

# **COUNTY OF SAGINAW, MICHIGAN**

## **FINANCIAL STATEMENTS AND SINGLE AUDIT**

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***FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2007***

**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, 2007**

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## INDEPENDENT AUDITORS' REPORT

March 31, 2008

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, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the *County of Saginaw's* management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Road Commission Component Unit, which represents 65.0% and 69.3% respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Road Commission, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Saginaw, Michigan*, as of September 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons of the General, Health Department, Michigan Works! and Revenue Sharing Reserve governmental

funds for the year then ended in conformity with accounting principles general accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2008, on our consideration of the *County of Saginaw, Michigan's* internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the *County of Saginaw, Michigan's* basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and schedule of expenditures of federal awards have been subjected to the auditing procedures applied 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.

A handwritten signature in cursive script, reading "Lehmann Johnson".

## 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, 2007. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

### Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$101,115,710 (*net assets*). Of this amount, \$44,774,586 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$3,398,217 during 2007.
- As of the close of the current fiscal year, the County's governmental funds (this includes the general fund, special revenue, debt service, capital projects, and permanent funds) reported combined ending fund balances of \$47,011,948, an increase of \$2,459,713 in comparison with the prior year. Approximately 59.2 percent of this total amount, or \$27,820,624, 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 had an unreserved – undesignated fund balance of \$664,761 or 1.8 percent of total general fund expenditures. The unreserved – designated fund balance for the general fund was \$16,647,443, or 46.2 percent of total general fund expenditures. Total fund balance for the general fund was \$17,657,204.
- The County's total bonded debt decreased by \$339,000 during the current fiscal year.

### Overview of the Financial Statements

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

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

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

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

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

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

The government-wide financial statements can be found on pages 19 - 21 of this report.

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

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

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

The County maintains 46 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Health Department Fund, Michigan Works! Fund, and Revenue Sharing Reserve Fund, each of which is considered to be major funds. Data from the other 42 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 22 - 30 of this report.

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

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

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

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40 - 77 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 78 - 155 of this report.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of the County of Saginaw, as the following table demonstrates, assets exceeded liabilities by \$101,115,710 at the close of the most recent fiscal year.

<b>County of Saginaw's Net Assets</b>						
<b>Fiscal Year Ending September 30,</b>	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 104,319,283	\$ 98,193,978	\$ 19,216,853	\$ 17,160,820	\$ 123,536,136	\$ 115,354,798
Capital assets, net of accumulated depreciation	<u>30,882,530</u>	<u>32,262,751</u>	<u>18,052,270</u>	<u>18,473,840</u>	<u>48,934,800</u>	<u>50,736,591</u>
Total assets	<u>135,201,813</u>	<u>130,456,729</u>	<u>37,269,123</u>	<u>35,634,660</u>	<u>172,470,936</u>	<u>166,091,389</u>
Long-term liabilities outstanding	41,479,150	42,438,930	17,746,151	16,738,545	59,225,301	59,177,475
Other liabilities	<u>10,911,916</u>	<u>8,028,949</u>	<u>1,218,009</u>	<u>1,167,472</u>	<u>12,129,925</u>	<u>9,196,421</u>
Total liabilities	<u>52,391,066</u>	<u>50,467,879</u>	<u>18,964,160</u>	<u>17,906,017</u>	<u>71,355,226</u>	<u>68,373,896</u>
Net assets:						
Invested in capital assets, net of related debt	26,212,530	26,677,751	11,282,270	10,163,840	37,494,800	36,841,591
Restricted	18,846,324	15,096,955	-	-	18,846,324	15,096,955
Unrestricted	<u>37,751,893</u>	<u>38,214,144</u>	<u>7,022,693</u>	<u>7,564,803</u>	<u>44,774,586</u>	<u>45,778,947</u>
<b>Total net assets</b>	<b><u>\$ 82,810,747</u></b>	<b><u>\$ 79,988,850</u></b>	<b><u>\$ 18,304,963</u></b>	<b><u>\$ 17,728,643</u></b>	<b><u>\$ 101,115,710</u></b>	<b><u>\$ 97,717,493</u></b>

One of the largest portions of the County’s net assets, \$37,494,800 (37.1 percent) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, vehicles); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County’s net assets, \$18,846,324 (18.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, \$44,774,586 (44.3 percent) may be used to meet the government’s ongoing obligations to citizens and creditors.

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

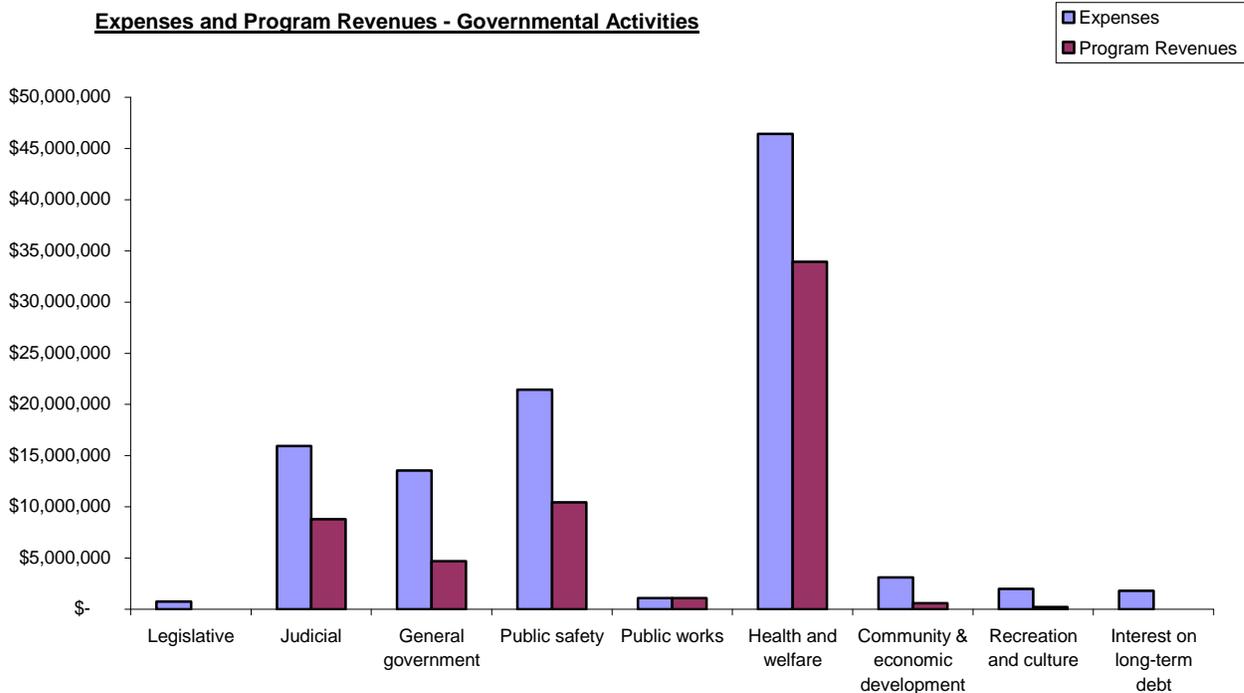
**County of Saginaw's  
Changes in Net Assets**

<b>Fiscal Year Ending September 30,</b>	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	2007	2006	2007	2006	2007	2006
<b>Revenues</b>						
Program revenue:						
Charges for services	\$ 20,316,901	\$ 22,581,064	\$ 7,214,083	\$ 7,268,373	\$ 27,530,984	\$ 29,849,437
Operating grants and contributions	38,898,208	39,191,120	-	-	38,898,208	39,191,120
Capital grants and contributions	570,591	844,828	340,970	363,015	911,561	1,207,843
General revenue:						
Property taxes	41,773,301	40,215,429	2,608,635	2,531,055	44,381,936	42,746,484
Accomodations tax	1,794,568	1,736,595	-	-	1,794,568	1,736,595
Grants and contributions not restricted to specific programs	528,750	514,892	-	-	528,750	514,892
Other	2,010,487	1,498,103	831,305	836,055	2,841,792	2,334,158
Total revenue	<u>105,892,806</u>	<u>106,582,031</u>	<u>10,994,993</u>	<u>10,998,498</u>	<u>116,887,799</u>	<u>117,580,529</u>
<b>Expenses</b>						
Legislative	761,309	730,342	-	-	761,309	730,342
Judicial	15,956,884	15,971,450	-	-	15,956,884	15,971,450
General government	13,543,398	12,516,894	-	-	13,543,398	12,516,894
Public safety	21,451,614	21,566,641	-	-	21,451,614	21,566,641
Public works	1,093,215	1,257,095	-	-	1,093,215	1,257,095
Health and welfare	46,416,316	41,749,695	-	-	46,416,316	41,749,695
Community and economic development	3,107,460	2,556,380	-	-	3,107,460	2,556,380
Recreation and culture	2,001,159	2,498,824	-	-	2,001,159	2,498,824
Interest on long-term debt	1,807,411	1,845,633	-	-	1,807,411	1,845,633
Delinquent tax revolving	-	-	896,515	448,168	896,515	448,168
Delinquent tax foreclosure	-	-	456,508	427,025	456,508	427,025
Building Authority Event Center	-	-	4,804,515	4,754,931	4,804,515	4,754,931
Building Authority administration	-	-	56,529	56,297	56,529	56,297
Parking system	-	-	62,263	78,783	62,263	78,783
Harry W. Browne Airport	-	-	617,864	549,566	617,864	549,566
Inmate services	-	-	456,622	521,732	456,622	521,732
Total expenses	<u>106,138,766</u>	<u>100,692,954</u>	<u>7,350,816</u>	<u>6,836,502</u>	<u>113,489,582</u>	<u>107,529,456</u>
Increase in net assets before transfers	(245,960)	5,889,077	3,644,177	4,161,996	3,398,217	10,051,073
Transfers	<u>3,067,857</u>	<u>2,022,516</u>	<u>(3,067,857)</u>	<u>(2,022,516)</u>	<u>-</u>	<u>-</u>
Increase in net assets	2,821,897	7,911,593	576,320	2,139,480	3,398,217	10,051,073
Net assets - beginning	<u>79,988,850</u>	<u>72,077,257</u>	<u>17,728,643</u>	<u>15,589,163</u>	<u>97,717,493</u>	<u>87,666,420</u>
<b>Net assets - end of year</b>	<b><u>\$ 82,810,747</u></b>	<b><u>\$ 79,988,850</u></b>	<b><u>\$ 18,304,963</u></b>	<b><u>\$ 17,728,643</u></b>	<b><u>\$ 101,115,710</u></b>	<b><u>\$ 97,717,493</u></b>

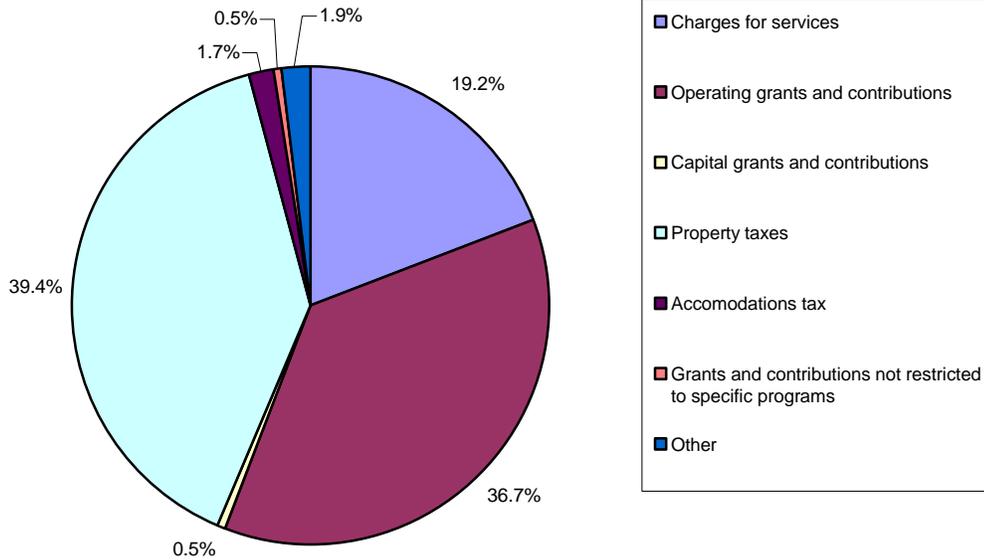
The County's net assets increased by \$3,398,217 during the current fiscal year; a \$2,821,897 increase for governmental activities and a \$576,320 increase for business-type activities.

**Governmental activities.** Overall, total revenues approximated total expenses; thereby leaving transfers as accounting for the total growth in net assets during 2007. Key elements of this increase are as follows:

- Charges for services decreased by approximately \$2,264,000 (10.0 percent) during the year. Approximately \$1,389,000 of the decrease was a result of a reimbursement of excess reserves as determined by County policy within the County's self-funded insurance programs of health insurance, workers' compensation, and public liability insurance during 2006 that did not reoccur during 2007.
- Property taxes increased by approximately \$1,558,000 (3.9 percent) during the year. The increase is a result of increased taxable values and residential growth.
- Expenses increased by approximately \$5,446,000 (5.4 percent) during the year mainly in the area of health and welfare. The increase in part is a result of additional expenses incurred by the Health Department for a new HVAC system, as well as additional expenses incurred by Michigan Works!



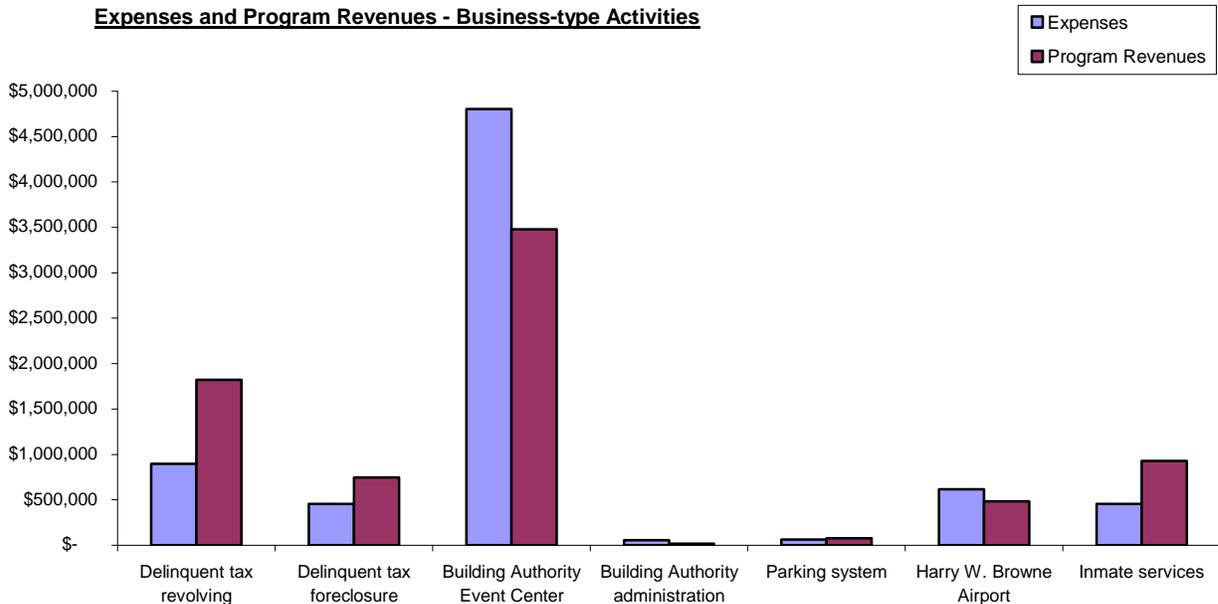
**Revenues by Source - Governmental Activities**



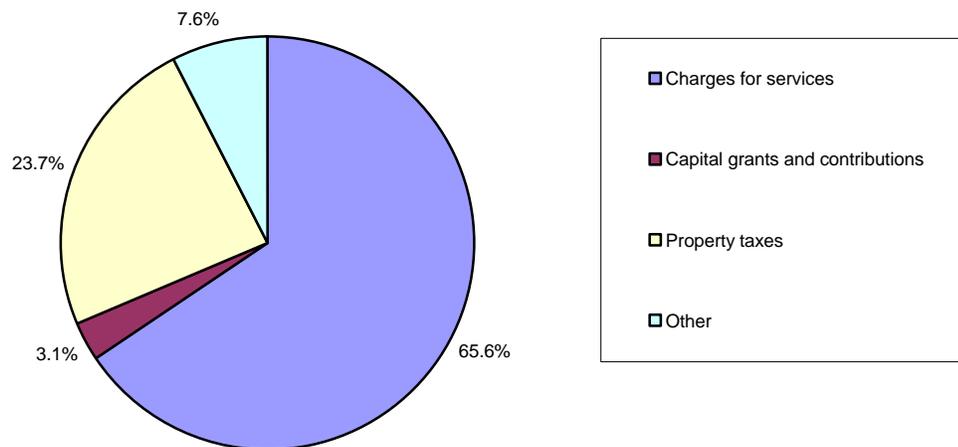
**Business-type activities.** Business-type activities increased the County’s net assets by \$576,320, thereby accounting for 17.0 percent of the total growth in the government’s net assets for the current year. Key elements of this increase are as follows:

- Revenues remained stagnant from 2006 to 2007.
- Expenses increased 7.5 percent, or \$514,314, as a result of increased activity within the delinquent tax revolving fund.

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



**Revenues by Source - Business-type Activities**



**Financial Analysis of the Government's Funds**

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$47,011,948, an increase of \$2,459,713 in comparison with the prior year. Approximately 59.2 percent of this total amount (\$27,820,624) 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* (\$18,260,327) and *unreserved – undesignated fund balance* (\$9,560,297). 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 (\$345,000), 2) pay debt service (\$2,763,756), 3) for capital projects (\$3,380), or 4) for restricted contributions (\$16,079,188).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the unreserved – designated fund balance of the general fund was \$16,647,443, while total fund balance amounted to \$17,657,204. As a measure of the general fund's liquidity, it may be useful to compare both unreserved – designated fund balance and total fund balance to total fund expenditures. Unreserved – designated fund balance represents 46.2 percent of total general fund expenditures, while total fund balance represents 49.0 percent of that same amount.

The fund balance of the County's general fund decreased by \$2,001,489 during the current fiscal year. Key factors in this decrease are as follows:

- Property tax revenue increased by \$995,410 (4.3 percent).
- Reimbursements decreased by \$572,844 (15.1 percent).
- Expenditures increased by \$644,548 (1.8 percent) mainly in the areas of legislative, judicial, general government, and public safety.
- Transfers out increased by \$1,120,187 (14.5 percent) mainly in the appropriations to the Child Care fund (\$577,410) and Law Enforcement fund (\$411,031).

The Health Department fund had a decrease in fund balance for the current year of \$929,997, for an ending total of \$1,177,289. This decrease was primarily the result of additional expenditures incurred for the replacement of the Health Department building's HVAC system.

The Revenue Sharing Reserve fund had an increase in fund balance for the current year of \$3,518,411, for an ending total of \$9,477,961. This fund was created pursuant to Public Act 357 of 2004 to serve as a substitute for state revenue sharing payments. Fiscal year 2007 was the final year of three consecutive years where the County is required to deposit into this fund an amount equal to 1/3 of its December 2004 property tax levy or \$7,319,845. The County is then allowed to distribute from this fund an amount not to exceed its October 1, 2003 through September 30, 2004 revenue sharing payments adjusted for inflation. This amount for fiscal year 2007 was \$4,174,509, thereby accounting for the increase in fund balance.

The debt service funds have a total fund balance of \$2,763,756 which is entirely designated for the payment of debt service. The net increase in fund balance during the current year in the debt service funds was \$154,412.

The capital projects funds have a total deficit fund balance of \$126,018, of which \$3,380 will be used for the remaining expansion costs of the Saginaw Valley Rail Trail project as overseen by the Parks and Recreation Commission. The river dredging project as overseen by the Department of Public Works ended the fiscal year with a deficit fund balance of \$129,398. The County has filed a deficit reduction plan as required with the State. The net increase in fund balance during the year was \$66,060.

The permanent fund has a fund balance of \$37,644, which is entirely designated for maintenance of the Saginaw Valley Rail Trail and \$3,644 is available for spending at the end of the year.

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

Unrestricted net assets of the Delinquent Tax Revolving Fund at the end of the year amounted to \$6,286,280, while those for the Building Authority Event Center amounted to \$162,588. The combined unrestricted net assets of the nonmajor enterprise funds and the internal service funds were \$553,676 and \$4,314,404, respectively, at the end of the year. The Delinquent Tax Revolving Fund had a decrease in net assets for the year of \$148,847, whereas the Building Authority Event Center had an increase of \$1,275,894. The combined decrease in net assets of the nonmajor enterprise funds was \$548,127 and the combined increase in net assets of the internal service funds was \$413,516 for the year. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

**General Fund budgetary highlights.** The differences between the original budget and final amended budget for expenditures resulted in a 0.5 percent increase (\$169,544 increase in appropriations); whereas the difference between the original budget and final amended budget for revenues resulted in a 0.1 percent increase (\$36,071 increase in revenues). All of these budgetary adjustments were offset by either an adjustment to other expenditures and transfers out or to revenues and transfers in and use of fund balance.

The budgetary differences are summarized as follows:

- A \$306,250 increase was allocated to transfers out to the Child Care Fund that was offset with an increase in the use of fund balance. This adjustment was made to address the change in application of Title IV-E regulations regarding the funding of placement of abused, neglected, and delinquent children as well as the additional costs associated with the housing of juveniles.
- A \$62,800 increase was allocated to public safety activities that was offset with an increase in the use of fund balance to allocate money to the jail division to cover janitorial supplies and building repair and maintenance costs associated with housing inmates at the County jail.
- A \$63,260 increase was allocated to health and welfare activities that was offset with an increase in charges for services and the use of fund balance to allocate money to the medical examiner's division to cover additional costs of wages and fringes, autopsies, laboratory fees, and transportation services used during the fiscal year.
- A \$53,484 increase was allocated to general government activities that was offset with an increase in federal grants, state grants, and in the use of fund balance to allocate money to the elections activity to cover additional printing and to the prosecutor welfare division to equal the approved grant amount.

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

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

- The negative variance in property taxes of \$170,970 occurred due to the shift in our county operating property tax millage from a winter tax levy to a summer tax levy. This amount represents taxes levied in July 2007 that have not been collected as of the end of the fiscal year less the amount of taxes levied in July 2006 that were collected in fiscal year 2007.
- The negative variance in state grants of \$55,640 is due lower than expected revenue received for state court equity funding and jury compensation reimbursements.
- The favorable variance in charges for services of \$347,474 is a result of aggressive collections made by District Court for outstanding traffic violations, as well as higher than anticipated revenue received from the exchange of property transactions through the Register of Deeds office.
- The favorable variance in fines and forfeitures of \$88,798 is also a result of aggressive collections made by District Court for outstanding traffic violations.

- The negative variance in reimbursements of \$106,583 is a result of expected reimbursements from other county funds being reclassified to transfers in.
- The majority of the favorable variances in expenditures occurred as a result of lapsed salaries and benefits because of delays in the filling of vacancies.

**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, 2007, and September 30, 2006, along with the amount and percentage of increases and decreases in relation to the 2006 fund balance:

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

	2007	2006	Variance from 2006	Percent Increase/ (Decrease)
Revenues	\$ 36,752,123	\$ 36,515,788	\$ 236,335	0.65%
Expenditures	<u>(36,033,202)</u>	<u>(35,388,654)</u>	<u>(644,548)</u>	1.82%
Revenues over expenditures	718,921	1,127,134	(408,213)	
Other Financing Sources (Uses):				
Transfers in	6,134,949	6,197,332	(62,383)	-1.01%
Transfers out	<u>(8,855,359)</u>	<u>(7,735,172)</u>	<u>(1,120,187)</u>	14.48%
Net change in fund balances	(2,001,489)	(410,706)	(1,590,783)	
Fund balance, beginning of year	<u>19,658,693</u>	<u>20,069,399</u>	<u>(410,706)</u>	
Fund balance, end of year	<u>\$ 17,657,204</u>	<u>\$ 19,658,693</u>	<u>\$ (2,001,489)</u>	<u>-10.18%</u>

### 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	\$ 8,702,920	\$ -	\$ 19,658,693
2006/2007 Transactions:				
Excess revenue over expenditures	(10,610,773)	10,664,933	664,761	718,921
Total other financing sources (uses)	<u>-</u>	<u>(2,720,410)</u>	<u>-</u>	<u>(2,720,410)</u>
2006/2007 net increase (decrease)	<u>(10,610,773)</u>	<u>7,944,523</u>	<u>664,761</u>	<u>(2,001,489)</u>
Fund balance, end of year	<u>\$ 345,000</u>	<u>\$ 16,647,443</u>	<u>\$ 664,761</u>	<u>\$ 17,657,204</u>

The Reserve for Future Use classification shown above is comprised of three different components: Cash Flow, Budget Stabilization, and Ensuing Years Budget. The Board of Commissioners approved the Fund Balance Policy within the Saginaw County Policy Book which establishes a Cash Flow Reserve and a Budget Stabilization Reserve in the General Fund. The policy authorizes earmarking a minimum of fifty percent of the most current Board approved General Fund budget for property tax collections for the Cash Flow Reserve and a minimum of five percent of the most current Board approved General Fund budget for the Budget Stabilization Reserve.

The current balance for Cash Flow Reserve is \$12,522,340 or 50 percent, and for Budget Stabilization Reserve is \$2,341,856 or 5 percent. The Reserve for Ensuing Years Budget of \$1,783,247 represents the amount that has been budgeted to use in the upcoming fiscal year 2008 budget. The Reserve for Advances to Other Funds has decreased by \$10,610,773 during 2007. The 100% Tax Payment Fund Reserve has been eliminated by the Board of Commissioners thereby accounting for \$10,500,773 of the decrease. The remaining decrease of \$110,000 was a result of reduced cash flow needed by the Other Funds and Component Units.

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

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

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

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

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

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

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

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

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

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

The Dependent Care and the Medical Spending Reimbursement Funds account for the collection and distribution of pre-tax monies used for dependent care and medical spending by employees of the County.

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

### **Capital Asset and Debt Administration**

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of September 30, 2007 amounted to \$48,934,800 (net of accumulated depreciation). This investment in capital assets includes land, air rights, construction in progress, land improvements, buildings, leasehold improvements, machinery and equipment, office furniture and fixtures, and vehicles. The total decrease in the County's investment in capital assets for the current fiscal year was 3.6 percent (a 4.3 percent decrease for governmental activities and a 2.3 percent decrease for business-type activities).

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

- Construction continued on the river dredging project at a cost of \$128,813.
- Construction was completed at the Morley building for the replacement of the roof top units at a cost of \$103,569 with an additional \$15,417 being placed in service from 2006.
- Construction continued at the health department building for a HVAC system replacement at a cost of \$520,819 with an additional \$85,752 being placed in service from 2006.
- Demolition took place of the "old" Animal Control facility at a cost of \$222,599.
- The County turned over the title of the remaining six mental health group homes and two OBRA homes to the Saginaw County Community Mental Health Authority that were recorded at a cost of \$1,875,995.
- Construction continued at Harry W. Browne Airport on the apron reconstruction and expansion phase two, as well as construction and rehabilitation of runway 523 at a cost of \$27,255 and \$301,391, respectively.

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

Fiscal Year Ending September 30,	Governmental Activities		Business-type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Land	\$ 1,129,674	\$ 1,173,661	\$ 1,053,248	\$ 1,053,248	\$ 2,182,922	\$ 2,226,909
Air rights	-	-	117,761	117,761	117,761	117,761
Construction in progress	3,673,380	3,645,736	789,700	437,457	4,463,080	4,083,193
Land improvements	5,379,157	5,489,854	231	693	5,379,388	5,490,547
Buildings and improvements	16,571,367	17,906,045	13,030,023	13,398,553	29,601,390	31,304,598
Leasehold improvements	23,628	17,737	-	-	23,628	17,737
Planning and development	-	-	2,267,929	2,606,920	2,267,929	2,606,920
Equipment	3,325,850	3,319,502	720,414	774,210	4,046,264	4,093,712
Office furniture and fixtures	112,930	128,961	50,688	54,008	163,618	182,969
Vehicles	666,544	581,255	22,276	30,990	688,820	612,245
<b>Total</b>	<b>\$ 30,882,530</b>	<b>\$ 32,262,751</b>	<b>\$ 18,052,270</b>	<b>\$ 18,473,840</b>	<b>\$ 48,934,800</b>	<b>\$ 50,736,591</b>

**County of Saginaw's  
Outstanding Debt**

Fiscal Year Ending September 30,	Governmental Activities		Business-type Activities		Totals	
	2007	2006	2007	2006	2007	2006
<b>Primary Government</b>						
General obligation bonds	\$ 37,300,000	\$ 38,645,000	\$ 6,770,000	\$ 8,310,000	\$ 44,070,000	\$ 46,955,000
2005 GOL delinquent taxnotes	-	-	-	1,277,000	-	1,277,000
2006 GOL delinquent taxnotes	-	-	1,457,000	7,149,000	1,457,000	7,149,000
2007 GOL delinquent taxnotes	-	-	9,515,000	-	9,515,000	-
<b>Component Units</b>						
Revolving loans	494,095	508,076	-	-	494,095	508,076
General obligation bonds and notes	33,166,175	32,987,870	-	-	33,166,175	32,987,870
<b>Total</b>	<b>\$ 70,960,270</b>	<b>\$ 72,140,946</b>	<b>\$ 17,742,000</b>	<b>\$ 16,736,000</b>	<b>\$ 88,702,270</b>	<b>\$ 88,876,946</b>

Additional information on the County's capital assets can be found in note III.C. on pages 56 - 59 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of \$88,702,279. Of this amount, \$85,158,500 comprises debt backed by the full faith and credit of the government and \$3,543,779 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).

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

	Amount	Issue	Rate
2007 Series GOL Delinquent Tax Notes	\$ 11,000,000	6/1/2007	varies
Village of Oakley Sewage Disposal System Series 2007A	1,653,000	6/1/2007	4.125%
Merrill/Jonesfield Water Supply System Series 2006B	1,652,000	8/11/2006	4.50%
Goetz Intercounty Drain	815,000	6/1/2007	4.00%
Trickey Drain and Branch Drain	545,000	2/1/2007	3.70% to 4.00%
Village of Oakley Sewage Disposal System Series 2007B	98,000	6/1/2007	4.125%

The County's total debt decreased by \$174,676 (0.2 percent) during the fiscal year.

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 "SP-1+" bond rating with Standard & Poor's and an "MIG1" bond rating with Moody's for its delinquent tax notes.

State statutes (Article 7, Section II, Michigan Constitution of 1963) limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total state equalized valuation. The current debt limitation for the County is \$545,410,332, which is significantly higher than the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in note III.F. on pages 63 - 67 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 2008 fiscal year:

- **Property Taxes** – Estimates received from the County Equalization Department anticipated that property tax revenue would increase by approximately 4.67% or approximately \$1,117,000 for the General Operating Fund for fiscal 2008.
- **Revenue Sharing Reserve Fund (RSRF)** – Transfers In from the RSRF to the General Operating Fund for fiscal 2008 are budgeted at \$4,266,348 or approximately a 2.2% increase. The County is allowed to make distributions from the RSRF special revenue fund that was created by PA 357 of 2004. This act changed the county operating millage levy from winter to summer and thereby created a reserve to temporarily replace state revenue sharing. This reserve is projected to last until fiscal 2009/2010 at which time PA 357 calls for the reinstatement of revenue sharing payments from the state of over \$4 million in Saginaw County's case.
- **Wages and Fringe Benefits** – The County's authorized staff count dropped from 717 to 712 with the General Fund remaining steady at 336. The wage rates for these positions were generally frozen without increase for fiscal 2008; however, this was offset, in most cases, by a base wage increase of 2.75%. This resulted in the total General Fund wage budget increasing by approximately 2.3%. Certain fringe benefits are fixed in terms of actual dollar amounts per employee, while others vary as a percentage of the employee's compensation. Fixed fringe benefits include: illustrative premiums for health, dental, life, and vision, and retiree health reserve contributions. Illustrative health premiums were budgeted to increase by 8% while contributions to the retiree health reserve went up from \$6,456 to \$6,972 per covered employee. All other fixed fringe benefits remained constant due to favorable negotiations and competitive

bidding. Variable benefits include: social security tax, workers' compensation insurance, retirement contributions, retiree health savings contributions, and disability insurance. None of the actual or illustrative rates for these items rose, however, costs associated with these items rose in proportion to any compensation increases. The total General Fund fringe benefit budget increased by approximately 3%.

- Use of Reserves – Structural Deficit – The fiscal year 2008 General Fund Budget requires the use of \$1,783,247 in reserves plus an additional amount from the Delinquent Tax Revolving Fund of \$1,200,000 in order to balance the budget and maintain the status quo without any reduction of employees or programs. If not for the availability and use of reserves, approximately 39 staff positions (about 1 in 8 General Fund employees) would have had to be eliminated. The County continues to face a structural budget deficit situation that, at this point, will be corrected in 2009 through raising fees, early retirements, and possible layoffs. This problem is likely to resurface in 2010 if State Revenue Sharing is not reinstated.
- Inflationary trends in the region were expected to compare favorably to national indices. Non personnel costs were generally budgeted to increase by inflationary trends.

### **Requests for Information**

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

## BASIC FINANCIAL STATEMENTS

**COUNTY OF SAGINAW, MICHIGAN**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2007**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>Assets</b>				
Cash and investment pool	\$ 52,657,821	\$ 7,595,263	\$ 60,253,084	\$ 14,566,077
Receivables (net)	49,426,262	11,902,834	61,329,096	39,588,444
Internal balances	411,242	(411,242)	-	-
Inventory	-	35,700	35,700	501,612
Other assets	136,277	94,298	230,575	291,665
Net pension asset	1,687,681	-	1,687,681	-
Capital assets, net:				
Assets not being depreciated	4,803,054	1,960,709	6,763,763	34,863,212
Assets being depreciated	26,079,476	16,091,561	42,171,037	153,514,254
<b>Total assets</b>	<b>135,201,813</b>	<b>37,269,123</b>	<b>172,470,936</b>	<b>243,325,264</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	8,971,544	1,211,175	10,182,719	3,376,568
Unearned revenue	1,940,372	6,834	1,947,206	4,101
Long-term liabilities:				
Due within one year	5,451,142	12,571,151	18,022,293	2,474,334
Due in more than one year	36,028,008	5,175,000	41,203,008	31,743,721
<b>Total liabilities</b>	<b>52,391,066</b>	<b>18,964,160</b>	<b>71,355,226</b>	<b>37,598,724</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	26,212,530	11,282,270	37,494,800	176,057,292
Restricted for:				
Debt service	2,763,756	-	2,763,756	828,199
Acquisition/construction of capital assets	3,380	-	3,380	4,470,690
Restricted contributions	16,041,544	-	16,041,544	10,138,329
Endowment				
Expendable	3,644	-	3,644	-
Nonexpendable	34,000	-	34,000	-
Unrestricted	37,751,893	7,022,693	44,774,586	14,232,030
<b>Total net assets</b>	<b>\$ 82,810,747</b>	<b>\$ 18,304,963</b>	<b>\$ 101,115,710</b>	<b>\$ 205,726,540</b>

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

**COUNTY OF SAGINAW, MICHIGAN  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Continued

	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government</b>						
Governmental activities:						
Legislative	\$ 761,309	\$ -	\$ 2,383	\$ -	\$ -	\$ (758,926)
Judicial	15,380,965	575,919	3,264,346	5,543,927	-	(7,148,611)
General government	15,135,294	(1,591,896)	3,369,555	1,334,894	-	(8,838,949)
Public safety	21,379,887	71,727	7,900,622	1,985,124	570,591	(10,995,277)
Public works	1,085,257	7,958	731,217	343,048	-	(18,950)
Health and welfare	45,548,290	868,026	4,748,424	29,174,628	-	(12,493,264)
Community and economic development	3,087,044	20,416	134,276	464,775	-	(2,508,409)
Recreation and culture	1,957,061	44,098	166,078	51,812	-	(1,783,269)
Interest on long-term debt	1,807,411	-	-	-	-	(1,807,411)
Total governmental activities	106,142,518	(3,752)	20,316,901	38,898,208	570,591	(46,353,066)
Business-type activities:						
Delinquent tax revolving	896,515	-	1,820,397	-	-	923,882
Building Authority Event Center	4,804,515	-	3,478,431	-	-	(1,326,084)
Harry W. Browne Airport	617,864	-	144,142	-	340,970	(132,752)
Parking system	62,263	-	77,043	-	-	14,780
Delinquent tax foreclosure	456,508	-	746,724	-	-	290,216
Building Authority administration	56,529	-	19,150	-	-	(37,379)
Inmate services	452,870	3,752	928,196	-	-	471,574
Total business-type activities	7,347,064	3,752	7,214,083	-	340,970	204,237
Total primary government	\$ 113,489,582	\$ -	\$ 27,530,984	\$ 38,898,208	\$ 911,561	\$ (46,148,829)
<b>Component Units</b>						
Road Commission	\$ 17,960,429	\$ -	\$ 91,092	\$ 17,977,303	\$ 3,397,653	\$ 3,505,619
Brownfield Redevelopment Authority	44,913	-	-	35,264	-	(9,649)
Department of Public Works	6,792,281	-	99,298	-	6,703,486	10,503
Drain Commission	1,919,272	-	109,645	-	1,438,416	(371,211)
Economic Development Corporation	497,063	-	-	672,505	-	175,442
Land Bank Authority	47,393	-	2,283	905,041	-	859,931
Total component units	\$ 27,261,351	\$ -	\$ 302,318	\$ 19,590,113	\$ 11,539,555	\$ 4,170,635

**COUNTY OF SAGINAW, MICHIGAN  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

**Concluded**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>Change in net assets</b>				
Net (expense) revenue	\$ (46,353,066)	\$ 204,237	\$ (46,148,829)	\$ 4,170,635
General revenues:				
Property taxes	41,773,301	2,608,635	44,381,936	167,007
Accommodations tax	1,794,568	-	1,794,568	-
Grants and contributions not restricted to specific programs	528,750	-	528,750	-
Investment income - interest earned	1,965,115	831,155	2,796,270	747,429
Gain on sale of capital assets	45,372	150	45,522	267,371
Transfers	3,067,857	(3,067,857)	-	-
Total general revenues and transfers	49,174,963	372,083	49,547,046	1,181,807
Change in net assets	2,821,897	576,320	3,398,217	5,352,442
Net assets, beginning of year	79,988,850	17,728,643	97,717,493	200,374,098
Net assets, end of year	\$ 82,810,747	\$ 18,304,963	\$ 101,115,710	\$ 205,726,540

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

**COUNTY OF SAGINAW, MICHIGAN**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2007**

	General	Health Department	Michigan Works!	Revenue Sharing Reserve	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and investment pool	\$ 14,221,421	\$ 727,605	\$ 2,743,660	\$ 9,397,404	\$ 18,789,765	\$ 45,879,855
Receivables (net):						
Taxes	5,592,420	-	-	-	344,229	5,936,649
Accounts	177,064	397,958	1,707	-	1,792,970	2,369,699
Notes	-	-	-	-	2,783,666	2,783,666
Accrued interest	107,827	152	3,547	80,557	158,203	350,286
Due from other funds	701,683	240	49,796	-	970,287	1,722,006
Due from other governmental units	734,975	796,942	878,792	-	2,320,059	4,730,768
Advances to other funds	45,000	-	-	-	-	45,000
Advances to component units	300,000	-	-	-	-	300,000
Other assets	6,434	576	7,796	-	86,801	101,607
<b>Total assets</b>	<b>\$ 21,886,824</b>	<b>\$ 1,923,473</b>	<b>\$ 3,685,298</b>	<b>\$ 9,477,961</b>	<b>\$ 27,245,980</b>	<b>\$ 64,219,536</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 480,266	\$ 539,063	\$ 2,191,864	\$ -	\$ 2,197,453	\$ 5,408,646
Accrued liabilities	703,927	103,949	37,341	-	864,316	1,709,533
Deposits payable	-	52,533	-	-	30,807	83,340
Due to other funds	15,917	-	43,311	-	1,094,516	1,153,744
Due to other governmental units	-	3,195	2,345	-	609,949	615,489
Advances from other funds	-	-	-	-	172,524	172,524
Advances from other governmental units	-	-	-	-	138,000	138,000
Deferred revenue	3,029,510	47,444	1,410,437	-	3,438,921	7,926,312
<b>Total liabilities</b>	<b>4,229,620</b>	<b>746,184</b>	<b>3,685,298</b>	<b>-</b>	<b>8,546,486</b>	<b>17,207,588</b>
<b>Fund Balances</b>						
Reserved for:						
Long-term advances	345,000	-	-	-	-	345,000
Debt service	-	-	-	-	2,763,756	2,763,756
Capital projects	-	-	-	-	3,380	3,380
Restricted contributions	-	-	-	9,477,961	6,601,227	16,079,188
Unreserved - designated for:						
Cash flow	12,522,340	-	-	-	-	12,522,340
Budget stabilization	2,341,856	-	-	-	-	2,341,856
Ensuing years budget	1,783,247	-	-	-	-	1,783,247
Future use-special revenue funds	-	-	-	-	698,359	698,359
General improvements-special revenue funds	-	-	-	-	914,525	914,525
Unreserved - undesignated, reported in:						
General Fund	664,761	-	-	-	-	664,761
Special revenue funds	-	1,177,289	-	-	7,718,247	8,895,536
<b>Total fund balances</b>	<b>17,657,204</b>	<b>1,177,289</b>	<b>-</b>	<b>9,477,961</b>	<b>18,699,494</b>	<b>47,011,948</b>
<b>Total liabilities and fund balances</b>	<b>\$ 21,886,824</b>	<b>\$ 1,923,473</b>	<b>\$ 3,685,298</b>	<b>\$ 9,477,961</b>	<b>\$ 27,245,980</b>	<b>\$ 64,219,536</b>

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

**COUNTY OF SAGINAW, MICHIGAN  
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR  
GOVERNMENTAL FUNDS TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
ON THE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2007**

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Fund balances - total governmental funds	\$ 47,011,948
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	48,611,319
Deduct - accumulated depreciation	(18,418,560)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are either deferred or otherwise not recorded in the funds.	
Add - deferred revenue on taxes receivable	3,301,245
Add - deferred revenue on notes receivable	2,684,695
Add - net pension asset	1,687,681
Add - long-term receivable for repayment of debt service	32,630,000
Internal service funds are used by management to charge the costs of certain activities to individual funds. A portion of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	
	4,984,026
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	(37,300,000)
Deduct - accrued interest on bonds payable	(732,840)
Deduct - accrued compensated absences	(1,648,767)
Net assets of governmental activities	<u>\$ 82,810,747</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, 2007**

	<u>General</u>	<u>Health Department</u>	<u>Michigan Works!</u>	<u>Revenue Sharing Reserve</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>						
Property taxes	\$ 23,927,899	\$ -	\$ -	\$ 7,319,845	\$ 9,568,092	\$ 40,815,836
Accommodations tax	-	-	-	-	1,794,568	1,794,568
Licenses and permits	191,454	260,125	-	-	17,081	468,660
Federal grants	387,156	7,493,282	12,463,770	-	5,733,802	26,078,010
State grants	2,805,243	2,172,592	992,047	-	5,666,573	11,636,455
Local grants and contributions	-	1,061,321	-	-	443,693	1,505,014
Charges for services	4,867,524	2,380,214	-	-	6,026,220	13,273,958
Fines and forfeitures	725,598	-	-	-	147,428	873,026
Investment income	434,836	-	5,475	373,075	847,900	1,661,286
Rental revenue	-	-	-	-	920,355	920,355
Donations	-	67,107	19,998	-	572,167	659,272
Reimbursements	3,216,987	179,857	-	-	2,653,277	6,050,121
Other revenue	195,426	455,222	2,073	-	129,932	782,653
<b>Total revenues</b>	<b>36,752,123</b>	<b>14,069,720</b>	<b>13,483,363</b>	<b>7,692,920</b>	<b>34,521,088</b>	<b>106,519,214</b>
<b>Expenditures</b>						
Current:						
Legislative	755,545	-	-	-	-	755,545
Judicial	11,230,549	-	-	-	4,640,675	15,871,224
General government	11,061,768	-	-	-	2,770,770	13,832,538
Public safety	8,670,409	-	-	-	11,908,691	20,579,100
Public works	469,876	-	-	-	616,197	1,086,073
Health and welfare	2,466,351	15,014,804	12,972,410	-	13,892,058	44,345,623
Community and economic development	396,054	-	-	-	2,432,662	2,828,716
Recreation and culture	-	-	-	-	1,847,197	1,847,197
Other	982,650	-	-	-	-	982,650
Capital outlay	-	583,959	-	-	1,299,565	1,883,524
Debt service:						
Principal	-	-	-	-	1,345,000	1,345,000
Interest and fiscal charges	-	-	-	-	1,826,084	1,826,084
<b>Total expenditures</b>	<b>36,033,202</b>	<b>15,598,763</b>	<b>12,972,410</b>	<b>-</b>	<b>42,578,899</b>	<b>107,183,274</b>
Revenues over (under) expenditures	718,921	(1,529,043)	510,953	7,692,920	(8,057,811)	(664,060)
<b>Other Financing Sources (Uses)</b>						
Transfers in	6,134,949	599,046	-	-	10,398,733	17,132,728
Transfers out	(8,855,359)	-	(510,953)	(4,174,509)	(474,050)	(14,014,871)
Proceeds from sale of capital assets	-	-	-	-	5,916	5,916
<b>Total other financing sources (uses)</b>	<b>(2,720,410)</b>	<b>599,046</b>	<b>(510,953)</b>	<b>(4,174,509)</b>	<b>9,930,599</b>	<b>3,123,773</b>
Net change in fund balances	(2,001,489)	(929,997)	-	3,518,411	1,872,788	2,459,713
Fund balance, beginning of year, as restated	19,658,693	2,107,286	-	5,959,550	16,826,706	44,552,235
Fund balance, end of year	\$ 17,657,204	\$ 1,177,289	\$ -	\$ 9,477,961	\$ 18,699,494	\$ 47,011,948

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, 2007**

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Net change in fund balances - total governmental funds	\$ 2,459,713
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	1,474,389
Deduct - net loss on sale of capital assets	(1,531,612)
Deduct - depreciation expense	(1,430,805)
Revenues in the funds that represent repayment of taxes or loans receivable that do not affect the statement of activities	91,914
A decrease in the net pension asset is recorded as an expense in the statement of activities but does not require the use of current resources and, therefore, is not reported as an expenditure of the funds	(163,497)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,345,000
Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.	
Add - decrease in accrued interest payable	18,673
Add - decrease in accrued compensated absences	142,006
Internal service funds are used by management to charge the costs of certain activities to individual funds. Some of the net revenue (expense) attributable to those funds is reported with governmental activities.	
Add - net operating income from governmental activities in internal service funds	116,915
Add - investment income from governmental internal service funds	303,829
Add - net gain on sale of capital assets in governmental internal service funds	45,372
Deduct - net transfers	(50,000)
Change in net assets of governmental activities	<u>\$ 2,821,897</u>

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

**COUNTY OF SAGINAW, MICHIGAN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Continued

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Property taxes	\$ 24,098,869	\$ 24,098,869	\$ 23,927,899	\$ (170,970)
Licenses and permits	199,300	199,300	191,454	(7,846)
Federal grants	392,242	403,371	387,156	(16,215)
State grants	2,855,514	2,860,883	2,805,243	(55,640)
Charges for services	4,501,250	4,520,050	4,867,524	347,474
Fines and forfeitures	636,800	636,800	725,598	88,798
Investment income	328,280	328,280	434,836	106,556
Reimbursements	3,322,797	3,323,570	3,216,987	(106,583)
Other revenue	195,759	195,759	195,426	(333)
<b>Total revenues</b>	<b>36,530,811</b>	<b>36,566,882</b>	<b>36,752,123</b>	<b>185,241</b>
<b>Expenditures</b>				
Legislative - Board of Commissioners	771,079	771,079	755,545	15,534
<b>Judicial:</b>				
Circuit Court	3,209,621	3,209,621	3,102,402	107,219
District Court	3,426,001	3,426,001	3,357,594	68,407
Probate Court	813,787	813,787	816,700	(2,913)
Family Division	2,774,556	2,774,556	2,810,410	(35,854)
Probation - Circuit Court	100,357	100,357	96,273	4,084
Probation - District Court	963,663	963,663	945,588	18,075
Assigned Counsel	99,956	99,956	100,082	(126)
Jury Commission	1,500	1,500	1,500	-
<b>Total judicial</b>	<b>11,389,441</b>	<b>11,389,441</b>	<b>11,230,549</b>	<b>158,892</b>
<b>General government:</b>				
Elections	50,700	67,420	67,415	5
Auditing	129,200	129,200	110,403	18,797
Coporate Counsel	124,000	124,000	128,085	(4,085)
County Clerk	1,113,924	1,113,924	1,110,238	3,686
Controller	1,127,260	1,147,526	1,105,124	42,402
Equalization	457,301	457,301	455,003	2,298
Prosecuting Attorney	2,834,478	2,834,058	2,719,129	114,929
Prosecuting Attorney - Welfare	570,096	587,014	557,365	29,649
Register of Deeds	509,351	509,351	497,883	11,468
County Treasurer	719,070	719,070	698,587	20,483
Maintenance	3,146,543	3,146,543	3,189,723	(43,180)
Maintenance - Telephone	107,000	107,000	96,724	10,276
Public Works Commissioner	326,382	326,382	326,089	293
<b>Total general government</b>	<b>11,215,305</b>	<b>11,268,789</b>	<b>11,061,768</b>	<b>207,021</b>

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

**COUNTY OF SAGINAW, MICHIGAN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Concluded

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures - continued</b>				
Public Safety:				
Sheriff	\$ 799,511	\$ 799,511	\$ 782,498	\$ 17,013
Marine Law Enforcement	5,442	5,442	3,999	1,443
Sheriff - Jail Division	7,681,564	7,744,364	7,727,172	17,192
Corrections Reimbursement	160,786	160,786	156,740	4,046
Total public safety	8,647,303	8,710,103	8,670,409	39,694
Public Works - Drains	510,000	510,000	469,876	40,124
Health and Welfare:				
Medical Examiner	264,347	327,607	321,711	5,896
Veterans Burial	120,000	120,000	136,500	(16,500)
Contributions to Other Agencies	2,011,303	2,011,303	2,008,140	3,163
Total health and welfare	2,395,650	2,458,910	2,466,351	(7,441)
Community and Economic Development:				
Plat Board	2,000	2,000	668	1,332
Contributions to Other Agencies	405,386	395,386	395,386	-
Total community and economic development	407,386	397,386	396,054	1,332
Other general expenditures	982,650	982,650	982,650	-
Total expenditures	36,318,814	36,488,358	36,033,202	455,156
Revenues over (under) expenditures	211,997	78,524	718,921	640,397
<b>Other Financing Sources (Uses)</b>				
Transfers in	6,130,401	6,133,428	6,134,949	1,521
Transfers out	(8,592,398)	(8,888,382)	(8,855,359)	33,023
Total other financing sources (uses)	(2,461,997)	(2,754,954)	(2,720,410)	34,544
Net change in fund balances	(2,250,000)	(2,676,430)	(2,001,489)	674,941
Fund balance, beginning of year	19,658,693	19,658,693	19,658,693	-
Fund balance, end of year	\$ 17,408,693	\$ 16,982,263	\$ 17,657,204	\$ 674,941

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, 2007**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Licenses and permits	\$ 382,003	\$ 382,003	\$ 260,125	\$ (121,878)
Federal grants	7,493,282	7,493,282	7,493,282	-
State grants	896,227	973,359	2,172,592	1,199,233
Local grants and contributions	1,058,500	1,058,500	1,061,321	2,821
Charges for services	2,378,751	2,378,751	2,380,214	1,463
Donations	61,000	63,357	67,107	3,750
Reimbursements	134,424	134,424	179,857	45,433
Other revenue	108,348	558,200	455,222	(102,978)
<b>Total revenues</b>	<b>12,512,535</b>	<b>13,041,876</b>	<b>14,069,720</b>	<b>1,027,844</b>
<b>Expenditures</b>				
Health and welfare	13,873,186	13,769,027	15,014,804	(1,245,777)
Capital outlay	-	883,500	583,959	299,541
<b>Total expenditures</b>	<b>13,873,186</b>	<b>14,652,527</b>	<b>15,598,763</b>	<b>(946,236)</b>
Revenues over (under) expenditures	(1,360,651)	(1,610,651)	(1,529,043)	81,608
<b>Other Financing Sources (Uses)</b>				
Transfers in	599,046	599,046	599,046	-
Net change in fund balances	(761,605)	(1,011,605)	(929,997)	81,608
Fund balance, beginning of year, as restated	2,107,286	2,107,286	2,107,286	-
Fund balance, end of year	<u>\$ 1,345,681</u>	<u>\$ 1,095,681</u>	<u>\$ 1,177,289</u>	<u>\$ 81,608</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, 2007**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Federal grants	\$ 13,635,600	\$ 13,692,243	\$ 12,463,770	\$ (1,228,473)
State grants	972,308	1,147,838	992,047	(155,791)
Investment income	-	1,737	5,475	3,738
Donations	-	25,263	19,998	(5,265)
Other revenue	28,833	28,833	2,073	(26,760)
<b>Total revenues</b>	<b>14,636,741</b>	<b>14,895,914</b>	<b>13,483,363</b>	<b>(1,412,551)</b>
<b>Expenditures</b>				
Health and welfare	14,109,573	14,315,990	12,972,410	1,343,580
Capital outlay	-	2,800	-	2,800
<b>Total expenditures</b>	<b>14,109,573</b>	<b>14,318,790</b>	<b>12,972,410</b>	<b>1,346,380</b>
Revenues over (under) expenditures	527,168	577,124	510,953	(66,171)
<b>Other Financing Sources (Uses)</b>				
Transfers out	(527,168)	(577,124)	(510,953)	66,171
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

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

**COUNTY OF SAGINAW, MICHIGAN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -REVENUE SHARING RESERVE SPECIAL REVENUE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Property taxes	\$ 7,319,845	\$ 7,319,845	\$ 7,319,845	\$ -
Investment income	-	-	373,075	373,075
<b>Total revenues</b>	7,319,845	7,319,845	7,692,920	373,075
<b>Expenditures</b>				
Current:				
General government	3,145,336	3,145,336	-	3,145,336
<b>Revenues over (under) expenditures</b>	4,174,509	4,174,509	7,692,920	3,518,411
<b>Other Financing Sources (Uses)</b>				
Transfers out	(4,174,509)	(4,174,509)	(4,174,509)	-
<b>Net change in fund balances</b>	-	-	3,518,411	3,518,411
Fund balance, beginning of year	5,959,550	5,959,550	5,959,550	-
Fund balance, end of year	\$ 5,959,550	\$ 5,959,550	\$ 9,477,961	\$ 3,518,411

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

**COUNTY OF SAGINAW, MICHIGAN**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2007**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Delinquent Tax Revolving</b>	<b>Building Authority Event Center</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Assets</b>					
Current assets:					
Cash and investment pool	\$ 5,489,749	\$ 804,443	\$ 1,301,071	\$ 7,595,263	\$ 6,777,966
Receivables (net):					
Taxes	10,840,074	70,190	-	10,910,264	-
Accounts	665,093	80,354	109,626	855,073	269,625
Accrued interest	57,735	883	6,877	65,495	55,569
Due from other funds	23,999	137,385	6,170	167,554	31,281
Due from other governmental units	72,002	-	-	72,002	-
Advances to other funds	172,524	-	-	172,524	-
Unamortized bond issuance costs	-	74,877	-	74,877	-
Inventories	-	35,700	-	35,700	-
Other assets	-	14,143	5,278	19,421	34,670
<b>Total current assets</b>	<b>17,321,176</b>	<b>1,217,975</b>	<b>1,429,022</b>	<b>19,968,173</b>	<b>7,169,111</b>
Noncurrent assets - capital assets:					
Land	-	18,614	1,034,634	1,053,248	-
Air rights	-	-	117,761	117,761	-
Land improvements	-	-	40,558	40,558	-
Buildings and improvements	-	14,000,235	1,020,504	15,020,739	-
Machinery and equipment	-	896,949	93,133	990,082	2,035,286
Office furniture and fixtures	-	61,201	-	61,201	84,750
Vehicles	-	29,518	113,203	142,721	1,400,644
Planning and development	-	-	7,605,174	7,605,174	-
Construction in progress	-	-	789,700	789,700	-
Accumulated depreciation	-	(1,378,269)	(6,390,645)	(7,768,914)	(2,830,909)
<b>Total noncurrent assets - capital assets</b>	<b>-</b>	<b>13,628,248</b>	<b>4,424,022</b>	<b>18,052,270</b>	<b>689,771</b>
<b>Total assets</b>	<b>17,321,176</b>	<b>14,846,223</b>	<b>5,853,044</b>	<b>38,020,443</b>	<b>7,858,882</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	9,284	208,260	47,751	265,295	401,705
Accrued liabilities	49,060	200,516	1,800	251,376	2,412,374
Deposits payable	4,552	626,423	8,213	639,188	-
Due to other funds	-	1,460	750,009	751,469	15,628
Due to other governmental units	-	-	40,472	40,472	-
Unearned revenue	-	3,884	2,950	6,834	-
Unamortized bond premium	-	14,844	-	14,844	-
Notes payable - current	10,972,000	-	-	10,972,000	-
Bonds payable - current	-	1,595,000	-	1,595,000	-
<b>Total current liabilities</b>	<b>11,034,896</b>	<b>2,650,387</b>	<b>851,195</b>	<b>14,536,478</b>	<b>2,829,707</b>
Noncurrent liabilities:					
Advances from other funds	-	-	20,000	20,000	25,000
Accrued liabilities	-	-	4,151	4,151	-
Bonds payable	-	5,175,000	-	5,175,000	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>5,175,000</b>	<b>24,151</b>	<b>5,199,151</b>	<b>25,000</b>
<b>Total liabilities</b>	<b>11,034,896</b>	<b>7,825,387</b>	<b>875,346</b>	<b>19,735,629</b>	<b>2,854,707</b>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	-	6,858,248	4,424,022	11,282,270	689,771
Unrestricted	6,286,280	162,588	553,676	7,002,544	4,314,404
<b>Total Net Assets</b>	<b>\$ 6,286,280</b>	<b>\$ 7,020,836</b>	<b>\$ 4,977,698</b>	<b>18,284,814</b>	<b>\$ 5,004,175</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				20,149	
Net assets of business-type activities				<u>\$ 18,304,963</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, 2007**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Delinquent Tax Revolving</b>	<b>Building Authority Event Center</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Operating Revenues</b>					
Charges for services	\$ 580,895	\$ 3,327,759	\$ 1,721,405	\$ 5,630,059	\$ 274,715
Interest income	1,035,619	-	-	1,035,619	-
Fines and forfeitures	-	-	13,591	13,591	-
Rental revenue	-	-	104,736	104,736	256,582
Reimbursements	-	-	-	-	16,976,541
Other revenue	203,883	150,672	75,523	430,078	327,307
<b>Total operating revenues</b>	<b>1,820,397</b>	<b>3,478,431</b>	<b>1,915,255</b>	<b>7,214,083</b>	<b>17,835,145</b>
<b>Operating Expenses</b>					
Personal services	-	1,457,819	88,780	1,546,599	1,025,571
Fringe benefits	-	532,040	52,578	584,618	13,699,665
Supplies	-	541,856	443,461	985,317	211,309
Services and charges	443,165	1,346,960	645,355	2,435,480	2,435,800
Other	-	249,302	-	249,302	-
Amortization	-	13,836	-	13,836	-
Depreciation	-	382,426	397,635	780,061	348,485
<b>Total operating expenses</b>	<b>443,165</b>	<b>4,524,239</b>	<b>1,627,809</b>	<b>6,595,213</b>	<b>17,720,830</b>
<b>Operating income (loss)</b>	<b>1,377,232</b>	<b>(1,045,808)</b>	<b>287,446</b>	<b>618,870</b>	<b>114,315</b>
<b>Nonoperating Revenues (Expenses)</b>					
Property taxes	-	2,608,635	-	2,608,635	-
Federal grants	-	-	266,898	266,898	-
State grants	-	-	74,072	74,072	-
Investment income	577,271	18,070	235,814	831,155	303,829
Interest expense and fiscal charges	(453,350)	(299,653)	-	(753,003)	-
Gain on sale of capital assets	-	150	-	150	45,372
<b>Total nonoperating revenues (expenses)</b>	<b>123,921</b>	<b>2,327,202</b>	<b>576,784</b>	<b>3,027,907</b>	<b>349,201</b>
<b>Income (loss) before transfers</b>	<b>1,501,153</b>	<b>1,281,394</b>	<b>864,230</b>	<b>3,646,777</b>	<b>463,516</b>
<b>Transfers</b>					
Transfers in	-	-	97,500	97,500	-
Transfers out	(1,650,000)	(5,500)	(1,509,857)	(3,165,357)	(50,000)
<b>Net transfers</b>	<b>(1,650,000)</b>	<b>(5,500)</b>	<b>(1,412,357)</b>	<b>(3,067,857)</b>	<b>(50,000)</b>
<b>Change in net assets</b>	<b>(148,847)</b>	<b>1,275,894</b>	<b>(548,127)</b>	<b>578,920</b>	<b>413,516</b>
<b>Net assets, beginning of year</b>	<b>6,435,127</b>	<b>5,744,942</b>	<b>5,525,825</b>		<b>4,590,659</b>
<b>Net assets, end of year</b>	<b>\$ 6,286,280</b>	<b>\$ 7,020,836</b>	<b>\$ 4,977,698</b>		<b>\$ 5,004,175</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(2,600)	
Change in net assets of business-type activities				\$ 576,320	

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, 2007**

Continued

	Business-type Activities - Enterprise Funds				Governmental
	Delinquent Tax Revolving	Building Authority Event Center	Other Enterprise Funds	Total	Internal Service Funds
<b>Cash flows from operating activities:</b>					
Receipts from customers	\$ (838,178)	\$ 3,312,680	\$ 1,759,694	\$ 4,234,196	\$ -
Receipts from interfund services provided	-	-	577,909	577,909	17,356,092
Payments for interfund services provided	(27,323)	(67,573)	(4,463)	(99,359)	-
Payments to employees	-	(1,989,859)	(142,188)	(2,132,047)	(1,353,669)
Payments to suppliers	(471,754)	(2,040,237)	(1,102,203)	(3,614,194)	(15,523,836)
Other operating revenue	203,883	150,672	89,114	443,669	327,307
Net cash provided by (used in) operating activities	(1,133,372)	(634,317)	1,177,863	(589,826)	805,894
<b>Cash flows from noncapital financing activities:</b>					
Property tax collections	-	2,608,635	-	2,608,635	-
Repayments of advances from other funds	(10,500,773)	-	-	(10,500,773)	(10,000)
Repayments of advances to other funds	166,600	-	-	166,600	-
Transfers in	-	-	97,500	97,500	-
Transfers out	(1,650,000)	(5,500)	(1,509,857)	(3,165,357)	(50,000)
Proceeds from issuing long-term debt	11,000,000	-	-	11,000,000	-
Principal paid on long-term debt	(8,454,000)	-	-	(8,454,000)	-
Interest paid on long-term debt	(453,350)	-	-	(453,350)	-
Net cash provided by (used in) noncapital financing activities	(9,891,523)	2,603,135	(1,412,357)	(8,700,745)	(60,000)
<b>Cash flows from capital and related financing activities:</b>					
Principal paid on capital debt	-	(1,540,000)	-	(1,540,000)	-
Interest paid on capital debt	-	(299,653)	-	(299,653)	-
Proceeds from sale of capital assets	-	150	340,970	341,120	50,700
Payments for capital asset acquisition	-	-	(358,490)	(358,490)	(461,618)
Net cash provided by (used in) capital and related financing activities	-	(1,839,503)	(17,520)	(1,857,023)	(410,918)
<b>Cash flows from investing activities:</b>					
Investment income	577,271	18,070	235,814	831,155	303,829
Net increase (decrease) in cash and cash equivalents	(10,447,624)	147,385	(16,200)	(10,316,439)	638,805
Cash and cash equivalents, beginning of year	15,937,373	657,058	1,317,271	17,911,702	6,139,161
Cash and cash equivalents, end of year	\$ 5,489,749	\$ 804,443	\$ 1,301,071	\$ 7,595,263	\$ 6,777,966

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, 2007**

Concluded

	Business-type Activities - Enterprise Funds				Governmental
	Delinquent Tax Revolving	Building Authority Event Center	Other Enterprise Funds	Total	Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 1,377,232	\$ (1,045,808)	287,446	\$ 618,870	\$ 114,315
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	382,426	397,635	780,061	348,485
Changes in assets and liabilities:					
Accounts receivable	(2,438,439)	(15,439)	(65,452)	(2,519,330)	(15,293)
Due from other funds	(8,642)	(5,279)	12,511	(1,410)	(11,398)
Due from other governmental units	(16,253)	-	-	(16,253)	-
Unamortized bond issuance costs	-	17,268	-	17,268	-
Inventories	-	6,238	-	6,238	-
Other assets	-	(6,976)	(398)	(7,374)	17,355
Accounts payable	(78,977)	(64,306)	(23,145)	(166,428)	(44,739)
Accrued liabilities	49,060	(39,918)	(830)	8,312	532,224
Deposits payable	1,328	202,843	(673)	203,498	-
Due to other funds	(18,681)	(62,294)	560,935	479,960	(135,055)
Due to other governmental units	-	-	10,829	10,829	-
Unearned revenue	-	360	(995)	(635)	-
Unamortized bond premium	-	(3,432)	-	(3,432)	-
Net cash provided by (used in) operating activities:	<u>\$ (1,133,372)</u>	<u>\$ (634,317)</u>	<u>\$ 1,177,863</u>	<u>\$ (589,826)</u>	<u>\$ 805,894</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, 2007**

	<b>Post- Employment Health Benefits Trust Fund</b>	<b>Agency Funds</b>
<b>Assets</b>		
Cash and investment pool	\$ -	\$ 11,350,619
Investments, at fair value - mutual funds	13,447,347	-
Receivables (net):		
Taxes	-	36,759
Accounts	132,054	3,176,734
Accrued interest	1,522	3,148
	<u>13,580,923</u>	<u>\$ 14,567,260</u>
<b>Liabilities</b>		
Accounts payable	30,000	\$ 409,292
Accrued liabilities	374,219	-
Deposits payable	-	4,424,897
Due to other governmental units	-	9,733,071
	<u>404,219</u>	<u>\$ 14,567,260</u>
<b>Net Assets</b>		
Held in trust for postemployment health benefits	<u>\$ 13,176,704</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, 2007**

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**Additions**

Contributions:

Employer	\$ 3,671,957
Retirees	342,238

Total contributions	4,014,195
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Investment earnings:

Net appreciation in fair value of investments	1,346,874
Interest and dividends	339,087

Net investment earnings	1,685,961
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Total additions	5,700,156
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**Deductions**

Participant benefits	4,206,168
Administrative expenses	167,969

Total deductions	4,374,137
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Change in net assets	1,326,019
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Net assets, beginning of year	11,850,685
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Net assets, end of year	\$ 13,176,704
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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, 2007**

	<b>Road Commission</b>	<b>Brownfield Redevelopment Authority</b>	<b>Department of Public Works</b>	<b>Drain Commission</b>	<b>Economic Development Corporation</b>	<b>Land Bank Authority</b>	<b>Total</b>
<b>Assets</b>							
Cash and investment pool	\$ 7,197,065	\$ 642,256	\$ 315,514	\$ 5,730,730	\$ 247,847	\$ 432,665	\$ 14,566,077
Receivables (net)	3,687,685	40,891	21,952,564	12,897,958	496,563	512,783	39,588,444
Inventory	465,947	-	-	-	-	35,665	501,612
Other assets	291,415	-	-	250	-	-	291,665
Capital assets, net:							
Assets not being depreciated	33,744,124	-	-	1,119,088	-	-	34,863,212
Assets being depreciated	112,646,222	-	-	40,868,032	-	-	153,514,254
<b>Total assets</b>	<b>158,032,458</b>	<b>683,147</b>	<b>22,268,078</b>	<b>60,616,058</b>	<b>744,410</b>	<b>981,113</b>	<b>243,325,264</b>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	942,045	5,625	1,301,865	624,150	495,686	7,197	3,376,568
Unearned revenue	3,952	-	-	149	-	-	4,101
Long-term liabilities:							
Due within one year	-	30,210	1,178,000	1,266,124	-	-	2,474,334
Due in more than one year	557,786	463,885	19,668,000	11,054,050	-	-	31,743,721
<b>Total liabilities</b>	<b>1,503,783</b>	<b>499,720</b>	<b>22,147,865</b>	<b>12,944,473</b>	<b>495,686</b>	<b>7,197</b>	<b>37,598,724</b>
<b>Net Assets</b>							
Invested in capital assets, net of related debt	146,390,346	-	-	29,666,946	-	-	176,057,292
Restricted for:							
Debt service	-	-	59,838	768,361	-	-	828,199
Acquisition/construction of capital assets	-	-	53,198	4,417,492	-	-	4,470,690
Restricted contributions	10,138,329	-	-	-	-	-	10,138,329
Unrestricted		183,427	7,177	12,818,786	248,724	973,916	14,232,030
<b>Total net assets</b>	<b>\$ 156,528,675</b>	<b>\$ 183,427</b>	<b>\$ 120,213</b>	<b>\$ 47,671,585</b>	<b>\$ 248,724</b>	<b>\$ 973,916</b>	<b>\$ 205,726,540</b>

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, 2007**

Continued

	<u>Program Revenues</u>				<u>Net (Expense) Revenue</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Road Commission</b>					
Governmental Activities:					
Highways and streets	\$ 17,960,429	\$ 91,092	\$ 17,977,303	\$ 3,397,653	\$ 3,505,619
<b>Brownfield Redevelopment Authority</b>					
Governmental Activities:					
Community and economic development	44,913	-	35,264	-	(9,649)
<b>Department of Public Works</b>					
Governmental Activities:					
Public works	5,946,720	99,298	-	6,703,486	856,064
Interest on long-term debt	845,561	-	-	-	(845,561)
Total Department of Public Works	6,792,281	99,298	-	6,703,486	10,503
<b>Drain Commission</b>					
Governmental Activities:					
Public works	1,502,524	109,645	-	1,438,416	45,537
Interest on long-term debt	416,748	-	-	-	(416,748)
Total Drain Commission	1,919,272	109,645	-	1,438,416	(371,211)
<b>Economic Development Corporation</b>					
Business Type Activities:					
Community and economic development	497,063	-	672,505	-	175,442
<b>Land Bank Authority</b>					
Business Type Activities:					
Community and economic development	47,393	2,283	905,041	-	859,931
Total component units	<u>\$ 27,261,351</u>	<u>\$ 302,318</u>	<u>\$ 18,917,608</u>	<u>\$ 11,539,555</u>	<u>\$ 4,170,635</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, 2007**

**Concluded**

	<b>Road Commission</b>	<b>Brownfield Redevelopment Authority</b>	<b>Department of Public Works</b>	<b>Drain Commission</b>	<b>Economic Development Corporation</b>	<b>Land Bank Authority</b>	<b>Total</b>
<b>Change in net assets</b>							
Net (expense) revenue	\$ 3,505,619	\$ (9,649)	\$ 10,503	\$ (371,211)	\$ 175,442	\$ 859,931	\$ 4,170,635
General revenues:							
Property taxes	-	167,007	-	-	-	-	167,007
Gain on disposal of capital assets	267,371	-	-	-	-	-	267,371
Investment income - interest earned	400,501	28,277	7,570	289,504	9,880	11,697	747,429
Total general revenues	667,872	195,284	7,570	289,504	9,880	11,697	1,181,807
Change in net assets	4,173,491	185,635	18,073	(81,707)	185,322	871,628	5,352,442
Net assets (deficit), beginning of year	152,355,184	(2,208)	102,140	47,753,292	63,402	102,288	200,374,098
Net assets, end of year	\$ 156,528,675	\$ 183,427	\$ 120,213	\$ 47,671,585	\$ 248,724	\$ 973,916	\$ 205,726,540

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### A. REPORTING ENTITY

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

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

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

**Saginaw County Road Commission (the "Road Commission")** - The Road Commission is governed by a three-member board of County Road Commissioners appointed by the Saginaw County Board of Commissioners. The Road Commission deposits receipts with the County, has a balance in the County's common bank account and has investments through the County. The County does not have appropriation authority or budgetary control over the activities of the Road Commission; however, the nature and significance of the relationship between the primary government and the Road Commission is such that exclusion would cause the reporting entity's financial statements to be misleading. The Road Commission is responsible for the construction and maintenance of the County's system of roads and bridges

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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and is principally funded by state-collected vehicle fuel and registration taxes under Public Act 51. The Road Commission's activities are reported discretely as a governmental fund type. A complete financial statement can be obtained from the Saginaw County Road Commission, 3020 Sheridan Avenue, Saginaw, Michigan 48601.

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

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

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

**Economic Development Corporation** - The Economic Development Corporation is governed by a nine-member board who are approved by the Saginaw County Board of Commissioners. The County has appropriation authority and budgetary control over the activities of the Economic Development Corporation. The Economic Development Corporation provides the means and methods of encouragement and assistance to strengthen and revitalize the economy of Saginaw County by improving the atmosphere for progress

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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and growth through new employment opportunities and an increased tax base. The Economic Development Corporation's activities are reported discretely as a governmental fund type.

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

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

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

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

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for agency funds, which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The government reports the following major governmental funds:

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

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

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The *revenue sharing reserve fund* accounts for the collection and distribution of property taxes in accordance with Public Act 357 of 2004 which provides a funding mechanism to serve as a substitute to county revenue sharing payments. This substitute funding mechanism involves a gradual shift of county property tax millage from a winter tax levy to a summer tax levy over a course of three consecutive years.

The government reports the following major proprietary funds:

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

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

Additionally, the County reports the following fund types:

*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.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

#### **2. INVESTMENTS**

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

#### **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.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

### 7. CAPITAL ASSETS

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

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

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

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

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

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

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

### **9. FUND EQUITY**

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

### **10. INTERFUND TRANSACTIONS**

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

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### 11. COMPENSATED ABSENCES

#### *Union Employees*

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

In April 2006, the County modified its vacation and sick leave policy for certain union employees. Previously accumulated vacation, personal leave and frozen sick leave were converted to Paid-Time-Off days (PTO). Union employees are granted PTO days, based on length of service and may carry over 700 hours of PTO to any subsequent year. Upon separation from the County, employees are compensated for one-half of their accumulated PTO hours at their current hourly rate, up to a maximum of 600 hours (maximum payout is for 300 hours / 37.5 days).

#### *Non-Union Employees*

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

#### *Compensated Absence Liability Recognition*

Accumulated PTO is accrued when incurred in the proprietary funds. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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

## 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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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Funds. Annual Informational Budget Summaries are prepared for Enterprise Funds and Internal Service Funds.

- The County Controller is authorized to transfer budgeted amounts from one category to another within an activity and between activities within the same fund in an amount up to \$50,000 for non-equipment expenditures and up to \$25,000 for equipment expenditures. Revisions that alter the total expenditures of any fund or total activity within the General Fund must be approved by the Board of Commissioners. The activity level in the General Fund and the Special Revenue Funds is the legal level of control.
- Budgets for the General and Special Revenue Funds are prepared on a modified accrual basis, while the Internal Service and Enterprise Fund informational budgets are prepared using the accrual basis of accounting. Both methods are consistent with generally accepted accounting principles (GAAP).
- Budget appropriations lapse at year end.
- The original budget was amended during the year in compliance with local and state laws. The budget to actual expenditures in the financial statements represent the final budgeted expenditures as amended by the County. Supplemental appropriations were necessary during the year.
- The County's annual budgeting process includes the adoption of a budget resolution to establish the manner in which a surplus fund balance in the General Fund is distributed among the County funds. The budget resolution adopted for the year ended September 30, 2007, established that the 2007 General Fund budgeted surplus be transferred as follows: two-thirds (2/3) of any such surplus to the Public Improvement Special Revenue Fund and the remaining one-third (1/3) to the General Fund Budget Stabilization Fund Balance account.

Results of operations for the year ended September 30, 2007 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, 2007.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>GENERAL FUND</b>			
<b>JUDICIAL</b>			
Probate Court	\$ 813,787	\$ 816,700	\$ (2,913)
Family Division	2,774,556	2,810,410	(35,854)
Assigned Counsel	99,956	100,082	(126)
<b>GENERAL GOVERNMENT</b>			
Corporate Counsel	124,000	128,085	(4,085)
Maintenance	3,146,543	3,189,723	(43,180)
<b>HEALTH AND WELFARE</b>			
Veterans Burial	120,000	136,500	(16,500)
<b>HEALTH DEPARTMENT SPECIAL</b>			
<b>REVENUE FUND</b>			
Health and Welfare	13,769,027	15,014,804	(1,245,777)

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

### **Deficit fund equity**

The River Dredging Capital Projects fund had a deficit fund balance of \$129,398 as of September 30, 2007. The expenditures incurred in this fund are being funded with contributions pledged by the Saginaw River Alliance. The pledged contributions are being paid the fund over a three-year period, therefore the amount pledged to alleviate the deficit is deferred in the fund because the revenue is unavailable to fund current liabilities. The deficit in this fund will be eliminated as the pledged contributions become available and are no longer deferred.

### **III. DETAILED NOTES ON ALL FUNDS**

#### **A. CASH AND INVESTMENT POOL**

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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Statutes authorize the County to invest in the following:

- Bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution.
- Commercial paper rated at the time of purchase at the highest classifications (except for GMAC) established by not less than two standard rating services and that matures not more than 270 days after the day of purchase.
- Repurchase agreements consisting of instruments in item one above.
- Bankers acceptance of United States banks.
- Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- Obligations described in items one through six above, if purchased through an interlocal agreement under the urban cooperation act of 1967. 1967 (ExSess) PA 7, MCL 124.501 to 124.512.
- Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367 MCL 129.111 to 129.118.
- Investment pools organized under the local government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.
- Mutual Funds registered under Investment Company Act of 1940, Title I of Chapter 686, 54 Stat. 789, 15 U.S.C. 80a-3 and 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. The Mutual Fund must be limited to securities whose intention is to maintain a net asset value of \$1 per share. Only the interest rate will differ from day to day.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

	<u>Carrying Amount</u>
Government-wide Financial Statement Captions:	
Primary Government:	
Cash and investment pool	\$ 60,253,084
Component Units:	
Cash and investment pool	14,566,077
Fiduciary Fund Financial Statement Captions:	
Cash and investment pool	11,350,619
Investments	<u>13,447,347</u>
 Total	 <u>\$ 99,617,127</u>
 Deposits and Investments:	
Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 31,474,827
Investments:	
U.S. Treasury notes	15,998,248
U.S. agencies	5,805,756
Commercial paper	983,651
Mutual funds	13,447,347
Money market accounts	31,851,076
Cash on hand	<u>56,222</u>
 Total	 <u>\$ 99,617,127</u>

	<u>Investment Maturities (In Years)</u>					<u>Credit Rating Range</u>	
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>	<u>Standard &amp; Poors</u>	<u>Moody's Investor's Services</u>
U.S. Treas. Notes	\$ 15,998,248	\$ 7,996,952	\$ 8,001,296	\$ -	\$ -	n/a	n/a
U.S. Agencies	5,805,756	4,000,000	1,005,756	800,000	-	AAA	Aaa
Commercial paper	<u>983,651</u>	<u>983,651</u>	-	-	-	AAA	Aaa
 Total	 <u>\$ 22,787,655</u>	 <u>\$ 12,980,603</u>	 <u>\$ 9,007,052</u>	 <u>\$ 800,000</u>	 <u>\$ -</u>		

\*\*The County's investments in U.S. Agencies include call options with a market value of \$5,805,756.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### **Investment and deposit risk**

*Interest Rate Risk.* State law limits the allowable investments and the maturities of some of the allowable investments. The County further limits the allowable investments and maturities of some allowable investments in their investment policy. The investment policy states that the County will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the County will not directly invest in securities maturing more than three years from the date of purchase. The County may collateralize its repurchase agreements using longer-dated investments not to exceed three years to maturity. Reserve funds may be invested in securities exceeding three years if the maturity of such investments are made to coincide as nearly as possible with the expected use of the funds. The maturity dates for each investment are identified above for investments held at year end.

*Credit Risk.* State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified above. The County's investment policy does not have specific limits in excess of state law on investment credit risk. The ratings for each investment are identified above for investments held at year end.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year end \$47,729,458 of the County's bank balance of \$49,269,458 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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*Concentration of Credit Risk.* State law limits allowable investments but does not limit concentration of credit risk as identified above. The County's investment policy does not limit concentration of credit risk. The County's investments in mutual funds are comprised of three (3) separate investment accounts. One of the County's mutual fund investment accounts comprises approximately 20% of the County's total investment balance at year-end. All investments held at year end are reported above.

### B. RECEIVABLES

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Units</u>
Taxes	\$ 5,936,649	\$10,910,264	\$ -
Accounts	35,269,324	855,073	524,231
Notes			
Due within one year	178,337	-	-
Due after one year	3,388,400	-	-
Interest	405,855	65,495	85,140
Intergovernmental	5,030,768	72,002	38,979,073
Less: allowance for uncollectible accounts	<u>(783,071)</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 49,426,262</u>	<u>\$11,902,834</u>	<u>\$ 39,588,444</u>

Of the amounts recorded as receivables, approximately \$35,569,251, \$2,752,824, and \$31,529,630 of the governmental activities, business-type activities and component unit receivables, respectively, are not expected to be collected within one year.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (General Fund)	\$ 3,029,010	\$ -
Property taxes receivable (Non-major governmental fund types)	272,235	-
Notes receivable (Non-major Governmental fund types)	2,569,010	-
Long-term receivable (Non-major Governmental fund types)	115,685	-
Unearned lease revenue (General Fund)	-	500
Grant drawdowns prior to meeting all eligibility requirements (Health Department Fund)	-	47,444
Grant drawdowns prior to meeting all eligibility requirements (Michigan Works! Fund)	-	1,410,437
Grant drawdowns prior to meeting all eligibility requirements (Non-major Governmental fund types)	-	481,991
Total	<u>\$ 5,985,940</u>	<u>\$1,940,372</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### C. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2007 was as follows:

#### Primary Government

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets not being depreciated:				
Land	\$ 1,173,661	\$ -	\$ (43,987)	\$ 1,129,674
Construction in progress	<u>3,645,736</u>	<u>128,813</u>	<u>(101,169)</u>	<u>3,673,380</u>
Total capital assets not being depreciated	<u>4,819,397</u>	<u>128,813</u>	<u>(145,156)</u>	<u>4,803,054</u>
Capital assets being depreciated:				
Land improvements	7,059,164	34,404	(21,600)	7,071,968
Buildings	30,900,955	760,822	(2,033,007)	29,628,770
Leasehold improvements	23,628	-	-	23,628
Equipment	6,824,130	743,392	(104,827)	7,462,695
Office furniture & fixtures	216,250	-	-	216,250
Vehicles	<u>2,941,776</u>	<u>369,745</u>	<u>(385,887)</u>	<u>2,925,634</u>
Total capital assets being depreciated	<u>47,965,903</u>	<u>1,908,363</u>	<u>(2,545,321)</u>	<u>47,328,945</u>
Less accumulated depreciation				
Land improvements	(1,569,310)	(145,101)	21,600	(1,692,811)
Buildings	(12,994,910)	(615,717)	553,224	(13,057,403)
Leasehold improvements	(5,891)	-	5,891	-
Equipment	(3,504,628)	(725,216)	92,999	(4,136,845)
Office furniture & fixtures	(87,289)	(16,030)	-	(103,319)
Vehicles	<u>(2,360,521)</u>	<u>(277,226)</u>	<u>378,656</u>	<u>(2,259,091)</u>
Total accumulated depreciation	<u>(20,522,549)</u>	<u>(1,779,290)</u>	<u>1,052,370</u>	<u>(21,249,469)</u>
Total capital assets being depreciated, net	<u>27,443,354</u>	<u>129,073</u>	<u>(1,492,951)</u>	<u>26,079,476</u>
<b>Governmental activities capital assets, net</b>	<u>\$32,262,751</u>	<u>\$ 257,886</u>	<u>\$(1,638,107)</u>	<u>\$ 30,882,530</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
Capital assets not being depreciated:				
Land	\$ 1,053,248	\$ -	\$ -	\$ 1,053,248
Air rights	117,761	-	-	117,761
Construction in progress	<u>437,457</u>	<u>352,243</u>	-	<u>789,700</u>
Total capital assets not being depreciated	<u>1,608,466</u>	<u>352,243</u>	-	<u>1,960,709</u>
Capital assets being depreciated:				
Land improvements	40,558	-	-	40,558
Buildings	15,020,739	-	-	15,020,739
Office furniture and fixtures	61,201	-	-	61,201
Planning and development	7,604,619	555	-	7,605,174
Equipment	984,390	5,692	-	990,082
Vehicles	<u>142,721</u>	-	-	<u>142,721</u>
Total capital assets being depreciated	<u>23,854,228</u>	<u>6,247</u>	-	<u>23,860,475</u>
Less accumulated depreciation				
Land improvements	(39,865)	(462)	-	(40,327)
Buildings	(1,622,186)	(368,530)	-	(1,990,716)
Office furniture and fixtures	(7,193)	(3,320)	-	(10,513)
Planning and development	(4,997,699)	(339,546)	-	(5,337,245)
Equipment	(210,180)	(59,488)	-	(269,668)
Vehicles	<u>(111,731)</u>	<u>(8,714)</u>	-	<u>(120,445)</u>
Total accumulated depreciation	<u>(6,988,854)</u>	<u>(780,060)</u>	-	<u>(7,768,914)</u>
Total capital assets being depreciated, net	<u>16,865,374</u>	<u>(773,813)</u>	-	<u>16,091,561</u>
<b>Business-type activities capital assets, net</b>				
	<u>\$18,473,840</u>	<u>\$ (421,570)</u>	<u>\$ -</u>	<u>\$18,052,270</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

**Governmental activities:**

Judicial	\$ 73,409
General government	407,876
Public safety	493,330
Public works	5,489
Health and welfare	305,727
Community and economic development	1,257
Recreation and culture	143,717
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	348,485

**Total depreciation expense – governmental activities**     \$ 1,779,290

**Business-type activities:**

Building Authority Event Center	\$ 382,426
Harry W. Browne Airport	393,819
Parking system	2,498
Inmate services	1,318

**Total depreciation expense – business-type activities**     \$ 780,061

**Discretely presented component units**

Activity for the Drain Commission for the year ended September 30, 2007, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Construction in progress	\$ 151,600	\$1,050,739	\$ (83,251)	\$ 1,119,088
Capital assets being depreciated:				
Infrastructure	59,428,292	87,000	-	59,515,292
Equipment	25,289	-	-	25,289
Total capital assets being depreciated	59,453,581	87,000	-	59,540,581

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Less accumulated depreciation				
Infrastructure	\$(17,469,107)	\$(1,189,291)	\$ -	\$(18,658,398)
Equipment	<u>(10,851)</u>	<u>(3,300)</u>	<u>-</u>	<u>(14,151)</u>
Total accumulated depreciation	<u>(17,479,958)</u>	<u>(1,192,591)</u>	<u>-</u>	<u>(18,672,549)</u>
Total capital assets being depreciated, net	<u>41,973,623</u>	<u>(1,105,591)</u>	<u>-</u>	<u>40,868,032</u>
<b>Drain commission capital assets, net</b>	<u>\$ 42,125,223</u>	<u>\$ (54,852)</u>	<u>\$ (83,251)</u>	<u>\$ 41,987,120</u>

Activity for the Road Commission for the year ended September 30, 2007, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land and improvements	\$32,518,142	\$1,228,257	\$ (2,275)	\$33,744,124
Capital assets being depreciated:				
Infrastructure	199,837,764	8,872,113	-	208,709,877
Building	2,538,656	113,684	-	2,652,340
Road equipment	11,599,743	904,192	(572,321)	11,931,614
Other equipment	<u>965,472</u>	<u>117,236</u>	<u>(62,949)</u>	<u>1,019,759</u>
Total capital assets being depreciated	<u>214,941,635</u>	<u>10,007,225</u>	<u>(635,270)</u>	<u>224,313,590</u>
Less accumulated depreciation				
Infrastructure	(92,187,100)	(7,444,880)	-	(99,631,980)
Building	(1,937,380)	(57,762)	-	(1,995,142)
Road equipment	(8,969,631)	(1,003,021)	528,097	(9,444,555)
Other equipment	<u>(551,766)</u>	<u>(105,740)</u>	<u>61,815</u>	<u>(595,691)</u>
Total accumulated depreciation	<u>(103,645,877)</u>	<u>(8,611,403)</u>	<u>589,912</u>	<u>(111,667,368)</u>
Total capital assets being depreciated, net	<u>111,295,758</u>	<u>1,395,822</u>	<u>(45,358)</u>	<u>111,646,222</u>
<b>Road commission capital assets, net</b>	<u>\$143,813,900</u>	<u>\$2,624,079</u>	<u>\$ (47,633)</u>	<u>\$146,390,346</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### D. PAYABLES

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

	Governmental <u>Activities</u>	Business-type <u>Activities</u>
Accounts	\$ 5,301,185	\$ 265,295
Wages, fringe benefits and other accrued liabilities	1,657,335	745,176
Interest	888,366	160,232
Intergovernmental	<u>1,124,658</u>	<u>40,472</u>
Total	<u>\$ 8,971,544</u>	<u>\$ 1,211,175</u>

### E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

#### Advances to/from other funds:

General	\$ 45,000	\$ -
Nonmajor governmental funds	-	172,524
Delinquent tax revolving	172,524	-
Nonmajor enterprise funds	-	20,000
Internal service funds	-	<u>25,000</u>
Total	<u>\$ 217,524</u>	<u>\$ 217,524</u>

The advance between the Delinquent Tax Revolving Fund and the non-major governmental funds exists to ensure that the River Dredging Capital Projects Fund has adequate cash to fund the river dredging project. The advances from the General Fund to the nonmajor enterprise and internal service funds exist to maintain adequate cash reserves in the funds.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

Due to	Due from									Total
	General Fund	Health Department	Michigan Works!	Non-major Governmental Funds	Delinquent Tax Revolving	Building Authority Event Center	Non-major Enterprise Funds	Internal Service Funds		
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 15,917	\$ -	\$ -	\$ -	\$ -	\$ 15,917
Michigan Works!	-	-	-	43,311	-	-	-	-	-	43,311
Non-major Governmental Funds	699,391	240	49,796	177,340	6,622	137,385	6,170	17,572		1,094,516
Building Authority Event Center	-	-	-	-	1,460	-	-	-		1,460
Non-major Enterprise Funds	373	-	-	749,636	-	-	-	-		750,009
Internal Service Funds	<u>1,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,709</u>		<u>15,628</u>
<b>Total</b>	<u>\$ 701,683</u>	<u>\$ 240</u>	<u>\$ 49,796</u>	<u>\$ 970,287</u>	<u>\$ 23,999</u>	<u>\$ 137,385</u>	<u>\$ 6,170</u>	<u>\$ 31,281</u>		<u>\$ 1,920,841</u>

\$620,191 of the balance due to the General Fund from the non-major governmental funds resulted from short-term advances provided by the General Fund for cash flow requirements. The entire balance of this interfund receivable is scheduled to be collected in the subsequent year.

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

Transfer to	Transfer from								Total
	General Fund	Michigan Works!	Revenue Sharing Reserve	Non-major Governmental Funds	Delinquent Tax Revolving	Building Authority Event Center	Non-major Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 4,174,509	\$ 34,548	\$ 1,650,000	\$ -	\$ 275,892	\$ -	\$ 6,134,949
Health Department	599,046	-	-	-	-	-	-	-	599,046
Non-major Governmental Funds	8,168,313	510,953	-	435,502	-	5,500	1,233,965	50,000	10,398,733
Non-major Enterprise Funds	<u>88,000</u>	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,500</u>
<b>Total</b>	<u>\$ 8,855,359</u>	<u>\$ 510,953</u>	<u>\$ 4,174,509</u>	<u>\$ 474,050</u>	<u>\$ 1,650,000</u>	<u>\$ 5,500</u>	<u>\$ 1,509,857</u>	<u>\$ 50,000</u>	<u>\$17,230,228</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In addition, the Revenue Sharing Reserve Fund has transferred the allowable spending amount to the General Fund in compliance with Public Act 357 of 2004.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### F. LONG-TERM DEBT

#### Changes in Long-Term Debt

Long-term liability activity for the year ended September 30, 2007 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due within One Year</b>
<b>Primary Government</b>					
Governmental activities:					
General obligation bonds	\$ 38,645,000	\$ -	\$ (1,345,000)	\$ 37,300,000	\$ 1,410,000
Long-term advances	138,000	-	-	138,000	-
Internal service fund - Claims	1,782,218	11,970,416	(11,432,146)	2,320,488	2,320,488
Compensated absences	<u>1,873,712</u>	<u>2,209,318</u>	<u>(2,362,368)</u>	<u>1,720,662</u>	<u>1,720,654</u>
	<u>\$ 42,438,930</u>	<u>\$ 14,179,734</u>	<u>\$ (15,139,514)</u>	<u>\$ 41,479,150</u>	<u>\$ 5,451,142</u>
Business-type activities:					
General obligation bonds	\$ 8,310,000	\$ -	\$ (1,540,000)	\$ 6,770,000	\$ 1,595,000
General obligation notes	8,426,000	11,000,000	(8,454,000)	10,972,000	10,972,000
Compensated absences	<u>2,545</u>	<u>9,029</u>	<u>(7,423)</u>	<u>4,151</u>	<u>4,150</u>
	<u>\$ 16,738,545</u>	<u>\$ 11,009,029</u>	<u>\$ (10,001,423)</u>	<u>\$ 17,746,151</u>	<u>\$ 12,571,151</u>
<b>Component Units</b>					
Road Commission:					
Compensated absences	<u>\$ 653,950</u>	<u>\$ 48,610</u>	<u>\$ (144,774)</u>	<u>\$ 557,786</u>	<u>\$ -</u>
Brownfield Redevelopment Authority:					
Loans from State of Michigan	<u>\$ 508,076</u>	<u>\$ -</u>	<u>\$ (13,981)</u>	<u>\$ 494,095</u>	<u>\$ 30,210</u>
Department of Public Works:					
General obligation bonds	<u>\$ 19,351,000</u>	<u>\$ 3,403,000</u>	<u>\$ (1,908,000)</u>	<u>\$ 20,846,000</u>	<u>\$ 1,178,000</u>
Drain Commission:					
General obligation bonds and notes	<u>\$ 13,636,870</u>	<u>\$ 1,360,000</u>	<u>\$ (2,676,696)</u>	<u>\$ 12,320,174</u>	<u>\$ 1,266,124</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for those funds are included as part of the above totals for governmental activities. At year-end, \$71,895 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### Primary Government

The County issues general obligation notes to provide monies for the purchase of delinquent taxes receivable from local units of government. The original amount of the general obligation notes issued to purchase delinquent taxes in the year ended September 30, 2007 was \$11,000,000 with a maturity date of March 2010; however, as this debt is expected to be paid in the year ended September 30, 2008, it has been shown as due within one year in the debt repayment schedule below.

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.75 – 7.0%	\$ 37,300,000
Business-type activities	1.23 – 4.0%	<u>17,742,000</u>
		<u>\$ 55,042,000</u>

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

<u>Year Ending September 30</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 1,410,000	\$ 1,772,175	\$12,567,000	\$ 266,813
2009	1,610,000	1,718,275	1,655,000	207,000
2010	1,080,000	1,653,188	1,725,000	140,800
2011	920,000	1,607,363	1,795,000	71,800
2012	935,000	1,573,075	-	-
2013-2017	6,020,000	7,206,013	-	-
2018-2022	8,265,000	5,514,625	-	-
2023-2027	11,280,000	3,220,750	-	-
2028-2029	<u>5,780,000</u>	<u>438,500</u>	<u>-</u>	<u>-</u>
Total	<u>\$37,300,000</u>	<u>\$24,703,964</u>	<u>\$17,742,000</u>	<u>\$ 686,413</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### Component Units

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.25%	<u>\$ 494,095</u>

Annual principal and interest requirements to service all debt outstanding as of September 30, 2007, are as follows:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2008	\$ 30,210	\$ 2,409
2009	27,357	5,262
2010	53,075	4,647
2011	49,607	8,115
2012	50,670	7,052
2013-2017	218,873	19,622
2018	<u>64,303</u>	<u>1,817</u>
Total	<u>\$494,095</u>	<u>\$48,924</u>

### Department of Public Works

General obligation bonds are issued by the County to finance construction projects managed and administered by the Department of Public Works. During the year general obligation bonds and notes totaling \$3,403,000 were issued.

These bonds are direct obligations, and pledge the full faith and credit, of the County and the associated municipalities and authorities. The bonds are issued as 8 to 40-year serial bonds with varying amounts of principal maturing each year through November 2046 and bear interest at varying rates from 1.45% to 9.25%. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.45 – 9.25%	<u>\$ 20,846,000</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>
2008	\$ 1,178,000	\$ 769,611
2009	1,774,000	793,571
2010	1,703,000	724,254
2011	1,716,000	658,458
2012	1,671,000	593,084
2013-2017	6,893,000	2,042,804
2018-2022	1,899,000	1,057,293
2023-2027	791,000	799,822
2028-2032	806,000	618,877
2033-2037	765,000	451,081
2038-2042	845,000	277,578
2043-2047	<u>805,000</u>	<u>88,166</u>
 Total	 <u>\$ 20,846,000</u>	 <u>\$ 8,874,599</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. During the year general obligation bonds and notes totaling \$1,360,000 were issued.

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.35 – 7.95%	<u>\$ 12,320,174</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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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>
2008	\$ 1,266,124	\$ 275,134
2009	1,954,041	292,783
2010	1,909,241	238,147
2011	1,814,334	186,006
2012	1,790,334	139,079
2013-2017	3,496,100	236,059
2018	<u>90,000</u>	<u>4,500</u>
Total	<u>\$ 12,320,174</u>	<u>\$ 1,371,708</u>

### **Advance Refunding**

On January 28, 2003, the government advanced refunded the 1991 Sewage Disposal System – Birch Run Extension No. 2 general obligation bonds (original issue amount of \$1,400,000) with Series 2003 general obligation bonds. The government issued \$935,000 of general obligation bonds to provide an escrow agent with the resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide statement of net assets. The balance of the defeased debt outstanding at September 30, 2007 was \$410,000.

On December 1, 1997, the Department of Public Works component unit issued general obligation limited tax bonds of \$3,690,000. Of the total bond issue, \$2,490,000 was issued to advance refund a portion of the general obligation limited tax bonds issued in 1990 in the amount of \$2,325,000. The remaining \$1,200,000 was issued to provide resources to pay the costs of constructing sewage disposal system improvements to service the Township of Carrollton, the Township of Kochville, Saginaw Charter Township and the City of Zilwaukee. The refunded bonds mature as scheduled on May 1, 2000 through 2010 and are callable on May 1, 2000. The balance of the defeased debt outstanding at September 30, 2007 was \$900,000.

On April 28, 2004, the Department of Public Works component unit issued general obligation limited tax bonds of \$965,000. Proceeds from this bond issue, along with a cash contribution from Taymouth Township of \$500,990 was used to advance refund four separately issued general obligation limited tax bonds issued between 1993 and 1996. The refunded bonds mature as scheduled on June 1, 1993 through 2015. The balance of the defeased debt outstanding at September 30, 2007 was \$980,000.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### 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.

##### **Funding Policy**

Beginning with the fiscal year ended September 30, 2007, the County is required to contribute a flat amount each month, rather than a percentage of payroll. The monthly required amount in 2007 was \$249,019 based upon current payroll levels. Under the plan, employees in six of the County's employment divisions are required to make contributions to the plan, ranging from 1% to 4.34% of their annual covered payroll. The contribution requirements of the County are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the County, depending on the MERS contribution program adopted by the County.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### 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	\$ 2,971,661
Less: Interest on net pension asset	(148,094)
Plus: Adjustment to annual required contribution	<u>265,314</u>
Annual pension cost	3,088,881
Contributions made	<u>2,925,384</u>
Decrease in net pension asset	163,497
Net pension (asset), beginning of year	<u>(1,851,178)</u>
Net pension (asset), end of year	<u><u>\$(1,687,681)</u></u>

The required contribution was determined using the entry age normal cost method. The actuarial assumptions included (a) a long-term net investment yield rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0% to 8.40% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment that smoothes the fair value of investments over a 5-year period. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2006, the date of the latest actuarial valuation, was 20 years.

### Three-Year Trend Information

<u>Fiscal Period Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
9/30/05	\$2,669,396	87%	\$(2,056,799)
9/30/06	2,758,026	93%	(1,851,178)
9/30/07	3,088,881	95%	(1,687,681)

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### 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)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/04	\$ 85,338,467	\$109,067,562	\$ 23,729,095	78.2%	\$ 12,470,470	190.3%
12/31/05	87,919,362	116,271,363	28,352,001	75.6%	12,113,877	234.1%
12/31/06	91,934,019	121,846,675	29,912,656	75.5%	11,662,175	256.5%

### Component Unit – Road Commission

#### Plan Description

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

#### Funding Policy

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

#### Annual Pension Cost

For the year ended September 30, 2007, the Road Commission's annual pension cost and required contribution was \$212,225. The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age actuarial cost method. The Road Commission chose to make voluntary contributions in the amount of \$246,000 for the fiscal year ended September 30, 2007. 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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

commence receiving benefits, (d) a set of withdrawal and disability rates to estimate the number of employees who will leave the work force before retirement, (e) assumed rates of salary increases of 4.5% to project employees compensation in future years and (f) no specific price inflation assumption was needed for this valuation, the 4.5% wage inflation assumption would be consistent with a price inflation of 3% to 4%. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return and includes an adjustment to reflect market value. The December 31, 2006 actuarial valuation reflects the following changes in actuarial methods: prospective adoption of 10 year smoothing, instead of 5 year, for calculating valuation assets, prospective gradual reduction of the amortization period for open divisions from 30 years to 25 years.

### Three-Year Trend Information

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension Obligation <u>(Asset)</u>
9/30/05	\$165,246	146%	\$ (76,000)
9/30/06	190,837	157%	(110,000)
9/30/07	212,225	216%	(246,000)

### Schedule of Funding Progress

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) -Entry Age <u>(b)</u>	Unfunded (Overfunded) AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
12/31/04	\$22,394,199	\$21,078,435	\$(1,315,764)	116%	\$3,814,645	(34)%
12/31/05	22,940,073	22,607,641	(332,432)	101%	3,684,655	(9)%
12/31/06	23,789,437	23,482,439	(306,998)	101%	3,491,129	(9)%

## 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.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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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, 2007, there were 454 plan members. Newly hired members may contribute 0% or 6% of their annual salary; if the members contribute 0%, the County is required to contribute 3%; if the members contribute 3%, the County is required to contribute 6%. Vested plan members are not required to contribute to the Plan, however, employees may contribute up to 3% of their annual salary. The County is required to contribute 6% of the employees' annual salary, as well as match all employee contributions for vested members. Plan provision and contribution requirements are established and may be amended by the Saginaw County Board of Commissioners.

Employer contributions to the Plan for the year ended September 30, 2007 amounted to \$1,592,863 and employee contributions were \$570,545.

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

### **C. POSTEMPLOYMENT HEALTH BENEFITS**

The County provides a postemployment group hospitalization plan provided proper application is made prior to retirement for union and non-union employees. This Plan was established through employees' union contracts and through a board resolution for non-union employees. A vested employee, who leaves County employment before attaining the age and service required to receive a pension, shall not be eligible for health insurance coverage.

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

Currently 368 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:

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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<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, 2007, expenditures of \$4,206,168 were recognized for retiree health insurance costs.

The County had an actuarial valuation performed as of December 31, 2006, which showed the County's unfunded accrued liability for postemployment health benefits to be \$79,209,992.

The fair value of the cash and investments held to fund retiree health care costs as of September 30, 2007 was \$13,447,347. The cash and investments held to fund retiree health care costs are invested with several investment managers and are accounted for within the Postemployment Health Benefits Trust Fund.

The Governmental Accounting Standards Board has recently released Statement Number 45, *Accounting and Reporting By Employers for Postemployment Benefits Other Than Pensions*. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" postemployment benefits (other than pensions). The new rules will cause the government-wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the employee, rather than at the time the health care premiums are paid. The new pronouncement is effective for the year ending September 30, 2008.

### **D. RISK MANAGEMENT**

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### *Worker's Compensation*

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

The claims liability of \$213,151 reported at September 30, 2007 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, 2006 and 2007 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>
2006	\$ 83,030	\$ 378,579	\$175,397	\$286,212
2007	286,212	143,628	216,689	213,151

### *General Liability*

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

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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The changes in the claims liability for the years ended September 30, 2006 and 2007 are as follows:

	<b><u>Beginning of Period Liability</u></b>	<b><u>Current Year Claims and Changes in Estimates</u></b>	<b><u>Claim Payments</u></b>	<b><u>End of Period Liability</u></b>
2006	\$1,024,596	\$ 249,738	\$235,711	\$1,038,623
2007	1,038,623	669,885	194,205	1,514,303

### *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 at the end of the year is based on claims already incurred and reported and on estimates of incurred but not reported claims as provided by Blue Cross. No annuity contracts have been purchased to satisfy claim liabilities. Settled claims have not exceeded insurance coverage in any of the past three years.

The changes in the claims liability for the years ended September 30, 2006 and 2007 are as follows:

	<b><u>Beginning of Period Liability</u></b>	<b><u>Current Year Claims and Changes in Estimates</u></b>	<b><u>Claim Payments</u></b>	<b><u>End of Period Liability</u></b>
2006	\$ 299,467	\$9,347,589	\$9,219,499	\$ 427,557
2007	427,557	10,865,681	10,363,732	929,506

### *Dental Insurance*

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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The changes in the claims liability for the years ended September 30, 2006 and 2007 are as follows:

	<b><u>Beginning of Period Liability</u></b>	<b><u>Current Year Claims and Changes in Estimates</u></b>	<b><u>Claim Payments</u></b>	<b><u>End of Period Liability</u></b>
2006	\$ 35,929	\$ 608,754	\$ 617,916	\$ 26,767
2007	26,767	609,964	601,003	35,728

### *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, 2006 and 2007 are as follows:

	<b><u>Beginning of Period Liability</u></b>	<b><u>Current Year Claims and Changes in Estimates</u></b>	<b><u>Claim Payments</u></b>	<b><u>End of Period Liability</u></b>
2006	\$ 2,543	\$ 76,605	\$ 76,089	\$ 3,059
2007	3,059	55,476	56,516	2,019

### **E. PROPERTY TAXES**

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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The taxable value of real and personal property at December 1, 2006 totaled \$5,040,003,270. The tax levy for 2006/2007 operations was based on the following rates:

General Operating	4.88580 mills
Mosquito Control	.49930 mills
Senior Citizens	.32950 mills
Law Enforcement	.33940 mills
Hospital Debt	.39270 mills
County Parks	.16150 mills
Castle Museum	.19970 mills
Juvenile Home Renovation	.04970 mills
Event Center	.44930 mills

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

### F. CONTINGENCIES AND PENDING LITIGATION

The County is a defendant in various lawsuits. It is the opinion of County management and its counsel that the outcome of these lawsuits now pending will not materially affect the operations or the financial position of the County.

Under the terms of certain Federal and State grants, periodic audits are required and certain costs may be questioned as not representing appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. County management believes disallowances, if any, would be minimal.

### G. PRIOR PERIOD ADJUSTMENTS

During the year ended September 30, 2007, the Health Center Building Internal Service Fund was combined with the Health Department Special Revenue Fund. All Health Center Building Fund assets and liabilities were transferred to the Health Department, with the exception of the capital assets, which are classified as governmental activities' capital assets. A prior period adjustment in the amount of \$198,007 was necessary to properly account for Health Center Building Fund activities as a separate activity of the Health Department Fund. The effect on the Health Department Fund fund balance was as follows:

Fund balance, beginning of year, as previously stated	\$ 1,909,279
Prior period adjustment	<u>198,007</u>
Fund balance, beginning of year, as restated	<u>\$ 2,107,286</u>

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## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

### SPECIAL REVENUE FUNDS (Continued)

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

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

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

**Principal Residence Exemption Denial Fund** - This fund is used to account for the collection of taxes and interest due from principal residential exemption (homestead) denials. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

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

**Courthouse Preservation Technology Fund** - This fund is used to account for the collection of \$10.00 per traffic ticket which is used to fund computer technology. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

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

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

### SPECIAL REVENUE FUNDS (Continued)

**Land Reutilization Fund** - This fund is used to account for the proceeds from the operations of the Delinquent Property Tax Foreclosure Fund and those proceeds are to be used to pay for expenses of the Land Bank Authority. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

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

**E-911 Telephone Surcharge Fund** - This fund is used to account for the collection and distribution of a telephone surcharge to the Saginaw County 911 Communications Center Authority, for operations of the County 911 system. Money for the operation of this fund is supplied from a special voted assessment. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

**E-911 Equipment - Digital Fund** - This fund is used to account for the collection and distribution of a telephone surcharge to the Saginaw County 911 Communications Center Authority, for equipment purchases of the County 911 system. Money for the operation of this fund is supplied from a special voted assessment. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

**Mobile Data Maintenance and Repair Fund** - This fund is used to account for the maintenance and replacement of the mobile data computers put in law enforcement vehicles throughout the County and local jurisdictions. Money for the operation of this fund is supplied from the yearly maintenance fees charged to the local law enforcement agencies. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

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

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

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

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

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

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

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

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

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

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

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

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

### SPECIAL REVENUE FUNDS (Continued)

**Local Correction Officer Training Fund** - This fund is used to account for the collection and distribution of booking fees through the Saginaw County Jail. Money for the operation of this fund is supplied from booking fees and is used as a source of revenue for the local correctional officers training programs and a portion is subsequently remitted to the State in accordance with Public Act 124 of 2003. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

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

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

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

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

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

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

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

**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.

### **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.

**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.

**Building Authority Debt Service Fund** - This fund is used to account for the payment of interest and principal on long-term debt. Money in this fund is received from lease payments from governmental departments to be used for debt retirement.

### **CAPITAL PROJECTS FUNDS**

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

**River Dredging Project Fund** - This fund is used to account for the acquisition and development of an over 500 acre containment site to accept river dredging spoils from the Upper Saginaw River. Money for the operation of this fund is supplied from federal, state, and local grants, donations from private sources, and interest earnings.

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

### **PERMANENT FUND**

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

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2007**

Continued

	Special Revenue Funds				
	Law Enforcement	County Road Patrol Millage	Parks & Recreation	G.I.S. System	Friend of the Court
<b>Assets</b>					
Cash and investment pool	\$ 184,953	\$ 621,423	\$ 720,764	\$ 3,469	\$ 1,585
Receivables (net):					
Taxes	-	56,136	25,055	-	-
Accounts	6,223	-	1,679	-	5,990
Notes	-	-	-	-	-
Accrued interest	586	7,396	7,283	-	300
Due from other funds	99,156	117	45,935	-	-
Due from other governmental units	6,717	-	-	-	476,429
Other assets	-	-	694	-	14,238
<b>Total assets</b>	<u>\$ 297,635</u>	<u>\$ 685,072</u>	<u>\$ 801,410</u>	<u>\$ 3,469</u>	<u>\$ 498,542</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 16,027	\$ 4,005	\$ 70,577	\$ -	\$ 14,542
Accrued liabilities	262,073	124,047	6,343	2,217	42,399
Deposits payable	3,259	-	-	-	-
Due to other funds	4,800	1,155	740	-	377,685
Due to other governmental units	-	-	-	-	5,948
Advances from other funds	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	56,135	25,055	-	-
<b>Total liabilities</b>	<u>286,159</u>	<u>185,342</u>	<u>102,715</u>	<u>2,217</u>	<u>440,574</u>
<b>Fund Balances</b>					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	85,700	370,150	-	22,629
Unreserved - designated for:					
Future use	11,476	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	-	414,030	328,545	1,252	35,339
<b>Total fund balances (deficit)</b>	<u>11,476</u>	<u>499,730</u>	<u>698,695</u>	<u>1,252</u>	<u>57,968</u>
<b>Total liabilities and fund balances</b>	<u>\$ 297,635</u>	<u>\$ 685,072</u>	<u>\$ 801,410</u>	<u>\$ 3,469</u>	<u>\$ 498,542</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2007**

Continued

	Special Revenue Funds				
	Solid Waste	Lodging Excise Tax	Castle Museum & Historical Activities	Commission on Aging	Mosquito Control
<b>Assets</b>					
Cash and investment pool	\$ 2,237,928	\$ 9,760	\$ 224,661	\$ 863,086	\$ 891,992
Receivables (net):					
Taxes	-	-	27,384	53,286	73,579
Accounts	113,288	723,081	-	21,235	2,213
Notes	-	-	-	-	-
Accrued interest	20,803	-	2,934	8,427	9,794
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	-	168,264	-
Other assets	-	-	-	21,565	-
<b>Total assets</b>	<b>\$ 2,372,019</b>	<b>\$ 732,841</b>	<b>\$ 254,979</b>	<b>\$ 1,135,863</b>	<b>\$ 977,578</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 280	\$ 559,302	\$ -	\$ 103,289	\$ 62,621
Accrued liabilities	47	-	-	32,947	13,398
Deposits payable	-	-	-	-	-
Due to other funds	23,568	173,539	647	1,070	1,622
Due to other governmental units	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	-	27,384	73,211	73,580
<b>Total liabilities</b>	<b>23,895</b>	<b>732,841</b>	<b>28,031</b>	<b>210,517</b>	<b>151,221</b>
<b>Fund Balances</b>					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	-	-	247,848	145,070
Unreserved - designated for:					
Future use	-	-	-	677,498	-
General improvements	-	-	-	-	-
Unreserved - undesignated	2,348,124	-	226,948	-	681,287
<b>Total fund balances (deficit)</b>	<b>2,348,124</b>	<b>-</b>	<b>226,948</b>	<b>925,346</b>	<b>826,357</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,372,019</b>	<b>\$ 732,841</b>	<b>\$ 254,979</b>	<b>\$ 1,135,863</b>	<b>\$ 977,578</b>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2007**

Continued

	Special Revenue Funds				
	Planning Commission	Principal Residence Exemption	Public Improvement	Courthouse Preservation Technology	Animal Control
<b>Assets</b>					
Cash and investment pool	\$ 31,696	\$ 40,919	\$ 721,315	\$ 142,443	\$ 46,772
Receivables (net):					
Taxes	-	71,992	-	-	-
Accounts	120	-	2,546	-	8,934
Notes	1,338,885	-	-	-	-
Accrued interest	44	8	7,065	1,003	-
Due from other funds	-	4,487	196,014	-	-
Due from other governmental units	59,120	-	-	-	-
Other assets	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,429,865</b>	<b>\$ 117,406</b>	<b>\$ 926,940</b>	<b>\$ 143,446</b>	<b>\$ 55,706</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 44,626	\$ 38,962	\$ 11,693	\$ 2,171	\$ 4,243
Accrued liabilities	2,837	855	-	-	7,631
Deposits payable	-	-	-	-	-
Due to other funds	36,851	6,319	722	-	-
Due to other governmental units	214,656	71,270	-	-	-
Advances from other funds	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	1,125,154	-	-	-	-
<b>Total liabilities</b>	<b>1,424,124</b>	<b>117,406</b>	<b>12,415</b>	<b>2,171</b>	<b>11,874</b>
<b>Fund Balances</b>					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	-	-	-	19,397
Unreserved - designated for:					
Future use	5,741	-	-	-	-
General improvements	-	-	914,525	-	-
Unreserved - undesignated	-	-	-	141,275	24,435
<b>Total fund balances (deficit)</b>	<b>5,741</b>	<b>-</b>	<b>914,525</b>	<b>141,275</b>	<b>43,832</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,429,865</b>	<b>\$ 117,406</b>	<b>\$ 926,940</b>	<b>\$ 143,446</b>	<b>\$ 55,706</b>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2007**

Continued

	Special Revenue Funds				
	Land Reutilization	Register of Deeds Automation	E-911 Telephone Surcharge	E-911 Equipment Digital	Mobile Data Maintenance & Repair
<b>Assets</b>					
Cash and investment pool	\$ -	\$ 340,047	\$ 1,350,399	\$ 3,426,053	\$ 1,579,455
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	-	6,365	401,149	100,287	-
Notes	-	-	-	-	-
Accrued interest	-	2,801	9,842	28,455	11,879
Due from other funds	509,169	-	-	-	-
Due from other governmental units	-	-	81,191	-	-
Other assets	-	-	-	-	16,897
<b>Total assets</b>	<u>\$ 509,169</u>	<u>\$ 349,213</u>	<u>\$ 1,842,581</u>	<u>\$ 3,554,795</u>	<u>\$ 1,608,231</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 509,169	\$ 612	\$ 10,205	\$ -	\$ 43,685
Accrued liabilities	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	-	-	-	68,172
<b>Total liabilities</b>	<u>509,169</u>	<u>612</u>	<u>10,205</u>	<u>-</u>	<u>111,857</u>
<b>Fund Balances</b>					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	348,601	-	3,554,795	1,496,374
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	-	-	1,832,376	-	-
<b>Total fund balances (deficit)</b>	<u>-</u>	<u>348,601</u>	<u>1,832,376</u>	<u>3,554,795</u>	<u>1,496,374</u>
<b>Total liabilities and fund balances</b>	<u>\$ 509,169</u>	<u>\$ 349,213</u>	<u>\$ 1,842,581</u>	<u>\$ 3,554,795</u>	<u>\$ 1,608,231</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2007**

Continued

	Area Records Management System	Law Library	County Library Board	Michigan Works! Service Centers	Remonu- mentation
<b>Assets</b>					
Cash and investment pool	\$ 37,383	\$ 10,834	\$ -	\$ -	\$ 31,573
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	1,100	-	-	1,710	-
Notes	-	-	-	-	-
Accrued interest	140	-	-	-	-
Due from other funds	-	-	-	43,311	-
Due from other governmental units	-	-	-	-	80,196
Other assets	-	-	-	28,185	-
<b>Total assets</b>	<b>\$ 38,623</b>	<b>\$ 10,834</b>	<b>\$ -</b>	<b>\$ 73,206</b>	<b>\$ 111,769</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 5,907	\$ -	\$ 23,294	\$ 104,141
Accrued liabilities	-	192	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	4,735	-	49,796	-
Due to other governmental units	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	-	-	116	-
<b>Total liabilities</b>	<b>-</b>	<b>10,834</b>	<b>-</b>	<b>73,206</b>	<b>104,141</b>
<b>Fund Balances</b>					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	38,623	-	-	-	7,628
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	-	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>38,623</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,628</b>
<b>Total liabilities and fund balances</b>	<b>\$ 38,623</b>	<b>\$ 10,834</b>	<b>\$ -</b>	<b>\$ 73,206</b>	<b>\$ 111,769</b>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2007**

Continued

	Special Revenue Funds				
	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections	Local Correction Officer Training
<b>Assets</b>					
Cash and investment pool	\$ 174,872	\$ 864,392	\$ -	\$ -	\$ 35,934
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	52,520	114,798	-	-	790
Notes	-	-	-	-	-
Accrued interest	-	4,870	-	-	253
Due from other funds	-	32,132	-	-	-
Due from other governmental units	88,801	146,026	140,957	162,184	-
Other assets	785	3,285	-	-	-
	<u>316,978</u>	<u>1,165,503</u>	<u>140,957</u>	<u>162,184</u>	<u>36,977</u>
Total assets	<u>\$ 316,978</u>	<u>\$ 1,165,503</u>	<u>\$ 140,957</u>	<u>\$ 162,184</u>	<u>\$ 36,977</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 42,060	\$ 42,059	\$ 9,372	\$ 119,699	\$ 1,760
Accrued liabilities	3,928	156,840	8,252	2,192	1,182
Deposits payable	-	27,548	-	-	-
Due to other funds	-	99,273	122,745	40,293	-
Due to other governmental units	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	392,847	-	-	-
	<u>45,988</u>	<u>718,567</u>	<u>140,369</u>	<u>162,184</u>	<u>2,942</u>
Total liabilities	<u>45,988</u>	<u>718,567</u>	<u>140,369</u>	<u>162,184</u>	<u>2,942</u>
<b>Fund Balances</b>					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	6,872	186,360	-	-	34,035
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	264,118	260,576	588	-	-
	<u>270,990</u>	<u>446,936</u>	<u>588</u>	<u>-</u>	<u>34,035</u>
Total fund balances (deficit)	<u>270,990</u>	<u>446,936</u>	<u>588</u>	<u>-</u>	<u>34,035</u>
Total liabilities and fund balances	<u>\$ 316,978</u>	<u>\$ 1,165,503</u>	<u>\$ 140,957</u>	<u>\$ 162,184</u>	<u>\$ 36,977</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2007**

Continued

	Special Revenue Funds				
	MSU Extension	Department of Human Services	Child Care	Soldiers' Relief	Veterans' Trust
<b>Assets</b>					
Cash and investment pool	\$ 22,190	\$ 247,118	\$ 275	\$ 2,755	\$ -
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	90	-	51,328	-	-
Notes	-	-	-	-	-
Accrued interest	347	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governmental units	94,200	130,500	625,217	-	10,957
Other assets	750	-	402	-	-
	<u>750</u>	<u>-</u>	<u>402</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 117,577</u>	<u>\$ 377,618</u>	<u>\$ 677,222</u>	<u>\$ 2,755</u>	<u>\$ 10,957</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 70,058	\$ 106,805	\$ 164,346	\$ 1,856	\$ 3,399
Accrued liabilities	1,912	155,528	39,496	-	-
Deposits payable	-	-	-	-	-
Due to other funds	8,701	2,285	57,874	899	7,558
Due to other governmental units	-	-	318,075	-	-
Advances from other funds	-	-	-	-	-
Advances from other governmental units	25,000	113,000	-	-	-
Deferred revenue	5	-	-	-	-
	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>105,676</u>	<u>377,618</u>	<u>579,791</u>	<u>2,755</u>	<u>10,957</u>
<b>Fund Balances</b>					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	685	-	2,460	-	-
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	11,216	-	94,971	-	-
	<u>11,216</u>	<u>-</u>	<u>94,971</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>11,901</u>	<u>-</u>	<u>97,431</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 117,577</u>	<u>\$ 377,618</u>	<u>\$ 677,222</u>	<u>\$ 2,755</u>	<u>\$ 10,957</u>

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2007**

	Special	Debt Service Funds		
	Revenue			
	Funds	Small	Juvenile	Building
	Small	Hospital	Center	Building
	Cities	Construction	Renovation	Authority
	Reuse			
<b>Assets</b>				
Cash and investment pool	\$ 1,183,835	\$ 1,076,077	\$ 4,832	\$ 1,620,454
Receivables (net):				
Taxes	-	29,582	7,215	-
Accounts	-	-	-	-
Notes	1,444,781	-	-	-
Accrued interest	9,694	9,406	812	13,740
Due from other funds	-	-	-	39,966
Due from other governmental units	-	-	-	-
Other assets	-	-	-	-
<b>Total assets</b>	<b>\$ 2,638,310</b>	<b>\$ 1,115,065</b>	<b>\$ 12,859</b>	<b>\$ 1,674,160</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 4,364	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	6,600	1,370	162	-
Due to other governmental units	-	-	-	-
Advances from other funds	-	-	-	-
Advances from other governmental units	-	-	-	-
Deferred revenue	1,444,781	29,581	7,215	-
<b>Total liabilities</b>	<b>1,455,745</b>	<b>30,951</b>	<b>7,377</b>	<b>-</b>
<b>Fund Balances</b>				
Reserved for:				
Debt service	-	1,084,114	5,482	1,674,160
Capital projects	-	-	-	-
Restricted contributions	-	-	-	-
Unreserved - designated for:				
Future use	-	-	-	-
General improvements	-	-	-	-
Unreserved - undesignated	1,182,565	-	-	-
<b>Total fund balances (deficit)</b>	<b>1,182,565</b>	<b>1,084,114</b>	<b>5,482</b>	<b>1,674,160</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,638,310</b>	<b>\$ 1,115,065</b>	<b>\$ 12,859</b>	<b>\$ 1,674,160</b>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2007**

**Concluded**

	<b>Capital Projects Funds</b>		<b>Permanent</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Parks Building &amp; Site</b>	<b>River Dredging Project</b>	<b>Fund Rail Trail Endowment</b>	
<b>Assets</b>				
Cash and investment pool	\$ 15	\$ 1,183	\$ 37,323	\$ 18,789,765
Receivables (net):				
Taxes	-	-	-	344,229
Accounts	-	177,524	-	1,792,970
Notes	-	-	-	2,783,666
Accrued interest	-	-	321	158,203
Due from other funds	-	-	-	970,287
Due from other governmental units	49,300	-	-	2,320,059
Other assets	-	-	-	86,801
<b>Total assets</b>	<b>\$ 49,315</b>	<b>\$ 178,707</b>	<b>\$ 37,644</b>	<b>\$ 27,245,980</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 2,324	\$ -	\$ 2,197,453
Accrued liabilities	-	-	-	864,316
Deposits payable	-	-	-	30,807
Due to other funds	45,935	17,572	-	1,094,516
Due to other governmental units	-	-	-	609,949
Advances from other funds	-	172,524	-	172,524
Advances from other governmental units	-	-	-	138,000
Deferred revenue	-	115,685	-	3,438,921
<b>Total liabilities</b>	<b>45,935</b>	<b>308,105</b>	<b>-</b>	<b>8,546,486</b>
<b>Fund Balances</b>				
Reserved for:				
Debt service	-	-	-	2,763,756
Capital projects	3,380	-	-	3,380
Restricted contributions	-	-	34,000	6,601,227
Unreserved - designated for:				
Future use	-	-	3,644	698,359
General improvements	-	-	-	914,525
Unreserved - undesignated	-	(129,398)	-	7,718,247
<b>Total fund balances (deficit)</b>	<b>3,380</b>	<b>(129,398)</b>	<b>37,644</b>	<b>18,699,494</b>
<b>Total liabilities and fund balances</b>	<b>\$ 49,315</b>	<b>\$ 178,707</b>	<b>\$ 37,644</b>	<b>\$ 27,245,980</b>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Continued

	Special Revenue Funds				
	Law Enforcement	County Road Patrol Millage	Parks & Recreation	G.I.S. System	Friend of the Court
<b>Revenues</b>					
Property taxes	\$ -	\$ 1,644,391	\$ 782,773	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	2,888,759
State grants	-	-	-	-	161,561
Local grants and contributions	-	-	-	-	-
Charges for services	-	-	55,999	-	336,323
Fines and forfeitures	-	-	-	-	-
Investment income	5,200	38,700	37,493	-	1,366
Rental revenue	-	-	-	-	-
Donations	-	-	51,812	-	-
Reimbursements	248,317	-	8,620	149,802	77,067
Other revenue	-	-	4,830	-	-
<b>Total revenues</b>	<b>253,517</b>	<b>1,683,091</b>	<b>941,527</b>	<b>149,802</b>	<b>3,465,076</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	-	-	4,345,025
General government	-	-	-	148,550	-
Public safety	2,604,762	1,668,270	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	788,914	-	-
Capital outlay	-	52,338	80,836	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>2,604,762</b>	<b>1,720,608</b>	<b>869,750</b>	<b>148,550</b>	<b>4,345,025</b>
Revenues over (under) expenditures	(2,351,245)	(37,517)	71,777	1,252	(879,949)
<b>Other Financing Sources (Uses)</b>					
Transfers in	2,379,785	-	-	-	934,020
Transfers out	(17,064)	(9,198)	-	-	(18,262)
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,362,721</b>	<b>(9,198)</b>	<b>-</b>	<b>-</b>	<b>915,758</b>
Net change in fund balances	11,476	(46,715)	71,777	1,252	35,809
Fund balance (deficit), beginning of year	-	546,445	626,918	-	22,159
Fund balance (deficit), end of year	<u>\$ 11,476</u>	<u>\$ 499,730</u>	<u>\$ 698,695</u>	<u>\$ 1,252</u>	<u>\$ 57,968</u>

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Continued

	Special Revenue Funds				
	Solid Waste	Lodging Excise Tax	Castle Museum & Historical Activities	Commission on Aging	Mosquito Control
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ 968,433	\$ 1,596,078	\$ 2,418,910
Accommodations tax	-	1,794,568	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	1,274,195	-
State grants	-	-	-	240,284	-
Local grants and contributions	-	-	-	-	-
Charges for services	365,353	-	-	214,358	17,438
Fines and forfeitures	-	-	-	-	-
Investment income	111,285	-	14,946	45,024	54,485
Rental revenue	-	-	-	-	900
Donations	-	-	-	257,292	-
Reimbursements	-	-	25,796	37,646	317,618
Other revenue	-	-	-	73,330	7,356
<b>Total revenues</b>	<b>476,638</b>	<b>1,794,568</b>	<b>1,009,175</b>	<b>3,738,207</b>	<b>2,816,707</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	454,397	-	-	-	-
Health and welfare	-	-	-	3,791,056	2,612,150
Community and economic development	-	1,794,568	-	-	-
Recreation and culture	-	-	987,450	-	-
Capital outlay	-	-	-	-	56,723
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>454,397</b>	<b>1,794,568</b>	<b>987,450</b>	<b>3,791,056</b>	<b>2,668,873</b>
Revenues over (under) expenditures	22,241	-	21,725	(52,849)	147,834
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	47,500
Transfers out	(150,966)	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(150,966)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,500</b>
Net change in fund balances	(128,725)	-	21,725	(52,849)	195,334
Fund balance (deficit), beginning of year	2,476,849	-	205,223	978,195	631,023
Fund balance (deficit), end of year	\$ 2,348,124	\$ -	\$ 226,948	\$ 925,346	\$ 826,357

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Continued

	<b>Special Revenue Funds</b>				
	<b>Planning Commission</b>	<b>Principal Residence Exemption</b>	<b>Public Improvement</b>	<b>Courthouse Preservation Technology</b>	<b>Animal Control</b>
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	17,081
Federal grants	392,699	-	-	-	-
State grants	21,383	-	-	-	-
Local grants and contributions	-	-	-	-	-
Charges for services	568	1,388	-	206,910	40,852
Fines and forfeitures	-	-	-	-	-
Investment income	128	16,421	38,304	6,087	-
Rental revenue	-	-	-	-	-
Donations	-	-	-	-	6,930
Reimbursements	-	-	963	-	-
Other revenue	28,324	-	-	-	-
<b>Total revenues</b>	<b>443,102</b>	<b>17,809</b>	<b>39,267</b>	<b>212,997</b>	<b>64,863</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	-	-	-
General government	-	-	82,022	-	-
Public safety	-	-	-	-	680,041
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	524,989	39,153	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	417,209	2,578	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>524,989</b>	<b>39,153</b>	<b>499,231</b>	<b>2,578</b>	<b>680,041</b>
Revenues over (under) expenditures	(81,887)	(21,344)	(459,964)	210,419	(615,178)
<b>Other Financing Sources (Uses)</b>					
Transfers in	74,000	4,487	246,014	-	644,000
Transfers out	-	-	(722)	(150,000)	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>74,000</b>	<b>4,487</b>	<b>245,292</b>	<b>(150,000)</b>	<b>644,000</b>
Net change in fund balances	(7,887)	(16,857)	(214,672)	60,419	28,822
Fund balance (deficit), beginning of year	13,628	16,857	1,129,197	80,856	15,010
Fund balance (deficit), end of year	\$ 5,741	\$ -	\$ 914,525	\$ 141,275	\$ 43,832

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Continued

	Special Revenue Funds				
	Land Reutilization	Register of Deeds Automation	E-911 Telephone Surcharge	E-911 Equipment Digital	Mobile Data Maintenance & Repair
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	-
State grants	-	-	335,479	-	-
Local grants and contributions	-	-	-	-	2,044
Charges for services	-	200,495	3,268,470	817,117	322,735
Fines and forfeitures	-	-	-	-	-
Investment income	-	15,089	47,450	146,876	61,207
Rental revenue	-	-	-	-	-
Donations	-	-	-	-	-
Reimbursements	-	-	-	-	17,322
Other revenue	-	-	-	-	4,000
Total revenues	-	215,584	3,651,399	963,993	407,308
<b>Expenditures</b>					
Current:					
Judicial	-	-	-	-	-
General government	892,894	171,599	-	-	-
Public safety	-	-	3,214,901	-	278,343
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	5,159	-	270,755	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	892,894	176,758	3,214,901	270,755	278,343
Revenues over (under) expenditures	(892,894)	38,826	436,498	693,238	128,965
<b>Other Financing Sources (Uses)</b>					
Transfers in	892,894	-	-	-	178,616
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	892,894	-	-	-	178,616
Net change in fund balances	-	38,826	436,498	693,238	307,581
Fund balance (deficit), beginning of year	-	309,775	1,395,878	2,861,557	1,188,793
Fund balance (deficit), end of year	\$ -	\$ 348,601	\$ 1,832,376	\$ 3,554,795	\$ 1,496,374

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Continued

	<b>Area Records Management System</b>	<b>Law Library</b>	<b>County Library Board</b>	<b>Michigan Works! Service Centers</b>	<b>Remonu- mentation</b>
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	36,010	-	-	-	-
State grants	-	-	-	-	138,117
Local grants and contributions	-	-	-	-	-
Charges for services	61,459	-	-	-	-
Fines and forfeitures	-	6,500	70,833	-	-
Investment income	-	-	-	-	-
Rental revenue	-	-	-	-	-
Donations	-	-	-	-	-
Reimbursements	-	-	-	37,378	-
Other revenue	-	-	-	-	-
<b>Total revenues</b>	<b>97,469</b>	<b>6,500</b>	<b>70,833</b>	<b>37,378</b>	<b>138,117</b>
<b>Expenditures</b>					
Current:					
Judicial	-	59,027	-	-	-
General government	-	-	-	-	138,117
Public safety	13,175	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	548,331	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	70,833	-	-
Capital outlay	45,671	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>58,846</b>	<b>59,027</b>	<b>70,833</b>	<b>548,331</b>	<b>138,117</b>
Revenues over (under) expenditures	38,623	(52,527)	-	(510,953)	-
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	52,527	-	510,953	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>52,527</b>	<b>-</b>	<b>510,953</b>	<b>-</b>
Net change in fund balances	38,623	-	-	-	-
Fund balance (deficit), beginning of year	-	-	-	-	7,628
Fund balance (deficit), end of year	\$ 38,623	\$ -	\$ -	\$ -	\$ 7,628

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Continued

	Special Revenue Funds				
	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections	Local Correction Officer Training
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	788,869	118,892	61,652	-	-
State grants	81,075	437,315	259,875	915,872	-
Local grants and contributions	12,000	73,596	-	-	-
Charges for services	400	23,053	-	-	93,302
Fines and forfeitures	6,784	43,515	18,517	-	-
Investment income	-	26,433	-	-	1,499
Rental revenue	-	-	-	-	-
Donations	1,116	1,551	358	-	-
Reimbursements	116,632	908,305	27,774	-	-
Other revenue	-	888	-	-	-
Total revenues	<u>1,006,876</u>	<u>1,633,548</u>	<u>368,176</u>	<u>915,872</u>	<u>94,801</u>
<b>Expenditures</b>					
Current:					
Judicial	236,623	-	-	-	-
General government	3,200	-	582,497	-	-
Public safety	529,207	1,930,475	-	885,872	103,645
Public works	116,633	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	42,639	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	174,046	60,720	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>1,102,348</u>	<u>1,991,195</u>	<u>582,497</u>	<u>885,872</u>	<u>103,645</u>
Revenues over (under) expenditures	<u>(95,472)</u>	<u>(357,647)</u>	<u>(214,321)</u>	<u>30,000</u>	<u>(8,844)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	104,268	120,820	214,331	-	-
Transfers out	-	(93,838)	-	(30,000)	-
Proceeds from sale of capital assets	-	5,916	-	-	-
Total other financing sources (uses)	<u>104,268</u>	<u>32,898</u>	<u>214,331</u>	<u>(30,000)</u>	<u>-</u>
Net change in fund balances	8,796	(324,749)	10	-	(8,844)
Fund balance (deficit), beginning of year	<u>262,194</u>	<u>771,685</u>	<u>578</u>	<u>-</u>	<u>42,879</u>
Fund balance (deficit), end of year	<u>\$ 270,990</u>	<u>\$ 446,936</u>	<u>\$ 588</u>	<u>\$ -</u>	<u>\$ 34,035</u>

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Continued

	Special Revenue Funds				
	MSU Extension	Department of Human Services	Child Care	Soldiers' Relief	Veterans' Trust
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	109,234	-	63,492	-	-
State grants	135,000	795,870	2,080,126	-	64,616
Local grants and contributions	250,275	-	99,778	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	1,616	-	-	-	-
Rental revenue	-	-	-	-	-
Donations	-	-	25,745	-	-
Reimbursements	-	-	301,807	-	-
Other revenue	-	-	11,204	-	-
<b>Total revenues</b>	<b>496,125</b>	<b>795,870</b>	<b>2,582,152</b>	<b>-</b>	<b>64,616</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	-	-	-
General government	751,891	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	1,022,585	5,832,219	21,101	64,616
Community and economic development	1,855	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>753,746</b>	<b>1,022,585</b>	<b>5,832,219</b>	<b>21,101</b>	<b>64,616</b>
Revenues over (under) expenditures	(257,621)	(226,715)	(3,250,067)	(21,101)	-
<b>Other Financing Sources (Uses)</b>					
Transfers in	261,799	226,715	3,344,333	21,101	-
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>261,799</b>	<b>226,715</b>	<b>3,344,333</b>	<b>21,101</b>	<b>-</b>
Net change in fund balances	4,178	-	94,266	-	-
Fund balance (deficit), beginning of year	7,723	-	3,165	-	-
Fund balance (deficit), end of year	\$ 11,901	\$ -	\$ 97,431	\$ -	\$ -

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Special Revenue Funds	Debt Service Funds		
	Small Cities Reuse	Hospital Construction	Juvenile Center Renovation	Building Authority
<b>Revenues</b>				
Property taxes	\$ -	\$ 1,914,917	\$ 242,590	\$ -
Accommodations tax	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants	-	-	-	-
Local grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	1,279	-	-	-
Investment income	47,244	52,356	5,213	71,795
Rental revenue	-	-	-	902,055
Donations	-	-	-	-
Reimbursements	378,230	-	-	-
Other revenue	-	-	-	-
<b>Total revenues</b>	<b>426,753</b>	<b>1,967,273</b>	<b>247,803</b>	<b>973,850</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	29,458	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	430,000	200,000	715,000
Interest and fiscal charges	-	1,567,114	46,171	212,799
<b>Total expenditures</b>	<b>29,458</b>	<b>1,997,114</b>	<b>246,171</b>	<b>927,799</b>
Revenues over (under) expenditures	397,295	(29,841)	1,632	46,051
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	140,570
Transfers out	-	-	-	(4,000)
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>136,570</b>
Net change in fund balances	397,295	(29,841)	1,632	182,621
Fund balance (deficit), beginning of year	785,270	1,113,955	3,850	1,491,539
Fund balance (deficit), end of year	<u>\$ 1,182,565</u>	<u>\$ 1,084,114</u>	<u>\$ 5,482</u>	<u>\$ 1,674,160</u>

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

**Concluded**

	<b>Capital Projects Funds</b>		<b>Permanent</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Parks Building &amp; Site</b>	<b>River Dredging Project</b>	<b>Fund Rail Trail Endowment</b>	
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 9,568,092
Accommodations tax	-	-	-	1,794,568
Licenses and permits	-	-	-	17,081
Federal grants	-	-	-	5,733,802
State grants	-	-	-	5,666,573
Local grants and contributions	-	-	6,000	443,693
Charges for services	-	-	-	6,026,220
Fines and forfeitures	-	-	-	147,428
Investment income	(6)	-	1,689	847,900
Rental revenue	-	17,400	-	920,355
Donations	-	227,363	-	572,167
Reimbursements	-	-	-	2,653,277
Other revenue	-	-	-	129,932
<b>Total revenues</b>	<b>(6)</b>	<b>244,763</b>	<b>7,689</b>	<b>34,521,088</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	4,640,675
General government	-	-	-	2,770,770
Public safety	-	-	-	11,908,691
Public works	-	45,167	-	616,197
Health and welfare	-	-	-	13,892,058
Community and economic development	-	-	-	2,432,662
Recreation and culture	-	-	-	1,847,197
Capital outlay	-	133,530	-	1,299,565
Debt service:				
Principal	-	-	-	1,345,000
Interest and fiscal charges	-	-	-	1,826,084
<b>Total expenditures</b>	<b>-</b>	<b>178,697</b>	<b>-</b>	<b>42,578,899</b>
<b>Revenues over (under) expenditures</b>	<b>(6)</b>	<b>66,066</b>	<b>7,689</b>	<b>(8,057,811)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	10,398,733
Transfers out	-	-	-	(474,050)
Proceeds from sale of capital assets	-	-	-	5,916
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,930,599</b>
<b>Net change in fund balances</b>	<b>(6)</b>	<b>66,066</b>	<b>7,689</b>	<b>1,872,788</b>
<b>Fund balance (deficit), beginning of year</b>	<b>3,386</b>	<b>(195,464)</b>	<b>29,955</b>	<b>16,826,706</b>
<b>Fund balance (deficit), end of year</b>	<b>\$ 3,380</b>	<b>\$ (129,398)</b>	<b>\$ 37,644</b>	<b>\$ 18,699,494</b>

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Law Enforcement</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Investment income	\$ -	\$ -	\$ 5,200	\$ 5,200
Reimbursements	185,802	185,802	248,317	62,515
<b>Total revenues</b>	<b>185,802</b>	<b>185,802</b>	<b>253,517</b>	<b>67,715</b>
<b>Expenditures</b>				
Current:				
Public safety	2,478,538	2,478,538	2,604,762	(126,224)
<b>Revenues over (under) expenditures</b>	<b>(2,292,736)</b>	<b>(2,292,736)</b>	<b>(2,351,245)</b>	<b>(58,509)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,305,000	2,305,000	2,379,785	74,785
Transfers out	(12,264)	(12,264)	(17,064)	(4,800)
<b>Total other financing sources (uses)</b>	<b>2,292,736</b>	<b>2,292,736</b>	<b>2,362,721</b>	<b>69,985</b>
Net change in fund balances	-	-	11,476	11,476
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,476</u>	<u>\$ 11,476</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	County Road Patrol Millage			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Property taxes	\$ 1,678,310	\$ 1,678,310	\$ 1,644,391	\$ (33,919)
Investment income	10,000	10,000	38,700	28,700
Total revenues	<u>1,688,310</u>	<u>1,688,310</u>	<u>1,683,091</u>	<u>(5,219)</u>
<b>Expenditures</b>				
Current:				
Public safety	1,621,112	1,626,512	1,668,270	(41,758)
Capital outlay	58,000	52,600	52,338	262
Total expenditures	<u>1,679,112</u>	<u>1,679,112</u>	<u>1,720,608</u>	<u>(41,496)</u>
Revenues over (under) expenditures	9,198	9,198	(37,517)	(46,715)
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(9,198)</u>	<u>(9,198)</u>	<u>(9,198)</u>	<u>-</u>
Net change in fund balances	-	-	(46,715)	(46,715)
Fund balance, beginning of year	<u>546,445</u>	<u>546,445</u>	<u>546,445</u>	<u>-</u>
Fund balance, end of year	<u>\$ 546,445</u>	<u>\$ 546,445</u>	<u>\$ 499,730</u>	<u>\$ (46,715)</u>

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Parks &amp; Recreation</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Property taxes	\$ 786,711	\$ 786,711	\$ 782,773	\$ (3,938)
Charges for services	41,500	41,500	55,999	14,499
Investment income	8,345	8,345	37,493	29,148
Donations	575,055	575,055	51,812	(523,243)
Reimbursements	-	-	8,620	8,620
Other revenue	15,000	15,000	4,830	(10,170)
<b>Total revenues</b>	<u>1,426,611</u>	<u>1,426,611</u>	<u>941,527</u>	<u>(485,084)</u>
<b>Expenditures</b>				
Current:				
Recreation and culture	1,306,611	1,369,811	788,914	580,897
Capital outlay	120,000	96,800	80,836	15,964
<b>Total expenditures</b>	<u>1,426,611</u>	<u>1,466,611</u>	<u>869,750</u>	<u>596,861</u>
Net change in fund balances	-	(40,000)	71,777	111,777
Fund balance, beginning of year	<u>626,918</u>	<u>626,918</u>	<u>626,918</u>	<u>-</u>
Fund balance, end of year	<u>\$ 626,918</u>	<u>\$ 586,918</u>	<u>\$ 698,695</u>	<u>\$ 111,777</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>G.I.S. System</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues</b>				
Reimbursements	\$ 143,053	\$ 149,802	\$ 149,802	\$ -
<b>Expenditures</b>				
Current:				
General government	143,053	149,802	148,550	1,252
Net change in fund balances	-	-	1,252	1,252
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,252</u>	<u>\$ 1,252</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Friend of the Court</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Federal grants	\$ 2,923,301	\$ 2,930,551	\$ 2,888,759	\$ (41,792)
State grants	146,813	181,699	161,561	(20,138)
Charges for services	314,100	314,100	336,323	22,223
Investment income	262	285	1,366	1,081
Reimbursements	78,000	78,000	77,067	(933)
Total revenues	3,462,476	3,504,635	3,465,076	(39,559)
<b>Expenditures</b>				
Current:				
Judicial	4,378,234	4,421,842	4,345,025	76,817
Revenues over (under) expenditures	(915,758)	(917,207)	(879,949)	37,258
<b>Other Financing Sources (Uses)</b>				
Transfers in	934,020	934,020	934,020	-
Transfers out	(18,262)	(18,262)	(18,262)	-
Total other financing sources (uses)	915,758	915,758	915,758	-
Net change in fund balances	-	(1,449)	35,809	37,258
Fund balance, beginning of year	22,159	22,159	22,159	-
Fund balance, end of year	<u>\$ 22,159</u>	<u>\$ 20,710</u>	<u>\$ 57,968</u>	<u>\$ 37,258</u>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Solid Waste			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Charges for services	\$ 346,000	\$ 346,000	\$ 365,353	\$ 19,353
Investment income	26,000	26,000	111,285	85,285
Total revenues	372,000	372,000	476,638	104,638
<b>Expenditures</b>				
Current:				
Public works	468,347	479,347	454,397	24,950
Revenues over (under) expenditures	(96,347)	(107,347)	22,241	129,588
<b>Other Financing Sources (Uses)</b>				
Transfers out	(150,267)	(150,267)	(150,966)	(699)
Net change in fund balances	(246,614)	(257,614)	(128,725)	128,889
Fund balance, beginning of year	2,476,849	2,476,849	2,476,849	-
Fund balance, end of year	<u>\$ 2,230,235</u>	<u>\$ 2,219,235</u>	<u>\$ 2,348,124</u>	<u>\$ 128,889</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Lodging Excise Tax</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Accommodations tax	\$ 1,420,000	\$ 1,720,000	\$ 1,794,568	\$ 74,568
<b>Expenditures</b>				
Current:				
Community and economic development	1,420,000	1,720,000	1,794,568	(74,568)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Castle Museum & Historical Activities			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Property taxes	\$ 972,793	\$ 972,793	\$ 968,433	\$ (4,360)
Investment income	2,000	2,000	14,946	12,946
Reimbursements	25,846	25,846	25,796	(50)
Total revenues	1,000,639	1,000,639	1,009,175	8,536
<b>Expenditures</b>				
Current:				
Recreation and culture	1,004,139	1,004,139	987,450	16,689
Net change in fund balances	(3,500)	(3,500)	21,725	25,225
Fund balance, beginning of year	205,223	205,223	205,223	-
Fund balance, end of year	\$ 201,723	\$ 201,723	\$ 226,948	\$ 25,225

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>Commission on Aging</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Property taxes	\$ 1,605,085	\$ 1,605,085	\$ 1,596,078	\$ (9,007)
Federal grants	1,290,823	1,297,342	1,274,195	(23,147)
State grants	234,114	240,284	240,284	-
Charges for services	173,488	220,581	214,358	(6,223)
Investment income	16,759	38,000	45,024	7,024
Donations	280,961	280,961	257,292	(23,669)
Reimbursements	26,601	36,859	37,646	787
Other revenue	83,150	83,759	73,330	(10,429)
<b>Total revenues</b>	<b>3,710,981</b>	<b>3,802,871</b>	<b>3,738,207</b>	<b>(64,664)</b>
<b>Expenditures</b>				
Current:				
Health and welfare	3,710,981	3,831,965	3,791,056	40,909
<b>Net change in fund balances</b>	<b>-</b>	<b>(29,094)</b>	<b>(52,849)</b>	<b>(23,755)</b>
Fund balance, beginning of year	978,195	978,195	978,195	-
Fund balance, end of year	<u>\$ 978,195</u>	<u>\$ 949,101</u>	<u>\$ 925,346</u>	<u>\$ (23,755)</u>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Mosquito Control</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Property taxes	\$ 2,432,226	\$ 2,432,226	\$ 2,418,910	\$ (13,316)
Charges for services	11,492	11,492	17,438	5,946
Investment income	15,000	15,000	54,485	39,485
Rental revenue	900	900	900	-
Reimbursements	294,500	294,500	317,618	23,118
Other revenue	-	-	7,356	7,356
<b>Total revenues</b>	<u>2,754,118</u>	<u>2,754,118</u>	<u>2,816,707</u>	<u>62,589</u>
<b>Expenditures</b>				
Current:				
Health and welfare	2,746,618	2,736,803	2,612,150	124,653
Capital outlay	55,000	64,815	56,723	8,092
<b>Total expenditures</b>	<u>2,801,618</u>	<u>2,801,618</u>	<u>2,668,873</u>	<u>132,745</u>
Revenues over (under) expenditures	(47,500)	(47,500)	147,834	195,334
<b>Other Financing Sources (Uses)</b>				
Transfers in	47,500	47,500	47,500	-
Net change in fund balances	-	-	195,334	195,334
Fund balance, beginning of year	631,023	631,023	631,023	-
Fund balance, end of year	<u>\$ 631,023</u>	<u>\$ 631,023</u>	<u>\$ 826,357</u>	<u>\$ 195,334</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Planning Commission</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Federal grants	\$ 488,218	\$ 488,218	\$ 392,699	\$ (95,519)
State grants	-	-	21,383	21,383
Charges for services	2,000	2,000	568	(1,432)
Investment income	-	-	128	128
Other revenue	10,000	35,000	28,324	(6,676)
Total revenues	500,218	525,218	443,102	(82,116)
<b>Expenditures</b>				
Current:				
Community and economic development	574,218	599,218	524,989	74,229
Revenues over (under) expenditures	(74,000)	(74,000)	(81,887)	(7,887)
<b>Other Financing Sources (Uses)</b>				
Transfers in	74,000	74,000	74,000	-
Net change in fund balances	-	-	(7,887)	(7,887)
Fund balance, beginning of year	13,628	13,628	13,628	-
Fund balance, end of year	<u>\$ 13,628</u>	<u>\$ 13,628</u>	<u>\$ 5,741</u>	<u>\$ (7,887)</u>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Principal Residence Exemption</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for services	\$ 500	\$ 500	\$ 1,388	\$ 888
Investment income	31,500	31,500	16,421	(15,079)
<b>Total revenues</b>	<b>32,000</b>	<b>32,000</b>	<b>17,809</b>	<b>(14,191)</b>
<b>Expenditures</b>				
Current:				
Economic	43,082	43,082	39,153	3,929
<b>Revenues over (under) expenditures</b>	<b>(11,082)</b>	<b>(11,082)</b>	<b>(21,344)</b>	<b>(10,262)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	4,487	4,487
<b>Net change in fund balances</b>	<b>(11,082)</b>	<b>(11,082)</b>	<b>(16,857)</b>	<b>(5,775)</b>
Fund balance, beginning of year	16,857	16,857	16,857	-
<b>Fund balance, end of year</b>	<b>\$ 5,775</b>	<b>\$ 5,775</b>	<b>\$ -</b>	<b>\$ (5,775)</b>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Public Improvement</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Investment income	\$ -	\$ -	\$ 38,304	\$ 38,304
Reimbursements	-	-	963	963
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>39,267</b>	<b>39,267</b>
<b>Expenditures</b>				
Current:				
General government	115,050	125,558	82,022	43,536
Capital outlay	210,450	458,972	417,209	41,763
<b>Total expenditures</b>	<b>325,500</b>	<b>584,530</b>	<b>499,231</b>	<b>85,299</b>
Revenues over (under) expenditures	(325,500)	(584,530)	(459,964)	124,566
<b>Other Financing Sources (Uses)</b>				
Transfers in	200,000	200,000	246,014	46,014
Transfers in	(500)	(722)	(722)	-
<b>Total other financing sources (uses)</b>	<b>199,500</b>	<b>199,278</b>	<b>245,292</b>	<b>46,014</b>
Net change in fund balances	(126,000)	(385,252)	(214,672)	170,580
Fund balance, beginning of year	1,129,197	1,129,197	1,129,197	-
Fund balance, end of year	<u>\$ 1,003,197</u>	<u>\$ 743,945</u>	<u>\$ 914,525</u>	<u>\$ 170,580</u>

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Courthouse Preservation Technology</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for services	\$ 182,000	\$ 182,000	\$ 206,910	\$ 24,910
Investment income	1,200	1,200	6,087	4,887
<b>Total revenues</b>	<b>183,200</b>	<b>183,200</b>	<b>212,997</b>	<b>29,797</b>
<b>Expenditures</b>				
Current:				
Judicial	23,200	23,200	-	23,200
Capital outlay	10,000	10,000	2,578	7,422
<b>Total expenditures</b>	<b>33,200</b>	<b>33,200</b>	<b>2,578</b>	<b>30,622</b>
Revenues over (under) expenditures	150,000	150,000	210,419	60,419
<b>Other Financing Sources (Uses)</b>				
Transfers out	(150,000)	(150,000)	(150,000)	-
Net change in fund balances	-	-	60,419	60,419
Fund balance, beginning of year	80,856	80,856	80,856	-
Fund balance, end of year	<u>\$ 80,856</u>	<u>\$ 80,856</u>	<u>\$ 141,275</u>	<u>\$ 60,419</u>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Animal Control</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Licenses and permits	\$ 15,000	\$ 15,000	\$ 17,081	\$ 2,081
Charges for services	49,772	49,772	40,852	(8,920)
Donations	6,600	6,600	6,930	330
<b>Total revenues</b>	<b>71,372</b>	<b>71,372</b>	<b>64,863</b>	<b>(6,509)</b>
<b>Expenditures</b>				
Current:				
Public safety	715,372	715,372	680,041	35,331
<b>Revenues over (under) expenditures</b>	<b>(644,000)</b>	<b>(644,000)</b>	<b>(615,178)</b>	<b>28,822</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	644,000	644,000	644,000	-
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>28,822</b>	<b>28,822</b>
Fund balance, beginning of year	15,010	15,010	15,010	-
<b>Fund balance, end of year</b>	<b>\$ 15,010</b>	<b>\$ 15,010</b>	<b>\$ 43,832</b>	<b>\$ 28,822</b>

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Land Reutilization			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Expenditures</b>				
Current:				
General government	\$ -	\$ 892,894	\$ 892,894	\$ -
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	892,894	892,894	-
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Register of Deeds Automation</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for services	\$ 175,000	\$ 187,000	\$ 200,495	\$ 13,495
Investment income	3,000	3,000	15,089	12,089
Total revenues	<u>178,000</u>	<u>190,000</u>	<u>215,584</u>	<u>25,584</u>
<b>Expenditures</b>				
Current:				
General government	178,000	190,000	171,599	18,401
Capital outlay	-	-	5,159	(5,159)
Total expenditures	<u>178,000</u>	<u>190,000</u>	<u>176,758</u>	<u>13,242</u>
Net change in fund balances	-	-	38,826	38,826
Fund balance, beginning of year	<u>309,775</u>	<u>309,775</u>	<u>309,775</u>	<u>-</u>
Fund balance, end of year	<u>\$ 309,775</u>	<u>\$ 309,775</u>	<u>\$ 348,601</u>	<u>\$ 38,826</u>

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>E-911 Telephone Surcharge</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
State grants	\$ 260,000	\$ 260,000	\$ 335,479	\$ 75,479
Charges for services	3,684,921	3,684,921	3,268,470	(416,451)
Investment income	-	-	47,450	47,450
<b>Total revenues</b>	<b>3,944,921</b>	<b>3,944,921</b>	<b>3,651,399</b>	<b>(293,522)</b>
<b>Expenditures</b>				
Current:				
Public safety	4,044,921	4,044,921	3,214,901	830,020
<b>Net change in fund balances</b>	<b>(100,000)</b>	<b>(100,000)</b>	<b>436,498</b>	<b>536,498</b>
Fund balance, beginning of year	1,395,878	1,395,878	1,395,878	-
Fund balance, end of year	<u>\$ 1,295,878</u>	<u>\$ 1,295,878</u>	<u>\$ 1,832,376</u>	<u>\$ 536,498</u>

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>E-911 Equipment Digital</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for services	\$ 960,000	\$ 960,000	\$ 817,117	\$ (142,883)
Investment income	-	-	146,876	146,876
<b>Total revenues</b>	<b>960,000</b>	<b>960,000</b>	<b>963,993</b>	<b>3,993</b>
<b>Expenditures</b>				
Capital outlay	960,000	960,000	270,755	689,245
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>693,238</b>	<b>693,238</b>
Fund balance, beginning of year	2,861,557	2,861,557	2,861,557	-
Fund balance, end of year	<u>\$ 2,861,557</u>	<u>\$ 2,861,557</u>	<u>\$ 3,554,795</u>	<u>\$ 693,238</u>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Mobile Data Maintenance &amp; Repair</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Local grants and contributions	\$ -	\$ -	\$ 2,044	\$ 2,044
Charges for services	316,582	316,582	322,735	6,153
Investment income	-	-	61,207	61,207
Reimbursement	-	-	17,322	17,322
Other revenue	-	-	4,000	4,000
<b>Total revenues</b>	<b>316,582</b>	<b>316,582</b>	<b>407,308</b>	<b>90,726</b>
<b>Expenditures</b>				
Current:				
Public safety	645,198	645,198	278,343	366,855
<b>Revenues over (under) expenditures</b>	<b>(328,616)</b>	<b>(328,616)</b>	<b>128,965</b>	<b>457,581</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	178,616	178,616	178,616	-
<b>Net change in fund balances</b>	<b>(150,000)</b>	<b>(150,000)</b>	<b>307,581</b>	<b>457,581</b>
Fund balance, beginning of year	1,188,793	1,188,793	1,188,793	-
<b>Fund balance, end of year</b>	<b>\$ 1,038,793</b>	<b>\$ 1,038,793</b>	<b>\$ 1,496,374</b>	<b>\$ 457,581</b>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Area Records Management System			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Federal revenue	\$ -	\$ 45,000	\$ 36,010	\$ (8,990)
Charges for services	-	49,000	61,459	12,459
Total revenues	-	94,000	97,469	3,469
<b>Expenditures</b>				
Current:				
Public safety	-	33,000	13,175	19,825
Capital outlay	-	61,000	45,671	15,329
Total expenditures	-	94,000	58,846	35,154
Net change in fund balances	-	-	38,623	38,623
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 38,623	\$ 38,623

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>Law Library</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Fines and forfeitures	\$ 6,500	\$ 6,500	\$ 6,500	\$ -
<b>Expenditures</b>				
Current:				
Judicial	<u>63,762</u>	<u>63,762</u>	<u>59,027</u>	<u>4,735</u>
Revenues over (under) expenditures	(57,262)	(57,262)	(52,527)	4,735
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>57,262</u>	<u>57,262</u>	<u>52,527</u>	<u>(4,735)</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  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>County Library Board</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Fines and forfeitures	\$ 100,000	\$ 100,000	\$ 70,833	\$ (29,167)
<b>Expenditures</b>				
Current:				
Recreation and culture	100,000	100,000	70,833	29,167
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Michigan Works! Service Centers</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Reimbursements	\$ -	\$ -	\$ 37,378	\$ 37,378
<b>Expenditures</b>				
Current:				
Health and welfare	527,168	577,124	548,331	28,793
Revenues over (under) expenditures	(527,168)	(577,124)	(510,953)	66,171
<b>Other Financing Sources (Uses)</b>				
Transfers in	527,168	577,124	510,953	(66,171)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Remonumentation</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
State grants	\$ 118,959	\$ 144,802	\$ 138,117	\$ (6,685)
<b>Expenditures</b>				
Current:				
General government	118,959	144,802	138,117	6,685
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	7,628	7,628	7,628	-
Fund balance, end of year	<u>\$ 7,628</u>	<u>\$ 7,628</u>	<u>\$ 7,628</u>	<u>\$ -</u>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Special Projects			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Federal grants	\$ 1,438,560	\$ 1,492,034	\$ 788,869	\$ (703,165)
State grants	20,000	80,000	81,075	1,075
Local grants and contributions	-	12,000	12,000	-
Charges for services	2,300	2,300	400	(1,900)
Fines and forfeitures	10,000	10,000	6,784	(3,216)
Donations	-	3,068	1,116	(1,952)
Reimbursements	150,050	150,050	116,632	(33,418)
<b>Total revenues</b>	<b>1,620,910</b>	<b>1,749,452</b>	<b>1,006,876</b>	<b>(742,576)</b>
<b>Expenditures</b>				
Current:				
Judicial	430,309	505,309	236,623	268,686
General government	4,087	4,087	3,200	887
Public safety	550,920	550,920	529,207	21,713
Public works	150,050	150,050	116,633	33,417
Community and economic development	30,682	84,224	42,639	41,585
Capital outlay	656,226	656,226	174,046	482,180
<b>Total expenditures</b>	<b>1,822,274</b>	<b>1,950,816</b>	<b>1,102,348</b>	<b>848,468</b>
Revenues over (under) expenditures	(201,364)	(201,364)	(95,472)	105,892
<b>Other Financing Sources (Uses)</b>				
Transfers in	104,268	104,268	104,268	-
Net change in fund balances	(97,096)	(97,096)	8,796	105,892
Fund balance, beginning of year	262,194	262,194	262,194	-
Fund balance, end of year	<u>\$ 165,098</u>	<u>\$ 165,098</u>	<u>\$ 270,990</u>	<u>\$ 105,892</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Sheriff Special Projects</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Federal grants	\$ 273,611	\$ 291,282	\$ 118,892	\$ (172,390)
State grants	455,297	467,657	437,315	(30,342)
Local grants and contributions	85,000	85,000	73,596	(11,404)
Charges for services	32,710	32,710	23,053	(9,657)
Fines and forfeitures	190,000	190,000	43,515	(146,485)
Investment income	8,151	8,151	26,433	18,282
Donations	27,500	27,500	1,551	(25,949)
Reimbursements	1,022,130	1,037,860	908,305	(129,555)
Other revenue	-	-	888	888
Total revenues	<u>2,094,399</u>	<u>2,140,160</u>	<u>1,633,548</u>	<u>(506,612)</u>
<b>Expenditures</b>				
Current:				
Public safety	2,346,834	2,378,787	1,930,475	448,312
Capital outlay	30,000	67,115	60,720	6,395
Total expenditures	<u>2,376,834</u>	<u>2,445,902</u>	<u>1,991,195</u>	<u>454,707</u>
Revenues over (under) expenditures	<u>(282,435)</u>	<u>(305,742)</u>	<u>(357,647)</u>	<u>(51,905)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	107,748	112,082	120,820	8,738
Transfers out	(7,154)	(14,293)	(93,838)	(79,545)
Sale of capital assets	-	-	5,916	5,916
Total other financing sources (uses)	<u>100,594</u>	<u>97,789</u>	<u>32,898</u>	<u>(64,891)</u>
Net change in fund balances	(181,841)	(207,953)	(324,749)	(116,796)
Fund balance, beginning of year	<u>771,685</u>	<u>771,685</u>	<u>771,685</u>	<u>-</u>
Fund balance, end of year	<u>\$ 589,844</u>	<u>\$ 563,732</u>	<u>\$ 446,936</u>	<u>\$ (116,796)</u>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Prosecutor Special Projects			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Federal grants	\$ 45,402	\$ 45,402	\$ 61,652	\$ 16,250
State grants	244,470	254,983	259,875	4,892
Fines and forfeitures	33,849	33,849	18,517	(15,332)
Donations	908	908	358	(550)
Reimbursements	33,849	36,849	27,774	(9,075)
Total revenues	358,478	371,991	368,176	(3,815)
<b>Expenditures</b>				
Current:				
General government	599,478	602,725	582,497	20,228
Revenues over (under) expenditures	(241,000)	(230,734)	(214,321)	16,413
<b>Other Financing Sources (Uses)</b>				
Transfers in	241,000	230,734	214,331	(16,403)
Net change in fund balances	-	-	10	10
Fund balance, beginning of year	578	578	578	-
Fund balance, end of year	\$ 578	\$ 578	\$ 588	\$ 10

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Community Corrections			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
State grants	\$ 1,200,979	\$ 1,124,088	\$ 915,872	\$ (208,216)
<b>Expenditures</b>				
Current:				
Public safety	1,170,979	1,094,088	885,872	208,216
Revenues over (under) expenditures	30,000	30,000	30,000	-
<b>Other Financing Sources (Uses)</b>				
Transfers out	(30,000)	(30,000)	(30,000)	-
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>Local Correction Officer Training</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for services	\$ 110,000	\$ 110,000	\$ 93,302	\$ (16,698)
Investment income	-	-	1,499	1,499
<b>Total revenues</b>	110,000	110,000	94,801	(15,199)
<b>Expenditures</b>				
Current:				
Public safety	130,000	130,000	103,645	26,355
<b>Net change in fund balances</b>	(20,000)	(20,000)	(8,844)	11,156
Fund balance, beginning of year	42,879	42,879	42,879	-
Fund balance, end of year	<u>\$ 22,879</u>	<u>\$ 22,879</u>	<u>\$ 34,035</u>	<u>\$ 11,156</u>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	MSU Extension			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Federal grants	\$ 120,460	\$ 131,021	\$ 109,234	\$ (21,787)
State grants	132,000	132,000	135,000	3,000
Local grants and contributions	298,775	442,475	250,275	(192,200)
Investment income	-	-	1,616	1,616
Total revenues	551,235	705,496	496,125	(209,371)
<b>Expenditures</b>				
Current:				
General government	821,735	975,996	751,891	224,105
Community and economic development	-	3,500	1,855	1,645
Total expenditures	821,735	979,496	753,746	225,750
Revenues over (under) expenditures	(270,500)	(274,000)	(257,621)	16,379
<b>Other Financing Sources (Uses)</b>				
Transfers in	270,500	270,500	261,799	(8,701)
Net change in fund balances	-	(3,500)	4,178	7,678
Fund balance, beginning of year	7,723	7,723	7,723	-
Fund balance, end of year	\$ 7,723	\$ 4,223	\$ 11,901	\$ 7,678

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Department of Human Services</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
State grants	\$ 1,545,000	\$ 1,545,000	\$ 795,870	\$ (749,130)
<b>Expenditures</b>				
Current:				
Health and welfare	1,774,000	1,774,000	1,022,585	751,415
Revenues over (under) expenditures	(229,000)	(229,000)	(226,715)	2,285
<b>Other Financing Sources (Uses)</b>				
Transfers in	229,000	229,000	226,715	(2,285)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Child Care</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Federal grants	\$ 64,000	\$ 64,000	\$ 63,492	\$ (508)
State grants	2,018,782	2,160,032	2,080,126	(79,906)
Local grants and contributions	100,000	100,000	99,778	(222)
Donations	59,200	59,200	25,745	(33,455)
Reimbursements	296,500	296,500	301,807	5,307
Other revenue	8,000	8,000	11,204	3,204
<b>Total revenues</b>	<b>2,546,482</b>	<b>2,687,732</b>	<b>2,582,152</b>	<b>(105,580)</b>
<b>Expenditures</b>				
Current:				
Health and welfare	5,586,065	6,033,565	5,832,219	201,346
<b>Revenues over (under) expenditures</b>	<b>(3,039,583)</b>	<b>(3,345,833)</b>	<b>(3,250,067)</b>	<b>95,766</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	3,038,083	3,344,333	3,344,333	-
<b>Net change in fund balances</b>	<b>(1,500)</b>	<b>(1,500)</b>	<b>94,266</b>	<b>95,766</b>
Fund balance, beginning of year	3,165	3,165	3,165	-
Fund balance, end of year	<u>\$ 1,665</u>	<u>\$ 1,665</u>	<u>\$ 97,431</u>	<u>\$ 95,766</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Soldiers' Relief</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Expenditures</b>				
Current:				
Health and welfare	\$ 22,000	\$ 22,000	\$ 21,101	\$ 899
<b>Other Financing Sources (Uses)</b>				
Transfers in	22,000	22,000	21,101	(899)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Veterans' Trust</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
State grants	\$ 82,000	\$ 82,000	\$ 64,616	\$ (17,384)
<b>Expenditures</b>				
Current:				
Health and welfare	82,000	82,000	64,616	17,384
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Small Cities Reuse			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Fines and forfeitures	\$ -	\$ -	\$ 1,279	\$ 1,279
Investment income	25,000	25,000	47,244	22,244
Reimbursements	474,212	474,212	378,230	(95,982)
 Total revenues	 499,212	 499,212	 426,753	 (72,459)
<b>Expenditures</b>				
Current:				
Community and economic development	1,044,796	1,044,796	29,458	1,015,338
 Net change in fund balances	 (545,584)	 (545,584)	 397,295	 942,879
Fund balance, beginning of year	785,270	785,270	785,270	-
Fund balance, end of year	<u>\$ 239,686</u>	<u>\$ 239,686</u>	<u>\$ 1,182,565</u>	<u>\$ 942,879</u>

## **NONMAJOR ENTERPRISE FUNDS**

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

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

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

**Harry W. Browne Airport Fund** - This fund is used to account for the operations of the Harry W. Browne International Airport. Money for the operation of this fund is supplied from hangar rentals, landing use fees, sales of fuel and oil, federal and state grants, and general fund contributions. 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, 2007**

	<b>Parking System</b>	<b>Delinquent Property Tax Foreclosure</b>	<b>Building Authority Administration</b>	<b>Harry W. Browne Airport</b>	<b>Inmate Services</b>	<b>Total</b>
<b>Assets</b>						
Current assets:						
Cash and investment pool	\$ 19,281	\$ 505,078	\$ 192,124	\$ 382,649	\$ 201,939	\$ 1,301,071
Receivables (net):						
Accounts	735	-	-	23,955	84,936	109,626
Accrued interest	-	5,264	1,613	-	-	6,877
Other assets	-	-	-	5,278	-	5,278
Due from other funds	-	6,170	-	-	-	6,170
<b>Total current assets</b>	<b>20,016</b>	<b>516,512</b>	<b>193,737</b>	<b>411,882</b>	<b>286,875</b>	<b>1,429,022</b>
Noncurrent assets - capital assets:						
Land	41,273	-	-	993,361	-	1,034,634
Air rights	-	-	-	117,761	-	117,761
Land improvements	33,933	-	-	6,625	-	40,558
Buildings and improvements	-	-	-	1,020,504	-	1,020,504
Machinery and equipment	80,549	-	-	-	12,584	93,133
Vehicles	-	-	-	58,775	54,428	113,203
Planning and development	-	-	-	7,605,174	-	7,605,174
Construction in progress	-	-	-	789,700	-	789,700
Accumulated depreciation	(113,025)	-	-	(6,216,073)	(61,547)	(6,390,645)
<b>Total noncurrent assets - capital assets</b>	<b>42,730</b>	<b>-</b>	<b>-</b>	<b>4,375,827</b>	<b>5,465</b>	<b>4,424,022</b>
<b>Total assets</b>	<b>62,746</b>	<b>516,512</b>	<b>193,737</b>	<b>4,787,709</b>	<b>292,340</b>	<b>5,853,044</b>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	37	-	-	4,601	43,113	47,751
Accrued liabilities	641	1,159	-	-	-	1,800
Deposits payable	-	-	-	-	8,213	8,213
Due to other funds	373	513,656	-	39,966	196,014	750,009
Due to other governmental units	-	-	-	40,472	-	40,472
Unearned revenue	-	-	-	2,950	-	2,950
<b>Total current liabilities</b>	<b>1,051</b>	<b>514,815</b>	<b>-</b>	<b>87,989</b>	<b>247,340</b>	<b>851,195</b>
Noncurrent liabilities:						
Accrued liabilities	2,454	1,697	-	-	-	4,151
Advances from other funds	-	-	-	-	20,000	20,000
<b>Total noncurrent liabilities</b>	<b>2,454</b>	<b>1,697</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>24,151</b>
<b>Total liabilities</b>	<b>3,505</b>	<b>516,512</b>	<b>-</b>	<b>87,989</b>	<b>267,340</b>	<b>875,346</b>
<b>Net Assets</b>						
Invested in capital assets	42,730	-	-	4,375,827	5,465	4,424,022
Unrestricted	16,511	-	193,737	323,893	19,535	553,676
<b>Total Net Assets</b>	<b>\$ 59,241</b>	<b>\$ -</b>	<b>\$ 193,737</b>	<b>\$ 4,699,720</b>	<b>\$ 25,000</b>	<b>\$ 4,977,698</b>

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**FUND NET ASSETS - NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Parking System</b>	<b>Delinquent Property Tax Foreclosure</b>	<b>Building Authority Administration</b>	<b>Harry W. Browne Airport</b>	<b>Inmate Services</b>	<b>Total</b>
<b>Operating Revenues</b>						
Charges for services	\$ 63,452	\$ 746,724	\$ 19,150	\$ 37,559	\$ 854,520	\$ 1,721,405
Fines and forfeitures	13,591	-	-	-	-	13,591
Rental revenue	-	-	-	104,736	-	104,736
Reimbursements	-	-	-	-	-	-
Other revenue	-	-	-	1,847	73,676	75,523
Total operating revenues	<u>77,043</u>	<u>746,724</u>	<u>19,150</u>	<u>144,142</u>	<u>928,196</u>	<u>1,915,255</u>
<b>Operating Expenses</b>						
Personal services	34,176	53,314	990	300	-	88,780
Fringe benefits	16,721	35,815	-	42	-	52,578
Supplies	1,210	-	-	3,258	438,993	443,461
Services and charges	8,425	367,379	36,170	217,070	16,311	645,355
Depreciation	2,498	-	-	393,819	1,318	397,635
Total operating expenses	<u>63,030</u>	<u>456,508</u>	<u>37,160</u>	<u>614,489</u>	<u>456,622</u>	<u>1,627,809</u>
Operating income (loss)	<u>14,013</u>	<u>290,216</u>	<u>(18,010)</u>	<u>(470,347)</u>	<u>471,574</u>	<u>287,446</u>
<b>Nonoperating Revenues (Expenses)</b>						
Federal grants	-	-	-	266,898	-	266,898
State grants	-	-	-	74,072	-	74,072
Investment income	-	223,440	12,042	-	332	235,814
Total nonoperating revenues (expenses)	<u>-</u>	<u>223,440</u>	<u>12,042</u>	<u>340,970</u>	<u>332</u>	<u>576,784</u>
Income (loss) before transfers	<u>14,013</u>	<u>513,656</u>	<u>(5,968)</u>	<u>(129,377)</u>	<u>471,906</u>	<u>864,230</u>
<b>Transfers</b>						
Transfers in	-	-	9,500	88,000	-	97,500
Transfers out	-	(897,381)	(140,570)	-	(471,906)	(1,509,857)
Net transfers	<u>-</u>	<u>(897,381)</u>	<u>(131,070)</u>	<u>88,000</u>	<u>(471,906)</u>	<u>(1,412,357)</u>
Change in net assets	14,013	(383,725)	(137,038)	(41,377)	-	(548,127)
Net assets, beginning of year	45,228	383,725	330,775	4,741,097	25,000	5,525,825
Net assets, end of year	<u>\$ 59,241</u>	<u>\$ -</u>	<u>\$ 193,737</u>	<u>\$ 4,699,720</u>	<u>\$ 25,000</u>	<u>\$ 4,977,698</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

**Continued**

	<u>Parking System</u>	<u>Delinquent Property Tax Foreclosure</u>	<u>Building Authority Administration</u>	<u>Harry W. Browne Airport</u>	<u>Inmate Services</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>						
Receipts from customers	\$ 63,484	\$ 742,665	\$ 18,751	\$ 141,247	\$ 793,547	\$ 1,759,694
Receipts from interfund services provided	-	526,167	-	39,966	11,776	577,909
Payments for interfund services provided	(4,463)	-	-	-	-	(4,463)
Payments to employees	(51,046)	(89,810)	(990)	(342)	-	(142,188)
Payments to suppliers	(9,660)	(383,335)	(60,970)	(211,183)	(437,055)	(1,102,203)
Other operating revenue	13,591	-	-	1,847	73,676	89,114
Net cash provided by (used in) operating activities	<u>11,906</u>	<u>795,687</u>	<u>(43,209)</u>	<u>(28,465)</u>	<u>441,944</u>	<u>1,177,863</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfers in	-	-	9,500	88,000	-	97,500
Transfers out	-	(897,381)	(140,570)	-	(471,906)	(1,509,857)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(897,381)</u>	<u>(131,070)</u>	<u>88,000</u>	<u>(471,906)</u>	<u>(1,412,357)</u>
<b>Cash flows from capital and related financing activities:</b>						
Proceeds from federal and state grants	-	-	-	340,970	-	340,970
Payments for capital asset acquisition	-	-	-	(352,798)	(5,692)	(358,490)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,828)</u>	<u>(5,692)</u>	<u>(17,520)</u>
<b>Cash flows from investing activities:</b>						
Investment income	-	223,440	12,042	-	332	235,814
Net increase (decrease) in cash and cash equivalents	11,906	121,746	(162,237)	47,707	(35,322)	(16,200)
Cash and cash equivalents, beginning of year	7,375	383,332	354,361	334,942	237,261	1,317,271
Cash and cash equivalents, end of year	<u>\$ 19,281</u>	<u>\$ 505,078</u>	<u>\$ 192,124</u>	<u>\$ 382,649</u>	<u>\$ 201,939</u>	<u>\$ 1,301,071</u>

**COUNTY OF SAGINAW, MICHIGAN  
STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

**Concluded**

	<u>Parking System</u>	<u>Delinquent Property Tax Foreclosure</u>	<u>Building Authority Administration</u>	<u>Harry W. Browne Airport</u>	<u>Inmate Services</u>	<u>Total</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ 14,013	\$ 290,216	\$ (18,010)	\$ (470,347)	\$ 471,574	\$ 287,446
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	2,498	-	-	393,819	1,318	397,635
Changes in assets and liabilities:						
Accounts receivable	32	(4,059)	(399)	(53)	(60,973)	(65,452)
Other assets	-	-	-	(398)	-	(398)
Due from other funds	-	12,511	-	-	-	12,511
Accounts payable	(25)	(15,956)	(24,800)	(1,286)	18,922	(23,145)
Accrued liabilities	(149)	(681)	-	-	-	(830)
Deposits payable	-	-	-	-	(673)	(673)
Due to other funds	(4,463)	513,656	-	39,966	11,776	560,935
Due to other governmental units	-	-	-	10,829	-	10,829
Unearned revenue	-	-	-	(995)	-	(995)
Net cash provided by (used in) operating activities	<u>\$ 11,906</u>	<u>\$ 795,687</u>	<u>\$ (43,209)</u>	<u>\$ (28,465)</u>	<u>\$ 441,944</u>	<u>\$ 1,177,863</u>

## INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

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

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

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

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

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2007**

Continued

	<b>MERS Retirement</b>	<b>ICMA Retirement</b>	<b>Information Systems &amp; Services</b>	<b>Equipment Revolving</b>	<b>Mailing Department</b>	<b>Motor Pool</b>
<b>Assets</b>						
Current assets:						
Cash and investment pool	\$ 369,422	\$ 117,578	\$ 367,318	\$ 173,420	\$ 21,260	\$ 396,106
Receivables (net):						
Accounts	-	30,813	6,165	-	-	-
Accrued interest	3,424	1,059	-	3,087	-	-
Due from other funds	-	3,809	-	9,900	-	-
Other assets	-	-	12,582	-	20,000	-
<b>Total current assets</b>	<b>372,846</b>	<b>153,259</b>	<b>386,065</b>	<b>186,407</b>	<b>41,260</b>	<b>396,106</b>
Noncurrent assets - capital assets:						
Machinery and equipment	-	-	1,925,927	109,359	-	-
Office furniture and fixtures	-	-	84,750	-	-	-
Vehicles	-	-	-	-	-	1,400,644
Accumulated depreciation	-	-	(1,663,718)	(38,137)	-	(1,129,054)
<b>Total noncurrent assets - capital assets</b>	<b>-</b>	<b>-</b>	<b>346,959</b>	<b>71,222</b>	<b>-</b>	<b>271,590</b>
<b>Total assets</b>	<b>372,846</b>	<b>153,259</b>	<b>733,024</b>	<b>257,629</b>	<b>41,260</b>	<b>667,696</b>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	264,127	33,053	45,829	210	16,260	-
Accrued liabilities	-	5,419	71,854	440	-	-
Due to other funds	-	-	9,900	-	-	1,919
<b>Total current liabilities</b>	<b>264,127</b>	<b>38,472</b>	<b>127,583</b>	<b>650</b>	<b>16,260</b>	<b>1,919</b>
Noncurrent liabilities:						
Advances from other funds	-	-	-	-	25,000	-
<b>Total liabilities</b>	<b>264,127</b>	<b>38,472</b>	<b>127,583</b>	<b>650</b>	<b>41,260</b>	<b>1,919</b>
<b>Net Assets</b>						
Invested in capital assets	-	-	346,959	71,222	-	271,590
Unrestricted	108,719	114,787	258,482	185,757	-	394,187
<b>Total Net Assets</b>	<b>\$ 108,719</b>	<b>\$ 114,787</b>	<b>\$ 605,441</b>	<b>\$ 256,979</b>	<b>\$ -</b>	<b>\$ 665,777</b>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS  
 SEPTEMBER 30, 2007**

**Concluded**

	<b>Risk Management</b>	<b>Investment Pool</b>	<b>Employee Benefits</b>	<b>Retiree Health Savings Plan</b>	<b>Total</b>
<b>Assets</b>					
Current assets:					
Cash and investment pool	\$ 2,052,716	\$ 24,255	\$ 3,251,979	\$ 3,912	\$ 6,777,966
Receivables (net):					
Accounts	6,479	-	225,038	1,130	269,625
Accrued interest	18,146	-	29,812	41	55,569
Due from other funds	17,572	-	-	-	31,281
Other assets	-	-	2,088	-	34,670
<b>Total current assets</b>	<b>2,094,913</b>	<b>24,255</b>	<b>3,508,917</b>	<b>5,083</b>	<b>7,169,111</b>
Noncurrent assets - capital assets:					
Machinery and equipment	-	-	-	-	2,035,286
Office furniture and fixtures	-	-	-	-	84,750
Vehicles	-	-	-	-	1,400,644
Accumulated depreciation	-	-	-	-	(2,830,909)
<b>Total noncurrent assets - capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>689,771</b>
<b>Total assets</b>	<b>2,094,913</b>	<b>24,255</b>	<b>3,508,917</b>	<b>5,083</b>	<b>7,858,882</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	1,178	1,512	38,406	1,130	401,705
Accrued liabilities	1,518,864	938	814,859	-	2,412,374
Due to other funds	-	-	-	3,809	15,628
<b>Total current liabilities</b>	<b>1,520,042</b>	<b>2,450</b>	<b>853,265</b>	<b>4,939</b>	<b>2,829,707</b>
Noncurrent liabilities:					
Advances from other funds	-	-	-	-	25,000
<b>Total liabilities</b>	<b>1,520,042</b>	<b>2,450</b>	<b>853,265</b>	<b>4,939</b>	<b>2,854,707</b>
<b>Net Assets</b>					
Invested in capital assets	-	-	-	-	689,771
Unrestricted	574,871	21,805	2,655,652	144	4,314,404
<b>Total Net Assets</b>	<b>\$ 574,871</b>	<b>\$ 21,805</b>	<b>\$ 2,655,652</b>	<b>\$ 144</b>	<b>\$ 5,004,175</b>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Continued

	<b>MERS Retirement</b>	<b>ICMA Retirement</b>	<b>Information Systems &amp; Services</b>	<b>Equipment Revolving</b>	<b>Mailing Department</b>	<b>Motor Pool</b>
<b>Operating Revenues</b>						
Charges for services	\$ -	\$ -	\$ 18,628	\$ 61,650	\$ 194,437	\$ -
Rental revenue	-	-	-	28,585	-	227,997
Reimbursements	3,224,619	2,165,104	1,821,291	-	-	-
Other revenue	-	100,912	-	-	-	-
Total operating revenues	<u>3,224,619</u>	<u>2,266,016</u>	<u>1,839,919</u>	<u>90,235</u>	<u>194,437</u>	<u>227,997</u>
<b>Operating Expenses</b>						
Personal services	-	100,827	791,103	8,060	-	-
Fringe benefits	3,141,179	2,165,080	456,939	5,200	-	-
Supplies	-	-	28,760	-	181,107	-
Services and charges	16,567	2,955	316,928	316,435	13,330	67,595
Depreciation	-	-	180,658	18,482	-	149,345
Total operating expenses	<u>3,157,746</u>	<u>2,268,862</u>	<u>1,774,388</u>	<u>348,177</u>	<u>194,437</u>	<u>216,940</u>
Operating income (loss)	<u>66,873</u>	<u>(2,846)</u>	<u>65,531</u>	<u>(257,942)</u>	<u>-</u>	<u>11,057</u>
<b>Nonoperating Revenues (Expenses)</b>						
Investment income	17,593	5,612	-	19,948	-	-
Gain (loss) on sale of capital assets	-	-	-	(5,328)	-	50,700
Total nonoperating revenues (expenses)	<u>17,593</u>	<u>5,612</u>	<u>-</u>	<u>14,620</u>	<u>-</u>	<u>50,700</u>
Income (loss) before transfers	<u>84,466</u>	<u>2,766</u>	<u>65,531</u>	<u>(243,322)</u>	<u>-</u>	<u>61,757</u>
<b>Transfers</b>						
Transfers out	-	-	-	-	-	-
Change in net assets	84,466	2,766	65,531	(243,322)	-	61,757
Net assets, beginning of year	<u>24,253</u>	<u>112,021</u>	<u>539,910</u>	<u>500,301</u>	<u>-</u>	<u>604,020</u>
Net assets, end of year	<u>\$ 108,719</u>	<u>\$ 114,787</u>	<u>\$ 605,441</u>	<u>\$ 256,979</u>	<u>\$ -</u>	<u>\$ 665,777</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, 2007**

Concluded

	<u>Risk Management</u>	<u>Investment Pool</u>	<u>Employee Benefits</u>	<u>Retiree Health Savings Plan</u>	<u>Total</u>
<b>Operating Revenues</b>					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 274,715
Rental revenue	-	-	-	-	256,582
Reimbursements	1,201,916	67,368	8,367,862	128,381	16,976,541
Other revenue	-	-	226,395	-	327,307
Total operating revenues	<u>1,201,916</u>	<u>67,368</u>	<u>8,594,257</u>	<u>128,381</u>	<u>17,835,145</u>
<b>Operating Expenses</b>					
Personal services	48,775	11,536	65,270	-	1,025,571
Fringe benefits	15,369	8,583	7,907,315	-	13,699,665
Supplies	-	-	1,442	-	211,309
Services and charges	1,331,043	25,444	217,122	128,381	2,435,800
Depreciation	-	-	-	-	348,485
Total operating expenses	<u>1,395,187</u>	<u>45,563</u>	<u>8,191,149</u>	<u>128,381</u>	<u>17,720,830</u>
Operating income (loss)	<u>(193,271)</u>	<u>21,805</u>	<u>403,108</u>	<u>-</u>	<u>114,315</u>
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	101,343	-	159,205	128	303,829
Gain (loss) on sale of capital assets	-	-	-	-	45,372
Total nonoperating revenues (expenses)	<u>101,343</u>	<u>-</u>	<u>159,205</u>	<u>128</u>	<u>349,201</u>
Income (loss) before transfers	<u>(91,928)</u>	<u>21,805</u>	<u>562,313</u>	<u>128</u>	<u>463,516</u>
<b>Transfers</b>					
Transfers out	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
Change in net assets	<u>(141,928)</u>	<u>21,805</u>	<u>562,313</u>	<u>128</u>	<u>413,516</u>
Net assets, beginning of year	<u>716,799</u>	<u>-</u>	<u>2,093,339</u>	<u>16</u>	<u>4,590,659</u>
Net assets, end of year	<u>\$ 574,871</u>	<u>\$ 21,805</u>	<u>\$ 2,655,652</u>	<u>\$ 144</u>	<u>\$ 5,004,175</u>

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Continued

	<b>MERS Retirement</b>	<b>ICMA Retirement</b>	<b>Information Systems &amp; Services</b>	<b>Equipment Revolving</b>	<b>Mailing Department</b>	<b>Motor Pool</b>
<b>Cash flows from operating activities:</b>						
Receipts from interfund services provided	\$ 3,271,750	\$ 2,158,926	\$ 1,844,922	\$ 78,485	\$ 204,437	\$ 82,743
Payments to employees	-	-	(1,250,097)	(13,313)	-	-
Payments to suppliers	(3,248,954)	(2,266,873)	(321,584)	(318,865)	(195,111)	(67,595)
Other operating revenue	-	100,912	-	-	-	-
Net cash provided by (used in) operating activities	<u>22,796</u>	<u>(7,035)</u>	<u>273,241</u>	<u>(253,693)</u>	<u>9,326</u>	<u>15,148</u>
<b>Cash flows from noncapital financing activities:</b>						
Repayments of advances from other funds	-	-	-	-	(10,000)	-
Transfers out	-	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>						
Proceeds from sale of capital assets	-	-	-	-	-	50,700
Payments for capital asset acquisition	-	-	(258,158)	(7,161)	-	(196,299)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(258,158)</u>	<u>(7,161)</u>	<u>-</u>	<u>(145,599)</u>
<b>Cash flows from investing activities:</b>						
Investment income	<u>17,593</u>	<u>5,612</u>	<u>-</u>	<u>19,948</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	40,389	(1,423)	15,083	(240,906)	(674)	(130,451)
Cash and cash equivalents, beginning of year	<u>329,033</u>	<u>119,001</u>	<u>352,235</u>	<u>414,326</u>	<u>21,934</u>	<u>526,557</u>
Cash and cash equivalents, end of year	<u>\$ 369,422</u>	<u>\$ 117,578</u>	<u>\$ 367,318</u>	<u>\$ 173,420</u>	<u>\$ 21,260</u>	<u>\$ 396,106</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ 66,873	\$ (2,846)	\$ 65,531	\$ (257,942)	\$ -	\$ 11,057
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	180,658	18,482	-	149,345
Changes in assets and liabilities:						
Accounts receivable	42,978	(2,369)	(4,897)	(1,650)	-	-
Due from other funds	4,153	(3,809)	-	(9,900)	-	-
Other assets	-	-	3,350	-	10,000	-
Accounts payable	(91,208)	2,352	20,754	(2,430)	(674)	-
Accrued liabilities	-	(363)	(2,055)	(53)	-	-
Due to other funds	-	-	9,900	(200)	-	(145,254)
Net cash provided by (used in) operating activities	<u>\$ 22,796</u>	<u>\$ (7,035)</u>	<u>\$ 273,241</u>	<u>\$ (253,693)</u>	<u>\$ 9,326</u>	<u>\$ 15,148</u>

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

Continued

	<b>Risk Management</b>	<b>Investment Pool</b>	<b>Employee Benefits</b>	<b>Retiree Health Savings Plan</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>					
Receipts from interfund services provided	\$ 1,176,809	\$ 64,133	\$ 8,342,056	\$ 131,831	\$ 17,356,092
Payments to employees	(64,144)	(22,697)	(3,418)	-	(1,353,669)
Payments to suppliers	(855,848)	(25,415)	(8,095,525)	(128,066)	(15,523,836)
Other operating revenue	-	-	226,395	-	327,307
Net cash provided by (used in) operating activities	<u>256,817</u>	<u>16,021</u>	<u>469,508</u>	<u>3,765</u>	<u>805,894</u>
<b>Cash flows from noncapital financing activities:</b>					
Repayments of advances from other funds	-	-	-	-	(10,000)
Transfers out	(50,000)	-	-	-	(50,000)
Net cash provided by (used in) noncapital financing activities	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,000)</u>
<b>Cash flows from capital and related financing activities:</b>					
Proceeds from sale of capital assets	-	-	-	-	50,700
Payments for capital asset acquisition	-	-	-	-	(461,618)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(410,918)</u>
<b>Cash flows from investing activities:</b>					
Investment income	101,343	-	159,205	128	303,829
Net increase (decrease) in cash and cash equivalents	308,160	16,021	628,713	3,893	638,805
Cash and cash equivalents, beginning of year	1,744,556	8,234	2,623,266	19	6,139,161
Cash and cash equivalents, end of year	<u>\$ 2,052,716</u>	<u>\$ 24,255</u>	<u>\$ 3,251,979</u>	<u>\$ 3,912</u>	<u>\$ 6,777,966</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ (193,271)	\$ 21,805	\$ 403,108	\$ -	\$ 114,315
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	-	348,485
Changes in assets and liabilities:					
Accounts receivable	(10,205)	75	(38,866)	(359)	(15,293)
Due from other funds	(14,902)	-	13,060	-	(11,398)
Other assets	-	-	4,005	-	17,355
Accounts payable	(226)	29	26,349	315	(44,739)
Accrued liabilities	475,421	(2,578)	61,852	-	532,224
Due to other funds	-	(3,310)	-	3,809	(135,055)
Net cash provided by (used in) operating activities	<u>\$ 256,817</u>	<u>\$ 16,021</u>	<u>\$ 469,508</u>	<u>\$ 3,765</u>	<u>\$ 805,894</u>

## **FIDUCIARY FUNDS**

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

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

**Library Penal Fine 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, 2007**

Continued

	<u>Trust &amp; Agency</u>	<u>State Education Tax</u>	<u>Library Penal Fine</u>
<b>Assets</b>			
Cash and investment pool	\$ 1,694,623	\$ 9,443,618	\$ 182,475
Receivables (net):			
Taxes	-	-	-
Accounts	3,176,634	-	100
Accrued interest	135	-	2,572
	<u>\$ 4,871,392</u>	<u>\$ 9,443,618</u>	<u>\$ 185,147</u>
Total assets			
<b>Liabilities</b>			
Accounts payable	\$ 346,431	\$ -	\$ -
Deposits payable	4,420,655	-	-
Due to other governmental units	104,306	9,443,618	185,147
	<u>\$ 4,871,392</u>	<u>\$ 9,443,618</u>	<u>\$ 185,147</u>
Total liabilities			

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS -**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2007**

**Concluded**

	<u>Hospital Millage</u>	<u>Dependent Care</u>	<u>Medical Spending Reimbursement</u>	<u>Total</u>
<b>Assets</b>				
Cash and investment pool	\$ 25,661	\$ 1,490	\$ 2,752	\$ 11,350,619
Receivables (net):				
Taxes	36,759	-	-	36,759
Accounts	-	-	-	3,176,734
Accrued interest	441	-	-	3,148
	<u>62,861</u>	<u>1,490</u>	<u>2,752</u>	<u>14,567,260</u>
Total assets	<u>\$ 62,861</u>	<u>\$ 1,490</u>	<u>\$ 2,752</u>	<u>\$ 14,567,260</u>
<b>Liabilities</b>				
Accounts payable	\$ 62,861	\$ -	\$ -	\$ 409,292
Deposits payable	-	1,490	2,752	4,424,897
Due to other governmental units	-	-	-	9,733,071
	<u>62,861</u>	<u>1,490</u>	<u>2,752</u>	<u>14,567,260</u>
Total liabilities	<u>\$ 62,861</u>	<u>\$ 1,490</u>	<u>\$ 2,752</u>	<u>\$ 14,567,260</u>

## **BROWNFIELD REDEVELOPMENT AUTHORITY**

### **COMPONENT UNIT OF SAGINAW COUNTY**

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

**COUNTY OF SAGINAW, MICHIGAN**  
**BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT**  
**STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND**  
**BALANCE SHEET**  
**SEPTEMBER 30, 2007**

	<b>Brownfield Redevelopment Authority</b>	<b>Adjustments</b>	<b>Statement of Net Assets</b>
<b>Assets</b>			
Cash and investment pool	\$ 642,256	\$ -	\$ 642,256
Accrued interest receivable	5,627	-	5,627
Due from other governmental units	35,264	-	35,264
Total assets	\$ 683,147	\$ -	683,147
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 5,625	\$ -	5,625
Long-term liabilities:			
Due within one year	-	30,210	30,210
Due in more than one year	-	463,885	463,885
Total liabilities	5,625	494,095	499,720
<b>Fund Balances</b>			
Unreserved	677,522	(677,522)	-
Total liabilities and fund balances	\$ 683,147		
<b>Net assets:</b>			
Unrestricted		183,427	183,427
Total net assets		\$ 183,427	\$ 183,427

**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, 2007**

	<b>Brownfield Redevelopment Authority</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>Revenues</b>			
Property taxes	\$ 174,836	\$ (7,829)	\$ 167,007
Federal grants	35,264	-	35,264
Investment income	28,277	-	28,277
	<u>238,377</u>	<u>(7,829)</u>	<u>230,548</u>
<b>Expenditures / Expenses</b>			
Current:			
Community and economic development	42,189	-	42,189
Debt service:			
Principal	13,981	(13,981)	-
Interest and fiscal charges	2,724	-	2,724
	<u>58,894</u>	<u>(13,981)</u>	<u>44,913</u>
Net change in fund balances	179,483	(179,483)	-
Change in net assets	-	185,635	185,635
Fund balance / net assets (deficit), beginning of year	498,039	(500,247)	(2,208)
Fund balance / net assets, end of year	<u>\$ 677,522</u>	<u>\$ (494,095)</u>	<u>\$ 183,427</u>

**COUNTY OF SAGINAW, MICHIGAN  
 BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Property taxes	\$ 185,147	\$ 185,147	\$ 174,836	\$ (10,311)
Federal grants	950,024	950,024	35,264	(914,760)
Investment income	-	-	28,277	28,277
	<u>1,135,171</u>	<u>1,135,171</u>	<u>238,377</u>	<u>(896,794)</u>
<b>Expenditures</b>				
Current:				
Community and economic development	1,118,465	1,118,465	42,189	1,076,276
Debt service:				
Principal	13,982	13,982	13,981	1
Interest and fiscal charges	2,724	2,724	2,724	-
	<u>1,135,171</u>	<u>1,135,171</u>	<u>58,894</u>	<u>1,076,277</u>
Net change in fund balances	-	-	179,483	179,483
Fund balance, beginning of year	<u>498,039</u>	<u>498,039</u>	<u>498,039</u>	<u>-</u>
Fund balance, end of year	<u>\$ 498,039</u>	<u>\$ 498,039</u>	<u>\$ 677,522</u>	<u>\$ 179,483</u>

**DEPARTMENT OF PUBLIC WORKS**  
**COMPONENT UNIT OF SAGINAW COUNTY**

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

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

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

**COUNTY OF SAGINAW, MICHIGAN**  
**DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT**  
**STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET**  
**SEPTEMBER 30, 2007**

	<u>Debt Service</u>	<u>Construction</u>	<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
<b>Assets</b>					
Cash and investment pool	\$ 116,856	\$ 195,166	\$ 312,022	\$ -	\$ 312,022
Accrued interest receivable	-	1,355	1,355	-	1,355
Due from other governmental units	-	859,000	859,000	21,083,853	21,942,853
Prepaid items	609,644	-	609,644	(609,644)	-
	<u>726,500</u>	<u>1,055,521</u>	<u>1,782,021</u>	<u>20,474,209</u>	<u>22,256,230</u>
Total assets	<u>\$ 726,500</u>	<u>\$ 1,055,521</u>	<u>\$ 1,782,021</u>	<u>\$ 20,474,209</u>	<u>22,256,230</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 200	\$ 1,036,500	\$ 1,036,700	\$ 260,494	\$ 1,297,194
Deferred revenue	666,462	-	666,462	(666,462)	-
Long-term liabilities:					
Due within one year	-	-	-	1,178,000	1,178,000
Due in more than one year	-	-	-	19,668,000	19,668,000
	<u>666,662</u>	<u>1,036,500</u>	<u>1,703,162</u>	<u>20,440,032</u>	<u>22,143,194</u>
Total liabilities	<u>666,662</u>	<u>1,036,500</u>	<u>1,703,162</u>	<u>20,440,032</u>	<u>22,143,194</u>
<b>Fund Balances</b>					
Reserved for:					
Debt service	59,838	19,021	78,859	(78,859)	-
	<u>59,838</u>	<u>19,021</u>	<u>78,859</u>	<u>(78,859)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 726,500</u>	<u>\$ 1,055,521</u>	<u>\$ 1,782,021</u>		
<b>Net assets:</b>					
Restricted for:					
Debt service				59,838	59,838
Acquisition/construction of capital assets				53,198	53,198
				<u>59,838</u>	<u>59,838</u>
				<u>53,198</u>	<u>53,198</u>
Total net assets				<u>\$ 113,036</u>	<u>\$ 113,036</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, 2007**

	<u>Debt Service</u>	<u>Construction</u>	<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues</b>					
Federal grants	\$ -	\$ 2,432,000	\$ 2,432,000	\$ -	\$ 2,432,000
Local grants and contributions	2,688,322	-	2,688,322	1,583,164	4,271,486
Investment income	3,066	4,504	7,570	-	7,570
 Total revenues	 <u>2,691,388</u>	 <u>2,436,504</u>	 <u>5,127,892</u>	 <u>1,583,164</u>	 <u>6,711,056</u>
<b>Expenditures / Expenses</b>					
Current:					
Public works	-	5,854,599	5,854,599	-	5,854,599
Debt service:					
Principal	1,893,000	-	1,893,000	(1,893,000)	-
Interest and fiscal charges	794,622	-	794,622	50,939	845,561
 Total expenditures / expenses	 <u>2,687,622</u>	 <u>5,854,599</u>	 <u>8,542,221</u>	 <u>(1,842,061)</u>	 <u>6,700,160</u>
 Revenues over (under) expenditures	 <u>3,766</u>	 <u>(3,418,095)</u>	 <u>(3,414,329)</u>	 <u>3,425,225</u>	 <u>10,896</u>
<b>Other Financing Sources (Uses)</b>					
Bond proceeds	-	3,403,000	3,403,000	(3,403,000)	-
 Net change in fund balances	 3,766	 (15,095)	 (11,329)	 11,329	 -
Change in net assets	-	-	-	10,896	10,896
 Fund balance / net assets, beginning of year	 <u>56,072</u>	 <u>34,116</u>	 <u>90,188</u>	 <u>11,952</u>	 <u>102,140</u>
 Fund balance / net assets, end of year	 <u>\$ 59,838</u>	 <u>\$ 19,021</u>	 <u>\$ 78,859</u>	 <u>\$ 34,177</u>	 <u>\$ 113,036</u>

**COUNTY OF SAGINAW, MICHIGAN  
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT  
STATEMENT OF NET ASSETS - PROPRIETARY FUND  
SEPTEMBER 30, 2007**

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	<b>Administration</b>
<b>Assets</b>	
Current assets:	
Cash and investment pool	\$ 3,492
Due from other governmental units	8,356
	11,848
Total assets	11,848
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	3,802
Accrued liabilities	869
	4,671
Total current liabilities	4,671
<b>Net Assets</b>	
Unrestricted	\$ 7,177

**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, 2007**

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	<b>Administration</b>
<b>Operating Revenues</b>	
Licenses and permits	\$ 65,337
Reimbursements	33,961
	99,298
 <b>Operating Expenses</b>	
Personal services	29,564
Fringe benefits	13,728
Supplies	824
Services and charges	48,005
	92,121
Total operating expenses	92,121
Operating income (loss)	7,177
Net assets, beginning of year	-
Net assets, end of year	\$ 7,177

**COUNTY OF SAGINAW, MICHIGAN  
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

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	<u>Administration</u>
<b>Cash flows from operating activities:</b>	
Receipts from customers	\$ 69,343
Payments to employees	(43,316)
Payments to suppliers	(56,496)
Other operating revenue	33,961
	<hr/>
Net cash provided by (used in) operating activities	3,492
Cash and cash equivalents, beginning of year	<hr/> -
Cash and cash equivalents, end of year	<hr/> <u>\$ 3,492</u>

<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>	
Operating income	\$ 7,177
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Changes in assets and liabilities:	
Due from other governmental units	4,006
Accounts payable	(7,667)
Accrued liabilities	(24)
	<hr/>
Net cash provided by (used in) operating activities	<u>\$ 3,492</u>

## **DRAIN COMMISSION**

### **COMPONENT UNIT OF SAGINAW COUNTY**

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

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

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

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

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

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

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

**COUNTY OF SAGINAW, MICHIGAN  
DRAIN COMMISSION COMPONENT UNIT  
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET  
SEPTEMBER 30, 2007**

Continued

	Debt Service Funds		Capital Projects Funds		
	Chapter 8 Drains	Chapter 20 Drains	Special Assessment Drain	Chapter 8 Drains	Chapter 20 Drains
<b>Assets</b>					
Cash and investment pool	\$ 792,826	\$ 53,354	\$ 3,455,014	\$ 1,031,378	\$ 143,418
Receivables (net):					
Special assessments	2,796,500	10,086,396	-	-	-
Accounts	-	-	-	-	-
Due from other funds	-	-	8,796	63,723	-
Prepaid items	250	1,406,361	-	-	-
Capital assets, net:					
Assets not being depreciated	-	-	-	-	-
Assets being depreciated	-	-	-	-	-
<b>Total assets</b>	<b>\$ 3,589,576</b>	<b>\$ 11,546,111</b>	<b>\$ 3,463,810</b>	<b>\$ 1,095,101</b>	<b>\$ 143,418</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 41,981	\$ 90,450	\$ -
Due to other funds	77,919	-	234,972	2,042	-
Advances from primary government	-	-	-	-	-
Deferred revenue	2,796,500	11,492,907	-	-	-
Long-term liabilities:					
Due within one year	-	-	-	-	-
Due in more than one year	-	-	-	-	-
<b>Total liabilities</b>	<b>2,874,419</b>	<b>11,492,907</b>	<b>276,953</b>	<b>92,492</b>	<b>-</b>
<b>Fund Balances</b>					
Reserved for:					
Debt service	715,157	53,204	-	-	-
Capital projects	-	-	3,186,857	1,002,609	143,418
<b>Total fund balances</b>	<b>715,157</b>	<b>53,204</b>	<b>3,186,857</b>	<b>1,002,609</b>	<b>143,418</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,589,576</b>	<b>\$ 11,546,111</b>	<b>\$ 3,463,810</b>	<b>\$ 1,095,101</b>	<b>\$ 143,418</b>

**COUNTY OF SAGINAW, MICHIGAN  
DRAIN COMMISSION COMPONENT UNIT  
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET  
SEPTEMBER 30, 2007**

**Concluded**

	<b>Capital Projects Funds</b>		<b>Total Governmental Funds</b>	<b>Adjustments</b>	<b>Statement of Net Assets</b>
	<b>Revolving Drain</b>	<b>Revolving Drain Maintenance</b>			
<b>Assets</b>					
Cash and investment pool	\$ 190,484	\$ 64,256	\$ 5,730,730	\$ -	\$ 5,730,730
Receivables (net):					
Special assessments	-	-	12,882,896	-	12,882,896
Accounts	-	15,062	15,062	-	15,062
Due from other funds	226,034	17,655	316,208	(316,208)	-
Prepaid items	-	-	1,406,611	(1,406,361)	250
Capital assets, net:					
Assets not being depreciated	-	-	-	1,119,088	1,119,088
Assets being depreciated	-	-	-	40,868,032	40,868,032
<b>Total assets</b>	<b>\$ 416,518</b>	<b>\$ 96,973</b>	<b>\$ 20,351,507</b>	<b>40,264,551</b>	<b>60,616,058</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 115,243	\$ 12,365	\$ 260,039	64,111	324,150
Due to other funds	1,275	-	316,208	(316,059)	149
Advances from primary government	300,000	-	300,000	-	300,000
Deferred revenue	-	-	14,289,407	(14,289,407)	-
Long-term liabilities:					
Due within one year	-	-	-	1,266,124	1,266,124
Due in more than one year	-	-	-	11,054,050	11,054,050
<b>Total liabilities</b>	<b>416,518</b>	<b>12,365</b>	<b>15,165,654</b>	<b>(2,221,181)</b>	<b>12,944,473</b>
<b>Fund Balances</b>					
Reserved for:					
Debt service	-	-	768,361	(768,361)	-
Capital projects	-	84,608	4,417,492	(4,417,492)	-
<b>Total fund balances</b>	<b>-</b>	<b>84,608</b>	<b>5,185,853</b>	<b>(5,185,853)</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 416,518</b>	<b>\$ 96,973</b>	<b>\$ 20,351,507</b>		
<b>Net assets:</b>					
Invested in capital assets, net of related debt				29,666,946	29,666,946
Restricted for:					
Debt service				768,361	768,361
Acquisition/construction of capital assets				4,417,492	4,417,492
Unrestricted				12,818,786	12,818,786
<b>Total net assets</b>				<b>\$ 47,671,585</b>	<b>\$ 47,671,585</b>

**COUNTY OF SAGINAW, MICHIGAN  
DRAIN COMMISSION COMPONENT UNIT  
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>Major Debt Service Funds</u>		<u>Major Capital Projects Funds</u>		
	<u>Chapter 8 Drains</u>	<u>Chapter 20 Drains</u>	<u>Special Assessment Drain</u>	<u>Chapter 8 Drains</u>	<u>Chapter 20 Drains</u>
<b>Revenues</b>					
Special assessments	\$ 1,216,673	\$ -	\$ 113,326	\$ -	\$ -
Local grants and contributions	-	1,614,792	15,000	-	-
Investment income	104,779	1,922	111,604	61,337	5,845
Reimbursements	-	-	6,000	72,347	-
Total revenues	<u>1,321,452</u>	<u>1,616,714</u>	<u>245,930</u>	<u>133,684</u>	<u>5,845</u>
<b>Expenditures</b>					
Current:					
Public works	-	-	279,773	266,356	800
Capital outlay	-	-	-	786,540	-
Depreciation	-	-	-	-	-
Debt service:					
Principal	1,291,695	1,360,000	-	-	-
Interest and fiscal charges	176,626	254,792	-	-	-
Total expenditures	<u>1,468,321</u>	<u>1,614,792</u>	<u>279,773</u>	<u>1,052,896</u>	<u>800</u>
Revenues over (under) expenditures	<u>(146,869)</u>	<u>1,922</u>	<u>(33,843)</u>	<u>(919,212)</u>	<u>5,045</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	136,635	-	20,144	-	-
Transfers out	-	-	(5,000)	(151,779)	-
Bond proceeds	-	-	-	1,360,000	-
Total other financing sources (uses)	<u>136,635</u>	<u>-</u>	<u>15,144</u>	<u>1,208,221</u>	<u>-</u>
Net change in fund balances	(10,234)	1,922	(18,699)	289,009	5,045
Fund balance / net assets, beginning of year	<u>725,391</u>	<u>51,282</u>	<u>3,205,556</u>	<u>713,600</u>	<u>138,373</u>
Fund balance / net assets, end of year	<u>\$ 715,157</u>	<u>\$ 53,204</u>	<u>\$ 3,186,857</u>	<u>\$ 1,002,609</u>	<u>\$ 143,418</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, 2007**

	<u>Major Capital Projects Funds</u>		<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
	<u>Revolving Drain</u>	<u>Revolving Drain Maintenance</u>			
<b>Revenues</b>					
Special assessments	\$ -	\$ -	\$ 1,329,999	\$ (172,976)	\$ 1,157,023
Local grants and contributions	-	-	1,629,792	(1,348,399)	281,393
Investment income	-	4,017	289,504	-	289,504
Reimbursements	-	31,298	109,645	-	109,645
Total revenues	<u>-</u>	<u>35,315</u>	<u>3,358,940</u>	<u>(1,521,375)</u>	<u>1,837,565</u>
<b>Expenditures / Expenses</b>					
Current:					
Public works	-	30,952	577,881	(281,348)	296,533
Capital outlay	-	-	786,540	(786,540)	-
Depreciation	-	-	-	1,192,591	1,192,591
Debt service:					
Principal	-	-	2,651,695	(2,651,695)	-
Interest and fiscal charges	-	-	431,418	(1,270)	430,148
Total expenditures / expenses	<u>-</u>	<u>30,952</u>	<u>4,447,534</u>	<u>(2,528,262)</u>	<u>1,919,272</u>
Revenues over (under) expenditures	<u>-</u>	<u>4,363</u>	<u>(1,088,594)</u>	<u>1,006,887</u>	<u>(81,707)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	156,779	(156,779)	-
Transfers out	-	-	(156,779)	156,779	-
Note proceeds	-	-	1,360,000	(1,360,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,360,000</u>	<u>(1,360,000)</u>	<u>-</u>
Net change in fund balances	-	4,363	271,406	(271,406)	-
Change in net assets	-	-	-	(81,707)	(81,707)
Fund balance / net assets, beginning of year	<u>-</u>	<u>80,245</u>	<u>4,914,447</u>	<u>42,838,845</u>	<u>47,753,292</u>
Fund balance / net assets, end of year	<u>\$ -</u>	<u>\$ 84,608</u>	<u>\$ 5,185,853</u>	<u>\$ 42,485,732</u>	<u>\$ 47,671,585</u>

**COUNTY OF SAGINAW**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

<b>FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>PASS - THROUGH GRANTOR'S NUMBER</b>	<b>FEDERAL AWARDS EXPENDED</b>
<b>PRIMARY GOVERNMENT:</b>			
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<b>PASSED THROUGH MICHIGAN DEPARTMENT OF COMMUNITY HEALTH</b>			
Bioterrorism - focus area C	93.283	N/A	\$ 138,484
Bioterrorism emergency prep	93.283	N/A	283,344
Laboratory services	93.977	N/A	34,200
Federally funded vaccines	93.268	N/A	1,603,932
Immunizations - IAP	93.268	N/A	89,493
Immunizations - VFC provider site visits	93.268	N/A	4,200
Immunizations - nurse education	93.268	N/A	450
Immunizations - AFIX	93.268	N/A	800
Immunizations - field rep	93.268	N/A	47,584
HIV / AIDS counseling and testing	93.940	N/A	61,059
Infant mortality coalition support	93.778	N/A	65,000
Case management services	93.778	N/A	63,075
CSHCS care coordination	93.788	N/A	3,980
STD control	93.991	N/A	18,166
STD control	93.977	N/A	6,216
Local MCH	93.994	N/A	202,622
Family planning	93.994	N/A	178,198
Long term contraceptives	93.994	N/A	17,189
Case management services	93.994	N/A	15,314
Case management services	93.994	N/A	29,983
<b>PASSED THROUGH HEALTH RESOURCES &amp; SERVICES ADMINISTRATION</b>			
Healthy start initiative	93.926	N/A	589,695
<b>PASSED THROUGH OFFICE OF DRUG CONTROL POLICY</b>			
Substance abuse prevention and treatment block grant (Note 4)	93.959	N/A	1,624,302
B.A.S.A.R.A. substance abuse treatment	93.959	N/A	446,324
SIG - Saginaw county youth protection council	93.243	N/A	76,943
<b>DIRECT AWARD</b>			
Drug free communities support program	93.276	N/A	100,000
<b>PASSED THROUGH MICHIGAN FAMILY INDEPENDENCE AGENCY</b>			
Title IVB Subpart 2 Family Presentation and Support Services	93.556	N/A	65,500
Temporary Assistance for Needy Families / Healthy Families	93.558	N/A	78,121
Temporary Assistance for Needy Families / Family Nutrition	93.558	N/A	7,161
AFDC Maintenance Assistance (Federal Incentive)	93.560	N/A	369,172
IV-D Cooperative Reimbursement Grant (FOC)	93.563	N/A	2,408,689
IV-D Cooperative Reimbursement Grant (GF)	93.563	N/A	369,014
SCAO	93.597	N/A	3,015

(Continued)

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

<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>
<b>PRIMARY GOVERNMENT:</b>			
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</u></b>			
PASSED THROUGH MICHIGAN OFFICE OF AGING SERVICES AND THE REGION VII AREA AGENCY ON AGING			
Medication management	93.043	N/A	\$ 720
Aging Cluster:			
Case Coordination and Support	93.044	N/A	80,462
Transportation	93.044	N/A	12,570
Senior Center Staffing	93.044	N/A	6,908
Senior Center Staffing - MO	93.044	N/A	10,512
Senior Center Operations	93.044	N/A	7,000
Outreach	93.044	N/A	17,603
Nutrition - Title IIIC-1	93.045	N/A	136,869
Nutrition - Title IIIC-2	93.045	N/A	150,241
Nutrition - NSIP Congregate	93.053	N/A	48,768
Nutrition - NSIP HDM	93.053	N/A	111,272
Title IIIE Kinship Care	93.052	N/A	4,198
National Family Caregiver Support Program	93.052	N/A	56,421
National Family Caregiver Support Program	93.052	N/A	2,021
National Family Caregiver Support Program	93.052	N/A	12,608
Supplemental funds - Title III E	93.052	N/A	864
Medicaid reimbursement - TCM	93.778	N/A	23,007
POS Waiver	93.778	N/A	57,945
MMAP Core grant	93.779	N/A	12,074
MMAP	93.779	N/A	2,472
PASSED THROUGH MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH			
Temporary Assistance for Needy Families (TANF) / Work First (Note 3)	93.558	N/A	<u>4,822,035</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>14,577,795</u>
<b><u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u></b>			
Foster Grandparent Program	94.011	N/A	<u>253,208</u>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Water and waste disposal systems for rural communities - Oakley village	10.760	Loan	1,751,000
Water and waste disposal systems for rural communities - Oakley village	10.760	Grant	834,000
Water and waste disposal systems for rural communities - Merrill village	10.760	Loan	1,652,000
Water and waste disposal systems for rural communities - Merrill village	10.760	Grant	1,598,000

(Continued)

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

<b>FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>PASS - THROUGH GRANTOR'S NUMBER</b>	<b>FEDERAL AWARDS EXPENDED</b>
<b>PRIMARY GOVERNMENT (continued):</b>			
<b>U.S. DEPARTMENT OF AGRICULTURE (continued):</b>			
PASSED THROUGH MICHIGAN DEPARTMENT OF EDUCATION			
Food Distribution:			
Entitlement commodities	10.550	N/A	\$ 8,534
Bonus commodities	10.550	N/A	172
National School Lunch-Breakfast Program - County Children's Facility	10.553	8350-41-1185	63,492
PASSED THROUGH MICHIGAN DEPARTMENT OF COMMUNITY HEALTH			
Women and Infant Care	10.557	N/A	704,741
PASSED THROUGH MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH			
Food Stamps (Note 2)	10.561	N/A	<u>149,538</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>6,761,477</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<b>DIRECT PROGRAM</b>			
Lead Hazard-Control	14.900	N/A	1,022,674
PASSED THROUGH CITY OF SAGINAW			
Housing Self Maintenance	14.219	N/A	21,346
PASSED THROUGH THE MICHIGAN STRATEGIC FUND AGENCY			
Community Development Block Grant	14.228	CDBG #2	199,662
Community Development Block Grant - administration	14.228	CDBG #2	<u>35,940</u>
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u>1,279,622</u>
<b>U.S. DEPARTMENT OF LABOR</b>			
<b>DIRECT PROGRAM</b>			
H-1B Department of Labor Training Grant (Note 2)	17.261	N/A	315,873

(Continued)

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS - THROUGH GRANTOR'S NUMBER	FEDERAL AWARDS EXPENDED
<b>PRIMARY GOVERNMENT (continued):</b>			
<b>U.S. DEPARTMENT OF LABOR (continued):</b>			
PASSED THROUGH MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH (Note 3)			
Trade Act	17.245	N/A	\$ 84,954
Employment Services	17.207	N/A	636,765
Employment Services - MDCD	17.207	N/A	1,668
Workforce Investment Act - Capacity building professional development	17.258	N/A	2,648
Workforce Investment Act - Performance incentive Type D	17.258	N/A	1,932
Workforce Investment Act - Adult	17.258	N/A	2,238,930
Workforce Investment Act - Administration	17.258	N/A	231,287
Workforce Investment Act - Service center operations	17.258	N/A	39,173
Workforce Investment Act - Incumbant worker	17.258	N/A	27,384
Workforce Investment Act - Career transition	17.258	N/A	191
PASSED THROUGH MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH (Note 3)			
Reed Act - Work First	17.225	N/A	234,206
Workforce Investment Act - Capacity building professional development	17.259	N/A	2,875
Workforce Investment Act - Performance incentive Type D	17.259	N/A	2,098
Workforce Investment Act - Youth	17.259	N/A	1,450,439
Workforce Investment Act - Administration	17.259	N/A	149,834
Workforce Investment Act - Service center operations	17.259	N/A	42,544
Workforce Investment Act - Career transition	17.259	N/A	208
Workforce Investment Act - Incumbant worker	17.259	N/A	29,740
Workforce Investment Act - Dislocated	17.260	N/A	1,869,016
Workforce Investment Act - Administration	17.260	N/A	193,074
Workforce Investment Act - Service center operations	17.260	N/A	70,825
Workforce Investment Act - Incumbant worker	17.260	N/A	49,510
Workforce Investment Act - Capacity building professional development	17.260	N/A	4,787
Workforce Investment Act - Performance incentive Type D	17.260	N/A	3,492
Workforce Investment Act - Career transition	17.260	N/A	345
Dislocated worker scholarships	17.260	N/A	2,778
Disability navigator	17.266	N/A	38,474
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>			<b>7,725,050</b>
<b>U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			
PASSED THROUGH SAGINAW COUNTY UNITED WAY			
Emergency Food and Shelter - National Program	83.523	N/A	3,027
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
PASSED THROUGH MICHIGAN STATE POLICE DEPARTMENT			
Emergency management performance grants	97.042	N/A	27,062
Marine Safety Program	97.012	N/A	8,295
2005 State Homeland Security	97.004	N/A	570,591
2005 State Homeland Security	97.004	N/A	36,010
2006 State Homeland Security	97.004	N/A	4,745
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<b>646,703</b>

(Continued)

**COUNTY OF SAGINAW**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

<b>FEDERAL GRANTOR / PASS THROUGH GRANTOR/ PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>PASS - THROUGH GRANTOR'S NUMBER</b>	<b>FEDERAL AWARDS EXPENDED</b>
<b>PRIMARY GOVERNMENT (continued):</b>			
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
Brownfield Pilots Cooperative Agreements	66.811	N/A	\$ 35,264
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Twenty First Century Community Learning Centers	84.287A	N/A	2,606
PASSED THROUGH OFFICE OF DRUG CONTROL POLICY One Community-Many Faiths-One Goal	84.186	N/A	65,314
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>67,920</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Safe Havens Visitation	16.527	#2005-CWAX-0025	139,264
Local Law Enforcement Block Grant	16.592	N/A	68,205
State Criminal Alien Assistance Program	16.607	N/A	722
State Criminal Alien Assistance Program	16.606	N/A	9,847
PASSED THROUGH STATE OF MICHIGAN Juvenile justice and delinquency prevention	16.540	N/A	14,375
PASSED THROUGH STATE COURT ADMINISTRATOR'S OFFICE Truancy grant	16.523	N/A	19,916
Truancy grant	16.523	N/A	12,916
PASSED THROUGH MICHIGAN DEPARTMENT OF STATE POLICE OFFICE OF DRUG CONTROL POLICY Prosecutors Asset Forfeiture Unit	16.523	N/A	61,652
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<b>326,897</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
PASSED THROUGH MICHIGAN DEPARTMENT OF TRANSPORTATION - AERONAUTICS Airport improvement program	20.106	B-26-0114-0803	266,898
PASSED THROUGH MICHIGAN DEPARTMENT OF TRANSPORTATION Urban Planning - FHWA	20.500	FHWA PL-0123-025	157,097
S.C.A.R.E.	20.600	N/A	49,965
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<b>473,960</b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE - PRIMARY GOVERNMENT, BROWNFIELD AUTHORITY AND DRAIN COMMISSION COMPONENT UNITS</b>			<b>\$ 32,150,923</b>

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

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	<b>FEDERAL AWARDS EXPENDED</b>
<b>RECONCILIATION TO FEDERAL REVENUE RECOGNIZED IN STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES</b>	
<hr/>	
TOTAL FEDERAL FINANCIAL ASSISTANCE - PRIMARY GOVERNMENT AND COMPONENT UNITS EXCEPT ROAD COMMISSION	\$ 32,150,923
ADD: FEDERAL AWARDS AUDITED IN SEPARATELY ISSUED FINANCIAL STATEMENTS: SAGINAW COUNTY ROAD COMMISSION - Component Unit	<hr/> 3,397,653
<b>FEDERAL REVENUE RECOGNIZED IN FINANCIAL STATEMENTS</b>	<hr/> <b>\$ 35,548,576</b> <hr/>

**NOTES:**

- (1) The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Saginaw and is presented on the modified accrual basis of accounting. The information presented in this schedule is presented in accordance with the requirements of OMB Circular A-133 Audits of States, Local Governments and Non Profit Organizations.
- (2) 100% of this award was provided to subrecipients.
- (3) Approximately 95% of this award was provided to subrecipients.
- (4) Approximately 90% of this award was provided to subrecipients.
- (5) The County's Health Department also received \$1,548,506 for Medicaid funded substance abuse programs, which include Adult Well Benefits and MI Child. These were received under CFDA #93.778 and are included as charges for services revenue due to the nature of the program.



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

March 31, 2008

Board of Commissioners  
County of Saginaw  
Saginaw, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Saginaw, Michigan* as of and for the year ended September 30, 2007, which collectively comprise the *County of Saginaw, Michigan's* basic financial statements, and have issued our report thereon dated March 31, 2008. We did not audit the financial statements of the Road Commission Component Unit, which represents 65.0% and 69.3%, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Road Commission is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered *County of Saginaw, Michigan's* internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the *County of Saginaw, Michigan's* internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the *County of Saginaw, Michigan's* internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the *County of Saginaw, Michigan's* ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the

*County of Saginaw, Michigan's* financial statements that is more than inconsequential will not be prevented or detected by the *County of Saginaw, Michigan's* internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the *County of Saginaw, Michigan's* internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as identified above.

### **Compliance and Other Matters**

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

We noted other matters involving the internal control over financial reporting that we have reported to management of *County of Saginaw, Michigan* in a separate letter dated March 31, 2008.

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

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



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

March 31, 2008

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, 2007. 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 \$3,397,653 in federal awards which is not included in the Schedule of Federal Awards for the year ended September 30, 2007. 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, 2007.

### **Internal Control Over Compliance**

The management of the *County of Saginaw, Michigan* is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the *County of Saginaw, Michigan's* internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

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

# COUNTY OF SAGINAW

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

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

#### Financial Statements

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

Internal controls over financial reporting:

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

Significant deficiency(ies) identified not considered to be material weaknesses? \_\_\_\_\_ yes  X  none reported

Noncompliance material to financial statements noted?

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

#### Federal Awards

Internal Control over major programs:

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

Significant deficiency(ies) identified not considered to be material weaknesses? \_\_\_\_\_ yes  X  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  X  no

Identification of Major Programs:

#### CFDA Number(s)

10.557  
10.760

17.261  
93.926  
97.004

#### Name of Federal Program or Cluster

Women and Infant Children (WIC)  
Water and Waste Disposal Systems for Rural Communities  
H-1B Training Grant  
Healthy Start  
Homeland Security

**COUNTY OF SAGINAW**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

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Dollar threshold used to distinguish  
between Type A and Type B programs:           \$862,438

Auditee qualified as low-risk auditee?          X   yes                  no

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**None**

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

**None**

**COUNTY OF SAGINAW**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

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There were no audit findings in the prior year.

**Saginaw County Department of Public Health  
Coordinating Agency  
SUBSTANCE ABUSE PREVENTION AND TREATMENT  
Schedule of Budgeted, Reported, and Audited Amounts  
For the Year Ended September 30, 2007**

Schedule A

<u>Fund Source</u>	<u>Budgeted (FINAL)</u>	<u>Reported (FINAL RER)</u>	<u>Audited Expenditures</u>	<u>Variance (Audited - Reported)</u>	
<b>A State Agreement</b>					
1 Community grant	\$ 1,885,309	\$ 1,885,309	\$ 1,885,309	\$ -	
2 SDA	70,092	70,081	70,081	-	
3 SIG	76,943	76,900	76,900	-	
4 Methamphetamine	-	-	-	-	
<b>A Sub-total</b>	<u>2,032,344</u>	<u>2,032,290</u>	<u>2,032,290</u>	<u>-</u>	
<b>B Medicaid</b>					
1 Current year PEPM (Federal & State)	948,254	848,143	848,143	-	
2 Women's Specialty - Federal	124,042	152,495	152,495	-	
3 Women's Specialty - State	93,958	115,510	115,510	-	
4 Reinvestment savings	58,313	58,313	58,313	-	
<b>B Sub-total</b>	<u>1,224,567</u>	<u>1,174,461</u>	<u>1,174,461</u>	<u>-</u>	
<b>C Adult Benefit Waiver</b>					
1 Current year PEPM (Federal share only)	37,795	43,703	43,703	-	
<b>C Sub-total</b>	<u>37,795</u>	<u>43,703</u>	<u>43,703</u>	<u>-</u>	
<b>D MI Child</b>					
1 Current year PEPM	2,550	-	-	-	-
<b>D Sub-total</b>	<u>2,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>E Local</b>					
1 Current year PA2	499,205	498,935	498,935	-	498,935
2 PA2 fund balance	113,620	105,785	105,785	-	105,785
3 Other local (R325.4152 excl. subsection (1)(t))	-	-	-	-	-
<b>E Sub-total</b>	<u>612,825</u>	<u>604,720</u>	<u>604,720</u>	<u>-</u>	
<b>F Fees &amp; Collections</b> (R325.4151 (1)(d))	26,500	35,936	35,936	-	<u>35,936</u>
<b>G Other Contracts &amp; Sources</b>	165,314	165,314	165,314	-	
<b>Grand Total of Subtotals A-G</b>	<u>\$ 4,101,895</u>	<u>\$ 4,056,424</u>	<u>\$ 4,056,424</u>	<u>\$ -</u>	
<b>Amount billable to MDCH</b> (Section A audited subtotal)			\$ 2,032,290		
<b>Total MDCH Payments</b> (through 9/30/07)			<u>1,955,401</u>		
<b>(Overpayment) / Underpayment</b>			<u>\$ 76,889</u>		
<b>Local Match Funds Total</b>					\$ 640,656
<b>Local Match Requirement</b> [(grand total of audited expenditures minus subtotals B,C,D & G) * 10%]					267,295
<b>Local Match (Shortfall) / Excess</b>					<u>\$ 373,361</u>

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

Schedule B

**SUBSTANCE ABUSE PREVENTION AND TREATMENT  
Schedule of Expenditures and Funding Sources by Program  
For the Year Ended September 30, 2007**

Program	Budgeted (FINAL)	Reported (FINAL RER)	Audited Expenditures				Audited Funding Sources								Variance (Audited - Reported)	Questioned Costs (Expend - Funding)	
			Gross Amount	Less Medicaid	Less Fees	Net Amount	State Agreement	SDA	PA2	SIG	Other Sources	ABW	MI Child	Total Funding			
Administration	\$ 397,236	\$ 386,752	\$ 386,752	\$ 165,448	\$ 35,936	\$ 185,368	\$ 185,368	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,368	\$ -	\$ -
Prevention	1,069,486	976,951	976,951	-	-	976,951	519,152	-	215,585	76,900	165,314	-	-	-	976,951	-	-
Treatment	1,755,402	1,766,366	1,766,366	741,008	-	1,025,358	603,926	70,081	351,351	-	-	-	-	-	1,025,358	-	-
Women's Services	751,391	801,396	801,396	268,005	-	533,391	533,391	-	-	-	-	-	-	-	533,391	-	-
HIV / EIP Training	48,380	58,000	58,000	-	-	58,000	26,862	-	31,138	-	-	-	-	-	58,000	-	-
ABW	80,000	66,959	66,959	-	-	66,959	16,610	-	6,646	-	-	43,703	-	-	66,959	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 4,101,895</b>	<b>\$ 4,056,424</b>	<b>\$ 4,056,424</b>	<b>\$ 1,174,461</b>	<b>\$ 35,936</b>	<b>\$ 2,846,027</b>	<b>\$ 1,885,309</b>	<b>\$ 70,081</b>	<b>\$ 604,720</b>	<b>\$ 76,900</b>	<b>\$ 165,314</b>	<b>\$ 43,703</b>	<b>\$ -</b>	<b>\$ 2,846,027</b>	<b>\$ -</b>	<b>\$ -</b>	

**Reconciliation of PA2 funds:**

Beginning Balance	\$ 689,799
Additions	498,935
Expended	(604,720)
Ending Balance	<u>\$ 584,014</u>

**Reconciliation of Medicaid Managed Care Funds (PEPM)**

PEPM Payments received	\$ 1,174,893
+ Medicaid savings c/o	58,313
- Expenditures - SCCMHA admin	(3,195)
- Expenditures - Coord. Agency	(1,171,266)
- Medicaid savings carryforward	(58,745)
- Returned to PIHP	<u>\$ -</u>