

# **COUNTY OF SAGINAW, MICHIGAN**

## **FINANCIAL STATEMENTS AND SINGLE AUDIT**

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***FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2010***

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

**COUNTY OF SAGINAW, MICHIGAN**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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**INDEPENDENT AUDITORS' REPORT**

March 23, 2011

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, 2010, 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 County of Saginaw Road Commission, which represents 65% of the assets, and 27% of the revenues of the aggregate discretely presented component units of the County. Those financial statements were audited by other auditors whose report was furnished to us, and our opinion, insofar as it relates to the amounts included for the County of Saginaw 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 provides 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund and each major special revenue fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2011, 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 and the historical pension and other postemployment benefits supplementary information for the Saginaw County Employees Retirement Plan listed in the table of contents on pages 3-17, the Schedule of Funding Progress and Employer Contribution for Municipal Employees Retirement System of Michigan on page 83 and Schedule of Funding Progress and Employer Contribution for Postemployment Health Benefits on page 84 are not required parts of the basic financial statements but are 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 in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

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

## 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, 2010. 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 \$87,667,845 (*net assets*). Of this amount, \$45,923,767 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets decreased by \$3,102,702 during 2010.
- 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 \$37,499,055, an increase of \$1,025,891 in comparison with the prior year. Approximately 92.7 percent of this total amount, or \$34,747,539, is *available for spending* at the government's discretion (*unreserved fund balance*). This amount is inclusive of both the *unreserved – designated* amount, which has been designated based upon either County policy or for a specific purpose, and the *unreserved – undesignated* amount.
- At the end of the current fiscal year, the general fund did not have an unreserved – undesignated fund balance. The unreserved – designated fund balance for the general fund was \$15,028,836, or 42.3 percent of total general fund expenditures. Total fund balance for the general fund was \$15,473,836.
- The County's total bonded debt decreased by \$3,876,571 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, a legally separate Land Bank Authority, and a legally separate Saginaw County Community Mental Health 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 and Saginaw County Community Mental Health Authority were issued separately from the County and other component units. The County of Saginaw Building Authority, although legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government.

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

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

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

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

The County maintains 45 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Health Department Fund, and Michigan Works! Fund, each of which 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 21 - 28 of this report.

***Proprietary funds.*** The County maintains two different types of proprietary funds: enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its Delinquent Tax Revolving Fund, 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 (DB) Retirement System, ICMA (DC) Retirement System, Information Systems and Services operations, Equipment Revolving (computer equipment maintenance and replacement) activities, Mailing Services, Motor Pool operations, Risk Management program, Investment Pool, Employee Benefits, and Retiree Health Savings Plan. Because these services predominately benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements.

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

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

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38 - 82 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 83 - 125 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County of Saginaw, as the following table demonstrates, assets exceeded liabilities by \$87,667,845 at the close of the most recent fiscal year.

### County of Saginaw's Net Assets

Fiscal Year Ending September 30,	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 94,344,756	\$ 95,446,623	\$ 26,948,235	\$ 24,130,438	\$ 121,292,991	\$ 119,577,061
Capital assets, net of accumulated depreciation	27,458,091	28,326,941	16,029,480	16,819,110	43,487,571	45,146,051
Total assets	<u>121,802,847</u>	<u>123,773,564</u>	<u>42,977,715</u>	<u>40,949,548</u>	<u>164,780,562</u>	<u>164,723,112</u>
Long-term liabilities outstanding	43,933,221	41,887,092	20,916,025	19,996,723	64,849,246	61,883,815
Other liabilities	11,224,793	11,078,280	1,038,678	990,470	12,263,471	12,068,750
Total liabilities	<u>55,158,014</u>	<u>52,965,372</u>	<u>21,954,703</u>	<u>20,987,193</u>	<u>77,112,717</u>	<u>73,952,565</u>
Net assets:						
Invested in capital assets, net of related debt	25,203,082	25,591,931	14,234,480	13,299,110	39,437,562	38,891,041
Restricted	2,306,516	3,864,757	-	-	2,306,516	3,864,757
Unrestricted	39,135,235	41,351,504	6,788,532	6,663,245	45,923,767	48,014,749
Total net assets	<u>\$ 66,644,833</u>	<u>\$ 70,808,192</u>	<u>\$ 21,023,012</u>	<u>\$ 19,962,355</u>	<u>\$ 87,667,845</u>	<u>\$ 90,770,547</u>

One of the largest portions of the County's net assets, \$39,437,562 (45.0 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, \$2,306,516 (2.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, \$45,923,767 (52.4 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**

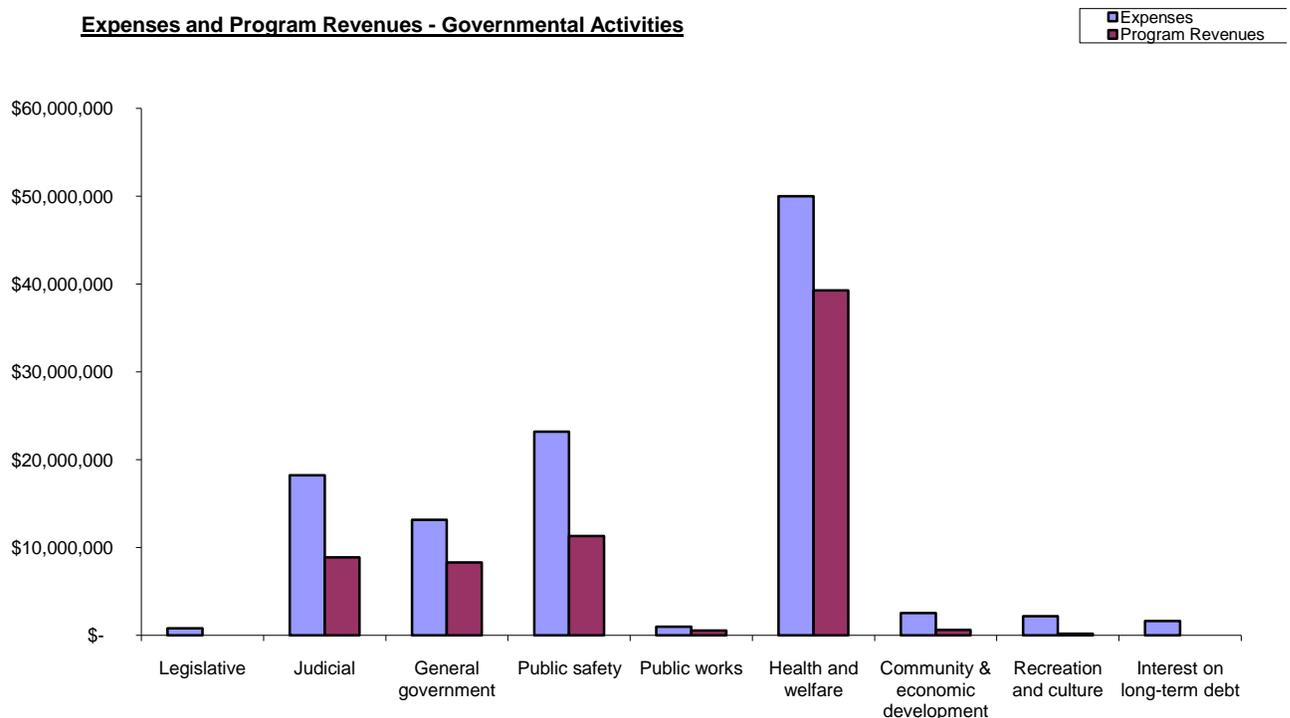
<b>Fiscal Year Ending September 30,</b>	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	2010	2009	2010	2009	2010	2009
<b>Revenues</b>						
Program revenue:						
Charges for services	\$ 24,113,748	\$ 24,240,260	\$ 6,824,070	\$ 7,211,388	\$ 30,937,818	\$ 31,451,648
Operating grants and contributions	44,949,262	42,966,094	-	-	44,949,262	42,966,094
Capital grants and contributions	-	31,300	1,574	67,928	1,574	99,228
General revenue:						
Property taxes	34,246,199	34,849,272	2,651,093	2,686,995	36,897,292	37,536,267
Accommodations tax	1,693,910	1,686,183	-	-	1,693,910	1,686,183
Grants and contributions not restricted to specific programs	543,188	536,669	-	-	543,188	536,669
Other	440,850	682,143	430,898	388,258	871,748	1,070,401
Total revenue	105,987,157	104,991,921	9,907,635	10,354,569	115,894,792	115,346,490
<b>Expenses</b>						
Legislative	792,252	933,436	-	-	792,252	933,436
Judicial	18,210,878	17,522,781	-	-	18,210,878	17,522,781
General government	13,155,514	13,068,629	-	-	13,155,514	13,068,629
Public safety	23,201,328	23,509,486	-	-	23,201,328	23,509,486
Public works	986,833	1,015,312	-	-	986,833	1,015,312
Health and welfare	49,994,651	52,862,125	-	-	49,994,651	52,862,125
Community and economic development	2,541,916	2,539,430	-	-	2,541,916	2,539,430
Recreation and culture	2,170,250	2,108,299	-	-	2,170,250	2,108,299
Interest on long-term debt	1,642,702	1,699,803	-	-	1,642,702	1,699,803
Delinquent tax revolving	-	-	686,700	665,345	686,700	665,345
Delinquent tax foreclosure	-	-	634,010	640,074	634,010	640,074
Building Authority Event Center	-	-	3,862,403	3,935,561	3,862,403	3,935,561
Building Authority administration	-	-	34,225	22,398	34,225	22,398
Parking system	-	-	99,887	122,799	99,887	122,799
Harry W. Browne Airport	-	-	569,230	557,863	569,230	557,863
Inmate services	-	-	414,715	462,449	414,715	462,449
Total expenses	112,696,324	115,259,301	6,301,170	6,406,489	118,997,494	121,665,790
Increase/(decrease) in net assets before transfers	(6,709,167)	(10,267,380)	3,606,465	3,948,080	(3,102,702)	(6,319,300)
Transfers	2,545,808	2,339,071	(2,545,808)	(2,339,071)	-	-
Increase/(decrease) in net assets	(4,163,359)	(7,928,309)	1,060,657	1,609,009	(3,102,702)	(6,319,300)
Net assets - beginning	70,808,192	78,736,501	19,962,355	18,353,346	90,770,547	97,089,847
<b>Net assets - end of year</b>	<b>\$ 66,644,833</b>	<b>\$ 70,808,192</b>	<b>\$ 21,023,012</b>	<b>\$ 19,962,355</b>	<b>\$ 87,667,845</b>	<b>\$ 90,770,547</b>

The County's net assets decreased by \$3,102,702 during the current fiscal year; a \$4,163,359 decrease for governmental activities and a \$1,060,657 increase for business-type activities.

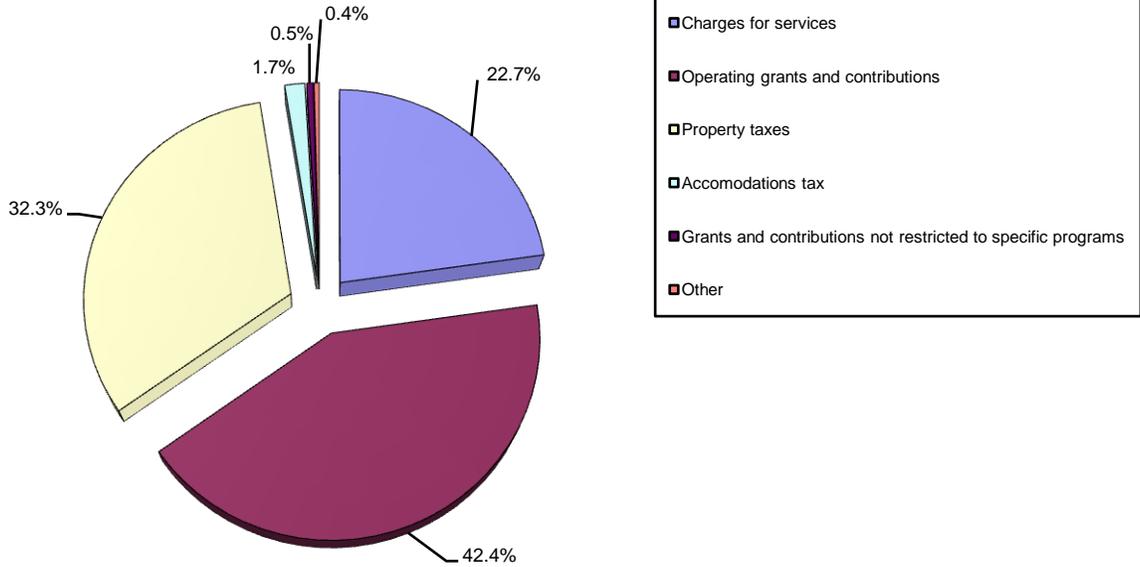
**Governmental activities.** Governmental activities decreased the County's net assets by \$4,163,359 thereby accounting for the majority of the total decrease in the government's net assets during the year. Key elements of this decrease are as follows:

- Other revenues had the most significant decrease during the year of approximately \$241,000 (35.4 percent). This decrease is a direct result of the loss of investment income – interest earned. Due to the risky economy that plagued FY 2009 and FY 2010 and the shaky outlook on the future of employers and business loans, the banking industry as a whole are paying lower rates. The County Treasurer has also made more conservative investments to keep them in 100% FDIC insured accounts which typically pay a slightly lower rate for principal.
- Expenses decreased during the year as compared to the prior year by approximately \$2,563,000 (2.2 percent). This was mainly in the area of health and welfare and more specifically in the Michigan Works! Administration Fund due to the increased grant funding received in FY 2009 pursuant to the American Reinvestment and Recovery Act of 2009 that was not received in FY 2010.

**Expenses and Program Revenues - Governmental Activities**



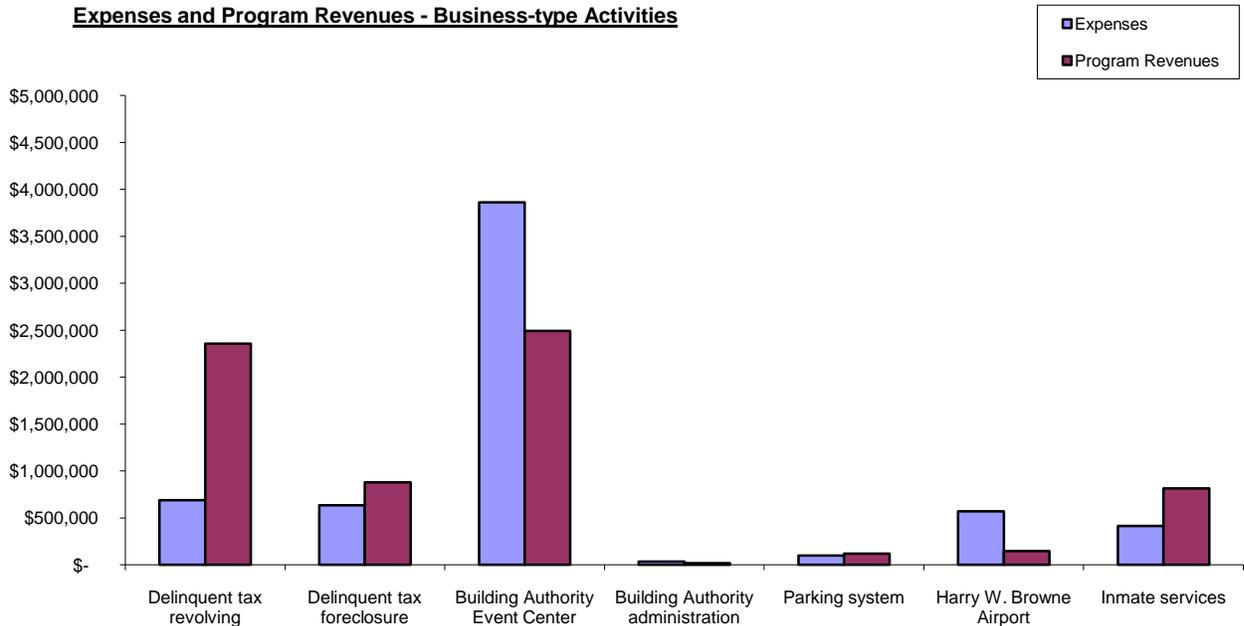
**Revenues by Source - Governmental Activities**



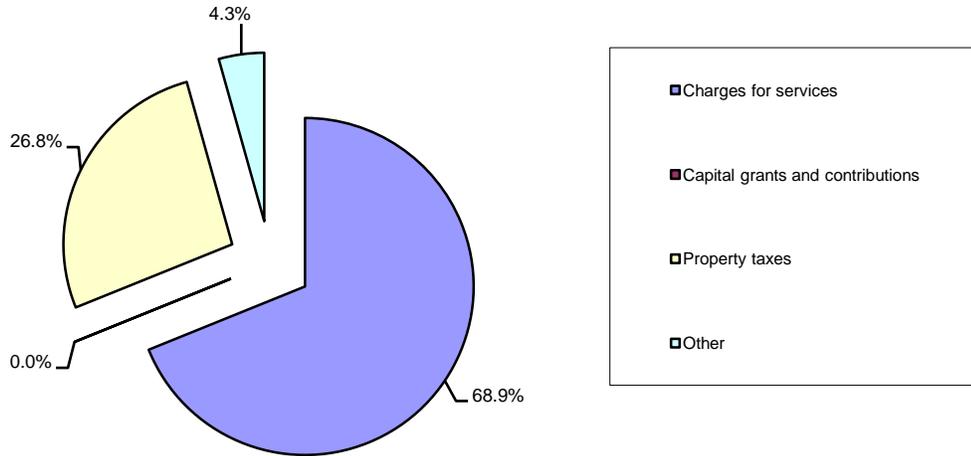
**Business-type activities.** Business-type activities increased the County’s net assets by \$1,060,657. Key elements of this increase are as follows:

- Revenues decreased 4.3 percent, or \$447,000 mainly in the area of property taxes.
- Expenses decreased 1.6 percent, or \$105,000, as a result of decreased activity within the building authority event center fund, the parking system, and the inmate services fund.
- Transfers netted out to an increase of approximately \$207,000 or 8.8 percent. This is a result of additional activity in the delinquent property tax foreclosure fund of which all proceeds are transferred out to the land reutilization 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 \$37,499,055, an increase of \$1,025,891 in comparison with the prior year. Approximately 92.7 percent of this total amount (\$34,747,539) 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* (\$20,778,021) and *unreserved – undesignated fund balance* (\$13,969,518). 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 (\$445,000), 2) pay debt service (\$2,008,700), 3) for capital projects (\$31,741), or 4) for restricted contributions (\$266,075).

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 \$15,028,836, while total fund balance amounted to \$15,473,836. 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 42.3 percent of total general fund expenditures, while total fund balance represents 43.6 percent of that same amount.

The fund balance of the County's general fund decreased by \$1,307,444 during the current fiscal year. Key factors in this decrease are as follows:

- Property tax revenue decreased by \$881,438 (3.6 percent).
- State grants increased by \$3,935,414 (137.9 percent) due to the depletion of the County's Revenue Sharing Reserve fund in FY 2009. As such, State grants includes the amount the county received for Revenue Sharing from the State.

- Investment income decreased by \$118,571 (46.7 percent).
- Expenditures remained relatively stagnant with a slight increase of \$76,691 (0.2 percent) mainly in the areas of judicial, public safety, and public works.
- Transfers in decreased by \$5,366,511 (72.2 percent) mainly due to the depletion of the County's Revenue Sharing Reserve fund in FY 2009 and Revenue Sharing now coming in from the State.
- Transfers out decreased by \$529,736 (6.0 percent) mainly in the appropriations to the Friend of the Court fund (\$198,887), and the Public Improvement fund (\$1,312,699) pursuant to the Board of Commissioner's Budget Resolution A. These decreases were offset by an increase in an appropriation to the Prosecutor's Special Projects fund (\$134,089) and to the Child Care fund (\$810,612).

The Health Department fund had an increase in fund balance for the current year of \$736,248, for an ending total of \$1,924,123. This increase was primarily the result of an increase in the amount of Federal grants received.

The debt service funds have a total fund balance of \$2,008,700 which is entirely designated for the payment of debt service. The net decrease in fund balance during the current year in the debt service funds was \$91,054.

The capital projects funds have a total fund balance of \$31,741 which is entirely designated for the Saginaw Valley Rail Trail Development Phase IV project overseen by the Parks and Recreation Commission.

The permanent fund has a fund balance of \$40,964, which is entirely designated for maintenance of the Saginaw Valley Rail Trail and \$5,964 is available for spending at the end of the year.

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

Unrestricted net assets of the Delinquent Tax Revolving Fund at the end of the year amounted to \$5,103,045, while those for the Building Authority Event Center amounted to \$903,108. The combined unrestricted net assets of the nonmajor enterprise funds and the internal service funds were \$756,634 and \$6,312,381, respectively, at the end of the year. The Delinquent Tax Revolving Fund had an increase in net assets for the year of \$182,896, whereas the Building Authority Event Center had an increase of \$1,264,970. The combined decrease in net assets of the nonmajor enterprise funds was \$383,520 and the combined decrease in net assets of the internal service funds was \$582,796 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 0.04 percent decrease (\$13,325 decrease in appropriations); whereas the difference between the original budget and final amended budget for revenues resulted in a 0.37 percent decrease (\$149,000 decrease in revenues). All of these budgetary adjustments were offset by either an adjustment to other expenditures and transfers out or to revenues and transfers in and use of fund balance.

The budgetary differences are summarized as follows:

- In the beginning of the year, a \$505,000 decrease was allocated to State grants due to the State's reduction in Revenue Sharing and a \$400,000 decrease was allocated to

Reimbursement-Department of Corrections for the State's elimination of the Jail Reimbursement program. The offset was an increase in the use of fund balance of \$905,000.

- During the middle of the year, a \$756,000 decrease was allocated to transfers in from the Revenue Sharing Reserve fund to zero out the amount as this fund was closed in FY 2009 and was offset with an increase to State grants for the same amount.
- A \$320,000 increase was allocated to transfers out to the Health Department that was offset with a decrease in Contributions to Other Agencies. This adjustment was made to adjust for the decreased amount available by the State of Michigan to match for DSH payments made to support resident county hospitalization.
- A \$327,112 increase was allocated to the use of fund balance to cover estimated shortfalls between revenues and expenses within public safety (\$260,175), transfers out to the Soil Erosion fund (\$46,000), and transfers out to the Planning Department (\$20,937).

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

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 \$84,525 occurred due to the continued drop in taxable values decreasing at a rate faster than anticipated.
- The favorable variance in charges for services of \$189,826 is due to higher than anticipated revenue received from the collection of District Court costs.
- The favorable variance in fines and forfeitures of \$245,924 is a result of aggressive collections made by District Court for outstanding traffic violations.
- 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. The exception to this would be in the area of judicial and the Circuit Court where there is an unfavorable variance of \$274,594. This unfavorable variance is due to higher than anticipated costs associated with court appointed attorneys and the appeals process.
- The favorable variances in both transfers in and transfers out occurred also as a result of lapsed salaries and benefits because of the delays in the filling of vacancies within the funds that the general fund provides additional support to. These unneeded general fund dollars were recovered at year end.

**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, 2010, and September 30, 2009, along with the amount and percentage of increases and decreases in relation to the 2009 fund balance:

	2010	2009	Variance from 2009	Percent Increase/ (Decrease)
Revenues	\$ 40,379,488	\$ 37,211,034	\$ 3,168,454	8.51%
Expenditures	<u>(35,504,683)</u>	<u>(35,427,992)</u>	<u>(76,691)</u>	0.22%
Revenues over expenditures	4,874,805	1,783,042	3,091,763	
Other Financing Sources (Uses):				
Transfers in	2,064,703	7,431,214	(5,366,511)	-72.22%
Transfers out	<u>(8,246,952)</u>	<u>(8,776,688)</u>	<u>529,736</u>	-6.04%
Net change in fund balances	(1,307,444)	437,568	(1,745,012)	
Fund balance, beginning of year	<u>16,781,280</u>	<u>16,343,712</u>	<u>437,568</u>	
Fund balance, end of year	<u>\$ 15,473,836</u>	<u>\$ 16,781,280</u>	<u>\$ (1,307,444)</u>	<u>-7.79%</u>

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

#### GENERAL FUND BALANCE ANALYSIS

	Reserve for Advances to Other Funds	Reserve for Future Use	Unreserved	Total Fund Balance
Fund balance, beginning of year	\$ 445,000	\$ 16,336,280	\$ -	\$ 16,781,280
2009/2010 Transactions:				
Excess revenue over expenditures	-	4,874,805	-	4,874,805
Total other financing sources (uses)	<u>-</u>	<u>(6,182,249)</u>	<u>-</u>	<u>(6,182,249)</u>
2009/2010 net increase (decrease)	<u>-</u>	<u>(1,307,444)</u>	<u>-</u>	<u>(1,307,444)</u>
Fund balance, end of year	<u>\$ 445,000</u>	<u>\$ 15,028,836</u>	<u>\$ -</u>	<u>\$ 15,473,836</u>

The Reserve for Future Use classification shown above is comprised of two different components: Subsequent Years Expenditures and Employee Payroll Reserve. The current balance for the Subsequent Years Expenditures Reserve is \$4,471,509 and denotes the amount that the Board of Commissioners has approved as use of fund balance to balance the fiscal 2011 budgeted revenues against expenditures.

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

The current balance for Employee Payroll Reserve is \$10,557,327 or 47.3 percent. The County currently has no balance for Budget Stabilization Reserve. This is due to the Board of Commissioners budgeting

the entire use of this reserve to balance estimated revenues against estimated expenditures for the fiscal 2011 budget.

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

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

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

The Building Authority Event Center Fund accounts for the operations of the County-owned facility that includes an arena, theater, 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. In November 2010, County voters approved a 10-year extension of the millage of up to 0.225 mills through 2020.

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

The Parking System Fund accounts for revenues, expenses and transactions relating to the operation of the municipal parking lots located around the Courthouse. A full-time parking attendant patrols the lots and issues parking tickets for violations. Approximately 71.5 percent of the Parking System revenue is attributable to the fines received from the tickets.

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

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

**Fiduciary operations.** The fiduciary operations of the County include the use of 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, 2010 amounted to \$43,487,571 (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 3.7 percent (a 3.1 percent decrease for governmental activities and a 4.7 percent decrease for business-type activities).

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

- A video conference room system was placed into service for Circuit Court at a total cost of \$55,371.
- Several servers were purchased for the Sheriff's Department through grant funding at a cost of \$127,713. Also, a skid-steer was purchased for the maintenance department totaling \$29,560.
- Several vehicles were replaced in various county departments at a cost of \$332,647.
- Construction was completed at Harry W. Browne Airport at a total cost of \$57,646 on the design of new beacon and lighted wind cone.

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

Fiscal Year Ending September 30,	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Land	\$ 3,550,857	\$ 3,550,857	\$ 1,053,248	\$ 1,053,248	\$ 4,604,105	\$ 4,604,105
Air rights	-	-	117,761	117,761	117,761	117,761
Construction in progress	-	-	796	56,826	796	56,826
Land improvements	6,308,562	6,519,517	-	-	6,308,562	6,519,517
Buildings and improvements	14,798,378	15,406,293	11,928,488	12,292,960	26,726,866	27,699,253
Leasehold improvements	-	-	-	-	-	-
Planning and development	-	-	2,261,612	2,591,275	2,261,612	2,591,275
Equipment	2,164,594	2,277,184	623,822	657,157	2,788,416	2,934,341
Office furniture and fixtures	54,782	59,365	40,728	44,048	95,510	103,413
Vehicles	580,918	513,725	3,025	5,835	583,943	519,560
<b>Total</b>	<b>\$ 27,458,091</b>	<b>\$ 28,326,941</b>	<b>\$ 16,029,480</b>	<b>\$ 16,819,110</b>	<b>\$ 43,487,571</b>	<b>\$ 45,146,051</b>

Additional information on the County's capital assets can be found in note III.C. on pages 54 - 56 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of \$77,134,003. Of this amount, \$43,759,997 comprises debt backed by the full faith and credit of the government and \$2,429,006 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the County debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

**County of Saginaw's  
Outstanding Debt**

Fiscal Year Ending September 30,	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
<b>Primary Government</b>						
General obligation bonds	\$ 33,200,009	\$ 34,280,010	\$ 1,795,000	\$ 3,520,000	\$ 34,995,009	\$ 37,800,010
2008 GOL delinquent tax notes	-	-	-	5,000,000	-	5,000,000
2009 GOL delinquent tax notes	-	-	3,554,000	11,443,000	3,554,000	11,443,000
2010 GOL delinquent tax notes	-	-	15,500,000	-	15,500,000	-
<b>Component Units</b>						
Revolving loans	383,453	436,528	-	-	383,453	436,528
Capital Lease	110,242	148,114	-	-	110,242	148,114
General obligation bonds and notes	22,591,299	26,182,922	-	-	22,591,299	26,182,922
<b>Total</b>	<b>\$ 56,285,003</b>	<b>\$ 61,047,574</b>	<b>\$ 20,849,000</b>	<b>\$ 19,963,000</b>	<b>\$ 77,134,003</b>	<b>\$ 81,010,574</b>

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

	Amount	Issue	Rate
2010 Series GOL Delinquent Tax Notes	\$ 15,500,000	4/22/2010	1.25% to 2.25%
Allendale Tile Drain	995,000	5/5/2010	2.0% to 4.0%
Misteguay Creek Intercounty Drain	100,000	9/15/2010	1.00%

The County's total debt decreased by \$3,876,571 (4.8 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 "A1" bond rating with Standard & Poor's and an "MIG1" bond rating with Moody's for its delinquent tax notes.

State statute (Article 7, Section 11, Michigan Constitution of 1963) limits the amount of general obligation debt a governmental entity may issue to 10 percent of its total state equalized valuation. The current debt limitation for the County is \$553,422,358, 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 - 65 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 2011 fiscal year:

- Property Taxes – Estimates received from the County Equalization Department anticipated that property tax revenue for the General Fund would decrease by 5.9% for fiscal 2011 while property tax revenue for the special millage funds would decrease by 3.9% for fiscal 2011.

- Reimbursements (Jail Reimbursement) – Due to the State reinstating the jail reimbursement program late in FY 2010, the FY 2011 budget included an increase in this revenue source by approximately \$331,000.
- Wages and Fringe Benefits – The County’s authorized staff count dropped from 681.58 to 674.08 with the Health Department losing 6 F.T.E.’s. The wage rates for these positions were frozen without increase for fiscal 2011. 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 on average either remained consistent or showed a slight decrease while contributions to the retiree health reserve went down from \$11,300 to \$8,700 per covered employee. This decrease in contributions to the retiree health reserve fund were reduced in an effort to contend with the ongoing structural budget deficit and were offset with a use of reserves in the retiree health care fund. 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.
- Use of Reserves – Structural Deficit – The structural budget deficit situation was again resurrected for fiscal 2011 as anticipated and was addressed with the use of reserves in the General Fund using an amount of \$4,471,509 to balance anticipated revenues with expenditures.
- Inflationary trends in the region were expected to compare favorably to national indices. Non personnel costs were either held steady or budgeted to increase by inflationary trends.

### **Requests for Information**

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

## BASIC FINANCIAL STATEMENTS

**COUNTY OF SAGINAW, MICHIGAN**

**STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2010**

	<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	\$ 43,904,352	\$ 10,485,448	\$ 54,389,800	\$ 25,092,300
Receivables (net)	48,486,842	16,849,315	65,336,157	28,072,607
Internal balances	472,231	(472,231)	-	-
Inventory	-	47,930	47,930	1,489,345
Other assets	94,379	37,773	132,152	738,373
Net pension asset	1,386,952	-	1,386,952	-
Capital assets, net:				
Assets not being depreciated	3,550,857	1,171,805	4,722,662	38,523,517
Assets being depreciated	23,907,234	14,857,675	38,764,909	158,968,443
<b>Total assets</b>	<b>121,802,847</b>	<b>42,977,715</b>	<b>164,780,562</b>	<b>252,884,585</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	8,511,925	998,364	9,510,289	8,755,006
Unamortized bond premium	-	4,548	4,548	-
Unearned revenue	2,712,868	35,766	2,748,634	851,894
Long-term liabilities:				
Due within one year	4,533,848	9,802,774	14,336,622	1,950,527
Due in more than one year	32,380,009	11,054,000	43,434,009	22,536,106
Other noncurrent liability - net other postemployment benefit liability	7,019,364	59,251	7,078,615	-
<b>Total liabilities</b>	<b>55,158,014</b>	<b>21,954,703</b>	<b>77,112,717</b>	<b>34,093,533</b>
<b>Net assets</b>				
Invested in capital assets, net of related debt	25,203,082	14,234,480	39,437,562	189,260,419
Restricted for:				
Debt service	2,008,700	-	2,008,700	532,759
Acquisition/construction of capital assets	31,741	-	31,741	12,277,326
Postemployment health benefits	-	-	-	4,793,951
Restricted contributions	231,075	-	231,075	-
Endowment				
Expendable	-	-	-	-
Nonexpendable	35,000	-	35,000	-
Unrestricted	39,135,235	6,788,532	45,923,767	11,926,597
<b>Total net assets</b>	<b>\$ 66,644,833</b>	<b>\$ 21,023,012</b>	<b>\$ 87,667,845</b>	<b>\$ 218,791,052</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, 2010**

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	\$ 792,252	\$ -	\$ -	\$ -	\$ -	\$ (792,252)
Judicial	17,656,813	554,065	3,520,787	5,351,988	-	(9,338,103)
General government	14,917,172	(1,761,658)	3,022,107	5,261,736	-	(4,871,671)
Public safety	23,136,276	65,052	9,367,180	1,931,575	-	(11,902,573)
Public works	977,400	9,433	551,181	-	-	(435,652)
Health and welfare	48,901,184	1,093,467	7,412,753	31,856,133	-	(10,725,765)
Community and economic development	2,524,230	17,686	94,778	524,472	-	(1,922,666)
Recreation and culture	2,136,132	34,118	144,962	23,358	-	(2,001,930)
Interest on long-term debt	1,642,702	-	-	-	-	(1,642,702)
<b>Total governmental activities</b>	<b>112,684,161</b>	<b>12,163</b>	<b>24,113,748</b>	<b>44,949,262</b>	<b>-</b>	<b>(43,633,314)</b>
Business-type activities:						
Delinquent tax revolving	686,700	-	2,357,393	-	-	1,670,693
Delinquent tax foreclosure	634,010	-	877,537	-	-	243,527
Building Authority Event Center	3,862,403	-	2,492,640	-	-	(1,369,763)
Building Authority administration	34,225	-	17,401	-	-	(16,824)
Parking system	99,887	-	120,279	-	-	20,392
Harry W. Browne Airport	569,230	-	145,135	-	1,574	(422,521)
Inmate services	411,638	3,077	813,685	-	-	398,970
<b>Total business-type activities</b>	<b>6,298,093</b>	<b>3,077</b>	<b>6,824,070</b>	<b>-</b>	<b>1,574</b>	<b>524,474</b>
<b>Total primary government</b>	<b>\$ 118,982,254</b>	<b>\$ 15,240</b>	<b>\$ 30,937,818</b>	<b>\$ 44,949,262</b>	<b>\$ 1,574</b>	<b>\$ (43,108,840)</b>
<b>Component Units</b>						
Road Commission	\$ 21,361,497	\$ -	\$ 101,496	\$ 22,997,172	\$ -	\$ 1,737,171
Brownfield Redevelopment Authority	415,977	-	-	189,860	-	(226,117)
Department of Public Works	852,433	-	82,688	85,520	722,782	38,557
Drain Commission	1,974,893	-	53,579	-	1,681,295	(240,019)
Economic Development Corporation	34,211	-	1,000	-	-	(33,211)
Land Bank Authority	(133,329)	-	1,200	714,653	-	849,182
Saginaw County Community Mental Health Authority	60,662,230	-	1,500,674	56,224,834	253,789	(2,682,933)
<b>Total component units</b>	<b>\$ 85,167,912</b>	<b>\$ -</b>	<b>\$ 1,740,637</b>	<b>\$ 80,212,039</b>	<b>\$ 2,657,866</b>	<b>\$ (557,370)</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, 2010**

**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	\$ (43,633,314)	\$ 524,474	\$ (43,108,840)	\$ (557,370)
General revenues:				
Property taxes	34,246,199	2,651,093	36,897,292	49,415
Accommodations tax	1,693,910	-	1,693,910	-
Grants and contributions not restricted to specific programs	543,188	-	543,188	-
Investment income - interest earned	408,141	430,898	839,039	1,111,673
Loss on sale of capital assets	32,709	-	32,709	-
Transfers	2,545,808	(2,545,808)	-	-
Total general revenues and transfers	39,469,955	536,183	40,006,138	1,161,088
Change in net assets	(4,163,359)	1,060,657	(3,102,702)	603,718
Net assets, beginning of year	70,808,192	19,962,355	90,770,547	218,187,334
Net assets, end of year	<u>\$ 66,644,833</u>	<u>\$ 21,023,012</u>	<u>\$ 87,667,845</u>	<u>\$ 218,791,052</u>

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

**COUNTY OF SAGINAW, MICHIGAN**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010**

	<u>General</u>	<u>Health Department</u>	<u>Michigan Works!</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Cash and investment pool	\$ 11,673,787	\$ 2,344,585	\$ 1,452,971	\$ 19,933,897	\$ 35,405,240
Receivables (net):					
Taxes	5,632,311	-	-	189,645	5,821,956
Accounts	117,728	651,457	10,385	2,391,380	3,170,950
Notes	-	-	-	2,709,829	2,709,829
Accrued interest	27,916	-	932	38,854	67,702
Due from other funds	640,863	-	65,701	827,237	1,533,801
Due from other governmental units	1,099,586	515,291	1,430,901	1,972,866	5,018,644
Advances to other funds	45,000	-	-	-	45,000
Advances to component units	400,000	-	-	-	400,000
Other assets	4,013	980	17,846	51,341	74,180
<b>Total assets</b>	<u>\$ 19,641,204</u>	<u>\$ 3,512,313</u>	<u>\$ 2,978,736</u>	<u>\$ 28,115,049</u>	<u>\$ 54,247,302</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 636,797	\$ 515,094	\$ 2,152,907	\$ 2,064,891	\$ 5,369,689
Accrued liabilities	603,879	138,397	27,788	753,547	1,523,611
Deposits payable	-	37,583	-	125,624	163,207
Due to other funds	92,385	31	48,022	899,817	1,040,255
Due to other governmental units	26	46,183	-	284,858	331,067
Advances from other governmental units	-	-	-	100,000	100,000
Deferred revenue	2,834,281	850,902	750,019	3,785,216	8,220,418
<b>Total liabilities</b>	<u>4,167,368</u>	<u>1,588,190</u>	<u>2,978,736</u>	<u>8,013,953</u>	<u>16,748,247</u>
<b>Fund balances</b>					
Reserved for:					
Long-term advances	445,000	-	-	-	445,000
Debt service	-	-	-	2,008,700	2,008,700
Capital projects	-	-	-	31,741	31,741
Restricted contributions	-	6,174	-	259,901	266,075
Unreserved - designated for:					
Subsequent years expenditures	4,471,509	253,695	-	1,934,677	6,659,881
Employee payroll reserve	10,557,327	-	-	1,330,755	11,888,082
Budget stabilization	-	-	-	717,090	717,090
General improvements-special revenue funds	-	-	-	1,512,968	1,512,968
Undesignated	-	1,664,254	-	-	1,664,254
Unreserved - undesignated, reported in:					
Nonmajor special revenue funds	-	-	-	12,305,264	12,305,264
<b>Total fund balances</b>	<u>15,473,836</u>	<u>1,924,123</u>	<u>-</u>	<u>20,101,096</u>	<u>37,499,055</u>
<b>Total liabilities and fund balances</b>	<u>\$ 19,641,204</u>	<u>\$ 3,512,313</u>	<u>\$ 2,978,736</u>	<u>\$ 28,115,049</u>	<u>\$ 54,247,302</u>

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

COUNTY OF SAGINAW, MICHIGAN

RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR  
GOVERNMENTAL FUNDS TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
ON THE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2010

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Fund balances - total governmental funds	\$ 37,499,055
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	48,058,689
Deduct - accumulated depreciation	(20,948,338)
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	2,999,849
Add - deferred revenue on notes receivable	2,507,701
Add - net pension asset	1,386,952
Add - long-term receivable for repayment of debt service	30,945,000
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.	6,634,376
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	(33,200,009)
Deduct - other postemployment benefit obligation	(7,019,364)
Deduct - accrued interest on bonds payable	(670,455)
Deduct - accrued compensated absences	<u>(1,548,623)</u>
Net assets of governmental activities	<u>\$ 66,644,833</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, 2010**

	<b>General</b>	<b>Health Department</b>	<b>Michigan Works!</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>					
Property taxes	\$ 23,642,464	\$ -	\$ -	\$ 10,614,484	\$ 34,256,948
Accommodations tax	-	-	-	1,693,910	1,693,910
Licenses and permits	278,807	332,618	-	20,205	631,630
Federal grants	380,858	6,975,337	16,543,412	5,864,446	29,764,053
State grants	6,789,694	1,881,302	812,228	4,617,470	14,100,694
Local grants and contributions	-	681,145	-	470,809	1,151,954
Charges for services	4,841,916	2,015,992	-	6,954,963	13,812,871
Fines and forfeitures	1,011,724	-	-	313,390	1,325,114
Investment income	135,499	-	1,756	190,138	327,393
Rental revenue	-	-	-	226,422	226,422
Donations	-	96,782	-	370,389	467,171
Reimbursements	3,157,665	1,644,230	1,770,895	3,202,443	9,775,233
Other revenue	140,861	474,997	11,238	133,615	760,711
<b>Total revenues</b>	<b>40,379,488</b>	<b>14,102,403</b>	<b>19,139,529</b>	<b>34,672,684</b>	<b>108,294,104</b>
<b>Expenditures</b>					
Current:					
Legislative	693,712	-	-	-	693,712
Judicial	12,111,858	-	-	4,649,505	16,761,363
General government	11,413,613	-	-	2,276,965	13,690,578
Public safety	8,648,360	-	-	13,204,893	21,853,253
Public works	267,807	-	-	635,310	903,117
Health and welfare	2,124,568	14,270,476	18,534,484	13,139,373	48,068,901
Community and economic development	244,765	-	-	2,459,229	2,703,994
Recreation and culture	-	-	-	2,003,060	2,003,060
Capital outlay	-	14,725	-	642,071	656,796
Debt service:					
Principal	-	-	-	1,080,000	1,080,000
Interest and fiscal charges	-	-	-	1,658,058	1,658,058
<b>Total expenditures</b>	<b>35,504,683</b>	<b>14,285,201</b>	<b>18,534,484</b>	<b>41,748,464</b>	<b>110,072,832</b>
Revenues over (under) expenditures	4,874,805	(182,798)	605,045	(7,075,780)	(1,778,728)
<b>Other financing sources (uses)</b>					
Transfers in	2,064,703	919,046	-	9,060,737	12,044,486
Transfers out	(8,246,952)	-	(605,045)	(387,870)	(9,239,867)
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(6,182,249)</b>	<b>919,046</b>	<b>(605,045)</b>	<b>8,672,867</b>	<b>2,804,619</b>
Net change in fund balances	(1,307,444)	736,248	-	1,597,087	1,025,891
Fund balance, beginning of year	16,781,280	1,187,875	-	18,504,009	36,473,164
Fund balance, end of year	\$ 15,473,836	\$ 1,924,123	\$ -	\$ 20,101,096	\$ 37,499,055

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, 2010**

Net change in fund balances - total governmental funds	\$ 1,025,891
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	608,131
Deduct - loss on disposal of capital assets	(21,187)
Deduct - depreciation expense	(1,396,342)
Revenues in the funds that represent repayment of taxes or loans receivable that do not affect the statement of activities	(960,111)
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	(93,762)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,080,001
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	15,716
Deduct - increase in net other postemployment benefit obligation	(3,794,877)
Deduct - increase in accrued compensated absences	(47,712)
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.	
Deduct - net operating loss from governmental activities in internal service funds	(433,928)
Add - investment income from governmental internal service funds	80,923
Add - gain on sale of capital assets in governmental internal service funds	32,709
Deduct - net transfers	(258,811)
Change in net assets of governmental activities	<u>\$ (4,163,359)</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, 2010**

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	\$ 23,726,989	\$ 23,726,989	\$ 23,642,464	\$ (84,525)
Licenses and permits	241,075	241,075	278,807	37,732
Federal grants	396,172	396,172	380,858	(15,314)
State grants	6,553,299	6,804,299	6,789,694	(14,605)
Charges for services	4,672,090	4,652,090	4,841,916	189,826
Fines and forfeitures	765,800	765,800	1,011,724	245,924
Investment income	202,000	202,000	135,499	(66,501)
Reimbursements	3,208,939	2,828,939	3,157,665	328,726
Other revenue	146,269	146,269	140,861	(5,408)
<b>Total revenues</b>	<b>39,912,633</b>	<b>39,763,633</b>	<b>40,379,488</b>	<b>615,855</b>
<b>Expenditures</b>				
Legislative - Board of Commissioners	715,474	715,474	693,712	21,762
Judicial:				
Circuit Court	3,382,763	3,383,263	3,657,857	(274,594)
District Court	3,690,494	3,691,494	3,657,499	33,995
Probate Court	854,761	853,761	797,570	56,191
Family Division	2,787,688	2,787,688	2,749,331	38,357
Probation - Circuit Court	94,002	94,002	85,063	8,939
Probation - District Court	1,077,377	1,077,377	1,034,146	43,231
Assigned Counsel	131,253	131,253	129,059	2,194
Jury Commission	1,500	1,500	1,333	167
<b>Total judicial</b>	<b>12,019,838</b>	<b>12,020,338</b>	<b>12,111,858</b>	<b>(91,520)</b>
General government:				
Elections	78,700	78,700	55,166	23,534
Auditing	113,900	113,900	113,295	605
Coporate Counsel	154,000	154,000	144,501	9,499
County Clerk	1,154,008	1,154,008	1,151,226	2,782
Controller	1,193,587	1,193,587	1,227,532	(33,945)
Equalization	449,322	453,409	452,312	1,097
Prosecuting Attorney	3,120,872	3,120,872	3,038,705	82,167
Prosecuting Attorney - Welfare	587,200	587,200	557,802	29,398
Register of Deeds	595,983	595,983	542,709	53,274
County Treasurer	758,061	758,061	704,127	53,934
Maintenance	3,036,682	3,036,682	2,927,254	109,428
Maintenance - Telephone	102,000	102,000	90,520	11,480
Public Works Commissioner	378,172	420,085	408,464	11,621
<b>Total general government</b>	<b>11,722,487</b>	<b>11,768,487</b>	<b>11,413,613</b>	<b>354,874</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, 2010**

**Concluded**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Expenditures - continued</b>				
Public Safety:				
Sheriff	\$ 752,283	\$ 752,283	\$ 745,704	\$ 6,579
Marine Law Enforcement	4,620	4,620	3,491	1,129
Sheriff - Jail Division	7,699,604	7,959,779	7,807,459	152,320
Corrections Reimbursement	89,160	92,695	91,706	989
Total public safety	<u>8,545,667</u>	<u>8,809,377</u>	<u>8,648,360</u>	<u>161,017</u>
Public Works - Drains	<u>277,000</u>	<u>277,000</u>	<u>267,807</u>	<u>9,193</u>
Health and Welfare:				
Medical Examiner	360,209	360,209	372,007	(11,798)
Veterans Burial	120,000	120,000	71,700	48,300
Contributions to Other Agencies	2,005,803	1,685,803	1,680,861	4,942
Total health and welfare	<u>2,486,012</u>	<u>2,166,012</u>	<u>2,124,568</u>	<u>41,444</u>
Community and Economic Development:				
Plat Board	600	600	-	600
Contributions to Other Agencies	248,300	244,765	244,765	-
Total community and economic development	<u>248,900</u>	<u>245,365</u>	<u>244,765</u>	<u>600</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>36,015,378</u>	<u>36,002,053</u>	<u>35,504,683</u>	<u>497,370</u>
Revenues over expenditures	<u>3,897,255</u>	<u>3,761,580</u>	<u>4,874,805</u>	<u>1,113,225</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,801,892	2,045,892	2,064,703	18,811
Transfers out	(7,988,341)	(8,328,778)	(8,246,952)	81,826
Total other financing sources (uses)	<u>(5,186,449)</u>	<u>(6,282,886)</u>	<u>(6,182,249)</u>	<u>100,637</u>
Net change in fund balances	(1,289,194)	(2,521,306)	(1,307,444)	1,213,862
Fund balance, beginning of year	16,781,280	16,781,280	16,781,280	-
Fund balance, end of year	<u>\$ 15,492,086</u>	<u>\$ 14,259,974</u>	<u>\$ 15,473,836</u>	<u>\$ 1,213,862</u>

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

**COUNTY OF SAGINAW, MICHIGAN**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - HEALTH DEPARTMENT SPECIAL REVENUE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Licenses and permits	\$ 313,225	\$ 313,225	\$ 332,618	\$ 19,393
Federal grants	851,000	851,000	6,975,337	6,124,337
State grants	5,982,464	6,892,089	1,881,302	(5,010,787)
Local grants and contributions	1,030,195	710,195	681,145	(29,050)
Charges for services	2,667,007	2,667,007	2,015,992	(651,015)
Donations	35,000	110,000	96,782	(13,218)
Reimbursements	1,549,247	1,549,247	1,644,230	94,983
Other revenue	466,479	466,479	474,997	8,518
Total revenues	<u>12,894,617</u>	<u>13,559,242</u>	<u>14,102,403</u>	<u>543,161</u>
<b>Expenditures</b>				
Health and welfare	13,894,776	14,824,401	14,270,476	553,925
Capital outlay	-	15,000	14,725	275
Total expenditures	<u>13,894,776</u>	<u>14,839,401</u>	<u>14,285,201</u>	<u>275</u>
Revenues under expenditures	(1,000,159)	(1,280,159)	(182,798)	543,436
<b>Other financing sources</b>				
Transfers in	1,000,159	1,280,159	919,046	(361,113)
Net change in fund balances	-	-	736,248	182,323
Fund balance, beginning of year	<u>1,187,875</u>	<u>1,187,875</u>	<u>1,187,875</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,187,875</u>	<u>\$ 1,187,875</u>	<u>\$ 1,924,123</u>	<u>\$ 182,323</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, 2010**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Federal grants	\$ 19,116,548	\$ 22,985,958	\$ 16,543,412	\$ (6,442,546)
State grants	1,188,183	1,129,399	812,228	(317,171)
Investment income	3,737	3,737	1,756	(1,981)
Donations	25,263	25,263	-	(25,263)
Reimbursements	1,832,517	1,959,517	1,770,895	(188,622)
Other revenue	30,000	30,000	11,238	(18,762)
<b>Total revenues</b>	<u>22,196,248</u>	<u>26,133,874</u>	<u>19,139,529</u>	<u>(6,994,345)</u>
<b>Expenditures</b>				
Health and welfare	21,596,168	25,490,064	18,534,484	6,955,580
<b>Revenues over expenditures</b>	600,080	643,810	605,045	(38,765)
<b>Other financing uses</b>				
Transfers out	(600,080)	(643,810)	(605,045)	38,765
<b>Net change in fund balances</b>	-	-	-	-
<b>Fund balance, beginning of year</b>	-	-	-	-
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**COUNTY OF SAGINAW, MICHIGAN**

**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS  
SEPTEMBER 30, 2010**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities</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	\$ 7,428,047	\$ 1,485,921	\$ 1,571,480	\$ 10,485,448	\$ 8,499,112
Receivables (net):					
Taxes	15,764,552	51,519	-	15,816,071	-
Accounts	791,347	45,274	36,266	872,887	335,826
Accrued interest	8,251	2,037	2,039	12,327	16,935
Due from other funds	123,356	133,951	1,857	259,164	12,395
Due from other governmental units	148,030	-	-	148,030	-
Unamortized bond issuance costs	-	23,073	-	23,073	-
Inventory	-	47,930	-	47,930	-
Other assets	-	8,901	5,799	14,700	20,199
<b>Total current assets</b>	<b>24,263,583</b>	<b>1,798,606</b>	<b>1,617,441</b>	<b>27,679,630</b>	<b>8,884,467</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	-	978,820	86,241	1,065,061	1,957,001
Office furniture and fixtures	-	61,201	-	61,201	84,750
Vehicles	-	29,518	85,989	115,507	1,101,392
Planning and development	-	-	8,632,919	8,632,919	-
Construction in progress	-	-	796	796	-
Accumulated depreciation	-	(2,525,172)	(7,553,138)	(10,078,310)	(2,795,403)
<b>Total noncurrent assets - capital assets</b>	<b>-</b>	<b>12,563,216</b>	<b>3,466,264</b>	<b>16,029,480</b>	<b>347,740</b>
<b>Total assets</b>	<b>24,263,583</b>	<b>14,361,822</b>	<b>5,083,705</b>	<b>43,709,110</b>	<b>9,232,207</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	(12,257)	252,494	33,473	273,710	414,953
Accrued liabilities	116,938	80,683	5,547	203,168	2,050,916
Deposits payable	-	518,990	2,496	521,486	-
Due to other funds	1,857	6,917	728,366	737,140	27,965
Unearned revenue	-	31,866	3,900	35,766	-
Unamortized bond premium	-	4,548	-	4,548	-
Notes payable - current	8,000,000	-	-	8,000,000	-
Bonds payable - current	-	1,795,000	-	1,795,000	-
<b>Total current liabilities</b>	<b>8,106,538</b>	<b>2,690,498</b>	<b>773,782</b>	<b>11,570,818</b>	<b>2,493,834</b>
Noncurrent liabilities:					
Advances from other funds	-	-	20,000	20,000	25,000
Accrued liabilities	-	-	7,774	7,774	53,252
Notes payable	11,054,000	-	-	11,054,000	-
Bonds payable	-	-	-	-	-
Other noncurrent liability - net other postemployment benefit liability	-	-	59,251	59,251	-
<b>Total noncurrent liabilities</b>	<b>11,054,000</b>	<b>-</b>	<b>87,025</b>	<b>11,141,025</b>	<b>78,252</b>
<b>Total liabilities</b>	<b>19,160,538</b>	<b>2,690,498</b>	<b>860,807</b>	<b>22,711,843</b>	<b>2,572,086</b>
<b>Net assets</b>					
Invested in capital assets, net of related debt	-	10,768,216	3,466,264	14,234,480	347,740
Unrestricted	5,103,045	903,108	756,634	6,762,787	6,312,381
<b>Total net assets</b>	<b>\$ 5,103,045</b>	<b>\$ 11,671,324</b>	<b>\$ 4,222,898</b>	<b>20,997,267</b>	<b>\$ 6,660,121</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				25,745	
<b>Net assets of business-type activities</b>				<b>\$ 21,023,012</b>	

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, 2010**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities</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	\$ 649,560	\$ 2,309,822	\$ 1,757,587	\$ 4,716,969	\$ 245,585
Interest income	1,477,166	-	-	1,477,166	-
Fines and forfeitures	-	-	34,225	34,225	-
Rental revenue	-	-	104,456	104,456	103,503
Reimbursements	-	-	6,571	6,571	16,718,552
Other revenue	230,667	182,818	71,198	484,683	803,411
Total operating revenues	<u>2,357,393</u>	<u>2,492,640</u>	<u>1,974,037</u>	<u>6,824,070</u>	<u>17,871,051</u>
<b>Operating expenses</b>					
Personal services	-	1,330,190	54,969	1,385,159	1,052,251
Fringe benefits	-	571,832	46,580	618,412	14,996,487
Supplies	-	313,084	402,113	715,197	210,193
Services and charges	310,274	977,742	784,636	2,072,652	1,886,511
Other	-	182,677	-	182,677	-
Amortization	-	13,836	-	13,836	-
Depreciation	-	382,598	438,199	820,797	163,226
Total operating expenses	<u>310,274</u>	<u>3,771,959</u>	<u>1,726,497</u>	<u>5,808,730</u>	<u>18,308,668</u>
Operating income (loss)	<u>2,047,119</u>	<u>(1,279,319)</u>	<u>247,540</u>	<u>1,015,340</u>	<u>(437,617)</u>
<b>Nonoperating revenues (expenses)</b>					
Property taxes	-	2,651,093	-	2,651,093	-
Federal grants	-	-	1,534	1,534	-
State grants	-	-	40	40	-
Investment income	62,203	11,021	357,674	430,898	80,923
Interest expense and fiscal charges	(376,426)	(112,325)	-	(488,751)	-
Gain on sale of capital assets	-	-	-	-	32,709
Total nonoperating revenues (expenses)	<u>(314,223)</u>	<u>2,549,789</u>	<u>359,248</u>	<u>2,594,814</u>	<u>113,632</u>
Income (loss) before transfers	<u>1,732,896</u>	<u>1,270,470</u>	<u>606,788</u>	<u>3,610,154</u>	<u>(323,985)</u>
<b>Transfers</b>					
Transfers in	-	-	7,100	7,100	-
Transfers out	(1,550,000)	(5,500)	(997,408)	(2,552,908)	(258,811)
Net transfers	<u>(1,550,000)</u>	<u>(5,500)</u>	<u>(990,308)</u>	<u>(2,545,808)</u>	<u>(258,811)</u>
Change in net assets	182,896	1,264,970	(383,520)	1,064,346	(582,796)
Net assets, beginning of year	4,920,149	10,406,354	4,606,418		7,242,917
Net assets, end of year	<u>\$ 5,103,045</u>	<u>\$ 11,671,324</u>	<u>\$ 4,222,898</u>		<u>\$ 6,660,121</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(3,689)	
Change in net assets of business-type activities				<u>\$ 1,060,657</u>	

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, 2010**

Continued

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Building Authority Event Center	Other Enterprise Funds	Total	Internal Service Funds
<b>Cash flows from operating activities:</b>					
Receipts from customers	\$ 627,651	\$ 2,331,273	\$ 1,885,819	\$ 4,844,743	\$ -
Receipts from interfund services provided	-	-	9,698	9,698	17,062,654
Payments for interfund services provided	(107,416)	(2,801)	132,314	22,097	-
Payments to employees	-	(1,902,022)	(68,268)	(1,970,290)	(1,239,826)
Payments to suppliers	(340,152)	(1,279,374)	(1,284,242)	(2,903,768)	(17,594,067)
Other operating revenue	230,667	182,818	105,423	518,908	803,411
Net cash provided by (used in) operating activities	410,750	(670,106)	780,744	521,388	(967,828)
<b>Cash flows from noncapital financing activities:</b>					
Property tax collections	-	2,651,093	-	2,651,093	-
Transfers in	-	-	7,100	7,100	-
Transfers out	(1,550,000)	(5,500)	(997,408)	(2,552,908)	(258,811)
Proceeds from issuing long-term debt	15,500,000	-	-	15,500,000	-
Principal paid on long-term debt	(12,889,000)	-	-	(12,889,000)	-
Interest paid on long-term debt	(376,426)	-	-	(376,426)	-
Net cash provided by (used in) noncapital financing activities	684,574	2,645,593	(990,308)	2,339,859	(258,811)
<b>Cash flows from capital and related financing activities:</b>					
Principal paid on capital debt	-	(1,725,000)	-	(1,725,000)	-
Interest paid on capital debt	-	(112,325)	-	(112,325)	-
Proceeds from sale of capital assets	-	-	1,574	1,574	39,184
Payments for capital asset acquisition	-	(29,553)	(1,616)	(31,169)	(110,248)
Net cash used in capital and related financing activities	-	(1,866,878)	(42)	(1,866,920)	(71,064)
<b>Cash flows from investing activities:</b>					
Investment income	62,203	11,021	357,674	430,898	80,923
Net increase (decrease) in cash and cash equivalents	1,157,527	119,630	148,068	1,425,225	(1,216,780)
Cash and cash equivalents, beginning of year	6,270,520	1,366,291	1,423,412	9,060,223	9,715,892
Cash and cash equivalents, end of year	\$ 7,428,047	\$ 1,485,921	\$ 1,571,480	\$ 10,485,448	\$ 8,499,112

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, 2010**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Concluded</b>
	<b>Delinquent Tax Revolving</b>	<b>Building Authority Event Center</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Governmental Activities Internal Service Funds</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 2,047,119	\$ (1,279,319)	247,540	\$ 1,015,340	\$ (437,617)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	382,598	438,199	820,797	163,226
Changes in assets and liabilities:					
Accounts receivable	(1,357,843)	11,466	17,294	(1,329,083)	(44,137)
Due from other funds	(109,273)	(9,134)	(1,857)	(120,264)	73,283
Due from other governmental units	(141,232)	-	-	(141,232)	-
Unamortized bond issuance costs	-	17,268	-	17,268	-
Inventory	-	25,659	-	25,659	-
Other assets	-	(240)	112	(128)	32,226
Accounts payable	(48,003)	40,140	(84,483)	(92,346)	(21,864)
Accrued liabilities	18,125	(86,236)	362	(67,749)	(698,813)
Deposits payable	-	214,806	(13,122)	201,684	-
Due to other funds	1,857	6,333	143,869	152,059	(34,132)
Due to other governmental units	-	-	-	-	-
Unearned revenue	-	9,985	(89)	9,896	-
Unamortized bond premium	-	(3,432)	-	(3,432)	-
Net OPEB obligation	-	-	32,919	32,919	-
Net cash provided by (used in) operating activities	<u>\$ 410,750</u>	<u>\$ (670,106)</u>	<u>\$ 780,744</u>	<u>\$ 521,388</u>	<u>\$ (967,828)</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, 2010**

	<b>Post- Employment Health Benefits Trust Fund</b>	<b>Agency Funds</b>
<b>Assets</b>		
Cash and investment pool	\$ 117,391	\$ 11,322,241
Investments, at fair value - mutual funds	12,368,826	-
Receivables (net):		
Taxes	-	16,188
Accounts	153,521	4,395,405
Accrued interest	571	1,018
Due from other governmental units	-	74,341
Total assets	12,640,309	\$ 15,809,193
<b>Liabilities</b>		
Accounts payable	-	\$ 7,767,242
Accrued liabilities	462,400	-
Deposits payable	-	7,742,795
Due to other governmental units	-	299,156
Total liabilities	462,400	\$ 15,809,193
<b>Net Assets</b>		
Held in trust for postemployment health benefits	\$ 12,177,909	

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, 2010**

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<b>Additions</b>	
Contributions:	
Employer	\$ 4,282,700
Retirees	<u>213,033</u>
Total contributions	<u>4,495,733</u>
Investment earnings:	
Net appreciation in fair value of investments	982,467
Interest and dividends	<u>274,194</u>
Net investment earnings	<u>1,256,661</u>
Total additions	<u>5,752,394</u>
<b>Deductions</b>	
Participant benefits	4,512,483
Administrative expenses	<u>231,025</u>
Total deductions	<u>4,743,508</u>
Change in net assets	1,008,886
Net assets, beginning of year	<u>11,169,023</u>
Net assets, end of year	<u><u>\$ 12,177,909</u></u>

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

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING STATEMENT OF NET ASSETS - COMPONENT UNITS  
SEPTEMBER 30, 2010**

	<b>Road Commission 12/31/2009</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>Saginaw County Community Mental Health Authority</b>	<b>Total</b>
<b>Assets</b>								
Cash and investment pool	\$ 66,490	\$ 1,096,713	\$ 125,721	\$ 5,076,228	\$ 271,777	\$ 1,277,093	\$ 2,270,818	\$ 10,184,840
Investments	5,926,369	-	-	-	-	-	8,981,091	14,907,460
Receivables (net)	2,929,341	396,584	14,736,332	7,877,790	478	658,379	1,473,703	28,072,607
Inventory	432,797	-	-	-	-	1,016,801	39,747	1,489,345
Other assets	534,314	-	-	333	-	-	203,726	738,373
Capital assets, net:								
Assets not being depreciated	37,626,037	-	-	101,638	-	-	795,842	38,523,517
Assets being depreciated	116,820,203	-	-	39,642,409	-	-	2,505,831	158,968,443
<b>Total assets</b>	<b>164,335,551</b>	<b>1,493,297</b>	<b>14,862,053</b>	<b>52,698,398</b>	<b>272,255</b>	<b>2,952,273</b>	<b>16,270,758</b>	<b>252,884,585</b>
<b>Liabilities</b>								
Accounts payable and accrued liabilities	807,962	45,815	266,306	569,961	216	70,876	6,993,870	8,755,006
Advances from primary government	-	-	-	-	-	-	-	-
Unearned revenue	3,196	220,000	-	59,166	-	-	569,532	851,894
Long-term liabilities:								
Due within one year	-	49,607	1,052,000	499,334	-	-	349,586	1,950,527
Due in more than one year	1,001,200	333,846	13,418,000	6,396,068	-	-	1,386,992	22,536,106
<b>Total liabilities</b>	<b>1,812,358</b>	<b>649,268</b>	<b>14,736,306</b>	<b>7,524,529</b>	<b>216</b>	<b>70,876</b>	<b>9,299,980</b>	<b>34,093,533</b>
<b>Net assets</b>								
Invested in capital assets, net of related debt	154,446,240	-	-	32,848,645	-	-	1,965,534	189,260,419
Restricted for:								
Debt service	-	-	64,699	468,060	-	-	-	532,759
Acquisition/construction of capital assets	8,076,953	-	61,048	4,139,325	-	-	-	12,277,326
Postemployment health benefit	-	-	-	-	-	-	4,793,951	4,793,951
Restricted contributions	-	-	-	-	-	-	-	-
Unrestricted	-	844,029	-	7,717,839	272,039	2,881,397	211,293	11,926,597
<b>Total net assets</b>	<b>\$ 162,523,193</b>	<b>\$ 844,029</b>	<b>\$ 125,747</b>	<b>\$ 45,173,869</b>	<b>\$ 272,039</b>	<b>\$ 2,881,397</b>	<b>\$ 6,970,778</b>	<b>\$ 218,791,052</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, 2010**

**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	\$ 21,361,497	\$ 101,496	\$ 22,997,172	\$ -	\$ 1,737,171
<b>Brownfield Redevelopment Authority</b>					
Governmental Activities:					
Community and economic development	415,977	-	38,841 189,860	-	(226,117)
<b>Department of Public Works</b>					
Governmental Activities:					
Public works	169,998	82,688	85,520	722,782	720,992
Interest on long-term debt	682,435	-	-	-	(682,435)
Total Department of Public Works	852,433	82,688	85,520	722,782	38,557
<b>Drain Commission</b>					
Governmental Activities:					
Public works	1,750,379	53,579	-	1,681,295	(15,505)
Interest on long-term debt	224,514	-	-	-	(224,514)
Total Drain Commission	1,974,893	53,579	-	1,681,295	(240,019)
<b>Economic Development Corporation</b>					
Business-type Activities:					
Community and economic development	34,211	1,000	-	-	(33,211)
<b>Land Bank Authority</b>					
Business-type Activities:					
Community and economic development	(133,329)	1,200	714,653	-	849,182
<b>Saginaw County Community Mental Health Authority</b>					
Business-type Activities:					
Community services	60,662,230	1,500,674	56,224,834	253,789	(2,682,933)
Total component units	<u>\$ 85,167,912</u>	<u>\$ 1,740,637</u>	<u>\$ 80,212,039</u>	<u>\$ 2,657,866</u>	<u>\$ (557,370)</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, 2010**

**Concluded**

	<u>Road Commission 12/31/2008</u>	<u>Brownfield Redevelopment Authority</u>	<u>Department of Public Works</u>	<u>Drain Commission</u>	<u>Economic Development Corporation</u>	<u>Land Bank Authority</u>	<u>Saginaw County Community Mental Health Authority</u>	<u>Total</u>
<b>Change in net assets</b>								
Net (expense) revenue	\$ 1,737,171	\$ (226,117)	\$ 38,557	\$ (240,019)	\$ (33,211)	\$ 849,182	\$ (2,682,933)	\$ (557,370)
General revenues:								
Property taxes	-	49,415	-	-	-	-	-	49,415
Investment income - interest earned	103,135	12,365	534	44,672	2,232	14,199	934,536	1,111,673
Total general revenues	103,135	61,780	534	44,672	2,232	14,199	934,536	1,161,088
Change in net assets	1,840,306	(164,337)	39,091	(195,347)	(30,979)	863,381	(1,748,397)	603,718
Net assets, beginning of year	160,682,887	1,008,366	86,656	45,369,216	303,018	2,018,016	8,719,175	218,187,334
Net assets, end of year	<u>\$ 162,523,193</u>	<u>\$ 844,029</u>	<u>\$ 125,747</u>	<u>\$ 45,173,869</u>	<u>\$ 272,039</u>	<u>\$ 2,881,397</u>	<u>\$ 6,970,778</u>	<u>\$ 218,791,052</u>

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### I. Summary of significant accounting policies

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

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

#### A. Reporting entity

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

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

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

**Saginaw County Road Commission (the “Road Commission”)** – The 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 have investments through the County. The County does not have appropriation authority or budgetary control over the activities of the Road Commission; however, the nature and significance of the relationship between the primary government and the Road Commission is such that exclusion would cause the reporting entity’s financial statements to be misleading. Due to the difference in the fiscal year-end of the Road Commission, the December 31, 2009 amounts have been included in the County audit.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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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 and

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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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.

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

### **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 financially accountable.

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

### C. Measurement focus, basis of accounting and financial statement presentation

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

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

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

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.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

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

The government reports the following major proprietary funds:

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

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

Additionally, the County reports the following fund types:

*Special revenue funds.* These funds account for revenue sources that are legally restricted to expenditures for specific purposes not including trust or major capital projects.

*Debt service funds.* These funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

*Capital projects funds.* These funds account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

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

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

The *postemployment health benefits trust fund* is used to account for the government's postemployment 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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the delinquent tax revolving 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.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### **3. Receivables**

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

### **4. Due to/from other funds**

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

### **5. Advances**

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

### **6. Inventories**

Inventory 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.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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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

### **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 appropriate for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

### **10. Interfund transactions**

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

### **11. Compensated absences**

#### *Union employees*

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

### **12. Subsequent events**

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to September 30, 2010, the most recent balance sheet presented herein, through March 23, 2011, the date these financial statements were available to be issued. No significant such events or transactions were identified.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### II. Stewardship, compliance and accountability

#### A. Budgets and budgetary accounting

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

- Annual budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Annual Informational Budget Summaries are prepared for Enterprise Funds and Internal Service Funds.
- The County Controller is authorized to transfer budgeted amounts from one category to another within an activity and between activities within the same fund in an amount up to \$50,000 for non-equipment expenditures and up to \$25,000 for equipment expenditures. Revisions that alter the total expenditures of any fund or total activity within the General Fund must be approved by the Board of Commissioners. The activity level in the General Fund and the Special Revenue 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, 2010, established that the 2010 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.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2010.

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>General fund</b>			
Judicial -			
Circuit Court	\$ 3,383,263	\$ 3,657,857	\$ (274,594)
General government -			
Controller	1,193,587	1,227,532	(33,945)
Health and Welfare -			
Medical Examiner	360,209	372,007	(11,798)

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

### III. Detailed notes on all funds

#### A. Cash and investment pool

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

Statutes authorize the County to invest in the following:

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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- 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.

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

	<b><u>Carrying Amount</u></b>
Government-wide Financial Statement Captions:	
Primary Government:	
Cash and investment pool	\$ 54,389,800
Component Units:	
Cash and investment pool	25,092,300
Fiduciary Fund Financial Statement Captions:	
Cash and investment pool	11,439,632
Investments	<u>12,368,826</u>
<b>Total</b>	<b><u>\$103,290,558</u></b>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

Deposits and Investments:

Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 55,881,037
Investments – primary government	35,586,013
Investments – component units	8,981,091
Cash – component units	2,917,461
Cash on hand	144,679
Adjustment for funds with other fiscal year ends	<u>(219,723)</u>

**Total** **\$ 103,290,558**

	Carrying Amount (Fair Value)	Maturity Less than 1 Year	Maturity 1-5 Years	Credit Rating
Investments - primary government				
MBIA Governmental Investment Pool	\$ 1,322,927	\$ -	\$ -	n/a
Mutual Funds	12,368,826	-	-	n/a
Money Markets	1,083,291	-	-	n/a
U.S. Treasury Notes	1,000,000	1,000,000	-	n/a
U.S. Agencies	<u>19,810,969</u>	<u>2,008,988</u>	<u>17,801,981</u>	AAA
<b>Total</b>	<b><u>\$ 35,586,013</u></b>	<b><u>\$ 3,008,988</u></b>	<b><u>\$ 17,801,981</u></b>	

### Investment and deposit risk

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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*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 \$60,398,617 of the County's bank balance of \$64,011,634 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

*Concentration of Credit Risk.* State law limits allowable investments but does not limit concentration of credit risk as identified above. The County's investment policy does not limit concentration of credit risk. 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.

**COUNTY OF SAGINAW**  
**NOTES TO FINANCIAL STATEMENTS**

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**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>
Property taxes	\$ 5,821,956	\$ 15,816,071	\$ -
Special assessments	-	-	7,753,885
Accounts receivable	34,451,776	872,887	1,991,299
Notes			
Due within one year	1,745,328	-	-
Due after one year	1,287,291	-	320,000
Interest	84,637	12,327	31,693
Due from other governments	5,018,645	148,030	17,975,730
Advances to component unit	400,000	-	-
Less: allowance for uncollectible accounts	<u>(322,791)</u>	<u>-</u>	<u>-</u>
<b>Total receivables</b>	<b><u>\$ 48,486,842</u></b>	<b><u>\$ 16,849,315</u></b>	<b><u>\$ 28,072,607</u></b>

Of the amounts recorded as receivables, approximately \$36,554,338, \$5,259,483 and \$21,989,699 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)	\$ 2,831,800	\$ -
Property taxes receivable (Nonmajor governmental fund types)	168,049	-
Notes receivable (Nonmajor Governmental fund types)	2,507,701	-
Grant drawdowns prior to meeting all eligibility requirements (General Fund)	-	2,481
Grant drawdowns prior to meeting all eligibility requirements (Health Department Fund)	-	850,904
Grant drawdowns prior to meeting all eligibility requirements (Michigan Works! Fund)	-	750,019
Grant drawdowns prior to meeting all eligibility requirements (Nonmajor Governmental fund types)	-	1,109,464
	<u>-</u>	<u>1,109,464</u>
<b>Total deferred revenue and unearned revenue</b>	<b><u>\$ 5,507,550</u></b>	<b><u>\$ 2,712,868</u></b>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### C. Capital assets

Capital assets activity for the year ended September 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Governmental activities</b>					
Capital assets not being depreciated					
Land	\$ 3,550,857	\$ -	\$ -	\$ -	\$ 3,550,857
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	<u>3,550,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,550,857</u>
Capital assets being depreciated					
Land improvements	8,548,859	7,500	-	-	8,556,359
Buildings	29,680,002	-	-	-	29,680,002
Equipment	6,195,212	366,737	-	(140,682)	6,421,267
Office furniture & fixtures	216,250	11,495	-	-	227,745
Vehicles	2,986,446	332,647	-	(553,491)	2,765,602
Total capital assets being depreciated	<u>47,626,769</u>	<u>718,379</u>	<u>-</u>	<u>(694,173)</u>	<u>47,650,975</u>
Less accumulated depreciation					
Land improvements	(2,029,342)	(218,455)	-	-	(2,247,797)
Buildings	(14,273,709)	(607,915)	-	-	(14,881,624)
Equipment	(3,918,028)	(441,296)	-	85,954	(4,273,370)
Office furniture & fixtures	(156,885)	(26,446)	-	27,065	(156,266)
Vehicles	(2,472,721)	(265,454)	-	553,491	(2,184,684)
Total accumulated depreciation	<u>(22,850,685)</u>	<u>(1,559,566)</u>	<u>-</u>	<u>666,510</u>	<u>(23,743,741)</u>
Total capital assets being depreciated, net	<u>24,776,084</u>	<u>(841,187)</u>	<u>-</u>	<u>(27,663)</u>	<u>23,907,234</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 28,326,941</u></b>	<b><u>\$ (841,187)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (27,663)</u></b>	<b><u>\$ 27,458,091</u></b>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</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	56,826	1,616	(57,646)	-	796
Total capital assets not being depreciated	<u>1,227,835</u>	<u>1,616</u>	<u>(57,646)</u>	<u>-</u>	<u>1,171,805</u>
Capital assets being depreciated					
Land improvements	40,558	-	-	-	40,558
Buildings	15,020,739	-	-	-	15,020,739
Office furniture & fixtures	61,201	-	-	-	61,201
Planning and development	8,575,273	-	57,646	-	8,632,919
Equipment	1,035,508	29,553	-	-	1,065,061
Vehicles	115,507	-	-	-	115,507
Total capital assets being depreciated	<u>24,848,786</u>	<u>29,553</u>	<u>57,646</u>	<u>-</u>	<u>24,935,985</u>
Less accumulated depreciation					
Land improvements	(40,558)	-	-	-	(40,558)
Buildings	(2,727,779)	(364,472)	-	-	(3,092,251)
Office furniture & fixtures	(17,153)	(3,320)	-	-	(20,473)
Planning and development	(5,983,998)	(387,309)	-	-	(6,371,307)
Equipment	(378,351)	(62,888)	-	-	(441,239)
Vehicles	(109,672)	(2,810)	-	-	(112,482)
Total accumulated depreciation	<u>(9,257,511)</u>	<u>(820,799)</u>	<u>-</u>	<u>-</u>	<u>(10,078,310)</u>
Total capital assets being depreciated, net	<u>15,591,275</u>	<u>(791,246)</u>	<u>57,646</u>	<u>-</u>	<u>14,857,675</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 16,819,110</u></b>	<b><u>\$ (789,630)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 16,029,480</u></b>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

**Governmental activities:**

Judicial	\$ 78,548
General government	417,383
Public safety	380,547
Public works	73,709
Health and welfare	294,419
Recreation and culture	151,736
Capital assets held by the government's internal service funds are charged to the various functions based on the usage of the assets	<u>163,224</u>

**Total depreciation expense - governmental activities**    **\$ 1,559,566**

**Business-type activities:**

Building Authority Event Center	\$ 382,598
Harry W. Browne Airport	437,062
Inmate services	<u>1,139</u>

**Total depreciation expense - business-type activities**    **\$ 820,799**

**COUNTY OF SAGINAW**  
**NOTES TO FINANCIAL STATEMENTS**

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**Discretely presented component units**

Activity for the Drain Commission for the year ended September 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers / Disposals</u>	<u>Ending Balance</u>
<b>Drain Commission</b>				
Capital assets not being depreciated				
Construction in progress	\$ 58,492	\$ 1,004,236	\$ (961,090)	\$ 101,638
Capital assets being depreciated				
Infrastructure	60,949,166	-	961,090	61,910,256
Equipment	47,699	-	-	47,699
Total capital assets being depreciated	<u>60,996,865</u>	<u>-</u>	<u>961,090</u>	<u>61,957,955</u>
Less accumulated depreciation				
Infrastructure	(21,067,687)	(1,220,585)	-	(22,288,272)
Equipment	(22,840)	(4,434)	-	(27,274)
Total accumulated depreciation	<u>(21,090,527)</u>	<u>(1,225,019)</u>	<u>-</u>	<u>(22,315,546)</u>
Total capital assets being depreciated, net	<u>39,906,338</u>	<u>(1,225,019)</u>	<u>961,090</u>	<u>39,642,409</u>
<b>Component unit activities capital assets, net</b>	<b><u>\$ 39,964,830</u></b>	<b><u>\$ (220,783)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 39,744,047</u></b>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

Activity for the Road Commission for the year ended December 31, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Road Commission</b>				
Capital assets not being depreciated				
Land	\$ 618,385	\$ -	\$ -	\$ 618,385
Land improvements	35,030,264	1,977,388	-	37,007,652
Total capital assets not being depreciated	<u>35,648,649</u>	<u>1,977,388</u>	<u>-</u>	<u>37,626,037</u>
Capital assets being depreciated				
Land improvements	414,745	13,027	-	427,772
Depletable assets	62,750	-	(20,742)	42,008
Buildings	2,180,515	21,234	-	2,201,749
Office furniture & fixtures	922,035	1,353,308	(715,175)	1,560,168
Infrastructure	219,900,539	8,423,688	-	228,324,227
Equipment	12,752,095	86,596	(61,647)	12,777,044
Total capital assets being depreciated	<u>236,232,679</u>	<u>9,897,853</u>	<u>(797,564)</u>	<u>245,332,968</u>
Less accumulated depreciation				
Land improvements	(387,857)	(6,232)	-	(394,089)
Depletable assets	(12,393)	-	8,480	(3,913)
Buildings	(1,662,285)	(48,495)	-	(1,710,780)
Office furniture & fixtures	(485,892)	(101,247)	39,288	(547,851)
Infrastructure	(107,270,788)	(7,908,945)	706,543	(114,473,190)
Equipment	(10,383,422)	(999,520)	-	(11,382,942)
Total accumulated depreciation	<u>(120,202,637)</u>	<u>(9,064,439)</u>	<u>754,311</u>	<u>(128,512,765)</u>
Total capital assets being depreciated, net	<u>116,030,042</u>	<u>833,414</u>	<u>(43,253)</u>	<u>116,820,203</u>
<b>Road Commission capital assets, net</b>	<b><u>\$ 151,678,691</u></b>	<b><u>\$ 2,810,802</u></b>	<b><u>\$ (43,253)</u></b>	<b><u>\$ 154,446,240</u></b>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

Activity for the Community Mental Health Authority for the year ended September 30, 2010, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Community Mental Health Authority</b>				
Capital assets not being depreciated				
Land	\$ 773,493	-	\$ -	\$ 773,493
Construction in progress	-	22,349	-	22,349
<b>Total capital assets not being depreciated</b>	<b>773,493</b>	<b>22,349</b>	<b>-</b>	<b>795,842</b>
Capital assets being depreciated				
Building and Improvements	9,938,250	-	-	9,938,250
Furniture and Fixtures	930,001	14,116	-	944,117
Vehicles	822,096	-	-	822,096
Equipment	1,046,268	28,225	(6,310)	1,068,183
<b>Total capital assets being depreciated</b>	<b>12,736,615</b>	<b>42,341</b>	<b>(6,310)</b>	<b>12,772,646</b>
Less accumulated depreciation				
Building and Improvements	7,992,320	182,802	-	8,175,122
Furniture and Fixtures	560,890	59,869	-	620,759
Vehicles	535,329	90,079	-	625,408
Equipment	748,543	99,612	(2,629)	845,526
<b>Total accumulated depreciation</b>	<b>9,837,082</b>	<b>432,362</b>	<b>(2,629)</b>	<b>10,266,815</b>
<b>Total capital assets being depreciated, net</b>	<b>2,899,533</b>	<b>(390,021)</b>	<b>(3,681)</b>	<b>2,505,831</b>
<b>Community Mental Health Authority</b>				
<b>capital assets, net</b>	<b>\$ 3,673,026</b>	<b>\$ (367,672)</b>	<b>\$ (3,681)</b>	<b>\$ 3,301,673</b>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### D. Payables

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Component Units</b>
Accounts payable	\$ 5,784,642	\$ 273,711	\$ 5,613,493
Accrued liabilities	2,233,009	579,176	1,599,377
Interest	-	145,477	234,699
Due to other governments	494,274	-	907,437
Advance from primary government	-	-	400,000
<b>Total payables</b>	<b>\$ 8,511,925</b>	<b>\$ 998,364</b>	<b>\$ 8,755,006</b>

### E. Interfund receivables, payables and transfers

#### Advances to/from other funds:

	<b>Advance From</b>	<b>Advance To</b>
General	\$ 45,000	\$ -
Nonmajor enterprise funds	-	20,000
Internal service funds	-	25,000
<b>Total</b>	<b>\$ 45,000</b>	<b>\$ 45,000</b>

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!	Nonmajor governmental funds	Delinquent tax revolving fund	Building Authority - Event Center	Nonmajor enterprise funds	Internal service funds	
General fund	\$ -	\$ -	\$ -	\$ 613,374	\$ -	\$ -	\$ 723	\$ 26,766	\$ 640,863
Health department	-	-	-		-	-	-	-	-
Michigan Works!	-	-	-	65,701	-	-	-	-	65,701
Nonmajor governmental funds	7,507	31	48,022	50,071	-	-	721,574	32	827,237
Delinquent tax revolving fund	78,016	-	-	32,354	-	6,917	6,069	-	123,356
Building Authority - Event Center	-	-	-	133,951	-	-	-	-	133,951
Nonmajor enterprise funds	-	-	-	-	1,857	-	-	-	1,857
Internal service funds	6,862	-	-	4,366	-	-	-	1,167	12,395
<b>Total</b>	<u>\$ 92,385</u>	<u>\$ 31</u>	<u>\$ 48,022</u>	<u>\$ 899,817</u>	<u>\$ 1,857</u>	<u>\$ 6,917</u>	<u>\$ 728,366</u>	<u>\$ 27,965</u>	<u>\$ 1,805,360</u>

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

<b>Transfer To</b>	<b>Transfer From</b>							<b>Total</b>
	<b>General fund</b>	<b>Michigan Works!</b>	<b>Nonmajor governmental funds</b>	<b>Delinquent tax revolving fund</b>	<b>Building Authority - Event Center</b>	<b>Nonmajor enterprise funds</b>	<b>Internal service funds</b>	
General fund	\$ -	\$ -	\$ 30,000	\$ 1,550,000	\$ -	\$ 275,892	\$ 208,811	\$ 2,064,703
Health department	919,046	-	-	-	-	-	-	919,046
Nonmajor governmental funds	7,327,906	605,045	356,270	-	-	721,516	50,000	9,060,737
Nonmajor enterprise funds	-	-	1,600	-	5,500	-	-	7,100
Internal service funds	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 8,246,952</b>	<b>\$ 605,045</b>	<b>\$ 387,870</b>	<b>\$ 1,550,000</b>	<b>\$ 5,500</b>	<b>\$ 997,408</b>	<b>\$ 258,811</b>	<b>\$ 12,051,586</b>

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.

# 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, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
<b>Primary Government</b>					
Governmental activities:					
General obligation bonds	\$ 34,280,010	\$ -	\$ (1,080,001)	\$ 33,200,009	\$ 920,000
Long-term advances	111,000	-	(11,000)	100,000	-
Internal service fund - claims	2,721,935	7,746,876	(8,456,478)	2,012,333	2,012,333
Compensated absences	<u>1,549,660</u>	<u>2,647,811</u>	<u>(2,595,956)</u>	<u>1,601,515</u>	<u>1,601,515</u>
	<u>\$ 38,662,605</u>	<u>\$ 10,394,687</u>	<u>\$ (12,143,435)</u>	<u>\$ 36,913,857</u>	<u>\$ 4,533,848</u>
Business-type activities:					
General obligation bonds	\$ 3,520,000	\$ -	\$ (1,725,000)	\$ 1,795,000	\$ 1,795,000
General obligation notes	16,443,000	15,500,000	(12,889,000)	19,054,000	8,000,000
Compensated absences	<u>7,391</u>	<u>13,973</u>	<u>(13,590)</u>	<u>7,774</u>	<u>7,774</u>
	<u>\$ 19,970,391</u>	<u>\$ 15,513,973</u>	<u>\$ (14,627,590)</u>	<u>\$ 20,856,774</u>	<u>\$ 9,802,774</u>
<b>Component Units</b>					
Road Commission:					
Compensated absences	\$ 505,058	\$ 59,691	\$ (44,346)	\$ 520,403	\$ -
OPEB	<u>-</u>	<u>480,797</u>	<u>-</u>	<u>480,797</u>	<u>-</u>
	<u>\$ 505,058</u>	<u>\$ 540,488</u>	<u>\$ (44,346)</u>	<u>\$ 1,001,200</u>	<u>\$ -</u>
Brownfield Redevelopment Authority:					
Loans from State of Michigan	<u>\$ 436,528</u>	<u>\$ -</u>	<u>\$ (53,075)</u>	<u>\$ 383,453</u>	<u>\$ 49,607</u>
Department of Public Works:					
General obligation bonds	<u>\$ 17,063,000</u>	<u>\$ -</u>	<u>\$ (2,593,000)</u>	<u>\$ 14,470,000</u>	<u>\$ 1,057,000</u>
Drain Commission:					
General obligation bonds and notes	<u>\$ 7,748,796</u>	<u>\$ 1,095,000</u>	<u>\$ (1,948,394)</u>	<u>\$ 6,895,402</u>	<u>\$ 499,334</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due within One Year</b>
Community Mental Health Authority:					
Notes	\$ 1,371,126	\$ -	\$ (145,229)	\$ 1,225,897	\$ 109,790
Capital lease	148,114	-	(37,872)	110,242	39,576
Compensated absences	420,436	31,475	(51,472)	400,439	200,220
	<u>\$ 1,939,676</u>	<u>\$ 31,475</u>	<u>\$ (234,573)</u>	<u>\$ 1,736,578</u>	<u>\$ 349,586</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, \$53,252 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

### Primary Government

General obligation 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:

<b>Purpose</b>	<b>Interest Rates</b>	<b>Amount</b>
Governmental activities	2.75 – 7.0%	\$ 33,200,009
Business-type activities	1.23 – 4.0%	20,849,000
<b>Total primary government</b>		<b>\$ 54,049,009</b>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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>
2011	\$ 920,000	\$ 1,610,863	\$ 9,795,000	\$ 282,207
2012	935,003	1,573,075	8,054,000	161,454
2013	1,010,003	1,534,175	3,000,000	97,500
2014	1,085,003	1,492,275	-	-
2015	1,225,000	1,447,375	-	-
2016-2020	7,535,000	6,280,062	-	-
2021-2025	9,690,000	4,228,500	-	-
2026-2029	<u>10,800,000</u>	<u>1,397,500</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>\$33,200,009</u></b>	<b><u>\$19,563,825</u></b>	<b><u>\$20,849,000</u></b>	<b><u>\$ 541,161</u></b>

### Component Units

#### Brownfield Redevelopment Authority

The Brownfield Redevelopment Authority has outstanding balances from the State of Michigan, 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 April 2019 and bear an interest rate of 2.25%.

Annual principal and interest requirements to service all debt outstanding as of September 30, 2010, are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 49,607	\$ 8,115
2012	50,670	7,052
2013	51,757	5,965
2014	52,867	4,855
2015	37,295	3,722
2016-2019	<u>141,257</u>	<u>6,897</u>
<b>Total</b>	<b><u>\$ 383,453</u></b>	<b><u>\$ 36,606</u></b>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### Department of Public Works

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

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

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 1,057,000	\$ 603,721
2012	1,592,000	584,101
2013	1,528,000	520,489
2014	1,574,000	458,313
2015	1,265,000	396,739
2016-2020	3,525,000	1,292,831
2021-2025	725,000	832,511
2026-2030	824,000	545,776
2031-2035	705,000	493,677
2036-2040	778,000	333,619
2041-2045	702,000	158,191
2046-2050	<u>195,000</u>	<u>11,101</u>
<b>Total</b>	<b><u>\$14,470,000</u></b>	<b><u>\$ 6,231,069</u></b>

### Drain Commission

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

# 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:

<b><u>Year Ending September 30</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2011	\$ 499,334	\$ 164,157
2012	1,965,334	169,549
2013	1,887,334	121,451
2014	677,334	86,613
2015	477,334	63,055
2016-2020	1,388,732	111,030
2021-2025	<u>-</u>	<u>5,000</u>
<b>Total</b>	<b><u>\$ 6,895,402</u></b>	<b><u>\$ 720,855</u></b>

### Community Mental Health Authority

The Community Mental Health Authority has an installment contract and various notes for group homes. There are monthly installments due through 2013 and bear interest rates varying from 3.4% to 5.19%.

Annual principal and interest requirements to service all debt outstanding as of September 30, 2010, are as follows:

<b><u>Year Ending September 30</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2011	\$ 109,790	\$ 51,335
2012	76,124	48,290
2013	<u>1,039,983</u>	<u>30,840</u>
<b>Total</b>	<b><u>\$ 1,225,897</u></b>	<b><u>\$ 130,465</u></b>

The Authority has entered multiple agreements to lease various copy machines for five year terms expiring in 2015. These leases meet capitalization criteria specified by generally accepted accounting principles and are therefore reported as capital lease obligations. Service fees for usage apply and are expensed as incurred, which totaled \$37,292 for the year ended September 30, 2010

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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Required future payments for remaining noncancelable lease terms in excess of one year as of September 30, 2010 are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>
2011	\$ 39,576
2012	39,576
2013	39,576
2015	<u>7,645</u>
<b>Total minimum payments due</b>	<b>\$ 126,373</b>
Less amounts representing interest at 4.5%	<u>16,131</u>
Present value of net minimum lease payments	<u><b>\$ 110,242</b></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, 2010, was \$115,000.

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, 2010, was \$440,000.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### IV. Other information

#### A. Defined benefit pension plans

##### Primary Government

*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. The MERS plan is closed to all new hires.

*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 2010 was \$242,801 based upon current payroll levels per the 2007 actuarial valuation. Under the plan, employees in six of the County's employment divisions are required to make contributions to the plan, ranging from 0% 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

*Annual pension cost and net pension asset.* The County's annual pension cost and net pension asset to MERS for the current year were as follows:

Annual required contribution	\$ 2,913,612
Less: Interest on net pension asset	(118,457)
Plus: Adjustment to annual required contribution	<u>212,219</u>
Annual pension cost	3,007,374
Contributions made	<u>(2,913,612)</u>
Decrease in net pension asset	93,762
Net pension asset, beginning of year	<u>1,480,714</u>
Net pension asset, end of year	<u><u>\$ 1,386,952</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, 2010, the date of the latest actuarial valuation, was 19 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 Asset</u>
9/30/2008	\$ 3,213,772	97%	\$ 1,580,814
9/30/2009	3,287,468	97%	1,480,714
9/30/2010	3,007,374	97%	1,386,952

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
12/31/2009	\$ 92,980,537	\$ 136,732,789	\$ 43,752,252	68%	\$ 7,231,777	605%

#### 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.

### Three-Year Trend Information

Fiscal Period Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
9/30/2007	\$ 212,225	216%	\$ 246,000
9/30/2008	294,760	204%	307,000
12/31/2009	194,872	177%	150,000

### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
12/31/2008	\$ 24,901,257	\$ 25,741,433	\$ 840,176	97%	\$ 3,379,869	25%

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### Component Unit – Community Mental Health Authority

*Plan description.* The Community Mental Health Authority’s defined benefit pension plan provides retirement, disability, and death benefits to plan members and beneficiaries. The Authority 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.

### Three-Year Trend Information

<u>Fiscal Period Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
9/30/2008	325,071	100%
9/30/2009	267,297	100%
9/30/2010	295,333	100%

### Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
12/31/2009	\$ 10,760,665	\$ 15,938,025	\$ 5,177,360	68%	\$ 1,116,074	464%

### B. Defined contribution pension plan

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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<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, 2010, there were 520 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, 2010, amounted to \$1,818,564 and employee contributions were \$796,794.

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

### C. Postemployment health benefits

#### Primary Government

*Plan description.* The County provides a defined benefit postemployment group hospitalization plan provided proper application is made prior to retirement for union and non-union employees.

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

*Summary of significant accounting policies - basis of accounting and valuation of investments.*

The postemployment health benefits fund financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value which is determined using selected bases as follows: short-term

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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investments are reported at cost, which approximates fair value; securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; investments for which market quotations are not readily available are valued at fair market values as determined by the custodian under the direction of the Board of Commissioners, with the assistance of a valuation service; and cash deposits are reported at carrying amounts which reasonably estimates fair value.

*Funding policy.* The County has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment; in other words, the plan may be financed on a pay-as-you-go basis. Currently, the County is financing the postemployment benefits on a pay-as-you-go basis and in the current year incurred expenditures of \$4,697,863.

*Funding progress.* For the year ended September 30, 2010, the County estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2009. Such valuation computes the annual required contribution (“ARC”) that represents a level of funding, that if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

At December 31, 2009, the date of the latest actuarial valuation, participants in the plan consisted of:

Retirees and beneficiaries currently receiving benefits	443
Active employees	<u>368</u>
<b>Total</b>	<b><u>811</u></b>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

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

Union employees are also subject to the same or similar co-pay percentages based on retirement eligibility and years of service as specified in their individual union contract.

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

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Plan's unfunded accrued liability was determined as part of an actuarial valuation of the Plan as of December 31, 2009. Significant actuarial assumptions used in determining the Plan's unfunded accrued liability included (a) a rate of return on the investment of present and future assets of 8% per year compounded annually, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0% to 8.4% per year, depending on age, attributable to seniority/merit, and (d) health care cost increases of 7.0% in 2011 and scaling down every year until it is 4.5% for 2018 and beyond.

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

Annual required contribution	\$ 8,545,861
Less: Interest on net OPEB obligation	260,066
Plus: Adjustment to annual required contribution	<u>(280,267)</u>
Annual OPEB cost	8,525,660
Contributions made	<u>(4,697,863)</u>
Increase in net OPEB obligation	3,827,797
Net OPEB obligation, beginning of year	<u>3,250,819</u>
Net OPEB obligation, end of year	<u>\$ 7,078,616</u>

### Net OPEB Obligation Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation</u>
9/30/10	\$ 8,545,860	\$ 4,697,863	55%	\$ 7,078,616

### Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a percentage of of Covered Payroll</u>
12/31/09	\$ 11,544,398	\$ 98,501,429	\$ 86,957,031	11.7%	\$17,177,564	506%

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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The foregoing assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of the postretirement accrued liability.

### **Component Unit - Community Mental Health Authority**

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

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

The Plan’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 was as follows:

### **Net OPEB Obligation Trend Information**

<b><u>Fiscal Year Ending</u></b>	<b><u>Annual Required Contribution</u></b>	<b><u>Percentage of ARC Contributed</u></b>	<b><u>Net OPEB Obligation</u></b>
9/30/08	\$ 1,389,109	100%	\$ -
9/30/09	1,473,730	100%	-
9/30/10	1,540,048	100%	-

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### 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)
12/31/07	\$	-	\$ 16,668,154	0%	n/a	n/a

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

*Actuarial Methods and Assumptions.* The Plan's unfunded accrued liability was determined as part of an actuarial valuation of the Plan as of December 31, 2007. Significant actuarial assumptions used in determining the Plan's unfunded accrued liability included (a) a rate of return on the investment of present and future assets of 8% per year compounded annually, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, and (c) health care cost increases of 9% in 2007 and scaling down by 1% every other year until it is 4.5% for 2015 and beyond.

#### **D. Risk management**

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

##### ***Worker's compensation***

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

The claims liability of \$282,639 reported at September 30, 2010, 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, 2009 and 2010, 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>
2009	\$ 254,106	\$ 277,803	\$ 119,971	\$ 411,938
2010	411,938	91,008	220,307	282,639

### *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.

The changes in the claims liability for the years ended September 30, 2009 and 2010, 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>
2009	\$ 1,363,234	\$ 722,949	\$ 158,076	\$ 1,928,107
2010	1,928,107	416,846	1,210,387	1,134,566

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### *Health insurance*

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

The changes in the claims liability for the years ended September 30, 2009 and 2010, 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>
2009	\$ 602,311	\$ 10,580,132	\$ 10,536,018	\$ 646,425
2010	646,425	10,689,203	10,304,405	1,031,223

### *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

The changes in the claims liability for the years ended September 30, 2009 and 2010, 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>
2009	\$	30,868	\$	555,226	\$	557,934	\$	28,160
2010		28,160		552,267		556,764		23,663

### *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, 2009 and 2010, 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>
2009	\$	3,571	\$	55,481	\$	56,654	\$	2,398
2010		2,398		60,512		60,268		2,642

### **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, 2009, totaled \$5,312,331,940. The tax levy for 2009/2010 operations were based on the following rates:

General Operating	4.85580 mills
Mosquito Control	.49930 mills
Senior Citizens	.43000 mills
Law Enforcement	.33940 mills
Hospital Debt	.41680 mills
County Parks	.16150 mills
Castle Museum	.19970 mills
Juvenile Home Renovation	.05300 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.

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## REQUIRED SUPPLEMENTARY INFORMATION

**COUNTY OF SAGINAW, MICHIGAN**

**REQUIRED SUPPLEMENTARY INFORMATION  
MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF MICHIGAN  
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
HISTORICAL TREND INFORMATION - UNAUDITED**

**SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial Valuation Date December 31,</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL) Entry Age</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
2004	\$ 85,338,467	\$ 109,067,562	\$ 23,729,095	78%	\$ 12,470,470	190%
2005	87,919,362	116,271,363	28,352,001	76%	12,113,877	234%
2006	91,934,019	121,846,675	29,912,656	76%	11,662,175	256%
2007	96,240,566	125,684,383	29,443,817	75%	10,906,678	270%
2008	96,066,231	135,044,418	38,978,187	71%	6,920,898	563%
2009	92,980,537	136,732,789	43,752,252	68%	7,231,777	605%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<b>Year Ended September 30,</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
2005	\$ 2,669,396	87%
2006	2,758,026	93%
2007	3,088,881	95%
2008	3,213,772	97%
2009	3,287,468	97%
2010	3,007,374	97%

**COUNTY OF SAGINAW, MICHIGAN**

**REQUIRED SUPPLEMENTARY INFORMATION  
POSTEMPLOYMENT HEALTH BENEFITS  
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
HISTORICAL TREND INFORMATION - UNAUDITED**

**SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial Valuation Date December 31,</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL) Entry Age</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
2007	\$ 13,027,218	\$ 85,005,983	\$ 71,978,765	15.3%	\$19,369,833	372%
2008	9,274,988	92,765,308	83,490,320	10.0%	17,582,701	475%
2009	11,544,398	98,501,429	86,957,031	11.7%	17,177,565	506%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<b>Year Ended September 30,</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
2009	\$ 7,684,606	58%
2010	\$ 8,525,659	55%

The information presented in the supplemental schedule was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actuarial valuation (December 31, 2009) follows:

Actuarial cost method	Individual entry age
Amortization method	Level dollar, open
Remaining amortization period	28 years
Asset valuation method	Market value
Actuarial assumptions:	
Discount rate	8.0 percent per year
Projected salary increases	12.9 percent - 4.5 percent
Valuation health care cost trend rate	7.0 percent in 2011, grading to 4.5 percent in 2018

## 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 reimbursement by the Saginaw Area GIS Authority. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

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

**Solid Waste 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.

**Dredged Materials Disposal Facility** – This fund is used to account for the maintenance of an over 500 acre containment site to accept river dredging spoils from the Upper Saginaw River. Money for the operation of this fund is supplied from donations from private sources and interest earnings.

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

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

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

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

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

### SPECIAL REVENUE FUNDS (Continued)

**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.

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

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

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

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

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

### SPECIAL REVENUE FUNDS (Continued)

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

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

**Michigan Works! Service Centers Fund** - This fund is used to account for the operations of the Midland, Bay, North Pointe, St. Charles/Chesaning, and Saginaw 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.

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

### SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

### SPECIAL REVENUE FUNDS (Concluded)

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

**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.

### DEBT SERVICE FUNDS

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

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

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

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

### **CAPITAL PROJECTS FUNDS**

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

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

### **PERMENANT FUNDS**

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

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010**

	<b>Special Revenue Funds</b>				
	<b>Law Enforcement</b>	<b>County Road Patrol Millage</b>	<b>Parks &amp; Recreation</b>	<b>G.I.S. System</b>	<b>Friend of the Court</b>
<b>Assets</b>					
Cash and investment pool	\$ 39,074	\$ 720,686	\$ 758,710	\$ 5,459	\$ 1,412
Receivables (net):					
Taxes	-	30,273	14,183	-	-
Accounts	126,442	267	187	-	5,287
Notes	-	-	-	-	-
Accrued interest	204	1,997	1,921	-	39
Due from other funds	7,774	-	2,845	-	-
Due from other governmental units	-	-	-	-	465,086
Other assets	550	-	-	-	1,047
<b>Total assets</b>	<b>\$ 174,044</b>	<b>\$ 753,223</b>	<b>\$ 777,846</b>	<b>\$ 5,459</b>	<b>\$ 472,871</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 10,333	\$ 6,986	\$ 20,176	\$ -	\$ 16,114
Accrued liabilities	60,072	35,003	13,741	4,184	75,342
Deposits payable	18,957	-	-	-	-
Due to other funds	583	5,225	5,331	-	311,146
Due to other governmental units	-	-	-	-	10,504
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	30,273	14,183	-	-
<b>Total liabilities</b>	<b>89,945</b>	<b>77,487</b>	<b>53,431</b>	<b>4,184</b>	<b>413,106</b>
<b>Fund balances</b>					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	-	96,080	-	19,483
Unreserved - designated for:					
Subsequent years expenditures	-	186,425	4,400	-	-
Employee payroll reserve	-	410,673	97,707	-	-
Budget stabilization	-	78,638	43,131	-	-
General improvements	-	-	172,523	-	-
Unreserved - undesignated	84,099	-	310,574	1,275	40,282
<b>Total fund balances</b>	<b>84,099</b>	<b>675,736</b>	<b>724,415</b>	<b>1,275</b>	<b>59,765</b>
<b>Total liabilities and fund balances</b>	<b>\$ 174,044</b>	<b>\$ 753,223</b>	<b>\$ 777,846</b>	<b>\$ 5,459</b>	<b>\$ 472,871</b>

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010**

Continued

	<b>Special Revenue Funds</b>				
	<b>Solid Waste</b>	<b>Lodging Excise Tax</b>	<b>Castle Museum &amp; Historical Activities</b>	<b>Commission on Aging</b>	<b>Mosquito Control</b>
<b>Assets</b>					
Cash and investment pool	\$ 1,382,907	\$ 2,994	\$ 255,923	\$ 1,110,533	\$ 1,240,483
Receivables (net):					
Taxes	-	-	15,741	30,179	37,570
Accounts	85,406	702,013	157	15,136	393
Notes	-	-	-	-	-
Accrued interest	3,207	-	628	2,471	3,269
Due from other funds	-	-	-	31	-
Due from other governmental units	-	-	-	125,281	-
Other assets	-	-	-	18,245	-
<b>Total assets</b>	<b>\$ 1,471,520</b>	<b>\$ 705,007</b>	<b>\$ 272,449</b>	<b>\$ 1,301,876</b>	<b>\$ 1,281,715</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 2,175	\$ 535,806	\$ -	\$ 61,359	\$ 47,448
Accrued liabilities	-	-	-	54,040	28,263
Deposits payable	-	-	-	-	-
Due to other funds	21,594	169,201	3,074	7,619	7,687
Due to other governmental units	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	-	15,741	50,107	37,570
<b>Total liabilities</b>	<b>23,769</b>	<b>705,007</b>	<b>18,815</b>	<b>173,125</b>	<b>120,968</b>
<b>Fund balances</b>					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	-	-	50,413	-
Unreserved - designated for:					
Subsequent years expenditures	291,627	-	3,500	-	158,673
Employee payroll reserve	-	-	-	520,299	302,076
Budget stabilization	-	-	241,636	206,858	146,827
General improvements	-	-	-	-	-
Unreserved - undesignated	1,156,124	-	8,498	351,181	553,171
<b>Total fund balances</b>	<b>1,447,751</b>	<b>-</b>	<b>253,634</b>	<b>1,128,751</b>	<b>1,160,747</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,471,520</b>	<b>\$ 705,007</b>	<b>\$ 272,449</b>	<b>\$ 1,301,876</b>	<b>\$ 1,281,715</b>

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2010**

**Continued**

	<b>Special Revenue Funds</b>					
	<b>Planning Commission</b>	<b>Dredged Materials Disposal</b>	<b>Principal Residence Exemption</b>	<b>Public Improvement</b>	<b>Courthouse Preservation Technology</b>	<b>Animal Control</b>
<b>Assets</b>						
Cash and investment pool	\$ 38,119	\$ 11,269	\$ 67,932	\$ 2,030,482	\$ 258,081	\$ 93,872
Receivables (net):						
Taxes	-	-	21,598	-	-	-
Accounts	8	-	355	-	-	27,794
Notes	1,745,328	-	-	-	-	-
Accrued interest	33	24	139	4,384	609	-
Due from other funds	7,507	-	-	123,965	4,505	58
Due from other governmental units	114,487	-	-	-	18,193	-
Other assets	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,905,482</b>	<b>\$ 11,293</b>	<b>\$ 90,024</b>	<b>\$ 2,158,831</b>	<b>\$ 281,388</b>	<b>\$ 121,724</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 23,586	\$ -	\$ 3,454	\$ 15,109	\$ 6,495	\$ 4,969
Accrued liabilities	5,775	-	916	-	-	11,342
Deposits payable	-	-	-	-	-	-
Due to other funds	48,516	168	647	247	-	-
Due to other governmental units	202,126	-	20,743	-	-	-
Advances from other governmental units	-	-	-	-	-	-
Deferred revenue	1,579,661	-	-	-	-	-
<b>Total liabilities</b>	<b>1,859,664</b>	<b>168</b>	<b>25,760</b>	<b>15,356</b>	<b>6,495</b>	<b>16,311</b>
<b>Fund balances</b>						
Reserved for:						
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Restricted contributions	-	-	-	-	-	57,746
Unreserved - designated for:						
Subsequent years expenditures	25,331	-	1,000	803,030	61,600	-
Employee payroll reserve	-	-	-	-	-	-
Budget stabilization	-	-	-	-	-	-
General improvements	-	-	-	1,340,445	-	-
Unreserved - undesignated	20,487	11,125	63,264	-	213,293	47,667
<b>Total fund balances</b>	<b>45,818</b>	<b>11,125</b>	<b>64,264</b>	<b>2,143,475</b>	<b>274,893</b>	<b>105,413</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,905,482</b>	<b>\$ 11,293</b>	<b>\$ 90,024</b>	<b>\$ 2,158,831</b>	<b>\$ 281,388</b>	<b>\$ 121,724</b>

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2010**

	<b>Special Revenue Funds</b>			
	<b>Land Reutilization</b>	<b>Small Cities Reuse</b>	<b>Register of Deeds Automation</b>	<b>E-911 Telephone Surcharge</b>
<b>Assets</b>				
Cash and investment pool	\$ -	\$ 2,130,842	\$ 665,640	\$ 1,170,784
Receivables (net):				
Taxes	-	-	-	-
Accounts	-	-	5,920	1,180,253
Notes	-	964,501	-	-
Accrued interest	-	4,384	1,331	2,975
Due from other funds	597,719	-	-	-
Due from other governmental units	-	-	-	102,062
Other assets	-	-	-	-
<b>Total assets</b>	<b>\$ 597,719</b>	<b>\$ 3,099,727</b>	<b>\$ 672,891</b>	<b>\$ 2,456,074</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 597,719	\$ 4,147	\$ 6,624	\$ 7,134
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governmental units	-	-	-	-
Advances from other governmental units	-	-	-	-
Deferred revenue	-	964,501	-	-
<b>Total liabilities</b>	<b>597,719</b>	<b>968,648</b>	<b>6,624</b>	<b>7,134</b>
<b>Fund balances</b>				
Reserved for:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Restricted contributions	-	-	-	-
Unreserved - designated for:				
Subsequent years expenditures	-	-	-	-
Employee payroll reserve	-	-	-	-
Budget stabilization	-	-	-	-
General improvements	-	-	-	-
Unreserved - undesignated	-	2,131,079	666,267	2,448,940
<b>Total fund balances</b>	<b>-</b>	<b>2,131,079</b>	<b>666,267</b>	<b>2,448,940</b>
<b>Total liabilities and fund balances</b>	<b>\$ 597,719</b>	<b>\$ 3,099,727</b>	<b>\$ 672,891</b>	<b>\$ 2,456,074</b>

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010**

Continued

	<b>Special Revenue Funds</b>				
	<b>Mobile Data Maintenance &amp; Repair</b>	<b>Area Records Management System</b>	<b>Law Library</b>	<b>County Library Board</b>	<b>Michigan Works! Service Centers</b>
<b>Assets</b>					
Cash and investment pool	\$ 1,542,912	\$ 205,402	\$ 7,143	\$ -	\$ -
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	16,206	-	-	-	780
Notes	-	-	-	-	-
Accrued interest	2,837	361	-	-	-
Due from other funds	449	-	-	-	48,022
Due from other governmental units	-	-	-	-	-
Other assets	-	-	-	-	31,499
<b>Total assets</b>	<b>\$ 1,562,404</b>	<b>\$ 205,763</b>	<b>\$ 7,143</b>	<b>\$ -</b>	<b>\$ 80,301</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 35,114	\$ 6,596	\$ 4,715	\$ -	\$ 13,960
Accrued liabilities	-	2,671	368	-	-
Deposits payable	-	-	-	-	-
Due to other funds	449	16,287	2,060	-	65,701
Due to other governmental units	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	117,000	-	-	-	640
<b>Total liabilities</b>	<b>152,563</b>	<b>25,554</b>	<b>7,143</b>	<b>-</b>	<b>80,301</b>
<b>Fund balances</b>					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	-	-	-	-
Unreserved - designated for:					
Subsequent years expenditures	100,000	10,286	-	-	-
Employee payroll reserve	-	-	-	-	-
Budget stabilization	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	1,309,841	169,923	-	-	-
<b>Total fund balances</b>					
Total fund balances (deficit)	1,409,841	180,209	-	-	-
<b>Total liabilities and fund balances</b>	<b>\$ 1,562,404</b>	<b>\$ 205,763</b>	<b>\$ 7,143</b>	<b>\$ -</b>	<b>\$ 80,301</b>

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010**

Continued

	<b>Special Revenue Funds</b>				
	<b>Remonu- mentation</b>	<b>Special Projects</b>	<b>Sheriff Special Projects</b>	<b>Prosecutor Special Projects</b>	<b>Community Corrections</b>
<b>Assets</b>					
Cash and investment pool	\$ 32,531	\$ 294,478	\$ 1,841,707	\$ -	\$ -
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	-	55,392	18,762	-	-
Notes	-	-	-	-	-
Accrued interest	-	-	3,005	-	-
Due from other funds	-	-	23,224	11,106	-
Due from other governmental units	38,120	87,630	208,654	142,992	36,714
Other assets	-	-	-	-	-
Total assets	<u>\$ 70,651</u>	<u>\$ 437,500</u>	<u>\$ 2,095,352</u>	<u>\$ 154,098</u>	<u>\$ 36,714</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 62,739	\$ 70,656	\$ 64,285	\$ 1,643	\$ 9,777
Accrued liabilities	284	6,175	20,978	19,882	4,561
Deposits payable	-	-	106,667	-	-
Due to other funds	-	6,463	16,893	131,969	22,376
Due to other governmental units	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	20	905,997	-	-
Total liabilities	<u>63,023</u>	<u>83,314</u>	<u>1,114,820</u>	<u>153,494</u>	<u>36,714</u>
<b>Fund balances</b>					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	-	-	-	-
Unreserved - designated for:					
Subsequent years expenditures	-	65,962	212,843	-	-
Employee payroll reserve	-	-	-	-	-
Budget stabilization	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	7,628	288,224	767,689	604	-
Total fund balances	<u>7,628</u>	<u>354,186</u>	<u>980,532</u>	<u>604</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 70,651</u>	<u>\$ 437,500</u>	<u>\$ 2,095,352</u>	<u>\$ 154,098</u>	<u>\$ 36,714</u>

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010**

**Continued**

	<b>Special Revenue Funds</b>					
	<b>Local Correction Officer Training</b>	<b>MSU Extension</b>	<b>Department of Human Services</b>	<b>Child Care</b>	<b>Soldiers' Relief</b>	<b>Veterans' Trust</b>
<b>Assets</b>						
Cash and investment pool	\$ 85,041	\$ 55	\$ 426,707	\$ 1,420,713	\$ 8,833	\$ -
Receivables (net):						
Taxes	-	-	-	-	-	-
Accounts	270	568	-	149,357	-	-
Notes	-	-	-	-	-	-
Accrued interest	142	176	-	-	-	-
Due from other funds	-	32	-	-	-	-
Due from other governmental units	-	140,510	36,501	450,827	-	5,809
Other assets	-	-	-	-	-	-
Total assets	<u>\$ 85,453</u>	<u>\$ 141,341</u>	<u>\$ 463,208</u>	<u>\$ 2,020,897</u>	<u>\$ 8,833</u>	<u>\$ 5,809</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 2,318	\$ 78,741	\$ 35,926	\$ 307,926	\$ 542	\$ 319
Accrued liabilities	25,952	2,589	325,936	55,473	-	-
Deposits payable	-	-	-	-	-	-
Due to other funds	882	30,590	1,346	3,070	8,291	5,490
Due to other governmental units	-	-	-	51,485	-	-
Advances from other governmental units	-	-	100,000	-	-	-
Deferred revenue	-	29,421	-	-	-	-
Total liabilities	<u>29,152</u>	<u>141,341</u>	<u>463,208</u>	<u>417,954</u>	<u>8,833</u>	<u>5,809</u>
<b>Fund balances</b>						
Reserved for:						
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Restricted contributions	-	-	-	1,179	-	-
Unreserved - designated for:						
Subsequent years expenditures	10,000	-	-	-	-	-
Employee payroll reserve	-	-	-	-	-	-
Budget stabilization	-	-	-	-	-	-
General improvements	-	-	-	-	-	-
Unreserved - undesignated	46,301	-	-	1,601,764	-	-
Total fund balances	<u>56,301</u>	<u>-</u>	<u>-</u>	<u>1,602,943</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 85,453</u>	<u>\$ 141,341</u>	<u>\$ 463,208</u>	<u>\$ 2,020,897</u>	<u>\$ 8,833</u>	<u>\$ 5,809</u>

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010**

**Continued**

	<b>Debt Service Funds</b>		
	<b>Hospital Construction</b>	<b>Juvenile Center Renovation</b>	<b>Building Authority</b>
<b>Assets</b>			
Cash and investment pool	\$ 1,166,696	\$ 30,416	\$ 813,508
Receivables (net):			
Taxes	35,530	4,571	-
Accounts	385	42	-
Notes	-	-	-
Accrued interest	2,484	285	1,797
Due from other funds	-	-	-
Due from other governmental units	-	-	-
Other assets	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 1,205,095</u>	<u>\$ 35,314</u>	<u>\$ 815,305</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Deposits payable	-	-	-
Due to other funds	6,127	785	-
Due to other governmental units	-	-	-
Advances from other governmental units	-	-	-
Deferred revenue	35,530	4,572	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>41,657</u>	<u>5,357</u>	<u>-</u>
<b>Fund balances</b>			
Reserved for:			
Debt service	1,163,438	29,957	815,305
Capital projects	-	-	-
Restricted contributions	-	-	-
Unreserved - designated for:			
Subsequent years expenditures	-	-	-
Employee payroll reserve			
Budget stabilization			
General improvements	-	-	-
Unreserved - undesignated	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>1,163,438</u>	<u>29,957</u>	<u>815,305</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	<u>\$ 1,205,095</u>	<u>\$ 35,314</u>	<u>\$ 815,305</u>

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2010**

**Concluded**

	<b>Capital Projects Funds</b>		<b>Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Parks Building &amp; Site</b>	<b>River Dredging Project</b>	<b>Rail Trail Endowment</b>	
<b>Assets</b>				
Cash and investment pool	\$ 31,675	\$ -	\$ 40,878	\$ 19,933,897
Receivables (net):				
Taxes	-	-	-	189,645
Accounts	-	-	-	2,391,380
Notes	-	-	-	2,709,829
Accrued interest	66	-	86	38,854
Due from other funds	-	-	-	827,237
Due from other governmental units	-	-	-	1,972,866
Other assets	-	-	-	51,341
<b>Total assets</b>	<b>\$ 31,741</b>	<b>\$ -</b>	<b>\$ 40,964</b>	<b>\$ 28,115,049</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,064,891
Accrued liabilities	-	-	-	753,547
Deposits payable	-	-	-	125,624
Due to other funds	-	-	-	899,817
Due to other governmental units	-	-	-	284,858
Advances from other governmental units	-	-	-	100,000
Deferred revenue	-	-	-	3,785,216
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,013,953</b>
<b>Fund balances</b>				
Reserved for:				
Debt service	-	-	-	2,008,700
Capital projects	31,741	-	-	31,741
Restricted contributions	-	-	35,000	259,901
Unreserved - designated for:				
Subsequent years expenditures	-	-	-	1,934,677
Employee payroll reserve	-	-	-	1,330,755
Budget stabilization	-	-	-	717,090
General improvements	-	-	-	1,512,968
Unreserved - undesignated	-	-	5,964	12,305,264
<b>Total fund balances</b>	<b>31,741</b>	<b>-</b>	<b>40,964</b>	<b>20,101,096</b>
<b>Total liabilities and fund balances</b>	<b>\$ 31,741</b>	<b>\$ -</b>	<b>\$ 40,964</b>	<b>\$ 28,115,049</b>

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<b>Special Revenue Funds</b>				
	<b>Law Enforcement</b>	<b>County Road Patrol Millage</b>	<b>Parks &amp; Recreation</b>	<b>G.I.S. System</b>	<b>Friend of the Court</b>
<b>Revenues</b>					
Property taxes	\$ -	\$ 1,707,068	\$ 812,270	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	3,015,340
State grants	-	-	-	-	2,999
Local grants and contributions	-	-	-	-	-
Charges for services	-	5,400	60,067	-	317,092
Fines and forfeitures	315	-	-	-	-
Investment income	942	8,140	8,129	-	205
Rental revenue	-	-	-	-	-
Donations	-	-	23,358	-	-
Reimbursements	775,511	7	-	163,946	74,825
Other revenue	-	-	9,273	-	-
<b>Total revenues</b>	<b>776,768</b>	<b>1,720,615</b>	<b>913,097</b>	<b>163,946</b>	<b>3,410,461</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	-	-	4,406,895
General government	-	-	-	164,567	-
Public safety	2,742,401	1,730,006	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	885,700	-	-
Capital outlay	-	26,015	33,541	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>2,742,401</b>	<b>1,756,021</b>	<b>919,241</b>	<b>164,567</b>	<b>4,406,895</b>
Revenues over (under) expenditures	<b>(1,965,633)</b>	<b>(35,406)</b>	<b>(6,144)</b>	<b>(621)</b>	<b>(996,434)</b>
<b>Other financing sources (uses)</b>					
Transfers in	1,940,303	-	-	-	702,637
Transfers out	(12,000)	(12,000)	-	-	(18,262)
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,928,303</b>	<b>(12,000)</b>	<b>-</b>	<b>-</b>	<b>684,375</b>
Net change in fund balances	(37,330)	(47,406)	(6,144)	(621)	(312,059)
Fund balance, beginning of year	121,429	723,142	730,559	1,896	371,824
Fund balance, end of year	\$ 84,099	\$ 675,736	\$ 724,415	\$ 1,275	\$ 59,765

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Continued

	<b>Special Revenue Funds</b>				
	<b>Solid Waste</b>	<b>Lodging Excise Tax</b>	<b>Castle Museum &amp; Historical Activities</b>	<b>Commission on Aging</b>	<b>Mosquito Control</b>
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ 1,004,724	\$ 2,164,089	\$ 2,511,495
Accommodations tax	-	1,693,910	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	1,229,823	-
State grants	-	-	-	221,663	-
Local grants and contributions	-	-	-	-	-
Charges for services	300,848	-	-	240,468	9,719
Fines and forfeitures	-	-	-	-	-
Investment income	14,834	-	2,715	8,587	14,288
Rental revenue	-	-	-	-	675
Donations	-	-	-	253,782	-
Reimbursements	-	-	19,326	43,072	292,711
Other revenue	-	-	-	64,973	925
<b>Total revenues</b>	<b>315,682</b>	<b>1,693,910</b>	<b>1,026,765</b>	<b>4,226,457</b>	<b>2,829,813</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	510,432	-	-	-	-
Health and welfare	-	-	-	3,694,016	2,793,868
Community and economic development	-	1,693,910	-	-	-
Recreation and culture	-	-	1,061,064	-	-
Capital outlay	-	-	-	31,800	35,462
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>510,432</b>	<b>1,693,910</b>	<b>1,061,064</b>	<b>3,725,816</b>	<b>2,829,330</b>
Revenues over (under) expenditures	(194,750)	-	(34,299)	500,641	483
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	50,462
Transfers out	(150,244)	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(150,244)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,462</b>
Net change in fund balances	(344,994)	-	(34,299)	500,641	50,945
Fund balance, beginning of year	1,792,745	-	287,933	628,110	1,109,802
Fund balance, end of year	\$ 1,447,751	\$ -	\$ 253,634	\$ 1,128,751	\$ 1,160,747

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

**Continued**

	<b>Special Revenue Funds</b>					
	<b>Planning Commission</b>	<b>Dredged Materials Disposal</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	-	-	-	-	-	20,205
Federal grants	378,311	-	-	-	-	-
State grants	17,297	-	-	-	18,193	-
Local grants and contributions	-	-	-	-	-	-
Charges for services	-	-	904	-	229,052	64,162
Fines and forfeitures	-	-	-	-	-	-
Investment income	70	54	26,616	14,205	2,826	-
Rental revenue	-	12,320	-	-	-	-
Donations	-	-	-	-	-	24,369
Reimbursements	-	-	-	-	-	-
Other revenue	44,316	-	-	-	-	-
<b>Total revenues</b>	<b>439,994</b>	<b>12,374</b>	<b>27,520</b>	<b>14,205</b>	<b>250,071</b>	<b>108,736</b>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	17,332	-
General government	-	-	-	12,397	-	-
Public safety	-	-	-	12,866	-	713,541
Public works	-	-	-	-	-	-
Health and welfare	-	6,516	-	-	-	-
Community and economic development	473,284	-	20,734	-	-	-
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	-	-	279,490	52,215	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>473,284</b>	<b>6,516</b>	<b>20,734</b>	<b>304,753</b>	<b>69,547</b>	<b>713,541</b>
Revenues over (under) expenditures	(33,290)	5,858	6,786	(290,548)	180,524	(604,805)
<b>Other financing sources (uses)</b>						
Transfers in	57,507	5,267	-	173,797	-	590,559
Transfers out	-	-	-	(247)	(150,000)	-
Proceeds from sale of capital assets	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>57,507</b>	<b>5,267</b>	<b>-</b>	<b>173,550</b>	<b>(150,000)</b>	<b>590,559</b>
Net change in fund balances	24,217	11,125	6,786	(116,998)	30,524	(14,246)
Fund balance, beginning of year	21,601	-	57,478	2,260,473	244,369	119,659
Fund balance, end of year	\$ 45,818	\$ 11,125	\$ 64,264	\$ 2,143,475	\$ 274,893	\$ 105,413

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<b>Special Revenue Funds</b>			
	<b>Land Reutilization</b>	<b>Small Cities Reuse</b>	<b>Register of Deeds Automation</b>	<b>E-911 Telephone Surcharge</b>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants	-	-	-	438,607
Local grants and contributions	-	-	-	-
Charges for services	-	-	167,730	4,838,567
Fines and forfeitures	-	-	-	-
Investment income	-	18,168	5,446	13,734
Rental revenue	-	-	-	-
Donations	-	-	-	-
Reimbursements	-	568,600	-	-
Other revenue	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>586,768</b>	<b>173,176</b>	<b>5,290,908</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	597,719	-	59,615	-
Public safety	-	-	-	5,186,159
Public works	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	-	143,257	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	5,513	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>597,719</b>	<b>143,257</b>	<b>65,128</b>	<b>5,186,159</b>
Revenues over (under) expenditures	(597,719)	443,511	108,048	104,749
<b>Other financing sources (uses)</b>				
Transfers in	597,719	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>597,719</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	443,511	108,048	104,749
Fund balance, beginning of year	-	1,687,568	558,219	2,344,191
Fund balance, end of year	\$ -	\$ 2,131,079	\$ 666,267	\$ 2,448,940

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Continued

	<b>Special Revenue Funds</b>				
	<b>Mobile Data Maintenance &amp; Repair</b>	<b>Area Records Management System</b>	<b>Law Library</b>	<b>County Library Board</b>	<b>Michigan Works! Service Centers</b>
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	-
State grants	-	-	-	-	-
Local grants and contributions	-	-	6,500	-	-
Charges for services	418,611	173,644	500	-	-
Fines and forfeitures	-	-	-	56,296	-
Investment income	12,108	1,722	-	-	-
Rental revenue	-	-	-	-	-
Donations	-	-	-	-	-
Reimbursements	5,484	8,500	-	-	33,667
Other revenue	-	-	-	-	-
<b>Total revenues</b>	<b>436,203</b>	<b>183,866</b>	<b>7,000</b>	<b>56,296</b>	<b>33,667</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	75,302	-	-
General government	-	-	-	-	-
Public safety	417,700	260,180	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	638,712
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	-	56,296	-
Capital outlay	-	6,730	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>417,700</b>	<b>266,910</b>	<b>75,302</b>	<b>56,296</b>	<b>638,712</b>
Revenues over (under) expenditures	18,503	(83,044)	(68,302)	-	(605,045)
<b>Other financing sources (uses)</b>					
Transfers in	182,250	-	68,302	-	605,045
Transfers out	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>182,250</b>	<b>-</b>	<b>68,302</b>	<b>-</b>	<b>605,045</b>
Net change in fund balances	200,753	(83,044)	-	-	-
Fund balance, beginning of year	1,209,088	263,253	-	-	-
Fund balance, end of year	\$ 1,409,841	\$ 180,209	\$ -	\$ -	\$ -

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Continued

	<b>Special Revenue Funds</b>				
	<b>Remonu- mentation</b>	<b>Special Projects</b>	<b>Sheriff Special Projects</b>	<b>Prosecutor Special Projects</b>	<b>Community Corrections</b>
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	216,230	781,901	106,776	-
State grants	69,013	101,496	351,643	233,308	219,690
Local grants and contributions	-	-	-	-	-
Charges for services	-	1,198	35,589	-	-
Fines and forfeitures	-	17,130	166,526	73,123	-
Investment income	-	-	15,073	-	-
Rental revenue	-	-	-	-	-
Donations	-	8,423	31,081	500	-
Reimbursements	-	156,058	661,781	72,926	-
Other revenue	-	1,632	-	-	-
<b>Total revenues</b>	<b>69,013</b>	<b>502,167</b>	<b>2,043,594</b>	<b>486,633</b>	<b>219,690</b>
<b>Expenditures</b>					
Current:					
Judicial	-	149,976	-	-	-
General government	69,013	1,896	-	737,421	-
Public safety	-	157,078	1,701,212	-	189,690
Public works	-	124,879	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	-	128,044	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	171,305	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>69,013</b>	<b>561,873</b>	<b>1,872,517</b>	<b>737,421</b>	<b>189,690</b>
Revenues over (under) expenditures	-	(59,706)	171,077	(250,788)	30,000
<b>Other financing sources (uses)</b>					
Transfers in	-	89,146	71,357	250,788	-
Transfers out	-	-	(8,250)	-	(30,000)
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>89,146</b>	<b>63,107</b>	<b>250,788</b>	<b>(30,000)</b>
Net change in fund balances	-	29,440	234,184	-	-
Fund balance, beginning of year	7,628	324,746	746,348	604	-
Fund balance, end of year	\$ 7,628	\$ 354,186	\$ 980,532	\$ 604	\$ -

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Continued

	Special Revenue Funds					
	Local Correction Officer Training	MSU Extension	Department of Human Services	Child Care	Soldiers' Relief	Veterans' Trust
<b>Revenues</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Federal grants	-	57,272	-	78,793	-	-
State grants	-	143,853	525,485	2,218,051	-	56,172
Local grants and contributions	-	211,402	-	252,907	-	-
Charges for services	91,380	32	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	587	680	-	-	-	-
Rental revenue	-	-	-	-	-	-
Donations	-	-	-	28,876	-	-
Reimbursements	-	5,291	-	320,738	-	-
Other revenue	-	92	-	12,404	-	-
<b>Total revenues</b>	<b>91,967</b>	<b>418,622</b>	<b>525,485</b>	<b>2,911,769</b>	<b>-</b>	<b>56,172</b>
<b>Expenditures</b>						
Current:						
Judicial	-	-	-	-	-	-
General government	-	634,337	-	-	-	-
Public safety	94,060	-	-	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	743,139	5,193,241	13,709	56,172
Community and economic development	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<b>94,060</b>	<b>634,337</b>	<b>743,139</b>	<b>5,193,241</b>	<b>13,709</b>	<b>56,172</b>
Revenues over (under) expenditures	(2,093)	(215,715)	(217,654)	(2,281,472)	(13,709)	-
<b>Other financing sources (uses)</b>						
Transfers in	-	215,715	217,654	3,228,520	13,709	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>215,715</b>	<b>217,654</b>	<b>3,228,520</b>	<b>13,709</b>	<b>-</b>
Net change in fund balances	(2,093)	-	-	947,048	-	-
Fund balance, beginning of year	58,394	-	-	655,895	-	-
Fund balance, end of year	\$ 56,301	\$ -	\$ -	\$ 1,602,943	\$ -	\$ -

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

**Continued**

	<b>Debt Service Funds</b>		
	<b>Hospital Construction</b>	<b>Juvenile Center Renovation</b>	<b>Building Authority</b>
<b>Revenues</b>			
Property taxes	\$ 2,142,873	\$ 271,965	\$ -
Accommodations tax	-	-	-
Licenses and permits	-	-	-
Federal grants	-	-	-
State grants	-	-	-
Local grants and contributions	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Investment income	10,682	1,257	8,400
Rental revenue	-	-	213,427
Donations	-	-	-
Reimbursements	-	-	-
Other revenue	-	-	-
<b>Total revenues</b>	<b>2,153,555</b>	<b>273,222</b>	<b>221,827</b>
<b>Expenditures</b>			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and culture	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	600,000	250,000	230,000
Interest and fiscal charges	1,522,729	13,854	121,475
<b>Total expenditures</b>	<b>2,122,729</b>	<b>263,854</b>	<b>351,475</b>
Revenues over (under) expenditures	30,826	9,368	(129,648)
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	(1,600)
Proceeds from sale of capital assets	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(1,600)</b>
Net change in fund balances	30,826	9,368	(131,248)
Fund balance, beginning of year	1,132,612	20,589	946,553
Fund balance, end of year	\$ 1,163,438	\$ 29,957	\$ 815,305

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

**Concluded**

	Capital Projects Funds		Permanent Fund	Total Nonmajor Governmental Funds
	Parks Building & Site	River Dredging Project	Rail Trail Endowment	
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 10,614,484
Accommodations tax	-	-	-	1,693,910
Licenses and permits	-	-	-	20,205
Federal grants	-	-	-	5,864,446
State grants	-	-	-	4,617,470
Local grants and contributions	-	-	-	470,809
Charges for services	-	-	-	6,954,963
Fines and forfeitures	-	-	-	313,390
Investment income	292	-	378	190,138
Rental revenue	-	-	-	226,422
Donations	-	-	-	370,389
Reimbursements	-	-	-	3,202,443
Other revenue	-	-	-	133,615
<b>Total revenues</b>	<b>292</b>	<b>-</b>	<b>378</b>	<b>34,672,684</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	4,649,505
General government	-	-	-	2,276,965
Public safety	-	-	-	13,204,893
Public works	-	(1)	-	635,310
Health and welfare	-	-	-	13,139,373
Community and economic development	-	-	-	2,459,229
Recreation and culture	-	-	-	2,003,060
Capital outlay	-	-	-	642,071
Debt service:				
Principal	-	-	-	1,080,000
Interest and fiscal charges	-	-	-	1,658,058
<b>Total expenditures</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>41,748,464</b>
<b>Revenues over (under) expenditures</b>	<b>292</b>	<b>1</b>	<b>378</b>	<b>(7,075,780)</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	9,060,737
Transfers out	-	(5,267)	-	(387,870)
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(5,267)</b>	<b>-</b>	<b>8,672,867</b>
<b>Net change in fund balances</b>	<b>292</b>	<b>(5,266)</b>	<b>378</b>	<b>1,597,087</b>
Fund balance, beginning of year	31,449	5,266	40,586	18,504,009
Fund balance, end of year	\$ 31,741	\$ -	\$ 40,964	\$ 20,101,096

## NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING STATEMENT OF NET ASSETS - NONMAJOR ENTERPRISE FUNDS  
SEPTEMBER 30, 2010**

	<b>Delinquent Property Tax Foreclosure</b>	<b>Building Authority Administration</b>	<b>Parking System</b>	<b>Harry W. Browne Airport</b>	<b>Inmate Services</b>	<b>Total</b>
<b>Assets</b>						
Current assets:						
Cash and investment pool	\$ 650,965	\$ 305,702	\$ 59,325	\$ 390,941	\$ 164,547	\$ 1,571,480
Receivables (net):						
Accounts	-	11	1,948	2,825	31,482	36,266
Accrued interest	1,407	632	-	-	-	2,039
Due from other funds	1,857	-	-	-	-	1,857
Other assets	-	-	-	5,799	-	5,799
Total current assets	<u>654,229</u>	<u>306,345</u>	<u>61,273</u>	<u>399,565</u>	<u>196,029</u>	<u>1,617,441</u>
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	-	5,692	86,241
Vehicles	-	-	-	58,775	27,214	85,989
Planning and development	-	-	-	8,632,919	-	8,632,919
Construction in progress	-	-	-	796	-	796
Accumulated depreciation	-	-	(114,482)	(7,407,742)	(30,914)	(7,553,138)
Total noncurrent assets - capital assets	<u>-</u>	<u>-</u>	<u>41,273</u>	<u>3,422,999</u>	<u>1,992</u>	<u>3,466,264</u>
Total assets	<u>654,229</u>	<u>306,345</u>	<u>102,546</u>	<u>3,822,564</u>	<u>198,021</u>	<u>5,083,705</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	676	23	2,637	3,408	26,729	33,473
Accrued liabilities	4,332	-	1,215	-	-	5,547
Deposits payable	-	-	-	-	2,496	2,496
Due to other funds	603,788	-	781	-	123,797	728,366
Unearned revenue	-	-	-	3,900	-	3,900
Total current liabilities	<u>608,796</u>	<u>23</u>	<u>4,633</u>	<u>7,308</u>	<u>153,022</u>	<u>773,782</u>
Noncurrent liabilities:						
Advances from other funds	-	-	-	-	20,000	20,000
Long-term accrued liabilities	4,261	-	3,513	-	-	7,774
Other noncurrent liability - net other postemployment benefit liability	41,172	-	18,079	-	-	59,251
Total noncurrent liabilities	<u>45,433</u>	<u>-</u>	<u>21,592</u>	<u>-</u>	<u>20,000</u>	<u>87,025</u>
Total liabilities	<u>654,229</u>	<u>23</u>	<u>26,225</u>	<u>7,308</u>	<u>173,022</u>	<u>860,807</u>
<b>Net assets</b>						
Invested in capital assets	-	-	41,273	3,422,999	1,992	3,466,264
Unrestricted	-	306,322	35,048	392,257	23,007	756,634
<b>Total net assets</b>	<u>\$ -</u>	<u>\$ 306,322</u>	<u>\$ 76,321</u>	<u>\$ 3,815,256</u>	<u>\$ 24,999</u>	<u>\$ 4,222,898</u>

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET ASSETS - NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<b>Delinquent Property Tax Foreclosure</b>	<b>Building Authority Administration</b>	<b>Parking System</b>	<b>Harry W. Browne Airport</b>	<b>Inmate Services</b>	<b>Total</b>
<b>Operating revenues</b>						
Charges for services	\$ 877,537	\$ 17,401	\$ 86,054	\$ 40,589	\$ 736,006	\$ 1,757,587
Fines and forfeitures	-	-	34,225	-	-	34,225
Rental revenue	-	-	-	104,456	-	104,456
Reimbursements	-	-	-	90	6,481	6,571
Other revenue	-	-	-	-	71,198	71,198
Total operating revenues	<u>877,537</u>	<u>17,401</u>	<u>120,279</u>	<u>145,135</u>	<u>813,685</u>	<u>1,974,037</u>
<b>Operating expenses</b>						
Personal services	19,039	495	35,435	-	-	54,969
Fringe benefits	-	-	46,580	-	-	46,580
Supplies	-	-	2,572	3,133	396,408	402,113
Services and charges	614,971	7,964	15,165	129,367	17,169	784,636
Depreciation	-	-	-	437,061	1,138	438,199
Total operating expenses	<u>634,010</u>	<u>8,459</u>	<u>99,752</u>	<u>569,561</u>	<u>414,715</u>	<u>1,726,497</u>
Operating income (loss)	<u>243,527</u>	<u>8,942</u>	<u>20,527</u>	<u>(424,426)</u>	<u>398,970</u>	<u>247,540</u>
<b>Nonoperating revenues</b>						
Federal grants	-	-	-	1,534	-	1,534
State grants	-	-	-	40	-	40
Investment income	354,192	2,764	-	-	718	357,674
Total nonoperating revenues	<u>354,192</u>	<u>2,764</u>	<u>-</u>	<u>1,574</u>	<u>718</u>	<u>359,248</u>
Income (loss) before transfers	<u>597,719</u>	<u>11,706</u>	<u>20,527</u>	<u>(422,852)</u>	<u>399,688</u>	<u>606,788</u>
<b>Transfers</b>						
Transfers in	-	7,100	-	-	-	7,100
Transfers out	(597,719)	-	-	-	(399,689)	(997,408)
Net transfers	<u>(597,719)</u>	<u>7,100</u>	<u>-</u>	<u>-</u>	<u>(399,689)</u>	<u>(990,308)</u>
Change in net assets	-	18,806	20,527	(422,852)	(1)	(383,520)
Net assets, beginning of year	<u>-</u>	<u>287,516</u>	<u>55,794</u>	<u>4,238,108</u>	<u>25,000</u>	<u>4,606,418</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 306,322</u>	<u>\$ 76,321</u>	<u>\$ 3,815,256</u>	<u>\$ 24,999</u>	<u>\$ 4,222,898</u>

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

**Continued**

	<b>Delinquent Property Tax Foreclosure</b>	<b>Building Authority Administration</b>	<b>Parking System</b>	<b>Harry W. Browne Airport</b>	<b>Inmate Services</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>						
Receipts from customers	\$ 877,956	\$ 17,526	\$ 84,106	\$ 147,104	\$ 759,127	\$ 1,885,819
Payments for interfund services provided	-	-	475	-	9,223	9,698
Receipts from interfund services provided	145,334	-	-	(13,020)	-	132,314
Payments to employees	4,103	(495)	(71,876)	-	-	(68,268)
Payments to suppliers	(681,513)	(8,310)	(19,110)	(132,566)	(442,743)	(1,284,242)
Other operating revenue	-	-	34,225	-	71,198	105,423
Net cash provided by operating activities	<u>345,880</u>	<u>8,721</u>	<u>27,820</u>	<u>1,518</u>	<u>396,805</u>	<u>780,744</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfers in	-	7,100	-	-	-	7,100
Transfers out	<u>(597,719)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(399,689)</u>	<u>(997,408)</u>
Net cash provided by (used in) noncapital financing activities	<u>(597,719)</u>	<u>7,100</u>	<u>-</u>	<u>-</u>	<u>(399,689)</u>	<u>(990,308)</u>
<b>Cash flows from capital and related financing activities:</b>						
Proceeds from federal and state grants	-	-	-	1,574	-	1,574
Payments for capital asset acquisition	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,616)</u>	<u>-</u>	<u>(1,616)</u>
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42)</u>	<u>-</u>	<u>(42)</u>
<b>Cash flows from investing activities:</b>						
Investment income	<u>354,192</u>	<u>2,764</u>	<u>-</u>	<u>-</u>	<u>718</u>	<u>357,674</u>
Net increase (decrease) in cash and cash equivalents	102,353	18,585	27,820	1,476	(2,166)	148,068
Cash and cash equivalents, beginning of year	<u>548,612</u>	<u>287,117</u>	<u>31,505</u>	<u>389,465</u>	<u>166,713</u>	<u>1,423,412</u>
Cash and cash equivalents, end of year	<u>\$ 650,965</u>	<u>\$ 305,702</u>	<u>\$ 59,325</u>	<u>\$ 390,941</u>	<u>\$ 164,547</u>	<u>\$ 1,571,480</u>

**COUNTY OF SAGINAW, MICHIGAN**

**STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

**Concluded**

	<u>Delinquent Property Tax Foreclosure</u>	<u>Building Authority Administration</u>	<u>Parking System</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)	\$ 243,527	\$ 8,942	\$ 20,527	\$ (424,426)	\$ 398,970	\$ 247,540
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	-	437,061	1,138	438,199
Changes in assets and liabilities:						
Accounts receivable	419	125	(1,948)	2,058	16,640	17,294
Other assets	-	-	-	112	-	112
Due from other funds	(1,857)	-	-	-	-	(1,857)
Accounts payable	(66,542)	(346)	(1,373)	(178)	(16,044)	(84,483)
Accrued liabilities	175	-	187	-	-	362
Deposits payable	-	-	-	-	(13,122)	(13,122)
Due to other funds	147,191	-	475	(13,020)	9,223	143,869
Due to other governmental units	-	-	-	-	-	-
Unearned revenue	-	-	-	(89)	-	(89)
Net OPEB obligation	22,967	-	9,952	-	-	32,919
Net cash provided by operating activities	<u>\$ 345,880</u>	<u>\$ 8,721</u>	<u>\$ 27,820</u>	<u>\$ 1,518</u>	<u>\$ 396,805</u>	<u>\$ 780,744</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.

**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.

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

**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, 2010**

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	\$ 299,354	\$ 401,555	\$ 462,909	\$ 147,682	\$ 21,168	\$ 305,633
Receivables (net):						
Accounts	-	62,124	2,214	-	-	3,076
Accrued interest	640	678	-	367	-	-
Due from other funds	-	-	-	1,167	-	-
Other assets	-	-	199	-	20,000	-
<b>Total current assets</b>	<b>299,994</b>	<b>464,357</b>	<b>465,322</b>	<b>149,216</b>	<b>41,168</b>	<b>308,709</b>
Noncurrent assets - capital assets:						
Machinery and equipment	-	-	1,893,643	63,358	-	-
Office furniture and fixtures	-	-	84,750	-	-	-
Vehicles	-	-	-	-	-	1,101,392
Accumulated depreciation	-	-	(1,758,375)	(15,363)	-	(1,021,665)
<b>Total noncurrent assets - capital assets</b>	<b>-</b>	<b>-</b>	<b>220,018</b>	<b>47,995</b>	<b>-</b>	<b>79,727</b>
<b>Total assets</b>	<b>299,994</b>	<b>464,357</b>	<b>685,340</b>	<b>197,211</b>	<b>41,168</b>	<b>388,436</b>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	252,025	64,827	30,910	2,477	16,168	102
Accrued liabilities	-	2,132	31,760	360	-	-
Due to other funds	-	-	1,199	-	-	2,421
<b>Total current liabilities</b>	<b>252,025</b>	<b>66,959</b>	<b>63,869</b>	<b>2,837</b>	<b>16,168</b>	<b>2,523</b>
Noncurrent liabilities:						
Advances from other funds	-	-	-	-	25,000	-
Long-term accrued liabilities	-	6,698	36,528	450	-	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>6,698</b>	<b>36,528</b>	<b>450</b>	<b>25,000</b>	<b>-</b>
<b>Total liabilities</b>	<b>252,025</b>	<b>73,657</b>	<b>100,397</b>	<b>3,287</b>	<b>41,168</b>	<b>2,523</b>
<b>Net assets</b>						
Invested in capital assets	-	-	220,018	47,995	-	79,727
Unrestricted	47,969	390,700	364,925	145,929	-	306,186
<b>Total net assets</b>	<b>\$ 47,969</b>	<b>\$ 390,700</b>	<b>\$ 584,943</b>	<b>\$ 193,924</b>	<b>\$ -</b>	<b>\$ 385,913</b>

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2010**

**Concluded**

	<u>Risk Management</u>	<u>Investment Pool</u>	<u>Employee Benefits</u>	<u>Retiree Health Savings Plan</u>	<u>Total</u>
<b>Assets</b>					
Current assets:					
Cash and investment pool	\$ 1,892,721	\$ 22,022	\$ 4,945,824	\$ 244	\$ 8,499,112
Receivables (net):					
Accounts	41,667	-	223,018	3,727	335,826
Accrued interest	4,232	-	11,016	2	16,935
Due from other funds	896	-	10,332	-	12,395
Other assets	-	-	-	-	20,199
<b>Total current assets</b>	<u>1,939,516</u>	<u>22,022</u>	<u>5,190,190</u>	<u>3,973</u>	<u>8,884,467</u>
Noncurrent assets - capital assets:					
Machinery and equipment	-	-	-	-	1,957,001
Office furniture and fixtures	-	-	-	-	84,750
Vehicles	-	-	-	-	1,101,392
Accumulated depreciation	-	-	-	-	(2,795,403)
<b>Total noncurrent assets - capital assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>347,740</u>
<b>Total assets</b>	<u>1,939,516</u>	<u>22,022</u>	<u>5,190,190</u>	<u>3,973</u>	<u>9,232,207</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	4,746	1,550	38,422	3,726	414,953
Accrued liabilities	1,136,288	518	879,858	-	2,050,916
Due to other funds	-	18,811	5,534	-	27,965
	1,141,034	20,879	923,814	3,726	2,493,834
Noncurrent liabilities:					
Advances from other funds	-	-	-	-	25,000
Long-term accrued liabilities	3,770	1,143	4,663	-	53,252
<b>Total noncurrent liabilities</b>	<u>3,770</u>	<u>1,143</u>	<u>4,663</u>	<u>-</u>	<u>78,252</u>
<b>Total liabilities</b>	<u>1,144,804</u>	<u>22,022</u>	<u>928,477</u>	<u>3,726</u>	<u>2,572,086</u>
<b>Net assets</b>					
Invested in capital assets	-	-	-	-	347,740
Unrestricted	794,712	-	4,261,713	247	6,312,381
<b>Total net assets</b>	<u>\$ 794,712</u>	<u>\$ -</u>	<u>\$ 4,261,713</u>	<u>\$ 247</u>	<u>\$ 6,660,121</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, 2010**

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	\$ -	\$ -	\$ 48,943	\$ 1,350	\$ 195,292	\$ -
Federal grants	-	-	-	-	-	-
Rental revenue	-	-	-	4,891	-	98,612
Reimbursements	3,044,391	2,643,469	1,478,349	78,320	-	-
Other revenue	-	470,773	-	-	-	-
Total operating revenues	<u>3,044,391</u>	<u>3,114,242</u>	<u>1,527,292</u>	<u>84,561</u>	<u>195,292</u>	<u>98,612</u>
<b>Operating expenses</b>						
Personal services	-	124,447	798,687	9,377	-	-
Fringe benefits	3,022,477	2,615,359	371,406	6,735	-	-
Supplies	-	-	26,850	-	182,106	-
Services and charges	20,126	3,439	382,029	89,580	13,186	56,220
Depreciation	-	-	64,473	11,626	-	87,127
Total operating expenses	<u>3,042,603</u>	<u>2,743,245</u>	<u>1,643,445</u>	<u>117,318</u>	<u>195,292</u>	<u>143,347</u>
Operating income (loss)	<u>1,788</u>	<u>370,997</u>	<u>(116,153)</u>	<u>(32,757)</u>	<u>-</u>	<u>(44,735)</u>
<b>Nonoperating revenues (expenses)</b>						
Investment income	2,728	2,097	-	1,959	-	-
Gain on sale of capital assets	-	-	-	-	-	32,709
Total nonoperating revenues (expenses)	<u>2,728</u>	<u>2,097</u>	<u>-</u>	<u>1,959</u>	<u>-</u>	<u>32,709</u>
Income (loss) before transfers	<u>4,516</u>	<u>373,094</u>	<u>(116,153)</u>	<u>(30,798)</u>	<u>-</u>	<u>(12,026)</u>
<b>Transfers</b>						
Transfers out	-	-	-	-	-	(190,000)
Change in net assets	4,516	373,094	(116,153)	(30,798)	-	(202,026)
Net assets, beginning of year	43,453	17,606	701,096	224,722	-	587,939
Net assets, end of year	<u>\$ 47,969</u>	<u>\$ 390,700</u>	<u>\$ 584,943</u>	<u>\$ 193,924</u>	<u>\$ -</u>	<u>\$ 385,913</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, 2010**

**Concluded**

	<b>Risk Management</b>	<b>Investment Pool</b>	<b>Employee Benefits</b>	<b>Retiree Health Savings Plan</b>	<b>Total</b>
<b>Operating revenues</b>					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 245,585
Federal grants	-	-	-	-	-
Rental revenue	-	-	-	-	103,503
Reimbursements	1,263,471	72,075	7,942,585	195,892	16,718,552
Other revenue	-	-	332,638	-	803,411
Total operating revenues	<u>1,263,471</u>	<u>72,075</u>	<u>8,275,223</u>	<u>195,892</u>	<u>17,871,051</u>
<b>Operating expenses</b>					
Personal services	50,343	14,217	55,180	-	1,052,251
Fringe benefits	17,630	8,670	8,954,210	-	14,996,487
Supplies	129	-	1,108	-	210,193
Services and charges	1,174,570	30,377	(78,908)	195,892	1,886,511
Depreciation	-	-	-	-	163,226
Total operating expenses	<u>1,242,672</u>	<u>53,264</u>	<u>8,931,590</u>	<u>195,892</u>	<u>18,308,668</u>
Operating income (loss)	<u>20,799</u>	<u>18,811</u>	<u>(656,367)</u>	<u>-</u>	<u>(437,617)</u>
<b>Nonoperating revenues (expenses)</b>					
Investment income	23,066	-	51,064	9	80,923
Gain on sale of capital assets	-	-	-	-	32,709
Total nonoperating revenues (expenses)	<u>23,066</u>	<u>-</u>	<u>51,064</u>	<u>9</u>	<u>113,632</u>
Income (loss) before transfers	<u>43,865</u>	<u>18,811</u>	<u>(605,303)</u>	<u>9</u>	<u>(323,985)</u>
<b>Transfers</b>					
Transfers out	<u>(50,000)</u>	<u>(18,811)</u>	<u>-</u>	<u>-</u>	<u>(258,811)</u>
Change in net assets	<u>(6,135)</u>	<u>-</u>	<u>(605,303)</u>	<u>9</u>	<u>(582,796)</u>
Net assets, beginning of year	<u>800,847</u>	<u>-</u>	<u>4,867,016</u>	<u>238</u>	<u>7,242,917</u>
Net assets, end of year	<u>\$ 794,712</u>	<u>\$ -</u>	<u>\$ 4,261,713</u>	<u>\$ 247</u>	<u>\$ 6,660,121</u>

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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	\$ 3,044,981	\$ 2,634,147	\$ 1,528,983	\$ 83,729	\$ 195,292	\$ 168,246
Payments to employees	-	-	(1,163,414)	(15,972)	-	-
Payments to suppliers	(3,065,861)	(2,733,143)	(380,937)	(92,243)	(195,923)	(56,118)
Other operating revenue	-	470,773	-	-	-	-
Net cash provided by (used in) operating activities	<u>(20,880)</u>	<u>371,777</u>	<u>(15,368)</u>	<u>(24,486)</u>	<u>(631)</u>	<u>112,128</u>
<b>Cash flows from noncapital financing activities:</b>						
Repayments of advances from other funds	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(190,000)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190,000)</u>
<b>Cash flows from capital and related financing activities:</b>						
Proceeds from sale of capital assets	-	-	-	6,475	-	32,709
Payments for capital asset acquisition	-	-	-	(42,404)	-	(67,844)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,929)</u>	<u>-</u>	<u>(35,135)</u>
<b>Cash flows from investing activities:</b>						
Investment income	<u>2,728</u>	<u>2,097</u>	<u>-</u>	<u>1,959</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(18,152)	373,874	(15,368)	(58,456)	(631)	(113,007)
Cash and cash equivalents, beginning of year	<u>317,506</u>	<u>27,681</u>	<u>478,277</u>	<u>206,138</u>	<u>21,799</u>	<u>418,640</u>
Cash and cash equivalents, end of year	<u>\$ 299,354</u>	<u>\$ 401,555</u>	<u>\$ 462,909</u>	<u>\$ 147,682</u>	<u>\$ 21,168</u>	<u>\$ 305,633</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ 1,788	\$ 370,997	\$ (116,153)	\$ (32,757)	\$ -	\$ (44,735)
Adjustments to reconcile operating income loss to net cash provided by (used in) operating activities:						
Depreciation	-	-	64,473	11,626	-	87,127
Changes in assets and liabilities:						
Accounts receivable	590	(9,322)	440	335	-	(3,076)
Due from other funds	-	-	52	(1,167)	-	72,606
Other assets	-	-	22,311	-	-	-
Accounts payable	(23,258)	8,905	5,631	(2,663)	(631)	102
Accrued liabilities	-	1,197	6,679	140	-	-
Due to other funds	-	-	1,199	-	-	104
Net cash provided by (used in) operating activities	<u>\$ (20,880)</u>	<u>\$ 371,777</u>	<u>\$ (15,368)</u>	<u>\$ (24,486)</u>	<u>\$ (631)</u>	<u>\$ 112,128</u>

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

**Concluded**

	<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	\$ 1,237,187	\$ 31,220	\$ 7,943,536	\$ 195,333	\$ 17,062,654
Payments to employees	(67,973)	(22,706)	30,239	-	(1,239,826)
Payments to suppliers	(1,964,176)	(30,377)	(8,879,972)	(195,317)	(17,594,067)
Other operating revenue	-	-	332,638	-	803,411
Net cash provided by (used in) operating activities	<u>(794,962)</u>	<u>(21,863)</u>	<u>(573,559)</u>	<u>16</u>	<u>(967,828)</u>
<b>Cash flows from noncapital financing activities:</b>					
Transfers out	<u>(50,000)</u>	<u>(18,811)</u>	-	-	<u>(258,811)</u>
<b>Cash flows from capital and related financing activities:</b>					
Payments for capital asset acquisition	-	-	-	-	<u>(110,248)</u>
<b>Cash flows from investing activities:</b>					
Investment income	<u>23,066</u>	-	<u>51,064</u>	<u>9</u>	<u>80,923</u>
Net increase (decrease) in cash and cash equivalents	(821,896)	(40,674)	(522,495)	25	(1,216,780)
Cash and cash equivalents, beginning of year	<u>2,714,617</u>	<u>62,696</u>	<u>5,468,319</u>	<u>219</u>	<u>9,715,892</u>
Cash and cash equivalents, end of year	<u>\$ 1,892,721</u>	<u>\$ 22,022</u>	<u>\$ 4,945,824</u>	<u>\$ 244</u>	<u>\$ 8,499,112</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 20,799	\$ 18,811	\$ (656,367)	\$ -	\$ (437,617)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	-	-	163,226
Changes in assets and liabilities:					
Accounts receivable	(38,294)	-	5,749	(559)	(44,137)
Due from other funds	12,124	-	(10,332)	-	73,283
Other assets	-	-	9,915	-	32,226
Accounts payable	2,952	-	(13,477)	575	(21,864)
Accrued liabilities	(792,429)	181	85,419	-	(698,813)
Due to other funds	(114)	(40,855)	5,534	-	(34,132)
Net cash provided by (used in) operating activities	<u>\$ (794,962)</u>	<u>\$ (21,863)</u>	<u>\$ (573,559)</u>	<u>\$ 16</u>	<u>\$ (967,828)</u>

## **FIDUCIARY FUNDS**

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

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

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

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

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

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

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS**

**SEPTEMBER 30, 2010**

**Continued**

	<u>Trust &amp; Agency</u>	<u>State Education Tax</u>	<u>Library Penal Fine</u>
<b>Assets</b>			
Cash and investment pool	\$ 3,887,192	\$ 7,227,349	\$ 190,830
Receivables (net):			
Taxes	-	-	-
Accounts	4,398,792	-	150
Accrued interest	35	-	883
Due from other governmental units	-	74,341	-
 Total assets	 <u>\$ 8,286,019</u>	 <u>\$ 7,301,690</u>	 <u>\$ 191,863</u>
<b>Liabilities</b>			
Accounts payable	\$ 435,931	\$ 7,301,690	\$ -
Deposits payable	7,742,795	-	-
Due to other governmental units	107,293	-	191,863
 Total liabilities	 <u>\$ 8,286,019</u>	 <u>\$ 7,301,690</u>	 <u>\$ 191,863</u>

**COUNTY OF SAGINAW, MICHIGAN**

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS -  
AGENCY FUNDS  
SEPTEMBER 30, 2010**

**Concluded**

	<b>Hospital Millage</b>	<b>Dependent Care</b>	<b>Medical Spending Reimbursement</b>	<b>Total</b>
<b>Assets</b>				
Cash and investment pool	\$ 7,806	\$ 2,437	\$ 6,627	\$ 11,322,241
Receivables (net):				
Taxes	16,188	-	-	16,188
Accounts	197	-	(3,734)	4,395,405
Accrued interest	100	-	-	1,018
Due from other governmental units	-	-	-	74,341
<b>Total assets</b>	<b>\$ 24,291</b>	<b>\$ 2,437</b>	<b>\$ 2,893</b>	<b>\$ 15,809,193</b>
<b>Liabilities</b>				
Accounts payable	\$ 24,291	\$ 2,437	\$ 2,893	\$ 7,767,242
Deposits payable	-	-	-	7,742,795
Due to other governmental units	-	-	-	299,156
<b>Total liabilities</b>	<b>\$ 24,291</b>	<b>\$ 2,437</b>	<b>\$ 2,893</b>	<b>\$ 15,809,193</b>

# **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, 2010**

	<b>Brownfield Redevelopment Authority</b>	<b>Adjustments</b>	<b>Statement of Net Assets</b>
<b>Assets</b>			
Cash and investment pool	\$ 1,096,713	\$ -	\$ 1,096,713
Accounts receivable	22,927	-	22,927
Due from Federal Government	151,019	-	151,019
Notes receivable	220,000	(220,000)	-
Accrued interest receivable	2,638	-	2,638
	<u>1,493,297</u>	<u>(220,000)</u>	<u>1,273,297</u>
Total assets	<u>\$ 1,493,297</u>	<u>\$ (220,000)</u>	<u>1,273,297</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 45,815	\$ -	45,815
Unearned revenue	220,000	(220,000)	-
Long-term liabilities:			
Due within one year	-	49,607	49,607
Due in more than one year	-	333,846	333,846
	<u>265,815</u>	<u>163,453</u>	<u>429,268</u>
Total liabilities	<u>265,815</u>	<u>163,453</u>	<u>429,268</u>
<b>Fund balances / net assets</b>			
Unreserved	<u>1,227,482</u>	<u>(1,227,482)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,493,297</u>		
<b>Net assets:</b>			
Unrestricted		<u>844,029</u>	<u>844,029</u>
Total net assets		<u>\$ 844,029</u>	<u>\$ 844,029</u>

**COUNTY OF SAGINAW, MICHIGAN**

**BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT  
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<b>Brownfield Redevelopment Authority</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>Revenues</b>			
Federal grants	\$ 151,019	\$ -	\$ 151,019
Property taxes	49,415	-	49,415
Reimbursements	38,841	-	38,841
Investment income	12,365	-	12,365
Total revenues	<u>251,640</u>	<u>-</u>	<u>251,640</u>
<b>Expenditures / expenses</b>			
Current:			
Community and economic development	411,330	-	411,330
Debt service:			
Principal	53,075	(53,075)	-
Interest and fiscal charges	4,647	-	4,647
Total expenditures / expenses	<u>469,052</u>	<u>(53,075)</u>	<u>415,977</u>
Net change in fund balances	(217,412)	217,412	-
Change in net assets	-	(164,337)	(164,337)
Fund balance / net assets, beginning of year	<u>1,444,894</u>	<u>(436,528)</u>	<u>1,008,366</u>
Fund balance / net assets, end of year	<u>\$ 1,227,482</u>	<u>\$ (383,453)</u>	<u>\$ 844,029</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, 2010**

	<b>Debt Service</b>	<b>Construction</b>	<b>Total Governmental Funds</b>	<b>Adjustments</b>	<b>Statement of Net Assets</b>
<b>Assets</b>					
Cash and investment pool	\$ 102,087	\$ 23,634	\$ 125,721	\$ -	\$ 125,721
Accrued interest receivable	-	52	52	-	52
Accounts receivable	-	24,894	24,894	-	24,894
Due from other governmental units	-	-	-	14,668,654	14,668,654
Prepaid items	625,580	-	625,580	(625,580)	-
<b>Total assets</b>	<b>\$ 727,667</b>	<b>\$ 48,580</b>	<b>\$ 776,247</b>	<b>\$ 14,043,074</b>	<b>14,819,321</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 24,920	\$ 24,920	\$ 198,654	223,574
Deferred revenue	662,968	-	662,968	(662,968)	-
Long-term liabilities:					
Due within one year	-	-	-	1,057,000	1,057,000
Due in more than one year	-	-	-	13,413,000	13,413,000
<b>Total liabilities</b>	<b>662,968</b>	<b>24,920</b>	<b>687,888</b>	<b>14,005,686</b>	<b>14,693,574</b>
<b>Fund balances / net assets</b>					
Reserved for:					
Debt service	64,699	23,660	88,359	(88,359)	-
<b>Total liabilities and fund balances</b>	<b>\$ 727,667</b>	<b>\$ 48,580</b>	<b>\$ 776,247</b>		
<b>Net assets:</b>					
Restricted for:					
Debt service				64,699	64,699
Acquisition/construction of capital assets				61,048	61,048
<b>Total net assets</b>				<b>\$ 125,747</b>	<b>\$ 125,747</b>

**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, 2010**

	<b>Debt Service</b>	<b>Construction</b>	<b>Total Governmental Funds</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>Revenues</b>					
Federal grants	\$ -	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Local grants and contributions	3,306,959	-	3,306,959	(2,585,177)	721,782
Investment income	307	227	534	-	534
Reimbursements	-	85,520	85,520	-	85,520
<b>Total revenues</b>	<b>3,307,266</b>	<b>86,747</b>	<b>3,394,013</b>	<b>(2,585,177)</b>	<b>808,836</b>
<b>Expenditures / expenses</b>					
Current:					
Public works	-	87,310	87,310	-	87,310
Debt service:					
Principal	2,583,000	-	2,583,000	(2,583,000)	-
Interest and fiscal charges	721,520	-	721,520	(39,085)	682,435
<b>Total expenditures / expenses</b>	<b>3,304,520</b>	<b>87,310</b>	<b>3,391,830</b>	<b>(2,622,085)</b>	<b>769,745</b>
Net change in fund balances	2,746	(563)	2,183	(2,183)	-
Change in net assets	-	-	-	39,091	39,091
Fund balance / net assets, beginning of year	61,953	24,223	86,176	480	86,656
Fund balance / net assets, end of year	\$ 64,699	\$ 23,660	\$ 88,359	\$ 37,388	\$ 125,747

**COUNTY OF SAGINAW, MICHIGAN**

**DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT  
STATEMENT OF NET ASSETS - PROPRIETARY FUND  
SEPTEMBER 30, 2010**

---

	<u>Administration</u>
<b>Assets</b>	
Current assets:	
Due from other governmental units	\$ 42,732
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	41,536
Accrued liabilities	1,196
Total current liabilities	<u>42,732</u>
<b>Net assets</b>	
Unrestricted	<u>\$ -</u>

**COUNTY OF SAGINAW, MICHIGAN**

**DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET ASSETS - PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

---

	<u>Administration</u>
<b>Operating revenues</b>	
Licenses and permits	\$ 39,765
Reimbursements	42,923
	<hr/>
Total operating revenues	82,688
	<hr/>
<b>Operating expenses</b>	
Personal services	27,842
Fringe benefits	17,804
Supplies	1,104
Services and charges	35,938
	<hr/>
Total operating expenses	82,688
	<hr/>
Operating loss	-
Net assets, beginning of year	<hr/> -
Net assets, end of year	<hr/> <u>\$ -</u>

**COUNTY OF SAGINAW, MICHIGAN**

**DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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	<u>Administration</u>
<b>Cash flows from operating activities:</b>	
Receipts from customers	\$ 41,844
Payments to employees	(45,800)
Payments to suppliers	(38,967)
Other operating revenue	<u>42,923</u>
Net cash provided by (used in) operating activities	-
Cash and cash equivalents, beginning of year	<u>-</u>
Cash and cash equivalents, end of year	<u><u>\$ -</u></u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>	
Operating loss	\$ -
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	
Changes in assets and liabilities:	
Due from other governmental units	2,079
Accounts payable	(1,925)
Accrued liabilities	<u>(154)</u>
Net cash provided by (used in) operating activities	<u><u>\$ -</u></u>

## **DRAIN COMMISSION**

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

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

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

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

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

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

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

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

**COUNTY OF SAGINAW, MICHIGAN**

**DRAIN COMMISSION COMPONENT UNIT  
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET**

**SEPTEMBER 30, 2010**

**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	\$ 262,927	\$ 163,965	\$ 4,160,276	\$ 323,824	\$ -
Receivables (net):					
Special assessments	1,897,489	5,856,396	-	-	-
Accounts	-	-	-	-	-
Notes Receivable	-	-	100,000	-	-
Due from other funds	-	-	-	-	-
Prepaid items	333	1,445,056	-	-	-
Capital assets, net:					
Assets not being depreciated	-	-	-	-	-
Assets being depreciated	-	-	-	-	-
<b>Total assets</b>	<u>\$ 2,160,749</u>	<u>\$ 7,465,417</u>	<u>\$ 4,260,276</u>	<u>\$ 323,824</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 25,414	\$ 69,772	\$ -
Due to other funds	-	-	291,953	2,283	-
Advances from primary government	-	-	-	-	-
Deferred revenue	1,897,489	7,260,617	100,000	-	-
Long-term liabilities:					
Due within one year	-	-	-	-	-
Due in more than one year	-	-	-	-	-
<b>Total liabilities</b>	<u>1,897,489</u>	<u>7,260,617</u>	<u>417,367</u>	<u>72,055</u>	<u>-</u>
<b>Fund balances / net assets</b>					
Reserved for:					
Debt service	263,260	204,800	-	-	-
Capital projects	-	-	3,842,909	251,769	-
<b>Total fund balances</b>	<u>263,260</u>	<u>204,800</u>	<u>3,842,909</u>	<u>251,769</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ 2,160,749</u>	<u>\$ 7,465,417</u>	<u>\$ 4,260,276</u>	<u>\$ 323,824</u>	<u>\$ -</u>

**COUNTY OF SAGINAW, MICHIGAN**

**DRAIN COMMISSION COMPONENT UNIT**

**STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET**

**SEPTEMBER 30, 2010**

**Concluded**

	Capital Projects Funds		Total Governmental Funds	Adjustments	Statement of Net Assets
	Revolving Drain	Revolving Drain Maintenance			
<b>Assets</b>					
Cash and investment pool	\$ 142,378	\$ 22,858	\$ 5,076,228	\$ -	\$ 5,076,228
Receivables (net):					
Special assessments	-	-	7,753,885	-	7,753,885
Accounts	-	23,905	23,905	-	23,905
Notes Receivable	-	-	100,000	-	100,000
Due from other funds	292,090	2,146	294,236	(294,236)	-
Prepaid items	-	-	1,445,389	(1,445,056)	333
Capital assets, net:					
Assets not being depreciated	-	-	-	101,638	101,638
Assets being depreciated	-	-	-	39,642,409	39,642,409
<b>Total assets</b>	<b>\$ 434,468</b>	<b>\$ 48,909</b>	<b>\$ 14,693,643</b>	<b>38,004,755</b>	<b>52,698,398</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 34,468	\$ 4,262	\$ 133,916	36,045	169,961
Due to other funds	-	-	294,236	(294,236)	-
Advances from primary government	400,000	-	400,000	-	400,000
Deferred revenue	-	-	9,258,106	(9,198,940)	59,166
Long-term liabilities:					
Due within one year	-	-	-	499,334	499,334
Due in more than one year	-	-	-	6,396,068	6,396,068
<b>Total liabilities</b>	<b>434,468</b>	<b>4,262</b>	<b>10,086,258</b>	<b>(2,561,729)</b>	<b>7,524,529</b>
<b>Fund balances / net assets</b>					
Reserved for:					
Debt service	-	-	468,060	(468,060)	-
Capital projects	-	44,647	4,139,325	(4,139,325)	-
<b>Total fund balances</b>	<b>-</b>	<b>44,647</b>	<b>4,607,385</b>	<b>(4,607,385)</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 434,468</b>	<b>\$ 48,909</b>	<b>\$ 14,693,643</b>		
<b>Net assets:</b>					
Invested in capital assets, net of related debt				32,848,645	32,848,645
Restricted for:					
Debt service				468,060	468,060
Acquisition/construction of capital assets				4,139,325	4,139,325
Unrestricted				7,717,839	7,717,839
<b>Total net assets</b>				<b>\$ 45,173,869</b>	<b>\$ 45,173,869</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, 2010**

Continued

	Debt Service Funds		Capital Projects Funds		
	Chapter 8 Drains	Chapter 20 Drains	Special Assessment Drain	Chapter 8 Drains	Chapter 20 Drains
<b>Revenues</b>					
Special assessments	\$ 367,769	\$ -	\$ 274,057	\$ -	\$ -
Local grants and contributions	158,390	1,597,257	140,689	-	-
Investment income	31,616	635	10,857	1,138	-
Reimbursements	-	-	6,847	-	-
Total revenues	<u>557,775</u>	<u>1,597,892</u>	<u>432,450</u>	<u>1,138</u>	<u>-</u>
<b>Expenditures / expenses</b>					
Current:					
Public works	-	-	477,258	207,150	-
Capital Outlay	-	-	-	797,078	-
Depreciation	-	-	-	-	-
Debt service:					
Principal	483,394	1,435,000	-	-	-
Interest and fiscal charges	78,471	162,259	-	-	-
Total expenditures	<u>561,865</u>	<u>1,597,259</u>	<u>477,258</u>	<u>1,004,228</u>	<u>-</u>
Revenues over (under) expenditures/expenses	<u>(4,090)</u>	<u>633</u>	<u>(44,808)</u>	<u>(1,003,090)</u>	<u>-</u>
<b>Other financing sources</b>					
Bond proceeds	-	-	-	1,095,000	-
Transfers in	44,584	-	103,438	2,042	-
Transfers out	(26,058)	-	(16,246)	(107,760)	-
Total other financing sources	<u>18,526</u>	<u>-</u>	<u>87,192</u>	<u>989,282</u>	<u>-</u>
Net change in fund balances	14,436	633	42,384	(13,808)	-
Change in net assets	-	-	-	-	-
Fund balance / net assets, beginning of year	<u>248,824</u>	<u>204,167</u>	<u>3,800,525</u>	<u>265,577</u>	<u>-</u>
Fund balance / net assets, end of year	<u>\$ 263,260</u>	<u>\$ 204,800</u>	<u>\$ 3,842,909</u>	<u>\$ 251,769</u>	<u>\$ -</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, 2010**

**Concluded**

	Capital Projects Funds		Total Governmental Funds	Adjustments	Statement of Activities
	Revolving Drain	Revolving Drain Maintenance			
<b>Revenues</b>					
Special assessments	\$ -	\$ -	\$ 641,826	\$ -	\$ 641,826
Local grants and contributions	-	-	1,896,336	(856,867)	1,039,469
Investment income	-	424	44,670	-	44,670
Reimbursements	-	46,732	53,579	-	53,579
Total revenues	-	47,156	2,636,411	(856,867)	1,779,544
<b>Expenditures / expenses</b>					
Current:					
Public works	-	48,110	732,518	(207,158)	525,360
Capital Outlay	-	-	797,078	(797,078)	-
Depreciation	-	-	-	1,225,019	1,225,019
Debt service:					
Principal	-	-	1,918,394	(1,918,394)	-
Interest and fiscal charges	-	-	240,730	(16,218)	224,512
Total expenditures / expenses	-	48,110	3,688,720	(1,713,829)	1,974,891
Revenues over (under) expenditures/expenses	-	(954)	(1,052,309)	856,962	(195,347)
<b>Other financing sources</b>					
Bond proceeds	-	-	1,095,000	(1,095,000)	-
Transfers in	-	-	150,064	-	150,064
Transfers out	-	-	(150,064)	-	(150,064)
Total other financing sources	-	-	1,095,000	(1,095,000)	-
Net change in fund balances	-	(954)	42,691	(238,038)	(195,347)
Change in net assets	-	-	-	-	-
Fund balance / net assets, beginning of year	-	45,601	4,564,694	40,804,522	45,369,216
Fund balance / net assets, end of year	\$ -	\$ 44,647	\$ 4,607,385	\$ 40,566,484	\$ 45,173,869

## SINGLE AUDIT SECTION

COUNTY OF SAGINAW, MICHIGAN

Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2010

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Awards Expended
<b>U.S. Department of Agriculture</b>			
Passed through Michigan Department of Education Food Distribution:			
Entitlement Commodities	10.550	N/A	\$ 3,410
Bonus Commodities	10.550	N/A	300
National School Lunch Program - Children's Facility	10.553	730008002	75,083
Passed through Michigan Department of Community Health Women and Infant Care	10.557	N/A	728,713
Passed through Michigan Department of Human Services SNAP - Supplemental Nutrition Assistance Program	10.561	N/A	17,200
SNAP-ED - Supplemental Nutrition Assistance Program-Nutrition Education	10.561	ADMIN-10-99011	6,447
Passed through Michigan Department of Energy, Labor and Economic Growth Food Assistance & Employment Training Type A	10.561	N/A	177,403
Food Assistance & Employment Training / SS Type B	10.561	N/A	527
Direct Award Water and Waste Disposal Systems for Rural Communities - Merrill Village	10.760	Grant	<u>1,000</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>1,010,083</u></b>
<b>U.S. Department of Housing and Urban Development</b>			
Passed through the City of Saginaw Home Maintenance Self Help	14.218	N/A	14,214
Passed through Michigan State Housing Development Authority Community Development Block Grant	14.228	MSC-2008-0540-HOA	84,608
Community Development Block Grant	14.228	N/A	30,000
Community Development Block Grant - Administration	14.228	MSC-2008-0540-HOA	28,427
Community Development Block Grant - Administration	14.228	N/A	5,400
NSP2 ARRA (Neighborhood Stabilization Program - Land Bank Authority)	14.256	NS2-2009-6110	62,532
Passed through the Regents of the University of Michigan Preventative Intervention for Childhood Asthma & Lead Poisoning in the City of Saginaw, Michigan (Healthy Homes)	14.901	MILHH0161-08	<u>163,926</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>389,107</u></b>
<b>U.S. Department of Justice</b>			
Passed through Michigan Department of Human Services Juvenile Accountability Block Grants Program - Truancy Early Intervention VI	16.523	JAIBG-09-73001	6,375
Juvenile Accountability Block Grants Program - Truancy Early Intervention VII	16.523	JAIBG-10-73001	7,792
Juvenile Justice and Delinquency Prevention Allocation to States (Drug Court)	16.540	JDMHC-09-73001	63,851
Passed through Michigan Department of State Police National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	N/A	450
Direct Award State Criminal Alien Assistance Program	16.606	N/A	7,548
Bulletproof Vest Partnership Program	16.607	N/A	247
Edward Byrne Memorial Justice Assistance Grant (JAG) Program - 2007	16.738	2007-DJ-BX-0596	67,359
Edward Byrne Memorial Justice Assistance Grant (JAG) Program - 2008	16.738	2008-DJ-BX-0135	9,068
Edward Byrne Memorial Justice Assistance Grant (JAG) Program - 2009	16.738	2009-DJ-BX-0837	13,639
Edward Byrne Memorial Justice Assistance Grant (JAG) Program - ARRA	16.804	2009-SB-B9-1423	401,527
Passed through Detroit Community Justice Partnership Project Safe Neighborhoods - Gun Violence	16.609	N/A	10,334
Project Safe Neighborhoods - Gang Violence	16.609	N/A	24,171
Passed through Michigan Department of State Police Office of Drug Control Policy Prosecutor's BAYANET-Bay Area Narcotics Enforcement Team	16.803	2009-SU-B9-0017	45,402
Passed through Michigan Department of Community Health Recovery Act Byrne JAG 2009 - Saginaw Inner City Initiative - ARRA	16.803	2009-SU-B9-0017	61,374
Recovery Act Byrne JAG 2009 - Saginaw Collaborative Information Sharing Initiative - ARRA	16.803	2009-SU-B9-0017	<u>110,321</u>
<b>Total U.S. Department of Justice</b>			<b><u>829,458</u></b>

continued...

COUNTY OF SAGINAW, MICHIGAN

Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2010

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Awards Expended
<b>U.S. Department of Labor</b>			
Passed through Michigan Department of Energy, Labor and Economic Growth (Note 3)			
Employment Service	17.207	N/A	\$ 456,772
Workforce Investment Grants - Disability Program Navigator	17.207	N/A	61,068
ARRA WP ECAR	17.207	N/A	1,584
ARRA Reemployment Services	17.207	N/A	204,000
ARRA ES NCRC	17.207	N/A	70,716
Wagner Peyser NCRC	17.207	N/A	3,942
RES ARRA WP (TRADE related)	17.207	N/A	13,044
Trade Adjustment Assistance	17.245	N/A	1,622,589
Trade Adjustment Assistance - Capacity Building	17.245	N/A	1,500
Workforce Investment Act - Capacity Building	17.258	N/A	10,513
Workforce Investment Act - Adult	17.258	N/A	2,210,995
Workforce Investment Act - Administration	17.258	N/A	107,791
Workforce Investment Act - One Stop Operations	17.258	N/A	49,204
Workforce Investment Act - TANF Replacement Funds Type M	17.258	N/A	79,731
Workforce Investment Act - RSA Healthcare	17.258	N/A	6,434
Workforce Investment Act - Stwd ARRA Service Center Efficiency	17.258	N/A	8,707
Workforce Investment Act - RCAR Year 2	17.258	N/A	32,597
Workforce Investment Act - Adult ARRA	17.258	N/A	483,585
Workforce Investment Act - Administration ARRA	17.258	N/A	35,335
Workforce Investment Act - ECAR ARRA	17.258	N/A	30,115
Workforce Investment Act - NCRC	17.258	N/A	12,392
Workforce Investment Act - Capacity Building	17.259	N/A	11,261
Workforce Investment Act - Youth	17.259	N/A	1,738,965
Workforce Investment Act - Administration	17.259	N/A	115,456
Workforce Investment Act - One Stop Operations	17.259	N/A	52,703
Workforce Investment Act - TANF Replacement Funds Type M	17.259	N/A	85,400
Workforce Investment Act - RSA Healthcare	17.259	N/A	6,891
Workforce Investment Act - Stwd ARRA Service Center Efficiency	17.259	N/A	9,326
Workforce Investment Act - Youth ARRA	17.259	N/A	309,512
Workforce Investment Act - Administration ARRA	17.259	N/A	37,848
Workforce Investment Act - ECAR ARRA	17.259	N/A	32,256
Workforce Investment Act - NCRC	17.259	N/A	13,273
Workforce Investment Act - Dislocated Worker	17.260	N/A	1,388,987
Workforce Investment Act - Dislocated Worker NWLB Type C	17.260	N/A	209
Workforce Investment Act - Administration	17.260	N/A	150,639
Workforce Investment Act - One Stop Operations	17.260	N/A	68,763
Workforce Investment Act - Incumbent worker	17.260	N/A	193,111
Workforce Investment Act - Capacity Building	17.260	N/A	14,692
Workforce Investment Act - TANF Replacement Funds Type M	17.260	N/A	111,424
Workforce Investment Act - RSA Healthcare	17.260	N/A	8,991
Workforce Investment Act - Stwd ARRA Service Center Efficiency	17.260	N/A	12,168
Workforce Investment Act - Dislocated Worker ARRA	17.260	N/A	1,125,386
Workforce Investment Act - Administration ARRA	17.260	N/A	49,381
Workforce Investment Act - ECAR ARRA	17.260	N/A	42,086
Workforce Investment Act - NCRC	17.260	N/A	17,318
Workforce Investment Act - Dislocated Worker ARRA NEG REI Mid Mi	17.260	N/A	349,323
Workforce Investment Act - Dislocated Worker ARRA NEG REI Mid Mi	17.260	N/A	777,855
SESP ARRA	17.275	N/A	91,873
<b>Total U.S. Department of Labor</b>			<b>12,317,711</b>
<b>U.S. Department of Transportation</b>			
Passed through Michigan Department of Transportation - Aeronautics			
Airport Improvement Program	20.106	B-26-0114-1508	778
Airport Improvement Program	20.106	B-26-0114-1608	756
Passed through Michigan Public Transit Association			
Rural Transit Assistance Program (RTAP)	20.509	N/A	2,922
Passed through Michigan Department of Transportation			
Workforce Investment Act - RCAR Year 3	20.205	GLB10-RCAR3	131,559
Urban Planning - FHWA	20.205	2009-0008-Z6	187,261
Urban Planning - FTA	20.500	2009-0008-Z7	39,649
Passed through Michigan Department of State Police			
Police Traffic Services (Alcohol Reduction S.C.A.R.E.)	20.600	PT-10-21	22,775
Police Traffic Services (Alcohol Reduction S.C.A.R.E.)	20.601	PT-10-21	35,400
Alcohol Impaired Driving Prevention (Project Safe & Sober)	20.601	PT-10-21	16,964
Occupant Protection (Alcohol Reduction S.C.A.R.E.)	20.602	PT-10-21	3,995
<b>Total U.S. Department of Transportation</b>			<b>442,059</b>

continued...

COUNTY OF SAGINAW, MICHIGAN

Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2010

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Federal Awards Expended
<b>U.S. Environmental Protection Agency</b>			
Passed through Michigan Department of Environmental Quality Cap Grant for the Drinking Water Revolving Fund	66.468	FS97548705	300
Passed through Michigan Department of Community Health Saginaw River/Bay - Eat Safe Fish and Game	66.716	00E82801-0	11,667
Direct Award Brownfield Assessment Coalition	66.818	BF-00E96701-0	<u>151,019</u>
<b>Total U.S. Environmental Protection Agency</b>			<b><u>162,986</u></b>
<b>U.S. Department of Education</b>			
Passed through Michigan Department of Education Inmate Rehabilitation	84.013	101700	53,310
Inmate Rehabilitation - ARRA	84.389	101705	<u>12,792</u>
<b>Total U.S. Department of Education</b>			<b><u>66,102</u></b>
<b>U.S. Department of Energy</b>			
Passed through Michigan Department of Energy, Labor & Economic Growth Energy Efficiency and Conservation Block Grant Program (EECBG) Multi-Purpose ARRA	81.128	BES-10-148	<u>106,474</u>
<b>U.S. Department of Health and Human Services</b>			
Passed through Michigan Department of Community Health			
Pan Flu Focus Area 1 & 2 (Bioterrorism - Pan Flu)	93.069	N/A	124,870
Pan Flu Focus Area 3	93.069	N/A	214,630
Pan Flu Focus Area 2	93.069	N/A	9,500
Bioterrorism - Focus A	93.069	N/A	172,617
Bioterrorism - Focus C	93.069	N/A	124,951
H1N1 Vaccines	93.069	N/A	146,960
Family Planning General Services	93.217	N/A	183,940
Laboratory Services	93.217	N/A	104,076
Immunizations - IAP	93.268	N/A	90,202
Care Coordination & Case Management Services	93.268	N/A	1,822
Provider Visits and Nurse Education	93.268	N/A	7,250
Federally Funded Vaccines	93.268	N/A	578,132
Federally Funded Vaccines (ARRA)	93.712	N/A	107,689
EPI and Lab Capacity	93.283	N/A	15,000
Infectious Disease Control (ARRA) - Reaching More Children	93.712	N/A	18,150
Substance Abuse - MICHild	93.767	N/A	2,026
Case Management Services	93.778	N/A	76,043
Substance Abuse - Medicaid	93.778	N/A	1,217,711
Medicaid Outreach	93.778	N/A	139,358
HIV/AIDS Prevention Counseling	93.940	N/A	61,059
HIV/AIDS Rapid Testing	93.940	N/A	6,250
Primary Care Services	93.991	N/A	16,342
SIDS Counseling	93.994	N/A	765
Childhood Lead Poisoning	93.994	N/A	44,333
Local MCH Block Grant	93.994	N/A	197,324
Case Management Services	93.994	N/A	31,772
Passed through Health Resources and Services Administration Healthy Start Initiative	93.926	N/A	571,710
Passed through Saginaw ISD Substance Abuse & Mental Health Services - Michigan Project LAUNCH	93.243	N/A	12,965
Passed through the Office of Drug Control Policy SIG - Saginaw County Youth Protection Council	93.243	N/A	62,407
Substance Abuse Prevention and Treatment Block Grant (Note 4)	93.959	N/A	1,317,048
B.A.S.A.R.A. Substance Abuse Treatment	93.959	N/A	120,714
Passed through Michigan Department of Human Services Title IV-D Maintenance Assistance (Federal Incentive) (FOC)	93.563	N/A	350,652
Title IV-D Cooperative Reimbursement Program (FOC)	93.563	CSFOC-10-73001	2,655,488
Title IV-D Cooperative Reimbursement Program (PA)	93.563	CSPA-10-73002	366,388
Passed through State Court Administrative Office Federal Access and Visitation	93.597	N/A	9,200

continued...

COUNTY OF SAGINAW, MICHIGAN

Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2010

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Awards Expended
Passed through Michigan Office of Aging Services and the Region VII Area Agency on Aging Medication Management	93.043	N/A	1,660
Aging Cluster:			
Case Coordination and Support	93.044	N/A	77,978
Case Coordination and Support - In-Home Support Services	93.044	N/A	37,194
Outreach	93.044	N/A	17,603
Transportation	93.044	N/A	12,570
Senior Center Staffing - MO	93.044	N/A	10,512
Senior Center Staffing	93.044	N/A	6,908
Senior Center Operations	93.044	N/A	7,000
Nutrition - Title III C-1 Congregate	93.045	N/A	127,724
Nutrition - Title III C-2 HDM	93.045	N/A	156,964
Nutrition - Title III C-2 HDM Weekend	93.045	N/A	20,596
Nutrition Services Incentive Program - Congregate	93.053	N/A	46,110
Nutrition Services Incentive Program - HDM	93.053	N/A	111,573
Nutrition Services Incentive Program - HDM Weekend	93.053	N/A	8,408
Nutrition - HDM Administration - ARRA	93.705	N/A	659
Nutrition - HDM - ARRA	93.705	N/A	14,719
Nutrition - Congregate Administration - ARRA	93.707	N/A	1,338
Nutrition - Congregate - ARRA	93.707	N/A	1,000
Title III E Kinship Care	93.052	N/A	4,340
National Family Caregiver Support Program	93.052	N/A	57,927
Supplemental funds - Title III E	93.052	N/A	21,128
Medicaid reimbursement - TCM	93.778	N/A	3,967
TCM - ARRA	93.778	N/A	1,040
POS Waiver	93.778	N/A	64,349
Passed through Michigan Department of Energy, Labor and Economic Growth			
TANF - JET Supportive Services Type E (Note 3)	93.558	N/A	305,000
TANF - JET Type T (Note 3)	93.558	N/A	3,611,210
Passed through Michigan Department of Health and Human Services			
Foster Grandparent Program	94.011	07SFNMI004	248,782
<b>Total U.S. Department of Health and Human Services</b>			<b>14,137,603</b>
<b>U.S. Department of Homeland Security</b>			
Passed through Michigan Department of Natural Resources			
Marine Safety Program	97.012	N/A	6,472
Passed through United Way of Saginaw County			
Emergency Food and Shelter National Board Program	97.024	N/A	3,046
Passed through Michigan State Police Department			
Emergency Management Performance Grant	97.042	2010-EP-00-0002	31,738
<b>Total U.S. Department of Homeland Security</b>			<b>41,256</b>
<b>Total Federal Financial Assistance</b>			<b>\$ 29,502,839</b>

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) Approximately 95% of this award was provided to subrecipients.
- (3) Approximately 90% of this award was provided to subrecipients.

**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 23, 2011

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, 2010, which collectively comprise the *County of Saginaw, Michigan's* basic financial statements, and have issued our report thereon dated March 23, 2011. We did not audit the financial statements of the County of Saginaw Road Commission, an aggregate discretely presented component unit of the County. Those financial statements were audited by other auditors whose report was furnished to us, and our opinions, insofar as they relate to the amounts included for the County of Saginaw Road Commission, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County'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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

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 defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County'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 that we have reported to management of the County of Saginaw in a separate letter dated March 23, 2011.

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 black ink that reads "Lehmann Johnson". The signature is written in a cursive, flowing style.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

March 23, 2011

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 could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2010. The County'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's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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'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's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010.

## **Internal Control Over Compliance**

The management of the County 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'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, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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 black ink that reads "Lehmann Johnson". The signature is written in a cursive, flowing style.

# COUNTY OF SAGINAW

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

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

#### Financial Statements

Type of auditor's report issued: *Unqualified*

Internal controls over financial reporting:  
Material weakness(es) identified? \_\_\_\_\_ yes  no

Significant deficiency(ies) identified \_\_\_\_\_ yes  none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes  no

#### Federal Awards

Internal Control over major programs:  
Material weakness(es) identified? \_\_\_\_\_ yes  no

Significant deficiency(ies) identified \_\_\_\_\_ yes  none reported

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

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)? \_\_\_\_\_ yes  no

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.803	Byrne Memorial JAG Grant
16.804	Byrne Memorial JAG Grant
17.207	Employment Services Cluster
17.245	Trade Adjustment Assistance
17.258/17.259/17.260	Workforce Investment Act Cluster
93.268	Immunization
93.778	Medical Assistance Program (Medicaid)

Dollar threshold used to distinguish between Type A and Type B programs: \$885,085

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes  no

**COUNTY OF SAGINAW**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**None**

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

**None**

**SECTION IV – SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

**None**

**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, 2010**

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	\$ 1,273,468	\$ 1,245,946	\$ 1,245,946	\$ -	
2 Prevention	522,652	551,256	551,256	-	
3 Communicable disease	26,862	25,780	25,780	-	
4 State Disability Assistance	62,644	62,644	62,644	-	
5 SPF/SIG	62,407	62,407	62,407	-	
<b>A Sub-total</b>	<u>1,948,033</u>	<u>1,948,033</u>	<u>1,948,033</u>	<u>-</u>	
<b>B Medicaid</b>					
1 Current year PEPM (Federal & State)	1,288,026	1,078,243	1,078,243	-	
2 Women's Specialty - Federal	70,000	268,292	268,292	-	
3 Women's Specialty - State	30,000	97,878	97,878	-	
4 Reinvestment savings	40,000	37,424	37,424	-	
<b>B Sub-total</b>	<u>1,428,026</u>	<u>1,481,837</u>	<u>1,481,837</u>	<u>-</u>	
<b>C Adult Benefit Waiver</b>					
1 Current year PEPM (Federal share only Oct - April)	50,564	112,845	112,845	-	
2 GROSS (Federal & State May - Sept)	-	31,967	31,967	-	
<b>C Sub-total</b>	<u>50,564</u>	<u>144,812</u>	<u>144,812</u>	<u>-</u>	
<b>D MI Child</b>					
1 Current year PEPM	2,730	2,026	2,026	-	
<b>D Sub-total</b>	<u>2,730</u>	<u>2,026</u>	<u>2,026</u>	<u>-</u>	
<b>E Local</b>					
1 Current year PA2	426,563	339,514	339,514	-	339,514
2 PA2 fund balance	-	-	-	-	-
3 Other local (R325.4152 excl. subsection (1)(b))	-	-	-	-	-
<b>E Sub-total</b>	<u>426,563</u>	<u>339,514</u>	<u>339,514</u>	<u>-</u>	
<b>F Fees &amp; Collections</b> (R325.4151 (1)(d))	-	-	-	-	-
<b>G Other Contracts &amp; Sources</b>	-	-	-	-	
<b>Grand Total of Subtotals A-G</b>	<u>\$ 3,855,916</u>	<u>\$ 3,916,222</u>	<u>\$ 3,916,222</u>	<u>\$ -</u>	
<b>Amount billable to MDCH (Section A audited subtotal)</b>			\$ 1,948,033		
<b>Total MDCH Payments (through 9/30/10)</b>			<u>1,948,033</u>		
<b>(Overpayment) / Underpayment</b>			<u>\$ -</u>		
<b>Local Match Funds Total</b>					\$ 339,514
<b>Local Match Requirement [(grand total of audited expenditures minus subtotals B,C,D &amp; G) * 10%]</b>					<u>228,755</u>
<b>Local Match (Shortfall) / Excess</b>					<u>\$ 110,759</u>

**Saginaw County Department of Public Health  
Coordinating Agency  
SUBSTANCE ABUSE PREVENTION AND TREATMENT  
Schedule of Expenditures and Funding Sources by Program  
For the Year Ended September 30, 2010**

Schedule B

Program	Budgeted (FINAL)	Reported (FINAL RER)	Audited Expenditures				Audited Funding Sources						Total Funding	Variance (Audited - Reported)	Questioned Costs (Expend - Funding)	Unexpended Fund Balance
			Gross Amount	Less Medicaid	Less Fees	Net Amount	State Agreement	SDA	PA2	Other Sources	ABW	MI Child				
Administration	\$ 802,023	\$ 500,590	\$ 500,590	\$ 302,439	\$ -	\$ 198,151	\$ 196,482	\$ -	\$ -	\$ -	\$ 1,669	\$ -	\$ 198,151	\$ -	\$ -	\$ -
Access Management	-	358,024	358,024	200,000	-	158,024	158,024	-	-	-	-	-	158,024	-	-	-
Prevention	814,847	805,170	805,170	-	-	805,170	613,663	-	191,507	-	-	-	805,170	-	-	-
Treatment	961,222	1,239,029	1,239,029	613,228	11,188	614,613	461,356	15,772	137,485	-	-	-	614,613	-	-	-
Women's Services	1,166,504	792,658	792,658	366,170	-	426,488	379,616	46,872	-	-	-	-	426,488	-	-	-
HIV / EIP Training	26,862	25,780	25,780	-	-	25,780	25,780	-	-	-	-	-	25,780	-	-	-
ABW	68,118	183,643	183,643	-	-	183,643	40,500	-	-	-	143,143	-	183,643	-	-	17,918
MI Child	3,678	13,251	13,251	-	-	13,251	703	-	10,522	-	-	2,026	13,251	-	-	-
SOH Admin	9,265	9,265	9,265	-	-	9,265	9,265	-	-	-	-	-	9,265	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>\$3,852,519</b>	<b>\$ 3,927,410</b>	<b>\$3,927,410</b>	<b>\$1,481,837</b>	<b>\$ 11,188</b>	<b>\$2,434,385</b>	<b>\$ 1,885,389</b>	<b>\$ 62,644</b>	<b>\$339,514</b>	<b>\$ -</b>	<b>\$144,812</b>	<b>\$ 2,026</b>	<b>\$ 2,434,385</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,918</b>

**Reconciliation of PA2 funds:**

Beginning Balance	\$ 685,830
Additions	532,988
Expended	<u>(339,514)</u>
Ending Balance	<u>\$ 879,304</u>

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

PEPM Payments received	\$1,476,449
+ Medicaid savings carried over from prior years	37,424
- Expenditures - SCCMHA admin	(5,899)
- Expenditures - SCCMHA 6% Provider/Use Tax	(88,587)
- Expenditures - Coord. Agency	(1,387,351)
- 5% allowance for savings	<u>(32,036)</u>
- Returned to PIHP	<u>\$ -</u>

Note 1: The Coordinating Agency received and spent \$62,407 in SIG funds during the year ended September 30, 2010. Those funds are reported under the State Agreement funding under the audited funding sources above.

Note 2: The Coordinating Agency is entitled to carry forward any ABW or MI Child year-end balances based upon contractual provisions with the Department of Community Health. At September 30, 2010, the Coordinating Agency had unspent ABW funds of \$17,918 and no unspent MI Child funds, as reported above.