

# **COUNTY OF SAGINAW, MICHIGAN**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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***FOR FISCAL YEAR ENDED  
SEPTEMBER 30, 2006***

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

**COUNTY OF SAGINAW, MICHIGAN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

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# COUNTY OF SAGINAW

111 SOUTH MICHIGAN AVENUE  
SAGINAW, MICHIGAN 48602

**MARC A. MCGILL**  
*Controller/Chief Administrative Officer*

March 27, 2007

Cheryl M. Hadsall, Chair  
Saginaw County Board of Commissioners  
111 South Michigan Avenue  
Saginaw, Michigan 48602

Dear Commissioners:

The Comprehensive Annual Financial Report of the County of Saginaw, Michigan, for the fiscal year ended September 30, 2006, is hereby submitted. This report was prepared by the Financial Services Department of the Office of the Controller. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

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

The Introductory Section includes this letter of transmittal, a copy of the "Certificate of Achievement for Excellence in Financial Reporting" presented to the County of Saginaw, Michigan for the Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2005, the County's organizational chart, and a list of the County's Board of Commissioners and Principal Non-Elected Officials.

The Financial Section begins with the Independent Auditors' Report on the basic financial statements and schedules for the fiscal year ended September 30, 2006. Management's Discussion and Analysis (MD&A) follows it and is designed to compliment this letter of transmittal and accordingly, should be read in conjunction with it. The MD&A is a requirement of Generally Accepted Accounting Principals which require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The basic financial statements follow the MD&A and are comprised of government-wide financial statements, fund financial statements and the essential notes to the basic financial statements. Detailed financial information on fund types, and discretely presented component units are listed in the tabbed sub-sections within the Financial Section.

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

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Amendments of 1996. The U. S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments and Non-Profit Organizations, revised June 24, 1997, which rescinds OMB Circular A-128, also applies. Information related to this single audit, including the Schedule of Expenditures

of Federal Awards and auditor's reports on internal control and compliance with applicable laws and regulations are included in the Single Audit Section.

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

## **PROFILE OF THE GOVERNMENT**

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

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

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

Saginaw County's governing body is the County Board of Commissioners. The Board of Commissioners exercises the legislative power of the County and determines all matters of policy. The Board is comprised of 15 commissioners who are elected from their respective districts. Each commissioner serves a two year term. In addition to the Board of Commissioners, there are five Circuit Court judges, six District Court judges, two Probate Court judges, and six elected officials serving the County.

## **ECONOMIC CONDITION AND OUTLOOK**

Saginaw County continues to experience economic growth and development. While much of the focus in the past has been on General Motors Corp. and GM supported operations, the County has seen significant growth in other segments of the economy. Diversification from the automobile-driven economy is being accomplished at a steady non-disruptive pace as momentum is growing in the Saginaw Valley to shake off its rust belt reputation and take on something hipper and hotter for the next generation of workers. It is an economy in transition; you might say that it is changing from the automobile industry to a hub for regional health care. Saginaw County also has a strong manufacturing background and was recently ranked one of the top five best places to live for cost of living by Salary.com.

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

### **COMMERCIAL/DEVELOPMENT**

The Bay-Tittabawassee Road corridor, which continues to be the major retail hub of the Tri-City area, is still experiencing growth. Tropical Smoothie Café, a franchise offering smoothies, gourmet wraps,

specialty sandwiches and salads, opened its doors this year as well as several larger banking facilities such as 5<sup>th</sup> 3<sup>rd</sup> Bank and LaSalle Bank.

Throughout Saginaw County there has been development in both rural and urban areas. Frankenmuth is home to numerous restaurants and shops which host a Bavarian appeal and attracts a large number of tourists. The Birch Run-Frankenmuth exit off I-75 is the second busiest exit for tourism in the nation, second to Orlando, Florida. One of the larger employers of Frankenmuth, the Frankenmuth Mutual Insurance Company, has expanded its corporate headquarters with an investment of \$10 million. This investment added 47,000 square feet and created an initial 70 jobs with an estimated 130 more jobs to follow. The expansion of the property and casualty insurance company added a new health and fitness center for its employees and the general public as well as additional and renovated office space.

An investment in a historic building in Old Saginaw City has resulted in the opening of Jake's Old City Grill. The building was constructed in 1867 and has been renovated to maintain its historic integrity while incorporating a more urban-like atmosphere reminiscent of dining in Chicago, New York, or L.A. The restaurant offers a large selection of wine, steaks, fresh seafood, poultry, pasta and vegetarian dishes.

Renovations of a 6,000 square foot building in Downtown Saginaw have resulted in the opening of the Elissa Rose Banquet Center. The building has been remodeled to allow seating for 175 people, a full catering kitchen, and a walk-in freezer and cooler at an investment of \$325,000.

#### ENTERTAINMENT

The Dow Event Center is home to the Saginaw Spirit, a hockey team comprised of young players who are developing their skills with hopes of making it to the National Hockey League. The Spirit hosted the 2007 Bell OHL All-Star Classic. SMG, the Event Center management group, continues to schedule a variety of touring concerts, theater productions, and ice-skating shows, as well as locally produced programs that appeal to the residents of the area.

#### MEDICAL

Saginaw County's residents have access to the latest in medical and diagnostic technology. The four medical centers have more than 1,500 beds and offer a full range of treatments and preventive services. Saint Mary's of Michigan is a regional destination and specializes in neurosurgery, cardiology, cancer treatment, and burn care.

Covenant HealthCare offers complete medical service for the County and controls the majority of the inpatient acute care beds. Covenant is a leader in providing surgery, obstetric and trauma services. It is the area's only pediatric and neonatal intensive care units and the area's largest pediatric department.

HealthSource Saginaw is a tax-subsidized facility offering physical rehabilitation, substance abuse treatment and long-term nursing care. In August of 2004, the residents of Saginaw County passed a millage proposal for HealthSource Saginaw for the purpose of renovation, remodeling, equipping, and construction of the building. The Lutz Veterans Affairs Medical Center offers free or low-cost care for veterans and focuses mostly on outpatient care.

The Saginaw Geriatrics Home is investing \$2 million in building renovations, which will result in the creation of 40 new jobs. Saginaw Geriatrics operates on a 24 hour basis and offers various contracted services such as physical and maintenance therapy, speech and occupational therapy, dental, optometry, podiatry care, pharmacy, radiology and laboratory services. The building renovations will create additional space that will allow for more residents to be serviced.

The new Riverfront Medical Arts Condominiums, a \$2.8 million facility, is now complete. The facility is located adjacent to the Michigan CardioVascular Institute, home to the largest group of cardiologists and cardiovascular surgeons in the state, and will house various medical and professional offices. One of the two co-anchor tenants at the new facility is Tri-City Urology P.C. Tri-City Urology is made up of five physicians that specialize in the medical and surgical treatment of male and female urinary tract problems, and the male reproductive system. The other co-anchor tenant is Citizens Bank, who has had a long-standing presence in Downtown Saginaw.

During the past year, Saginaw Future, Inc. has launched its Medical Device & Technology Initiative (MDTI) whose mission is to attract, retain and assist in the expansion of the region's life science industries, medical device and diagnostic firms, and medical service providers. During 2006, the MDTI has assisted in the expansion of four firms in the medical device, technology and services industry creating 53 new jobs.

### SERVICE/RECREATIONAL

Saginaw County is home to some of the state's largest accounting firms including The Rehmann Group and Yeo & Yeo, P.C., CPA. The Rehmann Group is the second largest accounting firm in Michigan behind Plante & Moran. Yeo & Yeo has expanded its location in Saginaw through the purchase of an adjacent building to house its Affiliated Medical Division. The \$275,000 investment will add two to three new jobs and will remodel both the building's interior and exterior.

### RESIDENTIAL

Saginaw County continues to be one of the most affordable housing markets in the United States and was recently ranked as the second-most affordable region for householders in the nation by the National Association of Home Builders. The average selling price of a home in 2006 was \$103,000, which is still well below the national average of \$221,900 (Source: Michigan Association of Realtors and National Association of Realtors). Homes are less expensive than in other states, but still appreciate significantly. The desirability of the area is further enhanced by the many choices of locations, both urban and rural. New neighborhoods are developing and growing in the County and mortgage interest rates remained relatively low during 2006.

### EDUCATION

There are numerous opportunities for higher education in Saginaw County. Saginaw Valley State University offers Bachelor's and Master's degree programs in a wide variety of disciplines. Delta College offers Associate's degree programs as well as certificates. Together, their enrollment reached almost 20,000 during 2006. Saginaw Valley State University has completed over \$214 million in planned infrastructure upgrades during the past fifteen years while Delta College has completed over \$133.8 million in planned infrastructure, technology and new construction during the same time period.

Other County colleges include Davenport University in Kochville Township and a Central Michigan University extension center in Saginaw Township.

### INDUSTRIAL

Duperon Corporation, whose headquarters is located in the Saginaw Commerce Tower on the Saginaw Riverfront, is expanding into product assembly with an investment of \$750,000 and creating six new jobs. In the past, the company was primarily a design company with production being sub-contracted to manufacturers. Duperon specializes in production of municipal trashracks, flex-rakes and conveyer systems used for the removal of water borne debris with applications that include wastewater, storm water, pump stations and industrial intakes.

Thomas Township has recently received a \$1 million grant through the Michigan Economic Development Corporation. The grant will be used to install new public sewer and water mains to support Hemlock Semiconductor Corporation, whose headquarters is located in Thomas Township.

Micron Precision Machining, specializing in the manufacture of prototype and precision details from a wide range of metals and plastics, has opened its doors in Buena Vista Charter Township. The company employs 21 people and with an additional investment of \$410,000 worth of computer machining equipment, will be adding six employees and retaining four employees.

Sheriff-Goslin Company, one of the largest roofing companies in the State of Michigan, has returned to its roots in Saginaw County. After closing an office in 1980, the company has opened a new location in the City of Zilwaukee. The company now operates 25 branches in Michigan, Indiana, and Ohio. Sheriff-Goslin utilizes the Art-Loc® shingle system, which is an interlocking type of shingle, allowing the shingle to be held down at six different points.

## AGRICULTURE

Saginaw County remains dominant in agriculture, which accounts for approximately 64% of the County's land use. The County ranks 23<sup>rd</sup> in the nation in sugar beets harvested, and 28<sup>th</sup> in the nation in dry edible beans harvested. The County ranks as one of the top 10 producers of the following crops in the state: dry edible beans, corn, wheat, soybeans, oats, and sugar beets. This creates a strong financial presence through crop production, transportation, handling and processing of the crops. Sugar beets are a favored cash crop in Saginaw County typically returning a higher value than corn or soybeans along with being very resilient and able to survive in adverse weather conditions. Improvements in commodity prices have led to lower federal government farm payments but have increased farm profitability only slightly. Overall in the state of Michigan, agriculture is a \$37 billion dollar business, of which Saginaw County generates over \$91 million dollars in revenue that is reinvested in the local economy before it leaves the county.

## **MAJOR ISSUES**

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

- Public Safety – Public safety remains a top priority of the Saginaw County Board of Commissioners. The goal is to ensure high quality law enforcement services for all county citizens while paying particular attention to the high crime areas of the City of Saginaw and Buena Vista Township. The challenge for 2007 and beyond is how to achieve law enforcement goals within the limits of existing funding. To that end, the Saginaw County Sheriff Department is working with the various city and township police departments within the county, as well as the Michigan State Police, to seek ways of cooperatively pooling available resources, where possible, to target and attack the most significant crime areas and activities.
- Financial Management – In addition to the usual timely presentation of the annual budget, capital improvement plan, and audit, implementation of five year financial forecasts have recently become part of the annual financial management protocol. The most significant issues addressed in these forecasts have included: the level and use of reserves, cash flow, and the likelihood for the restoration of State Revenue Sharing. A forecast encompassing the fiscal years of 2008 through 2012 is expected to be presented to the Board in April of 2007. The objective is to allow the Board to understand the financial issues confronting the county and to assist them in prioritizing needs and allocating limited resources.

- Public Health – Two of the most significant public health issues being addressed by the Saginaw County Board of Commissioners are: mosquito control and the promotion of clean air. Specifically, these issues are being addressed by the Mosquito Abatement Commission, through a comprehensive treatment program to protect residents from mosquito borne illnesses, and by the Health Department, which has been instrumental in addressing the problems of air pollutants and leads the way in efforts that resulted in the passage of a county clean air regulation in 2006.
- Public Information – The Board of Commissioners makes it a high priority to communicate regularly with its constituents/citizens, other municipalities, and financial markets regarding the level and extent of services provided, accomplishments, goals, and initiatives. The vehicles for these communications include compiling, publishing, and distributing a general information book, an informational brochure, and an annual newspaper fold.
- Training – The Board of Commissioners seeks to ensure that its committees, advisory boards, and County staff are regularly trained and updated regarding pertinent issues, federal, state, and local laws, rules, and regulations, as well as having exposure to new and creative business practices that might be utilized in Saginaw County to provide services in a more efficient and cost effective manner and/or to assist in lobbying legislators regarding matters of interest. Accordingly, adequate funding and release time from work are provided for training purposes.

## **FINANCIAL INFORMATION**

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

## **SINGLE AUDIT**

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

As part of the County's single audit, described earlier, tests are made to determine the adequacy of the internal control, including that portion related to Federal award programs, as well as to determine that the County has complied with applicable laws and regulations. The results of the County's single audit for the fiscal year ended September 30, 2006, provided no instances of material weaknesses in internal control and no significant violations of applicable laws and regulations.

## **BUDGETARY CONTROLS**

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

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

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

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

### **CASH MANAGEMENT**

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

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

Interest rates were relatively stable during 2006, which resulted in an inverted yield curve for most of the year. Shorter-term rates were very competitive when compared to their longer-term counterparts. Thus, the average number of days to maturity for the investment portfolio has decreased to 163 days for 2006, and the average yield of 4.12% for 2006 is very good for this investment pool in this market.

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

### **RISK MANAGEMENT**

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

The self-insurance program for workers' compensation is accounted for in the Employee Benefit Fund (an Internal Service Fund). An independent administrator (agency) is hired to process the daily claims and to perform auditing and management duties. Currently, the County insures \$350,000 in liability for each occurrence and Citizen's Management, Inc., the County's administrator for workers' compensation, insures the remainder through various reinsurance companies.

The self-insurance program for general liability is accounted for in the Risk Management Fund (an Internal Service Fund). Presently, the County insures the first \$250,000 for each claim. After the first \$250,000 and up to \$15,000,000, insurance is provided by Travelers.

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

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

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

### **OTHER INFORMATION**

#### **Independent Audit**

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

### **FINANCIAL REPORTING EXCELLENCE AWARD**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Saginaw for its comprehensive annual financial report for the fiscal year ended September 30, 2005. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### **ACKNOWLEDGEMENTS**

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

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

Respectfully submitted,

Marc A. McGill  
County Controller/CAO

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Saginaw  
Michigan

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2005

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



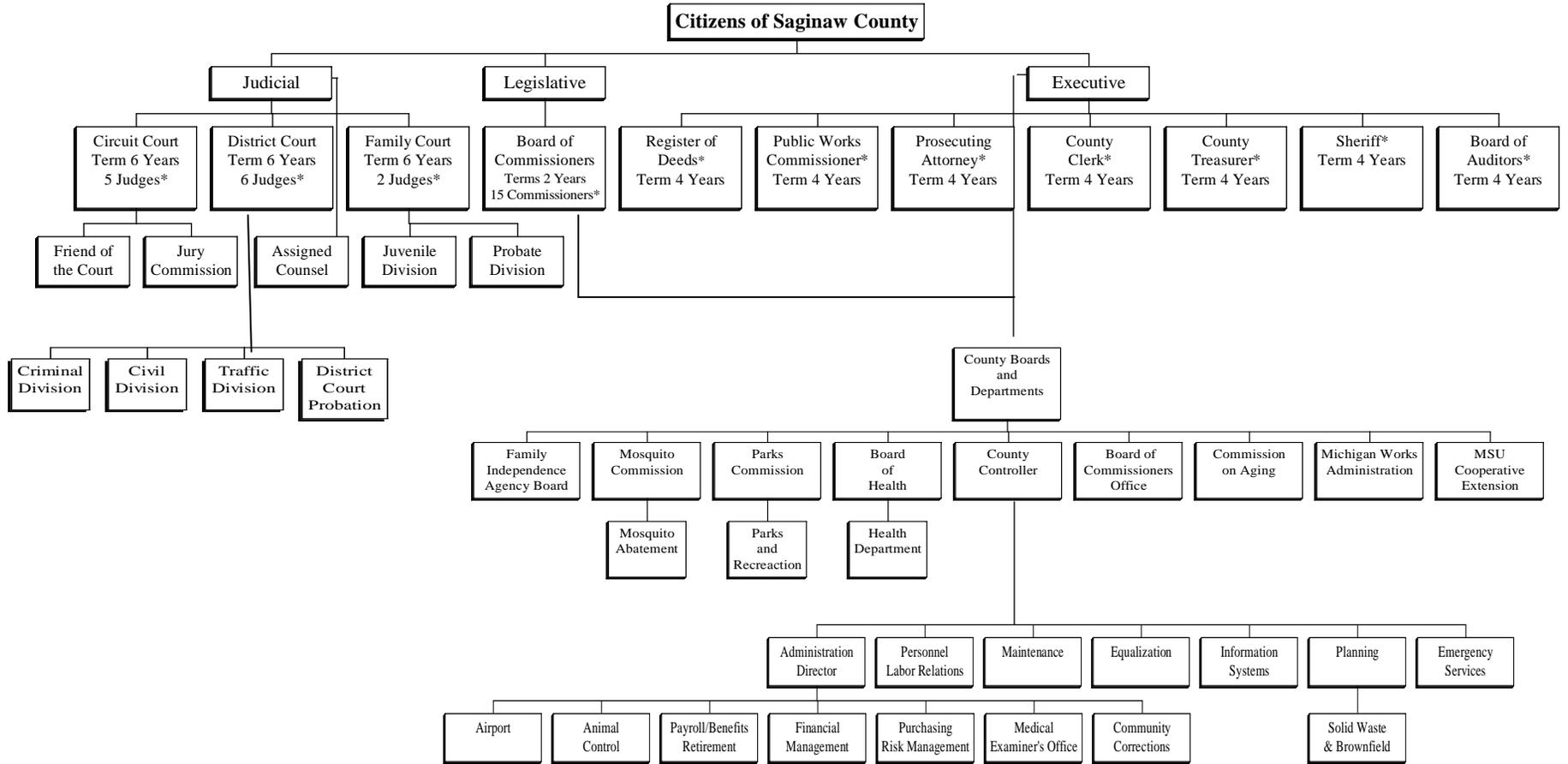
A handwritten signature in black ink, appearing to read "Thomas J. Hawn".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

# County of Saginaw Organizational Chart 2006



ix.

\*Elected Officials

Updated 9/06

# COUNTY OF SAGINAW 2007

## BOARD OF COMMISSIONERS

**Cheryl M. Hadsall**  
Chair

**James M. Graham**  
Vice-Chair

**Raymond F. Bartels**

**Dennis H. Krafft**

**Thomas A. Basil**

**Timothy M. Novak**

**Bregitte K. Braddock**

**Michael P. O'Hare**

**Ann M. Doyle**

**Carl E. Ruth**

**Eddie F. Foxx**

**Ronald L. Sholtz**

**Todd M. Hare**

**Robert M. Woods, Jr.**

**Patrick A. Wurtzel**

**Marc A. McGill**  
Controller/Chief Administrative Officer

Prepared by:  
Financial Services Department

# County of Saginaw Principal Non-Elected Officials 2006

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



## INDEPENDENT AUDITORS' REPORT

March 23, 2007

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, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the *County of Saginaw's* management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Road Commission Component Unit, which represents 65.0% and 86.8% respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Road Commission, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Saginaw, Michigan*, as of September 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons of the General, Health Department, Michigan Works!, Small Cities Reuse and Revenue Sharing Reserve governmental funds for the year then ended in conformity with accounting principles general accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2007, on our consideration of the ***County of Saginaw, Michigan's*** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis listed in the table of contents on pages 3-18, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

## Management's Discussion and Analysis

As management of the *County of Saginaw, Michigan*, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and the accompanying basic financial statements.

### Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$97,717,493 (*net assets*). Of this amount, \$45,778,947 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$10,051,073 during 2006.
- 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 \$44,354,228, an increase of \$4,166,554 in comparison with the prior year. Approximately 41.3 percent of this total amount, or \$18,301,500, is *available for spending* at the government's discretion (*unreserved fund balance*). This amount is inclusive of both the *unreserved – designated* amount, which has been designated based upon either County policy or for a specific purpose, and the *unreserved – undesignated* amount.
- At the end of the current fiscal year, the general fund did not have an unreserved – undesignated fund balance; however, the unreserved – designated fund balance for the general fund was \$8,702,920, or 24.6 percent of total general fund expenditures. Total fund balance for the general fund was \$19,658,693.
- The County's total bonded debt decreased by \$3,124,343 during the current fiscal year.

### Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

The County maintains 44 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Health Department Fund, Michigan Works! Fund, Small Cities Reuse Fund, and Revenue Sharing Reserve Fund, each of which is considered to be a major fund. Data from the other 39 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 22-31 of this report.

**Proprietary funds.** The County maintains two different types of proprietary funds: enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its Delinquent Tax Revolving Fund, Delinquent Property Tax Foreclosure Fund, Building Authority Event Center, Building Authority Administration, Parking System, Harry W. Browne Airport, and Inmate Services operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County of Saginaw uses internal service funds to account for its MERS Retirement System, ICMA Retirement System, Information Systems and Services operations, Equipment Revolving (computer equipment maintenance and replacement) activities, Mailing Services, Motor Pool operations, Risk Management program, Investment Pool, Health Center Building operations, 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 32-35 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 36-37 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 41-77 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. This includes the combining and individual fund financial statements and schedules. Combining and individual fund statements and schedules can be found on pages 78-155 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County of Saginaw, as the following table demonstrates, assets exceeded liabilities by \$97,717,493 at the close of the most recent fiscal year.

<b>County of Saginaw's Net Assets</b>						
<b>Fiscal Year Ending September 30,</b>	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Current and other assets	\$ 98,193,978	\$ 93,201,714	\$ 17,160,820	\$ 13,923,739	\$ 115,354,798	\$ 107,125,453
Capital assets, net of accumulated depreciation	<u>32,262,751</u>	<u>30,265,059</u>	<u>18,473,840</u>	<u>18,837,364</u>	<u>50,736,591</u>	<u>49,102,423</u>
Total assets	<u>130,456,729</u>	<u>123,466,773</u>	<u>35,634,660</u>	<u>32,761,103</u>	<u>166,091,389</u>	<u>156,227,876</u>
Long-term liabilities outstanding	42,438,930	43,298,090	16,738,545	15,944,329	59,177,475	59,242,419
Other liabilities	<u>8,028,949</u>	<u>8,091,426</u>	<u>1,167,472</u>	<u>1,227,611</u>	<u>9,196,421</u>	<u>9,319,037</u>
Total liabilities	<u>50,467,879</u>	<u>51,389,516</u>	<u>17,906,017</u>	<u>17,171,940</u>	<u>68,373,896</u>	<u>68,561,456</u>
Net assets:						
Invested in capital assets, net of related debt	26,677,751	23,870,059	10,163,840	9,042,364	36,841,591	32,912,423
Restricted	15,096,955	10,456,483	-	-	15,096,955	10,456,483
Unrestricted	<u>38,214,144</u>	<u>37,750,715</u>	<u>7,564,803</u>	<u>6,546,799</u>	<u>45,778,947</u>	<u>44,297,514</u>
<b>Total net assets</b>	<b><u>\$ 79,988,850</u></b>	<b><u>\$ 72,077,257</u></b>	<b><u>\$ 17,728,643</u></b>	<b><u>\$ 15,589,163</u></b>	<b><u>\$ 97,717,493</u></b>	<b><u>\$ 87,666,420</u></b>

One of the largest portions of the County's net assets, \$36,841,591 (37.7 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, \$15,096,955 (15.4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, \$45,778,947 (46.8 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.

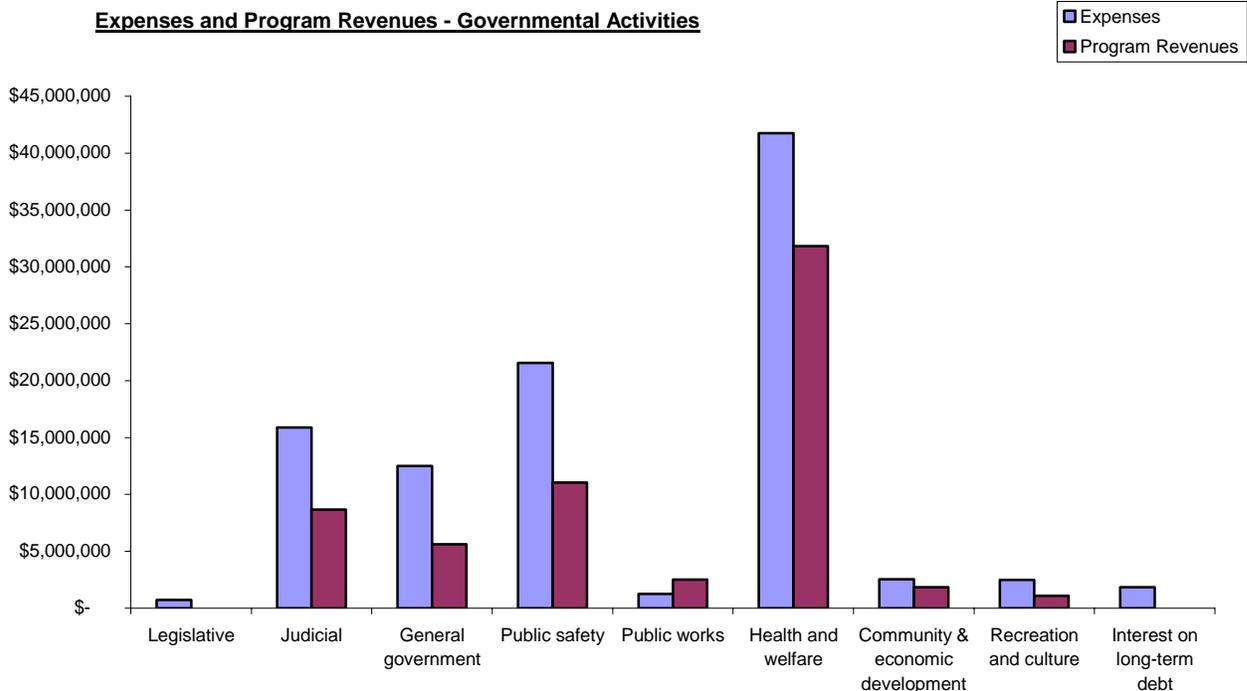
**County of Saginaw's  
Changes in Net Assets**

<b>Fiscal Year Ending September 30,</b>	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	2006	2005	2006	2005	2006	2005
<b>Revenues</b>						
Program revenue:						
Charges for services	\$ 22,581,064	\$ 19,834,297	\$ 7,268,373	\$ 6,183,698	\$ 29,849,437	\$ 26,017,995
Operating grants and contributions	39,191,120	38,639,893	-	-	39,191,120	38,639,893
Capital grants and contributions	844,828	2,776,384	363,015	151,995	1,207,843	2,928,379
General revenue:						
Property taxes	40,215,429	38,828,397	2,531,055	2,390,191	42,746,484	41,218,588
Accommodations tax	1,736,595	1,511,407	-	-	1,736,595	1,511,407
Grants and contributions not restricted to specific programs	514,892	497,033	-	-	514,892	497,033
Other	1,498,103	802,361	836,055	382,492	2,334,158	1,184,853
Total revenue	<u>106,582,031</u>	<u>102,889,772</u>	<u>10,998,498</u>	<u>9,108,376</u>	<u>117,580,529</u>	<u>111,998,148</u>
<b>Expenses</b>						
Legislative	730,342	701,591	-	-	730,342	701,591
Judicial	15,971,450	14,978,854	-	-	15,971,450	14,978,854
General government	12,516,894	12,315,843	-	-	12,516,894	12,315,843
Public safety	21,566,641	20,456,961	-	-	21,566,641	20,456,961
Public works	1,257,095	1,640,444	-	-	1,257,095	1,640,444
Health and welfare	41,749,695	40,985,926	-	-	41,749,695	40,985,926
Community and economic development	2,556,380	3,192,602	-	-	2,556,380	3,192,602
Recreation and culture	2,498,824	1,853,821	-	-	2,498,824	1,853,821
Interest on long-term debt	1,845,633	500,165	-	-	1,845,633	500,165
Delinquent tax revolving	-	-	448,168	281,667	448,168	281,667
Delinquent tax foreclosure	-	-	427,025	172,274	427,025	172,274
Building Authority Event Center	-	-	4,754,931	4,492,342	4,754,931	4,492,342
Building Authority administration	-	-	56,297	98,733	56,297	98,733
Parking system	-	-	78,783	62,250	78,783	62,250
Harry W. Browne Airport	-	-	549,566	542,608	549,566	542,608
Inmate services	-	-	521,732	568,136	521,732	568,136
Total expenses	<u>100,692,954</u>	<u>96,626,207</u>	<u>6,836,502</u>	<u>6,218,010</u>	<u>107,529,456</u>	<u>102,844,217</u>
Increase in net assets before transfers	5,889,077	6,263,565	4,161,996	2,890,366	10,051,073	9,153,931
Transfers	2,022,516	1,909,658	(2,022,516)	(1,909,658)	-	-
Increase in net assets	7,911,593	8,173,223	2,139,480	980,708	10,051,073	9,153,931
Net assets - beginning, as restated	<u>72,077,257</u>	<u>63,904,034</u>	<u>15,589,163</u>	<u>14,608,455</u>	<u>87,666,420</u>	<u>78,512,489</u>
<b>Net assets - end of year</b>	<b><u>\$ 79,988,850</u></b>	<b><u>\$ 72,077,257</u></b>	<b><u>\$ 17,728,643</u></b>	<b><u>\$ 15,589,163</u></b>	<b><u>\$ 97,717,493</u></b>	<b><u>\$ 87,666,420</u></b>

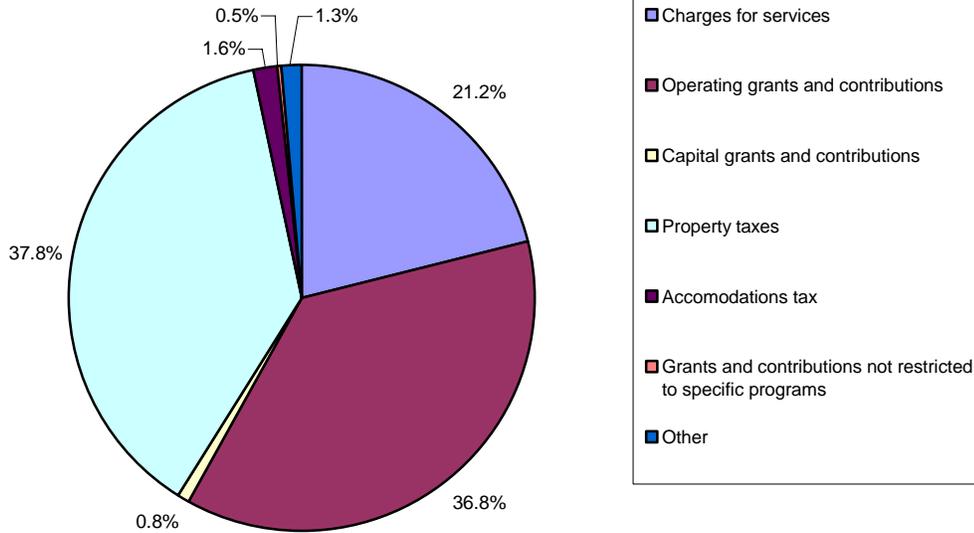
The County's net assets increased by \$10,051,073 during the current fiscal year; \$7,911,593 increase for governmental activities and \$2,139,480 increase for business-type activities.

**Governmental activities.** Overall, total revenues exceeded total expenses by \$5.9 million, thereby accounting for 58.6 percent of the total growth in net assets during 2006. Key elements of this increase are as follows:

- Charges for services increased by approximately \$2,747,000 (13.8 percent) during the year. Approximately \$914,000 of this increase was a result of properly accounting for CDBG housing loans made through the Planning department's Housing Program. Approximately \$1,389,000 of the increase was a result of a reimbursement of excess reserves as determined by County policy within the County's self-funded insurance programs of health insurance, workers' compensation, and public liability insurance. The remaining increase can be attributed to an increase in certain fees and permits such as autopsy fees, cremation permits, and disinterment permits collected through the health and welfare function.
- Capital grants and contributions decreased by approximately \$1,932,000 due to grants received in the prior fiscal year for the acquisition of land for the river dredging project and for the purchase of equipment to be used for homeland security.
- Property taxes increased by approximately \$1,387,000 (3.6 percent) during the year. The increase is a result of increased taxable values and residential growth.
- Expenses increased by approximately \$3,965,000 (4.1 percent) during the year mainly in the areas of public safety and interest payments on long-term debt.



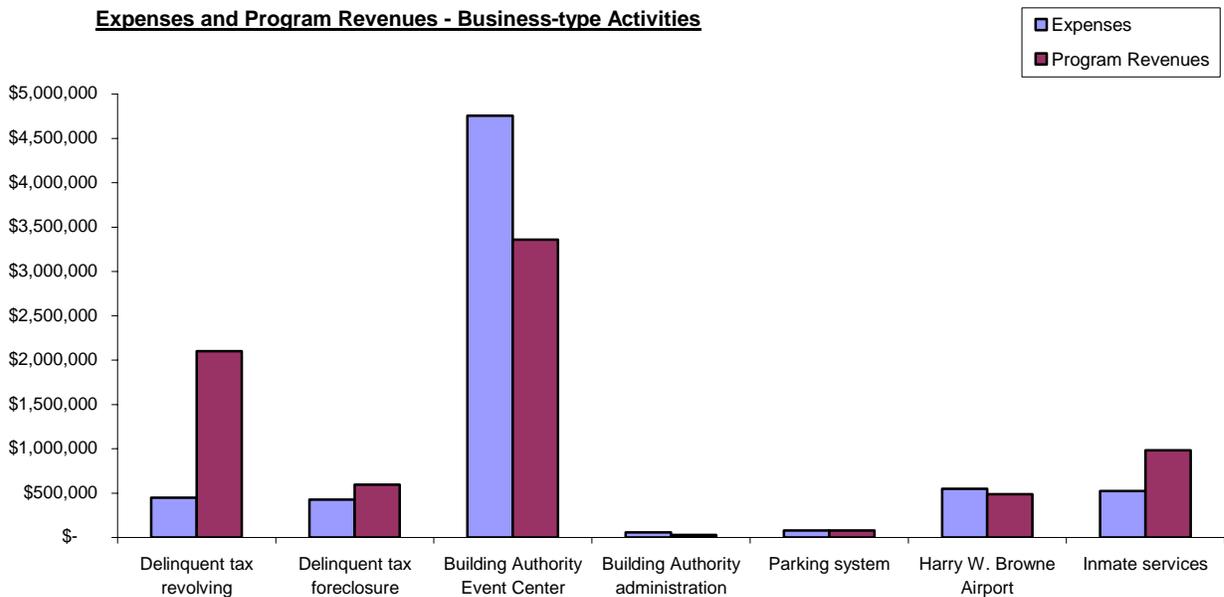
**Revenues by Source - Governmental Activities**



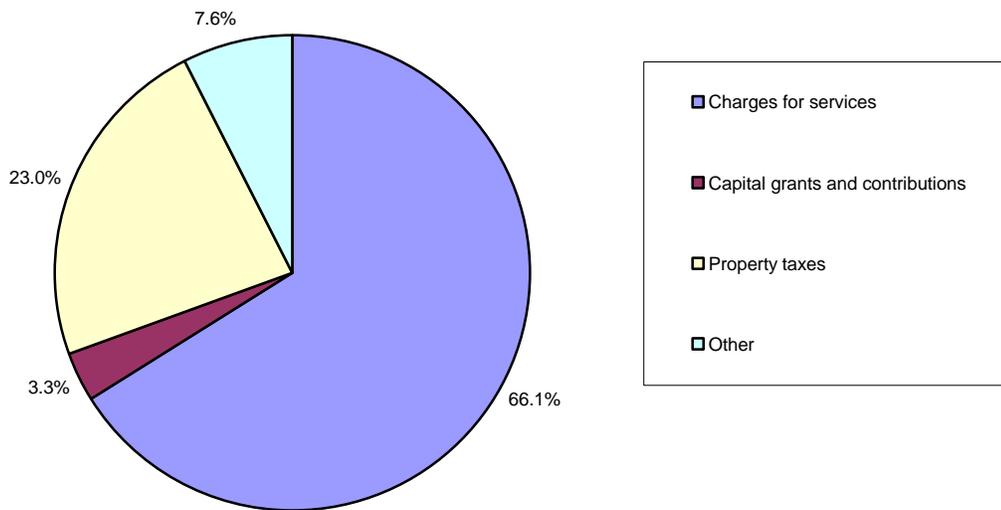
**Business-type activities.** Business-type activities increased the County’s net assets by \$2,139,480, thereby accounting for 21.3 percent of the total growth in the government’s net assets for the current year. Key elements of this increase are as follows:

- Revenues increased by 20.8 percent or \$1,890,122. This is a result of higher activity in the delinquent property tax foreclosure and delinquent tax revolving funds, and also an increase in charges for services relating to the Building Authority Event Center.
- Expenses increased 9.9 percent, or \$618,492, as a result of increased expenses associated with the Building Authority Event Center and also accounting for the increased activity within the delinquent property tax foreclosure and delinquent tax revolving funds.

**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 \$44,354,228, an increase of \$4,166,554 in comparison with the prior year. Approximately 41.3 percent of this total amount (\$18,301,500) 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* (\$11,082,482) and *unreserved – undesignated fund balance* (\$7,219,018). The underlying distinction between the two is that *unreserved – designated fund balance* has been designated based upon either the County's Fund Balance Policy or for a specific purpose. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to: 1) cover long-term advances (\$10,955,773), 2) pay debt service (\$2,609,344), 3) for capital projects (\$3,431), or 4) for restricted contributions (\$12,484,180).

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 \$8,702,920, while total fund balance amounted to \$19,658,693. 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 24.6 percent of total general fund expenditures, while total fund balance represents 55.6 percent of that same amount.

The fund balance of the County's general fund decreased by \$410,706 during the current fiscal year. Key factors in this decrease are as follows:

- Property tax revenue increased by \$1,432,158 (6.7 percent).
- Reimbursements increased by \$579,672 (18.1 percent).
- Expenditures increased by \$1,478,233 (4.4 percent) mainly in the areas of legislative, judicial, general government, public safety, and health and welfare.

The Health Department fund had an increase in fund balance for the current year of \$301,550, for an ending total of \$1,909,279. This increase was primarily the result of additional state grants and an increase in charges for services.

The Small Cities Reuse fund had an increase in fund balance for the current year of \$67,638, for an ending total of \$785,270. This increase is attributable to a decrease in the number of loans made to local companies and an increase in federal grants and reimbursements.

The Revenue Sharing Reserve fund had an increase in fund balance for the current year of \$3,410,765, for an ending total of \$5,959,550. This fund was created pursuant to Public Act 357 of 2004 to serve as a substitute for state revenue sharing payments. Fiscal year 2006 was the second of three consecutive years where the County is required to deposit into this fund an amount equal to 1/3 of its December 2004 property tax levy or \$7,319,845. The County is then allowed to distribute from this fund an amount not to exceed its October 1, 2003 through September 30, 2004 revenue sharing payments adjusted for inflation. This amount for fiscal year 2006 was \$4,084,647, thereby accounting for the increase in fund balance.

The debt service funds have a total fund balance of \$2,609,344 which is entirely reserved for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$94,746.

The capital projects funds have a total deficit fund balance of \$192,078, of which \$3,386 will be used for the remaining expansion costs of the Saginaw Valley Rail Trail project as overseen by the Parks and Recreation Commission. The river dredging project as overseen by the Department of Public Works ended the fiscal year with a deficit fund balance of \$195,464. The County has filed a deficit reduction plan as required with the State. The net decrease in fund balance during the year was \$302,641.

The permanent fund has a fund balance of \$29,955, which is entirely reserved for maintenance of the Saginaw Valley Rail Trail and \$1,910 is available for spending at the end of the year.

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

Unrestricted net assets of the Delinquent Tax Revolving Fund at the end of the year amounted to \$6,435,127, while those for the Building Authority Event Center amounted to \$44,270. The combined unrestricted net assets of the nonmajor enterprise funds and the internal service funds were \$1,062,657 and \$4,206,699, respectively, at the end of the year. The Delinquent Tax Revolving Fund had an increase in net assets for the year of \$632,308, whereas the Building Authority Event Center had an increase of \$1,109,575. The combined increase in net assets of the nonmajor enterprise funds was \$375,314 and the combined decrease in net assets of the internal service funds was \$766,579 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 1.4 percent increase (\$494,343 increase in appropriations); whereas the difference between the original budget and final amended budget for revenues resulted in a 2.2 percent increase (\$800,507 increase in revenues). All of these budgetary adjustments were offset by either an adjustment to other expenditures and transfers out or to revenues and transfers in and use of fund balance.

The budgetary differences are summarized as follows:

- A \$400,000 increase was allocated to transfers out to the Child Care Fund that was offset with an increase in the use of fund balance. This adjustment was made to address the change in application of Title IV-E regulations regarding the funding of placement of abused, neglected, and delinquent children.
- A \$237,305 increase was allocated to public safety activities that were offset with an increase to use of fund balance to allocate money to the jail division to cover overtime and temporary wages as well as additional charges for medical services provided to inmates housed at the County jail.
- A \$74,000 increase was allocated to health and welfare activities that were offset with an increase in the use of fund balance to allocate money to the medical examiner division to cover additional costs of autopsies, laboratory fees, and clerical services used during the fiscal year.
- A \$127,000 increase was allocated to general government activities that was offset with an increase in the use of fund balance to allocate money to the various maintenance activities to cover higher costs of utilities.
- A \$795,565 increase in reimbursements revenue that was offset with a decrease in use of fund balance. The County is self-funded for health insurance, workers' compensation, and public liability insurance and this adjustment was to account for a reimbursement of excess reserves as determined by County policy.

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

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

- The negative variance in property taxes of \$271,540 occurred due to the shift in our county operating property tax millage from a winter tax levy to a summer tax levy. This amount represents taxes levied in July 2006 that have not been collected as of the end of the fiscal year less the amount of taxes levied in July 2005 that were collected in fiscal year 2006.
- The negative variance in state grants of \$152,332 is due lower than expected revenue received for state court equity funding and jury compensation reimbursements.
- The favorable variance in charges for services of \$147,500 is a result of aggressive collections made by District Court for outstanding traffic violations which was offset by lower than anticipated revenue received from the exchange of property transactions through the Register of Deeds office.
- The favorable variance in fines and forfeitures of \$160,571 is due to a one-time occurrence of a larger than usual bond forfeiture in the Circuit Court.

- The negative variance in reimbursements of \$215,729 is a result of expected reimbursements from other county funds being reclassified to transfers in.
- The majority of the favorable variances in expenditures occurred as a result of lapse salaries and benefits because of delays in the filling of vacancies.

**General Fund balance.** The following schedule presents a comparative summary of changes in the fund balance of the General Fund for the fiscal years ended September 30, 2006, and September 30, 2005, along with the amount and percentage of increases and decreases in relation to the 2005 fund balance:

	2006	2005	Variance from 2005	Percent Increase/ (Decrease)
Revenues	\$ 36,515,788	\$ 34,343,704	\$ 2,172,084	6.32%
Expenditures	<u>(35,388,654)</u>	<u>(33,910,421)</u>	<u>(1,478,233)</u>	4.36%
Revenues over expenditures	1,127,134	433,283	693,851	
Other Financing Sources (Uses):				
Transfers in	6,197,332	5,972,914	224,418	3.76%
Transfers out	<u>(7,735,172)</u>	<u>(7,572,711)</u>	<u>(162,461)</u>	2.15%
Net change in fund balances	(410,706)	(1,166,514)	755,808	
Fund balance, beginning of year	<u>20,069,399</u>	<u>21,235,913</u>	<u>(1,166,514)</u>	
Fund balance, end of year	<u>\$ 19,658,693</u>	<u>\$ 20,069,399</u>	<u>\$ (410,706)</u>	<u>-2.05%</u>

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

#### GENERAL FUND BALANCE ANALYSIS

	Reserve for Advances to Other Funds	Reserve for Future Use	Unreserved	Total Fund Balance
Fund balance, beginning of year	\$ 10,955,773	\$ 9,113,626	\$ -	\$ 20,069,399
2005/2006 Transactions:				
Excess revenue over expenditures	-	1,127,134	-	1,127,134
Total other financing sources (uses)	<u>-</u>	<u>(1,537,840)</u>	<u>-</u>	<u>(1,537,840)</u>
2005/2006 net increase (decrease)	<u>-</u>	<u>(410,706)</u>	<u>-</u>	<u>(410,706)</u>
Fund balance, end of year	<u>\$ 10,955,773</u>	<u>\$ 8,702,920</u>	<u>\$ -</u>	<u>\$ 19,658,693</u>

The Reserve for Future Use classification shown above is comprised of three different components: Cash Flow, Budget Stabilization, and Advance Tax Collections. The Board of Commissioners approved the Specific Fund Balance Policy within the Saginaw County Policy Book which establishes a Reserve for Cash Flow and a Reserve for Budget Stabilization in the General Fund. The policy authorizes earmarking a minimum of five percent of the General Fund's upcoming budget for the Cash Flow Reserve and a minimum of ten percent of the General Fund's upcoming budget for the Budget Stabilization Reserve.

The current balance for Reserve for Cash Flow is \$2,245,561 or 5 percent, and for Budget Stabilization is \$432,642 or 0.96 percent. The Reserve for Advance Tax Collections, which was established with the change of the County's fiscal year during 1996, at 25% (twenty-five percent) of the upcoming year's budgeted tax collections with a current balance of \$6,024,717. There were not any changes to the 100% Tax Payment Fund Reserve, the Reserve for Advances to Other Funds or to Component Units.

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

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

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

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

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

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

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

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

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

The State Education Tax Fund accounts for the collection and distribution of the State Education Tax. The Library Penal Fine Fund accounts for the collection of fines imposed for State law violations and distributes them to the libraries at the discretion of the State Library Board. The Hospital Millage Fund accounts for the collection and distribution of tax collections for the operations of HealthSource of Saginaw. The Dependent Care and the Medical Spending Reimbursement Funds account for the collection and distribution of pre-tax monies used for dependent care and medical spending by employees of the County.

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

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

**Capital assets.** The County's investment in capital assets for its governmental and business-type activities as of September 30, 2006 amounted to \$50,736,591 (net of accumulated depreciation). This investment in capital assets includes land, air rights, construction in progress, land improvements, buildings, leasehold improvements, machinery and equipment, office furniture and fixtures, and vehicles. The total increase in the County's investment in capital assets for the current fiscal year was 3.3 percent (a 6.6 percent increase for governmental activities and a 1.9 percent decrease for business-type activities).

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

- Land improvements and construction continued to be made on the Saginaw Valley Rail Trail project with approximately \$463,000 being placed in service for Phase III. Construction also continued at Imerman Park for the riverbank stabilization and fishing access project at a cost of approximately \$487,000.
- Construction continued on the river dredging project at a cost of approximately \$1,798,000.
- Construction began at the health department building for a HVAC system replacement at an approximate cost of \$86,000.
- Construction continued at Harry W. Browne Airport on the apron reconstruction and expansion phase one and phase two. Phase one has been completed and placed in service at a total cost of \$439,500, and construction on phase two continued at a cost of approximately \$355,500. The construction on the instrument landing system (ILS) has been completed as well and placed in service at a total cost of approximately \$477,000.

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

Fiscal Year Ending September 30,	Governmental Activities		Business-type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Land	\$ 1,173,661	\$ 1,173,661	\$ 1,053,248	\$ 1,053,248	\$ 2,226,909	\$ 2,226,909
Air rights	-	-	117,761	117,761	117,761	117,761
Construction in progress	3,645,736	2,581,159	437,457	958,722	4,083,193	3,539,881
Land improvements	5,489,854	3,821,261	693	1,154	5,490,547	3,822,415
Buildings and improvements	17,906,045	18,453,621	13,398,553	13,769,576	31,304,598	32,223,197
Leasehold improvements	17,737	18,670	-	-	17,737	18,670
Planning and development	-	-	2,606,920	2,019,634	2,606,920	2,019,634
Equipment	3,319,502	3,543,065	774,210	833,761	4,093,712	4,376,826
Office furniture and fixtures	128,961	156,211	54,008	57,328	182,969	213,539
Vehicles	581,255	517,411	30,990	26,180	612,245	543,591
Total	<u>\$ 32,262,751</u>	<u>\$ 30,265,059</u>	<u>\$ 18,473,840</u>	<u>\$ 18,837,364</u>	<u>\$ 50,736,591</u>	<u>\$ 49,102,423</u>

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

**Long-term debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of \$88,876,946. Of this amount, \$76,457,395 comprises debt backed by the full faith and credit of the government and \$3,475,475 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	
	2006	2005	2006	2005	2006	2005
<b>Primary Government</b>						
General obligation bonds	\$ 38,645,000	\$ 39,835,000	\$ 8,310,000	\$ 9,795,000	\$ 46,955,000	\$ 49,630,000
2005 GOL delinquent tax notes	-	-	1,277,000	6,147,000	1,277,000	6,147,000
2006 GOL delinquent tax notes	-	-	7,149,000	-	7,149,000	-
<b>Component Units</b>						
Revolving loans	508,076	524,641	-	-	508,076	524,641
General obligation bonds and notes	32,987,870	35,699,648	-	-	32,987,870	35,699,648
Total	<u>\$ 72,140,946</u>	<u>\$ 76,059,289</u>	<u>\$ 16,736,000</u>	<u>\$ 15,942,000</u>	<u>\$ 88,876,946</u>	<u>\$ 92,001,289</u>

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

	Amount	Issue	Rate
2006 Series GOL Delinquent Tax Notes	\$ 10,000,000	6/1/2006	varies
Merrill/Jonesfield Water Supply System Series 2006A	1,055,000	8/11/2006	4.375%
Merrill/Jonesfield Water Supply System Series 2006B	763,000	8/11/2006	4.50%
Village of Oakley Sewage Disposal System	125,000	4/12/2006	4.48%
Parker and Day Drain	87,000	12/1/2005	4.54%

The County's total debt decreased by \$3,124,343 (3.4 percent) during the fiscal year.

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

State statutes (Article 7, Section II, Michigan Constitution of 1963) limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total state equalized valuation. The current debt limitation for the County is \$532,372,151, 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 64 - 69 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 2007 fiscal year:

- **Property Taxes** – Estimates received from the County Equalization Department anticipated that property tax revenue would increase by approximately 3.85% or approximately \$895,000 for the General Operating Fund for fiscal 2007. This estimate is similar to the last five year average increases of 3.92%.
- **Revenue Sharing Reserve Fund (RSRF)** – Transfers In from the RSRF to the General Operating Fund for fiscal 2007 are budgeted at \$4,174,509 or approximately a 2% increase. The County is allowed to make distributions from the RSRF special revenue fund that was created by PA 357 of 2004. This act changed the county operating millage levy from winter to summer and thereby created a reserve to temporarily replace state revenue sharing. This reserve is projected to last until fiscal 2009/2010 at which time PA 357 calls for the reinstatement of revenue sharing payments from the state of over \$4 million in Saginaw County's case.
- **Register of Deeds Revenue** – The dramatic slow down in the housing market has resulted in significant reductions in expected revenue from filing fees and transfer taxes. The current year budget of approximately \$960,000 is a reduction of about 50% from that which was collected in 2004.
- **Wages and Fringe Benefits** – The County's authorized staff count dropped from 718 to 715 with the General Fund remaining steady at 335. The wage rates for these positions were generally frozen without increase for fiscal 2007; however, this was offset, in most cases, by a lump sum payment of 3.5%. As a result, the total General Fund budget for wages increased by a modest .5%, or ½ of 1%. Certain fringe benefits are fixed in terms of actual dollar amounts per employee, while others vary as a percentage of the employee's compensation. Fixed fringe

benefits include: illustrative premiums for health, dental, life, and vision, and retiree health reserve contributions. Illustrative health premiums were budgeted to increase by 5% while contributions to the retiree health reserve went up from \$4,750 to \$6,456 per covered employee. All other fixed fringe benefits remained constant due to favorable negotiations and competitive bidding. Variable benefits include: social security tax, workers' compensation insurance, retirement contributions, retiree health savings contributions, and disability insurance. None of the actual or illustrative rates for these items rose, however, costs associated with these items rose in proportion to any compensation increases. The total General Fund fringe benefit budget increased by approximately 10%.

- Use of Reserves – Structural Deficit – The fiscal year 2007 General Fund Budget requires the use of \$2,250,000 in reserves in order to balance the budget and maintain the status quo without any reduction of employees or programs. If not for the availability and use of reserves, approximately 37 staff positions (about 1 in 9 General Fund employees) would have had to be eliminated. The County continues to face a structural budget deficit situation that, at this point, does not seem likely to be corrected without a significant reduction in expenses through staff and program reductions. This problem would be greatly exacerbated if State Revenue Sharing were not reinstated. At this time it appears that there are sufficient reserves to support the status quo for at least one more year. The budget situation is being monitored by means of rolling five year financial forecasts and the Board will be kept apprised of the magnitude and timing of developments as they become known.
- Inflationary trends in the region were expected to compare favorably to national indices. Non personnel costs were generally budgeted to increase by inflationary trend.

### **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, 2006**

	<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	\$ 36,258,013	\$ 17,911,705	\$ 54,169,718	\$ 13,070,216
Receivables (net)	49,649,213	9,367,251	59,016,464	37,824,504
Internal balances	10,264,266	(10,264,266)	-	-
Inventory	-	-	-	368,871
Other assets	171,308	146,130	317,438	325,837
Net pension asset	1,851,178	-	1,851,178	-
Capital assets, net:				
Assets not being depreciated	4,819,397	1,608,466	6,427,863	32,669,742
Assets being depreciated	27,443,354	16,865,374	44,308,728	153,269,381
<b>Total assets</b>	<b>130,456,729</b>	<b>35,634,660</b>	<b>166,091,389</b>	<b>237,528,551</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	6,979,060	1,160,003	8,139,063	2,999,530
Unearned revenue	1,049,889	7,469	1,057,358	5,027
Long-term liabilities:				
Due within one year	5,000,930	9,968,545	14,969,475	2,759,948
Due in more than one year	37,438,000	6,770,000	44,208,000	31,389,948
<b>Total liabilities</b>	<b>50,467,879</b>	<b>17,906,017</b>	<b>68,373,896</b>	<b>37,154,453</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	26,677,751	10,163,840	36,841,591	172,302,253
Restricted for:				
Debt service	2,609,344	-	2,609,344	832,745
Acquisition/construction of capital assets	3,431	-	3,431	4,183,842
Restricted contributions	12,454,270	-	12,454,270	8,541,284
Endowment				
Expendable	1,910	-	1,910	-
Nonexpendable	28,000	-	28,000	-
Unrestricted	38,214,144	7,564,803	45,778,947	14,513,974
<b>Total net assets</b>	<b>\$ 79,988,850</b>	<b>\$ 17,728,643</b>	<b>\$ 97,717,493</b>	<b>\$ 200,374,098</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, 2006**

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	\$ 730,342	\$ -	\$ -	\$ -	\$ -	\$ (730,342)
Judicial	15,516,700	454,750	3,411,499	5,260,710	-	(7,299,241)
General government	13,895,278	(1,378,384)	4,313,478	1,309,294	-	(6,894,122)
Public safety	21,506,484	60,157	8,544,589	2,021,681	483,430	(10,516,941)
Public works	1,257,069	26	758,816	1,743,162	7,500	1,252,383
Health and welfare	40,949,857	799,838	4,296,358	27,530,285	-	(9,923,052)
Community and economic development	2,532,216	24,164	1,065,844	771,134	-	(719,402)
Recreation and culture	2,462,981	35,843	190,480	554,854	353,898	(1,399,592)
Interest on long-term debt	1,845,633	-	-	-	-	(1,845,633)
Total governmental activities	100,696,560	(3,606)	22,581,064	39,191,120	844,828	(38,075,942)
Business-type activities:						
Delinquent tax revolving	448,168	-	2,100,146	-	-	1,651,978
Building Authority Event Center	4,754,931	-	3,359,190	-	-	(1,395,741)
Harry W. Browne Airport	549,566	-	124,897	-	363,015	(61,654)
Parking system	78,783	-	78,628	-	-	(155)
Delinquent tax foreclosure	427,025	-	594,461	-	-	167,436
Building Authority administration	56,297	-	29,600	-	-	(26,697)
Inmate services	518,126	3,606	981,451	-	-	459,719
Total business-type activities	6,832,896	3,606	7,268,373	-	363,015	794,886
Total primary government	\$ 107,529,456	\$ -	\$ 29,849,437	\$ 39,191,120	\$ 1,207,843	\$ (37,281,056)
<b>Component Units</b>						
Road Commission	\$ 17,765,970	\$ -	\$ 118,651	\$ 19,882,138	\$ 3,999,062	\$ 6,233,881
Brownfield Redevelopment Authority	61,884	-	-	49,056	-	(12,828)
Department of Public Works	2,705,976	-	93,854	-	2,107,557	(504,565)
Drain Commission	1,964,467	-	135,422	-	840,609	(988,436)
Economic Development Corporation	1,680	-	-	-	-	(1,680)
Land Bank Authority	-	-	500	100,000	-	100,500
Total component units	\$ 22,499,977	\$ -	\$ 348,427	\$ 20,031,194	\$ 6,947,228	\$ 4,826,872

**COUNTY OF SAGINAW, MICHIGAN  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**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	\$ (38,075,942)	\$ 794,886	\$ (37,281,056)	\$ 4,826,872
General revenues:				
Property taxes	40,215,429	2,531,055	42,746,484	153,280
Accomodations tax	1,736,595	-	1,736,595	-
Grants and contributions not restricted to specific programs	514,892	-	514,892	-
Investment income - interest earned	1,464,553	830,759	2,295,312	454,440
Gain on sale of capital assets	33,550	5,296	38,846	75,970
Transfers	2,022,516	(2,022,516)	-	-
Total general revenues and transfers	45,987,535	1,344,594	47,332,129	683,690
Change in net assets	7,911,593	2,139,480	10,051,073	5,510,562
Net assets, beginning of year, as restated	72,077,257	15,589,163	87,666,420	194,863,536
Net assets, end of year	\$ 79,988,850	\$ 17,728,643	\$ 97,717,493	\$ 200,374,098

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

**COUNTY OF SAGINAW, MICHIGAN  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2006**

	<b>General</b>	<b>Health Department</b>	<b>Michigan Works!</b>	<b>Small Cities Reuse</b>	<b>Revenue Sharing Reserve</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>							
Cash and investment pool	\$ 5,073,382	\$ 1,457,845	\$ 296,576	\$ 786,796	\$ 5,939,395	\$ 16,307,007	\$ 29,861,001
Receivables (net):							
Taxes	4,245,109	-	-	-	-	316,309	4,561,418
Accounts	134,832	697,210	95	-	-	1,882,456	2,714,593
Notes	-	-	-	2,206,789	-	1,149,012	3,355,801
Accrued interest	39,938	-	1,150	2,746	20,155	54,266	118,255
Due from other funds	1,467,752	2,075	55,403	-	-	312,843	1,838,073
Due from other governmental units	735,154	763,060	1,459,213	-	-	2,167,557	5,124,984
Advances to other funds	10,555,773	-	-	-	-	-	10,555,773
Advances to component units	400,000	-	-	-	-	-	400,000
Other assets	9,912	583	7,810	-	-	128,953	147,258
<b>Total assets</b>	<b>\$ 22,661,852</b>	<b>\$ 2,920,773</b>	<b>\$ 1,820,247</b>	<b>\$ 2,996,331</b>	<b>\$ 5,959,550</b>	<b>\$ 22,318,403</b>	<b>\$ 58,677,156</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 515,088	\$ 512,245	\$ 1,298,116	\$ 4,272	\$ -	\$ 1,513,752	\$ 3,843,473
Accrued liabilities	444,837	92,475	38,351	-	-	456,239	1,031,902
Deposits payable	-	51,052	-	-	-	19,207	70,259
Due to other funds	10,663	4,153	43,003	-	-	1,542,294	1,600,113
Due to other governmental units	-	267,601	-	-	-	518,542	786,143
Advances from other funds	-	-	-	-	-	339,123	339,123
Advances from other governmental units	-	-	-	-	-	138,000	138,000
Deferred revenue	2,032,571	83,968	440,777	2,206,789	-	1,749,810	6,513,915
<b>Total liabilities</b>	<b>3,003,159</b>	<b>1,011,494</b>	<b>1,820,247</b>	<b>2,211,061</b>	<b>-</b>	<b>6,276,967</b>	<b>14,322,928</b>
<b>Fund Balances</b>							
Reserved for:							
Long-term advances	10,955,773	-	-	-	-	-	10,955,773
Debt service	-	-	-	-	-	2,609,344	2,609,344
Capital projects	-	-	-	-	-	3,431	3,431
Restricted contributions	-	-	-	-	5,959,550	6,524,630	12,484,180
Unreserved - designated for:							
Advance tax collections	6,024,717	-	-	-	-	-	6,024,717
Cash flow	2,245,561	-	-	-	-	-	2,245,561
Budget stabilization	432,642	-	-	-	-	-	432,642
Future use-special revenue funds	-	-	-	-	-	1,252,066	1,252,066
General improvements-special revenue funds	-	-	-	-	-	1,127,496	1,127,496
Unreserved - undesignated, reported in:							
Special revenue funds	-	1,909,279	-	785,270	-	4,524,469	7,219,018
<b>Total fund balances</b>	<b>19,658,693</b>	<b>1,909,279</b>	<b>-</b>	<b>785,270</b>	<b>5,959,550</b>	<b>16,041,436</b>	<b>44,354,228</b>
<b>Total liabilities and fund balances</b>	<b>\$ 22,661,852</b>	<b>\$ 2,920,773</b>	<b>\$ 1,820,247</b>	<b>\$ 2,996,331</b>	<b>\$ 5,959,550</b>	<b>\$ 22,318,403</b>	<b>\$ 58,677,156</b>

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

**COUNTY OF SAGINAW, MICHIGAN  
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR  
GOVERNMENTAL FUNDS TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
ON THE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2006**

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Fund balances - total governmental funds	\$ 44,354,228
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	48,140,470
Deduct - accumulated depreciation	(16,798,548)
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	2,343,780
Add - deferred revenue on notes receivable	3,120,246
Add - net pension asset	1,851,178
Add - long-term receivable for repayment of debt service	33,060,000
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.	
	5,104,779
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	(38,645,000)
Deduct - accrued interest on bonds payable	(751,510)
Deduct - accrued compensated absences	(1,790,773)
Net assets of governmental activities	<u>\$ 79,988,850</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, 2006**

	General	Health Department	Michigan Works!	Small Cities Reuse	Revenue Sharing Reserve	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Property taxes	\$ 22,932,489	\$ -	\$ -	\$ -	\$ 7,319,845	\$ 9,294,748	\$ 39,547,082
Accommodations tax	-	-	-	-	-	1,736,595	1,736,595
Licenses and permits	205,861	238,611	-	-	-	15,852	460,324
Federal grants	378,129	5,417,346	-	387,771	-	5,279,145	11,462,391
State grants	2,836,737	3,728,950	12,513,673	-	-	5,826,270	24,905,630
Local grants and contributions	-	1,057,695	-	-	-	418,565	1,476,260
Charges for services	4,941,650	2,168,539	-	-	-	6,405,358	13,515,547
Fines and forfeitures	837,371	-	-	1,196	-	169,741	1,008,308
Investment income	403,913	-	-	28,761	175,567	596,652	1,204,893
Rental revenue	-	-	-	-	-	751,225	751,225
Donations	-	51,036	3,237	-	-	2,647,472	2,701,745
Reimbursements	3,789,831	163,751	34,366	496,138	-	2,953,863	7,437,949
Other revenue	189,807	2,039	26,754	-	-	138,762	357,362
<b>Total revenues</b>	<b>36,515,788</b>	<b>12,827,967</b>	<b>12,578,030</b>	<b>913,866</b>	<b>7,495,412</b>	<b>36,234,248</b>	<b>106,565,311</b>
<b>Expenditures</b>							
Current:							
Legislative	723,248	-	-	-	-	-	723,248
Judicial	11,010,658	-	-	-	-	4,245,294	15,255,952
General government	10,898,222	-	-	-	-	2,051,186	12,949,408
Public safety	8,275,931	-	-	-	-	12,271,792	20,547,723
Public works	487,297	-	-	-	-	736,777	1,224,074
Health and welfare	2,469,212	13,116,617	12,032,238	-	-	13,102,863	40,720,930
Community and economic development	398,344	-	-	846,228	-	2,285,934	3,530,506
Recreation and culture	-	-	-	-	-	2,346,192	2,346,192
Other	1,087,151	-	-	-	-	-	1,087,151
Capital outlay	38,591	8,846	39,203	-	-	3,092,538	3,179,178
Debt service:							
Principal	-	-	-	-	-	1,190,000	1,190,000
Interest and fiscal charges	-	-	-	-	-	1,869,331	1,869,331
<b>Total expenditures</b>	<b>35,388,654</b>	<b>13,125,463</b>	<b>12,071,441</b>	<b>846,228</b>	<b>-</b>	<b>43,191,907</b>	<b>104,623,693</b>
Revenues over (under) expenditures	1,127,134	(297,496)	506,589	67,638	7,495,412	(6,957,659)	1,941,618
<b>Other Financing Sources (Uses)</b>							
Transfers in	6,197,332	599,046	-	-	-	8,160,040	14,956,418
Transfers out	(7,735,172)	-	(506,589)	-	(4,084,647)	(408,790)	(12,735,198)
Proceeds from sale of capital assets	-	-	-	-	-	3,716	3,716
<b>Total other financing sources (uses)</b>	<b>(1,537,840)</b>	<b>599,046</b>	<b>(506,589)</b>	<b>-</b>	<b>(4,084,647)</b>	<b>7,754,966</b>	<b>2,224,936</b>
Net change in fund balances	(410,706)	301,550	-	67,638	3,410,765	797,307	4,166,554
Fund balance, beginning of year	20,069,399	1,607,729	-	717,632	2,548,785	15,244,129	40,187,674
Fund balance, end of year	\$ 19,658,693	\$ 1,909,279	\$ -	\$ 785,270	\$ 5,959,550	\$ 16,041,436	\$ 44,354,228

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, 2006**

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Net change in fund balances - total governmental funds	\$ 4,166,554
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	3,508,949
Deduct - net loss on sale of capital assets	(24,688)
Deduct - depreciation expense	(1,353,043)
Revenues in the funds that represent repayment of taxes or loans receivable that do not affect the statement of activities	1,450,455
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	(205,621)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,190,000
Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.	
Add - decrease in accrued interest payable	23,697
Deduct - increase in accrued compensated absences	(55,848)
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	(782,304)
Add - investment income from governmental internal service funds	259,660
Deduct - net loss on sale of capital assets in governmental internal service funds	(67,514)
Deduct - net transfers	(198,704)
Change in net assets of governmental activities	<u>\$ 7,911,593</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, 2006**

Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 23,204,029	\$ 23,204,029	\$ 22,932,489	\$ (271,540)
Licenses and permits	199,300	199,300	205,861	6,561
Federal grants	372,630	383,572	378,129	(5,443)
State grants	2,995,069	2,989,069	2,836,737	(152,332)
Charges for services	4,794,150	4,794,150	4,941,650	147,500
Fines and forfeitures	676,800	676,800	837,371	160,571
Investment income	327,000	327,000	403,913	76,913
Reimbursements	3,209,995	4,005,560	3,789,831	(215,729)
Other revenue	193,526	193,526	189,807	(3,719)
Total revenues	35,972,499	36,773,006	36,515,788	(257,218)
<b>Expenditures</b>				
Legislative - Board of Commissioners	765,896	764,888	723,248	41,640
Judicial:				
Circuit Court	3,213,593	3,213,093	3,127,006	86,087
District Court	3,327,456	3,322,456	3,232,455	90,001
Probate Court	786,317	786,317	785,389	928
Family Division	2,758,839	2,722,987	2,759,146	(36,159)
Probation - Circuit Court	100,404	100,404	99,497	907
Probation - District Court	906,162	911,162	909,908	1,254
Assigned Counsel	95,750	95,758	95,757	1
Jury Commission	1,500	1,500	1,500	-
Total judicial	11,190,021	11,153,677	11,010,658	143,019
General government:				
Elections	50,700	65,300	64,494	806
Auditing	124,800	134,491	131,814	2,677
Coporate Counsel	137,000	152,000	149,670	2,330
County Clerk	1,099,669	1,085,069	1,045,841	39,228
Controller	1,219,812	1,212,812	1,197,592	15,220
Board of Auditors	600	600	252	348
Equalization	476,392	476,392	433,638	42,754
Prosecuting Attorney	2,824,672	2,824,672	2,698,137	126,535
Prosecuting Attorney - Welfare	557,017	549,316	549,601	(285)
Register of Deeds	489,404	489,404	487,125	2,279
County Treasurer	694,829	694,829	647,250	47,579
Maintenance	2,925,527	3,052,527	3,060,581	(8,054)
Maintenance - Telephone	90,000	104,000	113,025	(9,025)
Public Works Commissioner	308,746	328,746	319,202	9,544
Total general government	10,999,168	11,170,158	10,898,222	271,936

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, 2006**

Concluded

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures - continued</b>				
Public Safety:				
Sheriff	\$ 805,633	\$ 814,151	\$ 802,230	\$ 11,921
Marine Law Enforcement	3,000	4,194	4,804	(610)
Sheriff - Jail Division	7,235,592	7,466,147	7,314,177	151,970
Corrections Reimbursement	154,734	161,172	154,720	6,452
Total public safety	<u>8,198,959</u>	<u>8,445,664</u>	<u>8,275,931</u>	<u>169,733</u>
Public Works - Drains	<u>521,000</u>	<u>521,000</u>	<u>487,297</u>	<u>33,703</u>
Health and Welfare:				
Medical Examiner	245,577	319,577	350,474	(30,897)
Veterans Burial	120,000	120,000	111,600	8,400
Contributions to Other Agencies	2,011,303	2,011,303	2,007,138	4,165
Total health and welfare	<u>2,376,880</u>	<u>2,450,880</u>	<u>2,469,212</u>	<u>(18,332)</u>
Community and Economic Development:				
Plat Board	2,000	2,000	167	1,833
Contributions to Other Agencies	400,000	400,000	398,177	1,823
Total community and economic development	<u>402,000</u>	<u>402,000</u>	<u>398,344</u>	<u>3,656</u>
Capital outlay	<u>-</u>	<u>40,000</u>	<u>38,591</u>	<u>1,409</u>
Other general expenditures	<u>1,087,151</u>	<u>1,087,151</u>	<u>1,087,151</u>	<u>-</u>
Total expenditures	<u>35,541,075</u>	<u>36,035,418</u>	<u>35,388,654</u>	<u>646,764</u>
Revenues over (under) expenditures	<u>431,424</u>	<u>737,588</u>	<u>1,127,134</u>	<u>389,546</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	6,041,597	6,041,597	6,197,332	155,735
Transfers out	(7,816,921)	(8,366,415)	(7,735,172)	631,243
Total other financing sources (uses)	<u>(1,775,324)</u>	<u>(2,324,818)</u>	<u>(1,537,840)</u>	<u>786,978</u>
Net change in fund balances	(1,343,900)	(1,587,230)	(410,706)	1,176,524
Fund balance, beginning of year	<u>20,069,399</u>	<u>20,069,399</u>	<u>20,069,399</u>	<u>-</u>
Fund balance, end of year	<u>\$ 18,725,499</u>	<u>\$ 18,482,169</u>	<u>\$ 19,658,693</u>	<u>\$ 1,176,524</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, 2006**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Licenses and permits	\$ 291,025	\$ 291,025	\$ 238,611	\$ (52,414)
Federal grants	5,417,346	5,417,346	5,417,346	-
State grants	2,893,701	3,245,670	3,728,950	483,280
Local grants and contributions	1,057,695	1,057,695	1,057,695	-
Charges for services	1,919,484	1,919,484	2,168,539	249,055
Donations	64,200	64,200	51,036	(13,164)
Reimbursements	111,681	111,681	163,751	52,070
Other revenue	142,479	142,479	2,039	(140,440)
<b>Total revenues</b>	<b>11,897,611</b>	<b>12,249,580</b>	<b>12,827,967</b>	<b>578,387</b>
<b>Expenditures</b>				
Health and welfare	12,703,598	13,047,167	13,116,617	(69,450)
Capital outlay	-	8,400	8,846	(446)
<b>Total expenditures</b>	<b>12,703,598</b>	<b>13,055,567</b>	<b>13,125,463</b>	<b>(69,896)</b>
Revenues over (under) expenditures	(805,987)	(805,987)	(297,496)	508,491
<b>Other Financing Sources (Uses)</b>				
Transfers in	599,046	599,046	599,046	-
Net change in fund balances	(206,941)	(206,941)	301,550	508,491
Fund balance, beginning of year	1,607,729	1,607,729	1,607,729	-
Fund balance, end of year	<u>\$ 1,400,788</u>	<u>\$ 1,400,788</u>	<u>\$ 1,909,279</u>	<u>\$ 508,491</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, 2006**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
State grants	\$ 15,580,448	\$ 16,146,653	\$ 12,513,673	\$ (3,632,980)
Donations	-	28,500	3,237	(25,263)
Reimbursements	-	12,824	34,366	21,542
Other revenue	158,235	28,833	26,754	(2,079)
Total revenues	<u>15,738,683</u>	<u>16,216,810</u>	<u>12,578,030</u>	<u>(3,638,780)</u>
<b>Expenditures</b>				
Health and welfare	15,139,446	15,547,863	12,032,238	3,515,625
Capital outlay	-	38,410	39,203	(793)
Total expenditures	<u>15,139,446</u>	<u>15,586,273</u>	<u>12,071,441</u>	<u>3,514,832</u>
Revenues over (under) expenditures	599,237	630,537	506,589	(123,948)
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(599,237)</u>	<u>(630,537)</u>	<u>(506,589)</u>	<u>123,948</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<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 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - SMALL CITIES REUSE SPECIAL REVENUE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Federal grants	\$ -	\$ 432,036	\$ 387,771	\$ (44,265)
Fines and forfeitures	-	-	1,196	1,196
Investment income	25,000	25,000	28,761	3,761
Reimbursements	436,211	436,211	496,138	59,927
 Total revenues	 <u>461,211</u>	 <u>893,247</u>	 <u>913,866</u>	 <u>20,619</u>
<b>Expenditures</b>				
Current:				
Community and economic development	1,048,697	1,098,697	508,457	590,240
Capital outlay	-	382,036	337,771	44,265
 Total expenditures	 <u>1,048,697</u>	 <u>1,480,733</u>	 <u>846,228</u>	 <u>634,505</u>
 Revenues over (under) expenditures	 (587,486)	 (587,486)	 67,638	 (613,886)
<b>Other Financing Sources (Uses)</b>				
Transfers out	(333,000)	(333,000)	-	333,000
 Net change in fund balances	 (920,486)	 (920,486)	 67,638	 (280,886)
Fund balance, beginning of year	717,632	717,632	717,632	-
Fund balance (deficit), end of year	<u>\$ (202,854)</u>	<u>\$ (202,854)</u>	<u>\$ 785,270</u>	<u>\$ 988,124</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 -**  
**BUDGET AND ACTUAL -REVENUE SHARING RESERVE SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Property taxes	\$ 7,319,845	\$ 7,319,845	\$ 7,319,845	\$ -
Investment income	-	-	175,567	175,567
<b>Total revenues</b>	<b>7,319,845</b>	<b>7,319,845</b>	<b>7,495,412</b>	<b>175,567</b>
<b>Expenditures</b>				
Current:				
General government	3,235,198	3,235,198	-	3,235,198
<b>Revenues over (under) expenditures</b>	<b>4,084,647</b>	<b>4,084,647</b>	<b>7,495,412</b>	<b>3,410,765</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(4,084,647)	(4,084,647)	(4,084,647)	-
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>3,410,765</b>	<b>3,410,765</b>
Fund balance, beginning of year	2,548,785	2,548,785	2,548,785	-
Fund balance, end of year	<u>\$ 2,548,785</u>	<u>\$ 2,548,785</u>	<u>\$ 5,959,550</u>	<u>\$ 3,410,765</u>

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

**COUNTY OF SAGINAW, MICHIGAN**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2006**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Delinquent Tax Revolving</b>	<b>Building Authority Event Center</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Assets</b>					
Current assets:					
Cash and investment pool	\$ 15,937,373	\$ 657,061	\$ 1,317,271	\$ 17,911,705	\$ 6,397,012
Receivables (net):					
Taxes	8,761,102	64,034	-	8,825,136	-
Accounts	307,576	71,533	48,632	427,741	289,515
Accrued interest	55,785	421	2,419	58,625	24,647
Due from other funds	15,357	132,106	18,681	166,144	19,883
Due from other governmental units	55,749	-	-	55,749	-
Advances to other funds	339,123	-	-	339,123	-
Unamortized bond issuance costs	-	92,145	-	92,145	-
Inventories	-	41,938	-	41,938	-
Other assets	-	7,167	4,880	12,047	52,025
<b>Total current assets</b>	<b>25,472,065</b>	<b>1,066,405</b>	<b>1,391,883</b>	<b>27,930,353</b>	<b>6,783,082</b>
Noncurrent assets - capital assets:					
Land	-	18,614	1,034,634	1,053,248	233,000
Air rights	-	-	117,761	117,761	-
Land improvements	-	-	40,558	40,558	25,387
Buildings and improvements	-	14,000,235	1,020,504	15,020,739	927,000
Leasehold improvements	-	-	-	-	23,628
Machinery and equipment	-	896,949	87,441	984,390	1,783,286
Office furniture and fixtures	-	61,201	-	61,201	84,750
Vehicles	-	29,518	113,203	142,721	1,482,027
Planning and development	-	-	7,604,619	7,604,619	-
Construction in progress	-	-	437,457	437,457	85,752
Accumulated depreciation	-	(995,845)	(5,993,009)	(6,988,854)	(3,724,001)
<b>Total noncurrent assets - capital assets</b>	<b>-</b>	<b>14,010,672</b>	<b>4,463,168</b>	<b>18,473,840</b>	<b>920,829</b>
<b>Total assets</b>	<b>25,472,065</b>	<b>15,077,077</b>	<b>5,855,051</b>	<b>46,404,193</b>	<b>7,703,911</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	88,261	272,567	70,897	431,725	497,508
Accrued liabilities	-	240,434	4,236	244,670	26,240
Deposits payable	3,223	423,580	8,886	435,689	-
Due to other funds	18,681	63,754	189,074	271,509	152,478
Due to other governmental units	-	-	29,643	29,643	-
Unearned revenue	-	3,524	3,945	7,469	-
Unamortized bond premium	-	18,276	-	18,276	-
Accrued liabilities - current	-	-	2,545	2,545	1,865,157
Notes payable - current	8,426,000	-	-	8,426,000	-
Bonds payable - current	-	1,540,000	-	1,540,000	-
<b>Total current liabilities</b>	<b>8,536,165</b>	<b>2,562,135</b>	<b>309,226</b>	<b>11,407,526</b>	<b>2,541,383</b>
Noncurrent liabilities:					
Advances from other funds	10,500,773	-	20,000	10,520,773	35,000
Bonds payable	-	6,770,000	-	6,770,000	-
<b>Total noncurrent liabilities</b>	<b>10,500,773</b>	<b>6,770,000</b>	<b>20,000</b>	<b>17,290,773</b>	<b>35,000</b>
<b>Total liabilities</b>	<b>19,036,938</b>	<b>9,332,135</b>	<b>329,226</b>	<b>28,698,299</b>	<b>2,576,383</b>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	-	5,700,672	4,463,168	10,163,840	920,829
Unrestricted	6,435,127	44,270	1,062,657	7,542,054	4,206,699
<b>Total Net Assets</b>	<b>\$ 6,435,127</b>	<b>\$ 5,744,942</b>	<b>\$ 5,525,825</b>	<b>17,705,894</b>	<b>\$ 5,127,528</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				22,749	
Net assets of business-type activities				<u>\$ 17,728,643</u>	

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

**COUNTY OF SAGINAW, MICHIGAN**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Delinquent Tax Revolving</b>	<b>Building Authority Event Center</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Operating Revenues</b>					
Charges for services	\$ 568,708	\$ 3,220,951	\$ 1,607,151	\$ 5,396,810	\$ 325,649
Interest income	1,192,069	-	-	1,192,069	-
Fines and forfeitures	-	-	13,980	13,980	-
Rental revenue	-	-	102,749	102,749	741,688
Reimbursements	-	-	6,458	6,458	16,025,772
Other revenue	339,369	138,239	78,699	556,307	257,965
Total operating revenues	2,100,146	3,359,190	1,809,037	7,268,373	17,351,074
<b>Operating Expenses</b>					
Personal services	-	1,176,797	71,990	1,248,787	1,198,587
Fringe benefits	-	261,138	26,145	287,283	14,353,873
Supplies	-	399,565	498,944	898,509	220,616
Services and charges	110,428	1,896,165	633,823	2,640,416	1,957,282
Other	-	306,137	-	306,137	-
Amortization	-	13,836	-	13,836	-
Depreciation	-	382,426	387,036	769,462	380,737
Total operating expenses	110,428	4,436,064	1,617,938	6,164,430	18,111,095
Operating income (loss)	1,989,718	(1,076,874)	191,099	1,103,943	(760,021)
<b>Nonoperating Revenues (Expenses)</b>					
Property taxes	-	2,531,055	-	2,531,055	-
Federal grants	-	-	99,421	99,421	-
State grants	-	-	263,594	263,594	-
Investment income	630,330	11,960	188,469	830,759	259,660
Interest expense and fiscal charges	(337,740)	(351,066)	-	(688,806)	-
Loss on sale of capital assets	-	-	(2,549)	(2,549)	(67,514)
Gain on sale of capital assets	-	-	2,296	2,296	-
Total nonoperating revenues (expenses)	292,590	2,191,949	551,231	3,035,770	192,146
Income (loss) before transfers	2,282,308	1,115,075	742,330	4,139,713	(567,875)
<b>Transfers</b>					
Transfers in	-	-	97,500	97,500	-
Transfers out	(1,650,000)	(5,500)	(464,516)	(2,120,016)	(198,704)
Net transfers	(1,650,000)	(5,500)	(367,016)	(2,022,516)	(198,704)
Change in net assets	632,308	1,109,575	375,314	2,117,197	(766,579)
Net assets, beginning of year, as restated	5,802,819	4,635,367	5,150,511		5,894,107
Net assets, end of year	\$ 6,435,127	\$ 5,744,942	\$ 5,525,825		\$ 5,127,528
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				22,283	
Change in net assets of business-type activities				\$ 2,139,480	

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, 2006**

Continued

	Business-type Activities - Enterprise Funds				Governmental
	Delinquent Tax Revolving	Building Authority Event Center	Other Enterprise Funds	Total	Internal Service Funds
<b>Cash flows from operating activities:</b>					
Receipts from customers	\$ 686,645	\$ 3,161,460	\$ 1,737,855	\$ 5,585,960	\$ -
Receipts from interfund services provided	18,681	-	73,231	91,912	17,199,228
Payments for interfund services provided	(100)	(134,816)	(23,950)	(158,866)	-
Payments to employees	-	(1,437,935)	(94,381)	(1,532,316)	(1,743,979)
Payments to suppliers	(92,687)	(2,640,753)	(1,134,532)	(3,867,972)	(15,586,468)
Other operating revenue	339,369	138,239	90,732	568,340	257,965
Net cash provided by (used in) operating activities	951,908	(913,805)	648,955	687,058	126,746
<b>Cash flows from noncapital financing activities:</b>					
Property tax collections	-	2,531,055	-	2,531,055	-
Advances to other funds	(39,123)	-	-	(39,123)	-
Transfers in	-	-	97,500	97,500	-
Transfers out	(1,650,000)	(5,500)	(464,516)	(2,120,016)	(198,704)
Proceeds from issuing long-term debt	10,000,000	-	-	10,000,000	-
Principal paid on long-term debt	(7,721,000)	-	-	(7,721,000)	-
Interest paid on long-term debt	(337,740)	-	-	(337,740)	-
Net cash provided by (used in) noncapital financing activities	252,137	2,525,555	(367,016)	2,410,676	(198,704)
<b>Cash flows from capital and related financing activities:</b>					
Principal paid on capital debt	-	(1,485,000)	-	(1,485,000)	-
Interest paid on capital debt	-	(351,066)	-	(351,066)	-
Proceeds from sale of capital assets	-	-	2,296	2,296	33,550
Payments for capital asset acquisition	-	-	(45,475)	(45,475)	(348,277)
Net cash provided by (used in) capital and related financing activities	-	(1,836,066)	(43,179)	(1,879,245)	(314,727)
<b>Cash flows from investing activities:</b>					
Investment income	630,330	11,960	188,469	830,759	259,660
Net increase (decrease) in cash and cash equivalents	1,834,375	(212,356)	427,229	2,049,248	(127,025)
Cash and cash equivalents, beginning of year	14,102,998	869,417	890,042	15,862,457	6,524,037
Cash and cash equivalents, end of year	\$ 15,937,373	\$ 657,061	\$ 1,317,271	\$ 17,911,705	\$ 6,397,012
<b>Noncash investing, capital, and financing activities:</b>					
Contributions of capital assets from government			\$ 363,015		

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, 2006**

**Concluded**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Delinquent Tax Revolving</b>	<b>Building Authority Event Center</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 1,989,718	\$ (1,076,874)	191,099	\$ 1,103,943	\$ (760,021)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	382,426	387,036	769,462	380,737
Changes in assets and liabilities:					
Accounts receivable	(1,153,438)	(59,271)	26,360	(1,186,349)	(19,426)
Due from other funds	(100)	(8,135)	(18,681)	(26,916)	(19,877)
Due from other governmental units	79,306	-	-	79,306	-
Unamortized bond issuance costs	-	17,268	-	17,268	-
Inventories	-	641	-	641	-
Other assets	-	29,804	(141)	29,663	(12,534)
Accounts payable	17,170	93,173	(15,609)	94,734	99,713
Accrued liabilities	-	(93,313)	3,754	(89,559)	312,732
Deposits payable	571	(69,191)	(6,965)	(75,585)	-
Due to other funds	18,681	(126,681)	67,962	(40,038)	145,422
Due to other governmental units	-	-	13,985	13,985	-
Advances from other governmental units	-	-	-	-	-
Unearned revenue	-	(220)	155	(65)	-
Unamortized bond premium	-	(3,432)	-	(3,432)	-
Net cash provided by (used in) operating activities:	<u>\$ 951,908</u>	<u>\$ (913,805)</u>	<u>\$ 648,955</u>	<u>\$ 687,058</u>	<u>\$ 126,746</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, 2006**

	<b>Post- Employment Health Benefits Trust Fund</b>	<b>Agency Funds</b>
<b>Assets</b>		
Cash and investment pool	\$ 8,112,590	\$ 9,708,302
Investments, at fair value - mutual funds	3,906,029	-
Receivables (net):		
Taxes	-	35,773
Accounts	115,322	3,378,496
Accrued interest	1,308	1,371
	<u>12,135,249</u>	<u>\$ 13,123,942</u>
<b>Liabilities</b>		
Accounts payable	-	\$ 480,369
Accrued liabilities	284,564	-
Deposits payable	-	4,349,280
Due to other governmental units	-	8,294,293
	<u>284,564</u>	<u>\$ 13,123,942</u>
<b>Net Assets</b>		
Held in trust for postemployment health benefits	<u>\$ 11,850,685</u>	

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

**COUNTY OF SAGINAW, MICHIGAN**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS - POSTEMPLOYMENT HEALTH BENEFITS TRUST FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

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**Additions**

Contributions:

Employer	\$ 3,074,447
Retirees	<u>167,525</u>

Total contributions	<u>3,241,972</u>
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Investment earnings:

Net appreciation in fair value of investments	533,224
Interest and dividends	<u>263,870</u>

Net investment earnings	<u>797,094</u>
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Total additions	<u>4,039,066</u>
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**Deductions**

Participant benefits	4,148,547
Administrative expenses	<u>170,529</u>

Total deductions	<u>4,319,076</u>
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Change in net assets	(280,010)
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Net assets, beginning of year	<u>12,130,695</u>
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Net assets, end of year	<u><u>\$ 11,850,685</u></u>
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The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF NET ASSETS - COMPONENT UNITS**  
**SEPTEMBER 30, 2006**

	<b>Road Commission</b>	<b>Brownfield Redevelopment Authority</b>	<b>Department of Public Works</b>	<b>Drain Commission</b>	<b>Economic Development Corporation</b>	<b>Land Bank Authority</b>	<b>Total</b>
<b>Assets</b>							
Cash and investment pool	\$ 6,978,752	\$ 469,396	\$ 103,063	\$ 5,374,393	\$ 63,402	\$ 81,210	\$ 13,070,216
Receivables (net)	2,820,815	42,097	20,545,283	14,416,299	-	10	37,824,504
Inventory	347,803	-	-	-	-	21,068	368,871
Other assets	325,837	-	-	-	-	-	325,837
Capital assets, net:							
Assets not being depreciated	32,518,142	-	-	151,600	-	-	32,669,742
Assets being depreciated	111,295,758	-	-	41,973,623	-	-	153,269,381
<b>Total assets</b>	<b>154,287,107</b>	<b>511,493</b>	<b>20,648,346</b>	<b>61,915,915</b>	<b>63,402</b>	<b>102,288</b>	<b>237,528,551</b>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	1,272,946	5,625	1,195,206	525,753	-	-	2,999,530
Deferred revenue	5,027	-	-	-	-	-	5,027
Long-term liabilities:							
Due within one year	-	30,253	1,363,000	1,366,695	-	-	2,759,948
Due in more than one year	653,950	477,823	17,988,000	12,270,175	-	-	31,389,948
<b>Total liabilities</b>	<b>1,931,923</b>	<b>513,701</b>	<b>20,546,206</b>	<b>14,162,623</b>	<b>-</b>	<b>-</b>	<b>37,154,453</b>
<b>Net Assets</b>							
Invested in capital assets, net of related debt	143,813,900	-	-	28,488,353	-	-	172,302,253
Restricted for:							
Debt service	-	-	56,072	776,673	-	-	832,745
Acquisition/construction of capital assets	-	-	46,068	4,137,774	-	-	4,183,842
Restricted contributions	8,541,284	-	-	-	-	-	8,541,284
Unrestricted (deficit)		(2,208)	-	14,350,492	63,402	102,288	14,513,974
<b>Total net assets</b>	<b>\$ 152,355,184</b>	<b>\$ (2,208)</b>	<b>\$ 102,140</b>	<b>\$ 47,753,292</b>	<b>\$ 63,402</b>	<b>\$ 102,288</b>	<b>\$ 200,374,098</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, 2006**

Continued

	<u>Program Revenues</u>				<u>Net (Expense) Revenue</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Road Commission</b>					
Governmental Activities:					
Highways and streets	\$ 17,765,970	\$ 118,651	\$ 19,882,138	\$ 3,999,062	\$ 6,233,881
<b>Brownfield Redevelopment Authority</b>					
Governmental Activities:					
Community and economic development	61,884	-	49,056	-	(12,828)
<b>Department of Public Works</b>					
Governmental Activities:					
Public works	1,926,614	93,854	-	2,107,557	274,797
Interest on long-term debt	779,362	-	-	-	(779,362)
Total Department of Public Works	2,705,976	93,854	-	2,107,557	(504,565)
<b>Drain Commission</b>					
Governmental Activities:					
Public works	1,513,479	135,422	-	840,609	(537,448)
Interest on long-term debt	450,988	-	-	-	(450,988)
Total Drain Commission	1,964,467	135,422	-	840,609	(988,436)
<b>Economic Development Corporation</b>					
Business Type Activities:					
Community and economic development	1,680	-	-	-	(1,680)
<b>Land Bank Authority</b>					
Business Type Activities:					
Community and economic development	-	500	100,000	-	100,500
Total component units	<u>\$ 22,499,977</u>	<u>\$ 348,427</u>	<u>\$ 20,031,194</u>	<u>\$ 6,947,228</u>	<u>\$ 4,826,872</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, 2006**

**Concluded**

	<b>Road Commission</b>	<b>Brownfield Redevelopment Authority</b>	<b>Department of Public Works</b>	<b>Drain Commission</b>	<b>Economic Development Corporation</b>	<b>Land Bank Authority</b>	<b>Total</b>
<b>Change in net assets</b>							
Net (expense) revenue	\$ 6,233,881	\$ (12,828)	\$ (504,565)	\$ (988,436)	\$ (1,680)	\$ 100,500	\$ 4,826,872
General revenues:							
Property taxes	-	153,280	-	-	-	-	153,280
Gain on disposal of capital assets	75,970	-	-	-	-	-	75,970
Investment income - interest earned	245,148	17,854	8,991	178,306	2,353	1,788	454,440
Total general revenues	321,118	171,134	8,991	178,306	2,353	1,788	683,690
Change in net assets	6,554,999	158,306	(495,574)	(810,130)	673	102,288	5,510,562
Net assets, (deficit) beginning of year, as restated	145,800,185	(160,514)	597,714	48,563,422	62,729	-	194,863,536
Net assets, end of year	\$ 152,355,184	\$ (2,208)	\$ 102,140	\$ 47,753,292	\$ 63,402	\$ 102,288	\$ 200,374,098

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### A. REPORTING ENTITY

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

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

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

**Saginaw County Road Commission (the "Road Commission")** - The Road Commission is governed by a three-member board of County Road Commissioners appointed by the Saginaw County Board of Commissioners. The Road Commission deposits receipts with the County, has a balance in the County's common bank account and has investments through the County. The County does not have appropriation authority or budgetary control over the activities of the Road Commission; however, the nature and significance of the relationship between the primary government and the Road Commission is such that exclusion would cause the reporting entity's financial statements to be misleading. The Road Commission is responsible for the construction and maintenance of the County's system of roads and bridges and is principally funded by state-collected vehicle fuel and registration taxes under Public Act 51. The Road Commission's activities are reported discretely as a

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

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

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

**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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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Development Corporation provides the means and methods of encouragement and assistance to strengthen and revitalize the economy of Saginaw County by improving the atmosphere for progress and growth through new employment opportunities and an increased tax base. The Economic Development Corporation's activities are reported discretely as a governmental fund type. The complete financial statements of the Economic Development Corporation are included in the supplementary information section of the County's financial statements.

**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. The complete financial statements of the Land Bank Authority are included in the supplementary information section of the County's financial statements.

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

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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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.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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The government reports the following major governmental funds:

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

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

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

The *small cities reuse fund* accounts for the services to provide low interest loans to assist professional, commercial and industrial entities in rehabilitation and expansion of existing or new businesses. Revenues for this fund include grant revenues, interest earnings on loans, interest earnings on investments and principal repayments.

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

The government reports the following major proprietary funds:

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

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

Additionally, the County reports the following fund types:

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

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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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 is valued at average cost for the Road Commission, a discretely presented component unit of Saginaw County. The costs of the Road Commission's inventory are recorded as assets when purchased and charged to expenditures when used, which is the consumption method. Inventory in the Land Bank Authority represents land inventory held for resale. Inventory in the Building Authority Event Center enterprise fund consists of various food and beverage supplies and are valued at cost using the first-in / first-out (FIFO) method. Costs related to inventory purchases in the Building Authority Event Center fund are recorded as assets when purchased and are charged to expenses when used.

### 7. CAPITAL ASSETS

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

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

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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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

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

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

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

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

### **9. FUND EQUITY**

Reserves represent those portions of fund equity not 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.

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### 11. COMPENSATED ABSENCES

#### *Union Employees*

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

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

#### *Non-Union Employees*

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

#### *Compensated Absence Liability Recognition*

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

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

# 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, 2006, established that the 2006 General Fund budgeted surplus be transferred as follows: two-thirds (2/3) of any such surplus to the Public Improvement Special Revenue Fund and the remaining one-third (1/3) to the General Fund Budget Stabilization Fund Balance account.

Results of operations for the year ended September 30, 2006 did not produce a General Fund unallocated surplus.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### 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, 2006.

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>GENERAL FUND</b>			
<b>JUDICIAL</b>			
Family Division	\$ 2,722,987	\$ 2,759,144	\$ (36,157)
<b>GENERAL GOVERNMENT</b>			
Prosecuting Attorney-Welfare	549,316	549,601	(285)
Maintenance	3,052,527	3,060,581	(8,054)
Maintenance – Telephone	104,000	113,025	(9,025)
<b>PUBLIC SAFETY</b>			
Marine Law Enforcement	4,194	4,804	(610)
<b>HEALTH AND WELFARE</b>			
Medical Examiner	319,577	350,474	(30,897)
<b>SPECIAL REVENUE FUNDS</b>			
Health Department –			
Health and welfare	13,047,167	13,116,617	(69,450)
Capital outlay	8,400	8,846	(446)
Michigan Works –			
Capital outlay	38,410	39,203	(793)
Law Enforcement –			
Transfers out	8,613	10,851	(2,238)
Lodging Excise Tax –			
Community and Economic			
Development	1,365,000	1,736,595	(371,595)
Prosecutor Special Projects –			
Transfers out	-	2,645	(2,645)

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

### Deficit fund equity

The River Dredging Capital Projects fund had a deficit fund balance of \$197,748 as of September 30, 2006. The expenditures incurred in this fund are being funded with contributions pledged by the Saginaw River Alliance. The pledged contributions are being paid the fund over a three-year period, therefore the amount pledged to alleviate the deficit is deferred in the fund because the revenue is unavailable to fund current liabilities. The deficit

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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in this fund will be eliminated as the pledged contributions become available and are no longer deferred.

### III. DETAILED NOTES ON ALL FUNDS

#### A. CASH AND INVESTMENT POOL

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

Statutes authorize the County to invest in the following:

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

	<u>Carrying Amount</u>
Government-wide Financial Statement Captions:	
Primary Government:	
Cash and investment pool	\$ 54,169,718
Component Units:	
Cash and investment pool	13,070,216
Fiduciary Fund Financial Statement Captions:	
Cash and investment pool	17,820,892
Investments	<u>3,906,029</u>
 Total	 <u>\$ 88,966,855</u>
 Deposits and Investments:	
Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 19,103,695
Investments:	
U.S. agencies	18,924,553
Mutual funds	11,966,605
Money market accounts	38,945,639
Cash on hand	<u>26,363</u>
 Total	 <u>\$ 88,966,855</u>

	<u>Investment Maturities (In Years)</u>					<u>Credit Rating Range</u>	
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>	<u>Standard &amp; Poors</u>	<u>Moody's Investor's Services</u>
U.S. Agencies	<u>\$ 18,924,553</u>	<u>\$ 9,996,318</u>	<u>\$ 8,928,235</u>	<u>\$ -</u>	<u>\$ -</u>	AAA	Aaa

\*\*The County's investments in U.S. Agencies include call options with a market value of \$18,924,553.

### 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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

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

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year end \$33,298,212 of the County's bank balance of \$34,922,032 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 16.89% 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

### B. RECEIVABLES

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Units</u>
Taxes	\$ 4,561,418	\$ 8,825,136	\$ -
Accounts	36,064,108	427,741	972,427
Notes			
Due within one year	182,619	-	-
Due after one year	3,469,758	-	-
Interest	142,902	58,625	2,099
Intergovernmental	5,524,984	55,749	36,849,978
Less: allowance for uncollectible accounts	<u>(296,576)</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 49,649,213</u></b>	<b><u>\$ 9,367,251</u></b>	<b><u>\$ 37,824,504</u></b>

Of the amounts recorded as receivables, approximately \$37,332,182, \$2,238,464 and \$31,268,601 of the governmental activities, business-type activities and component unit receivables, respectively, are not expected to be collected within one year.

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)	\$ 2,027,471	\$ -
Property taxes receivable (Non-major governmental fund types)	316,309	-
Notes receivable (Small Cities Fund)	2,206,789	-
Notes receivable (Non-major Governmental fund types)	913,457	-
Unearned lease revenue (General Fund)	-	5,100
Grant drawdowns prior to meeting all eligibility requirements (Health Department Fund)	-	83,968
Grant drawdowns prior to meeting all eligibility requirements (Michigan Works! Fund)	-	440,777
Grant drawdowns prior to meeting all eligibility requirements (Non-major Governmental fund types)	<u>-</u>	<u>520,044</u>
<b>Total</b>	<b><u>\$ 5,464,026</u></b>	<b><u>\$ 1,049,889</u></b>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### C. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2006 was as follows:

#### Primary Government

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets not being depreciated:				
Land	\$ 1,173,661	\$ -	\$ -	\$ 1,173,661
Construction in progress	<u>2,581,159</u>	<u>1,898,831</u>	<u>(834,254)</u>	<u>3,645,736</u>
Total capital assets not being depreciated	<u>3,754,820</u>	<u>1,898,831</u>	<u>(834,254)</u>	<u>4,819,397</u>
Capital assets being depreciated:				
Land improvements	5,275,095	1,784,069	-	7,059,164
Buildings	30,834,817	66,138	-	30,900,955
Leasehold improvements	23,628	-	-	23,628
Equipment	6,471,863	595,252	(242,985)	6,824,130
Office furniture & fixtures	216,250	-	-	216,250
Vehicles	<u>2,884,185</u>	<u>347,189</u>	<u>(289,598)</u>	<u>2,941,776</u>
Total capital assets being depreciated	<u>45,705,838</u>	<u>2,792,648</u>	<u>(532,583)</u>	<u>47,965,903</u>
Less accumulated depreciation				
Land improvements	(1,453,834)	(115,476)	-	(1,569,310)
Buildings	(12,381,196)	(613,714)	-	(12,994,910)
Leasehold improvements	(4,958)	(933)	-	(5,891)
Equipment	(2,928,798)	(693,064)	117,234	(3,504,628)
Office furniture & fixtures	(60,039)	(27,250)	-	(87,289)
Vehicles	<u>(2,366,774)</u>	<u>(283,345)</u>	<u>289,598</u>	<u>(2,360,521)</u>
Total accumulated depreciation	<u>(19,195,599)</u>	<u>(1,733,782)</u>	<u>406,832</u>	<u>(20,522,549)</u>
Total capital assets being depreciated, net	<u>26,510,239</u>	<u>1,058,866</u>	<u>(125,751)</u>	<u>27,443,354</u>
<b>Governmental activities capital assets, net</b>	<u>\$30,265,059</u>	<u>\$ 2,957,697</u>	<u>\$ (960,005)</u>	<u>\$ 32,262,751</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
Capital assets not being depreciated:				
Land	\$ 1,053,248	\$ -	\$ -	\$ 1,053,248
Air rights	117,761	-	-	117,761
Construction in progress	<u>958,722</u>	<u>395,476</u>	<u>(916,741)</u>	<u>437,457</u>
Total capital assets not being depreciated	<u>2,129,731</u>	<u>395,476</u>	<u>(916,741)</u>	<u>1,608,466</u>
Capital assets being depreciated:				
Land improvements	40,558	-	-	40,558
Buildings	15,060,782	-	(40,043)	15,020,739
Office furniture and fixtures	61,201	-	-	61,201
Planning and development	6,687,878	916,741	-	7,604,619
Equipment	984,390	-	-	984,390
Vehicles	<u>134,360</u>	<u>16,011</u>	<u>(7,650)</u>	<u>142,721</u>
Total capital assets being depreciated	<u>22,969,169</u>	<u>932,752</u>	<u>(47,693)</u>	<u>23,854,228</u>
Less accumulated depreciation				
Land improvements	(39,404)	(461)	-	(39,865)
Buildings	(1,291,206)	(368,621)	37,641	(1,622,186)
Office furniture and fixtures	(3,873)	(3,320)	-	(7,193)
Planning and development	(4,668,244)	(329,455)	-	(4,997,699)
Equipment	(150,629)	(59,551)	-	(210,180)
Vehicles	<u>(108,180)</u>	<u>(8,054)</u>	<u>4,503</u>	<u>(111,731)</u>
Total accumulated depreciation	<u>(6,261,536)</u>	<u>(769,462)</u>	<u>42,144</u>	<u>(6,988,854)</u>
Total capital assets being depreciated, net	<u>16,707,633</u>	<u>163,290</u>	<u>(5,549)</u>	<u>16,865,374</u>
<b>Business-type activities capital assets, net</b>				
	<u>\$18,837,364</u>	<u>\$ 558,766</u>	<u>\$(922,290)</u>	<u>\$18,473,840</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

**Governmental activities:**

Judicial	\$ 67,980
General government	409,939
Public safety	437,563
Public works	6,593
Health and welfare	318,201
Community and economic development	1,273
Recreation and culture	111,496
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>380,737</u>

**Total depreciation expense – governmental activities**     \$ 1,733,782

**Business-type activities:**

Building Authority Event Center	\$ 382,426
Harry W. Browne Airport	383,161
Parking system	2,498
Inmate services	<u>1,377</u>

**Total depreciation expense – business-type activities**     \$ 769,462

**Discretely presented component units**

Activity for the Drain Commission for the year ended September 30, 2006, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Construction in progress	\$ 211,233	\$ 158,329	\$ (217,962)	\$ 151,600
Capital assets being depreciated:				
Infrastructure	59,210,330	217,962	-	59,428,292
Equipment	<u>25,289</u>	<u>-</u>	<u>-</u>	<u>25,289</u>
Total capital assets being depreciated	<u>59,235,619</u>	<u>217,962</u>	<u>-</u>	<u>59,453,581</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Less accumulated depreciation				
Infrastructure	\$(16,283,447)	\$(1,185,660)	\$-	\$(17,469,107)
Equipment	<u>(7,551)</u>	<u>(3,300)</u>	<u>-</u>	<u>(10,851)</u>
Total accumulated depreciation	<u>(16,290,998)</u>	<u>(1,188,960)</u>	<u>-</u>	<u>(17,479,958)</u>
Total capital assets being depreciated, net	<u>42,944,621</u>	<u>(970,998)</u>	<u>-</u>	<u>41,973,623</u>
<b>Drain commission capital assets, net</b>	<u>\$43,155,854</u>	<u>\$ (812,669)</u>	<u>\$(217,962)</u>	<u>\$42,125,223</u>

Activity for the Road Commission for the year ended September 30, 2006, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land and improvements	<u>\$30,456,411</u>	<u>\$2,061,731</u>	<u>\$ -</u>	<u>\$32,518,142</u>
Capital assets being depreciated:				
Infrastructure	188,118,157	11,719,607	-	199,837,764
Building	2,538,656	-	-	2,538,656
Road equipment	11,202,684	825,303	(428,244)	11,599,743
Other equipment	<u>885,352</u>	<u>97,388</u>	<u>(17,268)</u>	<u>965,472</u>
Total capital assets being depreciated	<u>202,744,849</u>	<u>12,642,298</u>	<u>(445,512)</u>	<u>214,941,635</u>
Less accumulated depreciation				
Infrastructure	(84,926,379)	(7,260,721)	-	(92,187,100)
Building	(1,878,342)	(59,038)	-	(1,937,380)
Road equipment	(8,273,821)	(1,115,115)	419,305	(8,969,631)
Other equipment	<u>(466,742)</u>	<u>(102,167)</u>	<u>17,143</u>	<u>(551,766)</u>
Total accumulated depreciation	<u>(95,545,284)</u>	<u>(8,537,041)</u>	<u>436,448</u>	<u>(103,645,877)</u>
Total capital assets being depreciated, net	<u>107,199,565</u>	<u>4,105,257</u>	<u>(9,064)</u>	<u>111,295,758</u>
<b>Road commission capital assets, net</b>	<u>\$137,655,976</u>	<u>\$6,166,988</u>	<u>\$ (9,064)</u>	<u>\$143,813,900</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### D. PAYABLES

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

	Governmental <u>Activities</u>	Business-type <u>Activities</u>
Accounts	\$ 4,340,981	\$ 431,725
Wages, fringe benefits and other accrued liabilities	928,584	545,927
Interest	923,352	152,708
Intergovernmental	<u>786,143</u>	<u>29,643</u>
Total	<u>\$ 6,979,060</u>	<u>\$ 1,160,003</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to	Due from								Total
	General Fund	Health Department	Michigan Works!	Non-major Governmental Funds	Delinquent Tax Revolving	Building Authority Event Center	Non-major Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ -	\$ 50	\$ 10,613	\$ -	\$ -	\$ -	\$ 10,663
Health Department	-	-	-	-	-	-	-	4,153	4,153
Michigan Works!	-	2	-	43,001	-	-	-	-	43,003
Non-major Governmental Funds	1,249,383	-	55,403	85,633	4,039	132,106	-	15,730	1,542,294
Delin. Tax Revolving	-	-	-	-	-	-	18,681	-	18,681
Building Authority Event Center	63,049	-	-	-	705	-	-	-	63,754
Non-major Enterprise Funds	4,836	-	-	184,238	-	-	-	-	189,074
Internal Service Funds	<u>150,484</u>	<u>2,073</u>	<u>-</u>	<u>(79)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,478</u>
<b>Total</b>	<u>\$ 1,467,752</u>	<u>\$ 2,075</u>	<u>\$ 55,403</u>	<u>\$ 312,843</u>	<u>\$ 15,357</u>	<u>\$ 132,106</u>	<u>\$ 18,681</u>	<u>\$ 19,883</u>	<u>\$2,024,100</u>

The balances of \$1,249,383 and \$63,049 due to the General Fund from the non-major governmental funds and the Building Authority Event Center, respectively, resulted from short-term advances provided by the General Fund for cash flow requirements. The entire balance of these interfund receivables is scheduled to be collected in the subsequent year.

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### Advances to/from other funds:

General	\$10,555,773	\$ -
Nonmajor governmental funds	-	339,123
Delinquent tax revolving	339,123	10,500,773
Nonmajor enterprise funds	-	20,000
Internal service funds	-	35,000
Total	<u>\$10,894,896</u>	<u>\$10,894,896</u>

Advances between the General Fund and the Delinquent Tax Revolving Fund exist to maintain adequate reserves in the Delinquent Tax Revolving Fund to assure prompt payment of general obligation limited tax notes. The advance between the Delinquent Tax Revolving Fund and the non-major governmental funds exists to assure that the River Dredging Capital Projects Fund has adequate cash to fund the river dredging project.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

Transfer to	Transfer from								Total
	General Fund	Michigan Works!	Revenue Sharing Reserve	Non-major Governmental Funds	Delinquent Tax Revolving	Building Authority Event Center	Non-major Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 4,084,647	\$ 33,703	\$ 1,650,000	\$ -	\$ 280,278	\$ 148,704	\$ 6,197,332
Health Department	599,046	-	-	-	-	-	-	-	599,046
Non-major Governmental Funds	7,048,126	506,589	-	365,587	-	5,500	184,238	50,000	8,160,040
Non-major Enterprise Funds	88,000	-	-	9,500	-	-	-	-	97,500
<b>Total</b>	<u>\$7,735,172</u>	<u>\$ 506,589</u>	<u>\$4,084,647</u>	<u>\$ 408,790</u>	<u>\$ 1,650,000</u>	<u>\$ 5,500</u>	<u>\$ 464,516</u>	<u>\$ 198,704</u>	<u>\$15,053,918</u>

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### F. LONG-TERM DEBT

#### Changes in Long-Term Debt

Long-term liability activity for the year ended September 30, 2006 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Primary Government					
Governmental activities:					
General obligation bonds	\$ 39,835,000	\$ -	\$ (1,190,000)	\$ 38,645,000	\$ 1,345,000
Long-term advances	198,000	-	(60,000)	138,000	-
Internal service fund -					
Claims	1,445,565	10,661,265	(10,324,612)	1,782,218	1,782,218
Compensated absences	<u>1,819,525</u>	<u>2,806,053</u>	<u>(2,751,866)</u>	<u>1,873,712</u>	<u>1,873,712</u>
	<u>\$ 43,298,090</u>	<u>\$ 13,467,318</u>	<u>\$ (14,326,478)</u>	<u>\$ 42,438,930</u>	<u>\$ 5,000,930</u>
Business-type activities:					
Building Authority -					
General obligation bonds	\$ 9,795,000	\$ -	\$ (1,485,000)	\$ 8,310,000	\$ 1,540,000
Parking System -					
Compensated absences	2,329	3,246	(3,030)	2,545	2,545
Delinquent Tax -					
General obligation notes	<u>6,147,000</u>	<u>10,000,000</u>	<u>(7,721,000)</u>	<u>8,426,000</u>	<u>8,426,000</u>
	<u>\$ 15,944,329</u>	<u>\$ 10,003,246</u>	<u>\$ (9,209,030)</u>	<u>\$ 16,738,545</u>	<u>\$ 9,968,545</u>
Component Units					
Road Commission:					
Compensated absences	<u>\$ 680,750</u>	<u>\$ 71,210</u>	<u>\$ (98,010)</u>	<u>\$ 653,950</u>	<u>\$ -</u>
Brownfield Redevelopment Authority:					
Loans from State of Michigan	<u>\$ 524,641</u>	<u>\$ -</u>	<u>\$ (16,565)</u>	<u>\$ 508,076</u>	<u>\$ 30,253</u>
Department of Public Works:					
General obligation bonds	<u>\$ 19,588,000</u>	<u>\$ 1,943,000</u>	<u>\$ (2,180,000)</u>	<u>\$ 19,351,000</u>	<u>\$ 1,363,000</u>
Drain Commission:					
General obligation bonds and notes	<u>\$ 16,111,648</u>	<u>\$ 87,000</u>	<u>\$ (2,561,778)</u>	<u>\$ 13,636,870</u>	<u>\$ 1,366,695</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, \$82,939 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### Primary Government

The County issues general obligation notes to provide monies for the purchase of delinquent taxes receivable from local units of government. The original amount of the general obligation notes issued to purchase delinquent taxes in the year ended September 30, 2006 was \$10,000,000 and has a maturity date of March 2009.

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.75 – 7.0%	\$ 38,645,000
Business-type activities	1.23 – 4.0%	<u>16,736,000</u>
		<u>\$ 55,381,000</u>

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

<u>Year Ending</u> <u>September 30</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007 \$	1,345,000	\$ 1,820,950	\$ 9,966,000	\$ 322,638
2008	1,410,000	1,772,175	1,595,000	266,813
2009	1,610,000	1,718,275	1,655,000	207,000
2010	1,080,000	1,653,188	1,725,000	140,800
2011	920,000	1,607,363	1,795,000	71,800
2012-2016	5,490,000	7,443,588	-	-
2017-2021	7,945,000	5,907,875	-	-
2022-2026	10,465,000	3,744,000	-	-
2027-2029	<u>8,380,000</u>	<u>857,500</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 38,645,000</u>	<u>\$ 26,524,914</u>	<u>\$ 16,736,000</u>	<u>\$1,009,051</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### Component Units

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.25%	<u>\$ 508,076</u>

Annual principal and interest requirements to service all debt outstanding as of September 30, 2006, are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2007 \$	30,553 \$	2,724
2008	27,642	5,634
2009	28,264	5,012
2010	54,003	4,376
2011	50,556	7,824
2012-2016	235,742	22,747
2017-2018	<u>81,316</u>	<u>3,181</u>
Total	<u>\$508,076</u>	<u>\$51,498</u>

### Department of Public Works

General obligation bonds are issued by the County to finance construction projects managed and administered by the Department of Public Works. During the year general obligation bonds and notes totaling \$1,943,000 were issued.

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.45 – 9.25%	<u>\$ 19,341,000</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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

<u>Year Ending</u> <u>September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2007	\$ 1,353,000	\$ 642,015
2008	1,723,000	695,024
2009	1,763,000	648,535
2010	1,689,000	579,715
2011	1,695,000	514,623
2012-2016	7,544,000	1,637,485
2017-2021	2,525,000	488,071
2022-2026	580,000	185,175
2027-2030	<u>469,000</u>	<u>50,490</u>
Total	<u>\$ 19,341,000</u>	<u>\$ 5,441,133</u>

### **Drain Commission**

General obligation drain improvement bonds and notes are issued by the County to finance certain drainage district construction projects. General obligation bonds have been issued for governmental activities. During the year general obligation notes totaling \$87,000 were issued.

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	1.35 – 7.95%	<u>\$ 13,636,870</u>

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

<u>Year Ending</u> <u>September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2007	\$ 1,366,695	\$ 319,180
2008	2,400,941	344,165
2009	1,779,041	273,551
2010	1,719,241	198,080
2011	1,609,334	153,426
2012-2016	4,299,488	311,616
2017-2021	<u>462,130</u>	<u>18,982</u>
Total	<u>\$ 13,636,870</u>	<u>\$ 1,619,000</u>

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### **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 (\$505,000 is considered defeased as of September 30, 2006). 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.

On December 1, 1997, the Department of Public Works component unit issued general obligation limited tax bonds of \$3,690,000. Of the total bond issue, \$2,490,000 was issued to advance refund a portion of the general obligation limited tax bonds issued in 1990 in the amount of \$2,325,000. The remaining \$1,200,000 was issued to provide resources to pay the costs of constructing sewage disposal system improvements to service the Township of Carrollton, the Township of Kochville, Saginaw Charter Township and the City of Zilwaukee. The refunded bonds mature as scheduled on May 1, 2000 through 2010 and are callable on May 1, 2000. The balance of the defeased debt outstanding at September 30, 2006 was \$1,150,000.

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, 2006 was \$1,130,000.

## **IV. OTHER INFORMATION**

### **A. DEFINED BENEFIT PENSION PLANS**

#### **Pension Plan**

##### **Plan Description**

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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That report may be obtained by writing to the Municipal Employees Retirement System of Michigan, 447 N. Canal Road, Lansing, Michigan 48917 or by calling (800) 767-6377.

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

### **Funding Policy**

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

### **Annual Pension Cost and Net Pension Obligation**

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

Annual required contribution	\$ 2,539,068
Less: Interest on net pension asset	(164,544)
Plus: Adjustment to annual required contribution	<u>383,502</u>
Annual pension cost	2,758,026
Contributions made	<u>2,552,405</u>
Decrease in net pension asset	205,621
Net pension (asset), beginning of year	<u>(2,056,799)</u>
Net pension (asset), end of year	<u><u>\$(1,851,178)</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, 2004, the date of the latest actuarial valuation, was 30 years.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### Three-Year Trend Information

Fiscal Period Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/04	\$2,428,518	89%	\$(2,399,155)
9/30/05	2,669,396	87%	(2,056,799)
9/30/06	2,758,026	93%	(1,851,178)

### Pension Plan

#### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
12/31/03	\$ 82,375,896	\$104,989,442	\$ 22,613,546	78.5%	\$ 13,005,956	173.9%
12/31/04	85,338,467	109,067,562	23,729,095	78.2%	12,470,470	190.3%
12/31/05	87,919,362	116,271,363	28,352,001	75.6%	12,113,877	234.1%

### Component Unit – Road Commission

#### Plan Description

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

#### Funding Policy

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

### Annual Pension Cost

For the year ended September 30, 2006, the Road Commission's annual pension cost and required contribution was \$190,837. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The Road Commission chose to make voluntary contributions in the amount of \$110,000 for the fiscal year ended September 30, 2006. The actuarial assumptions included (a) an assumed rate of investment return which is used to discount liabilities and project what plan assets will earn from investment of present and future assets of 8.0%, (b) a mortality table projecting the number of employees who will die before retirement and the duration of benefit payments after retirement, (c) assumed retirement rates projected when employees will retire and commence receiving benefits, (d) a set of withdrawal and disability rates to estimate the number of employees who will leave the work force before retirement, (e) assumed rates of salary increases of 4.5% to project employees compensation in future years and (f) no specific price inflation assumption was needed for this valuation, the 4.5% wage inflation assumption would be consistent with a price inflation of 3% to 4%. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return and includes an adjustment to reflect market value. The December 31, 2005 actuarial valuation reflects the following changes in actuarial methods: prospective adoption of 10 year smoothing, instead of 5 year, for calculating valuation assets, prospective gradual reduction of the amortization period for open divisions from 30 years to 25 years.

### Three-Year Trend Information

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension Obligation <u>(Asset)</u>
9/30/04	\$118,458	151%	\$ (60,000)
9/30/05	165,246	146%	(76,000)
9/30/06	190,837	157%	(110,000)

### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	UAAL as a Covered Payroll (c)	Percentage of Covered Payroll ((b-a)/c)
12/31/03	\$21,886,543	\$19,770,390	\$(2,116,153)	111%	\$3,433,645	(62)%
12/31/04	22,394,199	21,078,435	(1,315,764)	116%	3,814,645	(34)%
12/31/05	22,940,073	22,607,641	(332,432)	101%	3,684,655	(9)%

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### **B. DEFINED CONTRIBUTION PENSION PLAN**

#### **Plan Description**

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

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

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

At September 30, 2006, there were 437 plan members. Plan members are not required to contribute to the Plan, however, employees may contribute up to 3% of their annual salary. The County is required to contribute 6% of the employees' annual salary, as well as match all employee contributions. Plan provision and contribution requirements are established and may be amended by the Saginaw County Board of Commissioners.

Employer contributions to the Plan for the year ended September 30, 2006 amounted to \$1,553,521 and employee contributions were \$522,512.

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

### **C. POST EMPLOYMENT HEALTH BENEFITS**

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

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.

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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Currently 366 retirees meet the eligibility requirements. The County pays between 25%-100% of the health insurance premiums for these retirees. A co-pay at the percentage indicated below, as established by board resolution, is required by non-union retirees who retired after January 1, 1991:

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

Union employees are also subject to the same or similar co-pay percentages based on retirement eligibility and years of service as specified in their individual union contract. Expenditures for the premiums are paid and recognized as they become due. During the year ended September 30, 2006, expenditures of \$4,148,547 were recognized for retiree health insurance costs.

The County had an actuarial valuation performed as of December 31, 2005, which showed the County's unfunded accrued liability for post-employment health benefits to be \$80,277,842.

The fair value of the cash and investments held to fund retiree health care costs as of September 30, 2006 was \$12,018,619. The cash and investments held to fund retiree health care costs are invested with several investment managers and are accounted for within the Post Employment Health Benefits Trust Fund.

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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### 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.

The claims liability of \$286,212 reported at September 30, 2006 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, 2005 and 2006 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>
2005	\$237,305	\$ (10,695)	\$143,580	\$ 83,030
2006	\$ 83,030	\$ 378,579	\$175,397	\$286,212

#### *General Liability*

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

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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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, 2005 and 2006 are as follows:

	<b><u>Beginning of Period Liability</u></b>	<b><u>Current Year Claims and Changes in Estimates</u></b>	<b><u>Claim Payments</u></b>	<b><u>End of Period Liability</u></b>
2005	\$ 462,520	\$ 722,722	\$160,696	\$1,024,596
2006	\$1,024,596	\$ 249,738	\$235,711	\$1,038,623

### *Health Insurance*

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

The changes in the claims liability for the years ended September 30, 2005 and 2006 are as follows:

	<b><u>Beginning of Period Liability</u></b>	<b><u>Current Year Claims and Changes in Estimates</u></b>	<b><u>Claim Payments</u></b>	<b><u>End of Period Liability</u></b>
2005	\$ 701,686	\$8,356,877	\$8,759,056	\$ 299,467
2006	\$ 299,467	\$9,347,589	\$9,219,499	\$ 427,557

### *Dental Insurance*

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

# COUNTY OF SAGINAW

## NOTES TO FINANCIAL STATEMENTS

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The changes in the claims liability for the years ended September 30, 2005 and 2006 are as follows:

	<b><u>Beginning of Period Liability</u></b>	<b><u>Current Year Claims and Changes in Estimates</u></b>	<b><u>Claim Payments</u></b>	<b><u>End of Period Liability</u></b>
2005	\$ 62,243	\$ 546,690	\$ 573,004	\$ 35,929
2006	\$ 35,929	\$ 608,754	\$ 617,916	\$ 26,767

### *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, 2005 and 2006 are as follows:

	<b><u>Beginning of Period Liability</u></b>	<b><u>Current Year Claims and Changes in Estimates</u></b>	<b><u>Claim Payments</u></b>	<b><u>End of Period Liability</u></b>
2005	\$ 6,629	\$ 59,276	\$ 63,362	\$ 2,543
2006	\$ 2,543	\$ 76,605	\$ 76,089	\$ 3,059

### **E. PROPERTY TAXES**

The County property tax is levied each July 1st and Dec 1st through 2007 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, 2005 totaled \$4,803,152,053. The tax levy for 2005/2006 operations was based on the following rates:

General Operating	4.88580 mills
Mosquito Control	.49930 mills
Senior Citizens	.32950 mills
Law Enforcement	.33940 mills
Hospital Debt	.40330 mills
County Parks	.16150 mills
Castle Museum	.19970 mills
Juvenile Home Renovation	.04880 mills
Event Center	.44930 mills

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

### F. CONTINGENCIES AND PENDING LITIGATION

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

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

### G. PRIOR PERIOD ADJUSTMENTS

During the year ended September 30, 2006, a prior period adjustment in the amount of \$11,029 was necessary to properly account for activity accounted for in the Special Assessment Drain Capital Projects Fund that was accounted for twice in the previous fiscal year. The effect on the Special Assessment Drain Capital Projects Fund fund balance was as follows:

Fund balance, beginning of year, as previously stated	\$ 2,909,939
Prior period adjustment	
Prior year activity	<u>(11,029)</u>
Fund balance, beginning of year, as restated	<u>\$ 2,898,910</u>

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## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

**Principal 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 capital assets, state shared revenues, and interest earned. Once money is placed in this fund, it becomes restricted and cannot be expended or transferred for purposes other than the public improvements specified by statute or local ordinance. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

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

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

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

### SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **DEBT SERVICE FUNDS**

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

**Juvenile Center Renovation Debt Service Fund** - This fund is used to account for the payment of interest and principal on long-term debt. This debt was created when the County issued bonds for renovation of the County Juvenile Facility. The debt will be retired by revenue generated by property taxes dedicated for debt retirement.

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

### **CAPITAL PROJECTS FUNDS**

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

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

### **PERMANENT 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, 2006**

Continued

	Special Revenue Funds				
	Law Enforcement	County Road Patrol Millage	Parks & Recreation	G.I.S. System	Friend of the Court
<b>Assets</b>					
Cash and investment pool	\$ 401,645	\$ 584,989	\$ 631,078	\$ -	\$ 1,597
Receivables (net):					
Taxes	-	54,791	24,118	-	-
Accounts	16,797	-	-	34,408	5,627
Notes	-	-	-	-	-
Accrued interest	458	2,536	2,303	-	90
Due from other funds	23,181	-	45,960	-	-
Due from other governmental units	-	-	-	-	523,856
Other assets	200	-	-	-	14,238
	<u>\$ 442,281</u>	<u>\$ 642,316</u>	<u>\$ 703,459</u>	<u>\$ 34,408</u>	<u>\$ 545,408</u>
<b>Total assets</b>	<u>\$ 442,281</u>	<u>\$ 642,316</u>	<u>\$ 703,459</u>	<u>\$ 34,408</u>	<u>\$ 545,408</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 7,057	\$ 1,416	\$ 42,636	\$ -	\$ 9,556
Accrued liabilities	73,809	38,912	7,977	1,935	45,940
Deposits payable	-	-	-	-	-
Due to other funds	361,415	752	1,810	32,473	465,032
Due to other governmental units	-	-	-	-	2,721
Advances from other funds	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	54,791	24,118	-	-
	<u>442,281</u>	<u>95,871</u>	<u>76,541</u>	<u>34,408</u>	<u>523,249</u>
<b>Total liabilities</b>	<u>442,281</u>	<u>95,871</u>	<u>76,541</u>	<u>34,408</u>	<u>523,249</u>
<b>Fund Balances</b>					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	125,756	527,570	-	22,159
Unreserved - designated for:					
Future use	-	394,385	98,339	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	-	26,304	1,009	-	-
	<u>-</u>	<u>546,445</u>	<u>626,918</u>	<u>-</u>	<u>22,159</u>
<b>Total fund balances</b>	<u>-</u>	<u>546,445</u>	<u>626,918</u>	<u>-</u>	<u>22,159</u>
<b>Total liabilities and fund balances</b>	<u>\$ 442,281</u>	<u>\$ 642,316</u>	<u>\$ 703,459</u>	<u>\$ 34,408</u>	<u>\$ 545,408</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2006**

Continued

	Special Revenue Funds				
	Solid Waste	Lodging Excise Tax	Castle Museum & Historical Activities	Commission on Aging	Mosquito Control
<b>Assets</b>					
Cash and investment pool	\$ 2,456,033	\$ 772	\$ 204,645	\$ 869,807	\$ 664,270
Receivables (net):					
Taxes	-	-	25,744	52,008	71,708
Accounts	89,186	695,285	-	13,702	10,468
Notes	-	-	-	-	-
Accrued interest	8,602	-	961	3,003	3,112
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	-	219,308	-
Other assets	160	-	-	19,224	-
	<u>2,553,981</u>	<u>696,057</u>	<u>231,350</u>	<u>1,177,052</u>	<u>749,558</u>
Total assets	<u>\$ 2,553,981</u>	<u>\$ 696,057</u>	<u>\$ 231,350</u>	<u>\$ 1,177,052</u>	<u>\$ 749,558</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 65,334	\$ 528,427	\$ -	\$ 99,824	\$ 33,726
Accrued liabilities	-	-	-	33,093	12,002
Deposits payable	-	-	-	-	-
Due to other funds	11,798	167,630	384	718	1,099
Due to other governmental units	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	-	25,743	65,222	71,708
	<u>77,132</u>	<u>696,057</u>	<u>26,127</u>	<u>198,857</u>	<u>118,535</u>
Total liabilities	<u>77,132</u>	<u>696,057</u>	<u>26,127</u>	<u>198,857</u>	<u>118,535</u>
<b>Fund Balances</b>					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	-	204,802	538,419	325,631
Unreserved - designated for:					
Future use	-	-	-	439,776	304,028
General improvements	-	-	-	-	-
Unreserved - undesignated	2,476,849	-	421	-	1,364
	<u>2,476,849</u>	<u>-</u>	<u>205,223</u>	<u>978,195</u>	<u>631,023</u>
Total fund balances	<u>2,476,849</u>	<u>-</u>	<u>205,223</u>	<u>978,195</u>	<u>631,023</u>
Total liabilities and fund balances	<u>\$ 2,553,981</u>	<u>\$ 696,057</u>	<u>\$ 231,350</u>	<u>\$ 1,177,052</u>	<u>\$ 749,558</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2006**

Continued

	Special Revenue Funds				
	Planning Commission	Principal Residence Exemption	Public Improvement	Courthouse Preservation Technology	Animal Control
<b>Assets</b>					
Cash and investment pool	\$ 17,274	\$ 45,841	\$ 1,041,983	\$ 80,641	\$ 33,599
Receivables (net):					
Taxes	-	55,926	-	-	-
Accounts	547	-	-	-	14,392
Notes	1,149,012	-	-	-	-
Accrued interest	16	70	3,882	215	-
Due from other funds	2,194	-	184,238	-	-
Due from other governmental units	77,612	-	-	-	-
Other assets	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,246,655</b>	<b>\$ 101,837</b>	<b>\$ 1,230,103</b>	<b>\$ 80,856</b>	<b>\$ 47,991</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 10,207	\$ -	\$ 100,906	\$ -	\$ 5,345
Accrued liabilities	2,808	701	-	-	6,688
Deposits payable	-	-	-	-	-
Due to other funds	56,275	-	-	-	20,948
Due to other governmental units	235,555	84,279	-	-	-
Advances from other funds	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	928,182	-	-	-	-
<b>Total liabilities</b>	<b>1,233,027</b>	<b>84,980</b>	<b>100,906</b>	<b>-</b>	<b>32,981</b>
<b>Fund Balances</b>					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	16,826	-	-	15,010
Unreserved - designated for:					
Future use	13,628	-	-	-	-
General improvements	-	-	1,127,496	-	-
Unreserved - undesignated	-	31	1,701	80,856	-
<b>Total fund balances</b>	<b>13,628</b>	<b>16,857</b>	<b>1,129,197</b>	<b>80,856</b>	<b>15,010</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,246,655</b>	<b>\$ 101,837</b>	<b>\$ 1,230,103</b>	<b>\$ 80,856</b>	<b>\$ 47,991</b>

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2006**

Continued

	<b>Special Revenue Funds</b>			
	<b>Register of Deeds Automation</b>	<b>E-911 Telephone Surcharge</b>	<b>E-911 Equipment Digital</b>	<b>Mobile Data Maintenance &amp; Repair</b>
<b>Assets</b>				
Cash and investment pool	\$ 298,939	\$ 1,002,692	\$ 2,774,058	\$ 1,170,793
Receivables (net):				
Taxes	-	-	-	-
Accounts	9,750	313,860	78,465	-
Notes	-	-	-	-
Accrued interest	1,343	2,741	9,034	3,685
Due from other funds	-	-	-	-
Due from other governmental units	-	76,585	-	-
Other assets	-	-	-	37,516
	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,516</u>
Total assets	<u>\$ 310,032</u>	<u>\$ 1,395,878</u>	<u>\$ 2,861,557</u>	<u>\$ 1,211,994</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 257	\$ -	\$ -	\$ 23,201
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governmental units	-	-	-	-
Advances from other funds	-	-	-	-
Advances from other governmental units	-	-	-	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>257</u>	<u>-</u>	<u>-</u>	<u>23,201</u>
<b>Fund Balances</b>				
Reserved for:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Restricted contributions	309,186	-	2,857,597	1,187,177
Unreserved - designated for:				
Future use	-	-	-	-
General improvements	-	-	-	-
Unreserved - undesignated	589	1,395,878	3,960	1,616
	<u>589</u>	<u>1,395,878</u>	<u>3,960</u>	<u>1,616</u>
Total fund balances	<u>309,775</u>	<u>1,395,878</u>	<u>2,861,557</u>	<u>1,188,793</u>
Total liabilities and fund balances	<u>\$ 310,032</u>	<u>\$ 1,395,878</u>	<u>\$ 2,861,557</u>	<u>\$ 1,211,994</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2006**

Continued

	<u>Law Library</u>	<u>County Library Board</u>	<u>Michigan Works! Service Centers</u>	<u>Remonu- mentation</u>
<b>Assets</b>				
Cash and investment pool	\$ 14,947	\$ -	\$ -	\$ 9,813
Receivables (net):				
Taxes	-	-	-	-
Accounts	-	-	1,673	-
Notes	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	43,002	-
Due from other governmental units	-	-	-	82,881
Other assets	-	-	27,901	-
	<u>-</u>	<u>-</u>	<u>27,901</u>	<u>-</u>
Total assets	<u>\$ 14,947</u>	<u>\$ -</u>	<u>\$ 72,576</u>	<u>\$ 92,694</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 11,109	\$ -	\$ 16,340	\$ 85,066
Accrued liabilities	192	-	-	-
Deposits payable	-	-	-	-
Due to other funds	3,646	-	55,403	-
Due to other governmental units	-	-	-	-
Advances from other funds	-	-	-	-
Advances from other governmental units	-	-	-	-
Deferred revenue	-	-	833	-
	<u>-</u>	<u>-</u>	<u>833</u>	<u>-</u>
Total liabilities	<u>14,947</u>	<u>-</u>	<u>72,576</u>	<u>85,066</u>
<b>Fund Balances</b>				
Reserved for:				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Restricted contributions	-	-	-	7,628
Unreserved - designated for:				
Future use	-	-	-	-
General improvements	-	-	-	-
Unreserved - undesignated	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,628</u>
Total liabilities and fund balances	<u>\$ 14,947</u>	<u>\$ -</u>	<u>\$ 72,576</u>	<u>\$ 92,694</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2006**

Continued

	Special Revenue Funds				
	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections	Local Correction Officer Training
<b>Assets</b>					
Cash and investment pool	\$ 76,847	\$ 997,419	\$ -	\$ -	\$ 50,501
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	36,516	50,858	-	-	830
Notes	-	-	-	-	-
Accrued interest	-	2,467	-	-	298
Due from other funds	1,486	12,032	-	-	200
Due from other governmental units	270,383	155,263	59,805	93,417	-
Other assets	-	549	-	-	405
	<u>\$ 385,232</u>	<u>\$ 1,218,588</u>	<u>\$ 59,805</u>	<u>\$ 93,417</u>	<u>\$ 52,234</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 114,854	\$ 53,757	\$ 1,176	\$ 68,032	\$ 3,024
Accrued liabilities	3,605	48,969	8,345	2,512	6,331
Deposits payable	-	19,207	-	-	-
Due to other funds	4,579	61,968	49,706	22,873	-
Due to other governmental units	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	263,002	-	-	-
	<u>123,038</u>	<u>446,903</u>	<u>59,227</u>	<u>93,417</u>	<u>9,355</u>
<b>Fund Balances</b>					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	17,455	295,318	-	-	42,748
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	244,739	476,367	578	-	131
	<u>262,194</u>	<u>771,685</u>	<u>578</u>	<u>-</u>	<u>42,879</u>
Total fund balances	<u>262,194</u>	<u>771,685</u>	<u>578</u>	<u>-</u>	<u>42,879</u>
Total liabilities and fund balances	<u>\$ 385,232</u>	<u>\$ 1,218,588</u>	<u>\$ 59,805</u>	<u>\$ 93,417</u>	<u>\$ 52,234</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2006**

Continued

	Special Revenue Funds				
	MSU Extension	Family Independence Agency	Child Care	Soldiers' Relief	Veterans' Trust
<b>Assets</b>					
Cash and investment pool	\$ 46,310	\$ 195,789	\$ 27,695	\$ 4,248	\$ -
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	417	30	55,064	-	-
Notes	-	-	-	-	-
Accrued interest	101	-	-	-	-
Due from other funds	350	-	-	-	200
Due from other governmental units	92,653	61,801	382,604	-	14,589
Other assets	-	-	785	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 139,831</u>	<u>\$ 257,620</u>	<u>\$ 466,148</u>	<u>\$ 4,248</u>	<u>\$ 14,789</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 90,633	\$ 1,000	\$ 112,664	\$ 1,242	\$ 3,088
Accrued liabilities	1,679	129,226	31,515	-	-
Deposits payable	-	-	-	-	-
Due to other funds	14,792	14,394	122,817	3,006	11,701
Due to other governmental units	-	-	195,987	-	-
Advances from other funds	-	-	-	-	-
Advances from other governmental units	25,000	113,000	-	-	-
Deferred revenue	4	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>132,108</u>	<u>257,620</u>	<u>462,983</u>	<u>4,248</u>	<u>14,789</u>
<b>Fund Balances</b>					
Reserved for:					
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	624	-	2,724	-	-
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	7,099	-	441	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>7,723</u>	<u>-</u>	<u>3,165</u>	<u>-</u>	<u>-</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	<u>\$ 139,831</u>	<u>\$ 257,620</u>	<u>\$ 466,148</u>	<u>\$ 4,248</u>	<u>\$ 14,789</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2006**

	Debt Service Funds			Capital Projects Funds	
	Hospital Construction	Juvenile Center Renovation	Building Authority	Parks Building & Site	River Dredging Project
<b>Assets</b>					
Cash and investment pool	\$ 1,110,699	\$ 3,745	\$ 1,458,455	\$ 31	\$ -
Receivables (net):					
Taxes	25,308	6,706	-	-	-
Accounts	-	-	-	-	454,581
Notes	-	-	-	-	-
Accrued interest	3,908	214	5,109	15	-
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	-	49,300	7,500
Other assets	-	-	27,975	-	-
<b>Total assets</b>	<b>\$ 1,139,915</b>	<b>\$ 10,665</b>	<b>\$ 1,491,539</b>	<b>\$ 49,346</b>	<b>\$ 462,081</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 23,875
Accrued liabilities	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	652	110	-	45,960	10,353
Due to other governmental units	-	-	-	-	-
Advances from other funds	-	-	-	-	339,123
Advances from other governmental units	-	-	-	-	-
Deferred revenue	25,308	6,705	-	-	284,194
<b>Total liabilities</b>	<b>25,960</b>	<b>6,815</b>	<b>-</b>	<b>45,960</b>	<b>657,545</b>
<b>Fund Balances</b>					
Reserved for:					
Debt service	1,113,955	3,850	1,491,539	-	-
Capital projects	-	-	-	3,386	-
Restricted contributions	-	-	-	-	-
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	-	-	-	-	(195,464)
<b>Total fund balances (deficit)</b>	<b>1,113,955</b>	<b>3,850</b>	<b>1,491,539</b>	<b>3,386</b>	<b>(195,464)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,139,915</b>	<b>\$ 10,665</b>	<b>\$ 1,491,539</b>	<b>\$ 49,346</b>	<b>\$ 462,081</b>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2006**

**Concluded**

	<b>Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Rail Trail Endowment</b>	
<b>Assets</b>		
Cash and investment pool	\$ 29,852	\$ 16,307,007
Receivables (net):		
Taxes	-	316,309
Accounts	-	1,882,456
Notes	-	1,149,012
Accrued interest	103	54,266
Due from other funds	-	312,843
Due from other governmental units	-	2,167,557
Other assets	-	128,953
	<u>29,955</u>	<u>22,318,403</u>
Total assets	<u>\$ 29,955</u>	<u>\$ 22,318,403</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 1,513,752
Accrued liabilities	-	456,239
Deposits payable	-	19,207
Due to other funds	-	1,542,294
Due to other governmental units	-	518,542
Advances from other funds	-	339,123
Advances from other governmental units	-	138,000
Deferred revenue	-	1,749,810
	<u>-</u>	<u>6,276,967</u>
Total liabilities	<u>-</u>	<u>6,276,967</u>
<b>Fund Balances</b>		
Reserved for:		
Debt service	-	2,609,344
Capital projects	45	3,431
Restricted contributions	28,000	6,524,630
Unreserved - designated for:		
Future use	1,910	1,252,066
General improvements	-	1,127,496
Unreserved - undesignated	-	4,524,469
	<u>29,955</u>	<u>16,041,436</u>
Total fund balances	<u>29,955</u>	<u>16,041,436</u>
Total liabilities and fund balances	<u>\$ 29,955</u>	<u>\$ 22,318,403</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

Continued

	Special Revenue Funds				
	Law Enforcement	County Road Patrol Millage	Parks & Recreation	G.I.S. System	Friend of the Court
<b>Revenues</b>					
Property taxes	\$ -	\$ 1,593,106	\$ 757,623	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	2,633,462
State grants	-	-	-	-	202,022
Local grants and contributions	-	-	-	-	-
Charges for services	-	-	63,589	-	308,132
Fines and forfeitures	-	-	-	-	-
Investment income	2,453	28,279	24,349	-	1,009
Rental revenue	-	-	-	-	-
Donations	250	-	554,854	-	-
Reimbursements	386,421	48,831	20,066	140,311	144,831
Other revenue	-	-	7,114	-	-
<b>Total revenues</b>	<b>389,124</b>	<b>1,670,216</b>	<b>1,427,595</b>	<b>140,311</b>	<b>3,289,456</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	-	-	4,050,267
General government	-	-	-	141,960	-
Public safety	2,309,337	1,615,762	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	1,321,002	-	-
Capital outlay	-	-	57,130	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>2,309,337</b>	<b>1,615,762</b>	<b>1,378,132</b>	<b>141,960</b>	<b>4,050,267</b>
Revenues over (under) expenditures	(1,920,213)	54,454	49,463	(1,649)	(760,811)
<b>Other Financing Sources (Uses)</b>					
Transfers in	1,893,969	-	-	1,649	777,210
Transfers out	(10,851)	(7,047)	(15,537)	-	(18,262)
Sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,883,118</b>	<b>(7,047)</b>	<b>(15,537)</b>	<b>1,649</b>	<b>758,948</b>
Net change in fund balances	(37,095)	47,407	33,926	-	(1,863)
Fund balance, beginning of year	37,095	499,038	592,992	-	24,022
Fund balance, end of year	\$ -	\$ 546,445	\$ 626,918	\$ -	\$ 22,159

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

Continued

	Special Revenue Funds				
	Solid Waste	Lodging Excise Tax	Castle Museum & Historical Activities	Commission on Aging	Mosquito Control
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ 936,694	\$ 1,546,402	\$ 2,343,511
Accommodations tax	-	1,736,595	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	1,235,446	-
State grants	-	-	-	344,469	-
Local grants and contributions	-	-	-	-	-
Charges for services	392,699	-	-	213,177	7,668
Fines and forfeitures	-	-	-	-	-
Investment income	92,652	-	10,407	30,406	36,572
Rental revenue	-	-	-	-	1,350
Donations	-	-	-	289,197	-
Reimbursements	407	-	28,628	176,738	385,134
Other revenue	-	-	-	74,068	6,812
<b>Total revenues</b>	<b>485,758</b>	<b>1,736,595</b>	<b>975,729</b>	<b>3,909,903</b>	<b>2,781,047</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	461,800	-	-	-	-
Health and welfare	-	-	-	3,705,568	2,562,971
Community and economic development	-	1,736,595	-	-	-
Recreation and culture	-	-	954,107	-	-
Capital outlay	-	-	-	60,032	17,657
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>461,800</b>	<b>1,736,595</b>	<b>954,107</b>	<b>3,765,600</b>	<b>2,580,628</b>
Revenues over (under) expenditures	23,958	-	21,622	144,303	200,419
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	47,500
Transfers out	(130,764)	-	-	-	-
Sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(130,764)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,500</b>
Net change in fund balances	(106,806)	-	21,622	144,303	247,919
Fund balance, beginning of year	2,583,655	-	183,601	833,892	383,104
Fund balance, end of year	<u>\$ 2,476,849</u>	<u>\$ -</u>	<u>\$ 205,223</u>	<u>\$ 978,195</u>	<u>\$ 631,023</u>

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

Continued

	Special Revenue Funds				
	Planning Commission	Principal Residence Exemption	Public Improvement	Courthouse Preservation Technology	Animal Control
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	15,852
Federal grants	253,716	-	-	-	-
State grants	20,000	-	-	-	-
Local grants and contributions	-	-	-	-	-
Charges for services	1,073	1,077	-	226,337	41,163
Fines and forfeitures	-	-	-	-	-
Investment income	321	15,306	40,553	4,519	-
Rental revenue	-	-	-	-	-
Donations	-	-	-	-	3,793
Reimbursements	9,172	-	7,276	-	24,868
Other revenue	35,016	690	-	-	-
<b>Total revenues</b>	<b>319,298</b>	<b>17,073</b>	<b>47,829</b>	<b>230,856</b>	<b>85,676</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	-	-	-
General government	-	-	76,832	-	-
Public safety	-	-	19,332	-	693,263
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	393,469	39,894	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	357,704	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>393,469</b>	<b>39,894</b>	<b>453,868</b>	<b>-</b>	<b>693,263</b>
Revenues over (under) expenditures	(74,171)	(22,821)	(406,039)	230,856	(607,587)
<b>Other Financing Sources (Uses)</b>					
Transfers in	73,000	-	234,239	-	609,052
Transfers out	-	-	-	(150,000)	-
Sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>73,000</b>	<b>-</b>	<b>234,239</b>	<b>(150,000)</b>	<b>609,052</b>
Net change in fund balances	(1,171)	(22,821)	(171,800)	80,856	1,465
Fund balance, beginning of year	14,799	39,678	1,300,997	-	13,545
Fund balance, end of year	\$ 13,628	\$ 16,857	\$ 1,129,197	\$ 80,856	\$ 15,010

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

Continued

	<b>Special Revenue Funds</b>			
	<b>Register of Deeds Automation</b>	<b>E-911 Telephone Surcharge</b>	<b>E-911 Equipment Digital</b>	<b>Mobile Data Maintenance &amp; Repair</b>
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants	-	328,642	-	-
Local grants and contributions	-	-	-	-
Charges for services	223,980	3,596,578	899,144	304,317
Fines and forfeitures	-	-	-	-
Investment income	15,740	29,374	86,565	41,895
Rental revenue	-	-	-	-
Donations	-	-	-	-
Reimbursements	-	-	-	5,667
Other revenue	-	-	-	-
Total revenues	<u>239,720</u>	<u>3,954,594</u>	<u>985,709</u>	<u>351,879</u>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	352,972	-	-	-
Public safety	-	3,944,997	-	415,709
Public works	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	12,401	-	-	10,291
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>365,373</u>	<u>3,944,997</u>	<u>-</u>	<u>426,000</u>
Revenues over (under) expenditures	<u>(125,653)</u>	<u>9,597</u>	<u>985,709</u>	<u>(74,121)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	173,490
Transfers out	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>173,490</u>
Net change in fund balances	(125,653)	9,597	985,709	99,369
Fund balance, beginning of year	<u>435,428</u>	<u>1,386,281</u>	<u>1,875,848</u>	<u>1,089,424</u>
Fund balance, end of year	<u>\$ 309,775</u>	<u>\$ 1,395,878</u>	<u>\$ 2,861,557</u>	<u>\$ 1,188,793</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

Continued

	Law Library	County Library Board	Michigan Works! Service Centers	Remonu- mentation
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	-	-	-
State grants	-	-	-	142,498
Local grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	6,500	71,083	-	-
Investment income	-	-	-	-
Rental revenue	-	-	-	-
Donations	-	-	-	-
Reimbursements	347	-	44,832	-
Other revenue	-	-	-	-
Total revenues	<u>6,847</u>	<u>71,083</u>	<u>44,832</u>	<u>142,498</u>
<b>Expenditures</b>				
Current:				
Judicial	69,463	-	-	-
General government	-	-	-	142,498
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	551,420	-
Community and economic development	-	-	-	-
Recreation and culture	-	71,083	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>69,463</u>	<u>71,083</u>	<u>551,420</u>	<u>142,498</u>
Revenues over (under) expenditures	<u>(62,616)</u>	<u>-</u>	<u>(506,588)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	62,616	-	506,588	-
Transfers out	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>62,616</u>	<u>-</u>	<u>506,588</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	7,628
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,628</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

Continued

	<b>Special Revenue Funds</b>				
	<b>Special Projects</b>	<b>Sheriff Special Projects</b>	<b>Prosecutor Special Projects</b>	<b>Community Corrections</b>	<b>Local Correction Officer Training</b>
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	702,512	214,308	45,402	-	-
State grants	43,661	445,167	250,064	880,052	-
Local grants and contributions	-	76,114	-	-	-
Charges for services	1,720	28,144	-	-	96,560
Fines and forfeitures	6,979	63,475	21,704	-	-
Investment income	-	26,315	-	-	2,961
Rental revenue	-	-	-	-	-
Donations	-	22,405	302	-	-
Reimbursements	121,221	992,427	29,012	-	1,396
Other revenue	-	3,345	-	-	-
<b>Total revenues</b>	<b>876,093</b>	<b>1,871,700</b>	<b>346,484</b>	<b>880,052</b>	<b>100,917</b>
<b>Expenditures</b>					
Current:					
Judicial	125,564	-	-	-	-
General government	1,787	-	582,390	-	-
Public safety	407,969	1,863,103	-	889,900	112,420
Public works	121,729	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	115,976	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	264,492	38,223	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>1,037,517</b>	<b>1,901,326</b>	<b>582,390</b>	<b>889,900</b>	<b>112,420</b>
<b>Revenues over (under) expenditures</b>	<b>(161,424)</b>	<b>(29,626)</b>	<b>(235,906)</b>	<b>(9,848)</b>	<b>(11,503)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	99,372	119,729	238,659	39,848	-
Transfers out	-	(38,626)	(2,645)	(30,000)	-
Sale of capital assets	-	3,716	-	-	-
<b>Total other financing sources (uses)</b>	<b>99,372</b>	<b>84,819</b>	<b>236,014</b>	<b>9,848</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(62,052)</b>	<b>55,193</b>	<b>108</b>	<b>-</b>	<b>(11,503)</b>
<b>Fund balance, beginning of year</b>	<b>324,246</b>	<b>716,492</b>	<b>470</b>	<b>-</b>	<b>54,382</b>
<b>Fund balance, end of year</b>	<b>\$ 262,194</b>	<b>\$ 771,685</b>	<b>\$ 578</b>	<b>\$ -</b>	<b>\$ 42,879</b>

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

Continued

	Special Revenue Funds				
	MSU Extension	Family Independence Agency	Child Care	Soldiers' Relief	Veterans' Trust
<b>Revenues</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	102,677	-	84,122	-	-
State grants	132,000	765,184	1,869,233	-	49,380
Local grants and contributions	259,457	-	82,994	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	909	-	-	-	-
Rental revenue	-	-	-	-	-
Donations	-	-	33,509	-	-
Reimbursements	3,020	376	380,382	-	-
Other revenue	517	-	11,200	-	-
<b>Total revenues</b>	<b>498,580</b>	<b>765,560</b>	<b>2,461,440</b>	<b>-</b>	<b>49,380</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	-	-	-
General government	752,747	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	986,166	5,228,364	18,994	49,380
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>752,747</b>	<b>986,166</b>	<b>5,228,364</b>	<b>18,994</b>	<b>49,380</b>
Revenues over (under) expenditures	(254,167)	(220,606)	(2,766,924)	(18,994)	-
<b>Other Financing Sources (Uses)</b>					
Transfers in	261,058	220,606	2,766,924	18,994	-
Transfers out	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>261,058</b>	<b>220,606</b>	<b>2,766,924</b>	<b>18,994</b>	<b>-</b>
Net change in fund balances	6,891	-	-	-	-
Fund balance, beginning of year	832	-	3,165	-	-
Fund balance, end of year	\$ 7,723	\$ -	\$ 3,165	\$ -	\$ -

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

Continued

	Debt Service Funds			Capital Projects Funds	
	Hospital Construction	Juvenile Center Renovation	Building Authority	Parks Building & Site	River Dredging Project
<b>Revenues</b>					
Property taxes	\$ 1,887,428	\$ 229,984	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	7,500
State grants	-	-	-	353,898	-
Local grants and contributions	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	42,221	3,458	56,677	2,618	-
Rental revenue	-	-	749,875	-	-
Donations	-	-	-	-	1,743,162
Reimbursements	-	-	-	-	2,500
Other revenue	-	-	-	-	-
<b>Total revenues</b>	<b>1,929,649</b>	<b>233,442</b>	<b>806,552</b>	<b>356,516</b>	<b>1,753,162</b>
<b>Expenditures</b>					
Current:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	153,248
Health and welfare	-	-	-	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	476,946	1,797,662
Debt service:					
Principal	380,000	175,000	635,000	-	-
Interest and fiscal charges	1,577,576	54,926	236,829	-	-
<b>Total expenditures</b>	<b>1,957,576</b>	<b>229,926</b>	<b>871,829</b>	<b>476,946</b>	<b>1,950,910</b>
Revenues over (under) expenditures	(27,927)	3,516	(65,277)	(120,430)	(197,748)
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	15,537	-
Transfers out	-	(1,058)	(4,000)	-	-
Sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(1,058)</b>	<b>(4,000)</b>	<b>15,537</b>	<b>-</b>
Net change in fund balances	(27,927)	2,458	(69,277)	(104,893)	(197,748)
Fund balance, beginning of year	1,141,882	1,392	1,560,816	108,279	2,284
Fund balance (deficit), end of year	\$ 1,113,955	\$ 3,850	\$ 1,491,539	\$ 3,386	\$ (195,464)

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**Concluded**

	<b>Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Rail Trail Endowment</b>	
<b>Revenues</b>		
Property taxes	\$ -	\$ 9,294,748
Accommodations tax	-	1,736,595
Licenses and permits	-	15,852
Federal grants	-	5,279,145
State grants	-	5,826,270
Local grants and contributions	-	418,565
Charges for services	-	6,405,358
Fines and forfeitures	-	169,741
Investment income	1,093	596,652
Rental revenue	-	751,225
Donations	-	2,647,472
Reimbursements	-	2,953,863
Other revenue	-	138,762
	1,093	36,234,248
<b>Expenditures</b>		
Current:		
Judicial	-	4,245,294
General government	-	2,051,186
Public safety	-	12,271,792
Public works	-	736,777
Health and welfare	-	13,102,863
Community and economic development	-	2,285,934
Recreation and culture	-	2,346,192
Capital outlay	-	3,092,538
Debt service:		
Principal	-	1,190,000
Interest and fiscal charges	-	1,869,331
	-	43,191,907
Revenues over (under) expenditures	1,093	(6,957,659)
<b>Other Financing Sources (Uses)</b>		
Transfers in	-	8,160,040
Transfers out	-	(408,790)
Sale of capital assets	-	3,716
	-	7,754,966
Net change in fund balances	1,093	797,307
Fund balance, beginning of year	28,862	15,244,129
Fund balance, end of year	\$ 29,955	\$ 16,041,436

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Law Enforcement</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Investment income	\$ 5,000	\$ 5,000	\$ 2,453	\$ (2,547)
Donations	-	-	250	250
Reimbursements	152,294	299,871	386,421	86,550
<b>Total revenues</b>	<b>157,294</b>	<b>304,871</b>	<b>389,124</b>	<b>84,253</b>
<b>Expenditures</b>				
Current:				
Public safety	2,403,681	2,551,258	2,309,337	241,921
<b>Revenues over (under) expenditures</b>	<b>(2,246,387)</b>	<b>(2,246,387)</b>	<b>(1,920,213)</b>	<b>326,174</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,255,000	2,255,000	1,893,969	(361,031)
Transfers out	(8,613)	(8,613)	(10,851)	(2,238)
<b>Total other financing sources (uses)</b>	<b>2,246,387</b>	<b>2,246,387</b>	<b>1,883,118</b>	<b>(363,269)</b>
Net change in fund balances	-	-	(37,095)	(37,095)
Fund balance, beginning of year	37,095	37,095	37,095	-
Fund balance, end of year	<u>\$ 37,095</u>	<u>\$ 37,095</u>	<u>\$ -</u>	<u>\$ (37,095)</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>County Road Patrol Millage</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Property taxes	\$ 1,577,355	\$ 1,577,355	\$ 1,593,106	\$ 15,751
Investment income	1,505	24,010	28,279	4,269
Reimbursements	-	48,831	48,831	-
Total revenues	1,578,860	1,650,196	1,670,216	20,020
<b>Expenditures</b>				
Current:				
Public safety	1,571,813	1,731,413	1,615,762	115,651
Revenues over (under) expenditures	7,047	(81,217)	54,454	135,671
<b>Other Financing Sources (Uses)</b>				
Transfers out	(7,047)	(7,047)	(7,047)	-
Net change in fund balances	-	(88,264)	47,407	135,671
Fund balance, beginning of year	499,038	499,038	499,038	-
Fund balance, end of year	<u>\$ 499,038</u>	<u>\$ 410,774</u>	<u>\$ 546,445</u>	<u>\$ 135,671</u>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Parks &amp; Recreation</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Property taxes	\$ 750,614	\$ 750,614	\$ 757,623	\$ 7,009
Charges for services	41,500	59,930	63,589	3,659
Investment income	8,345	19,070	24,349	5,279
Donations	300,125	575,245	554,854	(20,391)
Reimbursements	-	20,057	20,066	9
Other revenue	15,000	15,000	7,114	(7,886)
<b>Total revenues</b>	<u>1,115,584</u>	<u>1,439,916</u>	<u>1,427,595</u>	<u>(12,321)</u>
<b>Expenditures</b>				
Current:				
Recreation and culture	1,003,834	1,342,291	1,321,002	21,289
Capital outlay	111,750	97,625	57,130	40,495
<b>Total expenditures</b>	<u>1,115,584</u>	<u>1,439,916</u>	<u>1,378,132</u>	<u>61,784</u>
Revenues over (under) expenditures	-	-	49,463	49,463
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	-	(15,537)	(15,537)
<b>Net change in fund balances</b>	-	-	33,926	33,926
Fund balance, beginning of year	<u>592,992</u>	<u>592,992</u>	<u>592,992</u>	<u>-</u>
Fund balance, end of year	<u>\$ 592,992</u>	<u>\$ 592,992</u>	<u>\$ 626,918</u>	<u>\$ 33,926</u>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	G.I.S. System			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Reimbursements	\$ 139,521	\$ 140,311	\$ 140,311	\$ -
<b>Expenditures</b>				
Current:				
General government	139,521	145,311	141,960	3,351
Revenues over (under) expenditures	-	(5,000)	(1,649)	(3,351)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	5,000	1,649	(3,351)
Net change in fund balances	-	-	-	(6,702)
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ (6,702)

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Friend of the Court			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Federal grants	\$ 2,800,000	\$ 2,800,000	\$ 2,633,462	\$ (166,538)
State grants	218,108	218,108	202,022	(16,086)
Charges for services	307,900	307,900	308,132	232
Investment income	262	262	1,009	747
Reimbursements	78,000	147,796	144,831	(2,965)
Total revenues	3,404,270	3,474,066	3,289,456	(184,610)
<b>Expenditures</b>				
Current:				
Judicial	4,218,008	4,291,304	4,050,267	241,037
Revenues over (under) expenditures	(813,738)	(817,238)	(760,811)	56,427
<b>Other Financing Sources (Uses)</b>				
Transfers in	832,000	832,000	777,210	(54,790)
Transfers out	(18,262)	(18,262)	(18,262)	-
Total other financing sources (uses)	813,738	813,738	758,948	(54,790)
Net change in fund balances	-	(3,500)	(1,863)	1,637
Fund balance, beginning of year	24,022	24,022	24,022	-
Fund balance, end of year	\$ 24,022	\$ 20,522	\$ 22,159	\$ 1,637

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Solid Waste</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for services	\$ 346,000	\$ 346,000	\$ 392,699	\$ 46,699
Reimbursements	-	407	407	-
Investment income	26,000	26,000	92,652	66,652
<b>Total revenues</b>	<b>372,000</b>	<b>372,407</b>	<b>485,758</b>	<b>113,351</b>
<b>Expenditures</b>				
Current:				
Public works	493,329	493,736	461,800	31,936
<b>Revenues over (under) expenditures</b>	<b>(121,329)</b>	<b>(121,329)</b>	<b>23,958</b>	<b>145,287</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(150,035)	(150,035)	(130,764)	19,271
<b>Net change in fund balances</b>	<b>(271,364)</b>	<b>(271,364)</b>	<b>(106,806)</b>	<b>164,558</b>
Fund balance, beginning of year	2,583,655	2,583,655	2,583,655	-
<b>Fund balance, end of year</b>	<b>\$ 2,312,291</b>	<b>\$ 2,312,291</b>	<b>\$ 2,476,849</b>	<b>\$ 164,558</b>

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Lodging Excise Tax</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Accommodations tax	\$ 1,365,000	\$ 1,365,000	\$ 1,736,595	\$ 371,595
<b>Expenditures</b>				
Current:				
Community and economic development	1,365,000	1,365,000	1,736,595	(371,595)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Castle Museum & Historical Activities			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Property taxes	\$ 927,937	\$ 927,937	\$ 936,694	\$ 8,757
Investment income	2,000	2,000	10,407	8,407
Reimbursements	23,396	28,678	28,628	(50)
Total revenues	953,333	958,615	975,729	17,114
<b>Expenditures</b>				
Current:				
Recreation and culture	956,833	962,115	954,107	8,008
Net change in fund balances	(3,500)	(3,500)	21,622	25,122
Fund balance, beginning of year	183,601	183,601	183,601	-
Fund balance, end of year	<u>\$ 180,101</u>	<u>\$ 180,101</u>	<u>\$ 205,223</u>	<u>\$ 25,122</u>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Commission on Aging</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Property taxes	\$ 1,531,398	\$ 1,531,398	\$ 1,546,402	\$ 15,004
Federal grants	1,252,840	1,264,386	1,235,446	(28,940)
State grants	323,411	355,441	344,469	(10,972)
Charges for services	228,833	228,833	213,177	(15,656)
Investment income	25,597	25,597	30,406	4,809
Donations	302,825	302,025	289,197	(12,828)
Reimbursements	26,601	184,807	176,738	(8,069)
Other revenue	83,675	85,493	74,068	(11,425)
<b>Total revenues</b>	<u>3,775,180</u>	<u>3,977,980</u>	<u>3,909,903</u>	<u>(68,077)</u>
<b>Expenditures</b>				
Current:				
Health and welfare	3,775,180	3,923,564	3,705,568	217,996
Capital outlay	-	79,416	60,032	19,384
<b>Total expenditures</b>	<u>3,775,180</u>	<u>4,002,980</u>	<u>3,765,600</u>	<u>237,380</u>
<b>Net change in fund balances</b>	-	(25,000)	144,303	169,303
<b>Fund balance, beginning of year</b>	<u>833,892</u>	<u>833,892</u>	<u>833,892</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 833,892</u></u>	<u><u>\$ 808,892</u></u>	<u><u>\$ 978,195</u></u>	<u><u>\$ 169,303</u></u>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Mosquito Control</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Property taxes	\$ 2,320,079	\$ 2,320,079	\$ 2,343,511	\$ 23,432
Charges for services	13,200	13,200	7,668	(5,532)
Investment income	10,000	10,000	36,572	26,572
Rental revenue	900	900	1,350	450
Reimbursements	234,500	425,030	385,134	(39,896)
Other revenue	-	-	6,812	6,812
<b>Total revenues</b>	<u>2,578,679</u>	<u>2,769,209</u>	<u>2,781,047</u>	<u>11,838</u>
<b>Expenditures</b>				
Current:				
Health and welfare	2,601,679	2,851,379	2,562,971	288,408
Capital outlay	24,500	24,500	17,657	6,843
<b>Total expenditures</b>	<u>2,626,179</u>	<u>2,875,879</u>	<u>2,580,628</u>	<u>295,251</u>
Revenues over (under) expenditures	(47,500)	(106,670)	200,419	307,089
<b>Other Financing Sources (Uses)</b>				
Transfers in	47,500	47,500	47,500	-
Net change in fund balances	-	(59,170)	247,919	307,089
Fund balance, beginning of year	383,104	383,104	383,104	-
Fund balance, end of year	<u>\$ 383,104</u>	<u>\$ 323,934</u>	<u>\$ 631,023</u>	<u>\$ 307,089</u>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Planning Commission			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Federal grants	\$ 499,000	\$ 499,000	\$ 253,716	\$ (245,284)
State grants	-	-	20,000	20,000
Charges for services	2,000	2,000	1,073	(927)
Investment income	-	-	321	321
Reimbursements	-	5,672	9,172	3,500
Other revenue	10,000	60,000	35,016	(24,984)
Total revenues	511,000	566,672	319,298	(247,374)
<b>Expenditures</b>				
Current:				
Community and economic development	584,000	639,672	393,469	246,203
Revenues over (under) expenditures	(73,000)	(73,000)	(74,171)	(1,171)
<b>Other Financing Sources (Uses)</b>				
Transfers in	73,000	73,000	73,000	-
Net change in fund balances	-	-	(1,171)	(1,171)
Fund balance, beginning of year	14,799	14,799	14,799	-
Fund balance, end of year	\$ 14,799	\$ 14,799	\$ 13,628	\$ (1,171)

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Principal Residence Exemption			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Charges for services	\$ 500	\$ 500	\$ 1,077	\$ 577
Investment income	31,500	31,500	15,306	(16,194)
Other revenue	-	-	690	690
Total revenues	32,000	32,000	17,073	(14,927)
<b>Expenditures</b>				
Current:				
Economic	37,958	40,358	39,894	464
Revenues over (under) expenditures	(5,958)	(8,358)	(22,821)	(15,391)
Fund balance, beginning of year	39,678	39,678	39,678	-
Fund balance, end of year	\$ 39,678	\$ 39,678	\$ 16,857	\$ -

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Public Improvement</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Investment income	\$ -	\$ -	\$ 40,553	\$ 40,553
Reimbursements	-	-	7,276	7,276
Total revenues	-	-	47,829	47,829
<b>Expenditures</b>				
Current:				
General government	198,000	209,000	76,832	132,168
Public safety	20,000	20,000	19,332	668
Capital outlay	626,396	615,396	357,704	257,692
Total expenditures	844,396	844,396	453,868	390,528
Revenues over (under) expenditures	(844,396)	(844,396)	(406,039)	438,357
<b>Other Financing Sources (Uses)</b>				
Transfers in	200,000	200,000	234,239	34,239
Net change in fund balances	(644,396)	(644,396)	(171,800)	472,596
Fund balance, beginning of year	1,300,997	1,300,997	1,300,997	-
Fund balance, end of year	<u>\$ 656,601</u>	<u>\$ 656,601</u>	<u>\$ 1,129,197</u>	<u>\$ 472,596</u>

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Courthouse Preservation Technology</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for services	\$ 182,000	\$ 182,000	\$ 226,337	\$ 44,337
Investment income	1,200	1,200	4,519	3,319
<b>Total revenues</b>	<b>183,200</b>	<b>183,200</b>	<b>230,856</b>	<b>47,656</b>
<b>Expenditures</b>				
Current:				
Judicial	33,200	33,200	-	33,200
<b>Revenues over (under) expenditures</b>	<b>150,000</b>	<b>150,000</b>	<b>230,856</b>	<b>80,856</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(150,000)	(150,000)	(150,000)	-
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>80,856</b>	<b>80,856</b>
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,856</b>	<b>\$ 80,856</b>

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Animal Control</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Licenses and permits	\$ 15,000	\$ 15,000	\$ 15,852	\$ 852
Charges for services	37,300	37,300	41,163	3,863
Donations	6,600	6,600	3,793	(2,807)
Reimbursements	-	24,868	24,868	-
 Total revenues	 58,900	 83,768	 85,676	 1,908
<b>Expenditures</b>				
Current:				
Public safety	688,900	713,768	693,263	20,505
 Revenues over (under) expenditures	 (630,000)	 (630,000)	 (607,587)	 22,413
<b>Other Financing Sources (Uses)</b>				
Transfers in	630,000	630,000	609,052	(20,948)
 Net change in fund balances	 -	 -	 1,465	 1,465
 Fund balance, beginning of year	 13,545	 13,545	 13,545	 -
 Fund balance, end of year	 <u>\$ 13,545</u>	 <u>\$ 13,545</u>	 <u>\$ 15,010</u>	 <u>\$ 1,465</u>

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Register of Deeds Automation</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for services	\$ 327,000	\$ 327,000	\$ 223,980	\$ (103,020)
Investment income	3,000	3,000	15,740	12,740
Total revenues	<u>330,000</u>	<u>330,000</u>	<u>239,720</u>	<u>(90,280)</u>
<b>Expenditures</b>				
Current:				
General government	374,000	561,598	352,972	208,626
Capital outlay	-	12,402	12,401	1
Total expenditures	<u>374,000</u>	<u>574,000</u>	<u>365,373</u>	<u>208,627</u>
Net change in fund balances	(44,000)	(244,000)	(125,653)	118,347
Fund balance, beginning of year	<u>435,428</u>	<u>435,428</u>	<u>435,428</u>	<u>-</u>
Fund balance, end of year	<u>\$ 391,428</u>	<u>\$ 191,428</u>	<u>\$ 309,775</u>	<u>\$ 118,347</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>E-911 Telephone Surcharge</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
State grants	\$ 260,000	\$ 260,000	\$ 328,642	\$ 68,642
Charges for services	3,812,605	3,812,605	3,596,578	(216,027)
Investment income	-	-	29,374	29,374
Total revenues	4,072,605	4,072,605	3,954,594	(118,011)
<b>Expenditures</b>				
Current:				
Public safety	4,172,605	4,172,605	3,944,997	227,608
Net change in fund balances	(100,000)	(100,000)	9,597	109,597
Fund balance, beginning of year	1,386,281	1,386,281	1,386,281	-
Fund balance, end of year	<u>\$ 1,286,281</u>	<u>\$ 1,286,281</u>	<u>\$ 1,395,878</u>	<u>\$ 109,597</u>

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>E-911 Equipment Digital</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for services	\$ 960,000	\$ 960,000	\$ 899,144	\$ (60,856)
Investment income	-	-	86,565	86,565
<b>Total revenues</b>	<b>960,000</b>	<b>960,000</b>	<b>985,709</b>	<b>25,709</b>
<b>Expenditures</b>				
Capital outlay	960,000	960,000	-	960,000
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>985,709</b>	<b>985,709</b>
Fund balance, beginning of year	1,875,848	1,875,848	1,875,848	-
Fund balance, end of year	<u>\$ 1,875,848</u>	<u>\$ 1,875,848</u>	<u>\$ 2,861,557</u>	<u>\$ 985,709</u>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Mobile Data Maintenance &amp; Repair</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for services	\$ 287,271	\$ 287,271	\$ 304,317	\$ 17,046
Investment income	-	-	41,895	41,895
Reimbursement	-	-	5,667	5,667
Total revenues	<u>287,271</u>	<u>287,271</u>	<u>351,879</u>	<u>64,608</u>
<b>Expenditures</b>				
Current:				
Public safety	460,761	579,508	415,709	163,799
Capital outlay	<u>150,000</u>	<u>36,920</u>	<u>10,291</u>	<u>26,629</u>
Total expenditures	<u>610,761</u>	<u>616,428</u>	<u>426,000</u>	<u>190,428</u>
Revenues over (under) expenditures	(323,490)	(329,157)	(74,121)	255,036
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>173,490</u>	<u>173,490</u>	<u>173,490</u>	-
Net change in fund balances	(150,000)	(155,667)	99,369	255,036
Fund balance, beginning of year	<u>1,089,424</u>	<u>1,089,424</u>	<u>1,089,424</u>	-
Fund balance, end of year	<u>\$ 939,424</u>	<u>\$ 933,757</u>	<u>\$ 1,188,793</u>	<u>\$ 255,036</u>

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Law Library</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Fines and forfeitures	\$ 6,500	\$ 6,500	\$ 6,500	\$ -
Reimbursements	-	347	347	-
Total revenues	6,500	6,847	6,847	-
<b>Expenditures</b>				
Current:				
Judicial	62,762	73,109	69,463	3,646
Revenues over (under) expenditures	(56,262)	(66,262)	(62,616)	3,646
<b>Other Financing Sources (Uses)</b>				
Transfers in	56,262	66,262	62,616	(3,646)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>County Library Board</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Fines and forfeitures	\$ 130,000	\$ 130,000	\$ 71,083	\$ (58,917)
<b>Expenditures</b>				
Current:				
Recreation and culture	130,000	130,000	71,083	58,917
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Michigan Works! Service Centers</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Reimbursements	\$ -	\$ 498	\$ 44,832	\$ 44,334
<b>Expenditures</b>				
Current:				
Health and welfare	599,237	631,035	551,420	79,615
Revenues over (under) expenditures	(599,237)	(630,537)	(506,588)	123,949
<b>Other Financing Sources (Uses)</b>				
Transfers in	599,237	630,537	506,588	(123,949)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Remonumentation			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
State grants	\$ 150,000	\$ 149,043	\$ 142,498	\$ (6,545)
<b>Expenditures</b>				
Current:				
General government	150,000	149,043	142,498	6,545
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	7,628	7,628	7,628	-
Fund balance, end of year	<u>\$ 7,628</u>	<u>\$ 7,628</u>	<u>\$ 7,628</u>	<u>-</u>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Special Projects			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Federal grants	\$ 1,246,746	\$ 1,603,565	\$ 702,512	\$ (901,053)
State grants	35,000	35,000	43,661	8,661
Charges for services	2,300	2,300	1,720	(580)
Fines and forfeitures	10,000	10,000	6,979	(3,021)
Reimbursements	93,010	135,995	121,221	(14,774)
Total revenues	1,387,056	1,786,860	876,093	(910,767)
<b>Expenditures</b>				
Current:				
Judicial	77,293	427,884	125,564	302,320
General government	4,087	4,087	1,787	2,300
Public safety	1,169,760	643,668	407,969	235,699
Public works	93,010	134,658	121,729	12,929
Community and economic development	81,986	142,656	115,976	26,680
Capital outlay	110,000	679,839	264,492	415,347
Total expenditures	1,536,136	2,032,792	1,037,517	995,275
Revenues over (under) expenditures	(149,080)	(245,932)	(161,424)	84,508
<b>Other Financing Sources (Uses)</b>				
Transfers in	70,000	103,639	99,372	(4,267)
Net change in fund balances	(79,080)	(142,293)	(62,052)	80,241
Fund balance, beginning of year	324,246	324,246	324,246	-
Fund balance, end of year	\$ 245,166	\$ 181,953	\$ 262,194	\$ 80,241

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Sheriff Special Projects</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Federal grants	\$ 300,384	\$ 354,387	\$ 214,308	\$ (140,079)
State grants	451,490	437,350	445,167	7,817
Local grants and contributions	97,500	97,500	76,114	(21,386)
Charges for services	36,366	36,366	28,144	(8,222)
Fines and forfeitures	245,000	245,000	63,475	(181,525)
Investment income	-	3,151	26,315	23,164
Donations	49,037	51,737	22,405	(29,332)
Reimbursements	1,280,389	1,349,790	992,427	(357,363)
Other revenue	800	4,100	3,345	(755)
Total revenues	<u>2,460,966</u>	<u>2,579,381</u>	<u>1,871,700</u>	<u>(707,681)</u>
<b>Expenditures</b>				
Current:				
Public safety	2,725,731	2,840,546	1,863,103	977,443
Capital outlay	62,166	60,615	38,223	22,392
Total expenditures	<u>2,787,897</u>	<u>2,901,161</u>	<u>1,901,326</u>	<u>999,835</u>
Revenues over (under) expenditures	<u>(326,931)</u>	<u>(321,780)</u>	<u>(29,626)</u>	<u>292,154</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	183,708	183,708	119,729	(63,979)
Transfers out	(62,565)	(62,565)	(38,626)	23,939
Sale of capital assets	-	-	3,716	3,716
Total other financing sources (uses)	<u>121,143</u>	<u>121,143</u>	<u>84,819</u>	<u>(36,324)</u>
Net change in fund balances	(205,788)	(200,637)	55,193	255,830
Fund balance, beginning of year	<u>716,492</u>	<u>716,492</u>	<u>716,492</u>	<u>-</u>
Fund balance, end of year	<u>\$ 510,704</u>	<u>\$ 515,855</u>	<u>\$ 771,685</u>	<u>\$ 255,830</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Prosecutor Special Projects</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Federal grants	\$ 98,066	\$ 45,402	\$ 45,402	\$ -
State grants	239,908	252,356	250,064	(2,292)
Fines and forfeitures	40,911	40,911	21,704	(19,207)
Donations	908	908	302	(606)
Reimbursements	40,911	27,744	29,012	1,268
Total revenues	420,704	367,321	346,484	(20,837)
<b>Expenditures</b>				
Current:				
General government	601,243	611,524	582,390	29,134
Revenues over (under) expenditures	(180,539)	(244,203)	(235,906)	8,297
<b>Other Financing Sources (Uses)</b>				
Transfers in	180,539	244,203	238,659	(5,544)
Transfers out	-	-	(2,645)	(2,645)
Net change in fund balances	-	-	108	108
Fund balance, beginning of year	470	470	470	-
Fund balance, end of year	\$ 470	\$ 470	\$ 578	\$ 108

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Community Corrections			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
State grants	\$ 1,050,932	\$ 1,128,650	\$ 880,052	\$ (248,598)
<b>Expenditures</b>				
Current:				
Public safety	1,060,780	1,138,498	889,900	248,598
Revenues over (under) expenditures	(9,848)	(9,848)	(9,848)	-
<b>Other Financing Sources (Uses)</b>				
Transfers in	39,848	39,848	39,848	-
Transfers out	(30,000)	(30,000)	(30,000)	-
Total other financing sources (uses)	9,848	9,848	9,848	-
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Local Correction Officer Training</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for services	\$ 110,000	\$ 110,000	\$ 96,560	\$ (13,440)
Investment income	-	-	2,961	2,961
Reimbursements	-	1,396	1,396	-
Total revenues	110,000	111,396	100,917	(10,479)
<b>Expenditures</b>				
Current:				
Public safety	130,000	141,396	112,420	28,976
Net change in fund balances	(20,000)	(30,000)	(11,503)	(39,455)
Fund balance, beginning of year	54,382	54,382	54,382	-
Fund balance, end of year	<u>\$ 34,382</u>	<u>\$ 24,382</u>	<u>\$ 42,879</u>	<u>\$ (39,455)</u>

**COUNTY OF SAGINAW, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	MSU Extension			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Federal grants	\$ 128,325	\$ 129,566	\$ 102,677	\$ (26,889)
State grants	120,000	132,000	132,000	-
Local grants and contributions	298,775	310,775	259,457	(51,318)
Charges for services	20,000	20,000	-	(20,000)
Investment income	-	-	909	909
Reimbursements	-	3,020	3,020	-
Other revenue	-	-	517	517
 Total revenues	 567,100	 595,361	 498,580	 (96,781)
<b>Expenditures</b>				
Current:				
General government	842,600	870,861	752,747	118,114
 Revenues over (under) expenditures	 (275,500)	 (275,500)	 (254,167)	 21,333
<b>Other Financing Sources (Uses)</b>				
Transfers in	275,500	275,500	261,058	(14,442)
 Net change in fund balances	 -	 -	 6,891	 6,891
Fund balance, beginning of year	832	832	832	-
Fund balance, end of year	<u>\$ 832</u>	<u>\$ 832</u>	<u>\$ 7,723</u>	<u>\$ 6,891</u>

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Family Independence Agency			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
State grants	\$ 1,545,000	\$ 1,545,000	\$ 765,184	\$ (779,816)
Reimbursements	-	376	376	-
Total revenues	1,545,000	1,545,376	765,560	(779,816)
<b>Expenditures</b>				
Current:				
Health and welfare	1,780,000	1,780,376	986,166	794,210
Revenues over (under) expenditures	(235,000)	(235,000)	(220,606)	14,394
<b>Other Financing Sources (Uses)</b>				
Transfers in	235,000	235,000	220,606	(14,394)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**COUNTY OF SAGINAW, MICHIGAN  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Child Care</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Federal grants	\$ 64,000	\$ 64,000	\$ 84,122	\$ 20,122
State grants	1,833,250	1,990,441	1,869,233	(121,208)
Local grants and contributions	100,000	100,000	82,994	(17,006)
Donations	59,200	59,200	33,509	(25,691)
Reimbursements	296,500	416,577	380,382	(36,195)
Other revenue	8,000	8,000	11,200	3,200
<b>Total revenues</b>	<b>2,360,950</b>	<b>2,638,218</b>	<b>2,461,440</b>	<b>(176,778)</b>
<b>Expenditures</b>				
Current:				
Health and welfare	4,815,000	5,529,459	5,228,364	301,095
<b>Revenues over (under) expenditures</b>	<b>(2,454,050)</b>	<b>(2,891,241)</b>	<b>(2,766,924)</b>	<b>124,317</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,452,550	2,889,741	2,766,924	(122,817)
<b>Net change in fund balances</b>	<b>(1,500)</b>	<b>(1,500)</b>	<b>-</b>	<b>1,500</b>
Fund balance, beginning of year	3,165	3,165	3,165	-
Fund balance, end of year	\$ 1,665	\$ 1,665	\$ 3,165	\$ 1,500

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Soldiers' Relief</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Expenditures</b>				
Current:				
Health and welfare	\$ 22,000	\$ 22,000	\$ 18,994	\$ 3,006
<b>Other Financing Sources (Uses)</b>				
Transfers in	22,000	22,000	18,994	(3,006)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**COUNTY OF SAGINAW, MICHIGAN**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<b>Veterans' Trust</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
State grants	\$ 82,000	\$ 82,000	\$ 49,380	\$ (32,620)
<b>Expenditures</b>				
Current:				
Health and welfare	82,000	82,000	49,380	32,620
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

## **NONMAJOR ENTERPRISE FUNDS**

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

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

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

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

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

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF NET ASSETS - NONMAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2006**

	<b>Parking System</b>	<b>Delinquent Property Tax Foreclosure</b>	<b>Building Authority Administration</b>	<b>Harry W. Browne Airport</b>	<b>Inmate Services</b>	<b>Total</b>
<b>Assets</b>						
Current assets:						
Cash and investment pool	\$ 7,375	\$ 383,332	\$ 354,361	\$ 334,942	\$ 237,261	\$ 1,317,271
Receivables (net):						
Accounts	767	-	-	23,902	23,963	48,632
Accrued interest	-	1,205	1,214	-	-	2,419
Other assets	-	-	-	4,880	-	4,880
Due from other funds	-	18,681	-	-	-	18,681
<b>Total current assets</b>	<b>8,142</b>	<b>403,218</b>	<b>355,575</b>	<b>363,724</b>	<b>261,224</b>	<b>1,391,883</b>
Noncurrent assets - capital assets:						
Land	41,273	-	-	993,361	-	1,034,634
Air rights	-	-	-	117,761	-	117,761
Land improvements	33,933	-	-	6,625	-	40,558
Buildings and improvements	-	-	-	1,020,504	-	1,020,504
Machinery and equipment	80,549	-	-	-	6,892	87,441
Vehicles	-	-	-	58,775	54,428	113,203
Planning and development	-	-	-	7,604,619	-	7,604,619
Construction in progress	-	-	-	437,457	-	437,457
Accumulated depreciation	(110,527)	-	-	(5,822,253)	(60,229)	(5,993,009)
<b>Total noncurrent assets - capital assets</b>	<b>45,228</b>	<b>-</b>	<b>-</b>	<b>4,416,849</b>	<b>1,091</b>	<b>4,463,168</b>
<b>Total assets</b>	<b>53,370</b>	<b>403,218</b>	<b>355,575</b>	<b>4,780,573</b>	<b>262,315</b>	<b>5,855,051</b>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	62	15,956	24,800	5,888	24,191	70,897
Accrued liabilities	699	3,537	-	-	-	4,236
Deposits payable	-	-	-	-	8,886	8,886
Due to other funds	4,836	-	-	-	184,238	189,074
Due to other governmental units	-	-	-	29,643	-	29,643
Unearned revenue	-	-	-	3,945	-	3,945
<b>Total current liabilities</b>	<b>5,597</b>	<b>19,493</b>	<b>24,800</b>	<b>39,476</b>	<b>217,315</b>	<b>306,681</b>
Noncurrent liabilities:						
Accrued liabilities	2,545	-	-	-	-	2,545
Advances from other funds	-	-	-	-	20,000	20,000
<b>Total noncurrent liabilities</b>	<b>2,545</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>22,545</b>
<b>Total liabilities</b>	<b>8,142</b>	<b>19,493</b>	<b>24,800</b>	<b>39,476</b>	<b>237,315</b>	<b>329,226</b>
<b>Net Assets</b>						
Invested in capital assets	45,228	-	-	4,416,849	1,091	4,463,168
Unrestricted	-	383,725	330,775	324,248	23,909	1,062,657
<b>Total Net Assets</b>	<b>\$ 45,228</b>	<b>\$ 383,725</b>	<b>\$ 330,775</b>	<b>\$ 4,741,097</b>	<b>\$ 25,000</b>	<b>\$ 5,525,825</b>

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**FUND NET ASSETS - NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	Parking System	Delinquent Property Tax Foreclosure	Building Authority Administration	Harry W. Browne Airport	Inmate Services	Total
<b>Operating Revenues</b>						
Charges for services	\$ 63,208	\$ 594,461	\$ 29,600	\$ 15,100	\$ 904,782	\$ 1,607,151
Fines and forfeitures	13,980	-	-	-	-	13,980
Rental revenue	-	-	-	102,749	-	102,749
Reimbursements	1,440	-	-	5,018	-	6,458
Other revenue	-	-	-	2,030	76,669	78,699
Total operating revenues	<u>78,628</u>	<u>594,461</u>	<u>29,600</u>	<u>124,897</u>	<u>981,451</u>	<u>1,809,037</u>
<b>Operating Expenses</b>						
Personal services	34,293	36,548	699	450	-	71,990
Fringe benefits	14,188	11,922	-	35	-	26,145
Supplies	1,068	-	-	4,069	493,807	498,944
Services and charges	24,693	378,618	50,229	153,736	26,547	633,823
Depreciation	2,498	-	-	383,160	1,378	387,036
Total operating expenses	<u>76,740</u>	<u>427,088</u>	<u>50,928</u>	<u>541,450</u>	<u>521,732</u>	<u>1,617,938</u>
Operating income (loss)	<u>1,888</u>	<u>167,373</u>	<u>(21,328)</u>	<u>(416,553)</u>	<u>459,719</u>	<u>191,099</u>
<b>Nonoperating Revenues (Expenses)</b>						
Federal grants	-	-	-	99,421	-	99,421
State grants	-	-	-	263,594	-	263,594
Investment income	-	175,326	12,732	-	411	188,469
Loss on sale of capital assets	-	-	-	(2,549)	-	(2,549)
Gain on sale of capital assets	-	-	-	2,296	-	2,296
Income (loss) before transfers	<u>1,888</u>	<u>342,699</u>	<u>(8,596)</u>	<u>(53,791)</u>	<u>460,130</u>	<u>742,330</u>
<b>Transfers</b>						
Transfers in	-	-	9,500	88,000	-	97,500
Transfers out	(4,386)	-	-	-	(460,130)	(464,516)
Net transfers	<u>(4,386)</u>	<u>-</u>	<u>9,500</u>	<u>88,000</u>	<u>(460,130)</u>	<u>(367,016)</u>
Change in net assets	(2,498)	342,699	904	34,209	-	375,314
Net assets, beginning of year	<u>47,726</u>	<u>41,026</u>	<u>329,871</u>	<u>4,706,888</u>	<u>25,000</u>	<u>5,150,511</u>
Net assets, end of year	<u>\$ 45,228</u>	<u>\$ 383,725</u>	<u>\$ 330,775</u>	<u>\$ 4,741,097</u>	<u>\$ 25,000</u>	<u>\$ 5,525,825</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

Continued

	<u>Parking System</u>	<u>Delinquent Property Tax Foreclosure</u>	<u>Building Authority Administration</u>	<u>Harry W. Browne Airport</u>	<u>Inmate Services</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>						
Receipts from customers	\$ 64,612	\$ 593,487	\$ 29,471	\$ 119,106	\$ 931,179	\$ 1,737,855
Receipts from interfund services provided	-	-	-	-	73,231	73,231
Payments for interfund services provided	(5,269)	(18,681)	-	-	-	(23,950)
Payments to employees	(48,264)	(44,933)	(699)	(485)	-	(94,381)
Payments to suppliers	(25,911)	(393,446)	(32,244)	(141,300)	(541,631)	(1,134,532)
Other operating revenue	13,980	-	-	7,048	69,704	90,732
Net cash provided by (used in) operating activities	(852)	136,427	(3,472)	(15,631)	532,483	648,955
<b>Cash flows from noncapital financing activities:</b>						
Transfers in	-	-	9,500	88,000	-	97,500
Transfers out	(4,386)	-	-	-	(460,130)	(464,516)
Net cash provided by (used in) noncapital financing activities	(4,386)	-	9,500	88,000	(460,130)	(367,016)
<b>Cash flows from capital and related financing activities:</b>						
Proceeds from sale of capital assets	-	-	-	2,296	-	2,296
Payments for capital asset acquisition	-	-	-	(45,475)	-	(45,475)
Net cash provided by (used in) capital and related financing activities	-	-	-	(43,179)	-	(43,179)
<b>Cash flows from investing activities:</b>						
Investment income	-	175,326	12,732	-	411	188,469
Net increase (decrease) in cash and cash equivalents	(5,238)	311,753	18,760	29,190	72,764	427,229
Cash and cash equivalents, beginning of year	12,613	71,579	335,601	305,752	164,497	890,042
Cash and cash equivalents, end of year	\$ 7,375	\$ 383,332	\$ 354,361	\$ 334,942	\$ 237,261	\$ 1,317,271
<b>Noncash investing, capital, and financing activities:</b>						
Contributions of capital assets from government				\$ 363,015		

**COUNTY OF SAGINAW, MICHIGAN  
STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**Concluded**

	<u>Parking System</u>	<u>Delinquent Property Tax Foreclosure</u>	<u>Building Authority Administration</u>	<u>Harry W. Browne Airport</u>	<u>Inmate Services</u>	<u>Total</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ 1,888	\$ 167,373	\$ (21,328)	\$ (416,553)	\$ 459,719	\$ 191,099
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	2,498	-	-	383,160	1,378	387,036
Changes in assets and liabilities:						
Accounts receivable	(36)	(974)	(129)	1,102	26,397	26,360
Other assets	-	-	-	(141)	-	(141)
Accounts payable	(150)	(14,828)	17,985	2,661	(21,277)	(15,609)
Accrued liabilities	217	3,537	-	-	-	3,754
Deposits payable	-	-	-	-	(6,965)	(6,965)
Due from other funds	-	(18,681)	-	-	-	(18,681)
Due to other funds	(5,269)	-	-	-	73,231	67,962
Due to other governmental units	-	-	-	13,985	-	13,985
Unearned revenue	-	-	-	155	-	155
Net cash provided by (used in) operating activities	<u>\$ (852)</u>	<u>\$ 136,427</u>	<u>\$ (3,472)</u>	<u>\$ (15,631)</u>	<u>\$ 532,483</u>	<u>\$ 648,955</u>

## INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

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

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

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

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

**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, 2006**

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	\$ 329,033	\$ 119,001	\$ 352,235	\$ 414,326	\$ 21,934	\$ 526,557
Receivables (net):						
Accounts	46,277	29,058	1,267	2	-	-
Accrued interest	125	445	-	1,435	-	-
Due from other funds	4,153	-	-	-	-	-
Other assets	-	-	15,932	-	30,000	-
<b>Total current assets</b>	<b>379,588</b>	<b>148,504</b>	<b>369,434</b>	<b>415,763</b>	<b>51,934</b>	<b>526,557</b>
Noncurrent assets - capital assets:						
Land	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-
Buildings and improvements	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-
Machinery and equipment	-	-	1,667,769	115,517	-	-
Office furniture and fixtures	-	-	84,750	-	-	-
Vehicles	-	-	-	-	-	1,482,027
Accumulated depreciation	-	-	(1,483,059)	(27,646)	-	(1,257,391)
<b>Total noncurrent assets - capital assets</b>	<b>-</b>	<b>-</b>	<b>269,460</b>	<b>87,871</b>	<b>-</b>	<b>224,636</b>
<b>Total assets</b>	<b>379,588</b>	<b>148,504</b>	<b>638,894</b>	<b>503,634</b>	<b>51,934</b>	<b>751,193</b>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	355,335	30,701	25,075	2,640	16,934	-
Accrued liabilities	-	1,111	16,353	169	-	-
Due to other funds	-	-	-	200	-	147,173
<b>Total current liabilities</b>	<b>355,335</b>	<b>31,812</b>	<b>41,428</b>	<b>3,009</b>	<b>16,934</b>	<b>147,173</b>
Noncurrent liabilities:						
Accrued liabilities	-	4,671	57,556	324	-	-
Advances from other funds	-	-	-	-	35,000	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>4,671</b>	<b>57,556</b>	<b>324</b>	<b>35,000</b>	<b>-</b>
<b>Total liabilities</b>	<b>355,335</b>	<b>36,483</b>	<b>98,984</b>	<b>3,333</b>	<b>51,934</b>	<b>147,173</b>
<b>Net Assets</b>						
Invested in capital assets	-	-	269,460	87,871	-	224,636
Unrestricted	24,253	112,021	270,450	412,430	-	379,384
<b>Total Net Assets</b>	<b>\$ 24,253</b>	<b>\$ 112,021</b>	<b>\$ 539,910</b>	<b>\$ 500,301</b>	<b>\$ -</b>	<b>\$ 604,020</b>

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2006**

Concluded

	<b>Risk Management</b>	<b>Investment Pool</b>	<b>Health Center Building</b>	<b>Employee Benefits</b>	<b>Retiree Health Savings Plan</b>	<b>Total</b>
<b>Assets</b>						
Current assets:						
Cash and investment pool	\$ 1,744,556	\$ 8,234	\$ 257,851	\$ 2,623,266	\$ 19	\$ 6,397,012
Receivables (net):						
Accounts	6,979	75	3,376	201,670	811	289,515
Accrued interest	7,441	-	886	14,314	1	24,647
Due from other funds	2,670	-	-	13,060	-	19,883
Other assets	-	-	-	6,093	-	52,025
<b>Total current assets</b>	<b>1,761,646</b>	<b>8,309</b>	<b>262,113</b>	<b>2,858,403</b>	<b>831</b>	<b>6,783,082</b>
Noncurrent assets - capital assets:						
Land	-	-	233,000	-	-	233,000
Construction in progress	-	-	85,752	-	-	85,752
Land improvements	-	-	25,387	-	-	25,387
Buildings and improvements	-	-	927,000	-	-	927,000
Leasehold improvements	-	-	23,628	-	-	23,628
Machinery and equipment	-	-	-	-	-	1,783,286
Office furniture and fixtures	-	-	-	-	-	84,750
Vehicles	-	-	-	-	-	1,482,027
Accumulated depreciation	-	-	(955,905)	-	-	(3,724,001)
<b>Total noncurrent assets - capital assets</b>	<b>-</b>	<b>-</b>	<b>338,862</b>	<b>-</b>	<b>-</b>	<b>920,829</b>
<b>Total assets</b>	<b>1,761,646</b>	<b>8,309</b>	<b>600,975</b>	<b>2,858,403</b>	<b>831</b>	<b>7,703,911</b>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	1,404	1,483	51,064	12,057	815	497,508
Accrued liabilities	945	764	5,427	1,471	-	26,240
Due to other funds	-	3,310	1,795	-	-	152,478
<b>Total current liabilities</b>	<b>2,349</b>	<b>5,557</b>	<b>58,286</b>	<b>13,528</b>	<b>815</b>	<b>676,226</b>
Noncurrent liabilities:						
Accrued liabilities	1,042,498	2,752	5,820	751,536	-	1,865,157
Advances from other funds	-	-	-	-	-	35,000
<b>Total noncurrent liabilities</b>	<b>1,042,498</b>	<b>2,752</b>	<b>5,820</b>	<b>751,536</b>	<b>-</b>	<b>1,900,157</b>
<b>Total liabilities</b>	<b>1,044,847</b>	<b>8,309</b>	<b>64,106</b>	<b>765,064</b>	<b>815</b>	<b>2,576,383</b>
<b>Net Assets</b>						
Invested in capital assets	-	-	338,862	-	-	920,829
Unrestricted	716,799	-	198,007	2,093,339	16	4,206,699
<b>Total Net Assets</b>	<b>\$ 716,799</b>	<b>\$ -</b>	<b>\$ 536,869</b>	<b>\$ 2,093,339</b>	<b>\$ 16</b>	<b>\$ 5,127,528</b>

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

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	\$ -	\$ -	\$ 66,103	\$ 64,367	\$ 195,179	\$ -
Rental revenue	-	-	-	47,865	-	247,298
Reimbursements	2,733,912	2,076,064	1,593,541	198	80	23,582
Other revenue	-	91,381	-	-	-	-
Total operating revenues	<u>2,733,912</u>	<u>2,167,445</u>	<u>1,659,644</u>	<u>112,430</u>	<u>195,259</u>	<u>270,880</u>
<b>Operating Expenses</b>						
Personal services	-	96,959	824,435	8,000	-	-
Fringe benefits	2,717,460	2,076,031	429,427	4,723	-	-
Supplies	-	-	25,368	1,507	181,911	130
Services and charges	16,451	1,739	290,220	49,262	13,348	65,519
Depreciation	-	-	183,949	22,529	-	173,327
Total operating expenses	<u>2,733,911</u>	<u>2,174,729</u>	<u>1,753,399</u>	<u>86,021</u>	<u>195,259</u>	<u>238,976</u>
Operating income (loss)	<u>1</u>	<u>(7,284)</u>	<u>(93,755)</u>	<u>26,409</u>	<u>-</u>	<u>31,904</u>
<b>Nonoperating Revenues (Expenses)</b>						
Investment income	2,347	4,961	-	15,468	-	-
Gain (loss) on sale of capital assets	-	-	(6,426)	(94,638)	-	33,550
Total nonoperating revenues (expenses)	<u>2,347</u>	<u>4,961</u>	<u>(6,426)</u>	<u>(79,170)</u>	<u>-</u>	<u>33,550</u>
Income (loss) before transfers	<u>2,348</u>	<u>(2,323)</u>	<u>(100,181)</u>	<u>(52,761)</u>	<u>-</u>	<u>65,454</u>
<b>Transfers</b>						
Transfers out	-	-	-	-	-	(145,394)
Change in net assets	2,348	(2,323)	(100,181)	(52,761)	-	(79,940)
Net assets, beginning of year	21,905	114,344	640,091	553,062	-	683,960
Net assets, end of year	<u>\$ 24,253</u>	<u>\$ 112,021</u>	<u>\$ 539,910</u>	<u>\$ 500,301</u>	<u>\$ -</u>	<u>\$ 604,020</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, 2006**

**Concluded**

	<b>Risk Management</b>	<b>Investment Pool</b>	<b>Health Center Building</b>	<b>Employee Benefits</b>	<b>Retiree Health Savings Plan</b>	<b>Total</b>
<b>Operating Revenues</b>						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 325,649
Rental revenue	-	-	446,525	-	-	741,688
Reimbursements	1,301,331	91,258	14,599	8,110,347	80,860	16,025,772
Other revenue	-	-	-	166,584	-	257,965
Total operating revenues	<u>1,301,331</u>	<u>91,258</u>	<u>461,124</u>	<u>8,276,931</u>	<u>80,860</u>	<u>17,351,074</u>
<b>Operating Expenses</b>						
Personal services	44,341	30,203	125,188	69,461	-	1,198,587
Fringe benefits	411,137	17,571	92,227	8,605,297	-	14,353,873
Supplies	371	-	10,513	816	-	220,616
Services and charges	991,378	40,174	209,345	198,986	80,860	1,957,282
Depreciation	-	-	932	-	-	380,737
Total operating expenses	<u>1,447,227</u>	<u>87,948</u>	<u>438,205</u>	<u>8,874,560</u>	<u>80,860</u>	<u>18,111,095</u>
Operating income (loss)	<u>(145,896)</u>	<u>3,310</u>	<u>22,919</u>	<u>(597,629)</u>	<u>-</u>	<u>(760,021)</u>
<b>Nonoperating Revenues (Expenses)</b>						
Investment income	83,849	-	7,418	145,601	16	259,660
Gain (loss) on sale of capital assets	-	-	-	-	-	(67,514)
Total nonoperating revenues (expenses)	<u>83,849</u>	<u>-</u>	<u>7,418</u>	<u>145,601</u>	<u>16</u>	<u>192,146</u>
Income (loss) before transfers	<u>(62,047)</u>	<u>3,310</u>	<u>30,337</u>	<u>(452,028)</u>	<u>16</u>	<u>(567,875)</u>
<b>Transfers</b>						
Transfers out	<u>(50,000)</u>	<u>(3,310)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(198,704)</u>
Change in net assets	<u>(112,047)</u>	<u>-</u>	<u>30,337</u>	<u>(452,028)</u>	<u>16</u>	<u>(766,579)</u>
Net assets, beginning of year	<u>828,846</u>	<u>-</u>	<u>506,532</u>	<u>2,545,367</u>	<u>-</u>	<u>5,894,107</u>
Net assets, end of year	<u>\$ 716,799</u>	<u>\$ -</u>	<u>\$ 536,869</u>	<u>\$ 2,093,339</u>	<u>\$ 16</u>	<u>\$ 5,127,528</u>

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

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	\$ 2,743,103	\$ 2,073,969	\$ 1,659,648	\$ 112,501	\$ 195,265	\$ 414,584
Payments to employees	-	-	(1,278,708)	(12,922)	-	-
Payments to suppliers	(2,679,286)	(2,171,236)	(313,870)	(50,709)	(194,974)	(65,649)
Other operating revenue	-	91,381	-	-	-	-
Net cash provided by (used in) operating activities	<u>63,817</u>	<u>(5,886)</u>	<u>67,070</u>	<u>48,870</u>	<u>291</u>	<u>348,935</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfers out	-	-	-	-	-	(145,394)
<b>Cash flows from capital and related financing activities:</b>						
Proceeds from sale of capital assets	-	-	-	-	-	33,550
Payments for capital asset acquisition	-	-	(8,645)	(37,156)	-	(216,724)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(8,645)</u>	<u>(37,156)</u>	<u>-</u>	<u>(183,174)</u>
<b>Cash flows from investing activities:</b>						
Investment income	<u>2,347</u>	<u>4,961</u>	<u>-</u>	<u>15,468</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	66,164	(925)	58,425	27,182	291	20,367
Cash and cash equivalents, beginning of year	<u>262,869</u>	<u>119,926</u>	<u>293,810</u>	<u>387,144</u>	<u>21,643</u>	<u>506,190</u>
Cash and cash equivalents, end of year	<u>\$ 329,033</u>	<u>\$ 119,001</u>	<u>\$ 352,235</u>	<u>\$ 414,326</u>	<u>\$ 21,934</u>	<u>\$ 526,557</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ 1	\$ (7,284)	\$ (93,755)	\$ 26,409	\$ -	\$ 31,904
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	183,949	22,529	-	173,327
Changes in assets and liabilities:						
Accounts receivable	13,344	(2,095)	4	(129)	-	-
Due from other funds	(4,153)	-	-	-	6	-
Prepaid items	-	-	(15,727)	-	-	-
Accounts payable	54,625	3,495	17,445	60	285	-
Accrued liabilities	-	(2)	(24,846)	(199)	-	-
Due to other funds	-	-	-	200	-	143,704
Net cash provided by (used in) operating activities	<u>\$ 63,817</u>	<u>\$ (5,886)</u>	<u>\$ 67,070</u>	<u>\$ 48,870</u>	<u>\$ 291</u>	<u>\$ 348,935</u>

**COUNTY OF SAGINAW, MICHIGAN  
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

Continued

	<b>Risk Management</b>	<b>Investment Pool</b>	<b>Health Center Building</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	\$ 1,303,002	\$ 90,906	\$ 459,507	\$ 8,066,385	\$ 80,358	\$ 17,199,228
Payments to employees	(442,529)	(47,004)	(215,082)	252,266	-	(1,743,979)
Payments to suppliers	(992,091)	(41,883)	(174,993)	(8,821,419)	(80,358)	(15,586,468)
Other operating revenue	-	-	-	166,584	-	257,965
Net cash provided by (used in) operating activities	(131,618)	2,019	69,432	(336,184)	-	126,746
<b>Cash flows from noncapital financing activities:</b>						
Transfers out	(50,000)	(3,310)	-	-	-	(198,704)
<b>Cash flows from capital and related financing activities:</b>						
Proceeds from sale of capital assets	-	-	-	-	-	33,550
Payments for capital asset acquisition	-	-	(85,752)	-	-	(348,277)
Net cash provided by (used in) capital and related financing activities	-	-	(85,752)	-	-	(314,727)
<b>Cash flows from investing activities:</b>						
Investment income	83,849	-	7,418	145,601	16	259,660
Net increase (decrease) in cash and cash equivalents	(97,769)	(1,291)	(8,902)	(190,583)	16	(127,025)
Cash and cash equivalents, beginning of year	1,842,325	9,525	266,753	2,813,849	3	6,524,037
Cash and cash equivalents, end of year	\$ 1,744,556	\$ 8,234	\$ 257,851	\$ 2,623,266	\$ 19	\$ 6,397,012
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ (145,896)	\$ 3,310	\$ 22,919	\$ (597,629)	\$ -	\$ (760,021)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	932	-	-	380,737
Changes in assets and liabilities:						
Accounts receivable	4,341	(75)	(3,412)	(30,902)	(502)	(19,426)
Due from other funds	(2,670)	-	-	(13,060)	-	(19,877)
Other assets	-	-	-	3,193	-	(12,534)
Accounts payable	(342)	(1,709)	44,865	(19,513)	502	99,713
Accrued liabilities	12,949	770	2,333	321,727	-	312,732
Due to other funds	-	(277)	1,795	-	-	145,422
Net cash provided by (used in) operating activities	\$ (131,618)	\$ 2,019	\$ 69,432	\$ (336,184)	\$ -	\$ 126,746

## **FIDUCIARY FUNDS**

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

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

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

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

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

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

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS**  
**SEPTEMBER 30, 2006**

Continued

	<u>Trust &amp; Agency</u>	<u>State Education Tax</u>	<u>Library Penal Fine</u>
<b>Assets</b>			
Cash and investment pool	\$ 1,492,720	\$ 7,969,858	\$ 223,407
Receivables (net):			
Taxes	-	-	-
Accounts	3,377,841	-	655
Accrued interest	52	-	1,118
	<u>52</u>	<u>-</u>	<u>1,118</u>
Total assets	<u>\$ 4,870,613</u>	<u>\$ 7,969,858</u>	<u>\$ 225,180</u>
<b>Liabilities</b>			
Accounts payable	\$ 423,718	\$ -	\$ -
Deposits payable	4,347,640	-	-
Due to other governmental units	99,255	7,969,858	225,180
	<u>99,255</u>	<u>7,969,858</u>	<u>225,180</u>
Total liabilities	<u>\$ 4,870,613</u>	<u>\$ 7,969,858</u>	<u>\$ 225,180</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS -**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2006**

**Concluded**

	<u>Hospital Millage</u>	<u>Dependent Care</u>	<u>Medical Spending Reimbursement</u>	<u>Total</u>
<b>Assets</b>				
Cash and investment pool	\$ 20,677	\$ 1,247	\$ 393	\$ 9,708,302
Receivables (net):				
Taxes	35,773	-	-	35,773
Accounts	-	-	-	3,378,496
Accrued interest	201	-	-	1,371
	<u>56,651</u>	<u>1,247</u>	<u>393</u>	<u>13,123,942</u>
Total assets	<u>\$ 56,651</u>	<u>\$ 1,247</u>	<u>\$ 393</u>	<u>\$ 13,123,942</u>
<b>Liabilities</b>				
Accounts payable	\$ 56,651	\$ -	\$ -	\$ 480,369
Deposits payable	-	1,247	393	4,349,280
Due to other governmental units	-	-	-	8,294,293
	<u>56,651</u>	<u>1,247</u>	<u>393</u>	<u>13,123,942</u>
Total liabilities	<u>\$ 56,651</u>	<u>\$ 1,247</u>	<u>\$ 393</u>	<u>\$ 13,123,942</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

Continued

	<u>Balance October 1, 2005</u>	<u>Additions</u>	<u>(Deductions)</u>	<u>Balance September 30, 2006</u>
<b><u>Trust &amp; Agency</u></b>				
<b>Assets</b>				
Cash and investment pool	\$ 1,415,475	\$ 104,381,235	\$ (104,303,990)	\$ 1,492,720
Receivables (net):				
Accounts	3,633,636	716,675	(972,470)	3,377,841
Accrued interest	48	528	(524)	52
	<u>5,049,159</u>	<u>105,098,438</u>	<u>(105,276,984)</u>	<u>4,870,613</u>
Total assets	<u>\$ 5,049,159</u>	<u>\$ 105,098,438</u>	<u>\$ (105,276,984)</u>	<u>\$ 4,870,613</u>
<b>Liabilities</b>				
Accounts payable	\$ 456,794	\$ 6,331,549	\$ (6,364,625)	\$ 423,718
Deposits payable	4,215,449	88,716,032	(88,583,841)	4,347,640
Due to other funds	-	105,405	(105,405)	-
Due to other governmental units	376,916	16,002,259	(16,279,920)	99,255
	<u>5,049,159</u>	<u>111,155,245</u>	<u>(111,333,791)</u>	<u>4,870,613</u>
Total liabilities	<u>\$ 5,049,159</u>	<u>\$ 111,155,245</u>	<u>\$ (111,333,791)</u>	<u>\$ 4,870,613</u>
<b><u>State Education Tax</u></b>				
<b>Assets</b>				
Cash and investment pool	\$ 8,248,283	\$ 32,230,173	\$ (32,508,598)	\$ 7,969,858
Due from other funds	77,517	1,041	(78,558)	-
	<u>8,248,283</u>	<u>32,231,214</u>	<u>(32,587,156)</u>	<u>7,969,858</u>
Total assets	<u>\$ 8,248,283</u>	<u>\$ 32,231,214</u>	<u>\$ (32,587,156)</u>	<u>\$ 7,969,858</u>
<b>Liabilities</b>				
Due to other funds	\$ 13,642	\$ 16,467	\$ (30,109)	\$ -
Due to other governmental units	8,248,283	35,289,853	(35,568,278)	7,969,858
	<u>8,248,283</u>	<u>35,306,320</u>	<u>(35,598,387)</u>	<u>7,969,858</u>
Total liabilities	<u>\$ 8,248,283</u>	<u>\$ 35,306,320</u>	<u>\$ (35,598,387)</u>	<u>\$ 7,969,858</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

Continued

	<u>Balance October 1, 2005</u>	<u>Additions</u>	<u>(Deductions)</u>	<u>Balance September 30, 2006</u>
<b><u>Library Penal Fine</u></b>				
<b>Assets</b>				
Cash and investment pool	\$ 218,312	\$ 908,385	\$ (903,290)	\$ 223,407
Receivables (net):				
Accounts	2,100	655	(2,100)	655
Accrued interest	798	18,145	(17,825)	1,118
	<u>\$ 221,210</u>	<u>\$ 927,185</u>	<u>\$ (923,215)</u>	<u>\$ 225,180</u>
Total assets				
	<u>\$ 221,210</u>	<u>\$ 927,185</u>	<u>\$ (923,215)</u>	<u>\$ 225,180</u>
<b>Liabilities</b>				
Due to other governmental units	\$ 221,210	\$ 900,260	\$ (896,290)	\$ 225,180
	<u>\$ 221,210</u>	<u>\$ 900,260</u>	<u>\$ (896,290)</u>	<u>\$ 225,180</u>
<b><u>Hospital Millage</u></b>				
<b>Assets</b>				
Cash and investment pool	\$ 17,782	\$ 1,199,947	\$ (1,197,052)	\$ 20,677
Receivables (net):				
Taxes	37,057	4,232	(5,516)	35,773
Accrued interest	214	3,726	(3,739)	201
Due from other funds	-	3,255	(3,255)	-
	<u>\$ 55,053</u>	<u>\$ 1,211,160</u>	<u>\$ (1,209,562)</u>	<u>\$ 56,651</u>
Total assets				
	<u>\$ 55,053</u>	<u>\$ 1,211,160</u>	<u>\$ (1,209,562)</u>	<u>\$ 56,651</u>
<b>Liabilities</b>				
Accounts payable	\$ 55,053	\$ 1,188,884	\$ (1,187,286)	\$ 56,651
Due to other funds	-	550	(550)	-
	<u>\$ 55,053</u>	<u>\$ 1,189,434</u>	<u>\$ (1,187,836)</u>	<u>\$ 56,651</u>
Total liabilities				
	<u>\$ 55,053</u>	<u>\$ 1,189,434</u>	<u>\$ (1,187,836)</u>	<u>\$ 56,651</u>
<b><u>Dependent Care</u></b>				
<b>Assets</b>				
Cash and investment pool	\$ 3,669	\$ 39,725	\$ (42,147)	\$ 1,247
<b>Liabilities</b>				
Accounts payable	\$ 1,855	\$ 42,659	\$ (44,514)	\$ -
Deposits payable	1,814	39,875	(40,442)	1,247
	<u>\$ 3,669</u>	<u>\$ 82,534</u>	<u>\$ (84,956)</u>	<u>\$ 1,247</u>
Total liabilities				
	<u>\$ 3,669</u>	<u>\$ 82,534</u>	<u>\$ (84,956)</u>	<u>\$ 1,247</u>

**COUNTY OF SAGINAW, MICHIGAN  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**Concluded**

	<u>Balance October 1, 2005</u>	<u>Additions</u>	<u>(Deductions)</u>	<u>Balance September 30, 2006</u>
<b><u>Medical Spending Reimbursement</u></b>				
<b>Assets</b>				
Cash and investment pool	\$ 5,432	\$ 105,015	\$ (110,054)	\$ 393
<b>Liabilities</b>				
Accounts payable	\$ 3,131	\$ 108,651	\$ (111,782)	\$ -
Deposits payable	2,301	95,712	(97,620)	393
Due to other funds	-	9,396	(9,396)	-
Total liabilities	<u>\$ 5,432</u>	<u>\$ 213,759</u>	<u>\$ (218,798)</u>	<u>\$ 393</u>
<b><u>Total - All Agency Funds</u></b>				
<b>Assets</b>				
Cash and investment pool	\$ 9,908,953	\$ 138,864,480	\$ (139,065,131)	\$ 9,708,302
Receivables (net):				
Taxes	37,057	4,232	(5,516)	35,773
Accounts	3,635,736	717,330	(974,570)	3,378,496
Accrued interest	1,060	22,399	(22,088)	1,371
Due from other funds	77,517	4,296	(81,813)	-
Total assets	<u>\$ 13,582,806</u>	<u>\$ 139,612,737</u>	<u>\$ (140,149,118)</u>	<u>\$ 13,123,942</u>
<b>Liabilities</b>				
Accounts payable	\$ 516,833	\$ 7,671,743	\$ (7,708,207)	\$ 480,369
Deposits payable	4,219,564	88,851,619	(88,721,903)	4,349,280
Due to other funds	13,642	122,422	(136,064)	-
Due to other governmental units	8,846,409	52,192,372	(52,744,488)	8,294,293
Total liabilities	<u>\$ 13,582,806</u>	<u>\$ 148,838,156</u>	<u>\$ (149,310,662)</u>	<u>\$ 13,123,942</u>

## **BROWNFIELD REDEVELOPMENT AUTHORITY**

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

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

**COUNTY OF SAGINAW, MICHIGAN**  
**BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT**  
**STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND**  
**BALANCE SHEET**  
**SEPTEMBER 30, 2006**

	<b>Brownfield Redevelopment Authority</b>	<b>Adjustments</b>	<b>Statement of Net Assets</b>
<b>Assets</b>			
Cash and investment pool	\$ 469,396	\$ -	\$ 469,396
Accrued interest receivable	1,723	-	1,723
Due from other governmental units	40,374	-	40,374
	<u>\$ 511,493</u>	<u>\$ -</u>	<u>511,493</u>
<b>Total assets</b>			
	<u>\$ 511,493</u>	<u>\$ -</u>	<u>511,493</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 5,625	\$ -	5,625
Deferred revenue	7,829	(7,829)	-
Long-term liabilities:			
Due within one year	-	30,253	30,253
Due in more than one year	-	477,823	477,823
	<u>13,454</u>	<u>500,247</u>	<u>513,701</u>
<b>Total liabilities</b>	<u>13,454</u>	<u>500,247</u>	<u>513,701</u>
<b>Fund Balances</b>			
Unreserved	498,039	(498,039)	-
	<u>498,039</u>	<u>(498,039)</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ 511,493</u>		
<b>Net assets:</b>			
Unrestricted (deficit)		<u>(2,208)</u>	<u>(2,208)</u>
<b>Total net assets</b>		<u>\$ (2,208)</u>	<u>\$ (2,208)</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, 2006**

	<b>Brownfield Redevelopment Authority</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>Revenues</b>			
Property taxes	\$ 182,980	\$ (29,700)	\$ 153,280
Federal grants	49,056	-	49,056
Investment income	17,854	-	17,854
	<u>249,890</u>	<u>(29,700)</u>	<u>220,190</u>
<b>Expenditures / Expenses</b>			
Current:			
Community and economic development	61,743	(2,891)	58,852
Debt service:			
Principal	13,674	(13,674)	-
Interest and fiscal charges	3,032	-	3,032
	<u>78,449</u>	<u>(16,565)</u>	<u>61,884</u>
Net change in fund balances	171,441	(171,441)	-
Change in net assets	-	158,306	158,306
Fund balance / net assets (deficit), beginning of year	<u>326,598</u>	<u>(487,112)</u>	<u>(160,514)</u>
Fund balance / net assets (deficit), end of year	<u>\$ 498,039</u>	<u>\$ (500,247)</u>	<u>\$ (2,208)</u>

**COUNTY OF SAGINAW, MICHIGAN  
 BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
Property taxes	\$ 176,504	\$ 176,504	\$ 182,980	\$ 6,476
Federal grants	950,024	950,024	49,056	(900,968)
State grants	230,000	230,000	-	(230,000)
Investment income	-	-	17,854	17,854
	<u>1,356,528</u>	<u>1,356,528</u>	<u>249,890</u>	<u>(1,106,638)</u>
<b>Expenditures</b>				
Current:				
Community and economic development	1,339,822	1,339,822	61,743	1,278,079
Debt service:				
Principal	13,674	13,674	13,674	-
Interest and fiscal charges	3,032	3,032	3,032	-
	<u>1,356,528</u>	<u>1,356,528</u>	<u>78,449</u>	<u>1,278,079</u>
Net change in fund balances	-	-	171,441	171,441
Fund balance, beginning of year	<u>326,598</u>	<u>326,598</u>	<u>326,598</u>	<u>-</u>
Fund balance, end of year	<u>\$ 326,598</u>	<u>\$ 326,598</u>	<u>\$ 498,039</u>	<u>\$ 171,441</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, 2006**

	<u>Debt Service</u>	<u>Construction</u>	<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
<b>Assets</b>					
Cash and investment pool	\$ 68,816	\$ 34,247	\$ 103,063	\$ -	\$ 103,063
Accrued interest receivable	-	366	366	-	366
Due from other governmental units	-	972,000	972,000	19,560,555	20,532,555
Prepaid items	601,164	-	601,164	(601,164)	-
Total assets	<u>\$ 669,980</u>	<u>\$ 1,006,613</u>	<u>\$ 1,676,593</u>	<u>\$ 18,959,391</u>	<u>20,635,984</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 792	\$ 972,497	\$ 973,289	\$ 209,555	\$ 1,182,844
Deferred revenue	613,116	-	613,116	(613,116)	-
Long-term liabilities:					
Due within one year	-	-	-	1,363,000	1,363,000
Due in more than one year	-	-	-	17,988,000	17,988,000
Total liabilities	<u>613,908</u>	<u>972,497</u>	<u>1,586,405</u>	<u>18,947,439</u>	<u>20,533,844</u>
<b>Fund Balances</b>					
Reserved for:					
Debt service	<u>56,072</u>	<u>34,116</u>	<u>90,188</u>	<u>(90,188)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 669,980</u>	<u>\$ 1,006,613</u>	<u>\$ 1,676,593</u>		
<b>Net assets:</b>					
Restricted for:					
Debt service				56,072	56,072
Acquisition/construction of capital assets				46,068	46,068
Total net assets				<u>\$ 102,140</u>	<u>\$ 102,140</u>

**COUNTY OF SAGINAW, MICHIGAN**  
**DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT**  
**STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Debt Service</u>	<u>Construction</u>	<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues</b>					
Local grants and contributions	\$ 2,416,061	\$ -	\$ 2,416,061	\$ (302,136)	\$ 2,113,925
Investment income	1,997	6,994	8,991	-	8,991
Total revenues	<u>2,418,058</u>	<u>6,994</u>	<u>2,425,052</u>	<u>(302,136)</u>	<u>2,122,916</u>
<b>Expenditures / Expenses</b>					
Current:					
Public works	-	1,832,658	1,832,658	-	1,832,658
Debt service:					
Principal	2,175,000	-	2,175,000	(2,175,000)	-
Interest and fiscal charges	796,560	-	796,560	(10,728)	785,832
Total expenditures / expenses	<u>2,971,560</u>	<u>1,832,658</u>	<u>4,804,218</u>	<u>(2,185,728)</u>	<u>2,618,490</u>
Revenues over (under) expenditures	<u>(553,502)</u>	<u>(1,825,664)</u>	<u>(2,379,166)</u>	<u>1,883,592</u>	<u>(495,574)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	556,575	-	556,575	-	556,575
Transfers out	-	(556,575)	(556,575)	-	(556,575)
Note proceeds	-	1,943,000	1,943,000	(1,943,000)	-
Total other financing sources (uses)	<u>556,575</u>	<u>1,386,425</u>	<u>1,943,000</u>	<u>(1,943,000)</u>	<u>-</u>
Net change in fund balances	3,073	(439,239)	(436,166)	436,166	-
Change in net assets	-	-	-	(495,574)	(495,574)
Fund balance / net assets, beginning of year	<u>52,999</u>	<u>473,355</u>	<u>526,354</u>	<u>71,360</u>	<u>597,714</u>
Fund balance / net assets, end of year	<u>\$ 56,072</u>	<u>\$ 34,116</u>	<u>\$ 90,188</u>	<u>\$ 11,952</u>	<u>\$ 102,140</u>

**COUNTY OF SAGINAW, MICHIGAN  
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT  
STATEMENT OF NET ASSETS - PROPRIETARY FUND  
SEPTEMBER 30, 2006**

---

	<u>Administration</u>
<b>Assets</b>	
Current assets:	
Due from other governmental units	\$ 12,362
	<hr/>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	11,469
Accrued liabilities	893
	<hr/>
Total current liabilities	12,362
	<hr/>
<b>Net Assets</b>	
Unrestricted	\$ -
	<hr/> <hr/>

**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, 2006**

---

	<b>Administration</b>
<b>Operating Revenues</b>	
Licenses and permits	\$ 60,054
Reimbursements	33,800
	93,854
Total operating revenues	93,854
<b>Operating Expenses</b>	
Personal services	29,292
Fringe benefits	11,581
Supplies	1,101
Services and charges	51,880
	93,854
Total operating expenses	93,854
Operating income (loss)	-
Net assets, beginning of year	-
Net assets, end of year	\$ -

**COUNTY OF SAGINAW, MICHIGAN**  
**DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

---

	<u>Administration</u>
<b>Cash flows from operating activities:</b>	
Receipts from customers	\$ 64,769
Payments to employees	(41,313)
Payments to suppliers	(57,256)
Other operating revenue	33,800
	<hr/>
Net cash provided by (used in) operating activities	-
Cash and cash equivalents, beginning of year	<hr/> -
Cash and cash equivalents, end of year	<hr/> <u>\$ -</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>	
Operating income (loss)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Changes in assets and liabilities:	
Accounts receivable	5,160
Due from other governmental units	(445)
Accounts payable	(4,275)
Accrued liabilities	(440)
	<hr/>
Net cash provided by (used in) operating activities	<hr/> <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, 2006**

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	\$ 802,686	\$ 51,282	\$ 3,406,653	\$ 772,559	\$ 138,373
Receivables (net):					
Special assessments	2,969,476	11,446,396	-	-	-
Accounts	-	-	-	-	-
Due from other funds	10,481	-	9,749	49,426	-
Prepaid items	-	1,394,761	-	-	-
Capital assets, net:					
Assets not being depreciated	-	-	-	-	-
Assets being depreciated	-	-	-	-	-
<b>Total assets</b>	<u>\$ 3,782,643</u>	<u>\$ 12,892,439</u>	<u>\$ 3,416,402</u>	<u>\$ 821,985</u>	<u>\$ 138,373</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 30,701	\$ 1,349	\$ -
Due to other funds	87,776	-	180,145	107,036	-
Advances from primary government	-	-	-	-	-
Deferred revenue	2,969,476	12,841,157	-	-	-
Long-term liabilities:					
Due within one year	-	-	-	-	-
Due in more than one year	-	-	-	-	-
<b>Total liabilities</b>	<u>3,057,252</u>	<u>12,841,157</u>	<u>210,846</u>	<u>108,385</u>	<u>-</u>
<b>Fund Balances</b>					
Reserved for:					
Debt service	725,391	51,282	-	-	-
Capital projects	-	-	3,205,556	713,600	138,373
<b>Total fund balances</b>	<u>725,391</u>	<u>51,282</u>	<u>3,205,556</u>	<u>713,600</u>	<u>138,373</u>
<b>Total liabilities and fund balances</b>	<u>\$ 3,782,643</u>	<u>\$ 12,892,439</u>	<u>\$ 3,416,402</u>	<u>\$ 821,985</u>	<u>\$ 138,373</u>

**COUNTY OF SAGINAW, MICHIGAN  
DRAIN COMMISSION COMPONENT UNIT  
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET  
SEPTEMBER 30, 2006**

**Concluded**

	<b>Capital Projects Funds</b>		<b>Total Governmental Funds</b>	<b>Adjustments</b>	<b>Statement of Net Assets</b>
	<b>Revolving Drain</b>	<b>Revolving Drain Maintenance</b>			
<b>Assets</b>					
Cash and investment pool	\$ 149,681	\$ 53,159	\$ 5,374,393	\$ -	\$ 5,374,393
Receivables (net):					
Special assessments	-	-	14,415,872	-	14,415,872
Accounts	-	427	427	-	427
Due from other funds	280,275	28,546	378,477	(378,477)	-
Prepaid items	-	-	1,394,761	(1,394,761)	-
Capital assets, net:					
Assets not being depreciated	-	-	-	151,600	151,600
Assets being depreciated	-	-	-	41,973,623	41,973,623
<b>Total assets</b>	<b>\$ 429,956</b>	<b>\$ 82,132</b>	<b>\$ 21,563,930</b>	<b>40,351,985</b>	<b>61,915,915</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 26,434	\$ 1,887	\$ 60,371	65,382	125,753
Due to other funds	3,522	-	378,479	(378,479)	-
Advances from primary government	400,000	-	400,000	-	400,000
Deferred revenue	-	-	15,810,633	(15,810,633)	-
Long-term liabilities:					
Due within one year	-	-	-	1,366,695	1,366,695
Due in more than one year	-	-	-	12,270,175	12,270,175
<b>Total liabilities</b>	<b>429,956</b>	<b>1,887</b>	<b>16,649,483</b>	<b>(2,486,860)</b>	<b>14,162,623</b>
<b>Fund Balances</b>					
Reserved for:					
Debt service	-	-	776,673	(776,673)	-
Capital projects	-	80,245	4,137,774	(4,137,774)	-
<b>Total fund balances</b>	<b>-</b>	<b>80,245</b>	<b>4,914,447</b>	<b>(4,914,447)</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 429,956</b>	<b>\$ 82,132</b>	<b>\$ 21,563,930</b>		
<b>Net assets:</b>					
Invested in capital assets, net of related debt				28,488,353	28,488,353
Restricted for:					
Debt service				776,673	776,673
Acquisition/construction of capital assets				4,137,774	4,137,774
Unrestricted				14,350,492	14,350,492
<b>Total net assets</b>				<b>\$ 47,753,292</b>	<b>\$ 47,753,292</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, 2006**

	<u>Major Debt Service Funds</u>		<u>Major Capital Projects Funds</u>		
	<u>Chapter 8 Drains</u>	<u>Chapter 20 Drains</u>	<u>Special Assessment Drain</u>	<u>Chapter 8 Drains</u>	<u>Chapter 20 Drains</u>
<b>Revenues</b>					
Special assessments	\$ 1,058,680	\$ -	\$ 225,385	\$ -	\$ -
Local grants and contributions	316,389	1,609,218	30,324	-	-
Investment income	41,326	1,712	94,186	32,962	4,759
Reimbursements	-	-	110,377	-	-
Total revenues	<u>1,416,395</u>	<u>1,610,930</u>	<u>460,272</u>	<u>32,962</u>	<u>4,759</u>
<b>Expenditures</b>					
Current:					
Public works	-	-	309,381	-	250
Capital outlay	-	-	29,200	129,129	-
Depreciation	-	-	-	-	-
Debt service:					
Principal	1,207,695	1,325,000	-	-	-
Interest and fiscal charges	195,957	284,218	-	-	-
Total expenditures	<u>1,403,652</u>	<u>1,609,218</u>	<u>338,581</u>	<u>129,129</u>	<u>250</u>
Revenues over (under) expenditures	<u>12,743</u>	<u>1,712</u>	<u>121,691</u>	<u>(96,167)</u>	<u>4,509</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	60,500	-	245,455	-	-
Transfers out	-	-	(60,500)	(245,455)	-
Note proceeds	-	-	-	87,000	-
Total other financing sources (uses)	<u>60,500</u>	<u>-</u>	<u>184,955</u>	<u>(158,455)</u>	<u>-</u>
Net change in fund balances	73,243	1,712	306,646	(254,622)	4,509
Fund balance / net assets, beginning of year, as restated	652,148	49,570	2,898,910	968,222	133,864
Fund balance / net assets, end of year	<u>\$ 725,391</u>	<u>\$ 51,282</u>	<u>\$ 3,205,556</u>	<u>\$ 713,600</u>	<u>\$ 138,373</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, 2006**

	<u>Major Capital Projects Funds</u>		<u>Total Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
	<u>Revolving Drain</u>	<u>Revolving Drain Maintenance</u>			
<b>Revenues</b>					
Special assessments	\$ -	\$ -	\$ 1,284,065	\$ (1,090,611)	\$ 193,454
Local grants and contributions	-	-	1,955,931	(1,307,860)	648,071
Investment income	-	3,361	178,306	-	178,306
Reimbursements	-	25,045	135,422	-	135,422
Total revenues	<u>-</u>	<u>28,406</u>	<u>3,553,724</u>	<u>(2,398,471)</u>	<u>1,155,253</u>
<b>Expenditures / Expenses</b>					
Current:					
Public works	-	14,890	324,521	-	324,521
Capital outlay	-	-	158,329	(158,329)	-
Depreciation	-	-	-	1,188,960	1,188,960
Debt service:					
Principal	-	-	2,532,695	(2,532,695)	-
Interest and fiscal charges	-	-	480,175	(28,273)	451,902
Total expenditures / expenses	<u>-</u>	<u>14,890</u>	<u>3,495,720</u>	<u>(1,530,337)</u>	<u>1,965,383</u>
Revenues over (under) expenditures	<u>-</u>	<u>13,516</u>	<u>58,004</u>	<u>(868,134)</u>	<u>(810,130)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	305,955	(305,955)	-
Transfers out	-	-	(305,955)	305,955	-
Note proceeds	-	-	87,000	(87,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>87,000</u>	<u>(87,000)</u>	<u>-</u>
Net change in fund balances	-	13,516	145,004	(145,004)	-
Change in net assets	-	-	-	(810,130)	(810,130)
Fund balance / net assets, beginning of year, as restated	<u>-</u>	<u>66,729</u>	<u>4,769,443</u>	<u>43,793,979</u>	<u>48,563,422</u>
Fund balance / net assets, end of year	<u>\$ -</u>	<u>\$ 80,245</u>	<u>\$ 4,914,447</u>	<u>\$ 42,838,845</u>	<u>\$ 47,753,292</u>

## STATISTICAL SECTION

This part of the County of Saginaw's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	156-160
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	161-164
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	165-168
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	169-171
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	172-173

**COUNTY OF SAGINAW****Net Assets by Component  
Last Four Fiscal Years (A)***(accrual basis of accounting)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Governmental activities</b>				
Invested in capital assets, net of related debt	\$ 20,348,092	\$ 18,693,962	\$ 23,870,059	\$ 26,677,751
Restricted	3,578,140	5,017,876	10,456,483	15,096,955
Unrestricted	38,796,680	40,192,196	37,750,715	38,214,144
Total governmental activities net assets	<u>\$ 62,722,912</u>	<u>\$ 63,904,034</u>	<u>\$ 72,077,257</u>	<u>\$ 79,988,850</u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ 6,588,283	\$ 8,182,534	\$ 9,042,364	\$ 10,163,840
Restricted	-	-	-	-
Unrestricted	6,779,711	6,483,049	6,546,799	7,564,803
Total business-type activities net assets	<u>\$ 13,367,994</u>	<u>\$ 14,665,583</u>	<u>\$ 15,589,163</u>	<u>\$ 17,728,643</u>
<b>Primary government</b>				
Invested in capital assets, net of related debt	\$ 26,936,375	\$ 26,876,496	\$ 32,912,423	\$ 36,841,591
Restricted	3,578,140	5,017,876	10,456,483	15,096,955
Unrestricted	45,576,391	46,675,245	44,297,514	45,778,947
Total primary activities net assets	<u>\$ 76,090,906</u>	<u>\$ 78,569,617</u>	<u>\$ 87,666,420</u>	<u>\$ 97,717,493</u>

(A) - Saginaw County implemented GASB Statement No. 34 as of and for the year ended September 30, 2003. Accordingly, data prior to 2003 is not available.

Source: Saginaw County Finance Department

**COUNTY OF SAGINAW**

**Changes in Net Assets  
Last Four Fiscal Years (A)**  
*(accrual basis of accounting)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Expenses</b>				
Governmental activities:				
Legislative	\$ 632,837	\$ 668,853	\$ 701,591	\$ 730,342
Judicial	14,256,047	14,550,828	14,978,854	15,971,450
General government	12,274,800	11,062,527	12,315,843	12,516,894
Public safety	19,616,738	19,254,707	20,456,961	21,566,641
Public works	790,748	869,985	1,640,444	1,257,095
Health and welfare	40,316,258	39,677,325	40,985,926	41,749,695
Community and economic development	2,655,768	2,232,404	3,192,602	2,556,380
Recreation and culture	1,705,574	1,798,804	1,853,821	2,498,824
Interest on long-term debt	439,505	400,452	500,165	1,845,633
Total governmental activities expenses	<u>92,688,275</u>	<u>90,515,885</u>	<u>96,626,207</u>	<u>100,692,954</u>
Business-type activities:				
Delinquent tax revolving	120,580	168,793	281,667	448,168
Building Authority Event Center	4,724,260	4,272,247	4,492,342	4,754,931
Harry W. Browne Airport	479,585	539,446	542,608	549,566
Parking system	74,894	62,934	62,250	78,783
Delinquent tax foreclosure	-	-	172,274	427,025
Building Authority administration	57,722	177,606	98,733	56,297
Inmate services	429,168	507,227	568,136	521,732
Total business-type activities expenses	<u>5,886,209</u>	<u>5,728,253</u>	<u>6,218,010</u>	<u>6,836,502</u>
Total primary government expenses	<u>98,574,484</u>	<u>96,244,138</u>	<u>102,844,217</u>	<u>107,529,456</u>
<b>Program revenues</b>				
Governmental activities:				
Charges for services:				
Judicial	2,862,059	3,110,120	3,197,694	3,411,499
General government	3,761,202	4,059,315	3,715,523	4,313,478
Public safety	7,391,985	8,297,605	8,262,353	8,544,589
Public works	685,408	768,708	712,869	758,816
Health and welfare	4,171,412	4,330,631	3,625,154	4,296,358
Community and economic development	129,891	120,454	157,693	1,065,844
Recreation and culture	212,487	200,955	162,301	190,480
Interest on long-term debt	-	-	710	-
Operating grants and contributions	36,899,066	36,045,992	38,639,893	39,191,120
Capital grants and contributions	578,484	106,417	2,776,384	844,828
Total governmental activities program revenues	<u>56,691,994</u>	<u>57,040,197</u>	<u>61,250,574</u>	<u>62,617,012</u>
Business-type activities:				
Charges for services:				
Delinquent tax revolving	2,097,942	1,652,180	1,628,449	2,100,146
Building Authority Event Center	2,732,169	3,029,997	3,179,516	3,359,190
Harry W. Browne Airport	161,804	142,388	148,360	124,897
Parking system	75,930	78,274	75,681	78,628
Delinquent tax foreclosure	-	-	167,757	594,461
Building Authority administration	27,700	28,300	28,900	29,600
Inmate services	881,789	1,028,230	955,035	981,451
Operating grants and contributions	25,027	-	-	-
Capital grants and contributions	487,430	315,889	151,995	363,015
Total business-type activities program revenues	<u>6,489,791</u>	<u>6,275,258</u>	<u>6,335,693</u>	<u>7,631,388</u>
Total primary government program revenues	<u>63,181,785</u>	<u>63,315,455</u>	<u>67,586,267</u>	<u>70,248,400</u>

Continued...

**COUNTY OF SAGINAW**

**Changes in Net Assets  
Last Four Fiscal Years (A)**  
*(accrual basis of accounting)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	(35,996,281)	(33,475,688)	(35,375,633)	(38,075,942)
Business-type activities	<u>603,582</u>	<u>547,005</u>	<u>117,683</u>	<u>794,886</u>
Total primary government net expense	<u>(35,392,699)</u>	<u>(32,928,683)</u>	<u>(35,257,950)</u>	<u>(37,281,056)</u>
<b>General Revenues</b>				
Governmental activities:				
Property taxes	27,806,316	28,769,964	38,828,397	40,215,429
Accommodations tax	1,421,480	1,451,049	1,511,407	1,736,595
Grants and contributions not restricted to specific programs	4,692,761	4,372,580	497,033	514,892
Investment income - interest earned	725,984	473,729	791,922	1,464,553
Gain (loss) on sale of capital assets	31,170	28,954	10,439	33,550
Transfers	<u>2,029,771</u>	<u>2,094,475</u>	<u>1,909,658</u>	<u>2,022,516</u>
Total governmental activities	<u>36,707,482</u>	<u>37,190,751</u>	<u>43,548,856</u>	<u>45,987,535</u>
Business-type activities:				
Property taxes	2,249,128	2,299,161	2,390,191	2,531,055
Investment income - interest earned	356,263	205,915	380,242	830,759
Gain on sale of capital assets	627	2,983	2,250	5,296
Transfers	<u>(2,029,771)</u>	<u>(2,094,475)</u>	<u>(1,909,658)</u>	<u>(2,022,516)</u>
Total business-type activities	<u>576,247</u>	<u>413,584</u>	<u>863,025</u>	<u>1,344,594</u>
Total primary government	<u>37,283,729</u>	<u>37,604,335</u>	<u>44,411,881</u>	<u>47,332,129</u>
<b>Change in Net Assets</b>				
Governmental activities	711,201	3,715,063	8,173,223	7,911,593
Business-type activities	<u>1,179,829</u>	<u>960,589</u>	<u>980,708</u>	<u>2,139,480</u>
Total primary government	<u>1,891,030</u>	<u>4,675,652</u>	<u>9,153,931</u>	<u>10,051,073</u>

(A) - Saginaw County implemented GASB Statement No. 34 as of and for the year ended September 30, 2003. Accordingly, data prior to 2003 is not available.

Source: Saginaw County Finance Department

**COUNTY OF SAGINAW****Fund Balances of Governmental Funds  
Last Four Fiscal Years (A)***(modified accrual basis of accounting)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>General fund</b>				
Reserved	\$ 10,967,254	\$ 10,966,186	\$ 10,957,018	\$ 10,955,773
Unreserved	<u>9,919,989</u>	<u>10,269,727</u>	<u>9,112,381</u>	<u>8,702,920</u>
Total general fund	<u><u>\$ 20,887,243</u></u>	<u><u>\$ 21,235,913</u></u>	<u><u>\$ 20,069,399</u></u>	<u><u>\$ 19,658,693</u></u>
<b>All other governmental funds</b>				
Reserved	\$ 3,631,618	\$ 5,047,280	\$ 10,573,058	\$ 15,096,955
Unreserved, reported in:				
Special revenue funds	<u>11,496,573</u>	<u>11,910,025</u>	<u>9,545,217</u>	<u>9,598,580</u>
Total all other governmental funds	<u><u>\$ 15,128,191</u></u>	<u><u>\$ 16,957,305</u></u>	<u><u>\$ 20,118,275</u></u>	<u><u>\$ 24,695,535</u></u>

(A) - Saginaw County implemented GASB Statement No. 34 as of and for the year ended September 30, 2003. Accordingly, data prior to 2003 is not available.

Source: Saginaw County Finance Department

**COUNTY OF SAGINAW**

**Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years**

(modified accrual basis of accounting)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Revenues</b>										
Property taxes	\$ 22,582,691	\$ 23,506,467	\$ 25,006,934	\$ 26,224,793	\$ 26,892,029	\$ 28,178,639	\$ 27,704,824	\$ 28,490,665	\$ 38,240,343	\$ 39,547,082
Accommodations tax	-	-	-	-	-	-	1,421,480	1,451,049	1,511,407	1,736,595
Licenses and permits	391,151	400,304	441,531	472,029	416,148	491,242	464,531	505,333	478,771	460,324
Federal grants	13,715,845	13,490,413	17,503,717	19,014,502	18,800,415	17,719,776	24,194,200	23,005,497	25,633,570	11,462,391
State grants	40,445,809	17,277,074	17,674,052	17,886,354	17,811,736	21,723,028	16,159,985	15,935,553	12,848,642	24,905,630
Local grants and contributions	156,714	262,215	502,192	931,809	736,335	1,650,915	1,248,967	928,143	2,983,831	1,476,260
Charges for services	11,822,664	7,537,401	8,550,555	10,769,768	10,234,094	11,574,582	12,517,704	14,340,063	13,419,617	13,515,547
Fines and forfeitures	1,263,136	1,455,151	1,571,717	1,154,000	977,623	907,130	1,126,489	1,027,075	809,715	1,008,308
Investment income	1,612,495	1,605,659	1,621,751	2,039,076	1,957,099	1,211,418	631,230	409,880	680,199	1,204,893
Rental revenue	1,890,823	1,055,518	793,986	905,786	1,081,960	1,061,609	831,261	794,848	791,084	751,225
Donations	437,554	346,971	339,160	379,182	434,378	418,466	531,032	632,432	1,641,847	2,701,745
Reimbursements	6,341,479	5,331,728	6,255,147	7,177,175	7,773,160	4,387,728	5,733,568	5,678,315	5,969,374	7,437,949
Other revenue	719,505	2,377,155	2,487,977	2,220,953	2,206,751	1,702,217	395,154	342,577	374,548	357,362
<b>Total revenues</b>	<u>101,379,866</u>	<u>74,646,056</u>	<u>82,748,719</u>	<u>89,175,427</u>	<u>89,321,728</u>	<u>91,026,750</u>	<u>92,960,425</u>	<u>93,541,430</u>	<u>105,382,948</u>	<u>106,565,311</u>
<b>Expenditures</b>										
Legislative	529,267	576,260	571,950	581,279	636,076	642,725	616,217	650,860	692,177	723,248
Judicial	9,167,811	8,833,443	8,828,910	9,194,760	9,747,468	10,149,975	13,758,483	13,960,908	14,640,407	15,255,952
General government	8,786,498	8,957,121	8,875,721	8,926,317	9,811,784	10,136,764	12,395,693	11,925,144	13,301,384	12,949,408
Public safety	15,439,621	15,267,283	16,942,940	21,645,831	19,895,101	21,251,088	19,062,963	19,102,853	20,470,945	20,547,723
Public works	589,325	482,916	650,974	760,592	864,925	858,754	775,952	865,444	3,369,620	1,224,074
Health and welfare	60,142,498	32,978,998	36,181,368	38,314,903	41,254,760	43,190,293	39,961,234	39,429,284	40,082,250	40,720,930
Community and economic development	-	-	-	-	-	-	2,749,642	2,915,523	3,856,282	3,530,506
Recreation and culture	2,437,530	2,571,939	2,634,515	2,889,026	3,664,186	2,974,709	1,644,117	1,739,480	1,769,227	2,346,192
Pooled costs and fees	-	1,028,333	2,224,379	2,639,824	2,836,560	-	-	-	-	-
Other	313,840	175,031	199,702	155,606	329,031	104,612	870,421	890,908	983,614	1,087,151
Capital outlay	3,176,116	2,284,950	4,758,875	940,762	1,737,545	2,048,563	1,014,661	493,681	2,704,490	3,179,178
Debt service:										
Principal	1,690,000	1,710,000	770,000	795,000	925,000	1,030,000	1,842,000	1,125,000	2,415,000	1,189,999
Interest and fiscal charges	789,308	684,149	578,644	637,657	671,212	616,408	507,626	420,955	1,066,684	1,869,332
<b>Total expenditures</b>	<u>103,061,814</u>	<u>75,550,423</u>	<u>83,217,978</u>	<u>87,481,557</u>	<u>92,373,648</u>	<u>93,003,891</u>	<u>95,199,009</u>	<u>93,520,040</u>	<u>105,352,080</u>	<u>104,623,693</u>
Revenues over (under) expenditures	(1,681,948)	(904,367)	(469,259)	1,693,870	(3,051,920)	(1,977,141)	(2,238,584)	21,390	30,868	1,941,618
<b>Other financing sources (uses)</b>										
Transfers in	14,093,585	12,337,972	14,938,752	14,878,354	13,117,268	12,049,305	11,668,485	11,962,043	14,984,311	14,956,418
Transfers out	(12,120,848)	(10,937,533)	(13,528,797)	(14,456,631)	(11,797,554)	(11,402,167)	(9,476,536)	(9,816,741)	(13,021,066)	(12,735,198)
Bond proceeds	-	-	3,500,000	-	-	-	3,010,000	-	-	-
Payments to refunded debt escrow agent	-	-	-	-	-	-	(3,029,054)	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	363,303	29,594	11,092	345	3,716
<b>Total other financing sources (uses)</b>	<u>1,972,737</u>	<u>1,400,439</u>	<u>4,909,955</u>	<u>421,723</u>	<u>1,319,714</u>	<u>1,010,441</u>	<u>2,202,489</u>	<u>2,156,394</u>	<u>1,963,590</u>	<u>2,224,936</u>
<b>Net change in fund balances</b>	<u>\$ 290,789</u>	<u>\$ 496,072</u>	<u>\$ 4,440,696</u>	<u>\$ 2,115,593</u>	<u>\$ (1,732,206)</u>	<u>\$ (966,700)</u>	<u>\$ (36,095)</u>	<u>\$ 2,177,784</u>	<u>\$ 1,994,458</u>	<u>\$ 4,166,554</u>
Debt services as a percentage of noncapital expenditures	<u>2.48%</u>	<u>3.27%</u>	<u>1.72%</u>	<u>1.66%</u>	<u>1.76%</u>	<u>1.81%</u>	<u>2.49%</u>	<u>1.66%</u>	<u>3.39%</u>	<u>3.02%</u>

## COUNTY OF SAGINAW

### Assessed Value and Estimated Actual Value of Taxable Property Last Ten Years

Year Levied	Real Property				Personal Property	Total Assessed Value	(A) Total Direct Tax Rate	Estimated Actual Assessed Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Manufacturing Property	Other Property					
1997	\$ 2,142,428,613	\$ 607,696,810	\$ 113,437,340	\$ 284,201,331	\$ 502,881,909	\$ 3,650,646,003	\$6.56	\$ 7,301,292,006	50.00%
1998	2,305,049,422	641,267,610	120,428,715	\$ 295,533,515	568,638,272	3,930,917,534	6.56	7,861,835,068	50.00%
1999	2,488,284,399	670,837,940	117,581,910	\$ 299,752,252	555,969,687	4,132,426,188	6.67	8,264,852,376	50.00%
2000	2,682,726,507	701,348,340	121,420,765	\$ 308,633,044	556,893,158	4,371,021,814	6.63	8,742,043,628	50.00%
2001	2,894,299,342	721,216,699	127,786,063	\$ 313,246,086	619,837,395	4,676,385,585	7.20	9,352,771,170	50.00%
2002	3,104,482,077	793,862,202	135,070,744	\$ 323,888,473	558,421,300	4,915,724,796	7.20	9,831,449,592	50.00%
2003	3,289,242,487	850,414,442	136,804,232	\$ 339,790,620	526,687,722	5,142,939,503	7.23	10,285,879,006	50.00%
2004	3,510,590,833	895,971,445	141,285,225	\$ 339,281,503	491,400,272	5,378,529,278	7.63	10,757,058,556	50.00%
2005	3,683,839,941	924,496,507	147,423,051	\$ 348,978,403	470,172,681	5,574,910,583	7.54	11,149,821,166	50.00%
2006	3,866,451,589	992,373,516	152,305,179	\$ 360,458,936	484,829,600	5,856,418,820	7.53	11,712,837,640	50.00%

(A) - Per \$1,000 of value.

Source: Saginaw County Equalization Department. Figures are exclusive of additional Industrial and Commercial Facility Tax.

Note: Property in the county is reassessed annually. The county assesses property at approximately 50 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing assessed value by those percentages.

**COUNTY OF SAGINAW**

**Direct and Overlapping Property Tax Rates  
Last Ten Years**

(rate per \$1,000 of assessed value)

Year Taxes Are Payable	County Direct Rates				Overlapping Rates (B)								Total Direct & Overlapping Rates	
	Operating Millage	Debt Service Millage	Extra Voted Millage	Total County Millage	(A) Townships	(A) Cities & Villages	Community College	(A) Intermediate School Districts	(A) Special Districts	State Education Tax	(A) Local Schools Homestead	(A) Local Schools Non-Homestead	Homestead	Non-Homestead
1997	\$4.86	\$0.12	\$1.58	\$6.56	\$2.98	\$10.44	\$2.04	\$2.18	\$1.59	\$6.00	\$4.29	\$22.29	\$36.08	\$48.08
1998	4.86	0.12	1.58	6.56	2.97	10.33	2.04	2.20	1.58	6.00	3.86	21.86	35.54	53.54
1999	4.86	0.18	1.63	6.67	2.69	10.09	2.04	2.15	1.57	6.00	4.17	22.05	35.38	53.26
2000	4.86	0.14	1.63	6.63	2.77	10.11	2.04	2.14	1.56	6.00	4.52	22.42	35.77	53.67
2001	4.86	0.12	2.22	7.20	2.59	10.02	2.54	2.14	1.56	6.00	4.56	22.44	36.61	54.49
2002	4.86	0.12	2.22	7.20	2.50	10.47	2.54	2.14	1.63	6.00	4.83	22.66	37.31	55.14
2003	4.86	0.14	2.23	7.23	2.50	10.47	2.54	2.14	1.62	5.00	4.80	22.53	36.30	54.03
2004	4.86	0.54	2.23	7.63	2.50	10.45	2.04	2.15	1.59	6.00	4.98	22.83	37.34	55.19
2005	4.86	0.45	2.23	7.54	2.50	10.40	2.04	2.15	1.70	6.00	4.87	22.69	37.20	55.02
2006	4.86	0.44	2.23	7.53	2.59	11.63	2.04	2.09	1.66	6.00	5.10	22.88	38.64	56.42

(A) - Averages based on totaled rates divided by number of jurisdictions.

(B) - Overlapping rates are those of local governments that apply to property owners within Saginaw County. Not all overlapping rates apply to all Saginaw County property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

Source: Saginaw County Equalization Department

**COUNTY OF SAGINAW**

**Principal Property Taxpayers  
Current Year and Nine Years Ago**

Taxpayer	Product/ Service	Fiscal Year 2006			Fiscal Year 1997		
		Taxable Value	Rank	Percentage of of Total Taxable Value	Taxable Value	Rank	Percentage of of Total Taxable Value
Delphi Automotive Systems *	Automotive	\$ 94,290,378	1	1.87%	\$ -	-	-
Consumers Energy	Energy	90,140,770	2	1.79%	102,820,193	2	2.97%
General Motors *	Automotive	38,416,786	3	0.76%	212,874,515	1	6.15%
Sahasa/SSP Associates	Conference, Office Buildings	24,800,317	4	0.49%	-	-	-
Hemlock Semi-Conductor *	Polycrystalline Silicon	23,792,347	5	0.47%	18,391,600	4	0.53%
Frankenmuth Bavarian Inn *	Restaurant, Hotel	22,247,564	6	0.44%	11,189,320	7	0.32%
Sag Joint Ventures (Fashion Sq.)	Retail	21,951,588	7	0.44%	21,628,900	3	-
Birch Run Outlet Center	Retail	19,247,857	8	0.38%	-	-	-
Wal Mart	Retail	16,437,794	9	0.33%	-	-	-
Zehnder's of Frankenmuth	Restaurant	13,774,972	10	0.27%	-	-	-
Great Lakes Gas Transmission	Gas	-	-	-	14,141,572	5	0.41%
Horizons Outlet Center	Conference	-	-	-	12,674,257	6	0.37%
Frankenmuth Mutual Insurance	Insurance	-	-	-	10,571,360	8	0.31%
Meijer	Retail	-	-	-	10,241,652	9	0.30%
Dow Corning *	R&D	-	-	-	8,346,668	10	0.24%
Totals		<u>\$ 365,100,373</u>		<u>7.24%</u>	<u>\$ 422,880,037</u>		<u>11.60%</u>

Source: Saginaw County Equalization Department

\* Additional valuation has been placed on the Industrial and Commercial Facilities roll which is not included in the amounts presented above.

## COUNTY OF SAGINAW

### Property Tax Levies and Collections Last Ten Fiscal Years

Year Taxes Are Payable	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$ 21,958,917	\$ 20,423,623	93.01%	\$ 1,566,586	\$ 21,990,209	100.14%
1998	22,844,817	21,200,992	92.80%	1,720,644	22,921,636	100.34%
1999	24,296,135	22,517,012	92.68%	1,722,006	24,239,018	99.76%
2000	25,285,393	23,614,203	93.39%	1,769,971	25,384,174	100.39%
2001	26,144,344	24,411,398	93.37%	2,043,234	26,454,632	101.19%
2002	29,934,657	27,522,023	91.94%	1,963,916	29,485,939	98.50%
2003	31,134,725	29,196,651	93.78%	1,960,350	31,157,001	100.07%
2004	32,233,659	30,239,367	93.81%	2,068,167	32,307,534	100.23%
2005	35,285,143	33,006,808	93.54%	1,251,794	34,258,602	97.09%
2006	36,197,515	33,962,405	93.83%	-	33,962,405	93.83%

Source: Saginaw County Treasurer's Office

## COUNTY OF SAGINAW

### Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Personal Income (A)	Per Capita (A)
	General Obligation Bonds	General Obligation Bonds	General Obligation Notes				
1997	\$ 12,930,000	\$ -	\$ 6,085,000		\$ 19,015,000	3.96%	\$ 90
1998	11,220,000	-	6,435,000		17,655,000	3.58%	84
1999	13,950,000	-	6,270,000		20,220,000	3.91%	96
2000	13,155,000	-	5,315,000		18,470,000	3.44%	88
2001	12,230,000	-	4,290,000		16,520,000	3.08%	79
2002	11,200,000	14,000,000	-		25,200,000	4.76%	120
2003	9,505,000	12,635,000	6,300,000		28,440,000	5.17%	136
2004	8,380,000	11,235,000	5,521,000		25,136,000	4.55%	120
2005	39,835,000	9,795,000	6,147,000		55,777,000	10.04%	268
2006	38,645,000	8,310,000	8,426,000		55,381,000	(B)	(B)

(A) - See the schedule of Demographic and Economic Statistics for personal income and population data.

(B) - This information is not yet available.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

## COUNTY OF SAGINAW

### Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property (A)</b>	<b>Per Capita (A)</b>
1997	\$ 12,930,000	\$ 1,943,661	\$ 10,986,339	0.30%	\$ 52
1998	11,220,000	1,119,305	10,100,695	0.26%	48
1999	13,950,000	1,909,222	12,040,778	0.29%	57
2000	13,155,000	3,131,448	10,023,552	0.23%	48
2001	12,230,000	3,313,331	8,916,669	0.19%	43
2002	11,200,000	3,320,997	7,879,003	0.16%	38
2003	9,505,000	1,811,556	7,693,444	0.15%	37
2004	8,380,000	1,710,189	6,669,811	0.12%	32
2005	39,835,000	2,704,090	37,130,910	0.67%	178
2006	38,645,000	2,609,344	36,035,656	0.62%	(B)

(A) - See the schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data and the schedule of Demographic and Economic Statistics for population data.

(B) - This information is not yet available.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial

## COUNTY OF SAGINAW

### Direct and Overlapping Governmental Activities Debt As of September 30, 2006

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (A)</u>	<u>Estimated Share of Overlapping Debt</u>
Cities	\$ 24,645,910	100.00%	\$ 24,645,910
Townships	23,538,522	100.00%	23,538,522
Villages	2,987,000	100.00%	2,987,000
School Districts:			
Ashley	5,442,569	21.38%	1,163,621
Bay City	73,515,000	0.80%	588,120
Birch Run	8,920,000	98.44%	8,780,848
Breckenridge	4,415,000	0.40%	17,660
Bridgeport-Spaulding	11,195,000	100.00%	11,195,000
Buena Vista	8,215,000	100.00%	8,215,000
Carrollton	12,086,201	100.00%	12,086,201
Chesaning	7,725,000	95.61%	7,385,873
Frankenmuth	12,945,000	96.72%	12,520,404
Freeland	12,915,000	98.14%	12,674,781
Hemlock	16,783,000	95.92%	16,098,254
Merrill	14,328,711	71.53%	10,249,327
Montrose	11,337,285	1.57%	177,995
New Lothrop	16,280,000	54.85%	8,929,580
Ovid-Elsie	33,152,620	3.12%	1,034,362
Reese	8,640,000	37.89%	3,273,696
Saginaw	50,945,000	100.00%	50,945,000
Saginaw Township	12,460,000	100.00%	12,460,000
St. Charles	8,940,000	100.00%	8,940,000
Swan Valley	17,667,542	100.00%	17,667,542
Intermediate School Districts:			
Bay-Arenac ISD	475,000	0.40%	1,900
Gratiot-Isabella ISD	295,000	0.46%	1,357
Saginaw ISD	3,845,000	98.33%	3,780,789
Subtotal, overlapping debt			259,358,742
Saginaw County direct debt			38,645,000
Total direct and overlapping debt			<u>\$ 298,003,742</u>

Sources: Debt outstanding and estimated share of overlapping debt provided by Municipal Advisory Council of Michigan.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Saginaw County. This process recognizes that, when considering the government's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(A) - Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

**COUNTY OF SAGINAW**

**Legal Debt Margin Information  
Last Ten Fiscal Years**

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt limit	\$ 365,064,600	\$ 393,091,753	\$ 413,242,619	\$ 437,102,181	\$ 467,638,559	\$ 491,572,480	\$ 514,293,950	\$ 537,852,928	\$ 557,491,058	\$ 585,641,882
Total net debt applicable to limit	<u>17,220,323</u>	<u>16,864,133</u>	<u>18,486,103</u>	<u>15,376,696</u>	<u>13,221,676</u>	<u>22,045,279</u>	<u>26,811,933</u>	<u>23,613,726</u>	<u>55,158,356</u>	<u>53,269,731</u>
Legal debt margin	<u>\$ 347,844,277</u>	<u>\$ 376,227,620</u>	<u>\$ 394,756,516</u>	<u>\$ 421,725,485</u>	<u>\$ 454,416,883</u>	<u>\$ 469,527,201</u>	<u>\$ 487,482,017</u>	<u>\$ 514,239,202</u>	<u>\$ 502,332,702</u>	<u>\$ 532,372,151</u>
Total net debt applicable to the limit as a percentage of debt limit	4.72%	4.29%	4.47%	3.52%	2.83%	4.48%	5.21%	4.39%	9.89%	9.10%

<u>Legal Debt Margin Calculation for Fiscal Year 2006</u>	
Total assessed value	\$ 5,856,418,820
Debt limit (10% of total assessed value)	585,641,882
Debt applicable to limit: (A)	\$ 88,866,946
Less: Assets in debt service funds available for payment of principal	\$ 2,609,344
Debt not subject to legal debt limit:	
DPW - water bonds	10,763,000
DPW - sewer bonds	8,588,000
Drains - Chapter 20 bonds	10,161,396
Drains - special assessment debt	<u>3,475,475</u>
Total deductions	<u>35,597,215</u>
Total amount of debt applicable to debt limit	<u>53,269,731</u>
Legal debt margin	<u>\$ 532,372,151</u>

(A) - Includes primary government and component units.

Note: Under state finance law, Saginaw County's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

## COUNTY OF SAGINAW

### Demographic and Economic Statistics Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Population (A)</b>	<b>Personal Income (B) (amounts expressed in thousands)</b>	<b>Per Capita Personal Income (B)</b>	<b>Unemployment Rate (C)</b>
1997	211,406	\$ 4,806,318	\$ 22,735	3.9%
1998	210,839	4,938,384	23,423	4.7%
1999	210,400	5,166,304	24,555	4.4%
2000	210,039	5,373,864	25,585	4.0%
2001	209,656	5,356,307	25,548	5.6%
2002	209,771	5,288,616	25,211	6.8%
2003	209,416	5,502,719	26,276	8.5%
2004	209,249	5,527,597	26,416	8.7%
2005	208,356	5,556,000	26,666	8.1%
2006	(D)	(D)	(D)	7.4%

Data Sources:

- (A) - Population Division, U.S. Census Bureau - Population is an estimate as of July 1 of fiscal year with the exception of 2000 which reflects the actual census
- (B) - Bureau of Economic Analysis, U.S. Department of Commerce
- (C) - U.S. Department of Labor Bureau of Labor Statistics Data - Unemployment rate information is a yearly average not seasonally adjusted
- (D) - Population estimate and personal income information is not available at this time for 2006

## COUNTY OF SAGINAW

### Principal Employers Current Year and Nine Years Ago

Employer	Product/ Service	2006			1997		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Delphi	Automotive	6,800	1	7.28%	-	-	-
Covenant HealthCare	Medical	4,129	2	4.42%	-	-	-
St. Mary's of Michigan	Medical	2,686	3	2.88%	1,800	2	1.89%
General Motors Powertrain	Automotive	1,700	4	1.82%	-	-	-
Saginaw Public Schools	Education	1,588	5	1.70%	1,649	3	1.73%
AT&T	Communication	1,273	6	1.36%	-	-	-
Frankenmuth Bavarian Inn Inc.	Restaurant, Hotel	1,000	7	1.07%	-	-	-
Meijer	Department Store	825	8	0.88%	-	-	-
County of Saginaw	Government	718	9	0.77%	1,041	7	1.09%
Saginaw Valley State University	Education	704	10	0.75%	-	-	-
General Motors Corporation	Automotive	-	-	-	13,903	1	14.62%
Saginaw General Hospital	Medical	-	-	-	1,500	4	1.58%
Ameritech	Communication	-	-	-	1,411	5	1.48%
State of Michigan	Government	-	-	-	1,140	6	1.20%
St. Luke's Hospital	Medical	-	-	-	950	8	1.00%
Vlasic Foods Inc.	Food Processor	-	-	-	680	9	0.72%
Eaton Corporation	Automotive	-	-	-	600	10	0.63%
Totals		<u>21,423</u>		<u>22.95%</u>	<u>24,674</u>		<u>25.95%</u>

Source: Saginaw Future, Inc., Saginaw County Metropolitan Planning Commission, and U.S. Department of Labor Bureau of Labor Statistics

## COUNTY OF SAGINAW

### Full-time Equivalent County Government Employees by Function Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of September 30									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Legislative	19.00	19.00	19.00	19.00	19.00	19.00	18.00	18.00	18.00	18.00
Judicial	187.50	187.50	188.00	198.25	197.25	195.25	187.75	186.25	185.25	183.25
General government	160.44	160.69	165.69	170.04	168.04	165.11	146.69	144.69	144.19	143.76
Public safety	149.50	155.00	159.00	157.00	154.50	151.00	141.50	141.50	143.30	141.30
Public works	1.17	1.17	1.17	1.17	1.17	1.25	1.50	1.50	1.50	2.50
Health and welfare	509.70	253.80	244.68	235.40	238.40	234.35	217.40	217.20	216.88	219.01
Community and economic development	7.00	7.00	7.00	7.00	7.00	6.00	5.00	3.00	3.00	3.00
Recreation and culture	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
Parking system	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Harry W. Browne Airport	2.00	3.00	3.00	3.00	1.50	-	-	-	-	-
Delinquent tax foreclosure	-	-	-	-	-	-	-	-	-	1.43
	<u>1,041.31</u>	<u>792.16</u>	<u>792.54</u>	<u>795.86</u>	<u>791.86</u>	<u>777.96</u>	<u>723.84</u>	<u>718.14</u>	<u>718.12</u>	<u>718.25</u>

Source: Saginaw County Finance Department

## COUNTY OF SAGINAW

### Operating Indicators by Function Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Legislative</b>										
Board and committee meetings	292	301	316	399	400	407	388	357	364	370
<b>Judicial</b>										
Circuit Court case load	6,378	6,600	6,600	6,599	6,776	6,950	5,447	5,492	6,020	6,220
District Court case load	69,403	74,261	74,500	61,624	57,996	57,300	53,924	55,578	48,281	51,000
Probate Court case load	2,449	2,360	2,340	2,320	2,932	3,110	2,694	2,020	1,998	2,075
Family Court case load	1,277	1,148	1,246	997	1,036	1,000	1,781	1,696	1,730	1,730
<b>Public safety</b>										
Law enforcement service calls	n/a	n/a	n/a	32,372	33,499	38,200	40,496	50,740	52,634	50,896
Jail bookings	10,792	12,000	13,000	12,467	12,454	12,500	10,616	10,749	12,000	12,000
<b>Health and welfare</b>										
Immunization services (nursing clinic)	19,948	20,707	20,000	13,688	11,458	14,000	6,702	6,922	6,800	6,800
Dental services	3,477	3,514	3,500	2,005	2,509	2,700	2,128	2,322	2,300	2,300
Food service inspections	7,615	7,400	7,600	7,745	8,470	8,400	7,197	7,839	8,000	8,000
<b>Recreation and culture</b>										
Parks motor vehicle entry	9,466	11,950	11,950	6,870	9,068	7,200	8,682	9,676	7,200	7,200
Parks pavillion reservations	201	183	183	160	149	120	153	136	120	107
Parks season passes	244	160	160	103	149	107	172	128	107	107

Source: Saginaw County Budget Book Documents

## COUNTY OF SAGINAW

### Capital Asset Statistics by Function Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Public safety</b>										
Police										
Stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Corrections facility	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Maximum capacity	399.00	412.00	513.00	513.00	513.00	513.00	513.00	513.00	513.00	513.00
Vehicles	48.00	48.00	48.00	48.00	46.00	46.00	47.00	48.00	49.00	49.00
Animal Control										
Vehicles	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
<b>Health and welfare</b>										
Group homes	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	8.00
Commission On Aging Senior Centers	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Juvenile Detention Center	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Maximum capacity	42.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00
Mosquito Control vehicles	27.00	27.00	27.00	27.00	27.00	27.00	26.00	26.00	26.00	29.00
<b>Recreation and culture</b>										
Parks										
Imerman Memorial Park - acres	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00	96.00
Nature trails	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Pavilions	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Dog park	-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00
Roller hockey rink	-	-	-	-	-	-	-	-	-	1.00
Price Nature Center - acres	186.00	186.00	186.00	186.00	186.00	186.00	186.00	186.00	186.00	186.00
Nature trails	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Pavilions	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Ringwood Forest - acres	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00
Nature trails	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Pavilions	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
William Haihco Recreation Area - acres	76.00	76.00	76.00	76.00	76.00	76.00	76.00	76.00	76.00	76.00
Fitness trail	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Pavilions	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Veterans Memorial Park - acres	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
Saginaw Valley Rail Trail - acres	-	-	-	-	-	129.65	129.65	129.65	129.65	129.65
Rail trail - miles open	-	-	-	-	-	1.00	5.96	6.67	6.67	9.87
Castle Museum/Historical Society	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Building Authority Event Center</b>										
Arena	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
Theater	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
Vehicles	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
<b>Harry W. Browne Airport</b>										
Land - acres	339.73	339.73	339.73	339.73	339.73	339.73	339.73	339.73	339.73	339.73
Buildings	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Hanger buildings	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
<b>Parking system</b>										
Parking meters	161.00	161.00	161.00	161.00	161.00	161.00	161.00	161.00	161.00	161.00
<b>Inmate services</b>										
Vehicles	-	-	-	-	2.00	2.00	2.00	2.00	2.00	2.00

Source: Various county departments.

Note: No capital asset indicators are available for the legislative, judicial, general government, public works, and community and economic development functions.

**COUNTY OF SAGINAW**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

<b>FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>PASS - THROUGH GRANTOR'S NUMBER</b>	<b>FEDERAL AWARDS EXPENDED</b>
<b>PRIMARY GOVERNMENT:</b>			
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<b>PASSED THROUGH MICHIGAN DEPARTMENT OF COMMUNITY HEALTH</b>			
Bioterrorism - focus area A	93.283	N/A	\$ 225,553
Bioterrorism - focus area C	93.283	N/A	166,886
Bioterrorism-Pan Flu	93.283	N/A	11,000
Bioterrorism emergency prep	93.283	N/A	42,038
Laboratory services	93.977	N/A	34,200
Family planning	93.217	N/A	190,251
Federally funded vaccines	93.268	N/A	1,150,781
Immunizations - IAP	93.268	N/A	88,493
Immunizations - vaccine handling	93.268	N/A	7,400
Immunizations - field rep	93.268	N/A	108,059
HIV / AIDS counseling and testing	93.940	N/A	61,059
Infant mortality coalition support	93.778	N/A	53,223
Case management services	93.778	N/A	57,295
Medicaid outreach activities	93.788	N/A	61,840
STD control	93.991	N/A	18,166
STD control	93.977	N/A	6,216
Local MCH	93.994	N/A	204,387
Family planning	93.994	N/A	38,303
Case management services	93.994	N/A	31,434
<b>PASSED THROUGH HEALTH RESOURCES &amp; SERVICES ADMINISTRATION</b>			
Healthy start initiative	93.926	N/A	643,018
<b>PASSED THROUGH OFFICE OF DRUG CONTROL POLICY</b>			
Substance abuse prevention and treatment block grant	93.959	N/A	1,876,506
B.A.S.A.R.A. substance abuse treatment	93.959	N/A	330,423
SIG - Saginaw county youth protection council	93.243	N/A	102,767
<b>PASSED THROUGH MICHIGAN FAMILY INDEPENDENCE AGENCY</b>			
Title IVB Subpart 2 Family Presentation and Support Services	93.556	N/A	75,000
Temporary Assistance for Needy Families / Healthy Families	93.558	N/A	68,630
Temporary Assistance for Needy Families / Family Nutrition	93.558	N/A	8,938
AFDC Maintenance Assistance (Federal Incentive)	93.560	N/A	366,721
IV-D Cooperative Reimbursement Grant (FOC)	93.563	N/A	2,266,741
IV-D Cooperative Reimbursement Grant (GF)	93.563	N/A	367,631

(Continued)

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2006

<u>FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS - THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL AWARDS EXPENDED</u>
<b>PRIMARY GOVERNMENT:</b>			
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</u></b>			
PASSED THROUGH MICHIGAN OFFICE OF AGING SERVICES AND THE REGION VII AREA AGENCY ON AGING			
Aging Cluster:			
Case Coordination and Support	93.044	N/A	\$ 79,232
Transportation	93.044	N/A	12,570
Senior Center Staffing	93.044	N/A	15,335
Senior Center Staffing - MO	93.044	N/A	10,512
Senior Center Operations	93.044	N/A	8,379
Outreach	93.044	N/A	17,571
Nutrition - Title IIIC-1	93.045	N/A	144,679
Nutrition - Title IIIC-2	93.045	N/A	146,900
Nutrition - NSIP Congregate	93.053	N/A	63,476
Nutrition - NSIP HDM	93.053	N/A	107,349
Title III E Kinship Care	93.052	N/A	5,087
National Family Caregiver Support Program	93.052	N/A	58,114
National Family Caregiver Support Program	93.052	N/A	2,451
National Family Caregiver Support Program	93.052	N/A	8,651
Supplemental funds - Title III E	93.052	N/A	318
Medicaid reimbursement - TCM	93.778	N/A	24,361
SPAP	93.779	N/A	5,261
MMAP	93.779	N/A	9,043
PASSED THROUGH MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH			
Temporary Assistance for Needy Families (TANF) / Work First (Note 3)	93.558	N/A	<u>3,431,779</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>12,814,027</u>
<b><u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u></b>			
Foster Grandparent Program	94.011	N/A	<u>253,208</u>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
PASSED THROUGH MICHIGAN DEPARTMENT OF EDUCATION			
Food Distribution:			
Entitlement commodities	10.550	N/A	13,042
Bonus commodities	10.550	N/A	1,631
National School Lunch-Breakfast Program - County Children's Facility	10.553	8350-41-1185	69,449
PASSED THROUGH MICHIGAN DEPARTMENT OF COMMUNITY HEALTH			
Women and Infant Care	10.557	N/A	618,946
PASSED THROUGH MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH			
Food Stamps	10.561	N/A	<u>194,810</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>897,878</u>

(Continued)

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2006

<u>FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS- THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL AWARDS EXPENDED</u>
<b>PRIMARY GOVERNMENT (continued):</b>			
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<b>DIRECT PROGRAM</b>			
Lead Hazard-Control	14.900	N/A	\$ 841,497
<b>PASSED THROUGH CITY OF SAGINAW</b>			
Housing Self Maintenance	14.219	N/A	22,556
<b>PASSED THROUGH THE MICHIGAN DEPARTMENT OF COMMERCE</b>			
Community Development Block Grant	14.228	MSC-97-0540-HO	1
<b>PASSED THROUGH THE MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY</b>			
Community Development Block Grant	14.228	MSC-04-0540-HOA	93,688
<b>PASSED THROUGH THE MICHIGAN STRATEGIC FUND AGENCY</b>			
Community Development Block Grant (Note 2)	14.228	CDBG #2	16,673
EDPA Medical Technology Planning Study	14.228	MSC 203051	50,000
River Dredging	14.228	N/A	7,500
Genesee Avenue Road Improvement	14.228	N/A	<u>337,771</u>
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u>1,369,686</u>
<b>U.S. DEPARTMENT OF LABOR</b>			
<b>DIRECT PROGRAM</b>			
H-1B Department of Labor Training Grant	17.261	N/A	71,268
<b>PASSED THROUGH MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH (Note 3)</b>			
Trade Act	17.245	N/A	163,536
Employment Services - MDCD	17.207	N/A	761,662
Re-employment Services	17.207	N/A	49,119
Workforce Investment Act - Capacity building professional development	17.258	N/A	29,549
Workforce Investment Act - Performance incentive Type D	17.258	N/A	98,965
Workforce Investment Act - Adult	17.258	N/A	1,968
Workforce Investment Act - Administration	17.258	N/A	399,442
Workforce Investment Act - Service center operations	17.258	N/A	59,678
Workforce Investment Act - Incumbant worker	17.258	N/A	933
Workforce Investment Act - MIRSA	17.258	N/A	7,860
Workforce Investment Act - Staff trainer	17.258	N/A	3
Workforce Investment Act - BSA	17.258	N/A	2
Workforce Investment Act - Marketing	17.258	N/A	3
Work First	17.258	N/A	1,219

(Continued)

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2006

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH GRANTOR'S NUMBER	FEDERAL AWARDS EXPENDED
<b>PRIMARY GOVERNMENT (continued):</b>			
<b>U.S. DEPARTMENT OF LABOR (continued):</b>			
PASSED THROUGH MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH (Note 3)			
Workforce Investment Act - Capacity building professional development	17.259	N/A	\$ 44,103
Workforce Investment Act - Performance incentive Type D	17.259	N/A	147,708
Workforce Investment Act - Youth	17.259	N/A	1,639,818
Workforce Investment Act - Administration	17.259	N/A	596,178
Workforce Investment Act - Service center operations	17.259	N/A	89,070
Workforce Investment Act - Staff trainer	17.259	N/A	2,333
Workforce Investment Act - BSA	17.259	N/A	1,556
Workforce Investment Act - Marketing	17.259	N/A	955
Workforce Investment Act - MIRSA	17.259	N/A	11,731
Workforce Investment Act - Incumbant worker	17.259	N/A	1,392
Work First	17.259	N/A	1,015,782
Workforce Investment Act - Dislocated	17.260	N/A	1,133,340
Workforce Investment Act - Administration	17.260	N/A	361,180
Workforce Investment Act - Service center operations	17.260	N/A	53,961
Workforce Investment Act - Incumbant worker	17.260	N/A	843
Workforce Investment Act - Capacity building professional development	17.260	N/A	26,718
Workforce Investment Act - Performance incentive Type D	17.260	N/A	89,486
Workforce Investment Act - MIRSA	17.260	N/A	7,107
Workforce Investment Act - Staff trainer	17.260	N/A	1,612
Workforce Investment Act - BSA	17.260	N/A	1,075
Workforce Investment Act - Marketing	17.260	N/A	660
Dislocated worker scholarships	17.260	N/A	1,278
Work First	17.260	N/A	702,045
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>			<u>7,575,138</u>
<b>U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			
PASSED THROUGH SAGINAW COUNTY UNITED WAY			
Emergency Food and Shelter - National Program	83.523	N/A	2,520
<b>TOTAL U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			<u>2,520</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
PASSED THROUGH MICHIGAN STATE POLICE DEPARTMENT			
Emergency management performance grants	97.042	N/A	28,865
Marine Safety Program	97.012	N/A	10,498
State Homeland Security Grant Program - Part II Cert DAP	97.004	N/A	29,380
State Homeland Security Grant Program - Communications equipment	97.004	N/A	22,000
Saginaw County Citizens Core	97.004	N/A	6,283
2004 State Homeland Security	97.004	N/A	52,871
2005 State Homeland Security	97.004	N/A	424,276
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u>574,173</u>

(Continued)

**COUNTY OF SAGINAW**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

<b>FEDERAL GRANTOR / PASS THROUGH GRANTOR/ PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>PASS- THROUGH GRANTOR'S NUMBER</b>	<b>FEDERAL AWARDS EXPENDED</b>
<b>PRIMARY GOVERNMENT (continued):</b>			
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
Brownfield Pilots Cooperative Agreements	66.811	N/A	\$ 49,056
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Twenty First Century Community Learning Centers	84.287A	N/A	2,553
PASSED THROUGH OFFICE OF DRUG CONTROL POLICY One Community-Many Faiths-One Goal	84.186	N/A	81,642
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>84,195</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Safe Havens Visitation	16.527	#2005-CWAX-0025	80,570
Local Law Enforcement Block Grant	16.592	N/A	122,666
PASSED THROUGH MICHIGAN DEPARTMENT OF COMMUNITY HEALTH Substance abuse treatment - Byrne grant	16.579	N/A	30,795
PASSED THROUGH STATE COURT ADMINISTRATOR'S OFFICE Truancy grant	16.523	N/A	4,978
Juvenile Accountability Incentive Block Grant	16.523	N/A	52,736
PASSED THROUGH MICHIGAN DEPARTMENT OF STATE POLICE OFFICE OF DRUG CONTROL POLICY Prosecutors Asset Forfeiture Unit	16.523	N/A	45,402
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<b>337,147</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
PASSED THROUGH MICHIGAN DEPARTMENT OF TRANSPORTATION - AERONAUTICS Airport improvement program	20.106	B-26-0114-0803	99,421
PASSED THROUGH MICHIGAN DEPARTMENT OF TRANSPORTATION Urban Planning - FHWA	20.500	FHWA PL-0123-025	143,354
S.C.A.R.E.	20.600	N/A	60,847
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<b>303,622</b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE - PRIMARY GOVERNMENT, BROWNFIELD AUTHORITY AND DRAIN COMMISSION COMPONENT UNITS</b>			<b>\$ 24,260,650</b>

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2006

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	<b><u>FEDERAL AWARDS EXPENDED</u></b>
<b>RECONCILIATION TO FEDERAL REVENUE RECOGNIZED IN STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES</b>	
<hr/> TOTAL FEDERAL FINANCIAL ASSISTANCE - PRIMARY GOVERNMENT AND COMPONENT UNITS EXCEPT ROAD COMMISSION	\$ 24,260,650
ADD: FEDERAL AWARDS AUDITED IN SEPARATELY ISSUED FINANCIAL STATEMENTS: SAGINAW COUNTY ROAD COMMISSION - Component Unit	<hr/> 3,999,062
<b>FEDERAL REVENUE RECOGNIZED IN FINANCIAL STATEMENTS</b>	<hr/> <hr/> \$ 28,259,712

**NOTES:**

- (1) The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Saginaw and is presented on the modified accrual basis of accounting. The information presented in this schedule is presented in accordance with the requirements of OMB Circular A-133 Audits of States, Local Governments and Non Profit Organizations.
- (2) 100% of this award was provided to subrecipients.
- (3) Approximately 95% of this award was provided to subrecipients.
- (4) The County's Health Department also received \$1,139,145 for Medicaid funded substance abuse programs, which include Adult Well Benefits and MI Child. These were received under CFDA #93.778 and are included as charges for services revenue due to the nature of the program.



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

March 23, 2007

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, 2006, and have issued our report thereon dated March 23, 2007. We did not audit the financial statements of the Road Commission Component Unit, which represents 65.0% and 86.8%, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Road Commission is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the *County of Saginaw, Michigan's* financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which

could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted other matters involving the internal control over financial reporting that we have reported to management of *County of Saginaw, Michigan* in a separate letter dated March 23, 2007.

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.



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

March 23, 2007

Board of Commissioners  
County of Saginaw  
Saginaw, Michigan

### Compliance

We have audited the compliance of the *County of Saginaw, Michigan* with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2006. The *County of Saginaw, Michigan's* major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the *County of Saginaw, Michigan's* management. Our responsibility is to express an opinion on the *County of Saginaw, Michigan's* compliance based on our audit.

The *County of Saginaw, Michigan's* financial statements include the operations of the Road Commission component unit, which received \$3,999,062 in federal awards which is not included in the Schedule of Federal Awards for the year ended September 30, 2006. Our audit, described below, did not include the operations of the Road Commission Component Unit because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

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

In our opinion, the *County of Saginaw, Michigan* complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2006.

### **Internal Control Over Compliance**

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

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

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

# COUNTY OF SAGINAW

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2006

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

#### Financial Statements

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

Internal controls over financial reporting:

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

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

Noncompliance material to financial statements noted?

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

#### Federal Awards

Internal Control over major programs:

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

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

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

*Unqualified*

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

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

Identification of Major Programs:

#### CFDA Number(s)

14.228

14.900

17.207

17.258

17.259

17.260

93.044

93.045

93.053

93.268

93.558

#### Name of Federal Program or Cluster

Community Development Block

Grants/State's Program

Lead Based Paint Hazard Control

Employment Services

WIA Adult Program

WIA Youth Activities

WIA Dislocated Workers

Special Programs for the Aging Title III B

Special Programs for the Aging Title III C

Nutrition Services Incentive Program

Immunization Grants

Temporary Assistance for Needy Families

**COUNTY OF SAGINAW**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

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Dollar threshold used to distinguish  
between Type A and Type B programs:            \$727,820

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

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**None**

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

**None**

# COUNTY OF SAGINAW

## SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

### FOR THE YEAR ENDED SEPTEMBER 30, 2006

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- |               |   |
|---------------|---|
| <b>2005-1</b> | <u>Accounting for Housing Rehabilitation Loans</u><br>The County properly implemented corrective action regarding this finding. |
| <b>2005-2</b> | <u>Cash Management</u><br>The County properly implemented corrective action regarding this finding.                             |
| <b>2005-3</b> | <u>Documentation of Expenditure Approval</u><br>County properly implemented corrective action regarding this finding.           |

**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, 2006**

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	\$ 1,977,298	\$ 1,977,298	\$ 1,977,298	\$ -	
2 SDA	70,092	70,081	70,081	-	
3 SIG	113,386	102,767	102,767	-	
4 Methamphetamine	-	-	-	-	
<b>A Sub-total</b>	<u>2,160,776</u>	<u>2,150,146</u>	<u>2,150,146</u>	<u>-</u>	
<b>B Medicaid</b>					
1 Current year PEPM (Federal & State)	992,886	1,051,479	1,054,157	2,678	(1)
2 Reinvestment savings	-	26,494	26,494	-	
<b>B Sub-total</b>	<u>992,886</u>	<u>1,077,973</u>	<u>1,080,651</u>	<u>2,678</u>	
<b>C Adult Benefit Waiver</b>					
1 Current year PEPM (Federal share only)	60,250	44,590	44,590	-	
<b>C Sub-total</b>	<u>60,250</u>	<u>44,590</u>	<u>44,590</u>	<u>-</u>	
<b>D MI Child</b>					
1 Current year PEPM	2,730	2,552	2,760	208	(2) 208
<b>D Sub-total</b>	<u>2,730</u>	<u>2,552</u>	<u>2,760</u>	<u>208</u>	
<b>E Local</b>					
1 Current year PA2	358,993	299,950	299,950	-	299,950
2 PA2 fund balance	-	-	-	-	-
3 Other local (R325.4152 excl. subsection (1)(t))	-	-	-	-	-
<b>E Sub-total</b>	<u>358,993</u>	<u>299,950</u>	<u>299,950</u>	<u>-</u>	
<b>F Fees &amp; Collections</b> (R325.4151 (1)(d))	<u>33,000</u>	<u>37,112</u>	<u>37,112</u>	<u>-</u>	<u>37,112</u>
<b>G Other Contracts &amp; Sources</b>	<u>181,642</u>	<u>181,642</u>	<u>181,642</u>	<u>-</u>	
<b>Grand Total of Subtotals A-G</b>	<u>\$ 3,790,277</u>	<u>\$ 3,793,965</u>	<u>\$ 3,796,851</u>	<u>\$ 2,886</u>	
<b>Amount billable to MDCH (Section A audited subtotal)</b>			\$ 2,150,146		
<b>Total MDCH Payments (through 9/30/06)</b>			<u>2,085,904</u>		
<b>(Overpayment) / Underpayment</b>			<u>\$ 64,242</u>		
<b>Local Match Funds Total</b>					\$ 337,270

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

Schedule B

**SUBSTANCE ABUSE PREVENTION AND TREATMENT  
Schedule of Expenditures and Funding Sources by Program  
For the Year Ended September 30, 2006**

Program	Budgeted (FINAL)	Reported (FINAL RER)	Audited Expenditures				Audited Funding Sources							Variance (Audited - Reported)	Questioned Costs (Expend - Funding)	
			Gross Amount	Less Medicaid	Less Fees	Net Amount	State Agreement	SDA	PA2	SIG	Other Sources	ABW	MI Child			Total Funding
Administration	\$ 486,082	\$ 453,459	\$ 453,459	\$ 193,806	\$ 37,112	\$ 222,541	\$ 222,541	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 222,541	\$ -	\$ -
Prevention	1,028,055	1,054,810	1,054,810	-	-	1,054,810	517,652	-	252,749	102,767	181,642	-	-	1,054,810	-	-
Treatment	1,607,658	1,564,360	1,564,360	826,518	-	737,842	650,548	70,081	14,661	-	-	-	2,552	737,842	-	-
Women's Services	533,391	591,040	591,040	57,649	-	533,391	533,391	-	-	-	-	-	-	533,391	-	-
HIV / EIP Training	53,724	55,980	55,980	-	-	55,980	26,862	-	29,118	-	-	-	-	55,980	-	-
ABW	86,554	74,315	74,315	-	-	74,315	26,304	-	3,421	-	-	44,590	-	74,315	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 3,795,464</b>	<b>\$ 3,793,964</b>	<b>\$ 3,793,964</b>	<b>\$ 1,077,973</b>	<b>\$ 37,112</b>	<b>\$ 2,678,879</b>	<b>\$ 1,977,298</b>	<b>\$ 70,081</b>	<b>\$ 299,949</b>	<b>\$ 102,767</b>	<b>\$ 181,642</b>	<b>\$ 44,590</b>	<b>\$ 2,552</b>	<b>\$ 2,678,879</b>	<b>\$ -</b>	<b>\$ -</b>

**Reconciliation of PA2 funds:**

Beginning Balance	\$ 511,342
Additions	478,406
Expended	(299,949)
Ending Balance	<u>\$ 689,799</u>

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

PEPM Payments received	\$ 1,166,254
+ Medicaid savings c/o	26,494
- Expenditures - SCCMHA admin	(11,075)
- Expenditures - Coord. Agency	(1,066,898)
- Allowance for savings	(58,313)
- Balance on Hand	<u>\$ 56,462</u>