654,350</b>
Operating expenses						
Personnel services	109,705	1,261	26,800	-	-	137,766
Fringe benefits	96,383	6	40,863	-	-	137,252
Supplies	-	-	6,407	1,674	387,441	395,522
Services and charges	1,295,890	13,947	8,851	325,358	25,213	1,669,259
Depreciation	-	-	2,373	144,159	-	146,532
<b>Total operating expenses</b>	<b>1,501,978</b>	<b>15,214</b>	<b>85,294</b>	<b>471,191</b>	<b>412,654</b>	<b>2,486,331</b>
Operating income (loss)	(8,665)	2,187	13,316	(136,911)	298,092	168,019
Nonoperating revenues						
Investment income	8,665	2,051	-	-	32	10,748
Income (loss) before capital contributions and transfers	-	4,238	13,316	(136,911)	298,124	178,767
Capital contributions:						
Federal grants	-	-	-	97,039	-	97,039
State grants	-	-	-	11,625	-	11,625
Transfers in	-	10,500	-	-	-	10,500
Transfers out	-	-	-	-	(298,125)	(298,125)
Change in net position	-	14,738	13,316	(28,247)	(1)	(194)
Net position, beginning of year	-	271,526	28,443	3,839,491	25,001	4,164,461
Net position, end of year	\$ -	\$ 286,264	\$ 41,759	\$ 3,811,244	\$ 25,000	\$ 4,164,267

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2016

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
Cash flows from operating activities						
Receipts from customers	\$ 1,490,599	\$ 17,401	\$ 97,039	\$ 337,441	\$ 654,864	\$ 2,597,344
Payments to employees	(192,145)	(1,267)	(68,128)	-	-	(261,540)
Payments to suppliers	(1,307,147)	(14,127)	(15,527)	(307,454)	(440,397)	(2,084,652)
Net cash provided by (used in) operating activities	(8,693)	2,007	13,384	29,987	214,467	251,152
Cash flows from noncapital financing activities						
Transfers in	-	10,500	-	-	-	10,500
Transfers out	-	-	-	-	(298,125)	(298,125)
Net cash provided by (used in) noncapital financing activities	-	10,500	-	-	(298,125)	(287,625)
Cash flows from capital and related financing activities						
Receipts from federal and state grants	-	-	-	108,664	-	108,664
Payments for capital asset acquisition	-	-	-	(120,538)	-	(120,538)
Net cash provided by (used in) capital and related financing activities	-	-	-	(11,874)	-	(11,874)
Cash flows from investing activities						
Investment income	8,665	1,440	-	-	32	10,137
Net change in cash and investment pool	(28)	13,947	13,384	18,113	(83,626)	(38,210)
Cash and investment pool:						
Beginning of year	1,015,840	271,199	86,323	268,432	110,487	1,752,281
End of year	\$ 1,015,812	\$ 285,146	\$ 99,707	\$ 286,545	\$ 26,861	\$ 1,714,071

continued...

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2016

	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)	\$ (8,665)	\$ 2,187	\$ 13,316	\$ (136,911)	\$ 298,092	\$ 168,019
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	2,373	144,159	-	146,532
Changes in operating assets and liabilities that provided (used) cash:						
Receivables, net	(2,714)	-	(1,571)	3,734	(28,811)	(29,362)
Due from other funds	-	-	-	-	(6,075)	(6,075)
Inventory	-	-	-	1,230	-	1,230
Prepays	-	-	-	3,992	-	3,992
Accounts payable	(11,257)	(180)	(564)	14,356	33	2,388
Accrued liabilities	(4,190)	-	(8,914)	-	-	(13,104)
Deposits payable	-	-	-	-	(20,996)	(20,996)
Due to other funds	-	-	295	-	(27,776)	(27,481)
Accrued compensated absences	280	-	667	-	-	947
Unearned revenue	-	-	-	(573)	-	(573)
Net OPEB obligation	17,853	-	7,782	-	-	25,635
Net cash provided by (used in) operating activities	<u>\$ (8,693)</u>	<u>\$ 2,007</u>	<u>\$ 13,384</u>	<u>\$ 29,987</u>	<u>\$ 214,467</u>	<u>\$ 251,152</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 Systems & Services Fund - This fund is used to account for the operation of the data processing function within the County. Money for the operation of this fund is supplied from reimbursements from user departments. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

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

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

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

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

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

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, 2016

	MERS (DB) Retirement	MERS (DC) Retirement	Information Systems & Services	Equipment Revolving
<b>Assets</b>				
Current assets:				
Cash and investment pool	\$ 59,969	\$ 615,104	\$ 834,879	\$ 20,446
Receivables:				
Accounts	86,383	33,435	692	-
Accrued interest	1,144	1,930	-	112
Due from other funds	-	-	-	-
Prepays	-	-	49	-
Total current assets	<u>147,496</u>	<u>650,469</u>	<u>835,620</u>	<u>20,558</u>
Noncurrent assets:				
Capital assets being depreciated, net	-	-	218,644	9,099
Total assets	<u>147,496</u>	<u>650,469</u>	<u>1,054,264</u>	<u>29,657</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	31,895	36,835	19,516	-
Accrued liabilities	-	423	16,939	253
Due to other funds	-	-	-	-
Total current liabilities	<u>31,895</u>	<u>37,258</u>	<u>36,455</u>	<u>253</u>
Noncurrent liabilities:				
Advances from other funds	-	-	-	-
Accrued compensated absences	-	3,488	35,238	1,530
Total noncurrent liabilities	<u>-</u>	<u>3,488</u>	<u>35,238</u>	<u>1,530</u>
Total liabilities	<u>31,895</u>	<u>40,746</u>	<u>71,693</u>	<u>1,783</u>
<b>Net position</b>				
Net investment in capital assets	-	-	218,644	9,099
Unrestricted	115,601	609,723	763,927	18,775
Total net position	<u>\$ 115,601</u>	<u>\$ 609,723</u>	<u>\$ 982,571</u>	<u>\$ 27,874</u>

Mailing Department	Motor Pool	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
\$ 18,292	\$ 449,566	\$ 2,257,951	\$ 5,317	\$ 5,617,915	\$ 31	\$ 9,879,470
-	-	14,280	-	465,955	2,891	603,636
-	-	9,364	-	20,926	39	33,515
-	-	-	8,058	-	-	8,058
20,000	-	-	-	-	-	20,049
<u>38,292</u>	<u>449,566</u>	<u>2,281,595</u>	<u>13,375</u>	<u>6,104,796</u>	<u>2,961</u>	<u>10,544,728</u>
-	63,441	-	-	-	-	291,184
<u>38,292</u>	<u>513,007</u>	<u>2,281,595</u>	<u>13,375</u>	<u>6,104,796</u>	<u>2,961</u>	<u>10,835,912</u>
13,292	3,932	5,222	1,639	20,710	2,881	135,922
-	-	895,142	370	616,896	-	1,530,023
-	2,465	-	9,830	56	-	12,351
<u>13,292</u>	<u>6,397</u>	<u>900,364</u>	<u>11,839</u>	<u>637,662</u>	<u>2,881</u>	<u>1,678,296</u>
25,000	-	-	-	-	-	25,000
-	-	3,704	1,536	4,825	-	50,321
<u>25,000</u>	<u>-</u>	<u>3,704</u>	<u>1,536</u>	<u>4,825</u>	<u>-</u>	<u>75,321</u>
<u>38,292</u>	<u>6,397</u>	<u>904,068</u>	<u>13,375</u>	<u>642,487</u>	<u>2,881</u>	<u>1,753,617</u>
-	63,441	-	-	-	-	291,184
-	443,169	1,377,527	-	5,462,309	80	8,791,111
<u>\$ -</u>	<u>\$ 506,610</u>	<u>\$ 1,377,527</u>	<u>\$ -</u>	<u>\$ 5,462,309</u>	<u>\$ 80</u>	<u>\$ 9,082,295</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, 2016

	MERS (DB) Retirement	MERS (DC) Retirement	Information Systems & Services	Equipment Revolving
<b>Operating revenues</b>				
Charges for services	\$ -	\$ -	\$ 120,118	\$ -
Rental revenue	-	-	-	8,495
Reimbursements	276,082	2,842,480	2,034,352	-
Other revenue	-	187,004	-	-
<b>Total operating revenues</b>	<b>276,082</b>	<b>3,029,484</b>	<b>2,154,470</b>	<b>8,495</b>
<b>Operating expenses</b>				
Personnel services	-	9,117	657,397	10,533
Fringe benefits	363,359	2,855,845	490,259	8,727
Supplies	-	-	17,766	-
Services and charges	67,496	5,314	550,214	144
Other	-	-	-	-
Depreciation	-	-	32,386	4,872
<b>Total operating expenses</b>	<b>430,855</b>	<b>2,870,276</b>	<b>1,748,022</b>	<b>24,276</b>
<b>Operating income (loss)</b>	<b>(154,773)</b>	<b>159,208</b>	<b>406,448</b>	<b>(15,781)</b>
<b>Nonoperating revenues (expenses)</b>				
Investment income	1,976	3,561	-	200
Loss on disposal of capital assets	-	-	-	(1,343)
<b>Total nonoperating revenues (expenses)</b>	<b>1,976</b>	<b>3,561</b>	<b>-</b>	<b>(1,143)</b>
<b>Income (loss) before transfers</b>	<b>(152,797)</b>	<b>162,769</b>	<b>406,448</b>	<b>(16,924)</b>
<b>Transfers</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Net transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>(152,797)</b>	<b>162,769</b>	<b>406,448</b>	<b>(16,924)</b>
<b>Net position, beginning of year</b>	<b>268,398</b>	<b>446,954</b>	<b>576,123</b>	<b>44,798</b>
<b>Net position, end of year</b>	<b>\$ 115,601</b>	<b>\$ 609,723</b>	<b>\$ 982,571</b>	<b>\$ 27,874</b>

Mailing Department	Motor Pool	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
\$ 156,934	\$ 29,627	\$ 414	\$ -	\$ -	\$ -	\$ 307,093
-	474,810	-	-	-	-	483,305
-	-	1,454,217	63,204	7,525,258	298,569	14,494,162
-	-	-	-	1,848	-	188,852
<u>156,934</u>	<u>504,437</u>	<u>1,454,631</u>	<u>63,204</u>	<u>7,527,106</u>	<u>298,569</u>	<u>15,473,412</u>
-	-	46,952	14,681	65,594	-	804,274
-	-	21,450	8,067	6,714,896	-	10,462,603
144,712	124,741	476	-	539	-	288,234
12,222	278,369	1,020,555	48,514	76,535	298,569	2,357,932
-	-	-	-	62,235	-	62,235
-	68,754	-	-	-	-	106,012
<u>156,934</u>	<u>471,864</u>	<u>1,089,433</u>	<u>71,262</u>	<u>6,919,799</u>	<u>298,569</u>	<u>14,081,290</u>
-	32,573	365,198	(8,058)	607,307	-	1,392,122
-	-	17,124	-	39,087	64	62,012
-	-	-	-	-	-	(1,343)
-	-	17,124	-	39,087	64	60,669
-	32,573	382,322	(8,058)	646,394	64	1,452,791
-	-	-	8,058	-	-	8,058
-	-	(52,163)	-	-	-	(52,163)
-	-	(52,163)	8,058	-	-	(44,105)
-	32,573	330,159	-	646,394	64	1,408,686
-	474,037	1,047,368	-	4,815,915	16	7,673,609
<u>\$ -</u>	<u>\$ 506,610</u>	<u>\$ 1,377,527</u>	<u>\$ -</u>	<u>\$ 5,462,309</u>	<u>\$ 80</u>	<u>\$ 9,082,295</u>

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2016

	MERS (DB) Retirement	MERS (DC) Retirement	Information Systems & Services	Equipment Revolving
Cash flows from operating activities				
Receipts from interfund services provided	\$ 425,767	\$ 3,085,301	\$ 2,154,918	\$ 8,495
Payments to employees	-	(17,085)	(1,164,407)	(19,353)
Payments to suppliers	(401,766)	(2,956,383)	(561,865)	(3,059)
Net cash provided by (used in) operating activities	24,001	111,833	428,646	(13,917)
Cash flows from noncapital financing activities				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net cash provided by (used in) noncapital financing activities	-	-	-	-
Cash flows from capital and related financing activities				
Receipts from federal and state grants	-	-	-	-
Payments for capital asset acquisition	-	-	(50,913)	-
Net cash provided by (used in) capital and related financing activities	-	-	(50,913)	-
Cash flows from investing activities				
Investment income	1,464	2,413	-	161
Net change in cash and investment pool	25,465	114,246	377,733	(13,756)
Cash and investment pool:				
Beginning of year	34,504	500,858	457,146	34,202
End of year	\$ 59,969	\$ 615,104	\$ 834,879	\$ 20,446
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (154,773)	\$ 159,208	\$ 406,448	\$ (15,781)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	-	32,386	4,872
Changes in operating assets and liabilities that provided (used) cash:				
Receivables, net	149,685	55,817	448	-
Due from other funds	-	-	-	-
Prepays	-	-	(49)	-
Accounts payable	29,089	(92,065)	6,164	(2,915)
Accrued liabilities	-	(3,159)	(19,726)	(391)
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Accrued compensated absences	-	(7,968)	2,975	298
Net cash provided by (used in) operating activities	\$ 24,001	\$ 111,833	\$ 428,646	\$ (13,917)

Mailing Department	Motor Pool	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
\$ 156,934	\$ 504,074	\$ 1,459,691	\$ 55,339	\$ 7,225,880	\$ 302,876	\$ 15,379,275
-	-	(67,993)	(23,377)	(63,331)	-	(1,355,546)
<u>(158,551)</u>	<u>(403,152)</u>	<u>(1,099,856)</u>	<u>(41,371)</u>	<u>(6,560,474)</u>	<u>(307,652)</u>	<u>(12,494,129)</u>
(1,617)	100,922	291,842	(9,409)	602,075	(4,776)	1,529,600
-	-	-	8,058	-	-	8,058
-	-	(52,163)	-	-	-	(52,163)
-	-	(52,163)	8,058	-	-	(44,105)
-	-	967	-	-	-	967
-	-	-	-	-	-	(50,913)
-	-	967	-	-	-	(49,946)
-	-	11,647	-	25,907	27	41,619
(1,617)	100,922	252,293	(1,351)	627,982	(4,749)	1,477,168
19,909	348,644	2,005,658	6,668	4,989,933	4,780	8,402,302
<u>\$ 18,292</u>	<u>\$ 449,566</u>	<u>\$ 2,257,951</u>	<u>\$ 5,317</u>	<u>\$ 5,617,915</u>	<u>\$ 31</u>	<u>\$ 9,879,470</u>
\$ -	\$ 32,573	\$ 365,198	\$ (8,058)	\$ 607,307	\$ -	\$ 1,392,122
-	68,754	-	-	-	-	106,012
-	-	5,060	-	(240,670)	4,307	(25,353)
-	-	-	(7,865)	-	-	(7,865)
-	-	-	-	67,596	-	67,547
(1,617)	(42)	2,548	60	(14,754)	(9,083)	(82,615)
-	-	(81,373)	(579)	240,833	-	135,605
-	(363)	-	7,083	56	-	6,776
-	-	-	-	(60,556)	-	(60,556)
-	-	409	(50)	2,263	-	(2,073)
<u>\$ (1,617)</u>	<u>\$ 100,922</u>	<u>\$ 291,842</u>	<u>\$ (9,409)</u>	<u>\$ 602,075</u>	<u>\$ (4,776)</u>	<u>\$ 1,529,600</u>

## COUNTY OF SAGINAW, MICHIGAN

### Fiduciary Funds

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

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

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

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

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

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 Assets and Liabilities**

Agency Funds  
September 30, 2016

	Trust & Agency	State Education Tax	Library Penal Fine
<b>Assets</b>			
Cash and investment pool	\$ 1,621,554	\$ 9,630,946	\$ 179,206
Receivables (net):			
Taxes	-	-	-
Accounts	993,223	-	49,951
Accrued interest	67	-	1,955
Due from other governmental units	111,755	21,400	-
<b>Total assets</b>	<u>\$ 2,726,599</u>	<u>\$ 9,652,346</u>	<u>\$ 231,112</u>
<b>Liabilities</b>			
Accounts payable	\$ 559,109	\$ 9,652,346	\$ -
Deposits payable	1,406,885	-	-
Due to other governmental units	760,605	-	231,112
<b>Total liabilities</b>	<u>\$ 2,726,599</u>	<u>\$ 9,652,346</u>	<u>\$ 231,112</u>





Hospital Millage	Saginaw Children's Zoo Millage	Dependent Care	Medical Spending Reimbursement	Total
\$ 935,021	\$ 166	\$ 2,018	\$ 15,513	\$ 12,384,424
32,397	1,578	-	-	33,975
-	-	-	-	1,043,174
4,719	280	-	-	7,021
-	-	-	-	133,155
<u>\$ 972,137</u>	<u>\$ 2,024</u>	<u>\$ 2,018</u>	<u>\$ 15,513</u>	<u>\$ 13,601,749</u>
\$ -	\$ -	\$ 2,018	\$ 415	\$ 10,213,888
-	-	-	-	1,406,885
<u>972,137</u>	<u>2,024</u>	<u>-</u>	<u>15,098</u>	<u>1,980,976</u>
<u>\$ 972,137</u>	<u>\$ 2,024</u>	<u>\$ 2,018</u>	<u>\$ 15,513</u>	<u>\$ 13,601,749</u>

## 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, 2016

	Brownfield Redevelopment Authority	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and investment pool	\$ 1,322,022	\$ -	\$ 1,322,022
Accrued interest receivable	5,063	-	5,063
<b>Total assets</b>	<u>\$ 1,327,085</u>	<u>-</u>	<u>1,327,085</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 215	-	215
Long-term liabilities:			
Due within one year	-	15,221	15,221
Due in more than one year	-	15,564	15,564
<b>Total liabilities</b>	<u>215</u>	<u>30,785</u>	<u>31,000</u>
<b>Fund balance</b>			
Unassigned	<u>1,326,870</u>	<u>(1,326,870)</u>	<u>-</u>
<b>Total liabilities and fund balance</b>	<u>\$ 1,327,085</u>		
<b>Net position</b>			
Unrestricted		<u>1,296,085</u>	<u>1,296,085</u>
<b>Total net position</b>		<u>\$ 1,296,085</u>	<u>\$ 1,296,085</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, 2016

	Brownfield Redevelopment Authority	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 699	\$ -	\$ 699
Reimbursements	15,914	-	15,914
Investment income	9,603	-	9,603
<b>Total revenues</b>	<b>26,216</b>	<b>-</b>	<b>26,216</b>
Expenditures / expenses			
Current:			
Community and economic development	3,385	-	3,385
Debt service:			
Principal	14,886	(14,886)	-
Interest and fiscal charges	1,028	-	1,028
<b>Total expenditures / expenses</b>	<b>19,299</b>	<b>(14,886)</b>	<b>4,413</b>
Change in fund balance / net position	6,917	14,886	21,803
Fund balance / net position, beginning of year	1,319,953	(45,671)	1,274,282
<b>Fund balance / net position, end of year</b>	<b>\$ 1,326,870</b>	<b>\$ (30,785)</b>	<b>\$ 1,296,085</b>

## 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 and Governmental Fund Balance Sheet

Department of Public Works Component Unit  
September 30, 2016

	Debt Service	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and investment pool	\$ 347,952	\$ -	\$ 347,952
Accounts receivable	2,750	-	2,750
Due from other governmental units	11,498,000	160,825	11,658,825
<b>Total assets</b>	<b>\$ 11,848,702</b>	<b>160,825</b>	<b>12,009,527</b>
<b>Liabilities</b>			
Accounts payable	\$ 2,600	-	2,600
Accrued liabilities	-	160,825	160,825
Unearned revenue	120,169	-	120,169
Long-term liabilities:			
Due within one year	-	630,000	630,000
Due in more than one year	-	10,868,000	10,868,000
<b>Total liabilities</b>	<b>122,769</b>	<b>11,658,825</b>	<b>11,781,594</b>
Deferred inflows of resources			
Unavailable revenue -long-term receivables	11,498,000	(11,498,000)	-
Fund balance/net position			
Restricted for:			
Debt service	227,933	(227,933)	-
<b>Total liabilities, deferred inflow of resources and fund balance</b>	<b>\$ 11,848,702</b>		
Net position			
Restricted for:			
Debt service		\$ 227,933	\$ 227,933

COUNTY OF SAGINAW, MICHIGAN

Statement of Activities and Statement of Revenues, Expenditures and

Changes in Fund Balance  
 Department of Public Works Component Unit  
 For the Year Ended September 30, 2016

	Debt Service	Adjustments	Statement of Activities
Revenues			
Local grants and contributions	\$ 2,357,836	\$ (1,968,269)	\$ 389,567
Investment income	650	-	650
Total revenues	<u>2,358,486</u>	<u>(1,968,269)</u>	<u>390,217</u>
Expenditures / expenses			
Debt service:			
Principal	1,942,000	(1,942,000)	-
Interest and fiscal charges	463,979	(26,269)	437,710
Total expenditures / expenses	<u>2,405,979</u>	<u>(1,968,269)</u>	<u>437,710</u>
Change in fund balance / net position	(47,493)	-	(47,493)
Fund balance / net position, beginning of year	<u>275,426</u>	<u>-</u>	<u>275,426</u>
Fund balance / net position, end of year	<u>\$ 227,933</u>	<u>\$ -</u>	<u>\$ 227,933</u>

COUNTY OF SAGINAW, MICHIGAN

**Statement of Net Position**

Department of Public Works Component Unit - Proprietary Fund  
September 30, 2016

	<b>Administration</b>
<b>Assets</b>	
Current assets:	
Cash and investment pool	\$ 57,380
Noncurrent assets:	
Capital assets being depreciated, net	<u>31,582</u>
<b>Total assets</b>	<u>88,962</u>
<b>Liabilities</b>	
Accrued liabilities	<u>1,704</u>
<b>Net position</b>	
Investment in capital assets	31,582
Unrestricted	<u>55,676</u>
<b>Total net position</b>	<u><u>\$ 87,258</u></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, 2016

	<b>Administration</b>
Operating revenues	
Licenses and permits	\$ 51,040
Other revenue	28,750
	<hr/>
Total operating revenues	79,790
	<hr/>
Operating expenses	
Personal services	19,156
Fringe benefits	8,945
Supplies	443
Services and charges	5,608
Depreciation	2,439
	<hr/>
Total operating expenses	36,591
	<hr/>
Change in net position	43,199
	<hr/>
Net position, beginning of year	44,059
	<hr/>
Net position, end of year	<u>\$ 87,258</u>

COUNTY OF SAGINAW, MICHIGAN

**Statement of Cash Flows**

Department of Public Works Component Unit - Proprietary Fund  
For the Year Ended September 30, 2016

**Administration**

Cash flows from operating activities	
Receipts from customers	\$ 79,790
Payments to employees	(28,512)
Payments to suppliers	(6,051)
	<hr/>
Net cash provided by operating activities	45,227
	<hr/>
Cash flows from capital and related financing activities	
Payments for capital asset acquisition	(34,021)
Receipts from federal and state grants	6
	<hr/>
Net cash used in capital and related financing activities	(34,015)
	<hr/>
Net change in cash and investment pool	11,212
	<hr/>
Cash and investment pool:	
Beginning of year	46,168
	<hr/>
End of year	\$ 57,380
	<hr/> <hr/>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income	\$ 43,199
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,439
Changes in operating assets and liabilities that provided (used) cash:	
Accrued liabilities	(411)
	<hr/>
Net cash provided by operating activities	\$ 45,227
	<hr/> <hr/>

# 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.

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

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

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Net Position and Governmental Fund Balance Sheet

Drain Commission Component Unit

September 30, 2016

	Debt Service Funds		Capital Projects Funds	
	Chapter 8 Drains	Chapter 20 Drains	Special Assessment Drain	Chapter 8 Drains
<b>Assets</b>				
Cash and investment pool	\$ 528,119	\$ 156,000	\$ 3,883,361	\$ 2,633,797
Receivables (net):				
Special assessments	9,154,573	180,000	-	-
Accounts	7,576	-	19,413	-
Due from other funds	46,861	-	356,539	20,284
Capital assets:				
Assets not being depreciated	-	-	-	-
Assets being depreciated, net	-	-	-	-
<b>Total assets</b>	<u>\$ 9,737,129</u>	<u>\$ 336,000</u>	<u>\$ 4,259,313</u>	<u>\$ 2,654,081</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 108,370	\$ 960,998
Accrued liabilities	-	-	-	-
Due to other funds	375	-	20,438	403,025
Advances from primary government	-	-	-	-
Long-term liabilities:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
<b>Total liabilities</b>	<u>375</u>	<u>-</u>	<u>128,808</u>	<u>1,364,023</u>
Deferred inflows of resources				
Unavailable revenue - special assessments	9,154,573	180,000	-	-
<b>Fund balances / net position</b>				
Restricted for:				
Debt service	582,181	156,000	-	-
Capital projects	-	-	4,130,505	1,290,058
<b>Total fund balances</b>	<u>582,181</u>	<u>156,000</u>	<u>4,130,505</u>	<u>1,290,058</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 9,737,129</u>	<u>\$ 336,000</u>	<u>\$ 4,259,313</u>	<u>\$ 2,654,081</u>
<b>Net position:</b>				
Net investment in capital assets				
Restricted for:				
Debt service				
Acquisition/construction of capital assets				
<b>Total net position</b>				

Capital Projects Funds				
Revolving Drain	Revolving Drain Maintenance	Total Governmental Funds	Adjustments	Statement of Net Position
\$ 25,000	\$ 147,417	\$ 7,373,694	\$ -	\$ 7,373,694
-	-	9,334,573	-	9,334,573
-	-	26,989	-	26,989
375,000	154	798,838	(798,838)	-
-	-	-	9,928,464	9,928,464
-	-	-	33,030,092	33,030,092
<u>\$ 400,000</u>	<u>\$ 147,571</u>	<u>\$ 17,534,094</u>	<u>42,159,718</u>	<u>59,693,812</u>
\$ -	\$ 2,113	\$ 1,071,481	-	1,071,481
-	-	-	89,312	89,312
-	375,000	798,838	(798,838)	-
400,000	-	400,000	-	400,000
-	-	-	2,001,117	2,001,117
-	-	-	8,507,949	8,507,949
<u>400,000</u>	<u>377,113</u>	<u>2,270,319</u>	<u>9,799,540</u>	<u>12,069,859</u>
-	-	9,334,573	(9,334,573)	-
-	-	738,181	(738,181)	-
-	(229,542)	5,191,021	(5,191,021)	-
-	(229,542)	5,929,202	(5,929,202)	-
<u>\$ 400,000</u>	<u>\$ 147,571</u>	<u>\$ 17,534,094</u>		
			32,449,490	32,449,490
			9,983,442	9,983,442
			5,191,021	5,191,021
			<u>\$ 47,623,953</u>	<u>\$ 47,623,953</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, 2016

	Debt Service Funds		Capital Projects Funds	
	Chapter 8 Drains	Chapter 20 Drains	Special Assessment Drain	Chapter 8 Drains
<b>Revenues</b>				
Special assessments	\$ 910,106	\$ -	\$ 725,294	\$ 829,121
Federal grants	-	-	-	-
State grants and contributions	228	6,328	899,275	26,904
Local grants and contributions	208,775	324,639	95,603	-
Investment income	63,294	340	5,683	7,411
Reimbursements	-	-	91,098	-
<b>Total revenues</b>	<b>1,182,403</b>	<b>331,307</b>	<b>1,816,953</b>	<b>863,436</b>
<b>Expenditures / expenses</b>				
Current:				
Public works	344,000	-	1,051,037	6,395,223
Depreciation	-	-	-	-
Debt service:				
Principal	833,022	311,396	-	-
Interest and fiscal charges	198,833	19,764	-	-
<b>Total expenditures</b>	<b>1,375,855</b>	<b>331,160</b>	<b>1,051,037</b>	<b>6,395,223</b>
Revenues over (under) expenditures/expenses	(193,452)	147	765,916	(5,531,787)
<b>Other financing sources</b>				
Proceeds from issuance of long-term debt	344,000	-	-	3,945,000
Change in fund balance / net position	150,548	147	765,916	(1,586,787)
Fund balances / net position, beginning of year	431,633	155,853	3,364,589	2,876,845
Fund balances (deficit) / net position, end of year	\$ 582,181	\$ 156,000	\$ 4,130,505	\$ 1,290,058

Capital Projects Funds				
Revolving Drain	Revolving Drain Maintenance	Total Governmental Funds	Adjustments	Statement of Activities
\$ -	\$ -	\$ 2,464,521	\$ 2,408,520	\$ 4,873,041
-	-	-	-	-
-	-	932,735	-	932,735
-	5,250	634,267	-	634,267
-	213	76,941	-	76,941
-	39,739	130,837	-	130,837
-	45,202	4,239,301	2,408,520	6,647,821
-	390,316	8,180,576	(6,831,128)	1,349,448
-	-	-	1,265,667	1,265,667
-	-	1,144,418	(1,144,418)	-
-	-	218,597	61,076	279,673
-	390,316	9,543,591	(6,648,803)	2,894,788
-	(345,114)	(5,304,290)	9,057,323	3,753,033
-	-	4,289,000	(4,289,000)	-
-	(345,114)	(1,015,290)	4,768,323	3,753,033
-	115,572	6,944,492	36,926,428	43,870,920
\$ -	\$ (229,542)	\$ 5,929,202	\$ 41,694,751	\$ 47,623,953

## SINGLE AUDIT ACT COMPLIANCE



Independent Auditors' Report on the Schedule of Expenditures of Federal Awards  
Required by the Uniform Guidance

March 30, 2017

Board of Commissioners  
County of Saginaw  
Saginaw, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Saginaw, Michigan* (the "County") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 30, 2017, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



COUNTY OF SAGINAW, MICHIGAN

**Schedule of Expenditures of Federal Awards**  
For the Year Ended September 30, 2016

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
<b>U.S. Department of Agriculture</b>					
Child Nutrition Cluster:					
Non-cash assistance (commodities)					
Entitlement Commodities	10.555	MDE	730008002	\$ -	\$ 4,652
Cash assistance					
National School Lunch Program - Children's Facility	10.555	MDE	730008002	-	65,638
				<u>-</u>	<u>70,290</u>
Women and Infant Care	10.557	MDHHS	N/A	-	736,704
Women and Infant Care - Breastfeeding	10.557	MDHHS	N/A	-	39,991
				<u>-</u>	<u>776,695</u>
SNAP Cluster:					
Food Assistance & Employment Training Type A	10.561	WDA	N/A	88,643	113,197
Food Assistance & Employment Training / SS Type B	10.561	WDA	N/A	3,503	3,503
				<u>92,146</u>	<u>116,700</u>
<b>Total U.S. Department of Agriculture</b>				<u>92,146</u>	<u>963,685</u>
<b>U.S. Department of Housing and Urban Development</b>					
Community Development Block Grant	14.228	MSHDA	MSC-2014-0540-HOA	-	86,289
Community Development Block Grant - Administration	14.228	MSHDA	MSC-2014-0540-HOA	-	23,348
<b>Total U.S. Department of Housing and Urban Development</b>				<u>-</u>	<u>109,637</u>
<b>U.S. Department of Justice</b>					
State Criminal Alien Assistance Program	16.606	Direct	N/A	-	3,967
Edward Byrne Memorial Justice Assistance Grant (JAG) Program:					
Edward Byrne Memorial JAG Program	16.738	Direct	2013-DJ-BX-0391	-	61,073
Edward Byrne Memorial JAG Program	16.738	Direct	2014-DJ-BX-0512	-	82,831
Edward Byrne Memorial JAG Program	16.738	Direct	2015-DJ-BX-0892	-	38,227
10th Circuit Court Adult Felony Drug Court - Byrne JAG	16.738	SCAO	SCAO-16-5100	-	27,491
Prosecutor's Bay Area Narcotics Enforcement Team (BAYANET)	16.738	MSP	2015-MU-BX-0964	-	12,784
Prosecutor's Major Crimes Prosecution Project	16.738	MSP	2015-MU-BX-0964	-	200,000
				<u>-</u>	<u>422,406</u>
<b>Total U.S. Department of Justice</b>				<u>-</u>	<u>426,373</u>

continued...

COUNTY OF SAGINAW, MICHIGAN

**Schedule of Expenditures of Federal Awards**  
For the Year Ended September 30, 2016

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
<b>U.S. Department of Labor</b>					
Employment Services Cluster:					
Employment Service	17.207	WDA	N/A	\$ 195,084	\$ 305,163
Reemployment Services and Eligibility Assessment Program:					
Reemployment and Eligibility Assessment Program	17.225	WDA	N/A	62,281	62,281
RESEA	17.225	WDA	N/A	43,016	43,200
UIA Admin. RESEA	17.225	WDA	N/A	8,383	8,383
				<u>113,680</u>	<u>113,864</u>
Trade Adjustment Assistance:					
Trade Adjustment Assistance	17.245	WDA	N/A	28,016	28,016
Trade Adjustment Assistance Business Services EBT	17.245	WDA	N/A	-	44,014
Trade Case Management	17.245	WDA	N/A	1,408,431	1,493,444
				<u>1,436,447</u>	<u>1,565,474</u>
Workforce Investment Act (WIA) Cluster:					
WIA - Adult	17.258	WDA	N/A	331,900	334,674
WIA - Administration	17.258	WDA	N/A	-	13,987
WIA - One Stop Operations	17.258	WDA	N/A	2,079	2,079
WIA - SWA Designation Incentive	17.258	WDA	N/A	-	28,781
Workforce Innovation and Opportunity Act - Adult	17.258	WDA	N/A	979,103	1,195,069
Workforce Innovation and Opportunity Act - One Stop Operations	17.258	WDA	N/A	2,031	2,095
Workforce Innovation and Opportunity Act - SWA High Concentration Youth	17.258	WDA	N/A	817	817
Workforce Innovation and Opportunity Act - Administration	17.258	WDA	N/A	-	58,860
WIA - Youth	17.259	WDA	N/A	93,633	93,633
WIA - Administration	17.259	WDA	N/A	-	15,153
WIA - One Stop Operations	17.259	WDA	N/A	2,252	2,252
WIA - SWA Designation Incentive	17.259	WDA	N/A	-	31,179
Workforce Innovation and Opportunity Act - Youth	17.259	WDA	N/A	1,196,805	1,306,037
Workforce Innovation and Opportunity Act - One Stop Operations	17.259	WDA	N/A	2,234	2,304
Workforce Innovation and Opportunity Act - SWA High Concentration Youth	17.259	WDA	N/A	899	899
Workforce Innovation and Opportunity Act - Administration	17.259	WDA	N/A	-	64,726
WIA - Administration	17.278	WDA	N/A	-	19,426
WIA - Dislocated Worker	17.278	WDA	N/A	65,448	65,661
WIA - One Stop Operations	17.278	WDA	N/A	2,888	2,888
WIA - SWA Designation Incentive	17.278	WDA	N/A	-	39,974

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COUNTY OF SAGINAW, MICHIGAN

Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2016

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
<b>U.S. Department of Labor (concluded)</b>					
Workforce Investment Act (WIA) Cluster (concluded):					
Workforce Innovation and Opportunity Act - Dislocated Worker	17.278	WDA	N/A	\$ 696,432	\$ 961,556
Workforce Innovation and Opportunity Act - One Stop Operations	17.278	WDA	N/A	2,716	2,802
Workforce Innovation and Opportunity Act - SWA High Concentration Youth	17.278	WDA	N/A	1,093	1,093
Workforce Innovation and Opportunity Act - Administration	17.278	WDA	N/A	-	78,682
Rapid Response Career Jump Start	17.278	WDA	N/A	-	13,917
WIA RR CRM	17.278	WDA	N/A	-	6,610
				<u>3,380,330</u>	<u>4,345,154</u>
WIA - SP NEG	17.277	WDA	N/A	236,643	277,665
WIA - DW Job Driven Emerg Grant	17.277	WDA	N/A	356,077	379,431
WIA - TRW NEG	17.277	WDA	N/A	89,563	99,424
				<u>682,283</u>	<u>756,520</u>
<b>Total U.S. Department of Labor</b>				<u>5,807,824</u>	<u>7,086,175</u>
<b>U.S. Department of Transportation</b>					
Airport Improvement Program:					
Airport Improvement Program	20.106	MDOT-A	B-26-0114-2011	-	(13,226)
Airport Improvement Program	20.106	MDOT-A	B-26-0114-2114	-	33,837
Airport Improvement Program	20.106	MDOT-A	B-26-0114-2214	-	76,429
				<u>-</u>	<u>97,040</u>
Urban Planning - FHWA	20.205	MDOT	PL-1484-231	-	226,228
Federal Transit Cluster:					
Urban Planning - FTA	20.500	MDOT	MI-80-0005	-	32,109
Rural Transit Assistance Program (RTAP)	20.509	MPTA	N/A	-	4,450
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	MPTA	2007-0283-Z2	-	28,952
Highway Safety Cluster:					
10th Circuit Court Adult Felony Drug Court - OHSP	20.601	SCAO	SCAO-16-6101	-	46,176
Police Traffic Services (Project Safe & Sober)	20.616	MSP	PT-16-30	-	23,872
Police Traffic Services (Alcohol Reduction S.C.A.R.E.)	20.616	MSP	PT-16-30	-	34,319
				<u>-</u>	<u>104,367</u>
Hazardous Material Emergency Preparedness	20.703	MSP	HM-HMP-0439-14-01-00	-	1,080
<b>Total U.S. Department of Transportation</b>				<u>-</u>	<u>494,226</u>

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COUNTY OF SAGINAW, MICHIGAN

**Schedule of Expenditures of Federal Awards**  
For the Year Ended September 30, 2016

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
<b>U.S. Environmental Protection Agency</b>					
Drinking Water State Revolving Fund Cluster:					
Cap Grant for State Drinking Water Revolving Loan Fund	66.468	MDEQ	FS975487-14	\$ -	\$ 1,068
<b>U.S. Department of Health and Human Services</b>					
Special Programs for the Aging - Title III, Part D -					
Disease Prevention and Health Promotion Services:					
Evidence Based Programs	93.043	MOAS	N/A	-	14,817
Aging Cluster:					
Case Coordination and Support	93.044	MOAS	N/A	-	80,682
Case Coordination and Support - In-Home Support Services	93.044	MOAS	N/A	-	49,912
Outreach	93.044	MOAS	N/A	-	19,463
Transportation	93.044	MOAS	N/A	-	9,746
Senior Center Staffing - MO	93.044	MOAS	N/A	-	10,512
Senior Center Staffing	93.044	MOAS	N/A	-	13,000
Senior Center Operations	93.044	MOAS	N/A	-	8,915
Nutrition - Title III C-1 Congregate	93.045	MOAS	N/A	-	123,039
Nutrition - Title III C-2 HDM	93.045	MOAS	N/A	-	233,792
Nutrition Services Incentive Program - Congregate	93.053	MOAS	N/A	-	37,637
Nutrition Services Incentive Program - HDM	93.053	MOAS	N/A	-	117,052
				-	703,750
<b>National Family Caregiver Support, Title III, Part E:</b>					
Title III E Kinship Care	93.052	MOAS	N/A	-	3,352
National Family Caregiver Support Program	93.052	MOAS	N/A	-	43,192
Supplemental funds - Title III E	93.052	MOAS	N/A	-	12,448
				-	58,992
<b>Public Health Emergency Preparedness:</b>					
Bioterrorism - Focus A	93.069	MDHHS	20161705	-	137,773
Bioterrorism - Focus C	93.069	MDHHS	20161705	-	30,000
Ebola Virus Disease	93.069	MDHHS	20161705	-	19,257
				-	187,030
TB Control	93.116	MDHHS	20161705	-	100
Family Planning General Services	93.217	MDHHS	20161705	-	89,831
<b>Immunization Cooperation Agreements:</b>					
Immunizations - IAP	93.268	MDHHS	20161705	-	39,955
Federally Funded Vaccines	93.268	MDHHS	20161705	-	208,252
Billing Practice Infrastructure Enhancement	93.268	MDHHS	20161705	-	11,909
Immunization Fixed Fees	93.268	MDHHS	20161705	-	4,150
				-	264,266

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COUNTY OF SAGINAW, MICHIGAN

**Schedule of Expenditures of Federal Awards**  
For the Year Ended September 30, 2016

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
<b>U.S. Department of Health and Human Services (concluded)</b>					
ACA - Maternal, Infant & Early Childhood Home Visiting Programs:					
NFP (Nurse Family Partnership)	93.505	MDHHS	20161705	\$ -	\$ 262,450
Immunizations - IAP	93.539	MDHHS	N/A	-	56,215
TANF Cluster:					
TANF - JET Supportive Services Type E	93.558	WDA	N/A	88,612	88,612
TANF - JET Type T	93.558	WDA	N/A	2,184,055	3,063,819
				<u>2,272,667</u>	<u>3,152,431</u>
Child Enforcement Support:					
Title IV-D Maintenance Assistance (Federal Incentive) (FOC)	93.563	MDHHS	CSFOC-13-73001	-	301,332
Title IV-D Cooperative Reimbursement Program (FOC)	93.563	MDHHS	CSFOC-13-73001	-	2,393,825
Title IV-D Cooperative Reimbursement Program (PA)	93.563	MDHHS	CSPA-13-73002	-	406,821
				<u>-</u>	<u>3,101,978</u>
Federal Access and Visitation	93.597	SCAO	N/A	-	7,200
Medicaid Cluster:					
CSHCS Medicaid Outreach	93.778	MDHHS	20161705	-	8,499
CSHCS Outreach & Advocacy	93.778	MDHHS	20161705	-	56,500
Medicaid Outreach - Nursing Services	93.778	MDHHS	20161705	-	12,882
POS Waiver	93.778	MOAS	N/A	-	93,556
				<u>-</u>	<u>171,437</u>
HIV/AIDS Prevention Counseling	93.940	MDHHS	20161705	-	21,000
Maternal and Child Health Services Block Grant:					
Local MCH Block Grant	93.994	MDHHS	20161705	-	197,324
Childhood Lead Poisoning Prevention	93.994	MDHHS	20161705	-	4,860
Family Planning Services	93.994	MDHHS	20161705	-	26,829
CSHCS Outreach & Advocacy	93.994	MDHHS	20161705	-	2,500
				<u>-</u>	<u>231,513</u>
<b>Total U.S. Department of Health and Human Services</b>				<u>2,272,667</u>	<u>8,323,010</u>

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COUNTY OF SAGINAW, MICHIGAN

**Schedule of Expenditures of Federal Awards**  
For the Year Ended September 30, 2016

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
Corporation for National and Community Service Foster Grandparent/Senior Companion Cluster: Foster Grandparent Program	94.011	Direct	13SFNMI006	\$ -	\$ 232,297
U.S. Department of Homeland Security Marine Safety Program	97.012	MDNR	N/A	-	4,590
Emergency Management Performance Grant	97.042	MSP	EMC-2016-EP-00001	-	38,116
Pre-Disaster Mitigation Grant Program (HMGP)	97.047	MSP	PDMC-PL-05-MI-2014-002	-	18,397
3rd District Regional Homeland Security Grant	97.067	Iosco	EMW-2014-SS-00059	-	45,548
Total U.S. Department of Homeland Security				-	106,651
Total Expenditures of Federal Awards				\$ 8,172,637	\$ 17,743,122

concluded

See notes to schedule of expenditures of federal awards.

# COUNTY OF SAGINAW, MICHIGAN

## Notes to the Schedule of Expenditures of Federal Awards

### 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the County of Saginaw, Michigan (the “County”) under programs of the federal government for the year ended September 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

The County’s reporting entity is defined in Note 1 of the financial statements. The County’s financial statements include the operations of the Saginaw County Community Mental Health Authority and the Saginaw County Road Commission discretely-presented component units, which received federal awards that are not included in the Schedule for the year ended September 30, 2016, as these entities were separately audited.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the County’s financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

For purposes of charging indirect costs to federal awards, the County has not elected to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

### 3. PASS-THROUGH AGENCIES

The County receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
Iosco	Iosco County, Michigan
MDE	Michigan Department of Education
MDEQ	Michigan Department of Environmental Quality
MDHHS	Michigan Department of Health and Human Services
MDNR	Michigan Department of Natural Resources
MDOT	Michigan Department of Transportation
MDOT-A	Michigan Department of Transportation - Aeronautics
MOAS	Michigan Office of Aging Services and Region VII Area Agency on Aging
MPTA	Michigan Public Transit Authority
MSHDA	Michigan State Housing Development Authority
MSP	Michigan State Police
SCAO	State Court Administrative Office
WDA	Workforce Development Agency



# COUNTY OF SAGINAW, MICHIGAN

## Notes to the Schedule of Expenditures of Federal Awards

### 4. RECONCILIATION OF FEDERAL REVENUE TO THE FEDERAL EXPENDITURES REPORTED ON THE SCHEDULE

Federal revenue:	
Statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 17,638,216
Statement of revenues, expenses and changes in fund net position:	
Enterprise funds	97,039
Less:	
Supplemental grant distributions for prior years' expenses	<u>7,867</u>
	<u>\$ 17,743,122</u>

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**Independent Auditors' Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

March 30, 2017

Board of Commissioners  
County of Saginaw  
Saginaw, Michigan

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Saginaw, Michigan* (the "County"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 30, 2017. Our report includes a reference to other auditors who audited the financial statements of the County of Saginaw Road Commission and the Saginaw County Community Mental Health Authority, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Independent Auditors' Report on Compliance for Each Major Federal Program  
and Internal Control over Compliance Required by the Uniform Guidance**

March 30, 2017

Board of Commissioners  
County of Saginaw  
Saginaw, Michigan

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of the *County of Saginaw, Michigan* (the "County") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2016. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the County of Saginaw Road Commission and the Saginaw County Community Mental Health Authority which received \$4,414,873 and \$2,130,474 in federal awards, respectively, which are not included in the schedule of expenditures of federal awards for the year ended September 30, 2016. Our audit, described below, did not include the operations of the County of Saginaw Road Commission or the Saginaw County Community Mental Health Authority because those entities arranged for separate audits in accordance with the Uniform Guidance.

*Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

*Independent Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

#### *Opinion on Each Major Federal Program*

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

#### Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### *Purpose of this Report*

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

COUNTY OF SAGINAW, MICHIGAN

**Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2016**

**SECTION I - SUMMARY OF AUDITORS RESULTS**

Financial Statements

Type of auditors' report issued: Unmodified

Internal controls over financial reporting:

Material weakness(es) identified?        yes   X   no

Significant deficiency(ies) identified?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?        yes   X   no

Significant deficiency(ies) identified?        yes   X   none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?        yes   X   no

*Identification of Major Programs:*

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Report</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	Unmodified
93.563	Child Support Enforcement	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs:        \$   750,000  

Auditee qualified as low-risk auditee?   X   yes        no

## COUNTY OF SAGINAW, MICHIGAN

### Schedule of Findings and Questioned Costs For the Year Ended September 30, 2016

#### SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

## COUNTY OF SAGINAW, MICHIGAN

### Schedule of Findings and Questioned Costs For the Year Ended September 30, 2016

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

No matters were reported.



## COUNTY OF SAGINAW, MICHIGAN

### Summary Schedule of Prior Audit Findings

For the Year Ended September 30, 2016

#### 2015-001 - Eligibility Determinations

During our audit, we selected a sample of 20 individuals receiving assistance under the WIA National Emergency Grants program. Of this sample, we were unable to test the eligibility of one individual, due to management not being able to locate the individual's file. This finding was not repeated in fiscal 2016.

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