

COUNTY OF SAGINAW, MICHIGAN

**COMPREHENSIVE ANNUAL FINANCIAL
REPORT**

***FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2003***

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

COUNTY OF SAGINAW, MICHIGAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2003

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COUNTY OF SAGINAW

111 SOUTH MICHIGAN AVENUE
SAGINAW, MICHIGAN 48602

MARC A. MCGILL
Controller/Chief Administrative Officer

March 1, 2004

Todd M. Hare, Chairman
Saginaw County Board of Commissioners
111 South Michigan Avenue
Saginaw, Michigan 48602

Dear Commissioners:

The Comprehensive Annual Financial Report of the County of Saginaw, Michigan, for the fiscal year ended September 30, 2003, is hereby submitted. This report was prepared by the Financial Services Department of the Office of the Controller. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

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

The Introductory Section includes this letter of transmittal, a copy of the "Certificate of Achievement for Excellence in Financial Reporting" presented to the County of Saginaw, Michigan for the Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2002, the County's organizational chart, and a list of the County's Board of Commissioners and Principal Non-Elected Officials.

The Financial Section begins with the Independent Auditors' Report on the basic financial statements and schedules for the fiscal year ended September 30, 2003. Management's Discussion and Analysis (MD&A) follows it and is designed to compliment this letter of transmittal and accordingly, should be read in conjunction with it. The MD&A is a requirement of Generally Accepted Accounting Principals which require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The basic financial statements follow the MD&A and are comprised of government-wide financial statements, fund financial statements and the essential notes to the basic financial statements. Detailed financial information on fund types, and discretely presented component units are listed in the tabbed sub-sections within the Financial Section.

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

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

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

Saginaw County continues to experience economic growth and development. While much of the focus in the past has been on General Motors Corp. and GM supported operations, the County has seen significant growth in other segments of the economy. Diversification from the automobile-driven economy is being accomplished at a steady non-disruptive pace.

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

COMMERCIAL/DEVELOPMENT

The Bay-Tittabawassee Road corridor, which is the major retail hub of the Tri-City area, continues to grow. A new Wal-Mart/Sam's Club opened in the fall of 2003. Departing from the traditional big-box concept, it has a country village look with village-style canopies, columns, angled-roof points and sidewalks. As part of the deal, 13 acres will have bicycle paths.

The revitalization of the State Street area continues. The Davenport Inn was completely renovated by SSP Associates. The 100-room motel now has interior corridors, newly remodeled rooms and a restaurant that features fine dining.

Throughout Saginaw County there has been development in both rural and urban areas. Frankenmuth continues to make improvements. Frankenmuth River Place, a \$14.5 million Bavarian-themed family entertainment complex with 40 shops on ten acres is now open. Frankenmuth is also expanding pedestrian walkways along Main Street, enhancing their Visitors' Center Platz, and realigning the traffic pattern near the Platz to improve vehicle and pedestrian safety. Plans continue to be developed for a 52,000 square foot Kroger super market along with a gasoline station-convenience store on M-83 in Frankenmuth. The Chocolate Factory, which burned down in the summer of 2003, has begun to rebuild in its new location and hopes to open in 2004.

ENTERTAINMENT

The Temple Theatre in downtown Saginaw first opened its doors in 1927 to moviegoers who were about to witness the first talking motion pictures. Saginaw has seen many changes since 1927 and somewhere along the line the Temple was left behind. Eighty-six years later, the Temple has been reborn as an entertainment center, and tickets went on sale for the first event in November of 2003.

SERVICE/RECREATIONAL

Saginaw County's residents have access to the latest in medical and diagnostic technology. The four medical centers have more than 1,700 beds and offer a full range of treatments and preventive services. St. Mary's is a regional destination for treating burns, trauma, heart disease, cancer and neural problems. It has plans for another multimillion-dollar expansion and renovation project. Covenant offers complete medical service for the County and controls the majority of the inpatient acute care beds. It opened a new facility, Covenant Center for the Heart in October of 2002. HealthSource Saginaw is a tax-subsidized facility offering physical rehabilitation, substance abuse treatment and long-term nursing care. The Lutz Veterans Affairs Medical Center offers free or low-cost care for veterans and focuses mostly on outpatient care.

The first facility of a planned medical campus project to support St. Mary's Hospital and Covenant HealthCare began construction in late summer of 2001. The proposed opening was early in 2003 due to an additional 30,000 square feet being added to the plans. Michigan Cardiovascular Institute, one of Michigan's top leaders in cardiovascular procedures, is planning to move into the three-story building on the Saginaw riverfront. The project is being developed by SSP Associates of Saginaw.

The Children's Zoo at Celebration Square has received nearly \$3 million in grants and donations. Implementation has begun on a \$25 million expansion over twenty-five years. Two new exhibits opened in 2003; one featuring monkeys and the other featuring warm-water penguins. New sewer and water lines have been installed and electrical work has been done.

Downtown Saginaw is also experiencing a revival. Since Saginaw County took over the Saginaw County Event Center, a \$14 million millage was passed for the renovation and operation of the Center. The Event Center kicked off its grand re-opening in November of 2003. It now hosts a new hockey team, the Saginaw Spirit, which is comprised of young players who are developing their skills with hopes of making it to the National Hockey League. SMG, the Event Center management group, has scheduled a variety of touring concerts, theater productions, and ice-skating shows as well as locally produced programs that appeal to the residents of the area.

RESIDENTIAL

Saginaw County continues to be one of the most affordable housing markets in the United States. The average selling price of a home in 2003 was \$97,700, which is still below the national average, and down from \$98,194 in 2002 (Source: Michigan Association of Realtors). Homes are less expensive than in other states, but still appreciate significantly. The desirability of the area is further enhanced by the many choices of locations, both urban and rural. New neighborhoods are developing and growing in the County. Mortgage interest rates were at an all time low during 2003.

EDUCATION

There are numerous opportunities for higher education in Saginaw County. Saginaw Valley State University offers Bachelor's and Master's degree programs in a wide variety of disciplines. Saginaw Valley began construction on a \$30 million College of Education building that was completed during 2003. It houses 24 classrooms, two computer laboratories, a 250-seat auditorium, meeting rooms, faculty offices, and student lounges. Also, construction was completed over the same time period for a \$6 million student activity center and a \$2 million fitness facility.

Delta College recently unveiled its new technical trades and manufacturing complex that opened in the fall of 2003. The 100,000 square foot complex provides education for traditional students and job skills training programs for currently employed people who require new and different skills.

INDUSTRIAL

Means Industries began construction of a 28,000 square foot addition to its facility in Buena Vista with a plan to purchase new equipment and add three new employees to their operation, which already employs 400 people.

During 2002, Delphi invested more than \$110 million in their facilities in the City of Saginaw and in Buena Vista Township. They will soon begin producing electronic power steering (E-STEER) components in a previously underused portion of their Buena Vista Twp. facility. They are also involved in the company's most technically innovative components such as four-wheel steering systems and energy-absorbing steering columns.

Saginaw Future worked on projects to bring a total of \$188 million in new investments to Saginaw County. They redeveloped the former GM Nodular Iron property to locate new automotive suppliers and create 112 jobs. They also continued to help Delphi as they continue to improve with investments of nearly \$89.5 million in capital improvements and new equipment. They also worked the City of Zilwaukee to secure grants for infrastructure improvements for a new business, bringing 26 new jobs to the area.

Cinderella Inc. a wholesale distributor of pool, spa and leisure products and supplies is expanding their business and stay in the City of Saginaw. Cinderella has purchased vacant property from CSX where they are constructing a 25,500 square foot warehouse with additional buildings and offices to come. Cinderella's existing facility in Saginaw will remain in use by the company for warehousing and manufacturing. Cinderella employs 32 full-time employees and 20 seasonal employees.

By the end of 2003, Bio-Star, Saginaw's first Venture Capital Fund, had already completed its initial funding phase, with \$6.3 million in capital from 15 investors. By mid 2004, Bio-Star may have as many as 100 investors with \$15 million in capital to invest in cutting edge medical technology companies.

AGRICULTURE

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

MAJOR ISSUES

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

- Collection of Delinquent Accounts – An estimated \$1,000,000 in previously assessed fines and charges for court and jail related functions are presently delinquent. The Controller's Office has called meetings including all involved (Circuit Court, District Court, Probate Court, Sheriff, Community Corrections) to identify accounts and work on a solution. A system that allows for the pursuit and collection of these delinquent accounts is being developed.
- Health Care Benefit Cost Containment – Health Care benefit costs for employees and retirees continue to dramatically escalate while County resources are level or diminishing. The Controller's Office submitted several recommendations to the Board of Commissioners addressing both short term and long term cost containment, however, no consensus was reached on implementing any changes. A continuing review of this matter is underway by means of a combination of collective bargaining activity and the establishment of a union/management health insurance committee. Additional recommendations are being developed.
- General Fund Financial Review and Plan – As a part of next year's budget cycle, the Executive Committee of the Board of Commissioners will schedule Committee of the Whole sessions on financial topics, including: a Five (5) year financial forecast for the General Fund of the County, a review and analysis of General Fund related reserves, a review and discussion of various options for cost reduction and revenue enhancing initiatives. This process is intended to provide a thorough understanding of the financial situation and establish a prioritized action plan.
- River Dredging – River dredging is vital for both environmental concerns and for local commerce. Environmentally, the Saginaw River drains the entire valley region. River dredging will improve hydraulics and assist in alleviating flooding. From a commerce perspective, many local businesses rely on river freight traffic for their very existence. A plan to dredge the river and acquire land for a disposal site is under consideration at this time and requires the cooperative efforts of federal, state, and local officials.
- Mosquito Control – Various mosquito borne illnesses, such as West Nile Virus, are a serious potential public health threat. A significant source of mosquito breeding is an adjacent federal wild life refuge. The Mosquito Control Director is in the process of seeking a federal waiver that would allow treatment of this area with an appropriate level of chemical abatement.

FINANCIAL INFORMATION

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

SINGLE AUDIT

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

As part of the County's single audit, described earlier, tests are made to determine the adequacy of the internal control, including that portion related to Federal award programs, as well as to determine that the County has complied with applicable laws and regulations. The results of the County's single audit for the fiscal year ended September 30, 2003 provided no instances of material weaknesses in internal control and no significant violations of applicable laws and regulations.

BUDGETARY CONTROLS

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

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

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

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

CASH MANAGEMENT

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

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

Interest rates were falling throughout 2003, which resulted in a continued lowering of interest earnings. The

average number of days to maturity for the investment portfolio has increased to 245 days for 2003. The average yield of 1.885% for 2003 is very good for this investment pool in this market.

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

RISK MANAGEMENT

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

The self-insurance program for workers' compensation is accounted for in the Employee Benefit Fund (an Internal Service Fund). An independent administrator (agency) is hired to process the daily claims and to perform auditing and management duties. Currently, the County insures \$275,000 in liability for each occurrence and Citizen's Management, Inc., the County's administrator for workers' compensation, insures the remainder through various reinsurance companies.

The self-insurance program for general liability is accounted for in the Risk Management Fund (an Internal Service Fund). Presently, the County insures the first \$150,000 for each claim. After the first \$150,000 and up to \$10,000,000, insurance is provided by St. Paul Fire and Marine Insurance Company and Discovery Reinsurance Company.

The self-insurance program for health insurance is accounted for in the Employee Benefit Fund (an Internal Service Fund). An independent administrator (Blue Cross) is hired to process daily claims. The County is responsible for individual claims up to \$150,000 and Blue Cross is responsible for paying the claims above this amount. The County is also responsible for paying administrative charges and for actual prescription claims.

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

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

OTHER INFORMATION

Independent Audit

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

FINANCIAL REPORTING EXCELLENCE AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Saginaw for its comprehensive annual financial report for the fiscal year ended September 30, 2002. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,

Marc A. McGill
County Controller/CAO

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Saginaw,
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2002

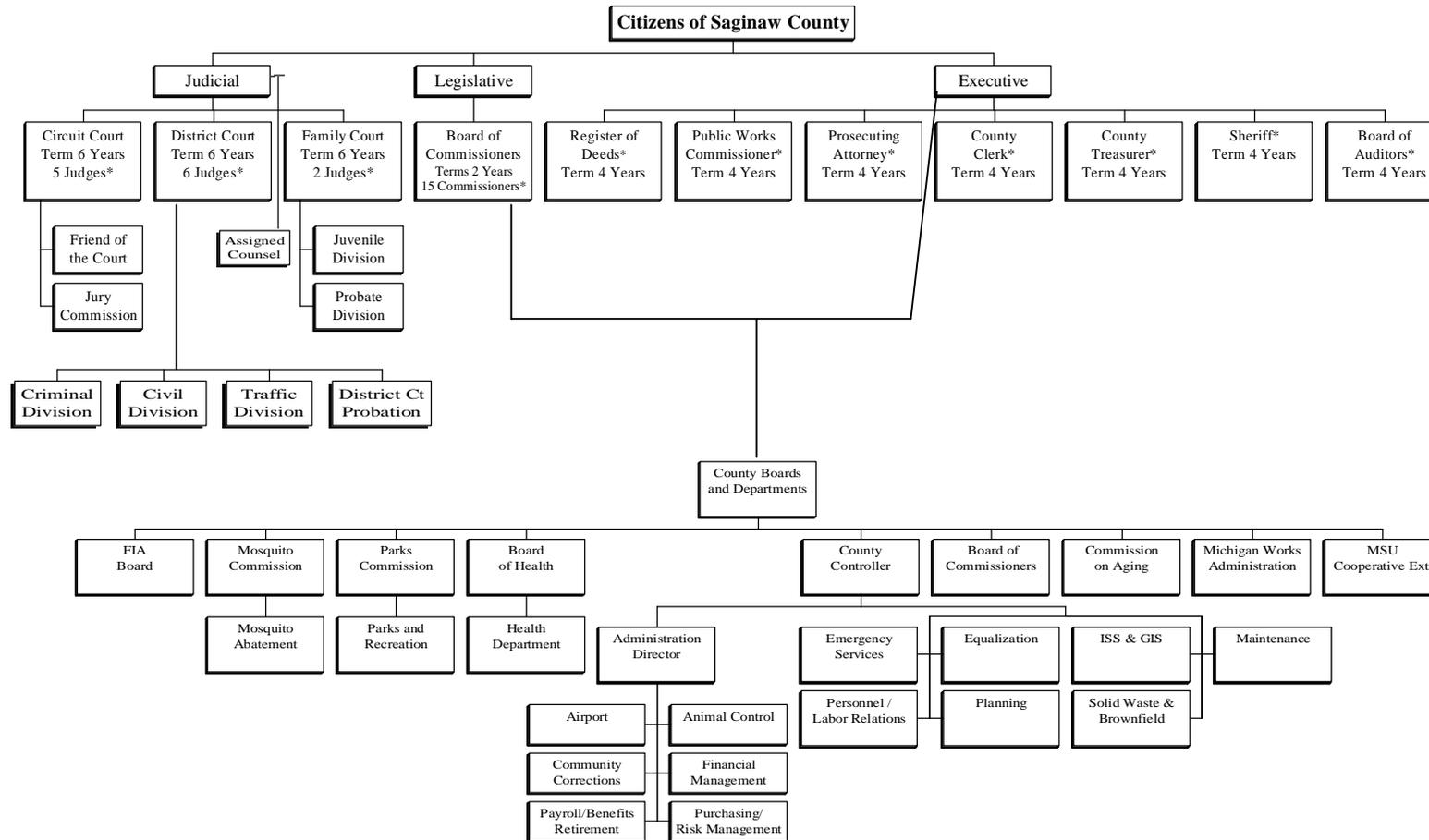
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

County of Saginaw Organizational Chart 2004



www.saginawcounty.com

*Elected Officials

Updated 1/04

COUNTY OF SAGINAW 2003

BOARD OF COMMISSIONERS

Todd M. Hare
Chair

Connie D. Smith
Vice Chair

Raymond F. Bartels

Roger N. Kahn

Thomas A. Basil

Timothy M. Novak

Bob D. Blaine

Michael P. O'Hare

James M. Graham

Carl E. Ruth

Cheryl M. Hadsall

Terry W. Sangster

Kenneth B. Horn

Robert M. Woods, Jr.

Patrick A. Wurtzel

Marc A. McGill
Controller/Chief
Administrative Officer

Prepared by:
Financial Services Department

County of Saginaw Principal Non-Elected Officials 2002/2003

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



REHMANN ROBSON

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INDEPENDENT AUDITORS' REPORT

February 27, 2004

Board of Commissioners
County of Saginaw
Saginaw, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Saginaw, Michigan**, as of and for the year ended September 30, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the **County of Saginaw** management's. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Road Commission Component Unit, which represents 58.7% and 87.7% respectively, of the assets and revenues of the component unit column. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Road Commission, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **County of Saginaw, Michigan**, as of September 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons of the General, Health Department, and Michigan Works! Governmental Funds for the year then ended in conformity with accounting principles general accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2004, on our consideration of the **County of Saginaw, Michigan's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **County of Saginaw, Michigan's** basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules and schedule of expenditures of federal awards have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables, as listed in the table of contents, have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Management's Discussion and Analysis

As management of the *County of Saginaw, Michigan*, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and the accompanying basic financial statements.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$76,090,906 (*net assets*). Of this amount, \$45,576,204 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$1,891,030.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$36,015,434, a decrease of \$36,095 in comparison with the prior year. Approximately 59.6 percent of this total amount, or \$21,416,562, is *available for spending* at the government's discretion (*unreserved fund balance*). This amount is inclusive of both the *unreserved – designated* amount, which has been designated based upon either County policy or for a specific purpose, and the *unreserved – undesignated* amount.
- At the end of the current fiscal year, the general fund did not have an unreserved – undesignated fund balance; however, the unreserved – designated fund balance for the general fund was \$9,919,989, or 31.4 percent of total general fund expenditures. Total fund balance for the general fund was \$20,887,243.
- The County's total bonded debt decreased by \$478,091 during the current fiscal year.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected special assessments and accrued interest expense).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include legislative, judicial, general government, public safety, public works, health and welfare, community and economic development, and recreation and culture. The business-type activities of the County include the Delinquent Tax Revolving Fund, Building Authority Event Center, Building Authority administration, Parking System, Harry W. Browne Airport, and Inmate Services operations.

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

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

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 39 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Health Department Fund, and Michigan Works! Fund, each of which are considered to be major funds. Data from the other 36 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 21 - 28 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 29 - 32 of this report.

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

The basic fiduciary fund financial statements can be found on pages 33 - 34 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38 - 75 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. This includes the combining and individual fund financial statements and schedules. Combining and individual fund statements and schedules can be found on pages 76 - 152 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County of Saginaw, as the following table demonstrates, assets exceeded liabilities by \$76,090,906 at the close of the most recent fiscal year.

As this is the first year of implementation of Governmental Accounting Standards Board Statement No. 34 for the County of Saginaw, data from 2002 has not been presented. A comparative analysis of government-wide data will be presented in future years when information is available.

**County of Saginaw's
Net Assets**

Fiscal Year Ending September 30,	Governmental	Business-type	Total
	Activities	Activities	
	2003	2003	2003
Current and other assets	\$ 53,763,646	\$ 15,307,161	\$ 69,070,807
Capital assets, net of accumulated depreciation	29,853,092	19,223,283	49,076,375
Total assets	<u>83,616,738</u>	<u>34,530,444</u>	<u>118,147,182</u>
Long-term liabilities outstanding	10,690,632	17,546,890	28,237,522
Other liabilities	10,203,194	3,615,560	13,818,754
Total liabilities	<u>20,893,826</u>	<u>21,162,450</u>	<u>42,056,276</u>
Net assets:			
Invested in capital assets, net of related debt	20,348,092	6,588,283	26,936,375
Restricted	3,578,140	-	3,578,140
Unrestricted	38,796,680	6,779,711	45,576,391
Total net assets	<u>\$ 62,722,912</u>	<u>\$ 13,367,994</u>	<u>\$ 76,090,906</u>

One of the largest portions of the County's net assets, \$26,936,375 (35.4 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets, \$3,578,140 (4.7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, \$45,576,391 (59.9 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

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

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

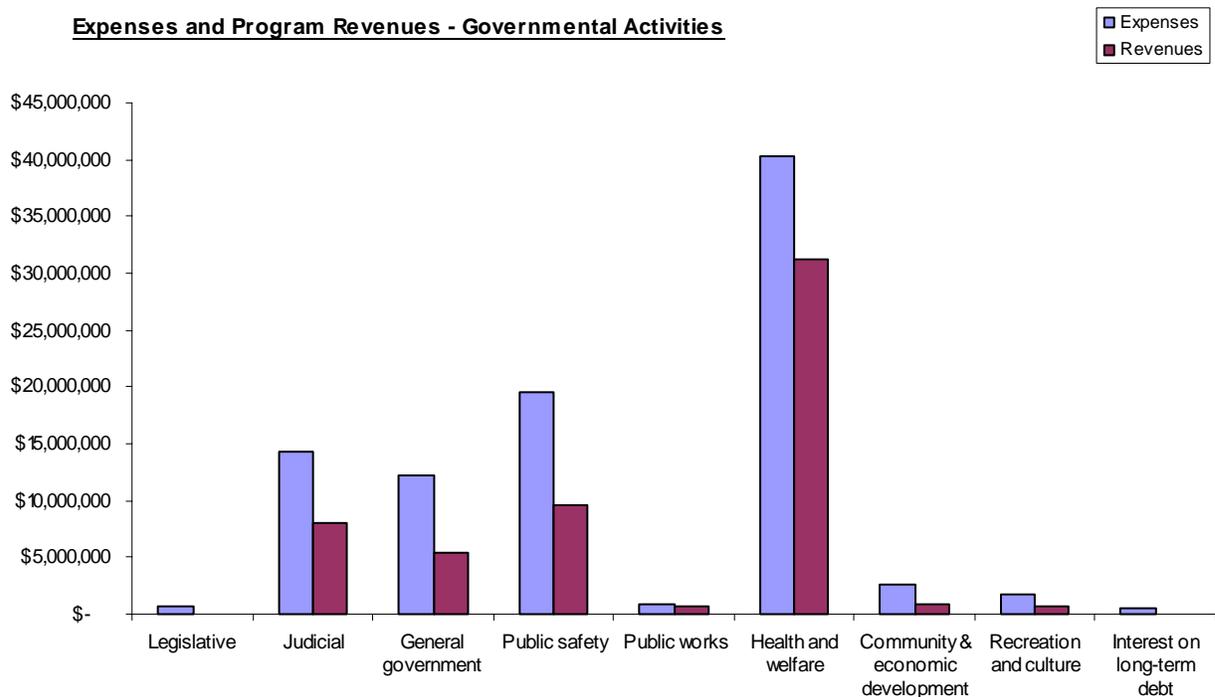
Fiscal Year Ending September 30,	Governmental Activities	Business-type Activities	Total
	<u>2003</u>	<u>2003</u>	<u>2003</u>
Revenues			
Program revenue:			
Charges for services	\$ 19,214,444	\$ 5,977,334	\$ 25,191,778
Operating grants and contributions	36,899,066	25,027	36,924,093
Capital grants and contributions	578,484	487,430	1,065,914
General revenue:			
Property taxes	27,806,316	2,249,128	30,055,444
Accommodations tax	1,421,480	-	1,421,480
Grants and contributions not restricted to specific programs	4,692,761	-	4,692,761
Other	757,154	356,890	1,114,044
Total revenue	<u>91,369,705</u>	<u>9,095,809</u>	<u>100,465,514</u>
Expenses			
Legislative	632,837	-	632,837
Judicial	14,256,047	-	14,256,047
General government	12,274,800	-	12,274,800
Public safety	19,616,738	-	19,616,738
Public works	790,748	-	790,748
Health and welfare	40,316,258	-	40,316,258
Community and economic development	2,655,768	-	2,655,768
Recreation and culture	1,705,574	-	1,705,574
Interest on debt	439,505	-	439,505
Delinquent tax revolving	-	120,580	120,580
Building Authority Event Center	-	4,724,260	4,724,260
Building Authority administration	-	57,722	57,722
Parking system	-	74,894	74,894
Harry W. Browne Airport	-	479,585	479,585
Inmate services	-	429,168	429,168
Total expenses	<u>92,688,275</u>	<u>5,886,209</u>	<u>98,574,484</u>
Increase in net assets before transfers	(1,318,570)	3,209,600	1,891,030
Transfers	<u>2,029,771</u>	<u>(2,029,771)</u>	<u>-</u>
Increase in net assets	711,201	1,179,829	1,891,030
Net assets - beginning of year, as restated	<u>62,011,711</u>	<u>12,188,165</u>	<u>74,199,876</u>
Net assets - end of year	<u>\$ 62,722,912</u>	<u>\$ 13,367,994</u>	<u>\$ 76,090,906</u>

The County's net assets increased by \$1,891,030 during the current fiscal year. Approximately 48.3 percent of this increase is attributable to growth in property taxes. In addition, approximately 24.6 percent of the growth is attributable to a one-time infusion of resources from a capital grant for ongoing construction at the Event Center and also a capital grant for construction at Harry W. Browne Airport. The remainder of this growth reflects the degree to which ongoing revenues exceeded ongoing expenses.

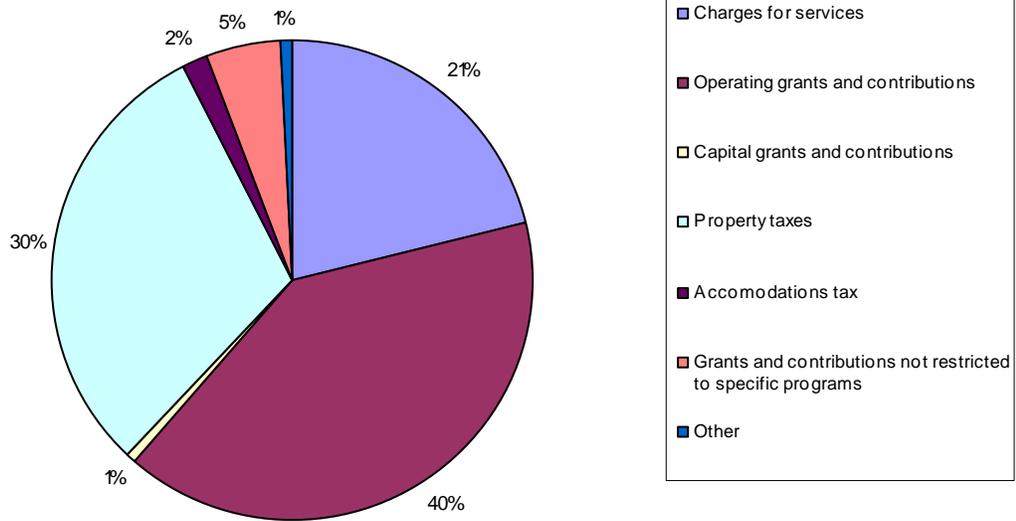
Governmental activities. Governmental activities increased the County's net assets by \$711,201, thereby accounting for 37.6 percent of the total growth in the net assets of the County. Key elements of this increase are as follows:

- Property taxes increased by approximately \$860,000 (3.2 percent) during the year. Most of this increase is the product of increased taxable values and residential growth.
- Operating grants and contributions increased by approximately \$2,229,000 (6.4 percent) during the year. Most of this increase is attributable to new grant awards which furnished resources to support Michigan Works! activities.
- Due to declining interest rates, total investment earnings decreased by approximately \$550,000 (43.1 percent).

Expenses and Program Revenues - Governmental Activities



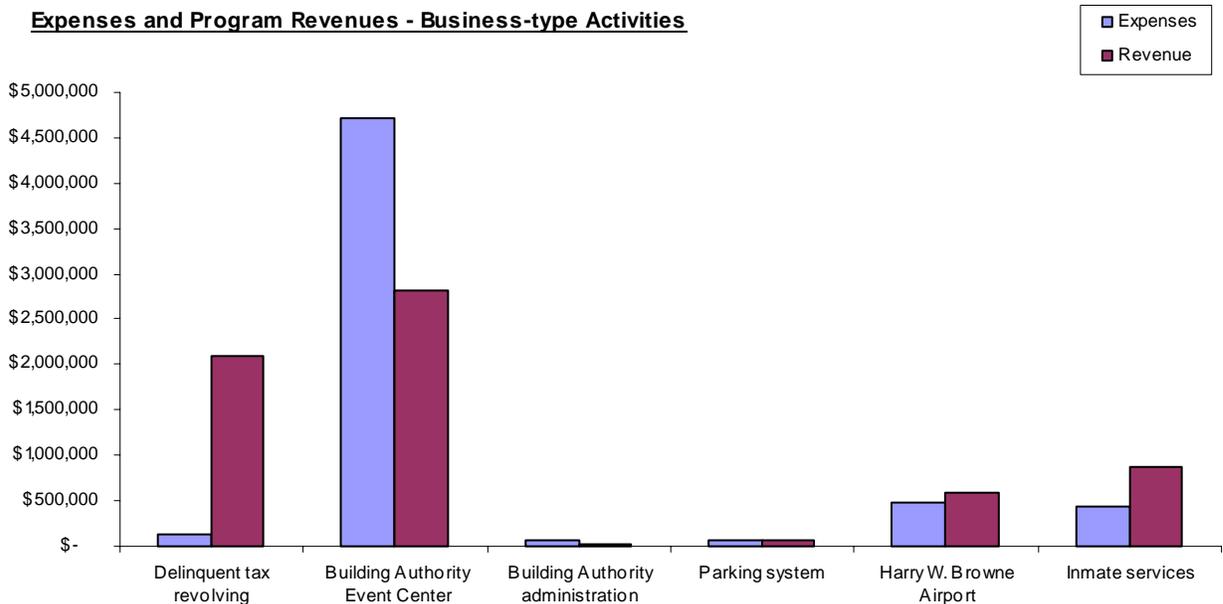
Revenues by Source - Governmental Activities



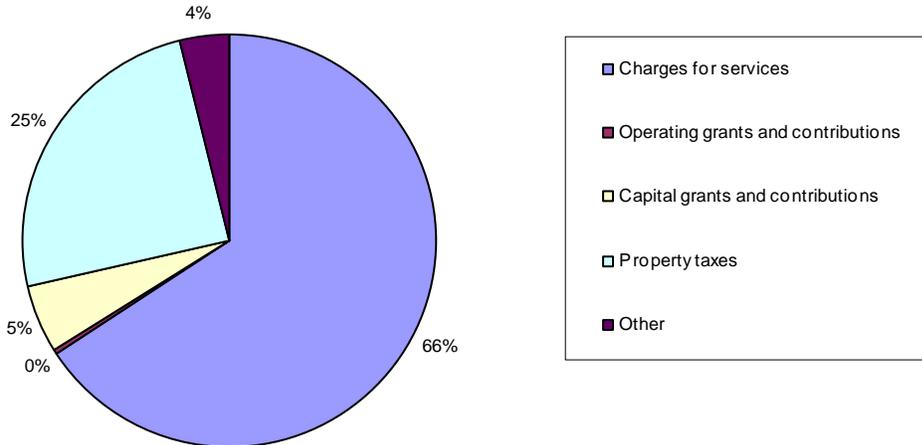
Business-type activities. Business-type activities increased the County’s net assets by \$1,179,829, thereby accounting for 62.4 percent of the total growth in the government’s net assets for the current year. Key elements of this increase are as follows:

- Revenues increased by 46.5 percent or \$2,059,319. This is a result of increased activity (i.e., volume) of delinquent tax and foreclosure operations due to new legislation. Also, both the Building Authority Event Center and Harry W. Browne Airport operations had an increase in activity and new grants.
- Expenses increased 18.9 percent, or \$933,964, as a result of increased expenses associated with the Building Authority Event Center.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



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, *unreserved fund balance* may serve as a useful measurement of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County’s governmental funds reported combined ending fund balances of \$36,015,434, a decrease of \$36,095 in comparison with the prior year. Approximately 59.5 percent of this total amount (\$21,416,562) constitutes *unreserved fund balance*, which is available for spending at the government’s discretion. However, the *unreserved fund balance* amount is further separated into *unreserved – designated fund balance* (\$13,230,090) and *unreserved – undesignated fund balance* (\$8,186,472). The underlying distinction between the two is that *unreserved – designated fund balance* has been designated based upon either the County’s Fund Balance Policy or for a specific purpose. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to: 1) cover long-term advances (\$10,955,773), 2) cover prepaid expenditures (\$81,259). 3) pay debt service (\$1,811,556), 4) for capital projects (\$112,305), or 5) for restricted contributions (\$1,637,979).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the unreserved – designated fund balance of the general fund was \$9,919,989, while total fund balance amounted to \$20,887,243. As a measure of the general fund’s liquidity, it may be useful to compare both unreserved – designated fund balance and total fund balance to total fund expenditures. Unreserved – designated fund balance represents 31.4 percent of total general fund expenditures, while total fund balance represents 66.1 percent of that same amount.

The fund balance of the County’s general fund increased by \$303,473 during the current fiscal year. Key factors in this increase are as follows:

- Property tax revenue increased by \$744,088 (3.7 percent).
- State grants decreased by \$602,443 (14.8 percent).

- Investment income decreased by \$399,566 (54.2 percent).
- Transfers in increased by \$231,183 (12.5 percent) while transfers out decreased by \$1,511,823 (27.1 percent).

The Health Department fund had a decrease in fund balance for the current year of \$142,332, for an ending total of \$1,614,827. This decrease was primarily the result in the loss of federal, state, and local grants.

The Michigan Works! fund has a total fund balance of \$24,563 which increased by \$22,880 during the year.

The debt service funds have a total fund balance of \$1,811,556, which is entirely designated for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$1,509,441.

The capital projects fund has a total fund balance of \$112,305, all of which will be used for the continuing expansion of the Saginaw Valley Rail Trail project as overseen by the Parks and Recreation Commission. The decrease in fund balance during the year was \$167,193.

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

Unrestricted net assets of the Delinquent Tax Revolving Fund at the end of the year amounted to \$5,756,508, while those for the Building Authority Event Center amounted to \$319,401, and those of Harry W. Browne Airport amounted to \$231,005. The combined unrestricted net assets of the nonmajor enterprise funds and the internal service funds were \$471,254 and \$3,398,151, respectively, at the end of the year. The Delinquent Tax Revolving Fund had an increase in net assets for the year of \$586,112, whereas the Building Authority Event Center had an increase of \$108,185 and Harry W. Browne Airport had an increase of \$203,746. The combined increase in net assets of the nonmajor enterprise funds was \$280,243 and for the internal service funds was \$317,849 for the year. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights. The differences between the original budget and final amended budget for expenditures resulted in a 2.0 percent increase (\$645,070 increase in appropriations); whereas the difference between the original budget and final amended budget for revenues resulted in a 0.6 percent decrease (\$195,683 decrease in revenues). All of these budgetary adjustments were offset by either an adjustment to other expenditures and transfers out or to revenues and transfers in. The original budget for the use of fund balance was not affected. The budgetary differences are briefly summarized as follows:

- A \$302,304 decrease was allocated to general government activities mainly to account for the reduction of estimated expenditures associated with vacation payoffs and unemployment costs that were set up in the original budget to accommodate the budgeted mid-year layoffs.
- A \$923,000 increase was allocated to health and welfare activities to properly account for transactions that were incorrectly budgeted as transfers out.
- A \$112,000 decrease in investment income to adjust for the decrease in investment rates.
- A \$85,183 decrease in various charges for services with the most significant changes occurring in federal bed rental, tax rolls and statement preparation, and recording fees.

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

General Fund Balance. The following schedule presents a comparative summary of changes in the Fund Balance of the General Fund for the fiscal years ended September 30, 2003, and September 30, 2002, along with the amount and percentage of increases and decreases in relation to the 2002 Fund Balance:

	2003	2002	Variance from 2002	Percent Increase/ (Decrease)
Revenues	\$ 33,904,535	\$ 33,284,525	\$ 620,010	1.86%
Expenditures	(31,614,137)	(30,615,091)	(999,046)	3.26%
Revenues over expenditures	2,290,398	2,669,434	(379,036)	
Other Financing Sources (Uses):				
Transfers in	2,086,586	1,855,403	231,183	
Transfers out	(4,073,511)	(6,432,788)	2,359,277	
Sale of fixed assets	-	363,303	(363,303)	
Revenues & other financing sources over (under) expenditures & other financing uses	303,473	(1,544,648)	1,848,121	
Fund balance, beginning of year	20,583,770	22,128,418	(1,544,648)	
Fund balance, end of year	<u>\$ 20,887,243</u>	<u>\$ 20,583,770</u>	<u>\$ 303,473</u>	<u>1.47%</u>

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

GENERAL FUND BALANCE ANALYSIS

	Reserve for Advances to Other Funds	Reserve for Future Use	Unreserved	Total Fund Balance
Fund balance, beginning of year	\$ 10,955,773	\$ 9,627,997	\$ -	\$ 20,583,770
2002/2003 Transactions:				
Excess revenue over expenditures	-	2,290,398	-	2,290,398
Total other financing sources (uses)	-	(1,986,925)	-	(1,986,925)
2002/2003 net increase (decrease)	-	303,473	-	303,473
Fund balance, end of year	<u>\$ 10,955,773</u>	<u>\$ 9,931,470</u>	<u>\$ -</u>	<u>\$ 20,887,243</u>

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

The current balance for Reserve for Cash Flow is \$2,024,794 or five percent, and for Budget Stabilization is \$2,574,375 or 6.4%. The Reserve for Advance Tax Collections, which was established with the change of the County's fiscal year during 1996, at 25% (twenty-five percent) of the upcoming year's budgeted tax collections with a current balance of \$5,320,820. The Reserve for Prepaid items is \$11,481, and it is the final component comprising the Reserve for Future Use classification shown above. There were not any changes to the 100% Tax Payment Fund Reserve, the Reserve for Advances to Other Funds or to Component Units.

The County's budget resolution addressing the distribution of any unappropriated surplus, as amended, was not applied at September 30, 2003, as the unappropriated surplus was subsequently approved by the Board of Commissioners to remain within the General Fund Reserve for Budget Stabilization as that amount is not currently at the minimum amount as required by the Specific Fund Balance Policy.

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

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

The Building Authority Event Center Fund accounts for the operations of the County-owned facility that includes an arena, theater, and conference center. Prior to acquisition by the County, the facility was slated for closure by the previous owner, the City of Saginaw. In May 2001, County voters approved a 10-year millage of .45 mill to improve and operate the Event Center. The renovations of the Event Center started in early 2002, financed with a \$14.3 million bond issue. The renovations were completed in November 2003.

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

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

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

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

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

The Mental Health Fund accounts for monies collected for and distributed to the Mental Health Authority. The fiscal year ended September 30, 2003 is the last year that this fund will be in use as the Mental Health Authority no longer desires the County of Saginaw to collect and distribute their monies. 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 HealthSource of Saginaw. The Dependent Care and the Medical Spending Reimbursement Funds account for the collection and distribution of pre-tax monies used for dependent care and medical spending by employees of the County.

The remaining Fiduciary Fund included is the Post Employment Health Benefits Trust Fund.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2003 amounted to \$49,076,375 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, leasehold improvements, machinery and equipment, and vehicles. The total increase in the County's investment in capital assets for the current fiscal year was 8.8 percent (a 2.9 percent decrease for governmental activities and a 33.7 percent increase for business-type activities).

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

- Construction continued on the renovation of the Event Center, which is expected to cost approximately \$14,300,000.
- Land improvements were made to the Saginaw Valley Rail Trail project at a cost of approximately \$584,000.
- Land improvements were made at the Airport at a cost of approximately \$440,000.

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

Fiscal Year Ending September 30,	Governmental	Business-type	Total
	Activities	Activities	
	<u>2003</u>	<u>2003</u>	<u>2003</u>
Land	\$ 1,214,661	\$ 1,053,248	\$ 2,267,909
Air rights	-	117,761	117,761
Construction in progress	1,312,664	12,964,009	14,276,673
Land improvements	2,563,796	2,383	2,566,179
Buildings	19,906,911	2,361,858	22,268,769
Leasehold improvements	20,400	-	20,400
Planning and development	-	2,629,129	2,629,129
Equipment	4,142,983	65,959	4,208,942
Office furniture and fixtures	55,166	-	55,166
Vehicles	636,511	28,936	665,447
	<u>\$ 29,853,092</u>	<u>\$ 19,223,283</u>	<u>\$ 49,076,375</u>

Additional information on the County's capital assets can be found in note III.C. on pages 51 - 54 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$73,396,016. Of this amount, \$51,523,886 comprises debt backed by the full faith and credit of the government and \$6,362,130 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the County debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

**County of Saginaw's
Outstanding Debt**

Fiscal Year Ending September 30,	Governmental	Business-type	Total
	Activities	Activities	
	<u>2003</u>	<u>2003</u>	<u>2003</u>
Primary Government			
General obligation bonds	\$ 9,505,000	\$ 12,635,000	\$ 22,140,000
2003 GOL delinquent tax notes	-	6,300,000	6,300,000
Component Units			
Revolving loans	183,490	-	183,490
General obligation bonds	38,410,396	-	38,410,396
Special assessment debt with governmental commitment	<u>6,362,130</u>	<u>-</u>	<u>6,362,130</u>
Total	<u><u>\$ 54,461,016</u></u>	<u><u>\$ 18,935,000</u></u>	<u><u>\$ 73,396,016</u></u>

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

	Amount	Issue	Rate
2003 Series GOL Delinquent Tax Notes	\$ 9,500,000	06/01/03	varies
2002 Series Refunding of 1993 Series Bonds	3,010,000	11/19/02	3.0% to 4.0%
Birch Run Village Sewer Extension #2 Refunding	935,000	01/28/03	1.45% to 3.9%
Eagle Creek and Branches Drain	490,000	06/01/03	1.35% to 2.35%

However, the County's total debt still decreased by \$478,091 (0.6 percent) during the fiscal year due to the refunding of bonds.

The County maintains an "A+" bond rating with Standard & Poor's and an "A2" rating with Moody's for its general obligation debt. The County also maintains an "A1" bond rating with Standard & Poor's and an "M1G1" bond rating for its delinquent tax notes.

State statutes (Article 7, Section II, Michigan Constitution of 1963) limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total state equalized valuation. The current debt limitation for the County is \$483,858,905, which is significantly higher than the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in note III.G. on pages 58 - 62 of this report.

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the County's budget for the 2004 fiscal year:

- The average unemployment rate for the County of Saginaw as of September 30, 2003 was 8.5 percent, which is an increase from an average rate of 6.8 percent a year ago. This is slightly higher as compared to the State's average unemployment rate of 6.7 percent and the national average rate of 6.0 percent.
- Inflationary trends in the region compare favorably to national indices.
- Labor contracts with four separate bargaining units expired on September 30, 2003. Consequently, a 2 percent pay increase was budgeted for those employees.
- The possible formation of three new unions during 2004.

During the current fiscal year, unreserved – designated fund balance in the general fund increased to \$9,919,989. The County has appropriated \$350,626 of this amount for spending in the 2004 fiscal year budget. This appropriation of available fund balance allows the County to adopt a balanced budget and eliminates the need to raise taxes or charges above the current recommended levels during the 2004 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2003

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investment pool	\$ 29,326,961	\$ 17,412,849	\$ 46,739,810	\$ 9,966,407
Receivables (net)	10,996,607	8,359,251	19,355,858	47,700,894
Internal balances	10,645,366	(10,645,366)	-	-
Prepaid items and other assets	130,624	180,427	311,051	2,521,917
Net pension asset	2,664,088	-	2,664,088	-
Capital assets, net:				
Assets not being depreciated	2,527,325	14,135,018	16,662,343	27,462,148
Assets being depreciated	27,325,767	5,088,265	32,414,032	145,521,841
Total assets	83,616,738	34,530,444	118,147,182	233,173,207
Liabilities				
Accounts payable and accrued liabilities	7,141,948	2,207,147	9,349,095	2,058,259
Deferred revenue	610,058	8,196	618,254	23,759
Long-term liabilities:				
Due within one year	2,642,899	1,400,217	4,043,116	4,203,544
Due in more than one year	10,498,921	17,546,890	28,045,811	41,405,331
Total liabilities	20,893,826	21,162,450	42,056,276	47,690,893
Net Assets				
Invested in capital assets, net of related debt	20,348,092	6,588,283	26,936,375	151,330,463
Restricted for:				
Debt service	1,828,043	-	1,828,043	1,098,106
Acquisition/construction of capital assets	112,305	-	112,305	4,467,852
Other purposes	1,637,979	-	1,637,979	6,491,057
Unrestricted	38,796,493	6,779,711	45,576,204	22,094,836
Total net assets	\$ 62,722,912	\$ 13,367,994	\$ 76,090,906	\$ 185,482,314

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

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Continued

	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government						
Governmental activities:						
Legislative	\$ 632,837	\$ -	\$ -	\$ -	\$ -	\$ (632,837)
Judicial	13,864,843	391,204	2,862,059	5,237,230	-	(6,156,758)
General government	13,601,253	(1,326,453)	3,761,202	1,700,035	31,575	(6,781,988)
Public safety	19,550,121	66,617	7,391,985	2,109,504	132,948	(9,982,301)
Public works	783,419	7,329	685,408	-	-	(105,340)
Health and welfare	39,504,076	812,182	4,171,412	27,096,661	-	(9,048,185)
Community and economic development	2,638,661	17,107	129,891	741,377	-	(1,784,500)
Recreation and culture	1,678,356	27,218	212,487	14,259	413,961	(1,064,867)
Interest on long-term debt	439,505	-	-	-	-	(439,505)
Total governmental activities	<u>92,693,071</u>	<u>(4,796)</u>	<u>19,214,444</u>	<u>36,899,066</u>	<u>578,484</u>	<u>(35,996,281)</u>
Business-type activities:						
Delinquent tax revolving	120,580	-	2,097,942	-	-	1,977,362
Building Authority Event Center	4,724,260	-	2,732,169	25,027	49,750	(1,917,314)
Building Authority administration	57,722	-	27,700	-	-	(30,022)
Parking system	74,894	-	75,930	-	-	1,036
Harry W. Browne Airport	479,585	-	161,804	-	437,680	119,899
Inmate services	424,372	4,796	881,789	-	-	452,621
Total business-type activities	<u>5,881,413</u>	<u>4,796</u>	<u>5,977,334</u>	<u>25,027</u>	<u>487,430</u>	<u>603,582</u>
Total primary government	<u>98,574,484</u>	<u>\$ -</u>	<u>\$ 25,191,778</u>	<u>\$ 36,924,093</u>	<u>\$ 1,065,914</u>	<u>\$ (35,392,699)</u>
Component Units						
Road Commission	\$ 14,732,781	\$ -	\$ 57,982	\$ 19,528,130	\$ -	\$ 4,853,331
Brownfield Redevelopment Authority	120,421	-	-	36,337	-	(84,084)
Department of Public Works	1,167,147	-	89,348	-	1,039,211	(38,588)
Drain Commission	2,238,435	-	155,109	-	1,243,137	(840,189)
Total component units	<u>\$ 18,258,784</u>	<u>\$ -</u>	<u>\$ 302,439</u>	<u>\$ 19,564,467</u>	<u>\$ 2,282,348</u>	<u>\$ 3,890,470</u>

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Concluded

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Change in net assets				
Net (expense) revenue	\$ (35,996,281)	\$ 603,582	\$ (35,392,699)	\$ 3,890,470
General revenues:				
Property taxes	27,806,316	2,249,128	30,055,444	127,648
Accommodations tax	1,421,480	-	1,421,480	-
Grants and contributions not restricted to specific programs	4,692,761	-	4,692,761	-
Investment income - interest earned	725,984	356,263	1,082,247	148,686
Gain (loss) on sale of capital assets	31,170	627	31,797	-
Transfers	2,029,771	(2,029,771)	-	-
Total general revenues and transfers	36,707,482	576,247	37,283,729	276,334
Change in net assets	711,201	1,179,829	1,891,030	4,166,804
Net assets, beginning of year, as restated	62,011,711	12,188,165	74,199,876	181,315,510
Net assets, end of year	\$ 62,722,912	\$ 13,367,994	\$ 76,090,906	\$ 185,482,314

COUNTY OF SAGINAW, MICHIGAN
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2003

	<u>General</u>	<u>Health Department</u>	<u>Michigan Works!</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and investment pool	\$ 8,785,074	\$ 1,975,549	\$ 546,992	\$ 13,204,467	\$ 24,512,082
Receivables (net):					
Taxes	610,556	-	-	197,524	808,080
Accounts	29,723	205,791	-	1,190,448	1,425,962
Notes	-	-	-	1,485,110	1,485,110
Accrued interest	85,945	-	2,331	58,190	146,466
Due from other funds	1,913,191	21,172	9,617	527,715	2,471,695
Due from component units	-	-	-	8,308	8,308
Due from other governmental units	727,704	527,573	1,139,330	3,494,281	5,888,888
Advances to other funds	10,555,773	-	-	-	10,555,773
Advances to component units	400,000	-	-	-	400,000
Advances to other governmental units	-	-	172,512	-	172,512
Prepaid items	11,481	18,378	2,427	66,712	98,998
	<u>\$ 23,119,447</u>	<u>\$ 2,748,463</u>	<u>\$ 1,873,209</u>	<u>\$ 20,232,755</u>	<u>\$ 47,973,874</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 587,979	\$ 665,369	\$ 1,499,882	\$ 1,728,010	\$ 4,481,240
Accrued liabilities	877,023	223,830	74,564	582,667	1,758,084
Deposits payable	-	28,547	-	940	29,487
Due to other funds	156,646	25	37,340	2,028,093	2,222,104
Due to component units	-	-	-	28,614	28,614
Due to other governmental units	-	25,328	-	121,808	147,136
Advances from other governmental units	-	190,527	-	198,000	388,527
Deferred revenue	610,556	-	236,860	2,055,832	2,903,248
	<u>2,232,204</u>	<u>1,133,626</u>	<u>1,848,646</u>	<u>6,743,964</u>	<u>11,958,440</u>
Fund Balances					
Reserved for:					
Long-term advances	10,955,773	-	-	-	10,955,773
Prepaid items	11,481	18,378	2,427	48,973	81,259
Debt service	-	-	-	1,811,556	1,811,556
Capital projects	-	-	-	112,305	112,305
Restricted contributions	-	-	-	1,637,979	1,637,979
Unreserved - designated for:					
Advance tax collections	5,320,820	-	-	-	5,320,820
Cash flow	2,024,794	-	-	-	2,024,794
Budget stabilization	2,574,375	-	-	-	2,574,375
Future use	-	-	-	2,300,175	2,300,175
General improvements	-	-	-	1,009,928	1,009,928
Unreserved - undesignated, reported in:					
Special revenue funds	-	1,596,459	22,136	6,567,875	8,186,470
	<u>20,887,243</u>	<u>1,614,837</u>	<u>24,563</u>	<u>13,488,791</u>	<u>36,015,434</u>
Total liabilities and fund balances	<u>\$ 23,119,447</u>	<u>\$ 2,748,463</u>	<u>\$ 1,873,209</u>	<u>\$ 20,232,755</u>	<u>\$ 47,973,874</u>

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

COUNTY OF SAGINAW, MICHIGAN
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR
GOVERNMENTAL FUNDS TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
ON THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2003

Fund balances - total governmental funds	\$ 36,015,434
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Add - capital assets	46,841,937
Deduct - accumulated depreciation	(18,500,858)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are either deferred or otherwise not recorded in the funds.	
Add - taxes receivable	808,080
Add - notes receivable	1,485,110
Add - net pension asset	2,664,088
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	4,908,621
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Deduct - bonds payable	(9,505,000)
Deduct - accrued interest on bonds payable	(162,522)
Deduct - accrued compensated absences	(1,831,978)
Net assets of governmental activities	<u>\$ 62,722,912</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, 2003**

	<u>General</u>	<u>Health Department</u>	<u>Michigan Works!</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Property taxes	\$ 20,715,970	\$ -	\$ -	\$ 6,988,854	\$ 27,704,824
Accommodations tax	-	-	-	1,421,480	1,421,480
Licenses and permits	193,505	256,043	-	14,983	464,531
Federal grants	237,580	5,881,922	12,675,207	5,399,491	24,194,200
State grants	3,465,518	1,246,466	1,656,618	9,791,383	16,159,985
Local grants and contributions	-	358,330	-	890,637	1,248,967
Charges for services	4,831,504	2,631,010	-	5,055,190	12,517,704
Fines and forfeitures	693,277	-	-	433,212	1,126,489
Investment income	335,350	-	11,535	284,345	631,230
Rental revenue	-	-	-	831,261	831,261
Donations	-	69,286	-	461,746	531,032
Reimbursements	3,245,790	21,559	-	2,466,219	5,733,568
Other revenue	186,041	36,910	223	171,980	395,154
Total revenues	<u>33,904,535</u>	<u>10,501,526</u>	<u>14,343,583</u>	<u>34,210,781</u>	<u>92,960,425</u>
Expenditures					
Current:					
Legislative	616,217	-	-	-	616,217
Judicial	9,857,305	-	-	3,901,178	13,758,483
General government	10,197,445	-	-	2,198,248	12,395,693
Public safety	6,957,670	-	-	12,105,293	19,062,963
Public works	519,907	-	-	256,045	775,952
Health and welfare	2,353,460	11,226,711	13,985,854	12,395,209	39,961,234
Community and economic development	186,811	-	-	2,562,831	2,749,642
Recreation and culture	-	-	-	1,644,117	1,644,117
Other	870,421	-	-	-	870,421
Capital outlay	54,901	16,193	24,335	919,232	1,014,661
Debt service:					
Principal	-	-	-	1,842,000	1,842,000
Interest and fiscal charges	-	-	-	507,626	507,626
Total expenditures	<u>31,614,137</u>	<u>11,242,904</u>	<u>14,010,189</u>	<u>38,331,779</u>	<u>95,199,009</u>
Revenues over (under) expenditures	<u>2,290,398</u>	<u>(741,378)</u>	<u>333,394</u>	<u>(4,120,998)</u>	<u>(2,238,584)</u>
Other Financing Sources (Uses)					
Transfers in	2,086,586	599,046	1,800	8,981,053	11,668,485
Transfers out	(4,073,511)	-	(312,314)	(5,090,711)	(9,476,536)
Bond proceeds	-	-	-	3,010,000	3,010,000
Payments to refunded debt escrow agent	-	-	-	(3,029,054)	(3,029,054)
Proceeds from sale of capital assets	-	-	-	29,594	29,594
Total other financing sources (uses)	<u>(1,986,925)</u>	<u>599,046</u>	<u>(310,514)</u>	<u>3,900,882</u>	<u>2,202,489</u>
Net change in fund balances	303,473	(142,332)	22,880	(220,116)	(36,095)
Fund balance, beginning of year	<u>20,583,770</u>	<u>1,757,169</u>	<u>1,683</u>	<u>13,708,907</u>	<u>36,051,529</u>
Fund balance, end of year	<u>\$ 20,887,243</u>	<u>\$ 1,614,837</u>	<u>\$ 24,563</u>	<u>\$ 13,488,791</u>	<u>\$ 36,015,434</u>

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

**COUNTY OF SAGINAW, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Net change in fund balances - total governmental funds \$ (36,095)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add - capital outlay	1,014,661
Deduct - net loss on sale of capital assets	(27,894)
Deduct - depreciation expense	(1,715,050)

Revenues in the funds that represent repayment of loans receivable that do not affect the statement of activities	(185,505)
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Issuance of long-term debt is reported as proceeds in the governmental funds, but the receipt of proceeds increases long-term liabilities in the statement of net assets.	(3,010,000)
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A decrease in the net pension asset is recorded as an expense in the statement of activities but does not require the use of current resources and, therefore, is not reported as an expense of the funds	(423,746)
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,842,000
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Payments to debt refunding agents for the reduction of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,953,625
--	-----------

Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.

Add - decrease in accrued interest payable	68,115
Deduct - increase in accrual for accrued compensated absences	(85,216)

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

Add - net operating income from governmental activities in internal service funds	320,949
Add - grant proceeds from governmental internal service funds	31,575
Add - investment income from governmental internal service funds	94,790
Add - net gain on sale of capital assets in governmental internal service funds	31,170
Deduct - net transfers	(162,178)

Change in net assets of governmental activities	<u>\$ 711,201</u>
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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, 2003**

Continued

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Property taxes	\$ 20,717,268	\$ 20,717,268	\$ 20,715,970	\$ (1,298)
Licenses and permits	205,800	205,800	193,505	(12,295)
Federal grants	222,051	222,051	237,580	15,529
State grants	3,338,891	3,338,891	3,465,518	126,627
Charges for services	4,338,443	4,253,260	4,831,504	578,244
Fines and forfeitures	689,800	689,800	693,277	3,477
Investment income	784,802	672,802	335,350	(337,452)
Reimbursements	3,603,909	3,605,409	3,245,790	(359,619)
Other revenue	174,506	174,506	186,041	11,535
Total revenues	<u>34,075,470</u>	<u>33,879,787</u>	<u>33,904,535</u>	<u>24,748</u>
Expenditures				
Legislative - Board of Commissioners	647,204	647,204	616,217	30,987
Judicial:				
Circuit Court	2,870,860	2,895,860	2,757,633	138,227
District Court	2,911,638	2,911,638	2,861,847	49,791
Probate Court	766,705	766,705	736,342	30,363
Family Division	2,564,902	2,564,902	2,536,673	28,229
Probation - Circuit Court	99,125	96,194	97,174	(980)
Probation - District Court	788,391	788,391	784,492	3,899
Assigned Counsel	83,221	83,221	81,644	1,577
Jury Commission	1,500	1,500	1,500	-
Total judicial	<u>10,086,342</u>	<u>10,108,411</u>	<u>9,857,305</u>	<u>251,106</u>
General government:				
Elections	61,319	111,319	99,381	11,938
Auditing	99,350	99,350	97,221	2,129
Coporate Counsel	105,000	135,000	125,456	9,544
County Clerk	929,446	976,746	937,529	39,217
Controller	1,259,147	1,212,175	1,177,331	34,844
Board of Auditors	900	900	646	254
Equalization	491,840	491,840	466,841	24,999
Prosecuting Attorney	2,537,638	2,537,638	2,528,686	8,952
Prosecuting Attorney - Welfare	498,872	498,872	498,017	855
Register of Deeds	492,039	494,830	482,573	12,257
County Treasurer	663,159	663,159	644,920	18,239
Maintenance	2,856,681	2,841,258	2,664,453	176,805
Maintenance - Telephone	118,500	118,500	99,662	18,838
Public Works Commissioner	331,360	328,360	329,064	(704)
Budget Stabilization	432,400	65,400	45,665	19,735
Total general government	<u>10,877,651</u>	<u>10,575,347</u>	<u>10,197,445</u>	<u>377,902</u>

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2003

Concluded

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures - continued				
Public Safety:				
Sheriff	\$ 663,677	\$ 663,677	\$ 645,646	\$ 18,031
Marine Law Enforcement	13,621	13,621	9,844	3,777
Sheriff - Jail Division	6,348,540	6,348,540	6,172,180	176,360
Corrections Reimbursement	141,900	135,254	130,000	5,254
Total public safety	<u>7,167,738</u>	<u>7,161,092</u>	<u>6,957,670</u>	<u>203,422</u>
Public Works - Drains	<u>606,000</u>	<u>606,000</u>	<u>519,907</u>	<u>86,093</u>
Health and Welfare:				
Medical Examiner	211,187	211,187	231,657	(20,470)
Veterans Burial	112,500	112,500	126,150	(13,650)
Contributions to Other Agencies	1,070,803	1,993,803	1,995,653	(1,850)
Total health and welfare	<u>1,394,490</u>	<u>2,317,490</u>	<u>2,353,460</u>	<u>(35,970)</u>
Community and Economic Development:				
Plat Board	2,000	2,000	1,811	189
Contributions to Other Agencies	185,000	185,000	185,000	-
Total community and economic development	<u>187,000</u>	<u>187,000</u>	<u>186,811</u>	<u>189</u>
Other general expenditures	<u>870,421</u>	<u>870,421</u>	<u>870,421</u>	<u>-</u>
Capital outlay	<u>-</u>	<u>8,951</u>	<u>54,901</u>	<u>(45,950)</u>
Total expenditures	<u>31,836,846</u>	<u>32,481,916</u>	<u>31,614,137</u>	<u>867,779</u>
Revenues over (under) expenditures	<u>2,238,624</u>	<u>1,397,871</u>	<u>2,290,398</u>	<u>892,527</u>
Other Financing Sources (Uses)				
Transfers in	2,015,142	2,015,470	2,086,586	71,116
Transfers out	(5,056,776)	(4,216,351)	(4,073,511)	142,840
Total other financing sources (uses)	<u>(3,041,634)</u>	<u>(2,200,881)</u>	<u>(1,986,925)</u>	<u>213,956</u>
Net change in fund balances	(803,010)	(803,010)	303,473	1,106,483
Fund balance, beginning of year	<u>20,583,770</u>	<u>20,583,770</u>	<u>20,583,770</u>	<u>-</u>
Fund balance, end of year	<u>\$ 19,780,760</u>	<u>\$ 19,780,760</u>	<u>\$ 20,887,243</u>	<u>\$ 1,106,483</u>

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

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - HEALTH DEPARTMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Licenses and permits	\$ 286,025	\$ 286,025	\$ 256,043	\$ (29,982)
Federal grants	5,881,922	5,881,922	5,881,922	-
State grants	2,242,349	2,811,370	1,246,466	(1,564,904)
Local grants and contributions	471,366	471,366	358,330	(113,036)
Charges for services	1,976,074	2,707,417	2,631,010	(76,407)
Donations	80,038	93,038	69,286	(23,752)
Reimbursements	58,377	58,377	21,559	(36,818)
Other revenue	273,839	273,839	36,910	(236,929)
 Total revenues	 <u>11,269,990</u>	 <u>12,583,354</u>	 <u>10,501,526</u>	 <u>(2,081,828)</u>
Expenditures				
Health and welfare	15,298,142	15,663,906	11,226,711	4,437,195
Capital outlay	-	27,600	16,193	11,407
 Total expenditures	 <u>15,298,142</u>	 <u>15,691,506</u>	 <u>11,242,904</u>	 <u>4,448,602</u>
 Revenues over (under) expenditures	 (4,028,152)	 (3,108,152)	 (741,378)	 2,366,774
Other Financing Sources (Uses)				
Transfers in	1,519,046	599,046	599,046	-
 Net change in fund balances	 (2,509,106)	 (2,509,106)	 (142,332)	 2,366,774
 Fund balance, beginning of year	 <u>1,757,169</u>	 <u>1,757,169</u>	 <u>1,757,169</u>	 <u>-</u>
 Fund balance (deficit), end of year	 <u>\$ (751,937)</u>	 <u>\$ (751,937)</u>	 <u>\$ 1,614,837</u>	 <u>\$ 2,366,774</u>

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

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - MICHIGAN WORKS! SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Federal grants	\$ 12,085,539	\$ 8,458,421	\$ 12,675,207	\$ 4,216,786
State grants	1,508,000	6,114,736	1,656,618	(4,458,118)
Investment income	-	-	11,535	11,535
Other revenue	-	-	223	223
Total revenues	<u>13,593,539</u>	<u>14,573,157</u>	<u>14,343,583</u>	<u>(229,574)</u>
Expenditures				
Health and welfare	15,558,096	16,521,532	13,985,854	2,535,678
Capital outlay	4,000	4,000	24,335	(20,335)
Total expenditures	<u>15,562,096</u>	<u>16,525,532</u>	<u>14,010,189</u>	<u>2,515,343</u>
Revenues over (under) expenditures	<u>(1,968,557)</u>	<u>(1,952,375)</u>	<u>333,394</u>	<u>2,285,769</u>
Other Financing Sources (Uses)				
Transfers in	-	-	1,800	1,800
Transfers out	(268,559)	(268,559)	(312,314)	(43,755)
Total other financing sources (uses)	<u>(268,559)</u>	<u>(268,559)</u>	<u>(310,514)</u>	<u>(41,955)</u>
Net change in fund balances	<u>(2,237,116)</u>	<u>(2,220,934)</u>	<u>22,880</u>	<u>2,243,814</u>
Fund balance, beginning of year	<u>1,683</u>	<u>1,683</u>	<u>1,683</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (2,235,433)</u>	<u>\$ (2,219,251)</u>	<u>\$ 24,563</u>	<u>\$ 2,243,814</u>

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

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
SEPTEMBER 30, 2003

	Business-type Activities - Enterprise Funds				Total	Governmental
	Delinquent Tax Revolving	Building Authority Event Center	Harry W. Browne Airport	Other Enterprise Funds		Internal Service Funds
Assets						
Current assets:						
Cash and investment pool	\$ 14,327,237	\$ 2,171,720	\$ 236,396	\$ 677,496	\$ 17,412,849	\$ 4,814,879
Receivables (net):						
Taxes	7,901,831	-	-	-	7,901,831	-
Accounts	230,773	33,708	5,984	37,600	308,065	642,462
Accrued interest	58,979	15,049	-	1,773	75,801	18,819
Due from other funds	-	111,373	-	-	111,373	52,394
Due from other governmental units	55,678	8,100	-	-	63,778	-
Advances to other governmental units	-	-	9,776	-	9,776	-
Unamortized bond issuance costs	-	143,949	-	-	143,949	-
Inventories	-	30,019	-	-	30,019	-
Prepaid items	-	6,459	-	-	6,459	31,626
Total current assets	22,574,498	2,520,377	252,156	716,869	26,063,900	5,560,180
Noncurrent assets - capital assets:						
Land	-	18,614	993,361	41,273	1,053,248	233,000
Air rights	-	-	117,761	-	117,761	-
Land improvements	-	-	6,625	33,933	40,558	25,387
Buildings and improvements	-	2,416,622	329,702	-	2,746,324	927,000
Leasehold improvements	-	-	-	-	-	23,628
Machinery and equipment	-	-	-	133,187	133,187	1,843,622
Office furniture and fixtures	-	-	-	-	-	84,750
Vehicles	-	-	59,132	54,428	113,560	1,561,307
Planning and development	-	-	6,687,878	-	6,687,878	-
Construction in progress	-	12,503,294	460,715	-	12,964,009	-
Accumulated depreciation	-	(119,872)	(4,378,548)	(134,822)	(4,633,242)	(3,186,681)
Total noncurrent assets - capital assets	-	14,818,658	4,276,626	127,999	19,223,283	1,512,013
Total assets	22,574,498	17,339,035	4,528,782	844,868	45,287,183	7,072,193
Liabilities						
Current liabilities:						
Accounts payable	6,753	1,113,197	5,529	29,239	1,154,718	466,547
Accrued liabilities	6,294	295,846	-	1,683	303,823	68,316
Deposits payable	4,170	697,351	-	15,852	717,373	-
Due to other funds	-	60,842	-	176,667	237,509	175,848
Due to other governmental units	-	-	2,661	-	2,661	-
Deferred revenue	-	5,168	3,028	-	8,196	-
Unamortized bond premium	-	28,572	-	-	28,572	-
Bonds payable - current	-	1,400,000	-	-	1,400,000	-
Total current liabilities	17,217	3,600,976	11,218	223,441	3,852,852	710,711
Noncurrent liabilities:						
Accrued liabilities	-	-	-	2,174	2,174	1,416,318
Advances from other funds	10,500,773	-	-	20,000	10,520,773	35,000
Advances from other governmental units	-	-	9,933	-	9,933	-
Bonds payable	-	11,235,000	-	-	11,235,000	-
Notes payable	6,300,000	-	-	-	6,300,000	-
Total noncurrent liabilities	16,800,773	11,235,000	9,933	22,174	28,067,880	1,451,318
Total liabilities	16,817,990	14,835,976	21,151	245,615	31,920,732	2,162,029
Net Assets						
Invested in capital assets, net of related debt	-	2,183,658	4,276,626	127,999	6,588,283	1,512,013
Unrestricted	5,756,508	319,401	231,005	471,254	6,778,168	3,398,151
Total Net Assets	\$ 5,756,508	\$ 2,503,059	\$ 4,507,631	\$ 599,253	13,366,451	\$ 4,910,164
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					1,543	
Net assets of business-type activities					<u>\$ 13,367,994</u>	

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

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Business-type Activities - Enterprise Funds				Total	Governmental
	Delinquent Tax Revolving	Building Authority Event Center	Harry W. Browne Airport	Other Enterprise Funds		Internal Service Funds
Operating Revenues						
Charges for services	\$ 578,722	\$ 2,656,057	\$ 41,400	\$ 917,224	\$ 4,193,403	\$ 461,152
Interest income	1,495,951	-	-	-	1,495,951	-
Fines and forfeitures	-	-	-	15,797	15,797	-
Rental revenue	-	-	103,816	-	103,816	837,296
Reimbursements	-	-	-	-	-	13,506,190
Other revenue	23,269	76,112	16,588	52,398	168,367	174,153
Total operating revenues	2,097,942	2,732,169	161,804	985,419	5,977,334	14,978,791
Operating Expenses						
Personal services	-	1,204,986	350	31,122	1,236,458	1,284,869
Fringe benefits	-	72,117	56	9,255	81,428	10,630,386
Supplies	-	316,811	3,310	391,392	711,513	320,780
Services and charges	85,397	2,024,190	164,842	102,943	2,377,372	1,823,702
Other	-	563,789	-	-	563,789	-
Amortization	-	13,836	-	-	13,836	-
Depreciation	-	48,268	311,668	27,974	387,910	596,562
Total operating expenses	85,397	4,243,997	480,226	562,686	5,372,306	14,656,299
Operating income (loss)	2,012,545	(1,511,828)	(318,422)	422,733	605,028	322,492
Nonoperating Revenues (Expenses)						
Property taxes	-	2,249,128	-	-	2,249,128	-
Federal grants	-	-	414,645	-	414,645	31,575
State grants	-	74,777	23,035	-	97,812	-
Investment income	258,750	90,380	-	7,133	356,263	94,790
Interest expense and fiscal charges	(35,183)	(480,263)	-	-	(515,446)	-
Gain on sale of capital assets	-	627	-	-	627	31,170
Total nonoperating revenues (expenses)	223,567	1,934,649	437,680	7,133	2,603,029	157,535
Income (loss) before transfers	2,236,112	422,821	119,258	429,866	3,208,057	480,027
Transfers						
Transfers in	-	-	84,488	318,736	403,224	49,150
Transfers out	(1,650,000)	(314,636)	-	(468,359)	(2,432,995)	(211,328)
Net transfers	(1,650,000)	(314,636)	84,488	(149,623)	(2,029,771)	(162,178)
Change in net assets	586,112	108,185	203,746	280,243	1,178,286	317,849
Net assets, beginning of year, as restated	5,170,396	2,394,874	4,303,885	319,010		4,592,315
Net assets, end of year	\$ 5,756,508	\$ 2,503,059	\$ 4,507,631	\$ 599,253		\$ 4,910,164
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					1,543	
Change in net assets of business-type activities					\$ 1,179,829	

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, 2003**

Continued

	Business-type Activities - Enterprise Funds				Total	Governmental
	Delinquent Tax Revolving	Building Authority Event Center	Harry W. Browne Airport	Other Enterprise Funds		Internal Service Funds
Cash flows from operating activities:						
Receipts from customers	\$ 1,889,397	\$ 2,838,626	\$ 140,054	\$ 910,439	\$ 5,778,516	\$ -
Receipts from interfund services provided	-	58,421	(11)	4,460	62,870	15,008,498
Payments to employees	-	(1,277,103)	(996)	(40,188)	(1,318,287)	(1,735,812)
Payments to suppliers	(76,679)	(3,994,601)	(188,521)	(488,932)	(4,748,733)	(12,521,680)
Other operating revenue	1,519,220	76,112	16,588	68,195	1,680,115	174,153
Net cash provided by (used in) operating activities	3,331,938	(2,298,545)	(32,886)	453,974	1,454,481	925,159
Cash flows from noncapital financing activities:						
Grant proceeds	-	25,027	-	-	25,027	-
Property tax collections	-	2,249,128	-	-	2,249,128	-
Transfers in	-	-	84,488	318,736	403,224	49,150
Transfers out	(1,650,000)	(314,636)	-	(468,359)	(2,432,995)	(211,328)
Proceeds from issuing long-term debt	9,500,000	-	-	-	9,500,000	-
Principal paid on long-term debt	(3,200,000)	-	-	-	(3,200,000)	-
Interest paid on long-term debt	(35,183)	-	-	-	(35,183)	-
Net cash provided by (used in) noncapital financing activities	4,614,817	1,959,519	84,488	(149,623)	6,509,201	(162,178)
Cash flows from capital and related financing activities:						
Grant proceeds	-	49,750	437,680	-	487,430	31,575
Principal paid on capital debt	-	(1,365,000)	-	-	(1,365,000)	-
Interest paid on capital debt	-	(480,263)	-	-	(480,263)	-
Proceeds from sale of capital assets	-	627	-	-	627	40,900
Payments for capital asset acquisition	-	(4,733,904)	(447,365)	(53,240)	(5,234,509)	(354,873)
Net cash provided by (used in) capital and related financing activities	-	(6,528,790)	(9,685)	(53,240)	(6,591,715)	(282,398)
Cash flows from investing activities:						
Investment income	258,750	90,380	-	7,133	356,263	94,790
Net cash provided by (used in) investing activities	258,750	90,380	-	7,133	356,263	94,790
Net increase (decrease) in cash and cash equivalents	8,205,505	(6,777,436)	41,917	258,244	1,728,230	575,373
Cash and cash equivalents, beginning of year	6,121,732	8,949,156	194,479	419,252	15,684,619	4,239,506
Cash and cash equivalents, end of year	\$ 14,327,237	\$ 2,171,720	\$ 236,396	\$ 677,496	\$ 17,412,849	\$ 4,814,879

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Concluded

	Business-type Activities - Enterprise Funds					Governmental
	Delinquent	Building	Harry W.	Other	Total	Activities
	Tax	Authority	Browne	Enterprise		Internal
	Revolving	Event Center	Airport	Funds		Service
						Funds
Reconciliation of operating income to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 2,012,545	\$ (1,511,828)	\$ (318,422)	\$ 422,733	\$ 605,028	\$ 322,492
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	48,268	311,668	27,974	387,910	596,562
Changes in assets and liabilities:						
Accounts receivable	1,349,536	205,728	(3,138)	(6,785)	1,545,341	130,854
Due from other funds	-	(2,421)	-	-	(2,421)	223,761
Due from other governmental units	(38,861)	(8,100)	-	-	(46,961)	-
Unamortized bond issuance costs	-	17,268	-	-	17,268	-
Inventories	-	(3,890)	-	-	(3,890)	-
Prepaid items	-	(5,842)	-	-	(5,842)	2,642
Accounts payable	1,290	(1,322,927)	(23,030)	5,403	(1,339,264)	(43,282)
Accrued liabilities	3,258	144,708	(590)	189	147,565	(157,115)
Deposits payable	4,170	98,140	-	-	102,310	-
Due to other funds	-	60,842	(11)	4,460	65,291	(150,755)
Due to other governmental units	-	-	2,661	-	2,661	-
Deferred revenue	-	(15,059)	(2,024)	-	(17,083)	-
Unamortized bond premium	-	(3,432)	-	-	(3,432)	-
Net cash provided by (used in) operating activities	<u>\$ 3,331,938</u>	<u>\$ (2,298,545)</u>	<u>\$ (32,886)</u>	<u>\$ 453,974</u>	<u>\$ 1,454,481</u>	<u>\$ 925,159</u>

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

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
SEPTEMBER 30, 2003

	Post- Employment Health Benefits Trust Fund	Agency Funds
	<u> </u>	<u> </u>
Assets		
Cash and investment pool	\$ 265,358	\$ 7,696,420
Investments, at fair value - mutual funds	9,912,535	-
Investment in land contract	155,605	-
Receivables (net):		
Taxes	-	31,697
Accounts	108,542	4,813,628
Accrued interest	1,107	1,689
Due from other funds	-	6,004
	<u> </u>	<u> </u>
Total assets	<u>10,443,147</u>	<u>\$ 12,549,438</u>
Liabilities		
Accounts payable	-	\$ 683,119
Accrued liabilities	240,301	-
Deposits payable	-	6,471,718
Due to other funds	-	6,004
Due to other governmental units	-	5,388,597
	<u> </u>	<u> </u>
Total liabilities	<u>240,301</u>	<u>\$ 12,549,438</u>
Net Assets		
Held in trust for postemployment health benefits	<u>\$ 10,202,846</u>	

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

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS - POSTEMPLOYMENT HEALTH BENEFITS TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Additions

Contributions:

Employer	\$ 2,352,969
Retirees	<u>108,113</u>

Total contributions	<u>2,461,082</u>
---------------------	------------------

Investment earnings:

Net appreciation in fair value of investments	1,322,450
Interest and dividends	<u>264,006</u>

Net investment earnings	<u>1,586,456</u>
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Total additions	<u>4,047,538</u>
-----------------	------------------

Deductions

Participant benefits	2,019,388
Administrative expenses	<u>126,982</u>

Total deductions	<u>2,146,370</u>
------------------	------------------

Change in net assets	1,901,168
----------------------	-----------

Net assets, beginning of year, as restated	<u>8,301,678</u>
--	------------------

Net assets, end of year	<u><u>\$ 10,202,846</u></u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF NET ASSETS - COMPONENT UNITS
SEPTEMBER 30, 2003

	<u>Road Commission</u>	<u>Brownfield Redevelopment Authority</u>	<u>Department of Public Works</u>	<u>Drain Commission</u>	<u>Total</u>
Assets					
Cash and investment pool	\$ 3,908,198	\$ 64,444	\$ 593,862	\$ 5,399,903	\$ 9,966,407
Receivables (net)	3,440,992	36,769	23,129,116	21,094,017	47,700,894
Prepaid items and other assets	584,659	875	588,792	1,347,591	2,521,917
Capital assets, net:					
Assets not being depreciated	27,128,820	-	-	333,328	27,462,148
Assets being depreciated	101,891,138	-	-	43,630,703	145,521,841
Total assets	<u>136,953,807</u>	<u>102,088</u>	<u>24,311,770</u>	<u>71,805,542</u>	<u>233,173,207</u>
Liabilities					
Accounts payable and accrued liabilities	787,601	8,375	394,952	867,331	2,058,259
Deferred revenue	2,332	1,827	9,600	10,000	23,759
Long-term liabilities:					
Due within one year	-	17,081	1,628,000	2,558,463	4,203,544
Due in more than one year	652,859	166,409	21,491,000	19,095,063	41,405,331
Total liabilities	<u>1,442,792</u>	<u>193,692</u>	<u>23,523,552</u>	<u>22,530,857</u>	<u>47,690,893</u>
Net Assets					
Invested in capital assets, net of related debt	129,019,958	-	-	22,310,505	151,330,463
Restricted for:					
Debt service	-	-	249,075	849,031	1,098,106
Acquisition/construction of capital assets	-	-	516,056	3,951,796	4,467,852
Other purposes	6,491,057	-	-	-	6,491,057
Unrestricted (deficit)	<u>-</u>	<u>(91,604)</u>	<u>23,087</u>	<u>22,163,353</u>	<u>22,094,836</u>
Total net assets	<u>\$ 135,511,015</u>	<u>\$ (91,604)</u>	<u>\$ 788,218</u>	<u>\$ 49,274,685</u>	<u>\$ 185,482,314</u>

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

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
 FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Continued

	<u>Program Revenues</u>				<u>Net (Expense) Revenue</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Road Commission					
Governmental Activities:					
Highways and streets	\$ 14,732,781	\$ 57,982	\$ 19,528,130	\$ -	\$ 4,853,331
Brownfield Redevelopment Authority					
Governmental Activities:					
Community and economic development	120,421	-	36,337	-	(84,084)
Department of Public Works					
Governmental Activities:					
Public works	137,010	89,348	-	3,845	(43,817)
Interest on long-term debt	1,030,137	-	-	1,035,366	5,229
Total Department of Public Works	1,167,147	89,348	-	1,039,211	(38,588)
Drain Commission					
Governmental Activities:					
Public works	1,609,765	155,109	-	163,846	(1,290,810)
Interest on long-term debt	628,670	-	-	1,079,291	450,621
Total Drain Commission	2,238,435	155,109	-	1,243,137	(840,189)
Total component units	<u>\$ 18,258,784</u>	<u>\$ 302,439</u>	<u>\$ 19,564,467</u>	<u>\$ 2,282,348</u>	<u>\$ 3,890,470</u>

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

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
 FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Concluded

	<u>Road Commission</u>	<u>Brownfield Redevelopment Authority</u>	<u>Department of Public Works</u>	<u>Drain Commission</u>	<u>Total</u>
Change in net assets					
Net (expense) revenue	\$ 4,853,331	\$ (84,084)	\$ (38,588)	\$ (840,189)	\$ 3,890,470
General revenues:					
Property taxes	-	127,648	-	-	127,648
Investment income - interest earned	73,438	1,234	13,264	60,750	148,686
Total general revenues and transfers	73,438	128,882	13,264	60,750	276,334
Change in net assets	4,926,769	44,798	(25,324)	(779,439)	4,166,804
Net assets (deficit), beginning of year, as restated	130,584,246	(136,402)	813,542	50,054,124	181,315,510
Net assets, end of year	<u>\$ 135,511,015</u>	<u>\$ (91,604)</u>	<u>\$ 788,218</u>	<u>\$ 49,274,685</u>	<u>\$ 185,482,314</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

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

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

Saginaw County Road Commission (the "Road Commission") - The County appoints a majority of the members of the governing board of the Road Commission. The Road Commission deposits receipts with the County. The Road Commission also has a balance in the County's common bank account and has investments through the County. A complete financial statement can be obtained from the Saginaw County Road Commission, 3020 Sheridan Avenue, Saginaw, Michigan 48601.

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

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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

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

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The government reports the following major governmental funds:

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

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

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

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

The government reports the following major proprietary funds:

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

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

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

Additionally, the County reports the following fund types:

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the delinquent tax revolving, building authority event center and Harry W. Browne Airport enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues interest income and fees associated with hangar rentals, landing usage and the sale of fuel and oil. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses,

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

1. CASH AND CASH EQUIVALENTS

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

2. INVESTMENTS

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

3. RECEIVABLES

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

4. DUE TO/FROM OTHER FUNDS

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

5. ADVANCES

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

6. INVENTORIES

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

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

7. CAPITAL ASSETS

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

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

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

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

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

8. LONG-TERM OBLIGATIONS

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

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

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

9. FUND EQUITY

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

10. INTERFUND TRANSACTIONS

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

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

11. COMPENSATED ABSENCES

Union Employees

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

In January 1993, the County modified its vacation and sick leave policy for certain union employees. Previously accumulated vacation, personal leave and frozen sick leave were converted to Paid-Time-Off days (PTO). Union employees are granted PTO days, based on length of service and may carry over an unlimited amount of PTO to any subsequent year. Upon separation from the County, employees are compensated for one-half of their accumulated PTO hours at their current hourly rate, up to a maximum of 1,200 hours (150 days).

Non-Union Employees

Non-union employees are granted PTO days, based on length of service and may carry over an unlimited amount of PTO to any subsequent year. Upon separation from the County, employees are compensated for one-half of their accumulated PTO hours at their current hourly rate, up to a maximum of 600 hours (75 days). Accumulation of PTO hours effective December 31, 2000, shall be limited to 1,200 hours, and the amount carried forward into a new calendar year shall be limited by this number. Effective December 31, 2001, the accumulation of PTO hours shall be limited to 1,100 hours, effective December 31, 2002 - 1,000 hours, effective December 2003 - 900 hours, effective 2004 - 800 hours, effective 2005 - 700 hours, and effective 2006 - 600 hours.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Compensated Absence Liability Recognition

Accumulated PTO is accrued when incurred in the proprietary funds. The estimated current portion of accumulated PTO pay that is applicable to governmental funds is reported within the applicable fund in accordance with Governmental Standards Board Statement No. 16 "Accounting for Compensated Absences".

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETS AND BUDGETARY ACCOUNTING

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

- Annual budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Annual Informational Budget Summaries are prepared for Enterprise Funds and Internal Service Funds.
- The County Controller is authorized to transfer budgeted amounts from one category to another within an activity and between activities within the same fund in an amount up to \$50,000 for non-equipment expenditures and up to \$25,000 for equipment expenditures. Revisions that alter the total expenditures of any fund or total activity within the General Fund must be approved by the Board of Commissioners. The activity level in the General Fund and the Special Revenue is the legal level of control.
- Budgets for the General and Special Revenue Funds are prepared on a modified accrual basis, while the Internal Service and Enterprise Fund informational budgets are prepared using the accrual basis of accounting. Both methods are consistent with generally accepted accounting principles (GAAP).
- Budget appropriations lapse at year end.
- The original budget was amended during the year in compliance with local and state laws. The budget to actual expenditures in the financial statements represent the final budgeted expenditures as amended by the County. Supplemental appropriations were necessary during the year.
- The County's annual budgeting process includes the adoption of a budget resolution to establish the manner in which a surplus fund balance in the General Fund is distributed among the County funds. The budget resolution adopted for the year ended September 30, 2003, established that the 2003 General Fund budgeted surplus be transferred as follows: up to one-fourth (1/4) to the Debt Service Funds for anticipated debt service payments for the upcoming budget year and the following budget year for General Fund related debt; two-thirds (2/3) of any remaining surplus to the Public

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Improvement Special Revenue Fund and; the remaining one-third (1/3) to the General Fund Unappropriated Fund Balance account.

Results of operations for the year ended September 30, 2003 did not produce a General Fund unallocated surplus.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS FOR BUDGETARY FUNDS

The General Fund and other County Funds had expenditures exceeding budgeted appropriations at the activity level, which is the County's legal level of budgetary control for the year ended September 30, 2003.

	Budget	Actual	Variance
GENERAL FUND			
JUDICIAL			
Probation – Circuit Court	\$ 96,194	\$ 97,174	\$ (980)
GENERAL COUNTY GOVERNMENT			
Public Works Commissioner	328,360	329,064	(704)
HEALTH AND WELFARE			
Medical Examiner	211,187	231,657	(20,470)
Veterans Burial	112,500	126,150	(13,650)
Contributions to Other Agencies	1,993,803	1,995,653	(1,850)
CAPITAL OUTLAY	8,951	54,901	(45,950)
SPECIAL REVENUE FUNDS			
Michigan Works! –			
Transfers Out	268,559	312,314	(43,775)
Capital Outlay	4,000	24,335	(20,335)
Lodging Excise Tax –			
Community and economic development	1,365,000	1,421,480	(56,480)
Public Improvement – Public Safety	82,000	86,858	(4,858)
Animal Control – Public Safety	763,326	771,935	(8,609)
Wireless Communication			
Capital Outlay	-	14,036	(14,036)
Transfers Out	210,522	253,079	(42,557)
County Library Board –			
Recreation and culture	130,000	134,889	(4,889)
Michigan Works! Service			

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

	Budget	Actual	Variance
Centers			
Health and Welfare	268,559	328,822	(60,263)
Transfers Out	-	1,800	(1,800)
Special Projects – Judicial	50,731	51,279	(548)
Special Projects – Sheriff			
Transfer out to component			
Unit	2,513	4,145	(1,632)
Family Independence Agency –			
Health and welfare	1,644,262	1,734,722	(90,460)

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

III. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	<u>Carrying Amount</u>
Government-wide Financial Statement Captions:	
Primary Government:	
Cash and investment pool	\$ 46,739,810
Component Units:	
Cash and investment pool	9,966,407
Fiduciary Fund Financial Statement Captions:	
Cash and cash equivalents	7,961,778
Investments	9,912,535
 Total	 \$ 74,580,530
Notes to Financial Statements:	
Deposits	\$ 44,836,959
Investments	29,721,421
Cash on hand	22,150
 Total	 \$ 74,580,530

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Deposits - At September 30, 2003, the carrying amount of the County's deposits was \$44,836,959 and the bank balance was \$25,041,984. Of the bank balance, \$505,097 was covered by Federal Depository Insurance and \$24,536,887 was neither insured nor collateralized.

The County maintains a cash and investment pool that is available for use by essentially all County funds. The portion of this pool attributable to each separate fund type is shown on the Statement of Net Assets as "Cash and Investment Pool". In addition, various interest bearing savings and checking accounts, certificates of deposit and investments are separately held by several of the County's funds.

Investments

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

Statutes authorize the County to invest in the following:

- Bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution.
- Commercial paper rated at the time of purchase at the highest classifications (except for GMAC) established by not less than two standard rating services and that matures not more than 270 days after the day of purchase
- Repurchase agreements consisting of instruments in item one above.
- Bankers acceptance of United States banks.
- Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- Obligations described in items one through six above, if purchased through an interlocal agreement under the urban cooperation act of 1967. 1967 (ExSess) PA 7, MCL 124.501 to 124.512.
- Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367 MCL 129.111 to 129.118.
- Investment pools organized under the local government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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

The County's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered, or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name.

The County's investments are in accordance with statutory authority as follows:

	<u>Category</u>			<u>Fair Value/ Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
U.S. Federal Government securities	\$ 14,969,886	\$ -	\$ -	\$ 14,969,886
Commercial paper	<u>4,839,000</u>	<u>-</u>	<u>-</u>	<u>4,839,000</u>
	<u>\$ 19,808,886</u>	<u>\$ -</u>	<u>\$ -</u>	19,808,886
Uncategorized as to risk: Post-Employment Benefits: Mutual funds				<u>9,912,535</u>
Total Investments				<u>\$ 29,721,421</u>

The County's investments in mutual funds are not categorized because they are not evidenced by securities that exist in physical or book entry form.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

B. Receivables

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

	Governmental Activities	Business-type Activities	Component Units
Taxes	\$ 808,080	\$ 7,901,861	\$ -
Accounts	2,068,424	469,225	62,610
Notes			
Due within one year	166,265	-	-
Due after one year	1,318,845	-	-
Interest	165,285	75,801	21,027
Intergovernmental	6,469,708	73,554	47,617,257
Less: allowance for uncollectible accounts	-	(161,190)	-
Total	<u>\$ 10,996,607</u>	<u>\$ 8,359,251</u>	<u>\$ 47,700,894</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (General Fund)	\$ 610,556	\$ -
Property taxes receivable (Non-major Governmental fund types)	197,524	-
Notes receivable	1,485,110	
Grant drawdowns prior to meeting all eligibility requirements	-	610,058
Total	<u>\$ 2,293,190</u>	<u>\$ 610,058</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

C. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2003 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 1,214,661	\$ -	\$ -	\$ 1,214,661
Construction in progress	<u>728,848</u>	<u>583,816</u>	<u>-</u>	<u>1,312,664</u>
Total capital assets not being depreciated	<u>1,943,509</u>	<u>583,816</u>	<u>-</u>	<u>2,527,325</u>
Capital assets being depreciated:				
Land improvements	3,853,082	-	-	3,853,082
Buildings	31,511,208	61,992	-	31,573,200
Leasehold improvements	23,628	-	-	23,628
Equipment	10,488,782	368,289	(91,457)	10,765,614
Office furniture & fixtures	84,750	-	-	84,750
Vehicles	<u>2,618,116</u>	<u>355,437</u>	<u>(260,521)</u>	<u>2,713,032</u>
Total capital assets being depreciated	<u>48,579,566</u>	<u>785,718</u>	<u>(351,978)</u>	<u>49,013,306</u>
Less accumulated depreciation				
Land improvements	(1,206,010)	(83,276)	-	(1,289,286)
Buildings	(11,010,327)	(655,962)	-	(11,666,289)
Leasehold improvements	(2,363)	(865)	-	(3,228)
Equipment	(5,677,352)	(1,081,948)	136,669	(6,622,631)
Office furniture & fixtures	(18,363)	(11,221)	-	(29,584)
Vehicles	<u>(1,858,702)</u>	<u>(478,340)</u>	<u>260,521</u>	<u>(2,076,521)</u>
Total accumulated depreciation	<u>(19,773,117)</u>	<u>(2,311,612)</u>	<u>397,190</u>	<u>(21,687,539)</u>
Total capital assets being depreciated, net	<u>28,806,449</u>	<u>(1,525,894)</u>	<u>45,212</u>	<u>27,325,767</u>
Governmental activities capital assets, net	<u>\$30,749,958</u>	<u>\$(942,078)</u>	<u>\$ 45,212</u>	<u>\$29,853,092</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Business-type activities:

Building Authority Event Center	\$ 48,268
Harry W. Browne Airport	311,668
Parking system	8,672
Building Authority Administration	2,684
Inmate services	<u>16,618</u>

Total depreciation expense – business-type activities **\$ 387,910**

Construction commitments

The County has three active construction projects as of September 30, 2003. The Saginaw Valley Rail Trail Phase II A and Phase II B and the Building Authority Event Center. The Parks and Recreation department project is for the continuous expansion of the Saginaw Valley Rail Trail through out the mid-Michigan area. The Building Authority projects are for the renovations of the Saginaw County Event Center. The commitments for the projects are financed by federal grants, local donations and the proceeds from bonds issued in the previous fiscal year.

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Rail Trail Phase IIA	\$ 1,085,030	\$ 29,524
Rail Trail Phase IIB	227,634	173,499
Saginaw County Event Center	<u>12,964,009</u>	<u>538,023</u>
Total	<u>\$ 14,276,673</u>	<u>\$ 741,046</u>

Discretely presented component units

Activity for the Drain Commission for the year ended September 30, 2003, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Construction in progress	\$ 901,500	\$ 333,328	\$(901,500)	\$ 333,328
Capital assets being depreciated:				
Infrastructure	56,682,592	901,500	-	57,584,092
Equipment	<u>-</u>	<u>17,989</u>	<u>-</u>	<u>17,989</u>
Total capital assets being depreciated	<u>56,682,592</u>	<u>919,489</u>	<u>-</u>	<u>57,602,081</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Beginning	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	Ending <u>Balance</u>
Less accumulated depreciation				
Infrastructure	(12,821,965)	(1,147,914)	-	(13,969,879)
Equipment	-	(1,499)	-	(1,499)
Total accumulated depreciation	<u>(12,821,965)</u>	<u>(1,149,413)</u>	<u>-</u>	<u>(13,971,378)</u>
Total capital assets being depreciated, net	<u>43,860,627</u>	<u>(229,924)</u>	<u>-</u>	<u>43,630,703</u>
 Drain commission capital assets, net	 <u>\$44,762,127</u>	 <u>\$ 103,404</u>	 <u>\$(901,500)</u>	 <u>\$43,964,031</u>

Activity for the Road Commission for the year ended September 30, 2003, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	Ending <u>Balance</u>
Capital assets not being Depreciated:				
Land and improvements	\$25,724,926	\$1,501,473	\$ (97,579)	\$27,128,820
Capital assets being depreciated:				
Infrastructure	162,523,344	6,953,155	-	169,476,499
Building	2,497,088	38,312	-	2,535,400
Road equipment	9,408,744	1,231,587	(718,414)	9,921,917
Equipment	<u>569,361</u>	<u>54,846</u>	<u>(18,072)</u>	<u>606,135</u>
Total capital assets being depreciated	<u>174,998,537</u>	<u>8,277,900</u>	<u>(736,486)</u>	<u>182,539,951</u>
 Less accumulated depreciation				
Infrastructure	(64,544,420)	(6,646,762)	-	(71,191,182)
Building	(1,671,308)	(72,203)	-	(1,743,511)
Road equipment	(7,170,588)	(866,468)	718,414	(7,318,642)
Equipment	<u>(350,086)</u>	<u>(61,343)</u>	<u>15,951</u>	<u>(395,478)</u>
Total accumulated depreciation	<u>(73,736,402)</u>	<u>(7,646,776)</u>	<u>734,365</u>	<u>(80,648,813)</u>
Total capital assets being depreciated, net	<u>101,262,135</u>	<u>631,124</u>	<u>(2,121)</u>	<u>101,891,138</u>
 Road commission capital assets, net	 <u>\$126,987,061</u>	 <u>\$2,132,597</u>	 <u>\$(99,700)</u>	 <u>\$129,019,958</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

D. Payables

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

	Governmental Activities	Business-type Activities
Accounts	\$ 4,947,787	\$ 1,154,718
Wages, fringe benefits and other accrued liabilities	2,018,411	1,049,768
Intergovernmental	<u>175,750</u>	<u>2,661</u>
Total	<u>\$ 7,141,948</u>	<u>\$ 2,207,147</u>

E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to	Due from						Total
	General Fund	Health Department	Michigan Works!	Non-major Governmental Funds	Building Authority Event Center	Internal Service Funds	
General Fund	\$ -	\$ -	\$ -	\$ 122,745	\$ -	\$ 33,901	\$ 156,646
Health Department	-	-	-	25	-	-	25
Michigan Works!	-	-	-	37,340	-	-	37,340
Non-major governmental funds	1,722,640	21,172	9,617	367,605	111,373	5,493	2,237,900
Building Authority Event Center	60,842	-	-	-	-	-	60,842
Non-major enterprise funds	9,236	-	-	-	-	-	9,236
Internal service funds	<u>120,473</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,000</u>	<u>133,473</u>
Total	<u>\$ 1,913,191</u>	<u>\$ 21,172</u>	<u>\$ 9,617</u>	<u>\$ 527,715</u>	<u>\$ 111,373</u>	<u>\$ 52,394</u>	<u>\$ 2,635,462</u>

The balance of \$1,722,640 due to the general fund from the non-major governmental funds resulted from an amount due, but not yet transferred from the state revenue sharing special revenue fund and amounts transferred from the general fund during the year to subsidize operations of the non-major governmental funds. Unexpended subsidies provided during the year revert to the general fund at the end of every year in accordance with County policy. The entire balance is scheduled to be collected in the subsequent year.

All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Due to/from component units

Nonmajor governmental funds	\$ 8,308	\$ 28,614
Brownfield Redevelopment Authority	28,614	-
Drain Commission	-	8,308
Total	<u>\$ 36,922</u>	<u>\$ 36,922</u>

Advances to/from other funds:

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

Advances to/from component units:

General	\$ 400,000	\$ -
Drain commission	-	400,000
Total	<u>\$ 400,000</u>	<u>\$ 400,000</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

<u>Transfer to</u>	Transfer from							Total
	General Fund	Michigan Works!	Non-major Governmental Funds	Delinquent Tax Revolving	Building Authority Event Center	Non-major Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 32,828	\$ 1,650,000	\$ -	\$ 284,805	\$ 118,953	\$ 2,086,586
Health Department	599,046	-	-	-	-	-	-	599,046
Michigan Works!	-	-	1,800	-	-	-	-	1,800
Non-major governmental funds	3,425,315	312,314	4,967,495	-	-	183,554	92,375	8,981,053
Harry W. Brown Airport	-	-	84,488	-	-	-	-	84,488
Non-major enterprise funds	-	-	4,100	-	314,636	-	-	318,736
Internal service funds	49,150	-	-	-	-	-	-	49,150
Total	\$ 4,073,511	\$ 312,314	\$ 5,090,711	\$ 1,650,000	\$ 314,636	\$ 468,359	\$ 211,328	\$ 12,120,859

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 and state revenue sharing special revenue fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

G. LONG-TERM DEBT

Changes in Long-Term Debt

Long-term liability activity for the year ended September 30, 2003 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Primary Government					
Governmental activities:					
Building Authority -					
General obligation bonds	\$ 11,200,000	\$ 3,010,000	\$ (4,705,000)	\$ 9,505,000	\$ 1,120,000
Long-term advances	611,751	-	(223,227)	388,524	-
Internal service fund -					
Claims	1,674,223	5,554,417	(5,897,451)	1,331,189	1,331,189
Compensated absences	1,746,764	170,343	-	1,917,107	191,710
	<u>\$ 15,232,738</u>	<u>\$ 8,734,760</u>	<u>\$ (10,825,678)</u>	<u>\$ 13,141,820</u>	<u>\$ 2,642,899</u>
Business-type activities:					
Building Authority -					
General obligation bonds	\$ 14,000,000	\$ -	\$ (1,365,000)	\$ 12,635,000	\$ 1,400,000
Harry W. Browne Airport -					
Long-term advances	9,933	-	-	9,933	-
Parking System -					
Compensated absences	2,017	157	-	2,174	217
Delinquent Tax -					
General obligation notes	-	9,500,000	(3,200,000)	6,300,000	-
	<u>\$ 14,011,950</u>	<u>\$ 9,500,157</u>	<u>\$ (4,565,000)</u>	<u>\$ 18,947,107</u>	<u>\$ 1,400,217</u>
Component Units					
Road Commission:					
Compensated absences	\$ 633,726	\$ 19,133	\$ -	\$ 652,859	\$ -
Brownfield Redevelopment Authority:					
Loan from State of Michigan	\$ 164,817	\$ 18,673	\$ -	\$ 183,490	\$ 17,081
Department of Public Works:					
General obligation bonds	\$ 24,706,000	\$ 935,000	\$ (2,522,000)	\$ 23,119,000	\$ 1,628,000
Drain Commission:					
General obligation bonds	16,591,396	-	(1,300,000)	\$ 15,291,396	\$ 2,226,167
Notes payable	7,211,894	490,000	(1,339,764)	6,362,130	332,296
	<u>\$ 23,803,290</u>	<u>\$ 490,000</u>	<u>\$ (2,639,764)</u>	<u>\$ 21,653,526</u>	<u>\$ 2,558,463</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for those funds are included as part of the above totals for governmental activities. At year end, \$85,129 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

The County issues general obligation and revenue bonds to provide funds for the acquisition and construction of major capital facilities. General obligation and revenue bonds have been issued for governmental activities and business-type activities. The original amount of general obligation and revenue bonds issued in prior years was \$34,760,000. During the year, revenue bonds totaling \$3,010,000 were issued in a refund of other revenue bonds. The County issues general obligation notes to provide monies for the purchase of delinquent taxes receivable from local units of government. The original amount of the general obligation note was \$9,500,000.

General obligation and revenue bonds and notes are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued as 5 to 20-year serial bonds with varying amounts of principal maturing each year. The note was issued with a maturity date of May 2006. General obligation and revenue bonds and notes currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.75 – 7.0%	\$ 6,495,000
Governmental activities – refunding	3.0 – 4.0%	3,010,000
Business-type activities	1.23 – 4.0%	<u>18,935,000</u>
		<u>\$ 28,440,000</u>

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

<u>Year Ending</u> <u>September 30</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 1,120,000	\$ 414,969	\$ 1,400,000	\$ 462,861
2005	1,185,000	364,494	1,440,000	414,100
2006	1,210,000	310,875	7,785,000	370,900
2007	1,315,000	266,100	1,540,000	322,638
2008	925,000	217,150	1,595,000	266,812
2009-2013	2,150,000	590,150	5,175,000	419,600
2014-2018	1,275,000	266,188	-	-
2019-2023	325,000	14,625	-	-
Total	<u>\$ 9,505,000</u>	<u>\$2,444,551</u>	<u>\$18,935,000</u>	<u>\$2,256,911</u>

Component Units

Brownfield Redevelopment Authority. The Brownfield Redevelopment Authority has no general obligation bonds outstanding. The outstanding balances are revolving loans from the State of Michigan from the Department of Environmental Quality Revitalization. The

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

monies are to be used for the renovations and construction expenditures related to the Hemlock/McDonald's and Richland Township investment project and the KBC (Sahasa) Realty project. The loans will be repaid in 180 monthly installments beginning in September 2004 and ending in September 2018.

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.25%	\$ 183,490

Annual principal and interest requirements to service all debt outstanding as of September 30, 2003, are as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2004	\$ 17,081	\$ -
2005	13,757	3,324
2006	14,067	3,015
2007	14,383	2,698
2008	16,642	2,374
2009-2013	86,800	8,281
2014-2018	20,760	839
Total	<u>\$ 183,490</u>	<u>\$ 20,531</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. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds issued in prior years was \$34,913,000. During the year there was a debt refunding of Series 1991 general obligation bonds with Series 2003 general obligation bonds of \$935,000.

These bonds are direct obligations, and pledge the full faith and credit, of the county and the associated municipalities and authorities. The bonds are issued as 8 to 20-year serial bonds with varying amounts of principal maturing each year through January 2030 and bear interest at varying rates from 1.45% to 9.25%. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.45 – 9.25%	\$ 22,294,000
Governmental activities – refunding	1.45 – 3.90%	<u>825,000</u>
		<u>\$ 23,119,000</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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

<u>Year Ending</u> <u>September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2004	\$ 1,628,000	\$ 951,836
2005	1,648,000	882,324
2006	1,670,000	812,010
2007	1,653,000	739,952
2008	1,728,000	649,099
2009-2013	8,368,000	2,291,914
2014-2018	5,397,000	783,735
2019-2023	820,000	105,050
2024-2028	142,000	34,380
2029-2030	65,000	4,410
Total	<u>\$ 23,119,000</u>	<u>\$ 7,254,710</u>

Drain Commission. General obligation drain improvement bonds and notes are issued by the County to finance certain drainage district construction projects. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds and notes issued in prior years was \$38,664,819. During the year general obligation notes totaling \$490,000 were issued.

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.35 – 7.95%	\$ 21,653,526

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

<u>Year Ending</u> <u>September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2004	\$ 2,558,463	\$ 605,811
2005	2,580,282	525,580
2006	2,385,138	448,128
2007	2,475,139	372,801
2008	2,224,567	293,678
2009-2013	7,836,538	755,640
2014-2018	1,593,399	138,878
Total	<u>\$ 21,653,526</u>	<u>\$ 3,140,516</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Advance refunding

On January 28, 2003, the government advanced refunded the 1991 Sewage Disposal System – Birch Run Extension No. 2 general obligation bonds (original issue amount of \$1,400,000) with Series 2003 general obligation bonds. The government issued \$935,000 of general obligation bonds to provide an escrow agent with the resources for all future debt service payments of the refunded debt (\$855,000 is considered defeased as of September 30, 2003). As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide statement of net assets. The refunding was undertaken to reduce total debt service payments over the next 9 years by \$244,192 and resulted in an economic gain of \$187,152.

On December 1, 1997, the Department of Public Works component unit issued general obligation limited tax bonds of \$3,690,000. Of the total bond issue, \$2,490,000 was issued to advance refund a portion of the general obligation limited tax bonds issued in 1990 in the amount of \$2,325,000. The remaining \$1,200,000 was issued to provide resources to pay the costs of constructing sewage disposal system improvements to service the Township of Carrollton, the Township of Kochville, Saginaw Charter Township and the City of Zilwaukee. The refunded bonds mature as scheduled on May 1, 2000 through 2010 and are callable on May 1, 2000. The balance of the defeased debt outstanding at September 30, 2003 was \$1,825,000.

IV. OTHER INFORMATION

A. DEFINED BENEFIT PENSION PLANS

Pension Plan

Plan Description

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

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

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Funding Policy

The County is required to contribute an amount equal to a percentage of covered payroll which is determined based on union negotiated rates and actuarially determined rates; the current rate ranges from 0% to 44.24% of annual covered payroll. Under the plan, only certain employees of the Sheriff Department are required to make contributions to the plan. Those Sheriff Department employees are required to contribute 4% of their annual covered payroll. The contribution requirements of the County are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the County, depending on the MERS contribution program adopted by the County.

Annual Pension Cost and Net Pension Obligation

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

Annual required contribution	\$ 2,279,761
Less: Interest on net pension asset	(247,027)
Plus: Adjustment to annual required contribution	<u>503,093</u>
Annual pension cost	2,535,827
Contributions made	<u>2,112,082</u>
Decrease in net pension asset	423,745
Net pension (asset), beginning of year	<u>(3,087,833)</u>
Net pension (asset), end of year	<u><u>\$ (2,664,088)</u></u>

The required contribution was determined using the entry age normal cost method. The actuarial assumptions included (a) a long-term net investment yield rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0% to 4.16% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment that smoothes the fair value of investments over a 5-year period. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2002, the date of the latest actuarial valuation, was 30 years.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Three-Year Trend Information

Fiscal Period Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/01	\$2,558,436	94%	\$(3,449,897)
9/30/02	2,545,116	84%	(3,087,834)
9/30/03	2,535,827	83%	(2,664,088)

Pension Plan

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	UAAAL as a Covered Payroll (c)	Percentage of Covered Payroll ((b-a)/c)
12/31/00	\$73,055,834	\$88,485,517	\$15,429,683	82.6%	\$13,911,080	110.9%
12/31/01	76,976,633	93,444,440	16,467,807	82.4%	13,636,683	120.8%
12/31/02	78,295,659	99,129,201	20,833,542	78.9%	13,083,241	159.2%

Component Unit – Road Commission

Plan Description

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

Funding Policy

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

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Annual Pension Cost

For the year ended September 30, 2003, the Road Commission's annual pension cost and actual and required contribution was \$78,472. The required contribution was determined as part of the December 31, 2001 actuarial valuation using the entry age actuarial cost method.

The actuarial assumptions included (a) an assumed rate of investment return which is used to discount liabilities and project what plan assets will earn from investment of present and future assets of 8.0%, (b) a mortality table projecting the number of employees who will die before retirement and the duration of benefit payments after retirement, (c) assumed retirement rates projected when employees will retire and commence receiving benefits, (d) a set of withdrawal and disability rates to estimate the number of employees who will leave the work force before retirement, and (e) assumed rates of salary increases to project employees compensation in future years. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return and includes an adjustment to reflect market value. The Road Commission's actuarial accrued liability is over-funded as of December 31, 2002, the date of the last actuary report.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
9/30/01	\$ -	0%	\$ -
9/30/02	-	0%	-
9/30/03	78,472	100%	-

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) -Entry Age (b)</u>	<u>Unfunded (Overfunded) AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>UAAAL as a Covered Percentage of Payroll (c)</u>	<u>UAAAL as a Covered Percentage of Payroll ((b-a)/c)</u>
12/31/00	\$21,085,025	\$18,121,353	\$(2,963,672)	116%	\$3,331,758	(89)%
12/31/01	21,777,703	18,416,283	(3,361,420)	118%	3,455,449	(97)%
12/31/02	21,397,622	19,339,097	(2,058,525)	111%	3,537,272	(58)%

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

B. DEFINED CONTRIBUTION PENSION PLAN

Plan Description

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

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

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

At September 30, 2003, there were 413 plan members. Plan members are not required to contribute to the Plan, however, employees may contribute up to 3% of their annual salary. The County is required to contribute 6% of the employees' annual salary, as well as match all employee contributions. Plan provision and contribution requirements are established and may be amended by the Saginaw County Retirement Commission.

Employer contributions to the Plan for the year ended September 30, 2003 amounted to \$1,353,330 and employee contributions were \$453,338.

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

C. POST-EMPLOYMENT HEALTH BENEFITS

The County provides a post-retirement group hospitalization plan provided proper application is made prior to retirement for union and non-union employees. This Plan was established through employees' union contracts and through a board resolution for non-union employees. A vested employee, who leaves County employment before attaining the age and service required to receive a pension, shall not be eligible for health insurance coverage unless such employee is 55 years of age or older and has 10 or more years of service at the time of termination and entry into deferred retirement. In such a case, the deferred retiree shall be re-enrolled at the time the pension benefit begins.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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

Currently 349 retirees meet the eligibility requirements. The County pays between 25%-100% of the health insurance premiums for these retirees. A co-pay at the percentage indicated below, as established by board resolution, is required by non-union retirees who retired after January 1, 1991:

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

Union employees are also subject to the same or similar co-pay percentages based on retirement eligibility and years of service as specified in their individual union contract. Expenditures for the premiums are paid and recognized as they become due. During the year ended September 30, 2003, expenditures of \$2,352,969 were recognized for retiree health insurance costs.

The County had an actuarial valuation performed as of December 31, 2001, which showed the County's unfunded accrued liability for post-retirement health benefits to be between \$35,357,204 and \$75,429,350.

The fair value of the cash and investments held to fund retiree health care costs as of September 30, 2003 was \$10,177,893. The cash and investments held to fund retiree health care costs are invested with several investment managers and are accounted for within the Post-Employment Benefits Trust Fund.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

D. RISK MANAGEMENT

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

Worker's Compensation

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

The claims liability of \$213,053 reported at September 30, 2003 is based on the requirements of Statement No. 10 of the Governmental Accounting Standards Board, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. The claim liability is estimated by the claims administrator and management. Management estimates the incurred but not reported (IBNR) liability based on prior experience and both the estimated claims liability and the IBNR estimates are recorded as a current expenditure. No annuity contracts have been purchased to satisfy claim liabilities. Settled claims have not exceeded insurance coverage in any of the past three years.

The changes in the claims liability for the years ended September 30, 2002 and 2003 are as follows:

	<u>Beginning of Period Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Period Liability</u>
2002	\$166,570	\$ 304,937	\$205,252	\$266,255
2003	\$266,255	\$ 86,941	\$140,143	\$213,053

General Liability

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

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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

The changes in the claims liability for the years ended September 30, 2002 and 2003 are as follows:

	<u>Beginning of Period Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Period Liability</u>
2002	\$ 886,239	\$ 87,135	\$198,737	\$ 774,637
2003	\$ 774,637	\$ 67,379	\$180,068	\$ 661,948

Health Insurance

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

The changes in the claims liability for the years ended September 30, 2002 and 2003 are as follows:

	<u>Beginning of Period Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Period Liability</u>
2002	\$909,104	\$3,832,690	\$4,159,269	\$582,525
2003	\$582,525	\$4,706,452	\$4,883,482	\$405,495

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

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

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, 2002 and 2003 are as follows:

	<u>Beginning of Period Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Period Liability</u>
2002	\$34,102	\$590,511	\$579,462	\$45,151
2003	\$45,151	\$626,656	\$626,145	\$45,662

Vision Insurance

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

The changes in the claims liability for the years ended September 30, 2002 and 2003 are as follows:

	<u>Beginning of Period Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Period Liability</u>
2002	\$ 4,244	\$64,408	\$62,998	\$5,654
2003	\$ 5,654	\$66,989	\$67,613	\$5,030

E. PROPERTY TAXES

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

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

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

The taxable value of real and personal property at December 1, 2002 totaled \$4,322,946,511. The tax levy for 2002/2003 operations was based on the following rates:

General Operating	4.86220 mills
Mosquito Control	.50000 mills
Senior Citizens	.32090 mills
Law Enforcement	.34000 mills
Hospital Debt	.07580 mills
County Parks	.16180 mills
Castle Museum	.20000 mills
Juvenile Home Renovation	.04150 mills
Event Center	.45000 mills

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

F. RESTATEMENTS

Implementation of new accounting standards

As of and for the year ended September 30, 2003, the County implemented the following Governmental Accounting Standards Board pronouncements:

Statements

- ◆ No. 34 – *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*
- ◆ No. 37 – *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*
- ◆ No. 38 – *Certain Financial Statement Note Disclosures*

Interpretation

- ◆ No. 6 – *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*

The above pronouncements are all related to the new financial reporting requirements for all state and local governments. These pronouncements are scheduled for a phased implementation (based on the size of the government) through fiscal years ending in 2005. The County was required to implement the new requirements no later than the current fiscal year ending September 30, 2003.

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

The more significant of the changes required by the new standards include:

- ◆ Management's discussion and analysis;
- ◆ Basic financial statements that include:
 - Government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting;
 - Fund financial statements, consisting of a series of statements that focus on a government's major governmental funds and enterprise funds;
 - Schedules to reconcile the fund financial statements to the government-wide financial statements;
 - Notes to the basic financial statements;
- ◆ Required supplementary information, including certain budgetary schedules.

As a result of implementing these pronouncements for the fiscal year ended September 30, 2003, the following restatements were made to beginning net assets:

Government-wide financial statements.

Beginning net assets for governmental activities were determined as follows:

Fund balances of general, special revenue, debt service and capital project funds as of 9/30/02	\$ 36,051,529
Add: long-term receivables as of 9/30/02	2,478,694
Add: governmental capital assets, including general fixed assets, as of 9/30/02	45,880,485
Add: Net pension asset, as of 9/30/02	3,087,833
Deduct: accumulated depreciation as of 9/30/02 on above governmental fixed assets	(16,882,755)
Deduct: bonds payable as of 9/30/02	(11,200,000)
Deduct: interest payable	(230,645)
Deduct: accumulated compensated absences liability as of 9/30/02	(1,746,764)
Elimination of internal service fund activities as of 9/30/02	<u>4,573,334</u>
Governmental net assets, restated, as of 9/30/02	<u>\$ 62,011,711</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

Beginning net assets for business-type activities were determined as follows:

Retained earnings of enterprise funds as of 9/30/02	\$ 8,288,444
Add: Reclassification of Internal Service Delinquent tax revolving fund to Enterprise fund	5,170,396
Deduct: Prior period adjustment of Building Authority Event Center fund	(1,282,763)
Deduct: Prior period adjustment of Parking System fund	(6,893)
Elimination of internal service fund activities as of 9/30/02	<u>18,981</u>
Business-type net assets, restated, as of 9/30/02	<u>\$ 12,188,165</u>

G. 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.

H. PRIOR PERIOD ADJUSTMENTS

During the year ended September 30, 2003, a prior period adjustment in the amount of \$217,322 was necessary to properly account for the overstatement of a receivable in the Capital Projects Parks Building and Site Fund, during the year ended September 30, 2002. The effect on the Capital Projects Parks Building and Site fund balance was as follows:

Fund balance, beginning of year, as previously stated	\$ 496,820
Prior period adjustments	<u>(217,322)</u>
Fund balance, beginning of year, as restated	<u>\$ 279,498</u>

During the year ended September 30, 2003, a prior period adjustment in the amount of \$6,893 was necessary to properly account for the County increasing its capital asset threshold policy in the Enterprise Parking System Fund for the year ended September 30, 2002. The effect on the Enterprise Parking System retained earnings was as follows:

Retained earnings, beginning of year, as previously stated	\$ 62,856
Prior period adjustments	<u>(6,893)</u>
Retained earnings, beginning of year, as restated	<u>\$ 55,963</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

During the year ended September 30, 2003, a prior period adjustment in the amount of \$1,282,763 was necessary to properly account for the County increasing its capital asset threshold policy in the Enterprise Building Authority Event Center fund for the year ended September 30, 2002. The effect on the Enterprise Building Authority Event Center retained earnings was as follows:

Retained earnings, beginning of year, as previously stated	\$ 3,677,637
Prior period adjustments	<u>(1,282,763)</u>
Retained earnings, beginning of year, as restated	<u>\$ 2,394,874</u>

During the year ended September 30, 2003, a prior period adjustment in the amount of \$12,376 was necessary to properly account for capital assets identified as being owned by the Harry W. Browne Airport as a result of a physical inventory of all County capital assets as of September 30, 2002. The effect on the Enterprise Harry W. Browne Airport retained earnings was as follows:

Retained earnings, beginning of year, as previously stated	\$ 4,291,509
Prior period adjustments	<u>12,376</u>
Retained earnings, beginning of year, as restated	<u>\$ 4,303,885</u>

During the year ended September 30, 2003, a prior period adjustment in the amount of \$6,605 was necessary to properly account for computer equipment capital assets identified as being owned by Enterprise Inmate Services fund, previously accounted for in the Internal Service Information and System and Services fund. The effect on the Enterprise Inmate Services retained earnings was as follows:

Retained earnings, beginning of year, as previously stated	\$ 25,000
Prior period adjustments	<u>6,605</u>
Retained earnings, beginning of year, as restated	<u>\$ 31,605</u>

During the year ended September 30, 2003, a prior period adjustment in the amount of \$242,194 was necessary to properly account for capital assets identified as being owned by the Information Systems and Services fund as a result of a physical inventory of all County capital assets as of September 30, 2002. The effect on the Internal Service Information Systems and Services retained earnings was as follows:

Fund balance, beginning of year, as previously stated	\$ 829,143
Prior period adjustments	<u>242,194</u>
Fund balance, beginning of year, as restated	<u>\$ 1,071,337</u>

COUNTY OF SAGINAW

NOTES TO FINANCIAL STATEMENTS

During the year ended September 30, 2003, a prior period adjustment in the amount of \$270,257 was necessary to properly account for the County increasing its capital asset threshold policy in the Internal Service Equipment Revolving fund, for the year ended September 30, 2002. The effect on the Internal Service Equipment Revolving retained earnings was as follows:

Fund balance, beginning of year, as previously stated	\$ 671,674
Prior period adjustments	<u>(270,257)</u>
Fund balance, beginning of year, as restated	<u>\$ 401,417</u>

During the year ended September 30, 2003, a prior period adjustment in the amount of \$6,123 was necessary to properly account for the County increasing its capital asset threshold policy in the Internal Service Health Center Building fund, for the year ended September 30, 2002. The effect on the Internal Service Health Center Building retained earnings was as follows:

Fund balance, beginning of year, as previously stated	\$ 502,841
Prior period adjustments	<u>(6,123)</u>
Fund balance, beginning of year, as restated	<u>\$ 496,718</u>

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

Courthouse Preservation Technology Fund - This fund is used to account for the collection of \$10 per traffic ticket which is used to fund computer technology. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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.

State Revenue Sharing Fund - This fund is used to account for the collection and distribution of State Revenue Sharing funds received from the State of Michigan. It records appropriations to the programs funded by State Revenue Sharing. 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.

Wireless Communications Fund - This fund is used to account for the activities of a multi-jurisdictional law enforcement grant to acquire and install communications equipment. Money for the activities of this fund is supplied from federal and state grants and interest earnings from local match monies. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Mobile Data Maintenance and Repair Fund - This fund is used to account for the maintenance and replacement of the mobile computers put in the 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 units. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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.

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (Concluded)

SPECIAL REVENUE FUNDS (Concluded)

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

DEBT SERVICE FUNDS

Hospital Construction Debt Service Fund - This fund is used to account for the payment of interest and principal on long-term debt. The debt was created when the County issued bonds for a construction project at HealthSource of Saginaw. The debt in this fund is retired by revenue generated by property taxes dedicated for debt retirement. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

Juvenile Center Renovation Debt Service Fund - This fund is used to account for the payment of interest and principal on long-term debt. This debt was created when the County issued bonds for renovation of the County Juvenile Facility. The debt will be retired by revenue generated by property taxes dedicated for debt retirement. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

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

CAPITAL PROJECTS FUNDS

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

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2003**

Continued

	Special Revenue Funds			
	Law Enforcement	Parks & Recreation	G.I.S. System	Friend of the Court
Assets				
Cash and investment pool	\$ 420,040	\$ 449,660	\$ 36,239	\$ 3,111
Receivables (net):				
Taxes	41,986	16,820	-	-
Accounts	46,684	2,884	250	17,818
Notes receivable	-	-	-	-
Accrued interest	1,398	2,171	-	333
Due from other funds	2,138	-	-	24,331
Due from component units	-	-	-	-
Due from other governmental units	1,070	-	-	625,187
Prepaid items	-	-	-	-
	<u>513,316</u>	<u>471,535</u>	<u>36,489</u>	<u>670,780</u>
Total assets	<u>\$ 513,316</u>	<u>\$ 471,535</u>	<u>\$ 36,489</u>	<u>\$ 670,780</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 40,958	\$ 22,095	\$ -	\$ 55,318
Accrued liabilities	130,166	11,735	4,485	117,945
Deposits payable	-	-	-	-
Due to other funds	2,994	169	-	426,130
Due to component units	-	-	-	-
Due to other governmental units	-	-	-	840
Advances from other governmental units	-	-	-	-
Deferred revenue	41,986	16,820	-	1
	<u>216,104</u>	<u>50,819</u>	<u>4,485</u>	<u>600,234</u>
Total liabilities	<u>216,104</u>	<u>50,819</u>	<u>4,485</u>	<u>600,234</u>
Fund Balances				
Reserved for:				
Prepaid items	-	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Restricted contributions	-	74,372	-	70,546
Unreserved - designated for:				
Future use	297,212	346,344	-	-
General improvements	-	-	-	-
Unreserved - undesignated	-	-	32,004	-
	<u>297,212</u>	<u>420,716</u>	<u>32,004</u>	<u>70,546</u>
Total fund balances	<u>297,212</u>	<u>420,716</u>	<u>32,004</u>	<u>70,546</u>
Total liabilities and fund balances	<u>\$ 513,316</u>	<u>\$ 471,535</u>	<u>\$ 36,489</u>	<u>\$ 670,780</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2003**

Continued

	Special Revenue Funds				
	Solid Waste	Lodging Excise Tax	Castle Museum & Historical Activities	Commission on Aging	Mosquito Control
Assets					
Cash and investment pool	\$ 2,718,511	\$ 24,197	\$ 214,286	\$ 828,887	\$ 574,447
Receivables (net):					
Taxes	393	-	19,161	40,283	62,394
Accounts	93,609	563,292	2,594	334	-
Notes receivable	-	-	-	-	-
Accrued interest	11,634	-	1,268	4,146	3,884
Due from other funds	-	-	-	-	-
Due from component units	-	-	-	-	-
Due from other governmental units	-	-	-	294,578	275
Prepaid items	-	-	-	22,973	152
	<u>2,824,147</u>	<u>587,489</u>	<u>237,309</u>	<u>1,191,201</u>	<u>641,152</u>
Total assets	<u>\$ 2,824,147</u>	<u>\$ 587,489</u>	<u>\$ 237,309</u>	<u>\$ 1,191,201</u>	<u>\$ 641,152</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 720	\$ 445,495	\$ 4,343	\$ 82,589	\$ 51,122
Accrued liabilities	-	-	-	77,221	38,743
Deposits payable	-	-	-	-	-
Due to other funds	21,172	141,994	-	-	5,493
Due to component units	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	393	-	19,161	44,094	62,394
	<u>22,285</u>	<u>587,489</u>	<u>23,504</u>	<u>203,904</u>	<u>157,752</u>
Total liabilities	<u>22,285</u>	<u>587,489</u>	<u>23,504</u>	<u>203,904</u>	<u>157,752</u>
Fund Balances					
Reserved for:					
Prepaid items	-	-	-	22,973	152
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	-	-	50,805	-
Unreserved - designated for:					
Future use	-	-	213,805	913,519	483,248
General improvements	-	-	-	-	-
Unreserved - undesignated	2,801,862	-	-	-	-
	<u>2,801,862</u>	<u>-</u>	<u>213,805</u>	<u>987,297</u>	<u>483,400</u>
Total fund balances	<u>2,801,862</u>	<u>-</u>	<u>213,805</u>	<u>987,297</u>	<u>483,400</u>
Total liabilities and fund balances	<u>\$ 2,824,147</u>	<u>\$ 587,489</u>	<u>\$ 237,309</u>	<u>\$ 1,191,201</u>	<u>\$ 641,152</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2003**

Continued

	Special Revenue Funds			
	Planning Commission	Public Improvement	Courthouse Preservation Technology	Animal Control
Assets				
Cash and investment pool	\$ 94,428	\$ 866,925	\$ 95,208	\$ 19,818
Receivables (net):				
Taxes	-	-	-	-
Accounts	8,391	-	-	4,338
Notes receivable	-	-	-	-
Accrued interest	261	3,207	378	-
Due from other funds	-	167,431	-	-
Due from component units	-	-	-	-
Due from other governmental units	25,833	-	-	-
Prepaid items	723	-	-	-
	<u>723</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 129,636</u>	<u>\$ 1,037,563</u>	<u>\$ 95,586</u>	<u>\$ 24,156</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 9,224	\$ 27,635	\$ -	\$ 3,394
Accrued liabilities	11,484	-	-	20,762
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Due to component units	28,614	-	-	-
Due to other governmental units	-	-	-	-
Advances from other governmental units	-	-	-	-
Deferred revenue	1,126	-	-	-
	<u>1,126</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>50,448</u>	<u>27,635</u>	<u>-</u>	<u>24,156</u>
Fund Balances				
Reserved for:				
Prepaid items	723	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Restricted contributions	-	-	-	-
Unreserved - designated for:				
Future use	46,047	-	-	-
General improvements	-	1,009,928	-	-
Unreserved - undesignated	32,418	-	95,586	-
	<u>32,418</u>	<u>-</u>	<u>95,586</u>	<u>-</u>
Total fund balances	<u>79,188</u>	<u>1,009,928</u>	<u>95,586</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 129,636</u>	<u>\$ 1,037,563</u>	<u>\$ 95,586</u>	<u>\$ 24,156</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2003**

Continued

	Special Revenue Funds				
	Small Cities Reuse	State Revenue Sharing	Register of Deeds Automation	E-911 Telephone Surcharge	Wireless Communication
Assets					
Cash and investment pool	\$ 2,154,428	\$ 23	\$ 117,826	\$ 235,248	\$ 46,867
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	-	-	-	300,444	-
Notes receivable	1,485,110	-	-	-	-
Accrued interest	8,950	65	324	1,907	-
Due from other funds	-	143,162	-	-	42,375
Due from component units	-	-	-	-	-
Due from other governmental units	15,030	814,437	-	64,207	167,387
Prepaid items	-	-	-	-	-
Total assets	\$ 3,663,518	\$ 957,687	\$ 118,150	\$ 601,806	\$ 256,629
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 25,803	\$ -	\$ 59,397	\$ -	\$ 183,550
Accrued liabilities	-	-	424	-	-
Deposits payable	-	-	-	-	-
Due to other funds	6,600	957,687	-	-	73,079
Due to component units	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	1,485,110	-	-	-	-
Total liabilities	1,517,513	957,687	59,821	-	256,629
Fund Balances					
Reserved for:					
Prepaid items	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	-	58,329	-	-
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	2,146,005	-	-	601,806	-
Total fund balances	2,146,005	-	58,329	601,806	-
Total liabilities and fund balances	\$ 3,663,518	\$ 957,687	\$ 118,150	\$ 601,806	\$ 256,629

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2003**

Continued

	Special Revenue Funds				
	Mobile Data Maintenance & Repair	Law Library	County Library Board	Michigan Works! Service Centers	Remonu- mentation
Assets					
Cash and investment pool	\$ 1,253,098	\$ 22,728	\$ -	\$ -	\$ 5,028
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	-	-	-	7,000	-
Notes receivable	-	-	-	-	-
Accrued interest	4,789	-	-	-	-
Due from other funds	73,079	-	-	37,340	-
Due from component units	-	-	-	-	-
Due from other governmental units	180,000	-	-	-	43,156
Prepaid items	15,733	156	-	26,975	-
	<u>\$ 1,526,699</u>	<u>\$ 22,884</u>	<u>\$ -</u>	<u>\$ 71,315</u>	<u>\$ 48,184</u>
Total assets					
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 41,165	\$ 2,989	\$ -	\$ 43,471	\$ 40,556
Accrued liabilities	-	468	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	19,427	-	9,617	-
Due to component units	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	89,262	-	-	8,835	-
	<u>130,427</u>	<u>22,884</u>	<u>-</u>	<u>61,923</u>	<u>40,556</u>
Total liabilities					
Fund Balances					
Reserved for:					
Prepaid items	15,733	-	-	9,392	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	1,380,539	-	-	-	-
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	-	-	-	-	7,628
	<u>1,396,272</u>	<u>-</u>	<u>-</u>	<u>9,392</u>	<u>7,628</u>
Total fund balances					
Total liabilities and fund balances	<u>\$ 1,526,699</u>	<u>\$ 22,884</u>	<u>\$ -</u>	<u>\$ 71,315</u>	<u>\$ 48,184</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2003**

Continued

	Special Revenue Funds				
	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections	MSU Extension
Assets					
Cash and investment pool	\$ 145,810	\$ 822,663	\$ 1	\$ -	\$ 8,597
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	6,778	31,151	-	-	14,633
Notes receivable	-	-	-	-	-
Accrued interest	-	2,593	-	-	135
Due from other funds	-	6,230	8,821	-	1,288
Due from component units	8,308	-	-	-	-
Due from other governmental units	105,941	133,083	73,608	161,123	125,465
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 266,837</u>	<u>\$ 995,720</u>	<u>\$ 82,430</u>	<u>\$ 161,123</u>	<u>\$ 150,118</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 51,736	\$ 16,606	\$ 4,268	\$ 58,769	\$ 89,551
Accrued liabilities	7,486	46,141	20,004	5,667	4,850
Deposits payable	-	940	-	-	-
Due to other funds	10,003	9,545	56,887	96,687	288
Due to component units	-	-	-	-	-
Due to other governmental units	-	270	801	-	-
Advances from other governmental units	-	-	-	-	55,000
Deferred revenue	-	270,092	-	-	71
Total liabilities	<u>69,225</u>	<u>343,594</u>	<u>81,960</u>	<u>161,123</u>	<u>149,760</u>
Fund Balances					
Reserved for:					
Prepaid items	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	-	-	-	-
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	197,612	652,126	470	-	358
Total fund balances	<u>197,612</u>	<u>652,126</u>	<u>470</u>	<u>-</u>	<u>358</u>
Total liabilities and fund balances	<u>\$ 266,837</u>	<u>\$ 995,720</u>	<u>\$ 82,430</u>	<u>\$ 161,123</u>	<u>\$ 150,118</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2003**

Continued

	Special Revenue Funds			
	Family Independence Agency	Child Care	Soldiers' Relief	Veterans' Trust
Assets				
Cash and investment pool	\$ 60,100	\$ 135,526	\$ 1,246	\$ -
Receivables (net):				
Taxes	-	-	-	-
Accounts	-	42,684	-	-
Notes receivable	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	17,361	-	-	-
Due from component units	-	-	-	-
Due from other governmental units	146,215	257,262	-	13,831
Prepaid items	-	-	-	-
	<u>223,676</u>	<u>435,472</u>	<u>1,246</u>	<u>13,831</u>
Total assets	<u>\$ 223,676</u>	<u>\$ 435,472</u>	<u>\$ 1,246</u>	<u>\$ 13,831</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 57,402	\$ 74,952	\$ 998	\$ 6,633
Accrued liabilities	-	85,086	-	-
Deposits payable	-	-	-	-
Due to other funds	23,087	152,336	248	7,198
Due to component units	-	-	-	-
Due to other governmental units	-	119,897	-	-
Advances from other governmental units	143,000	-	-	-
Deferred revenue	-	-	-	-
	<u>223,489</u>	<u>432,271</u>	<u>1,246</u>	<u>13,831</u>
Total liabilities	<u>223,489</u>	<u>432,271</u>	<u>1,246</u>	<u>13,831</u>
Fund Balances				
Reserved for:				
Prepaid items	-	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Restricted contributions	187	3,201	-	-
Unreserved - designated for:				
Future use	-	-	-	-
General improvements	-	-	-	-
Unreserved - undesignated	-	-	-	-
	<u>187</u>	<u>3,201</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>187</u>	<u>3,201</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 223,676</u>	<u>\$ 435,472</u>	<u>\$ 1,246</u>	<u>\$ 13,831</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2003**

Concluded

	Debt Service Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Hospital Construction	Juvenile Center Renovation	Building Authority	Parks Building & Site	
Assets					
Cash and investment pool	\$ 1,955	\$ 1,069	\$ 1,802,105	\$ 44,392	\$ 13,204,467
Receivables (net):					
Taxes	11,687	4,800	-	-	197,524
Accounts	-	-	-	47,564	1,190,448
Notes receivable	-	-	-	-	1,485,110
Accrued interest	215	342	9,332	858	58,190
Due from other funds	-	3,990	-	169	527,715
Due from component units	-	-	-	-	8,308
Due from other governmental units	-	-	-	246,593	3,494,281
Prepaid items	-	-	-	-	66,712
Total assets	\$ 13,857	\$ 10,201	\$ 1,811,437	\$ 339,576	\$ 20,232,755
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 227,271	\$ 1,728,010
Accrued liabilities	-	-	-	-	582,667
Deposits payable	-	-	-	-	940
Due to other funds	2,051	5,401	-	-	2,028,093
Due to component units	-	-	-	-	28,614
Due to other governmental units	-	-	-	-	121,808
Advances from other governmental units	-	-	-	-	198,000
Deferred revenue	11,687	4,800	-	-	2,055,832
Total liabilities	13,738	10,201	-	227,271	6,743,964
Fund Balances					
Reserved for:					
Prepaid items	-	-	-	-	48,973
Debt service	119	-	1,811,437	-	1,811,556
Capital projects	-	-	-	112,305	112,305
Restricted contributions	-	-	-	-	1,637,979
Unreserved - designated for:					
Future use	-	-	-	-	2,300,175
General improvements	-	-	-	-	1,009,928
Unreserved - undesignated	-	-	-	-	6,567,875
Total fund balances	119	-	1,811,437	112,305	13,488,791
Total liabilities and fund balances	\$ 13,857	\$ 10,201	\$ 1,811,437	\$ 339,576	\$ 20,232,755

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Continued

	Special Revenue Funds			
	Law Enforcement	Parks & Recreation	G.I.S. System	Friend of the Court
Revenues				
Property taxes	\$ 1,446,913	\$ 688,253	\$ -	\$ -
Accommodations tax	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	2,815,232
State grants	18,909	8,999	-	8,872
Local grants and contributions	-	-	-	-
Charges for services	-	41,251	17,826	314,862
Fines and forfeitures	-	-	-	-
Investment income	4,872	9,590	-	1,358
Rental revenue	-	-	-	-
Donations	5	14,259	-	-
Reimbursements	567,764	-	6,000	61,647
Other revenue	1,930	10,854	-	-
	<u>2,040,393</u>	<u>773,206</u>	<u>23,826</u>	<u>3,201,971</u>
Expenditures				
Current:				
Judicial	-	-	-	3,784,609
General government	-	-	128,616	-
Public safety	4,188,855	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Recreation and culture	-	635,794	-	-
Capital outlay	-	61,992	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>4,188,855</u>	<u>697,786</u>	<u>128,616</u>	<u>3,784,609</u>
Revenues over (under) expenditures	<u>(2,148,462)</u>	<u>75,420</u>	<u>(104,790)</u>	<u>(582,638)</u>
Other Financing Sources (Uses)				
Transfers in	2,404,818	-	136,794	570,387
Transfers out	(63,351)	-	-	(18,262)
Bond proceeds	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Sale of capital assets	-	-	-	-
	<u>2,341,467</u>	<u>-</u>	<u>136,794</u>	<u>552,125</u>
Net change in fund balances	193,005	75,420	32,004	(30,513)
Fund balance, beginning of year	<u>104,207</u>	<u>345,296</u>	<u>-</u>	<u>101,059</u>
Fund balance, end of year	<u>\$ 297,212</u>	<u>\$ 420,716</u>	<u>\$ 32,004</u>	<u>\$ 70,546</u>

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

Continued

	Special Revenue Funds				
	Solid Waste	Lodging Excise Tax	Castle Museum & Historical Activities	Commission on Aging	Mosquito Control
Revenues					
Property taxes	\$ -	\$ -	\$ 851,663	\$ 1,365,655	\$ 2,130,225
Accommodations tax	-	1,421,480	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	995,775	-
State grants	-	-	11,123	624,658	27,807
Local grants and contributions	-	-	-	-	-
Charges for services	347,589	-	-	181,072	10,154
Fines and forfeitures	-	-	-	-	-
Investment income	52,822	-	5,187	17,042	18,051
Rental revenue	-	-	-	-	909
Donations	-	-	-	298,875	-
Reimbursements	-	-	18,993	25,643	197,916
Other revenue	-	-	-	78,831	-
Total revenues	400,411	1,421,480	886,966	3,587,551	2,385,062
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	175,601	-	-	-	-
Health and welfare	-	-	-	3,551,677	2,430,754
Community and economic development	-	1,421,480	-	-	-
Recreation and culture	-	-	873,434	-	-
Capital outlay	-	-	-	70,415	95,403
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	175,601	1,421,480	873,434	3,622,092	2,526,157
Revenues over (under) expenditures	224,810	-	13,532	(34,541)	(141,095)
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	(143,402)	-	-	-	-
Bond proceeds	-	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	(143,402)	-	-	-	-
Net change in fund balances	81,408	-	13,532	(34,541)	(141,095)
Fund balance, beginning of year	2,720,454	-	200,273	1,021,838	624,495
Fund balance, end of year	<u>\$ 2,801,862</u>	<u>\$ -</u>	<u>\$ 213,805</u>	<u>\$ 987,297</u>	<u>\$ 483,400</u>

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

Continued

	Special Revenue Funds			
	Planning Commission	Public Improvement	Courthouse Preservation Technology	Animal Control
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-
Licenses and permits	-	-	-	14,983
Federal grants	512,645	-	-	-
State grants	-	-	-	-
Local grants and contributions	-	-	-	-
Charges for services	6,023	-	211,931	49,860
Fines and forfeitures	-	-	-	-
Investment income	1,606	11,557	1,402	-
Rental revenue	-	-	-	-
Donations	-	-	-	-
Reimbursements	6,384	10,079	-	-
Other revenue	48,666	-	-	-
	<u>575,324</u>	<u>21,636</u>	<u>213,333</u>	<u>64,843</u>
Total revenues				
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	62,244	-	-
Public safety	-	86,858	-	771,935
Public works	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	716,347	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	6,251	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>722,598</u>	<u>149,102</u>	<u>-</u>	<u>771,935</u>
Total expenditures				
Revenues over (under) expenditures	<u>(147,274)</u>	<u>(127,466)</u>	<u>213,333</u>	<u>(707,092)</u>
Other Financing Sources (Uses)				
Transfers in	174,801	764,405	-	687,091
Transfers out	(6,000)	-	(150,000)	-
Bond proceeds	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Sale of capital assets	-	-	-	-
	<u>168,801</u>	<u>764,405</u>	<u>(150,000)</u>	<u>687,091</u>
Total other financing sources (uses)				
Net change in fund balances	21,527	636,939	63,333	(20,001)
Fund balance, beginning of year	<u>57,661</u>	<u>372,989</u>	<u>32,253</u>	<u>20,001</u>
Fund balance, end of year	<u>\$ 79,188</u>	<u>\$ 1,009,928</u>	<u>\$ 95,586</u>	<u>\$ -</u>

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

Continued

	Special Revenue Funds				
	Small Cities Reuse	State Revenue Sharing	Register of Deeds Automation	E-911 Telephone Surcharge	Wireless Communication
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	174,714	-	-	-	189,107
State grants	-	3,633,707	-	249,252	-
Local grants and contributions	-	-	-	-	-
Charges for services	-	-	172,805	3,365,913	-
Fines and forfeitures	2,787	-	-	-	-
Investment income	41,250	355	709	7,926	2,628
Rental revenue	-	-	-	-	-
Donations	54,018	-	-	-	-
Reimbursements	443,028	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	715,797	3,634,062	173,514	3,623,091	191,735
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	-	-	60,665	-	-
Public safety	-	-	-	3,770,542	238,107
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	425,004	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	54,520	-	14,036
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	425,004	-	115,185	3,770,542	252,143
Revenues over (under) expenditures	290,793	3,634,062	58,329	(147,451)	(60,408)
Other Financing Sources (Uses)					
Transfers in	-	232,708	-	-	42,375
Transfers out	-	(3,866,770)	-	-	(253,079)
Bond proceeds	-	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	-	(3,634,062)	-	-	(210,704)
Net change in fund balances	290,793	-	58,329	(147,451)	(271,112)
Fund balance, beginning of year	1,855,212	-	-	749,257	271,112
Fund balance, end of year	<u>\$ 2,146,005</u>	<u>\$ -</u>	<u>\$ 58,329</u>	<u>\$ 601,806</u>	<u>\$ -</u>

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

Continued

	Special Revenue Funds				
	Mobile Data Maintenance & Repair	Law Library	County Library Board	Michigan Works! Service Centers	Remonu- mentation
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	-
State grants	-	-	-	-	76,427
Local grants and contributions	-	-	-	-	-
Charges for services	300,592	-	-	-	-
Fines and forfeitures	-	6,500	134,889	-	-
Investment income	22,964	-	-	-	-
Rental revenue	-	-	-	-	-
Donations	-	-	-	-	-
Reimbursements	-	-	-	25,794	-
Other revenue	-	-	-	-	-
Total revenues	323,556	6,500	134,889	25,794	76,427
Expenditures					
Current:					
Judicial	-	65,290	-	-	-
General government	-	-	-	-	76,428
Public safety	322,524	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	328,824	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	134,889	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	322,524	65,290	134,889	328,824	76,428
Revenues over (under) expenditures	1,032	(58,790)	-	(303,030)	(1)
Other Financing Sources (Uses)					
Transfers in	438,544	58,790	-	312,314	-
Transfers out	-	-	-	(1,800)	-
Bond proceeds	-	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	438,544	58,790	-	310,514	-
Net change in fund balances	439,576	-	-	7,484	(1)
Fund balance, beginning of year	956,696	-	-	1,908	7,629
Fund balance, end of year	\$ 1,396,272	\$ -	\$ -	\$ 9,392	\$ 7,628

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Continued

	Special Revenue Funds				
	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections	MSU Extension
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	179,293	110,487	98,066	-	172,291
State grants	53,642	344,097	186,105	1,043,888	114,771
Local grants and contributions	10,000	26,407	-	-	686,862
Charges for services	1,153	34,159	-	-	-
Fines and forfeitures	7,887	250,174	30,975	-	-
Investment income	-	12,030	-	-	508
Rental revenue	-	-	-	-	-
Donations	-	91,368	404	-	-
Reimbursements	80,443	645,537	30,051	-	-
Other revenue	-	23,174	-	-	525
Total revenues	332,418	1,537,433	345,601	1,043,888	974,957
Expenditures					
Current:					
Judicial	51,279	-	-	-	-
General government	190	-	594,770	-	1,275,335
Public safety	242,945	1,461,179	-	1,022,348	-
Public works	80,444	-	-	-	-
Health and welfare	36,794	-	-	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	27,328	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	411,652	1,488,507	594,770	1,022,348	1,275,335
Revenues over (under) expenditures	(79,234)	48,926	(249,169)	21,540	(300,378)
Other Financing Sources (Uses)					
Transfers in	76,672	131,174	249,173	10,960	284,237
Transfers out	-	(4,145)	-	(32,500)	(328)
Bond proceeds	-	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-	-
Sale of capital assets	-	25,688	-	-	3,906
Total other financing sources (uses)	76,672	152,717	249,173	(21,540)	287,815
Net change in fund balances	(2,562)	201,643	4	-	(12,563)
Fund balance, beginning of year	200,174	450,483	466	-	12,921
Fund balance, end of year	\$ 197,612	\$ 652,126	\$ 470	\$ -	\$ 358

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Continued

	Special Revenue Funds			
	Family Independence Agency	Child Care	Soldiers' Relief	Veterans' Trust
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	60,362	-	-
State grants	1,637,361	1,539,236	-	57,455
Local grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Rental revenue	-	-	-	-
Donations	-	2,817	-	-
Reimbursements	-	346,940	-	-
Other revenue	-	8,000	-	-
Total revenues	1,637,361	1,957,355	-	57,455
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	1,734,722	4,234,976	19,612	57,850
Community and economic development	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	5,471	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,734,722	4,240,447	19,612	57,850
Revenues over (under) expenditures	(97,361)	(2,283,092)	(19,612)	(395)
Other Financing Sources (Uses)				
Transfers in	97,361	2,284,847	19,612	-
Transfers out	-	-	-	-
Bond proceeds	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	97,361	2,284,847	19,612	-
Net change in fund balances	-	1,755	-	(395)
Fund balance, beginning of year	187	1,446	-	395
Fund balance, end of year	\$ 187	\$ 3,201	\$ -	\$ -

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Concluded

	Debt Service Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Hospital Construction	Juvenile Center Renovation	Building Authority	Parks Building & Site	
Revenues					
Property taxes	\$ 327,312	\$ 178,833	\$ -	\$ -	\$ 6,988,854
Accommodations tax	-	-	-	-	1,421,480
Licenses and permits	-	-	-	-	14,983
Federal grants	-	-	-	91,519	5,399,491
State grants	-	-	-	155,074	9,791,383
Local grants and contributions	-	-	-	167,368	890,637
Charges for services	-	-	-	-	5,055,190
Fines and forfeitures	-	-	-	-	433,212
Investment income	1,467	1,742	66,617	2,662	284,345
Rental revenue	-	-	830,352	-	831,261
Donations	-	-	-	-	461,746
Reimbursements	-	-	-	-	2,466,219
Other revenue	-	-	-	-	171,980
Total revenues	328,779	180,575	896,969	416,623	34,210,781
Expenditures					
Current:					
Judicial	-	-	-	-	3,901,178
General government	-	-	-	-	2,198,248
Public safety	-	-	-	-	12,105,293
Public works	-	-	-	-	256,045
Health and welfare	-	-	-	-	12,395,209
Community and economic development	-	-	-	-	2,562,831
Recreation and culture	-	-	-	-	1,644,117
Capital outlay	-	-	-	583,816	919,232
Debt service:					
Principal	300,000	150,000	1,392,000	-	1,842,000
Interest and fiscal charges	78,545	79,094	349,987	-	507,626
Total expenditures	378,545	229,094	1,741,987	583,816	38,331,779
Revenues over (under) expenditures	(49,766)	(48,519)	(845,018)	(167,193)	(4,120,998)
Other Financing Sources (Uses)					
Transfers in	-	3,990	-	-	8,981,053
Transfers out	-	-	(551,074)	-	(5,090,711)
Bond proceeds	-	-	3,010,000	-	3,010,000
Payments to refunded debt escrow agent	-	-	(3,029,054)	-	(3,029,054)
Sale of capital assets	-	-	-	-	29,594
Total other financing sources (uses)	-	3,990	(570,128)	-	3,900,882
Net change in fund balances	(49,766)	(44,529)	(1,415,146)	(167,193)	(220,116)
Fund balance, beginning of year	49,885	44,529	3,226,583	279,498	13,708,907
Fund balance, end of year	\$ 119	\$ -	\$ 1,811,437	\$ 112,305	\$ 13,488,791

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Law Enforcement			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 1,448,700	\$ 1,448,700	\$ 1,446,913	\$ (1,787)
State grants	34,871	18,909	18,909	-
Investment income	4,288	4,288	4,872	584
Donations	-	-	5	5
Reimbursements	564,076	564,076	567,764	3,688
Other revenue	-	-	1,930	1,930
Total revenues	<u>2,051,935</u>	<u>2,035,973</u>	<u>2,040,393</u>	<u>4,420</u>
Expenditures				
Current:				
Public safety	<u>4,389,763</u>	<u>4,391,586</u>	<u>4,188,855</u>	<u>202,731</u>
Revenues over (under) expenditures	<u>(2,337,828)</u>	<u>(2,355,613)</u>	<u>(2,148,462)</u>	<u>207,151</u>
Other Financing Sources (Uses)				
Transfers in	2,404,818	2,404,818	2,404,818	-
Transfers out	<u>(66,990)</u>	<u>(65,167)</u>	<u>(63,351)</u>	<u>1,816</u>
Total other financing sources (uses)	<u>2,337,828</u>	<u>2,339,651</u>	<u>2,341,467</u>	<u>1,816</u>
Net change in fund balances	-	(15,962)	193,005	208,967
Fund balance, beginning of year	<u>104,207</u>	<u>104,207</u>	<u>104,207</u>	<u>-</u>
Fund balance, end of year	<u>\$ 104,207</u>	<u>\$ 88,245</u>	<u>\$ 297,212</u>	<u>\$ 208,967</u>

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Parks & Recreation			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 689,410	\$ 689,410	\$ 688,253	\$ (1,157)
State grants	16,595	8,999	8,999	-
Charges for services	42,200	42,200	41,251	(949)
Investment income	11,226	11,226	9,590	(1,636)
Donations	19,000	19,000	14,259	(4,741)
Other revenue	15,000	15,000	10,854	(4,146)
Total revenues	<u>793,431</u>	<u>785,835</u>	<u>773,206</u>	<u>(12,629)</u>
Expenditures				
Current:				
Recreation and culture	713,683	713,683	635,794	77,889
Capital outlay	79,748	137,248	61,992	75,256
Total expenditures	<u>793,431</u>	<u>850,931</u>	<u>697,786</u>	<u>153,145</u>
Net change in fund balances	-	(65,096)	75,420	140,516
Fund balance, beginning of year	<u>345,296</u>	<u>345,296</u>	<u>345,296</u>	<u>-</u>
Fund balance, end of year	<u>\$ 345,296</u>	<u>\$ 280,200</u>	<u>\$ 420,716</u>	<u>\$ 140,516</u>

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	G.I.S. System			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ -	\$ -	\$ 17,826	\$ 17,826
Reimbursements	-	6,000	6,000	-
Total revenues	<u>-</u>	<u>6,000</u>	<u>23,826</u>	<u>17,826</u>
Expenditures				
Current:				
General government	108,294	142,794	128,616	14,178
Revenues over (under) expenditures	<u>(108,294)</u>	<u>(136,794)</u>	<u>(104,790)</u>	<u>32,004</u>
Other Financing Sources (Uses)				
Transfers in	108,294	136,794	136,794	-
Net change in fund balances	-	-	32,004	32,004
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,004</u>	<u>\$ 32,004</u>

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Friend of the Court			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 3,024,788	\$ 3,042,338	\$ 2,815,232	\$ (227,106)
State grants	-	25,268	8,872	(16,396)
Charges for services	282,319	284,269	314,862	30,593
Investment income	8,981	8,981	1,358	(7,623)
Reimbursements	68,825	68,825	61,647	(7,178)
Total revenues	<u>3,384,913</u>	<u>3,429,681</u>	<u>3,201,971</u>	<u>(227,710)</u>
Expenditures				
Current:				
Judicial	4,012,288	4,053,056	3,784,609	268,447
Capital outlay	-	4,000	-	4,000
Total expenditures	<u>4,012,288</u>	<u>4,057,056</u>	<u>3,784,609</u>	<u>272,447</u>
Revenues over (under) expenditures	<u>(627,375)</u>	<u>(627,375)</u>	<u>(582,638)</u>	<u>44,737</u>
Other Financing Sources (Uses)				
Transfers in	588,807	588,807	570,387	(18,420)
Transfers out	(18,262)	(18,262)	(18,262)	-
Total other financing sources (uses)	<u>570,545</u>	<u>570,545</u>	<u>552,125</u>	<u>(18,420)</u>
Net change in fund balances	(56,830)	(56,830)	(30,513)	26,317
Fund balance, beginning of year	<u>101,059</u>	<u>101,059</u>	<u>101,059</u>	<u>-</u>
Fund balance, end of year	<u>\$ 44,229</u>	<u>\$ 44,229</u>	<u>\$ 70,546</u>	<u>\$ 26,317</u>

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Solid Waste			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 303,226	\$ 303,226	\$ 347,589	\$ 44,363
Investment income	29,150	29,150	52,822	23,672
Total revenues	332,376	332,376	400,411	68,035
Expenditures				
Current:				
Public works	188,974	188,974	175,601	13,373
Revenues over (under) expenditures	143,402	143,402	224,810	81,408
Other Financing Sources (Uses)				
Transfers out	(143,402)	(143,402)	(143,402)	-
Net change in fund balances	-	-	81,408	81,408
Fund balance, beginning of year	2,720,454	2,720,454	2,720,454	-
Fund balance, end of year	\$ 2,720,454	\$ 2,720,454	\$ 2,801,862	\$ 81,408

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Lodging Excise Tax			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Accommodations tax	\$ 1,555,000	\$ 1,555,000	\$ 1,421,480	\$ (133,520)
Expenditures				
Current:				
Community and economic development	1,365,000	1,365,000	1,421,480	(56,480)
Net change in fund balances	190,000	190,000	-	(190,000)
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ 190,000</u>	<u>\$ 190,000</u>	<u>\$ -</u>	<u>\$ (190,000)</u>

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Castle Museum & Historical Activities			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 852,177	\$ 852,177	\$ 851,663	\$ (514)
State grants	20,512	11,123	11,123	-
Investment income	5,239	5,239	5,187	(52)
Reimbursements	11,449	11,449	18,993	7,544
Total revenues	889,377	879,988	886,966	6,978
Expenditures				
Current:				
Recreation and culture	889,377	889,377	873,434	15,943
Net change in fund balances	-	(9,389)	13,532	22,921
Fund balance, beginning of year	200,273	200,273	200,273	-
Fund balance, end of year	\$ 200,273	\$ 190,884	\$ 213,805	\$ 22,921

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Commission on Aging			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 1,367,319	\$ 1,367,319	\$ 1,365,655	\$ (1,664)
Federal grants	1,218,723	1,253,318	995,775	(257,543)
State grants	293,304	363,227	624,658	261,431
Charges for services	272,340	272,340	181,072	(91,268)
Investment income	28,441	28,441	17,042	(11,399)
Donations	260,742	275,105	298,875	23,770
Reimbursements	45,183	47,019	25,643	(21,376)
Other revenue	103,202	107,471	78,831	(28,640)
Total revenues	<u>3,589,254</u>	<u>3,714,240</u>	<u>3,587,551</u>	<u>(126,689)</u>
Expenditures				
Current:				
Health and welfare	3,600,393	3,671,956	3,551,677	120,279
Capital outlay	-	112,415	70,415	42,000
Total expenditures	<u>3,600,393</u>	<u>3,784,371</u>	<u>3,622,092</u>	<u>162,279</u>
Net change in fund balances	(11,139)	(70,131)	(34,541)	35,590
Fund balance, beginning of year	<u>1,021,838</u>	<u>1,021,838</u>	<u>1,021,838</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,010,699</u>	<u>\$ 951,707</u>	<u>\$ 987,297</u>	<u>\$ 35,590</u>

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Mosquito Control			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 2,130,442	\$ 2,130,442	\$ 2,130,225	\$ (217)
State grants	51,281	27,807	27,807	-
Charges for services	15,000	15,000	10,154	(4,846)
Investment income	19,459	19,459	18,051	(1,408)
Rental revenue	900	900	909	9
Reimbursements	193,750	193,750	197,916	4,166
Total revenues	<u>2,410,832</u>	<u>2,387,358</u>	<u>2,385,062</u>	<u>(2,296)</u>
Expenditures				
Current:				
Health and welfare	2,449,823	2,597,823	2,430,754	167,069
Capital outlay	93,000	112,000	95,403	16,597
Total expenditures	<u>2,542,823</u>	<u>2,709,823</u>	<u>2,526,157</u>	<u>183,666</u>
Net change in fund balances	(131,991)	(322,465)	(141,095)	181,370
 Fund balance, beginning of year	 <u>624,495</u>	 <u>624,495</u>	 <u>624,495</u>	 <u>-</u>
 Fund balance, end of year	 <u>\$ 492,504</u>	 <u>\$ 302,030</u>	 <u>\$ 483,400</u>	 <u>\$ 181,370</u>

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Planning Commission			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 562,135	\$ 568,135	\$ 512,645	\$ (55,490)
Local grants and contributions	20,000	20,000	-	(20,000)
Charges for services	5,133	5,133	6,023	890
Investment income	1,310	1,310	1,606	296
Reimbursements	7,284	7,284	6,384	(900)
Other revenue	10,190	10,190	48,666	38,476
Total revenues	606,052	612,052	575,324	(36,728)
Expenditures				
Current:				
Community and economic development	780,853	830,353	716,347	114,006
Capital outlay	-	6,500	6,251	249
Total expenditures	780,853	836,853	722,598	114,255
Revenues over (under) expenditures	(174,801)	(224,801)	(147,274)	77,527
Other Financing Sources (Uses)				
Transfers in	174,801	174,801	174,801	-
Transfers out	-	(6,000)	(6,000)	-
Total other financing sources (uses)	174,801	168,801	168,801	-
Net change in fund balances	-	(56,000)	21,527	77,527
Fund balance, beginning of year	57,661	57,661	57,661	-
Fund balance, end of year	\$ 57,661	\$ 1,661	\$ 79,188	\$ 77,527

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Public Improvement			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Investment income	\$ -	\$ -	\$ 11,557	\$ 11,557
Reimbursements	-	-	10,079	10,079
Total revenues	-	-	21,636	21,636
Expenditures				
Current:				
General government	87,000	614,226	62,244	551,982
Public safety	44,000	82,000	86,858	(4,858)
Total expenditures	131,000	696,226	149,102	547,124
Revenues over (under) expenditures	(131,000)	(696,226)	(127,466)	568,760
Other Financing Sources (Uses)				
Transfers in	101,945	667,171	764,405	97,234
Transfers out	(3,000)	(3,000)	-	3,000
Total other financing sources (uses)	98,945	664,171	764,405	100,234
Net change in fund balances	(32,055)	(32,055)	636,939	668,994
Fund balance, beginning of year	372,989	372,989	372,989	-
Fund balance, end of year	<u>\$ 340,934</u>	<u>\$ 340,934</u>	<u>\$ 1,009,928</u>	<u>\$ 668,994</u>

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Courthouse Preservation Technology			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 180,752	\$ 180,752	\$ 211,931	\$ 31,179
Investment income	748	748	1,402	654
Total revenues	181,500	181,500	213,333	31,833
Expenditures				
Current:				
Judicial	7,500	7,500	-	7,500
Revenues over (under) expenditures	174,000	174,000	213,333	39,333
Other Financing Sources (Uses)				
Transfers out	(174,000)	(174,000)	(150,000)	24,000
Net change in fund balances	-	-	63,333	63,333
Fund balance, beginning of year	32,253	32,253	32,253	-
Fund balance, end of year	\$ 32,253	\$ 32,253	\$ 95,586	\$ 63,333

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Animal Control			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Licenses and permits	\$ 16,000	\$ 16,000	\$ 14,983	\$ (1,017)
Charges for services	60,235	60,235	49,860	(10,375)
Total revenues	76,235	76,235	64,843	(11,392)
Expenditures				
Current:				
Public safety	742,868	763,326	771,935	(8,609)
Revenues over (under) expenditures	(666,633)	(687,091)	(707,092)	(20,001)
Other Financing Sources (Uses)				
Transfers in	666,633	687,091	687,091	-
Net change in fund balances	-	-	(20,001)	(20,001)
Fund balance, beginning of year	20,001	20,001	20,001	-
Fund balance, end of year	\$ 20,001	\$ 20,001	\$ -	\$ (20,001)

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Small Cities Reuse			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 192,500	\$ 192,500	\$ 174,714	\$ (17,786)
State grants	-	-	-	-
Local grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	2,787	2,787
Investment income	50,995	50,995	41,250	(9,745)
Rental revenue	-	-	-	-
Donations	53,167	53,167	54,018	851
Reimbursements	400,636	400,636	443,028	42,392
Total revenues	697,298	697,298	715,797	18,499
Expenditures				
Current:				
Community and economic development	763,103	763,103	425,004	338,099
Net change in fund balances	(65,805)	(65,805)	290,793	356,598
Fund balance, beginning of year	1,855,212	1,855,212	1,855,212	-
Fund balance, end of year	<u>\$ 1,789,407</u>	<u>\$ 1,789,407</u>	<u>\$ 2,146,005</u>	<u>\$ 356,598</u>

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	State Revenue Sharing			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State grants	\$ 3,777,224	\$ 3,777,224	\$ 3,633,707	\$ (143,517)
Investment income	-	-	355	355
Total revenues	<u>3,777,224</u>	<u>3,777,224</u>	<u>3,634,062</u>	<u>(143,162)</u>
Other Financing Sources (Uses)				
Transfers in	161,557	161,557	232,708	71,151
Transfers out	<u>(3,938,781)</u>	<u>(3,938,781)</u>	<u>(3,866,770)</u>	<u>72,011</u>
Total other financing sources (uses)	<u>(3,777,224)</u>	<u>(3,777,224)</u>	<u>(3,634,062)</u>	<u>143,162</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Register of Deeds Automation			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ -	\$ 175,000	\$ 172,805	\$ (2,195)
Investment income	-	-	709	709
Total revenues	-	175,000	173,514	(1,486)
Expenditures				
Current:				
General government	-	74,786	60,665	14,121
Capital outlay	-	100,214	54,520	45,694
Total expenditures	-	175,000	115,185	59,815
Net change in fund balances	-	-	58,329	58,329
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 58,329	\$ 58,329

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	E-911 Telephone Surcharge			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State grants	\$ 160,000	\$ 175,000	\$ 249,252	\$ 74,252
Charges for services	3,271,925	3,468,146	3,365,913	(102,233)
Investment income	24,868	24,868	7,926	(16,942)
Total revenues	<u>3,456,793</u>	<u>3,668,014</u>	<u>3,623,091</u>	<u>(44,923)</u>
Expenditures				
Current:				
Public safety	<u>3,722,113</u>	<u>3,933,334</u>	<u>3,770,542</u>	<u>162,792</u>
Net change in fund balances	(265,320)	(265,320)	(147,451)	117,869
Fund balance, beginning of year	<u>749,257</u>	<u>749,257</u>	<u>749,257</u>	<u>-</u>
Fund balance, end of year	<u>\$ 483,937</u>	<u>\$ 483,937</u>	<u>\$ 601,806</u>	<u>\$ 117,869</u>

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Wireless Communication			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ -	\$ 263,857	\$ 189,107	\$ (74,750)
Investment income	-	-	2,628	2,628
Total revenues	-	263,857	191,735	(72,122)
Expenditures				
Current:				
Public safety	-	324,446	238,107	86,339
Capital outlay	-	-	14,036	(14,036)
Total expenditures	-	324,446	252,143	72,303
Revenues over (under) expenditures	-	(60,589)	(60,408)	181
Other Financing Sources (Uses)				
Transfers in	-	-	42,375	42,375
Transfers out	-	(210,522)	(253,079)	(42,557)
Total other financing sources (uses)	-	(210,522)	(210,704)	(182)
Net change in fund balances	-	(271,111)	(271,112)	(1)
Fund balance, beginning of year	271,112	271,112	271,112	-
Fund balance, end of year	<u>\$ 271,112</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Mobile Data Maintenance & Repair			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 300,582	\$ 300,582	\$ 300,592	\$ 10
Investment income	-	-	22,964	22,964
Total revenues	300,582	300,582	323,556	22,974
Expenditures				
Current:				
Public safety	486,047	696,569	322,524	374,045
Revenues over (under) expenditures	(185,465)	(395,987)	1,032	397,019
Other Financing Sources (Uses)				
Transfers in	185,465	395,987	438,544	42,557
Net change in fund balances	-	-	439,576	439,576
Fund balance, beginning of year	956,696	956,696	956,696	-
Fund balance, end of year	\$ 956,696	\$ 956,696	\$ 1,396,272	\$ 439,576

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	<u>Law Library</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues				
Fines and forfeitures	\$ 6,500	\$ 6,500	\$ 6,500	\$ -
Expenditures				
Current:				
Judicial	<u>84,717</u>	<u>84,717</u>	<u>65,290</u>	<u>19,427</u>
Revenues over (under) expenditures	(78,217)	(78,217)	(58,790)	19,427
Other Financing Sources (Uses)				
Transfers in	<u>78,217</u>	<u>78,217</u>	<u>58,790</u>	<u>(19,427)</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	<u>County Library Board</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues				
Fines and forfeitures	\$ 130,000	\$ 130,000	\$ 134,889	\$ 4,889
Expenditures				
Current:				
Recreation and culture	130,000	130,000	134,889	(4,889)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Michigan Works! Service Centers			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Reimbursements	\$ -	\$ -	\$ 25,794	\$ 25,794
Expenditures				
Current:				
Health and welfare	268,559	268,559	328,824	(60,265)
Revenues over (under) expenditures	(268,559)	(268,559)	(303,030)	(34,471)
Other Financing Sources (Uses)				
Transfers in	268,559	268,559	312,314	43,755
Transfers out	-	-	(1,800)	(1,800)
Total other financing sources (uses)	268,559	268,559	310,514	41,955
Net change in fund balances	-	-	7,484	7,484
Fund balance, beginning of year	1,908	1,908	1,908	-
Fund balance, end of year	\$ 1,908	\$ 1,908	\$ 9,392	\$ 7,484

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Remonumentation			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State grants	\$ 72,000	\$ 83,179	\$ 76,427	\$ (6,752)
Expenditures				
Current:				
General government	72,000	83,179	76,428	6,751
Revenues over (under) expenditures	-	-	(1)	(1)
Fund balance, beginning of year	7,629	7,629	7,629	-
Fund balance, end of year	<u>\$ 7,629</u>	<u>\$ 7,629</u>	<u>\$ 7,628</u>	<u>\$ (1)</u>

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Special Projects			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 30,000	\$ 330,000	\$ 179,293	\$ (150,707)
State grants	25,000	26,000	53,642	27,642
Local grants and contributions	10,000	10,000	10,000	-
Charges for services	-	2,300	1,153	(1,147)
Fines and forfeitures	6,250	6,250	7,887	1,637
Reimbursements	89,007	89,007	80,443	(8,564)
Total revenues	160,257	463,557	332,418	(131,139)
Expenditures				
Current:				
Judicial	25,000	50,731	51,279	(548)
General government	-	2,300	190	2,110
Public safety	117,925	408,925	242,945	165,980
Public works	89,007	89,007	80,444	8,563
Health and welfare	15,000	36,795	36,794	1
Total expenditures	246,932	587,758	411,652	176,106
Revenues over (under) expenditures	(86,675)	(124,201)	(79,234)	44,967
Other Financing Sources (Uses)				
Transfers in	86,675	86,675	76,672	(10,003)
Net change in fund balances	-	(37,526)	(2,562)	34,964
Fund balance, beginning of year	200,174	200,174	200,174	-
Fund balance, end of year	<u>\$ 200,174</u>	<u>\$ 162,648</u>	<u>\$ 197,612</u>	<u>\$ 34,964</u>

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Sheriff Special Projects			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 293,747	\$ 341,825	\$ 110,487	\$ (231,338)
State grants	458,082	394,377	344,097	(50,280)
Local grants and contributions	69,538	69,538	26,407	(43,131)
Charges for services	32,556	32,556	34,159	1,603
Fines and forfeitures	91,603	91,603	250,174	158,571
Investment income	-	250	12,030	11,780
Donations	25,368	139,868	91,368	(48,500)
Reimbursements	630,644	632,944	645,537	12,593
Other revenue	18,506	18,184	23,174	4,990
Total revenues	1,620,044	1,721,145	1,537,433	(183,712)
Expenditures				
Current:				
Public safety	1,789,237	1,922,241	1,461,179	461,062
Capital outlay	20,000	52,080	27,328	24,752
Total expenditures	1,809,237	1,974,321	1,488,507	485,814
Revenues over (under) expenditures	(189,193)	(253,176)	48,926	302,102
Other Financing Sources (Uses)				
Transfers in	134,557	134,234	131,174	(3,060)
Transfers out	(1,013)	(2,513)	(4,145)	(1,632)
Sale of capital assets	-	-	25,688	25,688
Total other financing sources (uses)	133,544	131,721	152,717	20,996
Net change in fund balances	(55,649)	(121,455)	201,643	323,098
Fund balance, beginning of year	450,483	450,483	450,483	-
Fund balance, end of year	<u>\$ 394,834</u>	<u>\$ 329,028</u>	<u>\$ 652,126</u>	<u>\$ 323,098</u>

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Prosecutor Special Projects			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 96,631	\$ 96,631	\$ 98,066	\$ 1,435
State grants	174,301	189,201	186,105	(3,096)
Fines and forfeitures	20,000	20,000	30,975	10,975
Donations	908	908	404	(504)
Reimbursements	20,000	20,000	30,051	10,051
Total revenues	311,840	326,740	345,601	18,861
Expenditures				
Current:				
General government	623,238	638,138	594,770	43,368
Revenues over (under) expenditures	(311,398)	(311,398)	(249,169)	62,229
Other Financing Sources (Uses)				
Transfers in	311,398	311,398	249,173	(62,225)
Net change in fund balances	-	-	4	4
Fund balance, beginning of year	466	466	466	-
Fund balance, end of year	\$ 466	\$ 466	\$ 470	\$ 4

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Community Corrections			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 97,994	\$ 97,994	\$ -	\$ (97,994)
State grants	1,054,821	1,054,821	1,043,888	(10,933)
Other revenue	140,161	140,161	-	(140,161)
Total revenues	1,292,976	1,292,976	1,043,888	(249,088)
Expenditures				
Current:				
Public safety	1,274,705	1,274,705	1,022,348	252,357
Revenues over (under) expenditures	18,271	18,271	21,540	3,269
Other Financing Sources (Uses)				
Transfers in	30,979	30,979	10,960	(20,019)
Transfers out	(49,250)	(49,250)	(32,500)	16,750
Total other financing sources (uses)	(18,271)	(18,271)	(21,540)	(3,269)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	MSU Extension			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 180,650	\$ 180,650	\$ 172,291	\$ (8,359)
State grants	120,000	124,093	114,771	(9,322)
Local grants and contributions	1,111,750	1,111,750	686,862	(424,888)
Investment income	-	-	508	508
Other revenue	-	-	525	525
Total revenues	<u>1,412,400</u>	<u>1,416,493</u>	<u>974,957</u>	<u>(441,536)</u>
Expenditures				
Current:				
General government	1,691,849	1,704,395	1,275,335	429,060
Capital outlay	<u>3,500</u>	<u>2,064</u>	<u>-</u>	<u>2,064</u>
Total expenditures	<u>1,695,349</u>	<u>1,706,459</u>	<u>1,275,335</u>	<u>431,124</u>
Revenues over (under) expenditures	<u>(282,949)</u>	<u>(289,966)</u>	<u>(300,378)</u>	<u>(10,412)</u>
Other Financing Sources (Uses)				
Transfers in	282,949	282,949	284,237	1,288
Transfers out	-	(328)	(328)	-
Sale of capital assets	<u>-</u>	<u>3,906</u>	<u>3,906</u>	<u>-</u>
Total other financing sources (uses)	<u>282,949</u>	<u>286,527</u>	<u>287,815</u>	<u>1,288</u>
Net change in fund balances	-	(3,439)	(12,563)	(9,124)
Fund balance, beginning of year	<u>12,921</u>	<u>12,921</u>	<u>12,921</u>	<u>-</u>
Fund balance, end of year	<u>\$ 12,921</u>	<u>\$ 9,482</u>	<u>\$ 358</u>	<u>\$ (9,124)</u>

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Family Independence Agency			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State grants	\$ 1,544,762	\$ 1,544,762	\$ 1,637,361	\$ 92,599
Expenditures				
Current:				
Health and welfare	1,644,262	1,644,262	1,734,722	(90,460)
Revenues over (under) expenditures	(99,500)	(99,500)	(97,361)	2,139
Other Financing Sources (Uses)				
Transfers in	99,500	99,500	97,361	(2,139)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	187	187	187	-
Fund balance, end of year	\$ 187	\$ 187	\$ 187	\$ -

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Child Care			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Federal grants	\$ 64,686	\$ 64,686	\$ 60,362	\$ (4,324)
State grants	1,744,238	1,780,499	1,539,236	(241,263)
Donations	4,200	4,200	2,817	(1,383)
Reimbursements	430,200	430,200	346,940	(83,260)
Other revenue	2,500	2,500	8,000	5,500
Total revenues	<u>2,245,824</u>	<u>2,282,085</u>	<u>1,957,355</u>	<u>(324,730)</u>
Expenditures				
Current:				
Health and welfare	4,647,890	4,715,268	4,234,976	480,292
Capital outlay	-	5,500	5,471	29
Total expenditures	<u>4,647,890</u>	<u>4,720,768</u>	<u>4,240,447</u>	<u>480,321</u>
Revenues over (under) expenditures	(2,402,066)	(2,438,683)	(2,283,092)	155,591
Other Financing Sources (Uses)				
Transfers in	<u>2,400,566</u>	<u>2,437,183</u>	<u>2,284,847</u>	<u>(152,336)</u>
Net change in fund balances	(1,500)	(1,500)	1,755	3,255
Fund balance, beginning of year	<u>1,446</u>	<u>1,446</u>	<u>1,446</u>	<u>-</u>
Fund balance, end of year	<u>\$ (54)</u>	<u>\$ (54)</u>	<u>\$ 3,201</u>	<u>\$ 3,255</u>

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Soldiers' Relief			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Expenditures				
Current:				
Health and welfare	\$ 19,860	\$ 19,860	\$ 19,612	\$ 248
Other Financing Sources (Uses)				
Transfers in	19,860	19,860	19,612	(248)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Veterans' Trust			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
State grants	\$ 82,239	\$ 82,239	\$ 57,455	\$ (24,784)
Expenditures				
Current:				
Health and welfare	82,239	82,239	57,850	24,389
Net change in fund balances	-	-	(395)	(395)
Fund balance, beginning of year	395	395	395	-
Fund balance, end of year	<u>\$ 395</u>	<u>\$ 395</u>	<u>\$ -</u>	<u>\$ (395)</u>

NONMAJOR ENTERPRISE FUNDS

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

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

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

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF NET ASSETS - NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2003

	<u>Parking System</u>	<u>Building Authority Administration</u>	<u>Inmate Services</u>	<u>Total</u>
Assets				
Current assets:				
Cash and investment pool	\$ 16,320	\$ 474,951	\$ 186,225	\$ 677,496
Receivables (net):				
Accounts	979	-	36,621	37,600
Accrued interest	-	1,773	-	1,773
Total current assets	<u>17,299</u>	<u>476,724</u>	<u>222,846</u>	<u>716,869</u>
Noncurrent assets - capital assets:				
Land	41,273	-	-	41,273
Land improvements	33,933	-	-	33,933
Machinery and equipment	73,055	53,240	6,892	133,187
Vehicles	-	-	54,428	54,428
Accumulated depreciation	(98,904)	(2,684)	(33,234)	(134,822)
Total noncurrent assets - capital assets	<u>49,357</u>	<u>50,556</u>	<u>28,086</u>	<u>127,999</u>
Total assets	<u>66,656</u>	<u>527,280</u>	<u>250,932</u>	<u>844,868</u>
Liabilities				
Current liabilities:				
Accounts payable	6,470	120	22,649	29,239
Accrued liabilities	1,593	90	-	1,683
Deposits payable	-	-	15,852	15,852
Due to other funds	9,236	-	167,431	176,667
Total current liabilities	<u>17,299</u>	<u>210</u>	<u>205,932</u>	<u>223,441</u>
Noncurrent liabilities:				
Accrued liabilities	2,174	-	-	2,174
Advances from other funds	-	-	20,000	20,000
Total noncurrent liabilities	<u>2,174</u>	<u>-</u>	<u>20,000</u>	<u>22,174</u>
Total liabilities	<u>19,473</u>	<u>210</u>	<u>225,932</u>	<u>245,615</u>
Net Assets				
Invested in capital assets, net of related debt	49,357	50,556	28,086	127,999
Unrestricted (deficit)	(2,174)	476,514	(3,086)	471,254
Total Net Assets	<u>\$ 47,183</u>	<u>\$ 527,070</u>	<u>\$ 25,000</u>	<u>\$ 599,253</u>

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS - NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Parking System	Building Authority Administration	Inmate Services	Total
Operating Revenues				
Charges for services	\$ 60,133	\$ 27,700	\$ 829,391	\$ 917,224
Fines and forfeitures	15,797	-	-	15,797
Other revenue	-	-	52,398	52,398
Total operating revenues	<u>75,930</u>	<u>27,700</u>	<u>881,789</u>	<u>985,419</u>
Operating Expenses				
Personal services	29,868	1,254	-	31,122
Fringe benefits	9,255	-	-	9,255
Supplies	1,140	-	390,252	391,392
Services and charges	26,862	53,783	22,298	102,943
Depreciation	8,672	2,684	16,618	27,974
Total operating expenses	<u>75,797</u>	<u>57,721</u>	<u>429,168</u>	<u>562,686</u>
Operating income (loss)	133	(30,021)	452,621	422,733
Nonoperating Revenues (Expenses)				
Investment income	-	6,913	220	7,133
Income (loss) before transfers	<u>133</u>	<u>(23,108)</u>	<u>452,841</u>	<u>429,866</u>
Transfers				
Transfers in	-	318,736	-	318,736
Transfers out	(8,913)	-	(459,446)	(468,359)
Net transfers	<u>(8,913)</u>	<u>318,736</u>	<u>(459,446)</u>	<u>(149,623)</u>
Change in net assets	(8,780)	295,628	(6,605)	280,243
Net assets, beginning of year, as restated	<u>55,963</u>	<u>231,442</u>	<u>31,605</u>	<u>319,010</u>
Net assets, end of year	<u>\$ 47,183</u>	<u>\$ 527,070</u>	<u>\$ 25,000</u>	<u>\$ 599,253</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Continued

	Parking System	Building Authority Administration	Inmate Services	Total
Cash flows from operating activities:				
Receipts from customers	\$ 60,023	\$ 29,959	\$ 820,457	\$ 910,439
Interfund reimbursements	7,454	-	(2,994)	4,460
Payments to employees	(38,837)	(1,351)	-	(40,188)
Payments to suppliers	(21,607)	(53,783)	(413,542)	(488,932)
Other operating revenue	15,797	-	52,398	68,195
Net cash provided by (used in) operating activities	22,830	(25,175)	456,319	453,974
Cash flows from noncapital financing activities:				
Transfers in	-	318,736	-	318,736
Transfers out	(8,913)	-	(459,446)	(468,359)
Net cash provided by (used in) noncapital financing activities	(8,913)	318,736	(459,446)	(149,623)
Cash flows from capital and related financing activities:				
Payments for capital asset acquisition	-	(53,240)	-	(53,240)
Cash flows from investing activities:				
Investment income	-	6,913	220	7,133
Net increase (decrease) in cash and cash equivalents	13,917	247,234	(2,907)	258,244
Cash and cash equivalents, beginning of year	2,403	227,717	189,132	419,252
Cash and cash equivalents, end of year	<u>\$ 16,320</u>	<u>\$ 474,951</u>	<u>\$ 186,225</u>	<u>\$ 677,496</u>

**COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Concluded

	<u>Parking System</u>	<u>Building Authority Administration</u>	<u>Inmate Services</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 133	\$ (30,021)	\$ 452,621	\$ 422,733
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	8,672	2,684	16,618	27,974
Changes in assets and liabilities:				
Accounts receivable	(110)	2,259	(8,934)	(6,785)
Accounts payable	6,395	-	(992)	5,403
Accrued liabilities	286	(97)	-	189
Due to other funds	7,454	-	(2,994)	4,460
Net cash provided by (used in) operating activities	<u>\$ 22,830</u>	<u>\$ (25,175)</u>	<u>\$ 456,319</u>	<u>\$ 453,974</u>

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

Architectural Services Fund - This fund is used to account for the professional services provided by the County Architect to various departments and building projects throughout the County. Money for the operation of this fund is supplied from reimbursements from user departments and contributions from other County funds. It is subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

INTERNAL SERVICE FUNDS (Concluded)

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.

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

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

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2003

Continued

	MERS Retirement	ICMA Retirement	Information Systems & Services	Equipment Revolving	Mailing Department	Motor Pool
Assets						
Current assets:						
Cash and investment pool	\$ 21,334	\$ 100,034	\$ 279,426	\$ 279,438	\$ 20,420	\$ 395,783
Receivables (net):						
Accounts	273,771	76,570	3,563	-	37	-
Accrued interest	366	697	-	1,257	-	-
Due from other funds	-	-	33,401	-	500	-
Prepaid items	-	-	-	-	30,000	-
Total current assets	<u>295,471</u>	<u>177,301</u>	<u>316,390</u>	<u>280,695</u>	<u>50,957</u>	<u>395,783</u>
Noncurrent assets - capital assets:						
Land	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-
Buildings and improvements	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-
Machinery and equipment	-	-	1,613,351	223,673	-	-
Office furniture and fixtures	-	-	84,750	-	-	-
Vehicles	-	-	-	-	-	1,561,307
Accumulated depreciation	-	-	(915,567)	(47,308)	-	(1,264,846)
Total noncurrent assets - capital assets	<u>-</u>	<u>-</u>	<u>782,534</u>	<u>176,365</u>	<u>-</u>	<u>296,461</u>
Total assets	<u>295,471</u>	<u>177,301</u>	<u>1,098,924</u>	<u>457,060</u>	<u>50,957</u>	<u>692,244</u>
Liabilities						
Current liabilities:						
Accounts payable	288,380	76,570	18,131	434	15,957	-
Accrued liabilities	-	7,065	45,909	440	-	-
Due to other funds	-	-	42,375	-	-	114,440
Total current liabilities	<u>288,380</u>	<u>83,635</u>	<u>106,415</u>	<u>874</u>	<u>15,957</u>	<u>114,440</u>
Noncurrent liabilities:						
Accrued liabilities	-	11,732	55,630	288	-	-
Advances from other funds	-	-	-	-	35,000	-
Total noncurrent liabilities	<u>-</u>	<u>11,732</u>	<u>55,630</u>	<u>288</u>	<u>35,000</u>	<u>-</u>
Total liabilities	<u>288,380</u>	<u>95,367</u>	<u>162,045</u>	<u>1,162</u>	<u>50,957</u>	<u>114,440</u>
Net Assets						
Invested in capital assets, net of related debt	-	-	782,534	176,365	-	296,461
Unrestricted	7,091	81,934	154,345	279,533	-	281,343
Total Net Assets	<u>\$ 7,091</u>	<u>\$ 81,934</u>	<u>\$ 936,879</u>	<u>\$ 455,898</u>	<u>\$ -</u>	<u>\$ 577,804</u>

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2003

Concluded

	Architectural Services	Risk Management	Investment Pool	Health Center Building	Employee Benefits	Total
Assets						
Current assets:						
Cash and investment pool	\$ -	\$ 1,472,857	\$ 10,314	\$ 238,886	\$ 1,996,387	\$ 4,814,879
Receivables (net):						
Accounts	-	-	-	1,686	286,835	642,462
Accrued interest	-	7,346	-	583	8,570	18,819
Due from other funds	-	18,493	-	-	-	52,394
Prepaid items	-	1,626	-	-	-	31,626
Total current assets	-	1,500,322	10,314	241,155	2,291,792	5,560,180
Noncurrent assets - capital assets:						
Land	-	-	-	233,000	-	233,000
Land improvements	-	-	-	25,387	-	25,387
Buildings and improvements	-	-	-	927,000	-	927,000
Leasehold improvements	-	-	-	23,628	-	23,628
Machinery and equipment	-	6,598	-	-	-	1,843,622
Office furniture and fixtures	-	-	-	-	-	84,750
Vehicles	-	-	-	-	-	1,561,307
Accumulated depreciation	-	(6,598)	-	(952,362)	-	(3,186,681)
Total noncurrent assets - capital assets	-	-	-	256,653	-	1,512,013
Total assets	-	1,500,322	10,314	497,808	2,291,792	7,072,193
Liabilities						
Current liabilities:						
Accounts payable	-	1,451	2,372	6,069	57,183	466,547
Accrued liabilities	-	2,418	1,541	7,001	3,942	68,316
Due to other funds	-	-	6,033	-	13,000	175,848
Total current liabilities	-	3,869	9,946	13,070	74,125	710,711
Noncurrent liabilities:						
Accrued liabilities	-	664,784	368	4,637	678,879	1,416,318
Advances from other funds	-	-	-	-	-	35,000
Total noncurrent liabilities	-	664,784	368	4,637	678,879	1,451,318
Total liabilities	-	668,653	10,314	17,707	753,004	2,162,029
Net Assets						
Invested in capital assets, net of related debt	-	-	-	256,653	-	1,512,013
Unrestricted	-	831,669	-	223,448	1,538,788	3,398,151
Total Net Assets	\$ -	\$ 831,669	\$ -	\$ 480,101	\$ 1,538,788	\$ 4,910,164

**COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Continued

	MERS Retirement	ICMA Retirement	Information Systems & Services	Equipment Revolving	Mailing Department	Motor Pool
Operating Revenues						
Charges for services	\$ -	\$ -	\$ 99,718	\$ 65,428	\$ 296,006	\$ -
Rental revenue	-	-	-	56,414	-	395,581
Reimbursements	2,310,836	1,806,668	1,530,508	-	-	3,409
Other revenue	-	109,449	956	-	-	-
Total operating revenues	<u>2,310,836</u>	<u>1,916,117</u>	<u>1,631,182</u>	<u>121,842</u>	<u>296,006</u>	<u>398,990</u>
Operating Expenses						
Personal services	-	157,117	842,761	7,923	-	-
Fringe benefits	2,310,206	1,806,668	351,929	3,455	-	-
Supplies	-	-	33,559	-	279,875	231
Services and charges	279	21,662	274,706	59,767	16,131	69,313
Depreciation	-	-	253,711	24,162	-	316,862
Total operating expenses	<u>2,310,485</u>	<u>1,985,447</u>	<u>1,756,666</u>	<u>95,307</u>	<u>296,006</u>	<u>386,406</u>
Operating income (loss)	<u>351</u>	<u>(69,330)</u>	<u>(125,484)</u>	<u>26,535</u>	<u>-</u>	<u>12,584</u>
Nonoperating Revenues (Expenses)						
Federal grants	-	-	-	31,575	-	-
Investment income	6,740	3,180	-	6,101	-	-
Gain (loss) on sale of capital assets	-	-	-	(9,730)	-	40,900
Total nonoperating revenues (expenses)	<u>6,740</u>	<u>3,180</u>	<u>-</u>	<u>27,946</u>	<u>-</u>	<u>40,900</u>
Income (loss) before transfers	<u>7,091</u>	<u>(66,150)</u>	<u>(125,484)</u>	<u>54,481</u>	<u>-</u>	<u>53,484</u>
Transfers						
Transfers in	-	-	33,401	-	-	-
Transfers out	-	-	(42,375)	-	-	(112,920)
Net transfers	<u>-</u>	<u>-</u>	<u>(8,974)</u>	<u>-</u>	<u>-</u>	<u>(112,920)</u>
Change in net assets	<u>7,091</u>	<u>(66,150)</u>	<u>(134,458)</u>	<u>54,481</u>	<u>-</u>	<u>(59,436)</u>
Net assets, beginning of year, as restated	<u>-</u>	<u>148,084</u>	<u>1,071,337</u>	<u>401,417</u>	<u>-</u>	<u>637,240</u>
Net assets, end of year	<u>\$ 7,091</u>	<u>\$ 81,934</u>	<u>\$ 936,879</u>	<u>\$ 455,898</u>	<u>\$ -</u>	<u>\$ 577,804</u>

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

Concluded

	Architectural Services	Risk Management	Investment Pool	Health Center Building	Employee Benefits	Total
Operating Revenues						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 461,152
Rental revenue	-	-	-	385,301	-	837,296
Reimbursements	1,843	1,083,614	83,892	41	6,685,379	13,506,190
Other revenue	-	-	-	-	63,748	174,153
Total operating revenues	1,843	1,083,614	83,892	385,342	6,749,127	14,978,791
Operating Expenses						
Personal services	11,505	40,829	26,397	121,486	76,851	1,284,869
Fringe benefits	5,754	17,004	10,856	64,850	6,059,664	10,630,386
Supplies	17	101	-	6,809	188	320,780
Services and charges	316	898,366	40,606	210,057	232,499	1,823,702
Depreciation	-	-	-	1,827	-	596,562
Total operating expenses	17,592	956,300	77,859	405,029	6,369,202	14,656,299
Operating income (loss)	(15,749)	127,314	6,033	(19,687)	379,925	322,492
Nonoperating Revenues (Expenses)						
Federal grants	-	-	-	-	-	31,575
Investment income	-	38,598	-	3,070	37,101	94,790
Gain (loss) on sale of capital assets	-	-	-	-	-	31,170
Total nonoperating revenues (expenses)	-	38,598	-	3,070	37,101	157,535
Income (loss) before transfers	(15,749)	165,912	6,033	(16,617)	417,026	480,027
Transfers						
Transfers in	15,749	-	-	-	-	49,150
Transfers out	-	(50,000)	(6,033)	-	-	(211,328)
Net transfers	15,749	(50,000)	(6,033)	-	-	(162,178)
Change in net assets	-	115,912	-	(16,617)	417,026	317,849
Net assets, beginning of year, as restated	-	715,757	-	496,718	1,121,762	4,592,315
Net assets, end of year	\$ -	\$ 831,669	\$ -	\$ 480,101	\$ 1,538,788	\$ 4,910,164

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Continued

	MERS Retirement	ICMA Retirement	Information Systems & Services	Equipment Revolving	Mailing Department	Motor Pool
Cash flows from operating activities:						
Receipts from interfund services provided	\$ 2,287,476	\$ 1,715,493	\$ 1,652,259	\$ 126,154	\$ 295,686	\$ 380,564
Payments to employees	-	-	(1,203,823)	(11,032)	-	-
Payments to suppliers	(2,273,287)	(1,965,851)	(327,406)	(96,386)	(308,602)	(69,544)
Other operating revenue	-	109,449	956	-	-	-
Net cash provided by (used in) operating activities	14,189	(140,909)	121,986	18,736	(12,916)	311,020
Cash flows from noncapital financing activities:						
Transfers in	-	-	33,401	-	-	-
Transfers out	-	-	(42,375)	-	-	(112,920)
Net cash provided by (used in) noncapital financing activities	-	-	(8,974)	-	-	(112,920)
Cash flows from capital and related financing activities:						
Grant proceeds	-	-	-	31,575	-	-
Proceeds from sale of capital assets	-	-	-	-	-	40,900
Payments for capital asset acquisition	-	-	(14,915)	(119,125)	-	(220,833)
Net cash provided by (used in) capital and related financing activities	-	-	(14,915)	(87,550)	-	(179,933)
Cash flows from investing activities:						
Investment income	6,740	3,180	-	6,101	-	-
Net cash provided by (used in) investing activities	6,740	3,180	-	6,101	-	-
Net increase (decrease) in cash and cash equivalents	20,929	(137,729)	98,097	(62,713)	(12,916)	18,167
Cash and cash equivalents, beginning of year	405	237,763	181,329	342,151	33,336	377,616
Cash and cash equivalents, end of year	\$ 21,334	\$ 100,034	\$ 279,426	\$ 279,438	\$ 20,420	\$ 395,783

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Continued

	Architectural Services	Risk Management	Investment Pool	Health Center Building	Employee Benefits	Total
Cash flows from operating activities:						
Receipts from interfund services provided	\$ 5,508	\$ 1,105,183	\$ 85,108	\$ 388,218	\$ 6,966,849	\$ 15,008,498
Payments to employees	(20,883)	(169,594)	(37,092)	(186,876)	(106,512)	(1,735,812)
Payments to suppliers	(374)	(894,889)	(41,521)	(223,933)	(6,319,887)	(12,521,680)
Other operating revenue	-	-	-	-	63,748	174,153
Net cash provided by (used in) operating activities	(15,749)	40,700	6,495	(22,591)	604,198	925,159
Cash flows from noncapital financing activities:						
Transfers in	15,749	-	-	-	-	49,150
Transfers out	-	(50,000)	(6,033)	-	-	(211,328)
Net cash provided by (used in) noncapital financing activities	15,749	(50,000)	(6,033)	-	-	(162,178)
Cash flows from capital and related financing activities:						
Grant proceeds	-	-	-	-	-	31,575
Proceeds from sale of capital assets	-	-	-	-	-	40,900
Payments for capital asset acquisition	-	-	-	-	-	(354,873)
Net cash provided by (used in) capital and related financing activities	-	-	-	-	-	(282,398)
Cash flows from investing activities:						
Investment income	-	38,598	-	3,070	37,101	94,790
Net cash provided by (used in) investing activities	-	38,598	-	3,070	37,101	94,790
Net increase (decrease) in cash and cash equivalents	-	29,298	462	(19,521)	641,299	575,373
Cash and cash equivalents, beginning of year	-	1,443,559	9,852	258,407	1,355,088	4,239,506
Cash and cash equivalents, end of year	\$ -	\$ 1,472,857	\$ 10,314	\$ 238,886	\$ 1,996,387	\$ 4,814,879

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Continued

	<u>MERS Retirement</u>	<u>ICMA Retirement</u>	<u>Information Systems & Services</u>	<u>Equipment Revolving</u>	<u>Mailing Department</u>	<u>Motor Pool</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 351	\$ (69,330)	\$ (125,484)	\$ 26,535	\$ -	\$ 12,584
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	253,711	24,162	-	316,862
Changes in assets and liabilities:						
Accounts receivable	(83,115)	(16,761)	13,059	4,312	(24)	-
Due from other funds	107,083	-	(33,401)	-	(296)	-
Prepaid items	-	-	-	-	-	-
Accounts payable	37,198	22,499	(19,141)	(36,619)	(12,596)	-
Accrued liabilities	-	(2,903)	(9,133)	346	-	-
Due to other funds	(47,328)	(74,414)	42,375	-	-	(18,426)
Net cash provided by (used in) operating activities	<u>\$ 14,189</u>	<u>\$ (140,909)</u>	<u>\$ 121,986</u>	<u>\$ 18,736</u>	<u>\$ (12,916)</u>	<u>\$ 311,020</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Concluded

	<u>Architectural Services</u>	<u>Risk Management</u>	<u>Investment Pool</u>	<u>Health Center Building</u>	<u>Employee Benefits</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (15,749)	\$ 127,314	\$ 6,033	\$ (19,687)	\$ 379,925	\$ 322,492
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	-	1,827	-	596,562
Changes in assets and liabilities:						
Accounts receivable	251	21,267	-	2,876	188,989	130,854
Due from other funds	70,592	302	-	-	79,481	223,761
Prepaid items	-	2,642	-	-	-	2,642
Accounts payable	(41)	936	(915)	(7,067)	(27,536)	(43,282)
Accrued liabilities	(3,624)	(111,761)	161	(540)	(29,661)	(157,115)
Due to other funds	(67,178)	-	1,216	-	13,000	(150,755)
Net cash provided by (used in) operating activities	<u>\$ (15,749)</u>	<u>\$ 40,700</u>	<u>\$ 6,495</u>	<u>\$ (22,591)</u>	<u>\$ 604,198</u>	<u>\$ 925,159</u>

FIDUCIARY FUNDS

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

Mental Health Fund - This fund is used to account for monies collected for and distributed to the Mental Health Authority.

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

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

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

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

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

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS
SEPTEMBER 30, 2003

Continued

	<u>Trust & Agency</u>	<u>Mental Health</u>	<u>State Education Tax</u>	<u>Library Penal Fine</u>
Assets				
Cash and investment pool	\$ 2,354,537	\$ -	\$ 5,106,407	\$ 221,860
Receivables (net):				
Taxes	-	-	-	-
Accounts	4,808,869	-	-	-
Accrued interest	61	-	-	1,522
Due from other funds	61	-	-	-
	<u>61</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 7,163,528</u>	 <u>\$ -</u>	 <u>\$ 5,106,407</u>	 <u>\$ 223,382</u>
Liabilities				
Accounts payable	\$ 628,650	\$ -	\$ -	\$ -
Deposits payable	6,470,066	-	-	-
Due to other funds	5,943	-	61	-
Due to other governmental units	58,869	-	5,106,346	223,382
	<u>58,869</u>	<u>-</u>	<u>5,106,346</u>	<u>223,382</u>
 Total liabilities	 <u>\$ 7,163,528</u>	 <u>\$ -</u>	 <u>\$ 5,106,407</u>	 <u>\$ 223,382</u>

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF FIDUCIARY NET ASSETS -
AGENCY FUNDS
SEPTEMBER 30, 2003

Concluded

	<u>Hospital Millage</u>	<u>Dependent Care</u>	<u>Medical Spending Reimbursement</u>	<u>Total</u>
Assets				
Cash and investment pool	\$ 12,413	\$ 1,203	\$ -	\$ 7,696,420
Receivables (net):				
Taxes	31,697	-	-	31,697
Accounts	-	2,528	2,231	4,813,628
Accrued interest	106	-	-	1,689
Due from other funds	5,943	-	-	6,004
	<u>50,159</u>	<u>3,731</u>	<u>2,231</u>	<u>12,549,438</u>
Total assets	<u>\$ 50,159</u>	<u>\$ 3,731</u>	<u>\$ 2,231</u>	<u>\$ 12,549,438</u>
Liabilities				
Accounts payable	\$ 50,159	\$ 2,079	\$ 2,231	\$ 683,119
Deposits payable	-	1,652	-	6,471,718
Due to other funds	-	-	-	6,004
Due to other governmental units	-	-	-	5,388,597
	<u>50,159</u>	<u>3,731</u>	<u>2,231</u>	<u>12,549,438</u>
Total liabilities	<u>\$ 50,159</u>	<u>\$ 3,731</u>	<u>\$ 2,231</u>	<u>\$ 12,549,438</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Continued

	<u>Balance October 1, 2002</u>	<u>Additions</u>	<u>(Deductions)</u>	<u>Balance September 30, 2003</u>
<u>Trust & Agency</u>				
Assets				
Cash and investment pool	\$ 2,010,094	\$ 98,372,632	\$ (98,028,189)	\$ 2,354,537
Receivables (net):				
Accounts	4,165,447	2,170,315	(1,526,893)	4,808,869
Accrued interest	243	297	(479)	61
Due from other funds	-	61	-	61
	<u>\$ 6,175,784</u>	<u>\$ 100,543,305</u>	<u>\$ (99,555,561)</u>	<u>\$ 7,163,528</u>
Total assets				
	<u>\$ 6,175,784</u>	<u>\$ 100,543,305</u>	<u>\$ (99,555,561)</u>	<u>\$ 7,163,528</u>
Liabilities				
Accounts payable	\$ 504,135	\$ 11,701,737	\$ (11,577,222)	\$ 628,650
Deposits payable	5,592,991	53,164,276	(52,287,201)	6,470,066
Due to other funds	-	30,001,463	(29,995,520)	5,943
Due to other governmental units	78,658	17,278,090	(17,297,879)	58,869
	<u>\$ 6,175,784</u>	<u>\$ 112,145,566</u>	<u>\$ (111,157,822)</u>	<u>\$ 7,163,528</u>
Total liabilities				
	<u>\$ 6,175,784</u>	<u>\$ 112,145,566</u>	<u>\$ (111,157,822)</u>	<u>\$ 7,163,528</u>
<u>Mental Health</u>				
Assets				
Cash and investment pool	\$ 5,412	\$ -	\$ (5,412)	\$ -
Liabilities				
Due to other governmental units	\$ 5,412	\$ -	\$ (5,412)	\$ -
<u>State Education Tax</u>				
Assets				
Cash and investment pool	\$ 4,483,765	\$ 33,101,634	\$ (32,478,992)	\$ 5,106,407
Liabilities				
Due to other funds	\$ -	\$ 43,297	\$ (43,236)	\$ 61
Due to other governmental units	4,483,765	33,058,337	(32,435,756)	5,106,346
	<u>\$ 4,483,765</u>	<u>\$ 33,058,337</u>	<u>\$ (32,435,756)</u>	<u>\$ 5,106,346</u>
Total liabilities				
	<u>\$ 4,483,765</u>	<u>\$ 33,058,337</u>	<u>\$ (32,435,756)</u>	<u>\$ 5,106,346</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Continued

	<u>Balance October 1, 2002</u>	<u>Additions</u>	<u>(Deductions)</u>	<u>Balance September 30, 2003</u>
<u>Library Penal Fine</u>				
Assets				
Cash and investment pool	\$ 234,237	\$ 971,596	\$ (983,973)	\$ 221,860
Receivables (net):				
Accounts	265	-	(265)	-
Accrued interest	1,819	-	(297)	1,522
	<u>\$ 236,321</u>	<u>\$ 971,596</u>	<u>\$ (984,535)</u>	<u>\$ 223,382</u>
Liabilities				
Due to other governmental units	\$ 236,321	\$ 971,034	\$ (983,973)	\$ 223,382
	<u>\$ 236,321</u>	<u>\$ 971,034</u>	<u>\$ (983,973)</u>	<u>\$ 223,382</u>
<u>Hospital Millage</u>				
Assets				
Cash and investment pool	\$ 12,321	\$ 1,074,829	\$ (1,074,737)	\$ 12,413
Receivables (net):				
Taxes	27,918	11,816	(8,037)	31,697
Accrued interest	711	738	(1,343)	106
Due from other funds	-	5,943	-	5,943
	<u>\$ 40,950</u>	<u>\$ 1,093,326</u>	<u>\$ (1,084,117)</u>	<u>\$ 50,159</u>
Liabilities				
Accounts payable	\$ 40,950	\$ 1,157,392	\$ (1,148,183)	\$ 50,159
	<u>\$ 40,950</u>	<u>\$ 1,157,392</u>	<u>\$ (1,148,183)</u>	<u>\$ 50,159</u>
<u>Dependent Care</u>				
Assets				
Cash and investment pool	\$ 835	\$ 68,517	\$ (68,149)	\$ 1,203
Accounts receivable	2,747	2,528	(2,747)	2,528
	<u>\$ 3,582</u>	<u>\$ 71,045</u>	<u>\$ (70,896)</u>	<u>\$ 3,731</u>
Liabilities				
Accounts payable	\$ 2,543	\$ 71,125	\$ (71,589)	\$ 2,079
Deposits payable	654	71,741	(70,743)	1,652
Due to other funds	385	-	(385)	-
	<u>\$ 3,582</u>	<u>\$ 142,866</u>	<u>\$ (142,717)</u>	<u>\$ 3,731</u>

**COUNTY OF SAGINAW, MICHIGAN
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Concluded

	<u>Balance October 1, 2002</u>	<u>Additions</u>	<u>(Deductions)</u>	<u>Balance September 30, 2003</u>
<u>Medical Spending Reimbursement</u>				
Assets				
Cash and investment pool	\$ 285	\$ 91,301	\$ (91,586)	\$ -
Accounts receivable	2,728	6,137	(6,634)	2,231
	<u>\$ 3,013</u>	<u>\$ 97,438</u>	<u>\$ (98,220)</u>	<u>\$ 2,231</u>
Total assets				
	<u>\$ 3,013</u>	<u>\$ 97,438</u>	<u>\$ (98,220)</u>	<u>\$ 2,231</u>
Liabilities				
Accounts payable	\$ 2,365	\$ 88,636	\$ (88,770)	\$ 2,231
Deposits payable	648	84,243	(84,891)	-
Due to other funds	-	13,145	(13,145)	-
	<u>\$ 3,013</u>	<u>\$ 186,024</u>	<u>\$ (186,806)</u>	<u>\$ 2,231</u>
Total liabilities				
	<u>\$ 3,013</u>	<u>\$ 186,024</u>	<u>\$ (186,806)</u>	<u>\$ 2,231</u>
<u>Total - All Agency Funds</u>				
Assets				
Cash and investment pool	\$ 6,746,949	\$ 133,680,509	\$ (132,731,038)	\$ 7,696,420
Receivables (net):				
Taxes	27,918	11,816	(8,037)	31,697
Accounts	4,171,187	2,178,980	(1,536,539)	4,813,628
Accrued interest	2,773	1,035	(2,119)	1,689
Due from other funds	-	6,004	-	6,004
	<u>\$ 10,948,827</u>	<u>\$ 135,878,344</u>	<u>\$ (134,277,733)</u>	<u>\$ 12,549,438</u>
Total assets				
	<u>\$ 10,948,827</u>	<u>\$ 135,878,344</u>	<u>\$ (134,277,733)</u>	<u>\$ 12,549,438</u>
Liabilities				
Accounts payable	\$ 549,993	\$ 13,018,890	\$ (12,885,764)	\$ 683,119
Deposits payable	5,594,293	53,320,260	(52,442,835)	6,471,718
Due to other funds	385	30,057,905	(30,052,286)	6,004
Due to other governmental units	4,804,156	51,307,461	(50,723,020)	5,388,597
	<u>\$ 10,948,827</u>	<u>\$ 147,704,516</u>	<u>\$ (146,103,905)</u>	<u>\$ 12,549,438</u>
Total liabilities				
	<u>\$ 10,948,827</u>	<u>\$ 147,704,516</u>	<u>\$ (146,103,905)</u>	<u>\$ 12,549,438</u>

BROWNFIELD REDEVELOPMENT AUTHORITY

COMPONENT UNIT OF SAGINAW COUNTY

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

COUNTY OF SAGINAW, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND
BALANCE SHEET - GOVERNMENTAL FUND
SEPTEMBER 30, 2003

	Brownfield Redevelopment Authority	Adjustments	Statement of Net Assets
Assets			
Cash and investment pool	\$ 64,444	\$ -	\$ 64,444
Accrued interest receivable	471	-	471
Due from primary government	28,614	-	28,614
Due from other governmental units	7,684	-	7,684
Prepaid items	875		875
	<u>102,088</u>		<u>102,088</u>
Total assets	<u>\$ 102,088</u>	<u>\$ -</u>	<u>102,088</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 8,375	\$ -	8,375
Deferred revenue	1,827	-	1,827
Long-term liabilities:			
Due within one year	-	17,081	17,081
Due in more than one year	-	166,409	166,409
	<u>10,202</u>	<u>183,490</u>	<u>193,692</u>
Total liabilities	<u>10,202</u>	<u>183,490</u>	<u>193,692</u>
Fund Balances			
Unreserved	<u>91,886</u>	<u>(91,886)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 102,088</u>		
Net assets:			
Unrestricted (deficit)		<u>(91,604)</u>	<u>(91,604)</u>
Total net assets		<u>\$ (91,604)</u>	<u>\$ (91,604)</u>

**COUNTY OF SAGINAW, MICHIGAN
 BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT
 STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Brownfield Redevelopment Authority	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 127,648	\$ -	\$ 127,648
Federal grants	7,723	-	7,723
State grants	18,673	(18,673)	-
Local grants and contributions	-	28,614	28,614
Investment income	1,234	-	1,234
	<hr/>	<hr/>	<hr/>
Total revenues	155,278	9,941	165,219
Expenditures / Expenses			
Current:			
Community and economic development	120,421	-	120,421
	<hr/>	<hr/>	<hr/>
Net change in fund balances	34,857	9,941	44,798
Other Financing Sources (Uses)			
Transfers in from primary government	28,614	(28,614)	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	63,471	(63,471)	-
Change in net assets	-	44,798	44,798
Fund balance / net assets, beginning of year	28,415	(164,817)	(136,402)
	<hr/>	<hr/>	<hr/>
Fund balance / net assets, end of year	<u>\$ 91,886</u>	<u>\$ (183,490)</u>	<u>\$ (91,604)</u>

**COUNTY OF SAGINAW, MICHIGAN
 BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Property taxes	\$ 99,830	\$ 99,830	\$ 127,648	\$ 27,818
Federal grants	968,531	968,531	7,723	(960,808)
State grants	-	-	18,673	18,673
Investment income	-	-	1,234	1,234
	<u>1,068,361</u>	<u>1,068,361</u>	<u>155,278</u>	<u>(913,083)</u>
Expenditures				
Current:				
Community and economic development	1,098,106	1,098,106	120,421	977,685
Revenues over (under) expenditures	(29,745)	(29,745)	34,857	64,602
Other Financing Sources (Uses)				
Transfers in from primary government	-	-	28,614	28,614
Net change in fund balances	(29,745)	(29,745)	63,471	93,216
Fund balance, beginning of year	28,415	28,415	28,415	-
Fund balance, end of year	<u>\$ (1,330)</u>	<u>\$ (1,330)</u>	<u>\$ 91,886</u>	<u>\$ 93,216</u>

DEPARTMENT OF PUBLIC WORKS
COMPONENT UNIT OF SAGINAW COUNTY

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

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

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

COUNTY OF SAGINAW, MICHIGAN
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET -
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2003

	<u>Debt Service</u>	<u>Construction</u>	<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets					
Cash and investment pool	\$ 59,591	\$ 513,572	\$ 573,163	\$ -	\$ 573,163
Accrued interest receivable	-	2,484	2,484	-	2,484
Due from other governmental units	-	-	-	23,119,000	23,119,000
Prepaid items	588,792	-	588,792	-	588,792
 Total assets	 <u>\$ 648,383</u>	 <u>\$ 516,056</u>	 <u>\$ 1,164,439</u>	 <u>\$ 23,119,000</u>	 <u>24,283,439</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 389,708	\$ 389,708
Deferred revenue	598,392	-	598,392	(588,792)	9,600
Long-term liabilities:					
Due within one year	-	-	-	1,628,000	1,628,000
Due in more than one year	-	-	-	21,491,000	21,491,000
 Total liabilities	 <u>598,392</u>	 <u>-</u>	 <u>598,392</u>	 <u>22,919,916</u>	 <u>23,518,308</u>
Fund Balances					
Reserved for:					
Debt service	49,991	-	49,991	(49,991)	-
Capital projects	-	516,056	516,056	(516,056)	-
 Total fund balances	 <u>49,991</u>	 <u>516,056</u>	 <u>566,047</u>	 <u>(566,047)</u>	 <u>-</u>
 Total liabilities and fund balances	 <u>\$ 648,383</u>	 <u>\$ 516,056</u>	 <u>\$ 1,164,439</u>		
Net assets:					
Restricted for:					
Debt service				249,075	249,075
Acquisition/construction of capital assets				516,056	516,056
 Total net assets				 <u>\$ 765,131</u>	 <u>\$ 765,131</u>

COUNTY OF SAGINAW, MICHIGAN
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	<u>Debt Service</u>	<u>Construction</u>	<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues					
Local grants and contributions	\$ 2,687,812	\$ -	\$ 2,687,812	\$ (1,652,446)	\$ 1,035,366
Investment income	2,070	11,194	13,264	-	13,264
Other revenue	3,845	-	3,845	-	3,845
Total revenues	<u>2,693,727</u>	<u>11,194</u>	<u>2,704,921</u>	<u>(1,652,446)</u>	<u>1,052,475</u>
Expenditures / Expenses					
Current:					
Public works	-	67,738	67,738	3,011	70,749
Capital outlay	-	3,011	3,011	(3,011)	-
Debt service:					
Principal	1,667,000	-	1,667,000	(1,667,000)	-
Interest and fiscal charges	1,026,507	-	1,026,507	3,630	1,030,137
Total expenditures / expenses	<u>2,693,507</u>	<u>70,749</u>	<u>2,764,256</u>	<u>(1,663,370)</u>	<u>1,100,886</u>
Revenues over (under) expenditures	<u>220</u>	<u>(59,555)</u>	<u>(59,335)</u>	<u>10,924</u>	<u>(48,411)</u>
Other Financing Sources (Uses)					
Transfers in	938	-	938	(938)	-
Transfers out	-	(938)	(938)	938	-
Total other financing sources (uses)	<u>938</u>	<u>(938)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,158	(60,493)	(59,335)	59,335	-
Change in net assets	-	-	-	(48,411)	(48,411)
Fund balance / net assets, beginning of year	48,833	576,549	625,382	188,160	813,542
Fund balance / net assets, end of year	<u>\$ 49,991</u>	<u>\$ 516,056</u>	<u>\$ 566,047</u>	<u>\$ 199,084</u>	<u>\$ 765,131</u>

**COUNTY OF SAGINAW, MICHIGAN
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT
STATEMENT OF NET ASSETS - PROPRIETARY FUND
SEPTEMBER 30, 2003**

	<u>Administration</u>
Assets	
Current assets:	
Cash and investment pool	\$ 20,699
Due from other governmental units	<u>7,632</u>
Total current assets	<u>28,331</u>
Liabilities	
Current liabilities:	
Accounts payable	3,781
Accrued liabilities	<u>1,463</u>
Total current liabilities	<u>5,244</u>
Net Assets	
Unrestricted	<u><u>\$ 23,087</u></u>

**COUNTY OF SAGINAW, MICHIGAN
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Administration
Operating Revenues	
Licenses and permits	\$ 69,348
Reimbursements	20,000
	89,348
Total operating revenues	89,348
Operating Expenses	
Personal services	14,619
Fringe benefits	5,393
Supplies	178
Services and charges	46,071
	66,261
Total operating expenses	66,261
Operating income (loss)	23,087
Net assets, beginning of year	-
Net assets, end of year	\$ 23,087

**COUNTY OF SAGINAW, MICHIGAN
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	<u>Administration</u>
Cash flows from operating activities:	
Receipts from customers	\$ 65,651
Interfund reimbursements	944
Payments to employees	(20,019)
Payments to suppliers	(45,877)
Other operating revenue	<u>20,000</u>
 Net cash provided by (used in) operating activities	 20,699
 Cash and cash equivalents, beginning of year	 <u>-</u>
 Cash and cash equivalents, end of year	 <u><u>\$ 20,699</u></u>
 Reconciliation of operating income to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ 23,087
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Changes in assets and liabilities:	
Due from other funds	6,621
Due from other governmental units	(3,697)
Accounts payable	372
Accrued liabilities	(7)
Due to other primary government	<u>(5,677)</u>
 Net cash provided by (used in) operating activities	 <u><u>\$ 20,699</u></u>

DRAIN COMMISSION

COMPONENT UNIT OF SAGINAW COUNTY

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

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

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

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

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

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

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

**COUNTY OF SAGINAW, MICHIGAN
DRAIN COMMISSION COMPONENT UNIT
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE
SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2003**

Continued

	Debt Service Funds		Capital Projects Funds		
	Chapter 8 Drains	Chapter 20 Drains	Special Assessment Drain	Chapter 8 Drains	Chapter 20 Drains
Assets					
Cash and investment pool	\$ 829,127	\$ 56,882	\$ 2,953,091	\$ 1,260,625	\$ 132,115
Receivables (net):					
Special assessments	5,799,973	15,291,396	-	-	-
Accounts	-	-	-	-	-
Due from other funds	49,601	-	23,400	23,000	-
Prepaid items	-	1,347,591	-	-	-
Capital assets, net:					
Assets not being depreciated	-	-	-	-	-
Assets being depreciated	-	-	-	-	-
Total assets	<u>\$ 6,678,701</u>	<u>\$ 16,695,869</u>	<u>\$ 2,976,491</u>	<u>\$ 1,283,625</u>	<u>\$ 132,115</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 10,824	\$ 163,876	\$ -
Due to other funds	76,579	-	276,823	49,601	-
Due to primary government	-	-	8,220	88	-
Advances from primary government	-	-	-	-	-
Deferred revenue	5,799,973	16,648,987	-	-	-
Long-term liabilities:					
Due within one year	-	-	-	-	-
Due in more than one year	-	-	-	-	-
Total liabilities	<u>5,876,552</u>	<u>16,648,987</u>	<u>295,867</u>	<u>213,565</u>	<u>-</u>
Fund Balances					
Reserved for:					
Debt service	802,149	46,882	-	-	-
Capital projects	-	-	2,680,624	1,070,060	132,115
Total fund balances	<u>802,149</u>	<u>46,882</u>	<u>2,680,624</u>	<u>1,070,060</u>	<u>132,115</u>
Total liabilities and fund balances	<u>\$ 6,678,701</u>	<u>\$ 16,695,869</u>	<u>\$ 2,976,491</u>	<u>\$ 1,283,625</u>	<u>\$ 132,115</u>

**COUNTY OF SAGINAW, MICHIGAN
DRAIN COMMISSION COMPONENT UNIT
STATEMENT OF NET ASSETS AND BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2003**

Concluded

	<u>Capital Projects Funds</u>		<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
	<u>Revolving Drain</u>	<u>Revolving Drain Maintenance</u>			
Assets					
Cash and investment pool	\$ 116,764	\$ 51,299	\$ 5,399,903	\$ -	\$ 5,399,903
Receivables (net):					
Special assessments	-	-	21,091,369	-	21,091,369
Accounts	-	2,648	2,648	-	2,648
Due from other funds	290,423	16,579	403,003	(403,003)	-
Prepaid items	-	-	1,347,591	-	1,347,591
Capital assets, net:					
Assets not being depreciated	-	-	-	333,328	333,328
Assets being depreciated	-	-	-	43,630,703	43,630,703
Total assets	<u>\$ 407,187</u>	<u>\$ 70,526</u>	<u>\$ 28,244,514</u>	<u>43,561,028</u>	<u>71,805,542</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 7,187	\$ 1,529	\$ 183,416	275,607	459,023
Due to other funds	-	-	403,003	(403,003)	-
Due to primary government	-	-	8,308	-	8,308
Advances from primary government	400,000	-	400,000	-	400,000
Deferred revenue	-	-	22,448,960	(22,438,960)	10,000
Long-term liabilities:					
Due within one year	-	-	-	2,558,463	2,558,463
Due in more than one year	-	-	-	19,095,063	19,095,063
Total liabilities	<u>407,187</u>	<u>1,529</u>	<u>23,443,687</u>	<u>(912,830)</u>	<u>22,530,857</u>
Fund Balances					
Reserved for:					
Debt service	-	-	849,031	(849,031)	-
Capital projects	-	68,997	3,951,796	(3,951,796)	-
Total fund balances	<u>-</u>	<u>68,997</u>	<u>4,800,827</u>	<u>(4,800,827)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 407,187</u>	<u>\$ 70,526</u>	<u>\$ 28,244,514</u>		
Net assets:					
Invested in capital assets, net of related debt				22,310,505	22,310,505
Restricted for:					
Debt service				849,031	849,031
Acquisition/construction of capital assets				3,951,796	3,951,796
Unrestricted				22,163,353	22,163,353
Total net assets				<u>\$ 49,274,685</u>	<u>\$ 49,274,685</u>

**COUNTY OF SAGINAW, MICHIGAN
DRAIN COMMISSION COMPONENT UNIT
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Major Debt Service Funds		Major Capital Projects Funds		
	Chapter 8 Drains	Chapter 20 Drains	Special Assessment Drain	Chapter 8 Drains	Chapter 20 Drains
Revenues					
Special assessments	\$ 1,682,949	\$ -	\$ 163,844	\$ -	\$ -
Local grants and contributions	-	1,611,704	-	-	-
Investment income	10,269	1,240	34,468	11,739	1,295
Reimbursements	-	-	121,887	-	-
Other revenue	-	-	2	-	-
Total revenues	1,693,218	1,612,944	320,201	11,739	1,295
Expenditures					
Current:					
Public works	-	-	289,794	100,348	200
Capital outlay	-	-	68,757	301,034	-
Depreciation	-	-	-	-	-
Debt service:					
Principal	1,364,411	1,300,000	-	-	-
Interest and fiscal charges	280,004	368,937	3,271	-	-
Total expenditures	1,644,415	1,668,937	361,822	401,382	200
Revenues over (under) expenditures	48,803	(55,993)	(41,621)	(389,643)	1,095
Other Financing Sources (Uses)					
Transfers in	42,525	-	-	-	-
Transfers out	-	-	-	(42,525)	-
Bond proceeds	-	-	-	490,000	-
Note proceeds	-	-	-	-	-
Total other financing sources (uses)	42,525	-	-	447,475	-
Net change in fund balances	91,328	(55,993)	(41,621)	57,832	1,095
Fund balance, beginning of year	710,821	102,875	2,722,245	1,012,228	131,020
Fund balance, end of year	\$ 802,149	\$ 46,882	\$ 2,680,624	\$ 1,070,060	\$ 132,115

**COUNTY OF SAGINAW, MICHIGAN
DRAIN COMMISSION COMPONENT UNIT
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	<u>Major Capital Projects Funds</u>		<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
	<u>Revolving Drain</u>	<u>Revolving Drain Maintenance</u>			
Revenues					
Special assessments	\$ -	\$ -	\$ 1,846,793	\$ (912,493)	\$ 934,300
Local grants and contributions	-	-	1,611,704	(1,302,869)	308,835
Investment income	-	1,739	60,750	-	60,750
Reimbursements	-	33,222	155,109	-	155,109
Other revenue	-	-	2	-	2
Total revenues	<u>-</u>	<u>34,961</u>	<u>3,674,358</u>	<u>(2,215,362)</u>	<u>1,458,996</u>
Expenditures / Expenses					
Current:					
Public works	-	33,547	423,889	36,463	460,352
Capital outlay	-	17,989	387,780	(387,780)	-
Depreciation	-	-	-	1,149,413	1,149,413
Debt service:					
Principal	-	-	2,664,411	(2,664,411)	-
Interest and fiscal charges	-	-	652,212	(23,542)	628,670
Total expenditures / expenses	<u>-</u>	<u>51,536</u>	<u>4,128,292</u>	<u>(1,889,857)</u>	<u>2,238,435</u>
Revenues over (under) expenditures	<u>-</u>	<u>(16,575)</u>	<u>(453,934)</u>	<u>(325,505)</u>	<u>(779,439)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	42,525	(42,525)	-
Transfers out	-	-	(42,525)	42,525	-
Bond proceeds	-	-	490,000	(490,000)	-
Note proceeds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>490,000</u>	<u>(490,000)</u>	<u>-</u>
Net change in fund balances	-	(16,575)	36,066	(36,066)	-
Change in net assets	-	-	-	(779,439)	(779,439)
Fund balance / net assets, beginning of year	<u>-</u>	<u>85,572</u>	<u>4,764,761</u>	<u>45,289,363</u>	<u>50,054,124</u>
Fund balance / net assets, end of year	<u>\$ -</u>	<u>\$ 68,997</u>	<u>\$ 4,800,827</u>	<u>\$ 44,473,858</u>	<u>\$ 49,274,685</u>

COUNTY OF SAGINAW

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
(UNAUDITED)
LAST TEN YEARS

Year		Legislative	Judicial	General County Government	Public Safety	Public Works	Health and Welfare	Recreation and Cultural	Other Functions	Capital Projects	Debt Service	Pooled Costs & Fees	Community & Economic Development	Total
1994	(1)	\$ 446,742	\$ 8,275,726	\$ 6,954,288	\$ 11,931,457	\$ 17,501,166	\$ 50,686,582	\$ 1,855,121	\$ 450,591	\$ 12,240,597	\$ 6,161,886	\$ -	\$ -	\$ 116,504,156
1995	(1)	457,216	8,510,735	7,352,477	12,356,227	15,102,816	54,001,539	2,015,964	179,703	14,060,079	6,267,717	-	-	120,304,473
1996	(1) (3)	384,977	6,426,294	6,114,666	10,381,465	12,037,468	49,491,822	1,733,545	106,051	6,749,096	5,396,129	-	-	98,821,513
1996/1997	(1) (4)	529,267	9,167,811	8,786,498	15,439,621	14,344,461	60,142,498	2,437,530	460,692	8,605,660	8,305,853	-	-	128,219,891
1997/1998	(1) (4)	576,261	8,833,443	8,957,120	15,267,283	16,126,960	32,978,998	2,571,939	643,629	8,685,829	7,680,341	1,028,333	-	103,350,136
1998/1999	(1) (4)	571,950	8,828,910	8,875,721	16,942,940	18,794,089	36,181,138	2,634,515	484,613	11,817,482	8,963,829	2,224,379	-	116,319,566
1999/2000	(1) (4)	581,279	9,194,760	8,926,317	21,645,831	23,365,026	38,314,903	2,889,026	898,080	5,121,913	8,497,280	2,639,824	-	122,074,239
2000/2001	(1) (4)	636,076	9,747,468	9,811,784	19,895,101	21,330,723	41,254,760	3,664,186	596,436	3,000,723	7,705,164	2,836,560	-	120,478,981
2001/2002	(1) (4)	642,725	10,149,975	10,136,764	21,251,088	25,109,079	43,190,293	2,974,709	811,463	4,460,121	7,713,975	-	-	126,440,192
2002/2003	(2) (4)	616,217	13,758,483	12,395,693	19,062,965	775,952	39,985,219	1,644,117	870,421	990,676	2,349,626	-	2,703,399	95,152,768

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

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

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

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

Source: Saginaw County Finance Department

COUNTY OF SAGINAW

GENERAL GOVERNMENTAL REVENUES BY SOURCE
(UNAUDITED)
LAST TEN YEARS

Year	Property Taxes	Accommodations Tax	Licenses and Permits	Federal Grants	State Grants	Local Grants and Contributions	Charges for Services	Fines and Forfeitures	Investment Income	Rental Revenue	Donations	Special Assessments	Reimbursements	Other Revenue	Loan Repayments	Total
1994	\$ 19,481,041	\$ -	\$ 395,492	\$ 15,444,233	\$ 42,886,139	\$ 6,676,820	\$ 11,471,599	\$ 882,841	\$ 1,773,371	\$ 332,379	\$ 366,091	\$ 356,761	\$ 5,889,094	\$ 396,833	\$ 278,400	\$ 106,631,094
1995	20,701,787	-	421,672	13,626,411	44,845,975	6,455,120	11,909,956	1,190,481	2,289,254	628,335	302,506	491,796	6,561,910	1,310,246	316,175	111,051,624
1996 (1) (3)	21,212,376	-	364,650	9,175,715	39,767,388	4,313,691	10,008,006	1,187,495	1,549,903	1,801,234	219,126	471,049	5,985,789	681,228	261,053	96,998,703
1996/1997 (1) (4)	22,582,691	-	391,151	14,430,287	51,224,936	7,556,630	11,822,664	1,263,136	1,806,739	1,890,823	437,554	745,631	6,369,978	773,598	278,560	121,574,378
1997/1998 (1) (4)	23,506,467	-	400,304	14,866,062	30,028,929	8,653,854	7,537,401	1,455,151	2,099,164	1,055,518	346,971	1,161,639	5,388,719	2,271,923	270,769	99,042,871
1998/1999 (1) (4)	25,006,934	-	441,531	19,368,243	30,416,096	10,025,823	8,550,555	1,571,717	2,431,826	793,986	339,160	1,929,219	6,263,600	2,199,158	454,481	109,792,329
1999/2000 (1) (4)	26,224,793	-	472,029	24,465,693	31,502,355	9,702,651	10,769,768	1,154,000	2,642,811	905,786	379,182	1,954,750	7,200,229	2,086,339	374,830	119,835,216
2000/2001 (1) (4)	26,892,029	-	416,148	21,225,146	31,764,400	8,196,371	10,234,094	977,623	2,429,768	1,081,960	434,378	1,703,179	7,798,396	2,114,669	256,098	115,524,259
2001/2002 (1) (4)	28,196,295	-	491,242	22,150,440	36,302,486	9,799,194	11,574,582	1,883,866	1,434,088	1,061,609	418,466	1,927,605	4,411,247	1,693,617	151,308	121,496,045
2002/2003 (2) (4)	27,704,824	1,421,480	464,531	13,916,767	26,454,653	1,248,967	12,517,704	1,126,489	631,230	831,261	531,032	-	5,733,568	395,154	-	92,977,660

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

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

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

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

Source: Saginaw County Finance Department

COUNTY OF SAGINAW

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

(1) Year	Total Tax Levy	Current Tax Collections to March 1st	Percentage of Levy Collected	Delinquent Tax Collections to December 31	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Tax Levy
1994	\$ 19,257,728	\$ 17,778,581	92.32%	\$ 698,350	\$ 18,476,931	95.95%	\$ 780,797	4.05%
1995	20,940,745	19,478,074	93.02%	678,751	19,682,371	93.99%	797,460	3.81%
1996	21,432,539	19,969,868	93.18%	603,490	20,573,358	95.99%	859,181	4.01%
1997	21,958,917	20,423,623	93.01%	750,085	21,173,443	96.42%	785,474	3.58%
1998	22,844,817	21,200,992	92.80%	829,790	22,030,782	96.44%	814,035	3.56%
1999	24,296,135	22,517,012	92.68%	963,833	23,480,845	96.64%	815,290	3.36%
2000	25,285,393	23,614,203	93.39%	1,082,716	24,696,919	97.67%	588,474	2.33%
2001	26,144,344	24,411,398	93.37%	1,188,250	25,599,648	97.92%	544,696	2.08%
2002	29,934,657	27,522,023	91.94%	1,347,657	28,869,680	96.44%	1,064,977	3.56%
2003	31,134,725	29,196,651	93.78%	773,069	29,969,720	96.26%	1,165,005	3.74%

(1) Year tax collected.

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

Source: Saginaw County Treasurer's Office

COUNTY OF SAGINAW

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

(1) Year	Real Property		Personal Property		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1994	\$ 2,622,280,678	\$ 5,244,561,356	\$ 415,815,959	\$ 831,631,918	\$ 3,038,096,637	\$ 6,076,193,274
1995	2,750,436,644	5,500,873,288	443,406,852	886,813,704	3,193,843,496	6,387,686,992
1996	2,899,457,585	5,798,915,170	486,385,660	972,771,320	3,385,843,245	6,771,686,490
1997	3,147,764,094	6,295,528,188	502,881,909	1,005,763,818	3,650,646,003	7,301,292,006
1998	3,362,279,262	6,724,558,524	568,638,272	1,137,276,544	3,930,917,534	7,861,835,068
1999	3,576,456,501	7,152,913,002	555,969,687	1,111,939,374	4,132,426,188	8,264,852,376
2000	3,814,128,656	7,628,257,312	556,893,158	1,113,786,316	4,371,021,814	8,742,043,628
2001	4,056,548,190	8,113,096,380	619,837,395	1,239,674,790	4,676,385,585	9,352,771,170
2002	4,357,303,496	8,714,606,992	558,421,300	1,116,842,600	4,915,724,796	9,831,449,592
2003	4,616,251,781	9,232,503,562	526,687,722	1,053,375,444	5,142,939,503	10,285,879,006

(1) Year tax was levied.

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

Source: Saginaw County Equalization Department

COUNTY OF SAGINAW

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

Year	(1) Townships	(1) Cities & Villages	Saginaw County			Community College	(1) Intermediate Schools	State Education Tax	(1) Local Schools	(1) Average Effective Rate		
			Operating	Debt	Extra Voted					H	NH	
1994	3.07	10.88	4.86	.14	1.72	2.04	2.15	6.000	3.169 21.108	H NH	27.06 45.06	H NH
1995	3.19	10.51	4.86	.155	1.57	2.04	2.18	6.000	3.55 21.55	H NH	24.83 42.83	H NH
1996	2.92	10.90	4.86	.188	1.57	2.04	2.18	6.000	4.14 22.14	H NH	29.92 47.92	H NH
1997	2.98	10.44	4.86	.1224	1.579	2.0427	2.18	6.000	4.29 22.29	H NH	27.78 45.78	H NH
1998	2.97	10.33	4.86	.1224	1.579	2.0427	2.20	6.000	3.86 21.86	H NH	27.3141 45.3141	H NH
1999	2.69	10.09	4.86	.1847	1.6345	2.0427	2.145	6.000	4.17 22.05	H NH	27.43 45.30	H NH
2000	2.77	10.11	4.86	.1413	1.6345	2.0427	2.14	6.000	4.52 22.42	H NH	27.40 45.29	H NH
2001	2.59	10.02	4.86	0.1218	2.2227	2.5427	2.14	6.000	4.56 22.44	H NH	28.75 46.63	H NH
2002	2.50	10.47	4.86	0.1173	2.2227	2.5427	2.14	6.000	4.83 22.66	H NH	29.19 47.03	H NH
2003	2.50	10.47	4.86	0.1412	2.2318	2.5427	2.14	5.000	4.80 22.53	H NH	28.2 45.55	H NH

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

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

Source: Saginaw County Equalization Department

COUNTY OF SAGINAW

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

<u>Year (1)</u>	<u>Amount of Special Assessments Becoming Due During Year</u>	<u>Current Assessment Collected To March 1</u>	<u>Total Amount Special Assessments Uncollected</u>
1994	\$517,577	\$500,063	\$17,514
1995	431,769	412,704	19,065
1996	475,877	453,878	21,999
1997	498,501	474,205	24,296
1998	674,456	631,827	42,629
1999	710,314	639,494	70,820
2000	754,424	689,043	65,381
2001	621,600	557,469	64,131
2002	854,012	795,171	58,841
2003	849,794	777,309	72,485

(1) Year of Collection.

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

Source: Saginaw County Public Works Commissioner and Saginaw County Treasurer

COUNTY OF SAGINAW

MAJOR TAXPAYERS

(UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2003

<u>Taxpayer</u>	<u>Taxable Valuation</u>	<u>Percent of Total County Taxable Value</u>
1. Delphi Corporation	\$ 111,322,635	2.50%
2. General Motors Corporation	47,161,309	1.06%
3. Consumers Power	97,853,662	2.20%
4. Hemlock Semi-Conductor	25,992,238	0.58%
5. Sahasa Realty Corporation	23,902,670	0.54%
6. Bavarian Inn	23,388,935	0.52%
7. Saginaw Joint Ventures (Fashion Sq.)	21,913,076	0.49%
8. Birch Run Outlets	19,737,336	0.44%
9. Dow Chemical Co.	14,534,100	0.33%
10. Charter Communications	14,248,536	0.32%
Total	\$ 400,054,497	8.98%

Above total represents 8.98% of the 2003 tax base.

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

	<u>IFT Exemption</u>	<u>328 Exemption</u>
Delphi Corporation	\$ 74,190,600	\$ 82,365,600
General Motors Corporation	52,950,300	6,847,300
Hemlock Semi-Conductor	53,729,200	
Dow Chemical	965,900	
	\$ 181,836,000	\$ 89,212,900

Source: Saginaw County Equalization Department

COUNTY OF SAGINAW

**MAJOR PRIVATE EMPLOYERS
(UNAUDITED)
YEAR ENDED SEPTEMBER 30, 2003**

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

* List does not include government, school, or higher academic institution employers

Source: Saginaw Future, Inc.

COUNTY OF SAGINAW

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

<u>Year</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Rate</u>
1994	98,875	92,800	6,075	6.1%
1995	98,425	92,750	5,675	5.8%
1996	98,500	93,975	4,525	4.6%
1997	99,000	95,100	3,900	3.9%
1998	101,258	96,535	4,723	4.7%
1999	102,354	97,850	4,504	4.4%
2000	102,425	98,375	4,050	4.0%
2001	103,275	97,528	5,747	5.6%
2002	101,629	94,708	6,921	6.8%
2003	102,238	93,556	8,681	8.5%

Source: Michigan Department of Career Development.

COUNTY OF SAGINAW

**COMPUTATION OF LEGAL DEBT MARGIN
(UNAUDITED)
SEPTEMBER 30, 2003**

State Equalized Valuation		\$	5,142,939,503
Debt Limit - 10% of State Equalized Valuation			<u>0.10</u>
Amount of Debt applicable to Debt Limit		\$	514,293,950
Total Bonded Debt (1)	\$	73,396,016	
Less: Deductions Allowed by Law:			
DPW - Water Bonds	\$	11,765,000	
DPW - Sewer Bonds		11,354,000	
Drains - Chapter 20 Bonds		15,291,396	
Drains - Special Assessment Bonds		5,517,876	
Drains - Special Assessment Notes		<u>844,255</u>	<u>44,772,527</u>
Net Debt Subject to Statutory Limitations	\$	28,623,489	
Less: Restricted Amount Available for Debt Service			<u>(1,811,556)</u>
Total Amount of Debt Applicable to Debt Limit			<u>30,435,045</u>
LEGAL DEBT MARGIN		\$	<u><u>483,858,905</u></u>

(1) Accumulated Vacation and Sick Leave not included.

COUNTY OF SAGINAW

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

Year (1)	Population (2)	State Equalized Valuation	Total Debt (3)	Less Deductions	Net General Bonded Debt	Ratio of Net General Bonded Debt to State Equalized Value	Net Bonded Debt per Capita
1993	212,477	\$ 2,919,521,476	\$ 63,731,417	\$ 59,872,372	\$ 3,859,045	0.132%	\$ 18.16
1994	211,287	3,048,947,411	64,382,255	60,727,176	3,655,079	0.120%	17.30
1995	212,545	3,193,843,496	66,050,691	60,475,700	5,574,991	0.175%	26.23
1996 (4)	212,366	3,385,843,245	69,136,874	63,843,067	5,293,807	0.156%	24.93
1996/1997 (5)	211,742	3,650,646,003	68,191,815	63,251,228	4,940,587	0.135%	23.33
1997/1998 (5)	210,101	3,930,917,534	73,762,862	68,999,788	4,763,074	0.121%	22.67
1998/1999 (5)	210,101	4,132,426,188	74,917,864	70,562,098	4,355,766	0.105%	20.73
1999/2000 (5)	209,245	4,371,021,814	71,720,711	67,784,279	3,936,432	0.090%	18.81
2000/2001 (5)	210,039	4,676,385,585	66,034,282	62,463,555	3,570,727	0.076%	17.00
2001/2002 (5)	209,461	4,915,724,796	73,875,566	56,650,603	17,224,963	0.350%	82.23
2002/2003 (5)	210,087	5,142,939,503	73,396,016	56,525,972	16,870,044	0.328%	80.30

(1) Represents year taxes are levied.

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

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

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

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

COUNTY OF SAGINAW

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

Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
1994	\$ 3,668,726	\$ 2,465,045	\$ 6,133,771	\$ 116,504,156 (2)	5.3%
1995	3,795,359	2,445,518	6,240,877	120,304,473 (2)	5.2%
1996 (3)	3,544,609	1,790,564	5,335,173	98,821,513 (2)	5.4%
1996/1997 (4)	5,752,831	2,516,752	8,269,583	128,219,891 (2)	6.4%
1997/1998 (4)	5,122,399	2,488,224	7,610,623	103,350,136 (2)	7.4%
1998/1999 (4)	6,346,798	2,591,011	8,937,809	116,319,566 (2)	7.7%
1999/2000 (4)	5,898,304	2,577,352	8,475,656	122,074,239 (2)	6.9%
2000/2001 (4)	5,044,151	2,641,745	7,685,896	120,478,981 (2)	6.4%
2001/2002 (4)	5,255,922	2,442,580	7,698,502	126,612,815 (2)	6.1%
2002/2003 (4)	1,842,000	507,626	2,349,626	95,152,768 (5)	2.5%

(1) Excludes bond issuance and other costs.

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

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

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

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

COUNTY OF SAGINAW

COMPUTATION OF NET DIRECT AND OVERLAPPING DEBT
(UNAUDITED)
SEPTEMBER 30, 2003

	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>County Share of Debt</u>
NET DIRECT DEBT			
DPW - Water Bonds	\$ 11,765,000		
DPW - Sewer Bonds	11,354,000		
Drains - Chapter 20 Bonds	15,291,396		
Drains - Special Assessment Bonds	5,517,876		
Drains - Special Assessment Notes	844,254		
Gol Tax Notes	6,300,000		
Building Authority Bonds	19,265,000		
HealthSource (Saginaw Comm. Hosp.)	1,500,000		
Juvenile Center Renovation	1,375,000		
Brownfield Redevelopment Authority	<u>183,490</u>		
Gross Bonded Debt	73,396,016		
Less Self-Supporting Bonds			
DPW - Water Bonds	11,765,000		
DPW - Sewer Bonds	11,354,000		
Drains - Chapter 20 Bonds	15,291,396		
Drains - Special Assessment Bonds	5,517,876		
Drains - Special Assessment Notes	844,254		
Gol Tax Notes	<u>6,300,000</u>		
Total Self-Supporting Bonds	51,072,526		
Less Restricted Amount Available for Debt Service	<u>(1,811,593)</u>		
TOTAL NET DIRECT DEBT	24,135,083	100%	\$ 24,135,083
OVERLAPPING DEBT			
School Districts	153,762,188		
Cities and Villages	30,667,050		
Townships	31,455,790		
Community College and Intermediate S/Ds	<u>4,089,864</u>		
TOTAL NET OVERLAPPING DEBT	<u>219,974,892</u>	100%	<u>219,974,892</u>
TOTAL NET DIRECT AND OVERLAPPING DEBT	<u>\$ 244,109,975</u>		<u>\$ 244,109,975</u>

COUNTY OF SAGINAW

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

Year	(1) Population	(2) Per Capita Income	(1) Median Age	(3) School Enrollment		(4) Unemployment Rate
				Public	Private	
1994	211,287	\$ 20,728	32.8	36,060	5,884	6.1%
1995	212,545	20,871	34.1	36,586	5,436	5.8%
1996	212,366	20,740	33.9	38,618	6,251	4.6%
1997	211,742	21,732	32.9	37,068	5,805	3.9%
1998	210,101	22,770	32.7	37,133	4,783	4.7%
1999	210,101	23,889	32.0	36,639	4,809	4.4%
2000	209,245	25,081	36.9	36,504	4,471	4.0%
2001	210,039	26,351	36.3	36,474	4,300	5.6%
2002	209,461	19,438	36.3	36,389	4,300	6.8%
2003	210,087	19,438	36.3	36,159	N/A	8.5%

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

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

(3) Saginaw Co. Intermediate School District.

(4) Michigan Department of Career Development.

COUNTY OF SAGINAW

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

Fiscal Year	Commercial Construction (1)		Residential Construction (1)		Bank Deposits (000's)	True Cash Value Real & Personal (not including I. F. T.)		
	Number of Permits (2)	Value	Number of Permits (2)	Value		Industrial Commercial Utility	Residential	Agricultural
1994	27	\$ 10,257,000	247	\$ 29,137,082	\$ 2,520,977	\$ 2,045,541,388	\$ 3,543,170,822	\$ 484,983,212
1995	29	14,169,018	200	24,590,500	2,585,383	2,144,870,298	3,731,090,698	496,231,196
1996 (3)	39	4,680,000	302	28,596,895	2,572,847	2,286,844,526	3,947,851,388	514,990,922
1996/1997 (4)	35	4,444,020	245	24,766,183	2,626,075	2,447,330,918	4,284,912,026	543,574,404
1997/1998 (4)	109	13,839,948	173	22,978,250	2,690,232	2,659,932,694	4,610,183,544	572,009,330
1998/1999 (4)	73	10,106,412	416	38,395,136	2,734,236	2,688,043,874	4,976,653,998	580,699,684
1999/2000 (4)	56	7,552,440	549	49,395,136	2,817,594	2,758,627,726	5,365,491,814	599,167,974
2000/2001 (4)	53	7,729,944	464	49,199,392	(5)	2,936,990,714	5,788,633,284	612,377,272
2001/2002 (4)	38	5,571,066	616	60,206,608	(5)	2,974,024,492	6,208,994,954	632,803,146
2002/2003 (4)	50	8,009,000	605	66,500,000	(5)	3,027,785,192	6,578,512,574	724,141,040

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

(2) New Construction.

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

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

(5) Figures not available.

COUNTY OF SAGINAW

**PROPERTY VALUE CHANGES
(UNAUDITED)
LAST TEN YEARS**

Year	Agriculture & Timber Cut*	Percent Increase (Decrease)	Commercial & Development	Percent Increase (Decrease)	Industrial & Utility	Percent Increase (Decrease)	Residential	Percent Increase (Decrease)	Total SEV	Percent Increase (Decrease)
1994	\$ 245,723,206	3.46%	\$ 630,664,745	2.56%	\$ 400,974,049	-0.16%	\$ 1,771,585,411	6.37%	\$ 3,048,947,411	4.43%
Percent of Total	8.06%		20.68%		13.15%		58.11%		100.00%	
1995	248,115,598	0.97%	663,108,168	5.14%	417,074,381	4.02%	1,865,545,349	5.30%	3,193,843,496	4.75%
	7.77%		20.76%		13.06%		58.41%		100.00%	
1996	259,657,371	4.65%	700,894,913	5.70%	451,365,267	8.22%	1,973,925,694	5.81%	3,385,843,245	6.01%
	7.67%		20.70%		13.33%		58.30%		100.00%	
1997	273,900,674	5.49%	780,329,930	11.33%	453,959,386	0.57%	2,142,456,013	8.54%	3,650,646,003	7.82%
	7.50%		21.37%		12.44%		58.69%		100.00%	
1998	288,045,815	5.16%	821,871,168	5.32%	515,908,779	13.65%	2,305,091,772	7.59%	3,930,917,534	7.68%
	7.33%		20.91%		13.12%		58.64%		100.00%	
1999	292,280,502	1.47%	864,088,591	5.14%	487,730,096	-5.46%	2,488,326,999	7.95%	4,132,426,188	5.13%
	7.07%		20.91%		11.80%		60.22%		100.00%	
2000	301,563,794	3.18%	898,854,676	4.02%	487,857,437	0.03%	2,682,745,907	7.81%	4,371,021,814	5.77%
	6.90%		20.56%		11.16%		61.38%		100.00%	
2001	306,572,736	1.66%	932,442,385	3.74%	543,053,822	11.31%	2,894,316,642	7.89%	4,676,385,585	6.99%
	6.56%		19.94%		11.61%		61.89%		100.00%	
2002	316,401,573	3.21%	1,018,039,957	9.18%	476,785,789	-12.20%	3,104,497,477	7.26%	4,915,724,796	5.12%
	6.44%		20.71%		9.70%		63.15%		100.00%	
2003	326,070,520	3.06%	1,069,310,831	5.04%	458,301,865	-3.88%	3,289,256,287	5.95%	5,142,939,503	4.62%
	6.34%		20.79%		8.91%		63.96%		100.00%	

Source: Saginaw County Equalization Department.

* Timber Cut classification is included in the Residential classification starting in 2002.

COUNTY OF SAGINAW

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

	<u>1994</u>	<u>1995</u>	<u>1996 (1)</u>	<u>1996/1997 (2)</u>	<u>1997/1998 (2)</u>	<u>1998/1999 (2)</u>	<u>1999/2000 (2)</u>	<u>2000/2001 (2)</u>	<u>2001/2002 (2)</u>	<u>2002/2003(2)</u>
Revenues	\$28,347,874	\$29,400,802	\$27,579,522	\$32,965,336	\$35,750,155	\$37,451,436	\$34,728,744	\$35,273,406	\$33,284,525	\$33,904,535
Expenditures	<u>(21,976,627)</u>	<u>(23,075,101)</u>	<u>(18,223,600)</u>	<u>(24,626,789)</u>	<u>(26,735,639)</u>	<u>(28,031,379)</u>	<u>(29,790,488)</u>	<u>(32,004,127)</u>	<u>(30,615,091)</u>	<u>(31,614,137)</u>
Excess of Revenues Over Expenditures	6,371,247	6,325,701	9,355,922	8,338,547	9,014,516	9,420,057	4,938,256	3,269,279	2,669,434	2,290,398
Operating Transfers: in	3,977,633	4,124,947	3,214,370	2,768,739	1,998,578	2,386,035	3,022,325	2,343,789	1,855,403	2,086,586
out	(9,350,071)	(9,078,855)	(7,980,325)	(9,935,008)	(9,885,778)	(10,337,868)	(7,237,347)	(5,930,161)	(6,432,788)	(4,073,511)
Sale of Fixed Assets									363,303	
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses	998,809	1,371,793	4,589,967	1,172,278	1,127,316	1,468,224	723,234	(317,093)	(1,544,648)	303,473
Fund Balance, Beginning of Year	10,685,006	11,683,815	13,055,608	17,645,575	18,910,419	20,694,207	22,162,431	22,885,665	22,128,418	20,583,770
Residual Equity Transfer Out	-	-	-	-	-	-	-	(179,071)	-	-
Prior Period Adjustment	-	-	-	92,566	656,472	-	-	(261,083)	-	-
Fund Balance, September 30	<u>\$11,683,815</u>	<u>\$13,055,608</u>	<u>\$17,645,575</u>	<u>\$18,910,419</u>	<u>\$20,694,207</u>	<u>\$22,162,431</u>	<u>\$22,885,665</u>	<u>\$22,128,418</u>	<u>\$20,583,770</u>	<u>\$20,887,243</u>

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

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

COUNTY OF SAGINAW

MISCELLANEOUS STATISTICAL DATA

(Unaudited)

Date of Establishment:	February 1835
Form of Government:	Elected Board of Commissioners (15) by specified districts.
Area:	809 square miles
County Seat:	City of Saginaw
Townships:	(27) twenty-seven
Cities:	(3) three
Villages:	(5) five
Transportation:	
Public Road Mileage	2,134
Bus Lines	2
Truck Lines	54
Rail Lines	6
Ports	30
Airports	4
Airlines	5
Recreation:	Acres
U. S. Wildlife Refuge	8,984
State Game Area	14,665
Township Parks	598
City Parks	650
Village Parks	60
Lions Club	23
County Parks (6)	553
Beach	1
Campground	1
Boat Launch	2
Trails	8 miles
Fishing Docks	3
Rail trails	6.06 miles open
Police Protection:	
Jail Capacity	513
Certified Officers	62
Patrol units	39
Detectives	10

COUNTY OF SAGINAW

MISCELLANEOUS STATISTICAL DATA (Unaudited)

Educational Facilities – Public:

School Districts	13
Elementary	50
Middle	15
Junior-Senior High	1
High Schools	14
Vocational & Special Ed.	7

Educational Facilities – Non-Public:

Pre-Kindergarten - 8	14
Kindergarten - 8	8
Kindergarten - 12	4
High Schools	4
Vocational	2

Colleges & Universities:

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

Public Libraries:

14

Financial Institutions:

Offices

Amalgamated Credit Union	1
Bank One	7
Catholic Federal Credit Union	3
Charter One	1
Chemical Bank & Trust	4
Christopher Credit Union	1
Citizens Bank	15
Consumers Choice Credit Union	1
Communications Family Credit Union	1
Community State Bank-St. Charles	5
Credit Union Plus	1
Family First Credit Union	1
First Area Credit Union	1
First Bank	2
Frankenmuth Credit Union	1
Freeland State Bank	1
Independent Bank MSB	2
Lake Huron Credit Union	1
Montrose State Bank	1
National City Bank	8

COUNTY OF SAGINAW

**MISCELLANEOUS STATISTICAL DATA
(Unaudited)**

Financial Institutions (continued):	Offices
Saginaw Automotive Empl. Fed Credit union	1
Saginaw County Employees Credit Union	1
Saginaw Medical Federal credit union	1
Saginaw Postal Federal Credit Union	1
Saginaw VA Hospital Federal Credit Union	1
Security Federal Credit Union	1
SECU Credit Union	1
Standard Federal Bank	9
Team One Credit Union	1
TCF Bank	7
Town & Country Family Credit Union	1
United Financial Credit Union	2
Valley State Employees Credit Union	1
Wanigas Federal Credit Union	2
Wolverine Bank FSB	2

Churches: 300

Synagogues: 2

Property Tax Base (2003):	
Agricultural & Timber Cutover	7%
Residential	71%
Industrial & Utility	3%
Commercial	19%

Population:

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

COUNTY OF SAGINAW

MISCELLANEOUS STATISTICAL DATA

(Unaudited)

Industrial Sites:

Parks	3
Acres	679
Sites	53

Media:

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

Radio Stations:

WEEG-FM	97.3
WGER-FM	106.3
WHNN-FM	96.1
WIOG-FM	102.5
WKCQ-FM	98.1
WKNX-AM	1250
WKQZ-FM	93.3
WSAM-AM	1400
WSGW-AM	790
WTLZ-FM	107.1
WTCF-FM	100.5
WMAX-AM	1440
WILZ-FM	104.5
WYLZ-FM	100.9
WCEN-FM	94.5

Television Stations:

WAQP	Channel 49	Independent
WEYI	Channel 25	NBC
WJRT	Channel 12	ABC
WNEM	Channel 5	CBS
WSMH	Channel 66	FOX

Cable: Charter Communications

Telephone: SBC
Century Telephone Co. of MI
Verizon
McLeod USA

COUNTY OF SAGINAW

MISCELLANEOUS STATISTICAL DATA

(Unaudited)

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

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2003

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS - THROUGH GRANTOR'S NUMBER	FEDERAL AWARDS EXPENDED
PRIMARY GOVERNMENT:			
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
PASSED THROUGH MICHIGAN DEPARTMENT OF COMMUNITY HEALTH			
Family Planning	93.217	N/A	\$ 189,116
Federally funded vaccines	93.268	N/A	868,693
Childhood immunization grants	93.268	N/A	102,850
Immunizations	93.268	N/A	119,736
Laboratory services-bioterrorism	93.283	N/A	145,814
Bioterrorism emergency preparation	93.283	N/A	110,162
CA - Substance Abuse Prevention and Treatment Medicaid	93.778	N/A	655,653
Medicaid outreach and advocacy	93.778	N/A	18,003
MIHAS	93.778	N/A	46,569
HIV / AIDS Counseling and Testing	93.940	N/A	27,000
CA - Substance Abuse Prevention and Treatment Block Grant	93.959	N/A	1,378,163
B.A.S.A.R.A.	93.959	N/A	374,492
Laboratory services	93.977	N/A	56,450
Minority Health Program	93.991	N/A	33,045
Local MCH	93.994	N/A	204,387
Case management services	93.994	N/A	42,380
Family Planning	93.994	N/A	34,231
Pregnancy prevention	93.994	N/A	54,444
PASSED THROUGH HEALTH RESOURCES & SERVICES ADMINISTRATION			
Healthy Start Initiative	93.926	N/A	716,986
PASSED THROUGH MICHIGAN FAMILY INDEPENDENCE AGENCY			
Title IVB Subpart 2 Family Presentation and Support Services	93.556	N/A	108,368
Temporary Assistance for Needy Families	93.558	N/A	6,172
Temporary Assistance for Needy Families / Healthy Families	93.558	N/A	92,574
Temporary Assistance for Needy Families / Family Nutrition	93.558	N/A	15,091
AFDC Maintenance Assistance (Federal Incentive)	93.560	N/A	379,789
IV-D Cooperative Reimbursement Grant (FOC)	93.563	N/A	2,310,173
IV-D Cooperative Reimbursement Grant (GF)	93.563	N/A	231,794
PASSED THROUGH MICHIGAN OFFICE OF AGING SERVICES AND THE REGION VII AREA AGENCY ON AGING			
Aging Cluster:			
Case Coordination and Support	93.044	N/A	72,924
Senior Citizen's Staffing	93.044	N/A	4,728
Senior Center Operations	93.044	N/A	8,326
Nutrition - Title IIIC-1	93.045	N/A	168,530
Nutrition - Title IIIC-2	93.045	N/A	144,975
Nation Family Caregiver Support Program	93.052	N/A	63,387
Health Care Financing Research	93.779	N/A	269
PASSED THROUGH MICHIGAN DEPARTMENT OF CAREER DEVELOPMENT			
Temporary Assistance for Needy Families (TANF) / Work First (Note 3)	93.558	N/A	2,106,461
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			10,891,735
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Foster Grandparent Program	94.011	N/A	243,381

(Continued)

COUNTY OF SAGINAW
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2003

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	FEDERAL AWARDS EXPENDED
PRIMARY GOVERNMENT (continued):			
U.S. DEPARTMENT OF AGRICULTURE			
PASSED THROUGH MICHIGAN OFFICE OF AGING SERVICES AND THE REGION VII AREA AGENCY ON AGING			
Nutrition - Title IIIC-1	10.550	N/A	\$ 59,656
Nutrition - Title IIIC-2	10.550	N/A	113,361
PASSED THROUGH MICHIGAN DEPARTMENT OF EDUCATION			
National School Lunch-Breakfast Program - County Children's Facility	10.553	8350-41-1185	60,362
PASSED THROUGH MICHIGAN DEPARTMENT OF COMMUNITY HEALTH			
Women and Infant Care	10.557	N/A	686,148
PASSED THROUGH MICHIGAN DEPARTMENT OF CAREER DEVELOPMENT			
Food Stamps	10.561	N/A	<u>80,360</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>999,887</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
PASSED THROUGH CITY OF SAGINAW			
Housing Self Maintenance	14.219	N/A	58,706
PASSED THROUGH THE MICHIGAN DEPARTMENT OF COMMERCE			
Community Development Block Grant	14.228	MSC-97-0540-HO	32,840
PASSED THROUGH THE MICHIGAN STRATEGIC FUND AGENCY			
Community Development Block Grant (Note 2)	14.228	CDBG #2	241,360
PASSED THROUGH THE MICHIGAN STRATEGIC FUND AGENCY			
Link Michigan Regional Telecommunications Planning Project	14.228	MSC 201075-LMRP	174,714
PASSED THROUGH MICHIGAN DEPARTMENT OF COMMUNITY HEALTH			
Lead-Based Paint Hazard Control	14.900	N/A	<u>17,600</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>525,220</u>
U.S. DEPARTMENT OF LABOR			
PASSED THROUGH MICHIGAN DEPARTMENT OF CAREER DEVELOPMENT (Note 3)			
Re-Employment Services Initiative	17.207	N/A	54,005
Employment Services (Wagner Peyser)	17.207	N/A	741,780
MDCD	17.207	N/A	17,899
Reed Act - Work First	Note 4	N/A	4,446,108
Reed Act - SCO	Note 4	N/A	289,688
Reed Act - Accessibility	Note 4	N/A	4,064
Service center access grant	Note 4	N/A	16,845
TAA/NAFTA Assistance	17.245	N/A	44,255
Welfare-to-Work Grants to States and Localities	17.253	N/A	940,718
Incumbant worker (Note 4)	Note 4	N/A	80,857
Capacity building professional development (Note 4)	Note 4	N/A	23,480
H-1B Department of Labor Training Grant	Note 4	N/A	8,847
Pre-feasibility (Note 4)	Note 4	N/A	10,693
Workforce Investment Act - Youth Statewide (Note 4)	Note 4	N/A	26,931
Workforce Investment Act - Administration (Note 4)	Note 4	N/A	348,405
Workforce Investment Act - Adult	17.258	N/A	1,365,502
Workforce Investment Act - Youth	17.259	N/A	1,403,802
Workforce Investment Act - Dislocated	17.260	N/A	737,876
National Emergency Grant	17.260	N/A	<u>51,901</u>
TOTAL U.S. DEPARTMENT OF LABOR			<u>10,613,656</u>

(Continued)

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2003

<u>FEDERAL GRANTOR / PASS THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS- THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL AWARDS EXPENDED</u>
PRIMARY GOVERNMENT (continued):			
<u>U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
DIRECT PROGRAM			
Emergency Management - State and Local Assistance	83.534	N/A	\$ 4,382
PASSED THROUGH MICHIGAN STATE POLICE DEPARTMENT			
Emergency Management - State and Local Assistance	83.552	N/A	30,429
PASSED THROUGH SAGINAW COUNTY UNITED WAY			
Emergency Food and Shelter - National Program	83.523	N/A	<u>1,698</u>
TOTAL U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY			<u>36,509</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Brownfield Pilots Cooperative Agreements	66.811	N/A	<u>7,723</u>
<u>FEDERAL COASTAL ZONE MANAGEMENT AGENCY</u>			
PASSED THROUGH MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY			
Greenways Grant	11.419	N/A	<u>4,844</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Twenty First Century Community Learning Centers	84.287A	N/A	<u>5,920</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Local Law Enforcement Block Grant	16.592	N/A	35,248
PASSED THROUGH STATE COURT ADMINISTRATOR'S OFFICE			
Juvenile Accountability Incentive Block Grant	16.523	N/A	31,575
PASSED THROUGH OFFICE OF COMMUNITY ORIENTED POLICING SERVICES			
COPS MORE technology grant	16.710	N/A	189,107
PASSED THROUGH MICHIGAN FAMILY INDEPENDENCE AGENCY			
Juvenile Justice and Delinquency Prevention - Communities that Care	16.540	N/A	9,000
Missing Childrens Assistance	16.543	N/A	7,479
PASSED THROUGH MICHIGAN DEPARTMENT OF STATE POLICE			
OFFICE OF DRUG CONTROL POLICY			
Prosecutors Asset Forfeiture Unit	16.579	N/A	98,066
School liason officer	16.579	N/A	35,827
State Homeland Security Grant Program	16.007	N/A	132,948
State Criminal Alien Assistance Program	16.606	N/A	<u>5,786</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>545,036</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
PASSED THROUGH MICHIGAN DEPARTMENT OF AERONAUTICS			
Airport improvement program	20.106	B-26-0114-0701	414,645
PASSED THROUGH MICHIGAN DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction / Saginaw Valley Rail Trail Phase II	20.205	N/A	91,519
Urban Planning - FHWA	20.500	FHWA PL-0123-025	186,099
Urban Planning - FTA	20.500	FTA 97874	47,502
HMEP	20.703	HMEMI2018100	2,534
Operation ABC	20.600	N/A	8,190
S.C.A.R.E.	20.600	N/A	<u>23,743</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>774,232</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE - PRIMARY GOVERNMENT AND DRAIN COMMISSION COMPONENT UNIT			<u>\$ 24,648,143</u>

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2003

	<u>FEDERAL AWARDS EXPENDED</u>
RECONCILIATION TO FEDERAL REVENUE RECOGNIZED IN COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	
TOTAL FEDERAL FINANCIAL ASSISTANCE - PRIMARY GOVERNMENT AND DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT	\$ 24,648,143
ADD: FEDERAL AWARDS AUDITED IN SEPARATELY ISSUED FINANCIAL STATEMENTS: SAGINAW COUNTY ROAD COMMISSION - Component Unit	<u>2,320,985</u>
FEDERAL REVENUE RECOGNIZED IN COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	<u>\$ 26,969,128</u>

NOTES:

- (1) The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Saginaw and is presented on the modified accrual basis of accounting. The information presented in this schedule is presented in accordance with the requirements of OMB Circular A-133 Audits of States, Local Governments and Non Profit Organizations.
- (2) 100 % of this award was provided to subrecipients.
- (3) Approximately 95% of this award was provided to subrecipients.
- (4) To date no CFDA numbers have been issued to these grants.



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

February 27, 2004

Board of Commissioners
County of Saginaw
Saginaw, Michigan

We have audited the financial statements of the *County of Saginaw, Michigan* as of and for the year ended September 30, 2003, and have issued our report thereon dated February 27, 2004. We did not audit the financial statements of the Road Commission Component Unit, which represents 58.7% and 87.7%, respectively, of the assets and revenues of the component unit column. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Road Commission is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the *County of Saginaw, Michigan's* internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to management of *County of Saginaw, Michigan* in a separate letter dated February 27, 2004.

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



REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP

An Independent Member of Baker Tilly International

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

February 27, 2004

Board of Commissioners
County of Saginaw
Saginaw, Michigan

Compliance

We have audited the compliance of the *County of Saginaw, Michigan* with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2003. The *County of Saginaw, Michigan's* major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the *County of Saginaw, Michigan's* management. Our responsibility is to express an opinion on the *County of Saginaw, Michigan's* compliance based on our audit.

The *County of Saginaw, Michigan's* financial statements include the operations of the Road Commission component unit, which received \$2,320,985 in federal awards which is not included in the Schedule of Federal Awards for the year ended September 30, 2003. Our audit, described below, did not include the operations of the Road Commission Component Unit because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

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

In our opinion, the *County of Saginaw, Michigan* complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2003. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2003-1.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

COUNTY OF SAGINAW

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2003

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal controls over financial reporting:

Material weakness(es) identified? _____ yes no

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

Noncompliance material to financial statements noted?

_____ yes no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? _____ yes no

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

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

Unqualified

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

yes _____ no

Identification of Major Programs:

CFDA Number(s)

Name of Federal Program or Cluster

93.UNK

Reed Act

93.268

Immunizations Grants

93.283

Centers for Disease Control & Prevention – Investigations & Technical Assistance

COUNTY OF SAGINAW

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2003

Dollar threshold used to distinguish
between Type A and Type B programs: \$727,005

Auditee qualified as low-risk auditee? X yes no

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2003-1 Allocation of Payroll Expenditures

Grantor: U.S. Department of Health and Human Services

CFDA #: 93.283

Award Name: Centers for Disease Control & Prevention – Investigations & Technical Assistance

Condition: Office of Management and Budget Circular No. A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, requires that when employees work on multiple activities / are charged to both federally funded and non-federally funded cost centers, the distribution of their salaries or wages must be supported by personnel activity reports or a statistical sampling system that has been approved by the cognizant Federal agency.

During the year ended September 30, 2003, the County allocated payroll charges for Centers for Disease Control & Prevention – Investigations & Technical Assistance personnel both the federally funded program and to the non-federally funded programs, which were not supported by direct timekeeping, personnel activity reports, or other acceptable documentation as required by federal regulations. Instead, the charges were allocated to federal programs based on program budgets and management estimates. While the amounts allocated to individual programs may indeed closely approximate the actual time spent by County employees on these functions, this method of payroll allocation is not consistent with federal guidelines, and creates the risk that amounts allocated could vary substantially from actual costs incurred.

COUNTY OF SAGINAW

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2003

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

Recommendation: We recommend that the entity properly allocate salaries and wages to the aforementioned programs, based on timesheets that document the actual time incurred on each program.

COUNTY OF SAGINAW

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2003

There were no audit findings in the prior year.

COUNTY OF SAGINAW

**SUMMARY SCHEDULE OF BUDGETED, REPORTED AND AUDITED AMOUNTS
All Students Achieve Program - Parent Intervention and Education (ASAP-PIE) Grant
AGENCY: Saginaw County MSU Extension**

FOR THE YEAR ENDED SEPTEMBER 30, 2003

Code	Function Name	Salaries and Benefits	Purchased Services	Supplies and Materials	Other Expenses	Total Expenditures	Total Reported		Budgeted	Audited	Difference
							In-Kind Matches	Reimbursable Expenditures			
220	Instructional Staff Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
230	General Administration	-	-	-	-	-	-	-	-	-	-
250	Business Services	-	-	-	-	-	-	-	-	-	-
260	Operations and Maintenance	-	-	-	-	-	-	-	-	-	-
270	Pupil Transportation Services	-	-	-	-	-	-	-	-	-	-
280	Central Support Services	-	-	-	-	-	-	-	-	-	-
290	Other Support Services	-	-	-	-	-	-	-	-	-	-
310	Community Services Direction	50,162	-	-	-	50,162	-	50,162	147,000	50,162	-
390	Other Community Services	513,674	52,147	23,981	49,579	639,381	-	639,381	820,000	636,700	(2,681)
400	Outgoing Transfers	-	-	-	-	-	-	-	-	-	-
600	Capital Outlay	-	-	-	-	-	-	-	-	-	-
	TOTAL	\$ 563,836	\$ 52,147	\$ 23,981	\$ 49,579	\$ 689,543	\$ -	\$ 689,543	\$ 967,000	\$ 686,862	\$ (2,681)

COUNTY OF SAGINAW

**SUMMARY SCHEDULE OF BUDGETED, REPORTED AND AUDITED AMOUNTS
All Students Achieve Program - Parent Intervention and Education (ASAP-PIE) Grant
AGENCY: Saginaw County Department of Public Health**

FOR THE YEAR ENDED SEPTEMBER 30, 2003

Code	Function Name	Salaries and Benefits	Purchased Services	Supplies and Materials	Other Expenses	Total Expenditures	Total Reported		Budgeted	Audited	Difference
							In-Kind Matches	Reimbursable Expenditures			
220	Instructional Staff Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
230	General Administration	-	-	-	-	-	-	-	-	-	-
250	Business Services	-	-	-	-	-	-	-	-	-	-
260	Operations and Maintenance	-	-	-	-	-	-	-	-	-	-
270	Pupil Transportation Services	-	-	-	-	-	-	-	-	-	-
280	Central Support Services	-	-	-	-	-	-	-	-	-	-
290	Other Support Services	15,813	10,932	-	-	26,745	26,745	-	22,552	26,745	-
310	Community Services Direction	-	-	-	-	-	-	-	-	-	-
390	Other Community Services	116,354	882	8,602	9,029	134,867	-	134,867	201,628	148,773	13,906
400	Outgoing Transfers	-	-	-	-	-	-	-	-	-	-
600	Capital Outlay	-	-	-	-	-	-	-	-	-	-
	TOTAL	\$ 132,167	\$ 11,814	\$ 8,602	\$ 9,029	\$ 161,612	\$ 26,745	\$ 134,867	\$ 224,180	\$175,518	\$ 13,906

Management's response:

The difference between the reported amount and the audited amount results from the County's general ledger reporting activity through September 30 which is different than the grant's fiscal year of June 30. The County ensures reconciliation of the grant reports to supportive documentation and general ledger activity on a June 30 fiscal year, not to the County's fiscal year that ends September 30. In addition, the difference between the reported and audited amounts for the County's fiscal year ended September 30, 2002 was (\$13,906), making the "to date" net difference \$0.