

# COUNTY OF SAGINAW, MICHIGAN

Year Ended  
September 30,  
2018

Financial  
Statements and  
Single Audit Act  
Compliance

# COUNTY OF SAGINAW, MICHIGAN

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## Independent Auditors' Report

March 29, 2019

Board of Commissioners  
 County of Saginaw  
 Saginaw, Michigan

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Saginaw, Michigan* (the "County"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Independent Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Saginaw County Road Commission, a discretely presented component unit, which represent the indicated percentages of total aggregate discretely presented component units assets and deferred outflows, net position, and revenues:

	Percent of Total Assets and Deferred Outflows	Percent of Total Net Position	Percent of Total Revenues
Saginaw County Road Commission	67%	73%	71%

Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the County of Saginaw Road Commission, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Saginaw, Michigan*, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *Implementation of GASB Statement No. 75*

As described in Note 18, the County implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in the current year. Accordingly, beginning net position was restated. Our opinion is not modified with respect to this matter.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for the pension and other postemployment benefit plans listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2019, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Rehmann Lohman LLC*

## MANAGEMENT'S DISCUSSION AND ANALYSIS



# COUNTY OF SAGINAW, MICHIGAN

## Management's Discussion and Analysis

As management of the *County of Saginaw, Michigan*, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

### Financial Highlights

· Total primary government net position (deficit)	\$ (26,580,958)
· Change in total primary government net position	12,843,310
· Fund balances, governmental funds	77,916,172
· Change in fund balances, governmental funds	38,231,803
· Unassigned fund balance, general fund	8,595,662
· Change in fund balance, general fund	1,464,035
· Primary government installment debt outstanding	92,143,230
· Change in installment debt	30,195,401

### Overview of the Financial Statements

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

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

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

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

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, building authority event center, building authority administration, delinquent tax foreclosure, parking system, Harry W. Browne Airport, and inmate services operations.

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

# COUNTY OF SAGINAW, MICHIGAN

## Management's Discussion and Analysis

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

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

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

The County maintains many individual governmental funds. Information is presented separately in the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, Health Department Fund, Michigan Works! Fund, Planning Commission Fund, Community Mental Health Bonds Fund, Public Improvement Fund and Sheriff's Adult Detention and Administration Facility Fund, each of which is considered to be a major fund. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

*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, delinquent property tax foreclosure, building authority event center, building authority administration, parking system, Harry W. Browne Airport, and inmate services operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its MERS (DB) retirement system, MERS (DC) retirement system, information technology operations, equipment revolving (computer equipment maintenance and replacement) activities, motor pool operations, risk management program, investment pool, employee benefits, and retiree health savings plan activities. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

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

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

# COUNTY OF SAGINAW, MICHIGAN

## Management's Discussion and Analysis

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the County's progress in funding its obligation to provide pension and other post employment benefits to its employees as well as other supplementary information such as the combining and individual fund financial statements.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, as the following table demonstrates, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$26,580,958 at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Assets</b>						
Current and other assets	\$ 103,555,596	\$ 63,934,976	\$ 24,436,834	\$ 33,555,327	\$ 127,992,430	\$ 97,490,303
Capital assets, net	27,988,706	21,932,475	23,046,877	22,277,173	51,035,583	44,209,648
<b>Total assets</b>	<b>131,544,302</b>	<b>85,867,451</b>	<b>47,483,711</b>	<b>55,832,500</b>	<b>179,028,013</b>	<b>141,699,951</b>
Deferred outflows of resources	2,587,096	4,933,591	-	-	2,587,096	4,933,591
<b>Liabilities</b>						
Long-term liabilities	83,629,245	43,026,655	12,392,363	20,277,683	96,021,608	63,304,338
Other liabilities	102,664,534	80,041,291	2,663,338	4,572,976	105,327,872	84,614,267
<b>Total liabilities</b>	<b>186,293,779</b>	<b>123,067,946</b>	<b>15,055,701</b>	<b>24,850,659</b>	<b>201,349,480</b>	<b>147,918,605</b>
Deferred inflows of resources	6,846,587	-	-	-	6,846,587	-
<b>Net position</b>						
Net investment in capital assets	18,483,220	20,685,646	19,245,877	18,346,173	37,729,097	39,031,819
Restricted	12,957,847	5,994,477	-	-	12,957,847	5,994,477
Unrestricted (deficit)	(90,450,035)	(58,947,027)	13,182,133	12,635,668	(77,267,902)	(46,311,359)
<b>Total net position</b>	<b>\$ (59,008,968)</b>	<b>\$ (32,266,904)</b>	<b>\$ 32,428,010</b>	<b>\$ 30,981,841</b>	<b>\$ (26,580,958)</b>	<b>\$ (1,285,063)</b>

One of the largest portions of the County's net position, \$37,729,097 (exceeding total net position), reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, vehicles) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position, \$12,957,847 represents resources that are subject to external restrictions on how they may be used. This leaves a negative net position of \$77,267,902 as an unrestricted deficit.

# COUNTY OF SAGINAW, MICHIGAN

## Management's Discussion and Analysis

At the end of the current fiscal year, the County is able to report positive balances in two of the three categories of net position for the government as a whole. The third category of unrestricted net position is reporting a negative balance mainly due to the requirements of GASB Statement No. 68 and 75 to record the net pension and OPEB liabilities. During 2018, the County had a significant decrease in deferred outflows of resources and significant increases in deferred inflows of resources and other liabilities, which was the result of the adjustments required by GASB 68 and 75 related to the County's OPEB Plan and the MERS pension plan.

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 29,714,582	\$ 27,159,662	\$ 8,962,207	\$ 9,631,592	\$ 38,676,789	\$ 36,791,254
Operating grants and contributions	34,724,914	34,381,042	-	-	34,724,914	34,381,042
Capital grants and contributions	-	347,970	1,640,416	1,060,194	1,640,416	1,408,164
General revenues:						
Property taxes	41,467,947	39,477,013	1,212,628	1,107,414	42,680,575	40,584,427
Accommodations tax	3,215,047	3,087,883	-	-	3,215,047	3,087,883
Grants and contributions not restricted to specific program	448,934	446,895	-	-	448,934	446,895
Other revenue, net	146,432	305,631	61,888	304,923	208,320	610,554
<b>Total revenues</b>	<b>109,717,856</b>	<b>105,206,096</b>	<b>11,877,139</b>	<b>12,104,123</b>	<b>121,594,995</b>	<b>117,310,219</b>
<b>Expenses</b>						
Legislative	486,715	560,887	-	-	486,715	560,887
Judicial	16,218,447	18,515,988	-	-	16,218,447	18,515,988
General government	12,846,263	14,636,723	-	-	12,846,263	14,636,723
Public safety	24,032,377	25,808,068	-	-	24,032,377	25,808,068
Public works	740,539	840,825	-	-	740,539	840,825
Health and welfare	37,076,165	39,791,025	-	-	37,076,165	39,791,025
Community and economic development	3,932,509	3,877,030	-	-	3,932,509	3,877,030
Recreation and culture	2,425,733	2,425,338	-	-	2,425,733	2,425,338
Interest on long-term debt	3,006,273	1,798,226	-	-	3,006,273	1,798,226
Delinquent tax revolving	-	-	1,416,618	1,102,284	1,416,618	1,102,284
Delinquent tax foreclosure	-	-	1,141,061	1,974,385	1,141,061	1,974,385
Building Authority Event Center Building Authority	-	-	4,411,609	4,953,976	4,411,609	4,953,976
administration	-	-	65,252	15,439	65,252	15,439
Parking system	-	-	100,789	92,072	100,789	92,072
Harry W. Browne Airport	-	-	440,027	452,514	440,027	452,514
Inmate services	-	-	411,308	405,767	411,308	405,767
<b>Total expenses</b>	<b>100,765,021</b>	<b>108,254,110</b>	<b>7,986,664</b>	<b>8,996,437</b>	<b>108,751,685</b>	<b>117,250,547</b>
Change in net position before transfers	8,952,835	(3,048,014)	3,890,475	3,107,686	12,843,310	59,672
Transfers	2,775,038	1,936,349	(2,775,038)	(1,936,349)	-	-
<b>Change in net position</b>	<b>11,727,873</b>	<b>(1,111,665)</b>	<b>1,115,437</b>	<b>1,171,337</b>	<b>12,843,310</b>	<b>59,672</b>
<b>Net position:</b>						
Beginning of year, as previously reported	(32,266,904)	(31,155,239)	30,981,841	29,810,504	(1,285,063)	(1,344,735)
GASB 75 restatement	(38,469,937)	-	330,732	-	(38,139,205)	-
<b>Net position, end of year</b>	<b>\$ (59,008,968)</b>	<b>\$ (32,266,904)</b>	<b>\$ 32,428,010</b>	<b>\$ 30,981,841</b>	<b>\$ (26,580,958)</b>	<b>\$ (1,285,063)</b>

## COUNTY OF SAGINAW, MICHIGAN

### Management's Discussion and Analysis

**Governmental activities.** Governmental activities increased the County's net position by \$11,727,873. Key elements of this increase are as follows:

- Revenues from FY 2017 to FY 2018 showed an increase of \$4,511,760 (8.6 percent). This increase was the result of increases in the areas of property taxes and charges for services.
- Expenses decreased during the year as compared to the prior year by \$7,489,089 (6.9 percent). This was mainly a result of the number of employee position vacancies during the year and the length of time positions were held vacant prior to filling as well as implementation of GASB 75 for net OPEB liability reporting and a reduction in the liability during FY 2018.

**Business-type activities.** Business-type activities increased the County's net position by \$1,115,437. Key elements of this increase are as follows:

- Revenues decreased 1.9 percent, or \$226,984 mainly in the area of charges for services due to decreased activity in the foreclosure processes and the area of other revenue due to decrease in interest earned on investments.
- Expenses decreased 11.2 percent, or \$1,009,773, mainly as a result of decreased activity in the foreclosure processes and the building authority event center.
- Transfers netted to a decrease of \$838,689 or 43.3 percent. This is mainly the result of a transfer from the delinquent tax revolving fund to the sheriff's adult detention & administration facility project of \$672,000 and an increase in the transfer to the general fund of \$100,000.

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

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

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

# COUNTY OF SAGINAW, MICHIGAN

## Management's Discussion and Analysis

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$77,916,172, an increase of \$38,231,803 in comparison with the prior year. Fund balances are separated into two main categories, restricted and unrestricted. Restricted fund balance indicates that it is not available for new spending because it has already been set aside for specific purposes. Unrestricted is further separated into nonspendable, committed, assigned, and unassigned fund balance. The underlying distinction between committed and assigned is that committed fund balance has been designated based upon either the County's Fund Balance Policy or for a specific purpose and can only be uncommitted by a formal Board motion. Total governmental fund's had the following fund balance classifications at year end:

	Fund Balances		
	Unrestricted	Restricted	Total
Nonspendable:			
Advances:			
Inmate services fund	\$ 20,000	\$ -	\$ 20,000
Drain Commission component unit	400,000	-	400,000
Permanent fund	36,390	-	36,390
Prepays	401,342	-	401,342
Restricted	-	45,125,020	45,125,020
Committed	4,793,300	-	4,793,300
Assigned	18,544,458	-	18,544,458
Unassigned	8,595,662	-	8,595,662
<b>Total</b>	<b>\$ 32,791,152</b>	<b>\$ 45,125,020</b>	<b>\$ 77,916,172</b>

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, fund balance was separated into the following categories:

Nonspendable	\$ 598,830
Assigned	12,111,273
Unassigned	<u>8,595,662</u>
<b>Total</b>	<b><u>\$ 21,305,765</u></b>

As a measure of the General Fund's liquidity, it may be useful to compare unassigned and assigned fund balance and total fund balance to total fund expenditures. Unassigned and assigned fund balance represents 52 percent of total General Fund expenditures, while total fund balance represents 53 percent of that same amount. Ending fund balance and net change in fund balance for each major fund is as follows:

	General	Health Department	Michigan Works!	Planning Commission	Public Improvement	Sheriff's Adult Detention and Admin. Facility
Ending fund balance	\$ 21,305,765	\$ 1,638,387	\$ 157,579	\$ 68,999	\$ 4,982,684	\$ 30,835,671
Net change in fund balance	1,464,035	151,610	(2,519)	53,915	335,477	30,835,671

## COUNTY OF SAGINAW, MICHIGAN

### Management's Discussion and Analysis

Key factors in the change in the fund balance of the County's General Fund are as follows:

- Property tax revenue increased \$2,063,575 (8.5 percent) due to a combined increase in overall taxable value of properties within the county (mainly in agricultural) as well as an increase in the personal property tax reimbursements from the Local Community Stabilization Authority.
- Charges for services decreased by \$310,023 (6.0 percent) mainly due to a continued decrease in monies collected by the 70th District Court for court costs and other fees.
- Investment income decreased \$111,420 (93.8 percent) mainly due to the recording of investments at fair market value per GASB 75 which resulted in a loss at year end.
- Reimbursements increased \$858,029 (22.3 percent) mainly due to a one-time refund from the County's workers' compensation fund.
- Other revenue increased \$426,623 (555.1 percent) from prior year due to a one-time invoice to Saginaw County 911 Authority for reimbursement on electrical usage from the previous 6 years.
- Expenditures increased \$2,160,115 (5.7 percent) with the largest increases in judicial (\$882,951) and general government (\$500,505) due to increased wages and fringes. The increase in public safety (\$318,726) is due to a reallocation of utility expenses to the jail as well as an increase in the cost of providing medical services to inmates. There was also an increase of \$443,819 in contributions to Postemployment Health Benefits Trust Fund due to the County's budget surplus distribution policy to allocate one-third of the General Fund surplus.
- Transfers in increased \$137,190 (3.1 percent) due to an additional \$100,000 transfer from the delinquent tax revolving fund.
- Transfers out increased \$1,057,966 (15.2 percent) mainly due to a transfer of the jail budget surplus of \$702,902 to the sheriff's adult detention & administration facility debt service fund and the increase in the amount transferred to the public improvement fund (\$645,961) in accordance with the budget surplus distribution policy.

The Health Department fund had an increase in fund balance for the current year of \$151,610, for an ending total of \$1,638,387. This increase was the result of an increase in revenues including a one-time refund from workers' compensation of \$259,250 and an overall decrease in expenditures.

The Michigan Works! special revenue fund had an decrease in fund balance of \$2,519, for an ending fund balance of \$157,579. This small decrease was a result in a decrease of interest allocation due to the fair market value loss on investments.

The Planning special revenue fund had an increase in fund balance of \$53,915, for an ending fund balance of \$68,999. This increase was a result of an increase in revenues due to enhanced billing to MDOT for planning activities.

The Public Improvement capital projects fund had an increase in fund balance for the current year of \$335,477, for an ending total of \$4,982,684, which is all restricted for public improvement. This increase is the result of an increase in the transfer of general fund surplus of \$345,960.

The Sheriff's Adult Detention and Administration Facility capital projects fund had an increase in its ending fund balance of \$30,835,671. This increase was the result of a bond issue in fiscal 2018 of \$36,675,000 which is intended to be spent through fiscal year 2020 until the project has been completed, which is expected to be February 2020.

# COUNTY OF SAGINAW, MICHIGAN

## Management's Discussion and Analysis

Proprietary funds. The County’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities. The ending unrestricted net position as well as the change in net position is as follows:

	Delinquent Tax Revolving	Building Authority Event Center	Nonmajor Enterprise Funds	Internal Service Funds
Unrestricted ending net position	\$ 11,734,029	\$ 531,944	\$ 845,713	\$ 6,367,372
Increase (decrease) in net position	(125,380)	(188,699)	1,423,470	(2,873,990)

General Fund budgetary highlights. The differences between the original budget and final amended budget for expenditures resulted in a 0.2 percent increase (\$80,556 increase in appropriations); whereas the difference between the original budget and final amended budget for revenues resulted in a 0.08 percent increase (\$34,805 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:

- Towards the beginning of the year, the Controller/CAO approved the carry forward of 2017 remaining budget for contractual services surrounding the requirements of the Michigan Indigent Defense Commission for proper defense of indigents of \$31,400 which was offset with an increase in the use of fund balance.
- During the year the Clerk's Elections budget was increased by \$24,400 for the purchase of equipment and licensing fees for the new voting system offset with an increase in reimbursement revenue.
- Also during the year the Controller/CAO approved the carry forward of 2017 budget for the Clerk's office to purchase three workstations, furniture and printer which was offset with an increase in use of fund balance of \$16,845.
- The Controller/CAO also approved carrying forward unused 2017 budget to engage an outside consultant to assist in preparing a three-year budget for the County in the amount of \$20,600 as well as the carry forward of unused 2017 budget for the job classification and compensation study of \$31,206. Both of these adjustments were offset with an increase in use of fund balance.
- The Board of Commissioners approved amending the Controller's budget by \$20,000 to hire a temporary position to assist the financial services department during a time of understaffing as well as an increase of \$13,900 for licensing fees for financial forecasting software services. Both of these amendments were offset with an increase in the use of fund balance of \$58,950 and an increase in state grant revenue of \$4,950.
- During the year, the Sheriff's jail budget was amended by the Board of Commissioners to transfer available salaries and benefits to a debt service fund for use in paying bond payments due to the issuance of \$36,675,000 in debt to construct a new Sheriff's Adult Detention & Administration facility. As such, the jail budget was reduced by \$176,780 with an increase in transfers out. The budget was also amended per County policy to transfer the prior year jail surplus to the debt service fund which resulted in an increase of \$381,694 to transfers out offset with an increase in the use of fund balance.
- Towards the end of the year, the Board of Commissioners approved increasing the medical examiners budget by \$70,000 to cover estimated budgetary shortfalls in various categories with an offsetting increase in the use of fund balance.



## COUNTY OF SAGINAW, MICHIGAN

### Management's Discussion and Analysis

Overall during the year, actual General Fund revenues were higher than the amended budgetary estimates and expenditures were less than the amended budget, resulting in an actual increase in fund balance of \$1,464,035 that was more than the final amended budget amount which expected a decrease of \$1,065,319 in fund balance.

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

- The favorable variance in property taxes of \$3,503,552 occurred due to the receipt of \$1,953,425 in personal property tax reimbursement from the Local Community Stabilization Authority that was not budgeted for due to the difficulty in estimating the amount to be received as well as a larger than anticipated increase in overall taxable value.
- The unfavorable variance in state grants of \$110,717 is a direct result of lower than anticipated number of Genesee County inmates housed in the jail.
- The favorable variance in other revenue of \$458,461 was due to a one-time invoice to Saginaw County 911 Authority for reimbursement on electrical usage from the previous 6 years that was not budgeted.
- The majority of the favorable variances in expenditures occurred as a result of lapsed salaries and benefits because of delays in the filling of vacancies as well as the continuation of a hiring freeze which further increased the delays in filling vacancies.
- The unfavorable variance in contributions to Postemployment Health Benefits Trust Fund and in transfers out occurred mainly as a result of the transfer of one-third of the General Fund surplus to both the Postemployment Benefits Trust Fund and the Public Improvement Fund pursuant to County policy as approved by the Board of Commissioners.

General Fund. The following schedule presents a comparative summary of changes in the fund balance of the General Fund for the fiscal years ended September 30, 2018, and September 30, 2017, along with the amount and percentage of increases and decreases in relation to the 2017 amounts:

	2018	2017	Variance from 2017	Percent Increase/ (Decrease)
Revenues	\$ 44,763,286	\$ 41,831,254	\$ 2,932,032	7.01%
Expenditures	(39,875,734)	(37,715,619)	(2,160,115)	5.73%
Revenues over expenditures	4,887,552	4,115,635	771,917	
Other financing sources (uses)				
Transfers in	4,617,052	4,479,862	137,190	3.06%
Transfers out	(8,040,569)	(6,982,603)	(1,057,966)	15.15%
Net change in fund balances	1,464,035	1,612,894	(148,859)	
Fund balance, beginning of year	19,841,730	18,228,836	1,612,894	
Fund balance, end of year	\$ 21,305,765	\$ 19,841,730	\$ 1,464,035	7.38%

# COUNTY OF SAGINAW, MICHIGAN

## Management's Discussion and Analysis

The following schedule enumerates the particular changes in the General Fund's classifications of fund balance.

	Fund Balance Analysis		
	Nonspendable	Assigned and Unassigned	Total Fund Balance
Fund balance, beginning of year	\$ 453,572	\$ 19,388,158	\$ 19,841,730
Fiscal year transactions:			
Excess revenue over expenditures	145,258	4,742,294	4,887,552
Total other financing sources (uses)	-	(3,423,517)	(3,423,517)
Fiscal year net increase (decrease)	145,258	1,318,777	1,464,035
Fund balance, end of year	\$ 598,830	\$ 20,706,935	\$ 21,305,765

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

The current balance for Employee Payroll Reserve is \$11,743,044 or 50.0 percent of the most current Board approved General Fund budget for property tax collections and the current balance for Budget Stabilization is \$8,595,662 or 18.1 percent of the most current Board approved General Fund budget. These amounts are presented as assigned and unassigned fund balance, respectively, in the governmental funds balance sheet.

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

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

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

The Building Authority Event Center Fund accounts for the operations of the County-owned facility that includes an arena, theater, conference center, and an outdoor pavilion. The facilities are run by an outside management company. Money for the operation of this fund is supplied through a voter approved millage of 0.225 mills to be levied through 2020, charges for services, as well as donations received for specific purposes.

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

The Parking System Fund accounts for revenues, expenses and transactions relating to the operation of the municipal parking lots located around the Courthouse. A full-time parking attendant patrols the lots and issues parking tickets for violations. Approximately 15.1 percent of the Parking System revenue is attributable to the fines received from the tickets.

## COUNTY OF SAGINAW, MICHIGAN

### Management's Discussion and Analysis

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

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

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

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

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

#### Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2018 amounted to \$51,035,583 (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 15.4 percent (a 27.6 percent increase for governmental activities and a 3.5 percent increase for business-type activities).

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

- Work was completed on replacing the County's phone system with a VoIP phone system at a total cost of \$401,538. Additionally, the boiler upgrade project at the Courthouse was completed at a total cost of \$353,900.
- The Health Department replaced an analyzer at a cost of \$57,284 and also made a \$15,000 down payment on implementation of a new software program to be used by environmental health.
- Continued security upgrades at the Courthouse during fiscal 2018 totaling \$60,903 and at Commission on Aging totaling \$14,410.
- Construction work began on the new Sheriff's Adult Detention & Administration facility at a cost of \$5,749,877.
- The County purchased three properties, 206 S. Webster, 803 Court Street, and the "Langschwager property", for a total of \$442,950 per Board of Commissioners approval.
- Mosquito Abatement replaced fencing at a cost of \$32,951 as well as purchased a GIS software system for their employees at a cost of \$40,425.
- Commission on Aging completed concrete work at the Eleanor Frank Senior Center totaling \$99,580 as well as purchased a hot/cold holding oven box installed on a truck of \$22,713.
- Several copiers were purchased for use in various departments at a total cost of \$24,930.
- Several vehicles were replaced in various departments at a total cost of \$392,490.

# COUNTY OF SAGINAW, MICHIGAN

## Management's Discussion and Analysis

- Design and construction was completed on the rehabilitation of runway 9/27 at Harry W. Browne Airport totaling \$2,216,087. Additionally, several other projects began including the update of ALP (\$16,919), acquisition of land for approach on runway 9/27 (\$111,753) and purchasing of aviation easements (\$29,369).

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 3,792,748	\$ 3,654,707	\$ 2,258,248	\$ 2,258,248	\$ 6,050,996	\$ 5,912,955
Air rights	-	-	117,761	117,761	117,761	117,761
Construction in progress	5,959,727	487,437	293,350	838,328	6,253,077	1,325,765
Land improvements	5,173,328	5,282,333	2,843,118	3,094,742	8,016,446	8,377,075
Buildings and improvements	10,087,474	10,042,254	13,672,589	14,116,277	23,760,063	24,158,531
Machinery and equipment	1,555,940	1,485,894	266,306	326,826	1,822,246	1,812,720
Office furniture & fixtures	722,486	395,574	25,083	25,783	747,569	421,357
Planning and development	-	-	3,561,255	1,487,898	3,561,255	1,487,898
Vehicles	697,003	584,276	9,167	11,310	706,170	595,586
<b>Total</b>	<b>\$ 27,988,706</b>	<b>\$ 21,932,475</b>	<b>\$ 23,046,877</b>	<b>\$ 22,277,173</b>	<b>\$ 51,035,583</b>	<b>\$ 44,209,648</b>

Additional information on the County's capital assets can be found in the Note 5 in the financial statements.

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding (less accrued compensated absences) of \$121,571,605. Of this amount, \$103,415,230 comprises debt backed by the full faith and credit of the government and \$17,409,971 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the County debt represents capital leases secured by specific assets.

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
<b>Primary Government</b>						
General obligation bonds	\$ 79,754,230	\$ 41,676,829	\$ 2,760,000	\$ 2,890,000	\$ 82,514,230	\$ 44,566,829
Delinquent tax notes	-	-	9,629,000	17,381,000	9,629,000	17,381,000
<b>Component Units</b>						
Capital Lease	746,404	288,410	-	-	746,404	288,410
General obligation bonds and notes	28,681,971	23,333,764	-	-	28,681,971	23,333,764
<b>Total</b>	<b>\$ 109,182,605</b>	<b>\$ 65,299,003</b>	<b>\$ 12,389,000</b>	<b>\$ 20,271,000</b>	<b>\$ 121,571,605</b>	<b>\$ 85,570,003</b>

## COUNTY OF SAGINAW, MICHIGAN

### Management's Discussion and Analysis

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

	Amount	Issue	Rate
2018 Series General Obligation Delinquent Tax Notes Limited Tax General Obligation Bonds, Series 2017	\$ 11,780,000	6/2/2018	2.4800%
Sheriff's Adult Detention & Administration Facility Limited Tax General Obligation Bonds, Series 2018A	36,675,000	11/21/2017	3.50-5.00%
Community Mental Health Facility	4,580,000	7/17/2018	3.02%
Bear Creek Drain bonds, Series 2017	1,150,000	10/3/2017	2.69%
Reineke Drain bonds, Series 2018	517,000	6/29/2018	3.29%
Seidel Drain bonds, Series 2018	455,000	1/18/2018	2.49%
Hemlock Tile Drain bonds (issued as of year end), Series 2018 A and B	6,064,000	2/15/2018	2.50%

The County's total debt increased by \$36,001,602 (42.1 percent) during the fiscal year, which was the net of the new issues noted above and the scheduled principal payments on existing debt.

The County has an "Aa2" rating with Moody's for its general obligation debt.

State statute (Article 7, Section 11, Michigan Constitution of 1963) limits the amount of general obligation debt a governmental entity may issue to 10 percent of its total state equalized valuation. The current debt limitation for the County is \$580,688,987, which is significantly higher than the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in the Note 8 in the financial statements.

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

The following factors were considered in preparing the County's budget for the 2019 fiscal year:

- Property Taxes - Estimates received from the County Equalization Department anticipated that property tax revenue for the General Fund and the special millage funds would increase by 2.84 percent for fiscal 2019.
- Wages and Fringe Benefits - The County's authorized staff count saw a decrease from 2018 to 2019 with the reduction of 0.41 F.T.E.'s for a total of 613.51 F.T.E.'s included in the budgeted. The wage rates for these positions were budgeted without an increase for fiscal 2019; however there is a potential 1.5% base wage increase for 2 unions. Certain fringe benefits are fixed in terms of actual dollar amounts per employee, while others vary as a percentage of the employee's compensation. Fixed fringe benefits include: illustrative premiums for health, dental, life, and vision as well as MERS DB unfunded liability contributions and retiree health reserve contributions. Illustrative health premiums increased due the cost of providing health insurance and contributions to the retiree health reserve went up from \$12,150 per covered employee to \$13,100 per full time position. Contributions to the MERS DB unfunded liability increased from \$11,900 per F.T.E. to \$13,000 for 2019. The change in allocation method to both the MERS DB unfunded liability and retiree health reserve fund were made in an effort to contend with the ongoing structural budget deficit due to the increase in costs of providing these benefits as well as provide for the most equitable approach in allocating these costs. All other fixed fringe benefits remained constant due to favorable negotiations and competitive bidding. Variable benefits include: social security tax, workers' compensation insurance, DC retirement contributions, retiree health savings contributions, and disability insurance. None of the actual or illustrative rates for these items increased, however, costs associated with these items will increase in proportion to any compensation increases.

## COUNTY OF SAGINAW, MICHIGAN

### Management's Discussion and Analysis

- Use of Reserves - Structural Deficit - The structural budget deficit situation was an issue for fiscal 2019 due to the Board of Commissioners approving to use fund balance in an amount of \$186,309 to shore up grant shortages in community corrections, fund specialty courts, and reinstate full funding to Saginaw Future as well as fund MSU Extension for a portion of the year. The Board of Commissioners also approved the use of fund balance in an amount of \$181,920 from Alcohol Caseflow Funds to support District Court operations due to the continued decline in their revenue. We also anticipate through our five year financial forecast that the County will need to use reserves in future budget cycles to maintain current staffing levels and to balance anticipated revenues with expenditures.
- The Board of Commissioners authorized a hiring freeze in FY 2013 that has been carried over into FY 2019 to allow departments the ability to analyze their operations and justify the need for filling positions that become vacant in an effort to reduce the amount of budgeted reserves.
- During FY 2015, the Board of Commissioners engaged in a process of developing a strategic plan for the County. The Board created a mission and vision statement and also discussed various goals and priorities that were submitted by departments. These goals and priorities were reviewed and updated in fiscal 2018. There are four major priorities identified by the Board: eliminate unfunded liabilities, comprehensive IT platform, engaged workforce and realignment of departments. These priorities were reviewed for FY 2019 and will impact future budget cycles in various ways including where the Board prioritizes departmental budget requests. Additionally, the Board of Commissioners will engage in another strategic planning session during 2019 to review and update these priorities for future budget cycles.
- Inflationary trends in the region were expected to compare favorably to national indices. Non-personnel costs were either held steady or budgeted to increase by inflationary trends.

#### Requests for Information

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

## BASIC FINANCIAL STATEMENTS

COUNTY OF SAGINAW, MICHIGAN

Statement of Net Position  
September 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and investment pool	\$ 80,610,471	\$ 7,428,425	\$ 88,038,896	\$ 18,743,237
Receivables, net	22,067,025	16,983,767	39,050,792	25,373,412
Internal balances	69,060	(69,060)	-	-
Inventory	-	93,594	93,594	1,872,581
Prepays	409,040	108	409,148	177,734
Advances to component unit	400,000	-	400,000	-
Capital assets:				
Assets not being depreciated	9,752,475	2,669,359	12,421,834	52,183,126
Assets being depreciated, net	18,236,231	20,377,518	38,613,749	165,307,396
<b>Total assets</b>	<b>131,544,302</b>	<b>47,483,711</b>	<b>179,028,013</b>	<b>263,657,486</b>
<b>Deferred outflows of resources</b>				
Deferred pension amounts	1,845,765	-	1,845,765	602,895
Deferred OPEB amounts	741,331	-	741,331	-
<b>Total deferred outflows of resources</b>	<b>2,587,096</b>	<b>-</b>	<b>2,587,096</b>	<b>602,895</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	13,446,200	1,506,408	14,952,608	4,311,300
Unearned revenue	84,142	115,930	200,072	5,741
Advances from primary government	-	-	-	400,000
Long-term liabilities:				
Due within one year	4,971,241	165,000	5,136,241	2,870,970
Due in more than one year	78,658,004	12,227,363	90,885,367	27,226,743
Due to Saginaw Hockey Club, LLC, due in more than one year	-	1,041,000	1,041,000	-
Net pension liability, due in more than one year	21,656,581	-	21,656,581	9,838,295
Net other postemployment benefit obligation	-	-	-	10,128,741
Net other postemployment benefit liability, due in more than one year	67,477,611	-	67,477,611	-
<b>Total liabilities</b>	<b>186,293,779</b>	<b>15,055,701</b>	<b>201,349,480</b>	<b>54,781,790</b>
<b>Deferred inflows of resources</b>				
Deferred pension amounts	2,201,904	-	2,201,904	471,841
Deferred OPEB amounts	4,644,683	-	4,644,683	-
<b>Total deferred inflows of resources</b>	<b>6,846,587</b>	<b>-</b>	<b>6,846,587</b>	<b>471,841</b>
<b>Net position</b>				
Net investment in capital assets	18,483,220	19,245,877	37,729,097	198,134,147
Restricted for:				
Public improvement	4,982,684	-	4,982,684	-
Drain projects	-	-	-	5,000,322
Debt service	1,699,999	-	1,699,999	11,369,275
CMH renovations	1,781,325	-	1,781,325	-
Public safety	826,121	-	826,121	-
Other	3,667,718	-	3,667,718	-
Unrestricted (deficit)	(90,450,035)	13,182,133	(77,267,902)	(5,496,994)
<b>Total net position (deficit)</b>	<b>\$ (59,008,968)</b>	<b>\$ 32,428,010</b>	<b>\$ (26,580,958)</b>	<b>\$ 209,006,750</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, 2018

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>						
Governmental activities:						
Legislative	\$ 485,713	\$ 1,002	\$ -	\$ -	\$ -	\$ (486,715)
Judicial	15,646,003	572,444	2,913,652	5,264,924	-	(8,039,871)
General government	14,863,944	(2,017,681)	9,629,274	5,905,843	-	2,688,854
Public safety	23,768,980	263,397	9,459,299	1,741,041	-	(12,832,037)
Public works	730,921	9,618	612,009	-	-	(128,530)
Health and welfare	35,999,582	1,076,583	6,959,187	21,426,444	-	(8,690,534)
Community and economic development	3,905,729	26,780	6,810	347,419	-	(3,578,280)
Recreation and culture	2,365,052	60,681	134,351	39,243	-	(2,252,139)
Interest on long-term debt	3,006,273	-	-	-	-	(3,006,273)
<b>Total governmental activities</b>	<b>100,772,197</b>	<b>(7,176)</b>	<b>29,714,582</b>	<b>34,724,914</b>	<b>-</b>	<b>(36,325,525)</b>
Business-type activities:						
Delinquent tax revolving	1,416,618	-	3,611,606	-	-	2,194,988
Delinquent tax foreclosure	1,141,061	-	1,133,212	-	-	(7,849)
Building Authority Event Center	4,411,609	-	2,982,592	-	40,965	(1,388,052)
Building Authority administration	65,252	-	17,401	-	-	(47,851)
Parking system	100,849	(60)	92,413	-	-	(8,376)
Harry W. Browne Airport	439,853	174	310,637	-	1,599,451	1,470,061
Inmate services	404,246	7,062	814,346	-	-	403,038
<b>Total business-type activities</b>	<b>7,979,488</b>	<b>7,176</b>	<b>8,962,207</b>	<b>-</b>	<b>1,640,416</b>	<b>2,615,959</b>
<b>Total primary government</b>	<b>\$108,751,685</b>	<b>\$ -</b>	<b>\$ 38,676,789</b>	<b>\$ 34,724,914</b>	<b>\$ 1,640,416</b>	<b>\$ (33,709,566)</b>
<b>Component units</b>						
Road Commission	\$ 25,699,463	\$ -	\$ 94,185	\$ 23,711,938	\$ -	\$ (1,893,340)
Brownfield Redevelopment Authority	18,140	-	-	15,914	-	(2,226)
Department of Public Works	414,881	-	137,776	-	440,752	163,647
Drain Commission	2,960,157	-	-	394,676	4,952,345	2,386,864
Economic Development Corporation	29,580	-	28,630	-	-	(950)
Land Bank Authority	4,510,984	-	-	2,047,614	1,427,709	(1,035,661)
<b>Total component units</b>	<b>\$ 33,633,205</b>	<b>\$ -</b>	<b>\$ 260,591</b>	<b>\$ 26,170,142</b>	<b>\$ 6,820,806</b>	<b>\$ (381,666)</b>

continued...

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Activities

For the Year Ended September 30, 2018

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Change in net position				
Net (expense) revenue	\$ (36,325,525)	\$ 2,615,959	\$ (33,709,566)	\$ (381,666)
General revenues:				
Property taxes	41,467,947	1,212,628	42,680,575	415
Accommodations tax	3,215,047	-	3,215,047	-
Grants and contributions not restricted to specific programs	448,934	-	448,934	-
Investment income - interest earned	146,432	61,888	208,320	158,558
Transfers - internal activities	2,775,038	(2,775,038)	-	-
Total general revenues and transfers	<u>48,053,398</u>	<u>(1,500,522)</u>	<u>46,552,876</u>	<u>158,973</u>
Change in net position	11,727,873	1,115,437	12,843,310	(222,693)
Net position (deficit), beginning of year, as restated	<u>(70,736,841)</u>	<u>31,312,573</u>	<u>(39,424,268)</u>	<u>209,229,443</u>
Net position (deficit), end of year	<u>\$ (59,008,968)</u>	<u>\$ 32,428,010</u>	<u>\$ (26,580,958)</u>	<u>\$ 209,006,750</u>

Concluded

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

COUNTY OF SAGINAW, MICHIGAN

**Balance Sheet**

Governmental Funds  
September 30, 2018

	Special Revenue Funds			
	General	Health Department	Michigan Works!	Planning Commission
<b>Assets</b>				
Cash and investment pool	\$ 18,531,995	\$ 1,518,392	\$ 345,831	\$ 10,204
Receivables:				
Taxes	5,902,395	-	-	-
Accounts	871,377	320,642	12,325	-
Loans	-	-	-	2,150,108
Lease	-	-	-	-
Interest	179,101	-	2,434	171
Due from other funds	1,127,943	124,723	-	-
Due from other governmental units	813,072	40,946	1,919,095	74,149
Advances to other funds	20,000	-	-	-
Advances to component units	400,000	-	-	-
Prepays	178,830	2,549	57,491	-
<b>Total assets</b>	<b>\$ 28,024,713</b>	<b>\$ 2,007,252</b>	<b>\$ 2,337,176</b>	<b>\$ 2,234,632</b>
<b>Liabilities</b>				
Accounts payable	\$ 2,356,547	\$ 132,299	\$ 2,166,980	\$ 12,259
Accrued liabilities	315,541	64,924	12,617	3,265
Deposits payable	-	18,811	-	-
Due to other funds	1,932,659	-	-	-
Due to other governmental units	-	152,831	-	209,032
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>4,604,747</b>	<b>368,865</b>	<b>2,179,597</b>	<b>224,556</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	2,114,201	-	-	-
Unavailable revenue - long-term receivables	-	-	-	1,941,077
<b>Total deferred inflows of resources</b>	<b>2,114,201</b>	<b>-</b>	<b>-</b>	<b>1,941,077</b>
<b>Fund balances</b>				
Nonspendable	598,830	2,549	57,491	-
Restricted	-	-	-	68,999
Committed	-	-	-	-
Assigned	12,111,273	1,635,838	100,088	-
Unassigned	8,595,662	-	-	-
<b>Total fund balances</b>	<b>21,305,765</b>	<b>1,638,387</b>	<b>157,579</b>	<b>68,999</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 28,024,713</b>	<b>\$ 2,007,252</b>	<b>\$ 2,337,176</b>	<b>\$ 2,234,632</b>

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

Debt Service Fund	Capital Projects Funds				
Community Mental Health Bonds	Public Improvement	Sheriff's Adult Detention and Administration Facility	Nonmajor Governmental Funds	Total Governmental Funds	
\$ -	\$ 3,170,806	\$ 31,630,946	\$ 17,883,636	\$ 73,091,810	
-	-	-	223,544	6,125,939	
-	-	-	2,613,956	3,818,300	
-	-	-	117,378	2,267,486	
2,798,675	-	-	-	2,798,675	
-	6,988	134,917	65,732	389,343	
-	1,844,771	-	427,666	3,525,103	
-	-	-	3,248,284	6,095,546	
-	-	-	-	20,000	
-	-	-	-	400,000	
-	-	-	162,472	401,342	
<u>\$ 2,798,675</u>	<u>\$ 5,022,565</u>	<u>\$ 31,765,863</u>	<u>\$ 24,742,668</u>	<u>\$ 98,933,544</u>	
\$ -	\$ 39,881	\$ 930,192	\$ 3,390,125	\$ 9,028,283	
-	-	-	489,186	885,533	
-	-	-	34,359	53,170	
-	-	-	1,463,305	3,395,964	
-	-	-	70,254	432,117	
-	-	-	84,142	84,142	
-	39,881	930,192	5,531,371	13,879,209	
-	-	-	166,832	2,281,033	
2,798,675	-	-	117,378	4,857,130	
2,798,675	-	-	284,210	7,138,163	
-	-	-	198,862	857,732	
-	4,982,684	30,835,671	9,237,666	45,125,020	
-	-	-	4,793,300	4,793,300	
-	-	-	4,697,259	18,544,458	
-	-	-	-	8,595,662	
-	4,982,684	30,835,671	18,927,087	77,916,172	
<u>\$ 2,798,675</u>	<u>\$ 5,022,565</u>	<u>\$ 31,765,863</u>	<u>\$ 24,742,668</u>	<u>\$ 98,933,544</u>	

## COUNTY OF SAGINAW, MICHIGAN

### Reconciliation

Fund Balances for Governmental Funds  
To Net Position of Governmental Activities  
September 30, 2018

Fund balances - total governmental funds	\$ 77,916,172
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets, not being depreciated	9,752,475
Capital assets, being depreciated	18,236,231
Less: Internal service fund capital assets, net	(455,554)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Deferred inflows for long-term receivables and unavailable property tax revenue	7,138,163
Certain pension and other postemployment benefit (OPEB)-related amounts, such as the net pension and OPEB liabilities and related deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.	
Net pension liability	(21,656,581)
Deferred outflows related to the net pension liability	1,845,765
Deferred inflows related to the net pension liability	(2,201,904)
Net OPEB liability	(67,477,611)
Deferred outflows related to the net OPEB liability	741,331
Deferred inflows related to the net OPEB liability	(4,644,683)
Internal service funds are used by management to charge the costs of certain activities to individual funds. A portion of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
Net position of the governmental activity internal service funds	6,822,926
Portion of the governmental activity's internal service fund net position allocated to business-type activities	(70,447)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(79,754,230)
Premium on bond issuance	(2,556,927)
Accrued interest on bonds payable	(1,367,892)
Accrued compensated absences	(1,276,202)
Net position of governmental activities	<u>\$ (59,008,968)</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, 2018

	Special Revenue Funds			
	General	Health Department	Michigan Works!	Planning Commission
<b>Revenues</b>				
Property taxes	\$ 26,340,073	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-
Licenses and permits	150,075	412,856	-	-
Federal grants	458,103	1,852,238	10,529,997	303,938
State grants	7,113,391	1,974,012	2,422,140	24,630
Local grants and contributions	6,500	-	-	-
Charges for services	4,828,061	936,453	-	-
Fines and forfeitures	602,457	-	-	-
Investment income (loss)	7,332	-	(591)	74
Rental revenue	-	-	-	-
Donations	-	2,396	-	-
Reimbursements	4,711,330	1,853,129	1,978,905	1,250
Other revenue	545,964	571,031	-	32,570
<b>Total revenues</b>	<b>44,763,286</b>	<b>7,602,115</b>	<b>14,930,451</b>	<b>362,462</b>
<b>Expenditures</b>				
Current:				
Legislative	534,813	-	-	-
Judicial	12,689,524	-	-	-
General government	12,440,919	-	-	-
Public safety	10,296,067	-	-	-
Public works	209,039	-	-	-
Health and welfare	1,635,457	9,002,775	14,915,660	-
Community and economic development	311,026	-	-	395,992
Recreation and culture	-	-	-	-
Contributions to postemployment health benefits trust fund	1,718,557	-	-	-
Capital outlay	40,332	7,360	17,310	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>39,875,734</b>	<b>9,010,135</b>	<b>14,932,970</b>	<b>395,992</b>
Revenues over (under) expenditures	4,887,552	(1,408,020)	(2,519)	(33,530)
<b>Other financing sources (uses)</b>				
Bond proceeds	-	-	-	-
Premium on bond issuance	-	-	-	-
Transfers in	4,617,052	1,559,630	-	87,445
Transfers out	(8,040,569)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(3,423,517)</b>	<b>1,559,630</b>	<b>-</b>	<b>87,445</b>
<b>Net change in fund balances</b>	<b>1,464,035</b>	<b>151,610</b>	<b>(2,519)</b>	<b>53,915</b>
Fund balances, beginning of year	19,841,730	1,486,777	160,098	15,084
<b>Fund balances, end of year</b>	<b>\$ 21,305,765</b>	<b>\$ 1,638,387</b>	<b>\$ 157,579</b>	<b>\$ 68,999</b>

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

Debt Service Fund	Capital Projects Funds			
Community Mental Health Bonds	Public Improvement	Sheriff's Adult Detention and Administration Facility	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 15,324,366	\$ 41,664,439
-	-	-	3,215,047	3,215,047
-	-	-	99,476	662,407
-	-	-	4,339,471	17,483,747
-	-	-	5,626,897	17,161,070
-	-	-	152,727	159,227
-	-	-	6,521,349	12,285,863
-	-	-	101,670	704,127
-	11,677	57,383	40,025	115,900
-	-	-	179,361	179,361
-	-	-	311,851	314,247
-	-	-	8,403,614	16,948,228
-	24,206	-	65,291	1,239,062
-	35,883	57,383	44,381,145	112,132,725
-	-	-	-	534,813
-	-	-	5,244,118	17,933,642
-	361,508	-	4,256,797	17,059,224
-	-	-	14,001,409	24,297,476
-	-	-	457,636	666,675
-	-	-	12,671,254	38,225,146
-	-	-	3,267,399	3,974,417
-	-	-	2,310,748	2,310,748
-	-	-	-	1,718,557
-	1,336,539	6,174,177	691,859	8,267,577
-	-	-	-	-
-	-	-	3,177,599	3,177,599
-	-	-	2,431,051	2,431,051
-	1,698,047	6,174,177	48,509,870	120,596,925
-	(1,662,164)	(6,116,794)	(4,128,725)	(8,464,200)
-	-	36,675,000	4,580,000	41,255,000
-	-	2,600,265	-	2,600,265
-	1,997,641	672,000	8,026,837	16,960,605
-	-	(2,994,800)	(3,084,498)	(14,119,867)
-	1,997,641	36,952,465	9,522,339	46,696,003
-	335,477	30,835,671	5,393,614	38,231,803
-	4,647,207	-	13,533,473	39,684,369
\$ -	\$ 4,982,684	\$ 30,835,671	\$ 18,927,087	\$ 77,916,172

## COUNTY OF SAGINAW, MICHIGAN

### Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended September 30, 2018

Net change in fund balances - total governmental funds	\$ 38,231,803
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital assets purchased	7,480,843
Loss on disposal of capital assets	(66,603)
Depreciation expense	(1,465,264)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to subsequent fiscal years.	
Change in deferred inflows related to unavailable property tax revenue	(196,492)
Change in deferred inflows related to long-term lease receivable	2,798,675
Change in deferred inflows related to long-term loans receivable	(82,102)
Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal payments on long-term liabilities	3,177,599
Bond proceeds	(41,255,000)
Premium on bond issuance	(2,600,265)
Change in accrued interest payable and amortization of bond premium	(575,220)
Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.	
Change in net pension liability and related deferred amounts	(633,982)
Change in net other postemployment benefit liability and related deferred amounts	9,765,488
Change in accrued compensated absences	28,429
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.	
Change in net position of internal service funds	(2,873,990)
Operating income from governmental activities in internal service funds charged to business-type activities	<u>(6,046)</u>
Change in net position of governmental activities	<u>\$ 11,727,873</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, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 22,836,521	\$ 22,836,521	\$ 26,340,073	\$ 3,503,552
Licenses and permits	172,525	172,525	150,075	(22,450)
Federal grants	476,509	476,509	458,103	(18,406)
State grants	7,219,158	7,224,108	7,113,391	(110,717)
Local grants and contributions	6,500	6,500	6,500	-
Charges for services	4,807,531	4,812,656	4,828,061	15,405
Fines and forfeitures	653,400	653,400	602,457	(50,943)
Investment income	60,050	60,050	7,332	(52,718)
Reimbursements	4,654,083	4,678,813	4,711,330	32,517
Other revenue	87,503	87,503	545,964	458,461
<b>Total revenues</b>	<b>40,973,780</b>	<b>41,008,585</b>	<b>44,763,286</b>	<b>3,754,701</b>
<b>Expenditures</b>				
<b>Current:</b>				
Legislative - Board of Commissioners	539,578	539,578	534,813	(4,765)
<b>Judicial:</b>				
Circuit Court	3,673,643	3,703,143	3,726,355	23,212
District Court	4,335,112	4,331,812	4,057,478	(274,334)
Probate Court	1,036,090	1,036,090	1,009,268	(26,822)
Law Library	63,000	63,000	63,000	-
Family Division	2,849,138	2,849,138	2,738,954	(110,184)
Probation - Circuit Court	85,815	85,815	76,150	(9,665)
Probation - District Court	914,126	917,426	901,578	(15,848)
Assigned Counsel	115,221	117,121	116,441	(680)
Jury Commission	300	300	300	-
<b>Total judicial</b>	<b>13,072,445</b>	<b>13,103,845</b>	<b>12,689,524</b>	<b>(414,321)</b>
<b>General government:</b>				
Elections	59,200	87,840	86,219	(1,621)
Auditing	118,000	118,000	104,771	(13,229)
Corporate Counsel	161,600	161,600	130,459	(31,141)
County Clerk	1,462,546	1,475,231	1,416,695	(58,536)
Controller	1,628,405	1,708,611	1,423,749	(284,862)
Equalization	600,577	600,577	509,680	(90,897)
Prosecuting Attorney	3,602,279	3,602,279	3,300,531	(301,748)
Prosecuting Attorney - Welfare	710,536	710,536	690,548	(19,988)
Register of Deeds	573,265	572,965	554,243	(18,722)
County Treasurer	860,635	860,635	750,026	(110,609)
Maintenance	3,043,825	3,043,825	2,976,089	(67,736)
Maintenance - Telephone	78,000	78,000	75,433	(2,567)
Public Works Commissioner	418,974	418,974	422,476	3,502
<b>Total general government</b>	<b>13,317,842</b>	<b>13,439,073</b>	<b>12,440,919</b>	<b>(998,154)</b>

continued...

COUNTY OF SAGINAW, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued):				
Current (continued):				
Public safety:				
Sheriff	\$ 802,688	\$ 802,688	\$ 793,870	\$ (8,818)
Marine Law Enforcement	3,555	3,555	1,620	(1,935)
Sheriff - Jail Division	10,130,256	9,913,144	9,384,346	(528,798)
Corrections Reimbursement	118,116	118,116	116,231	(1,885)
Total public safety	<u>11,054,615</u>	<u>10,837,503</u>	<u>10,296,067</u>	<u>(541,436)</u>
Public works - Drains	<u>222,500</u>	<u>222,500</u>	<u>209,039</u>	<u>(13,461)</u>
Health and welfare:				
Medical Examiner	510,577	609,482	523,121	(86,361)
Veterans Burial	25,750	31,250	29,200	(2,050)
Contributions to other agencies	1,084,803	1,084,803	1,083,136	(1,667)
Total health and welfare	<u>1,621,130</u>	<u>1,725,535</u>	<u>1,635,457</u>	<u>(90,078)</u>
Community and economic development:				
Plat Board	300	600	580	(20)
Contributions to other agencies	311,885	311,885	310,446	(1,439)
Total community and economic development	<u>312,185</u>	<u>312,485</u>	<u>311,026</u>	<u>(1,459)</u>
Contributions to postemployment health benefits trust fund	<u>-</u>	<u>-</u>	<u>1,718,557</u>	<u>1,718,557</u>
Capital outlay	<u>-</u>	<u>40,332</u>	<u>40,332</u>	<u>-</u>
Total expenditures	<u>40,140,295</u>	<u>40,220,851</u>	<u>39,875,734</u>	<u>(345,117)</u>
Revenues over expenditures	<u>833,485</u>	<u>787,734</u>	<u>4,887,552</u>	<u>4,099,818</u>
Other financing sources (uses)				
Transfers in	4,611,619	4,611,619	4,617,052	5,433
Transfers out	(5,742,698)	(6,464,672)	(8,040,569)	1,575,897
Total other financing sources (uses)	<u>(1,131,079)</u>	<u>(1,853,053)</u>	<u>(3,423,517)</u>	<u>1,570,464</u>
Net change in fund balance	(297,594)	(1,065,319)	1,464,035	2,529,354
Fund balance, beginning of year	<u>19,841,730</u>	<u>19,841,730</u>	<u>19,841,730</u>	<u>-</u>
Fund balance, end of year	<u>\$ 19,544,136</u>	<u>\$ 18,776,411</u>	<u>\$ 21,305,765</u>	<u>\$ 2,529,354</u>

Concluded

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

COUNTY OF SAGINAW, MICHIGAN

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
 Budget and Actual - Health Department Special Revenue Fund  
 For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Licenses and permits	\$ 429,810	\$ 429,810	\$ 412,856	\$ (16,954)
Federal grants	250,000	250,000	1,852,238	1,602,238
State grants	3,784,934	3,916,334	1,974,012	(1,942,322)
Charges for services	1,087,250	1,087,250	936,453	(150,797)
Donations	6,500	6,500	2,396	(4,104)
Reimbursements	1,933,832	1,933,832	1,853,129	(80,703)
Other revenue	586,678	586,678	571,031	(15,647)
<b>Total revenues</b>	<u>8,079,004</u>	<u>8,210,404</u>	<u>7,602,115</u>	<u>(608,289)</u>
<b>Expenditures</b>				
Current:				
Health and welfare	10,212,049	10,335,949	9,002,775	(1,333,174)
Capital outlay	-	7,500	7,360	(140)
<b>Total expenditures</b>	<u>10,212,049</u>	<u>10,343,449</u>	<u>9,010,135</u>	<u>(1,333,314)</u>
Revenues under expenditures	(2,133,045)	(2,133,045)	(1,408,020)	725,025
<b>Other financing sources</b>				
Transfers in	1,559,629	1,559,629	1,559,630	1
<b>Net change in fund balance</b>	(573,416)	(573,416)	151,610	725,026
Fund balance, beginning of year	<u>1,486,777</u>	<u>1,486,777</u>	<u>1,486,777</u>	-
<b>Fund balance, end of year</b>	<u>\$ 913,361</u>	<u>\$ 913,361</u>	<u>\$ 1,638,387</u>	<u>\$ 725,026</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, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal grants	\$ 10,239,897	\$ 14,973,817	\$ 10,529,997	\$ (4,443,820)
State grants	654,268	3,770,349	2,422,140	(1,348,209)
Investment income (loss)	-	-	(591)	(591)
Reimbursements	1,943,526	2,073,526	1,978,905	(94,621)
<b>Total revenues</b>	<b>12,837,691</b>	<b>20,817,692</b>	<b>14,930,451</b>	<b>(5,887,241)</b>
Expenditures				
Current:				
Health and welfare	12,837,691	20,660,405	14,915,660	(5,744,745)
Capital outlay	-	18,000	17,310	(690)
<b>Total expenditures</b>	<b>12,837,691</b>	<b>20,678,405</b>	<b>14,932,970</b>	<b>(5,745,435)</b>
Net change in fund balance	-	139,287	(2,519)	(141,806)
Fund balance, beginning of year	160,098	160,098	160,098	-
Fund balance, end of year	<u>\$ 160,098</u>	<u>\$ 299,385</u>	<u>\$ 157,579</u>	<u>\$ (141,806)</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 - Planning Commission Special Revenue Fund  
For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal grants	\$ 260,000	\$ 303,937	\$ 303,938	\$ 1
State grants	20,000	22,000	24,630	2,630
Investment income	600	600	74	(526)
Reimbursements	1,250	1,250	1,250	-
Other revenue	56,478	56,478	32,570	(23,908)
<b>Total revenues</b>	<b>338,328</b>	<b>384,265</b>	<b>362,462</b>	<b>(21,803)</b>
Expenditures				
Community and economic development	425,773	471,710	395,992	(75,718)
<b>Revenues over (under) expenditures</b>	<b>(87,445)</b>	<b>(87,445)</b>	<b>(33,530)</b>	<b>53,915</b>
Other financing sources				
Transfers in	87,445	87,445	87,445	-
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>53,915</b>	<b>53,915</b>
Fund balance, beginning of year	15,084	15,084	15,084	-
<b>Fund balance, end of year</b>	<b>\$ 15,084</b>	<b>\$ 15,084</b>	<b>\$ 68,999</b>	<b>\$ 53,915</b>

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Net Position

Proprietary Funds  
September 30, 2018

	Business-type Activities - Enterprise Funds				Governmental
	Delinquent Tax Revolving	Building Authority Event Center	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Assets</b>					
Current assets:					
Cash and investment pool	\$ 4,349,922	\$ 1,648,310	\$ 1,430,193	\$ 7,428,425	\$ 7,518,661
Receivables, net:					
Taxes	12,636,271	41,093	-	12,677,364	-
Accounts	1,464,794	88,441	63,194	1,616,429	364,308
Interest and fees	2,652,603	2,244	1,926	2,656,773	14,907
Due from other funds	-	-	8,700	8,700	-
Due from other governmental units	5,602	-	27,599	33,201	192,521
Inventory	-	55,437	38,157	93,594	-
Prepays	-	-	108	108	7,698
Advances to other funds	283,500	-	-	283,500	-
Total current assets	<u>21,392,692</u>	<u>1,835,525</u>	<u>1,569,877</u>	<u>24,798,094</u>	<u>8,098,095</u>
Noncurrent assets:					
Capital assets not being depreciated	-	1,223,614	1,445,745	2,669,359	-
Capital assets being depreciated, net	3,113	16,219,376	4,155,029	20,377,518	455,554
Total noncurrent assets	<u>3,113</u>	<u>17,442,990</u>	<u>5,600,774</u>	<u>23,046,877</u>	<u>455,554</u>
Total assets	<u>21,395,805</u>	<u>19,278,515</u>	<u>7,170,651</u>	<u>47,844,971</u>	<u>8,553,649</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	22,947	142,816	454,060	619,823	183,972
Accrued liabilities	6,716	159,902	3,566	170,184	1,495,233
Deposits payable	-	607,788	4,816	612,604	-
Due to other funds	-	-	128,207	128,207	9,632
Due to other governmental units	-	-	103,797	103,797	-
Unearned revenue	-	109,575	6,355	115,930	-
Current portion of bonds payable	-	165,000	-	165,000	-
Total current liabilities	<u>29,663</u>	<u>1,185,081</u>	<u>700,801</u>	<u>1,915,545</u>	<u>1,688,837</u>
Noncurrent liabilities:					
Advances from other funds	-	283,500	20,000	303,500	-
Due to Saginaw Hockey Club, LLC	-	1,041,000	-	1,041,000	-
Accrued compensated absences	-	-	3,363	3,363	41,886
Notes payable	9,629,000	-	-	9,629,000	-
Bonds payable, net of current portion	-	2,595,000	-	2,595,000	-
Total noncurrent liabilities	<u>9,629,000</u>	<u>3,919,500</u>	<u>23,363</u>	<u>13,571,863</u>	<u>41,886</u>
Total liabilities	<u>9,658,663</u>	<u>5,104,581</u>	<u>724,164</u>	<u>15,487,408</u>	<u>1,730,723</u>
<b>Net position</b>					
Net investment in capital assets	3,113	13,641,990	5,600,774	19,245,877	455,554
Unrestricted	11,734,029	531,944	845,713	13,111,686	6,367,372
Total net position	<u>\$ 11,737,142</u>	<u>\$ 14,173,934</u>	<u>\$ 6,446,487</u>	<u>32,357,563</u>	<u>\$ 6,822,926</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				70,447	
Net position of business-type activities				<u>\$ 32,428,010</u>	

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended September 30, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Building Authority Event Center	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues					
Charges for services	\$ 628,454	\$ 2,530,086	\$ 2,152,241	\$ 5,310,781	\$ 203,395
Investment income	1,718,682	-	-	1,718,682	-
Fines and forfeitures	-	-	13,941	13,941	-
Rental revenue	-	-	105,719	105,719	364,354
Reimbursements	-	-	33,493	33,493	17,163,259
Other revenue	1,264,470	452,506	62,615	1,779,591	2,616
<b>Total operating revenues</b>	<b>3,611,606</b>	<b>2,982,592</b>	<b>2,368,009</b>	<b>8,962,207</b>	<b>17,733,624</b>
Operating expenses					
Personnel services	-	1,387,439	263,900	1,651,339	868,850
Fringe benefits	-	-	44,104	44,104	13,795,807
Supplies	49,896	321,627	388,043	759,566	178,046
Services and charges	1,063,950	1,687,347	1,296,464	4,047,761	5,638,933
Other	-	130,045	-	130,045	2,757
Depreciation	2,874	826,382	161,661	990,917	88,053
<b>Total operating expenses</b>	<b>1,116,720</b>	<b>4,352,840</b>	<b>2,154,172</b>	<b>7,623,732</b>	<b>20,572,446</b>
Operating income (loss)	2,494,886	(1,370,248)	213,837	1,338,475	(2,838,822)
Nonoperating revenues (expenses)					
Property taxes	-	1,212,628	-	1,212,628	-
Investment income	51,632	1,536	8,720	61,888	30,532
Interest expense and fiscal charges	(299,898)	(69,080)	-	(368,978)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(248,266)</b>	<b>1,145,084</b>	<b>8,720</b>	<b>905,538</b>	<b>30,532</b>
Income (loss) before capital contributions and transfers	2,246,620	(225,164)	222,557	2,244,013	(2,808,290)
Capital contributions:					
Federal grants	-	-	1,512,509	1,512,509	-
State grants	-	15,965	86,942	102,907	-
Local grants	-	25,000	-	25,000	-
Transfers in	-	-	4,500	4,500	-
Transfers out	(2,372,000)	(4,500)	(403,038)	(2,779,538)	(65,700)
Change in net position	(125,380)	(188,699)	1,423,470	1,109,391	(2,873,990)
Net position, beginning of year, as restated	11,862,522	14,362,633	5,023,017		9,696,916
Net position, end of year	\$ 11,737,142	\$ 14,173,934	\$ 6,446,487		\$ 6,822,926
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				6,046	
Change in net position of business-type activities				\$ 1,115,437	

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, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Building Authority Event Center	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities					
Receipts from customers	\$ 4,495,109	\$ 2,681,536	\$ 2,346,098	\$ 9,522,743	\$ -
Receipts from interfund services provided	-	-	-	-	17,468,676
Payments to employees	-	(1,439,553)	(311,360)	(1,750,913)	(1,472,640)
Payments to suppliers	(1,114,723)	(2,505,725)	(2,363,188)	(5,983,636)	(19,284,139)
<b>Net cash provided by (used in) operating activities</b>	<b>3,380,386</b>	<b>(1,263,742)</b>	<b>(328,450)</b>	<b>1,788,194</b>	<b>(3,288,103)</b>
Cash flows from noncapital financing activities					
Property tax collections	-	1,211,385	-	1,211,385	-
Transfers in	-	-	4,500	4,500	-
Transfers out	(2,372,000)	(4,500)	(403,038)	(2,779,538)	(65,700)
Proceeds from issuance of long-term debt	11,780,000	-	-	11,780,000	-
Principal paid on long-term debt	(19,532,000)	-	-	(19,532,000)	-
Interest paid on long-term debt	(299,898)	-	-	(299,898)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(10,423,898)</b>	<b>1,206,885</b>	<b>(398,538)</b>	<b>(9,615,551)</b>	<b>(65,700)</b>
Cash flows from capital and related financing activities					
Receipts from capital contributions	-	40,965	86,942	127,907	-
Advance from other funds	-	(31,500)	-	(31,500)	-
Principal paid on long-term debt	-	(130,000)	-	(130,000)	-
Interest paid on long-term debt	-	(98,273)	-	(98,273)	-
Payments for capital asset acquisition	-	(89,512)	(158,600)	(248,112)	(195,308)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>-</b>	<b>(308,320)</b>	<b>(71,658)</b>	<b>(379,978)</b>	<b>(195,308)</b>
Cash flows from investing activities					
Investment income received	51,632	505	9,053	61,190	50,780
<b>Net change in cash and investment pool</b>	<b>(6,991,880)</b>	<b>(364,672)</b>	<b>(789,593)</b>	<b>(8,146,145)</b>	<b>(3,498,331)</b>
Cash and investment pool:					
Beginning of year	11,341,802	2,012,982	2,219,786	15,574,570	11,016,992
<b>End of year</b>	<b>\$ 4,349,922</b>	<b>\$ 1,648,310</b>	<b>\$ 1,430,193</b>	<b>\$ 7,428,425</b>	<b>\$ 7,518,661</b>

continued...



COUNTY OF SAGINAW, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Building Authority Event Center	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ 2,494,886	\$ (1,370,248)	\$ 213,837	\$ 1,338,475	\$ (2,838,822)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	2,874	826,382	161,661	990,917	88,053
Changes in operating assets and liabilities that provided (used) cash:					
Receivables, net	868,640	(88,441)	(20,737)	759,462	(89,162)
Due from other funds	-	195,972	(8,700)	187,272	-
Due from other governmental units	14,863	-	-	14,863	(176,727)
Inventory	31,500	(2,488)	(8,332)	20,680	-
Prepays	-	14,753	3,982	18,735	4,031
Accounts payable	(31,922)	(428,857)	(808,895)	(1,269,674)	(88,751)
Accrued liabilities	(455)	54,126	(36)	53,635	(183,804)
Deposits payable	-	(429,056)	(2,931)	(431,987)	-
Due to other funds	-	(56,354)	67,177	10,823	388
Due to other governmental units	-	-	76,087	76,087	-
Unearned revenue	-	20,469	1,757	22,226	-
Accrued compensated absences	-	-	(3,320)	(3,320)	(3,309)
Net cash provided by (used in) operating activities	<u>\$ 3,380,386</u>	<u>\$ (1,263,742)</u>	<u>\$ (328,450)</u>	<u>\$ 1,788,194</u>	<u>\$ (3,288,103)</u>
					Concluded
Noncash transaction:					
Donated capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,512,509</u>	<u>\$ 1,512,509</u>	<u>\$ -</u>

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

# COUNTY OF SAGINAW, MICHIGAN

## Statement of Fiduciary Net Position

Fiduciary Funds

September 30, 2018

	Post-employment Health Benefits Trust Fund	Agency Funds
<b>Assets</b>		
Current assets:		
Cash and investment pool	\$ 4,849,614	\$ 10,311,415
Investments, at fair value - mutual funds	19,045,182	-
Receivables (net):		
Taxes	-	42,935
Accounts	1,794,803	1,012,734
Accrued interest	21,374	2,556
Due from other governmental units	-	206,941
Prepays	180,650	-
<b>Total assets (all current)</b>	<b>25,891,623</b>	<b>\$ 11,576,581</b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	351	\$ 414,782
Accrued liabilities	131,760	-
Deposits payable	-	1,566,381
Due to other governmental units	-	9,595,418
<b>Total liabilities (all current)</b>	<b>132,111</b>	<b>\$ 11,576,581</b>
<b>Net position restricted for:</b>		
Other postemployment benefits	<u>\$ 25,759,512</u>	

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

## COUNTY OF SAGINAW, MICHIGAN

### Statement of Changes in Fiduciary Net Position Fiduciary Fund - Postemployment Health Benefits Trust Fund For the Year Ended September 30, 2018

Additions	
Contributions:	
Employer	<u>\$ 8,991,013</u>
Investment earnings:	
Net appreciation in fair value of investments	206,685
Interest and dividends	<u>828,037</u>
Net investment earnings	<u>1,034,722</u>
Total additions	<u>10,025,735</u>
Deductions	
Participant benefits	4,006,144
Administrative expenses	<u>133,404</u>
Total deductions	<u>4,139,548</u>
Change in net position	5,886,187
Net position, beginning of year	<u>19,873,325</u>
Net position, end of year	<u><u>\$ 25,759,512</u></u>

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

COUNTY OF SAGINAW, MICHIGAN

**Combining Statement of Net Position**

Component Units  
September 30, 2018

	Road Commission	Brownfield Redevelopment Authority	Department of Public Works	Drain Commission
<b>Assets</b>				
Cash and investment pool	\$ 215,370	\$ 1,316,299	\$ 570,611	\$ 7,724,733
Investments	6,208,621	-	-	-
Receivables, net	3,629,582	4,463	10,217,563	11,043,886
Inventory	632,381	-	-	-
Prepays	177,734	-	-	-
Capital assets:				
Assets not being depreciated	40,223,566	-	-	11,959,560
Assets being depreciated, net	124,976,107	-	21,871	40,309,418
<b>Total assets</b>	<b>176,063,361</b>	<b>1,320,762</b>	<b>10,810,045</b>	<b>71,037,597</b>
<b>Deferred outflows of resources</b>				
Deferred pension amounts	602,895	-	-	-
<b>Liabilities</b>				
Accounts payable and accrued liabilities	962,376	3,161	147,565	2,363,301
Unearned revenue	-	-	-	-
Advances from primary government	-	-	-	400,000
Long-term liabilities:				
Due within one year	603,241	-	489,000	1,778,729
Due in more than one year	2,012,501	-	9,583,000	15,631,242
Net pension liability	9,838,295	-	-	-
Net other postemployment benefit obligation	10,128,741	-	-	-
<b>Total liabilities</b>	<b>23,545,154</b>	<b>3,161</b>	<b>10,219,565</b>	<b>20,173,272</b>
<b>Deferred inflows of resources</b>				
Deferred pension amounts	471,841	-	-	-
<b>Net position</b>				
Net investment in capital assets	163,253,269	-	21,871	34,859,007
Restricted for:				
Debt service	-	-	364,279	11,004,996
Acquisition/construction of capital assets	-	-	-	5,000,322
Unrestricted (deficit)	(10,604,008)	1,317,601	204,330	-
<b>Total net position</b>	<b>\$ 152,649,261</b>	<b>\$ 1,317,601</b>	<b>\$ 590,480</b>	<b>\$ 50,864,325</b>

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

Economic Development Corporation	Land Bank Authority	Total
\$ 103,788	\$ 2,603,815	\$ 12,534,616
-	-	6,208,621
-	477,918	25,373,412
-	1,240,200	1,872,581
-	-	177,734
-	-	52,183,126
-	-	165,307,396
<u>103,788</u>	<u>4,321,933</u>	<u>263,657,486</u>
-	-	602,895
9,532	825,365	4,311,300
-	5,741	5,741
-	-	400,000
-	-	2,870,970
-	-	27,226,743
-	-	9,838,295
-	-	10,128,741
<u>9,532</u>	<u>831,106</u>	<u>54,781,790</u>
-	-	471,841
-	-	198,134,147
-	-	11,369,275
-	-	5,000,322
<u>94,256</u>	<u>3,490,827</u>	<u>(5,496,994)</u>
<u>\$ 94,256</u>	<u>\$ 3,490,827</u>	<u>\$ 209,006,750</u>

COUNTY OF SAGINAW, MICHIGAN

**Combining Statement of Activities**

Component Units

For the Year Ended September 30, 2018

	Program Revenues			Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	
<b>Road Commission</b>				
Governmental activities:				
Highways and streets	\$ 25,699,463	\$ 94,185	\$ 23,711,938	\$ -
				\$ (1,893,340)
<b>Brownfield Redevelopment Authority</b>				
Governmental Activities:				
Community and economic development	18,140	-	15,914	-
				(2,226)
<b>Department of Public Works</b>				
Governmental Activities:				
Public works	55,072	137,776	-	440,752
Interest on long-term debt	359,809	-	-	-
				523,456
				(359,809)
<b>Total Department of Public Works</b>	<b>414,881</b>	<b>137,776</b>	<b>-</b>	<b>440,752</b>
				<b>163,647</b>
<b>Drain Commission</b>				
Governmental Activities:				
Public works	2,600,973	-	394,676	4,952,345
Interest on long-term debt	359,184	-	-	-
				2,746,048
				(359,184)
<b>Total Drain Commission</b>	<b>2,960,157</b>	<b>-</b>	<b>394,676</b>	<b>4,952,345</b>
				<b>2,386,864</b>
<b>Economic Development Corporation</b>				
Business-type Activities:				
Community and economic development	29,580	28,630	-	-
				(950)
<b>Land Bank Authority</b>				
Business-type Activities:				
Community and economic development	4,510,984	-	2,047,614	1,427,709
				(1,035,661)
<b>Total component units</b>	<b>\$ 33,633,205</b>	<b>\$ 260,591</b>	<b>\$ 26,170,142</b>	<b>\$ 6,820,806</b>
				<b>\$ (381,666)</b>

continued...

COUNTY OF SAGINAW, MICHIGAN

**Combining Statement of Activities**

Component Units

For the Year Ended September 30, 2018

	Road Commission	Brownfield Redevelopment Authority	Department of Public Works	Drain Commission
Change in net position				
Net (expense) revenue	\$ (1,893,340)	\$ (2,226)	\$ 163,647	\$ 2,386,864
General revenues:				
Property taxes	-	415	-	-
Investment income	58,009	3,435	896	88,586
Total general revenues	58,009	3,850	896	88,586
Change in net position	(1,835,331)	1,624	164,543	2,475,450
Net position, beginning of year	154,484,592	1,315,977	425,937	48,388,875
Net position, end of year	<u>\$ 152,649,261</u>	<u>\$ 1,317,601</u>	<u>\$ 590,480</u>	<u>\$ 50,864,325</u>

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

Economic Development Corporation	Land Bank Authority	Total
\$ (950)	\$ (1,035,661)	\$ (381,666)
-	-	415
<u>37</u>	<u>7,595</u>	<u>158,558</u>
37	7,595	158,973
(913)	(1,028,066)	(222,693)
<u>95,169</u>	<u>4,518,893</u>	<u>209,229,443</u>
<u>\$ 94,256</u>	<u>\$ 3,490,827</u>	<u>\$ 209,006,750</u>

Concluded



## NOTES TO FINANCIAL STATEMENTS

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The boundaries of the *County of Saginaw, Michigan* (the “County”) were set by proclamation of Governor Cass on September 10, 1822. These boundaries were subsequently changed by an act of the Legislative Council, approved March 2, 1831. During 1834, the question of conferring on the Township of Saginaw the status of a County was discussed and a resolution of the Council passed to the effect: - “That the County of Saginaw shall be organized when this act takes effect” - This act of organization was approved January 28, 1835, and put in force the second Monday of February 1835. The County of Saginaw now contains 3 cities, 27 townships and 5 incorporated villages. The population of the County according to the Federal Census of 2010 is 200,169.

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

#### *Reporting Entity*

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

**Blended component unit** - The Building Authority has been included as part of the County’s financial statements since the County appoints the governing authority and the Building Authority provides its services entirely to the County. The Building Authority does not issue a separate financial statement.

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

**Saginaw County Road Commission (the “Road Commission”)** - The Road Commission is governed by a five-member board of County Road Commissioners appointed by the Saginaw County Board of Commissioners. The Road Commission deposits receipts with the County, has a balance in the County’s common bank account and has investments through the County. The County does not have appropriation authority or budgetary control over the activities of the Road Commission; however, the nature and significance of the relationship between the primary government and the Road Commission is such that exclusion would cause the reporting entity’s financial statements to be misleading. Due to the difference in the fiscal year-end of the Road Commission, the December 31, 2017 amounts have been included in the County audit.

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

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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

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

Economic Development Corporation - The Economic Development Corporation is governed by a nine-member Board who are approved by the Saginaw County Board of Commissioners. The County has appropriation authority and budgetary control over the activities of the Economic Development Corporation. The Economic Development Corporation provides the means and methods of encouragement and assistance to strengthen and revitalize the economy of Saginaw County by improving the atmosphere for progress and growth through new employment opportunities and an increased tax base. The Economic Development Corporation's activities are reported discretely as a governmental fund type.

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

### *Component Unit Financial Statements*

Complete financial statements for the Road Commission may be obtained from the entity's administrative office. Separate financial statements are not prepared for the remaining component units.

Saginaw County Road Commission  
3020 Sheridan Avenue  
Saginaw, Michigan 48601

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### *Government-wide and Fund Financial Statements*

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

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

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

### *Measurement Focus, Basis of Accounting and Financial Statement Presentation*

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

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

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

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

The County reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the primary government, except those accounted for and reported in another fund.

The *Health Department Fund* (special revenue) accounts for the grant revenues and the related operations of the Saginaw County Department of Public Health.

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

The *Planning Commission Fund* (special revenue) accounts for the operations of the Saginaw County Planning Commission. Money for the operation of this fund is supplied from federal and state grants, reimbursements from other local units of government for work performed by the planning staff, and contributions from other County funds.

The *Community Mental Health Bonds Fund* (debt service) accounts for the resources accumulated from the Saginaw County Community Mental Health Authority capital lease to pay the principal and interest on the bonds.

The *Public Improvement Fund* (capital project) was established under Public Act 136 of 1956 and is used to account for the collection and distribution of monies specifically earmarked for statutory public improvements. Money for the operation of this fund is supplied from "Non-Tax" Revenue: charges for services, licenses and permits, sales of general 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.

The *Sheriff's Adult Detention and Administration Facility* (capital project) was established to account for the bond proceeds that were received and the construction of the new County adult detention and administration facility.

The government reports the following major proprietary funds:

The *Delinquent Tax Revolving Fund* accounts for the purchase of delinquent taxes from other local taxing units.

The *Building Authority Event Center Fund* accounts for the operations of the Saginaw County Event Center.

Additionally, the County reports the following fund types:

*Special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditure for specified purposes other than debt service or capital projects.

*Debt service funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

*Capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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

*Enterprise funds* account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

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

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

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

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

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

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

Assets, deferred outflows of resources, liabilities, deferred inflows of resources and equity

### *Cash and cash equivalents*

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

### *Investments*

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

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### *Receivables and payables*

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

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Amounts received in advance of project costs being incurred are reported as unearned revenue.

Certain receivables in governmental funds consist of rehabilitation and redevelopment loans that are generally not expected or scheduled to be collected in the subsequent year.

### *Advances*

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

### *Inventory and prepaids*

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

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

### *Capital assets*

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

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

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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:

	Years
Land improvements	15-20
Buildings and improvements	5-45
Machinery and equipment	3-10
Office furniture & fixtures	5-20
Planning and development	5-30
Vehicles	2-8
Infrastructure	50

### *Deferred outflows of resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and, as such, will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows of resources related to its net pension and OPEB liabilities.

### *Due to Saginaw Hockey Club, LLC*

On August 23, 2016, the County entered into an agreement with the Saginaw Hockey Club, LLC (the "Club"), tenant of the County's Event Center, to reimburse the Club for certain building improvements. The agreement requires the County to reimburse the Club for up to 60% of the total cost of the building improvements up to a maximum County reimbursement of \$1,041,000. The County is only required to reimburse the Club if an increased millage is approved by the County voters commencing in tax year 2021. If the millage passes, the County will be required to repay its portion of the improvements from the increased millage proceeds over a ten year period. If the millage does not pass, the County will not be required to reimburse the Club for any amounts related to the building improvements. The County believes that the millage will pass and they will reimburse the club for the County's 60% share of the building improvements. As of September 30, 2018, the Club had expended \$1,880,871 on the agreed upon building improvements which has resulted in the County recognizing a liability of \$1,041,000 at year end.

### *Long-term obligations*

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



# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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

### *Compensated absences*

#### Union employees

In March 1989, the County modified its sick leave policy for certain bargaining units. The sick day bank was frozen and accrual of sick days for these employees was discontinued. Sick leave was replaced with disability payments at 60% of the employees' annual salary, for a duration of one year. In April 2006, the County modified its vacation and sick leave policy for certain union employees. Previously accumulated vacation, personal leave and frozen sick leave were converted to Paid-Time-Off days ("PTO"). Union employees are granted PTO days, based on length of service and may carry over 700 hours of PTO to any subsequent year. Upon separation from the County, employees are compensated for one-half of their accumulated PTO hours at their current hourly rate, up to a maximum of 600 hours (maximum payout is for 300 hours / 37.5 days).

#### Non-union employees

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

### Compensated absence liability recognition

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

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

### *Deferred inflows of resources*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arise only under a modified accrual basis of accounting, from property taxes and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the County reports deferred inflows of resources in the government-wide financial statements related to its net pension and OPEB liabilities.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### *Fund balances*

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Commissioners. A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The County Controller has been given the authority to assign fund balances. Unassigned fund balance is the residual classification for the General Fund.

The Board of Commissioners has established a Fund Balance Policy within Saginaw County policies which establish an Employee Payroll Reserve and a Budget Stabilization Reserve in the General Fund. The policy authorizes earmarking a minimum of fifty percent of the most current Board approved General Fund budget for property tax collections for the Employee Payroll Reserve and a minimum of five percent of the most current Board approved General Fund budget for the Budget Stabilization Reserve. At year end, the County had \$11,743,044 assigned for the Employee Payroll Reserve and an additional amount of \$8,595,662 set aside within unassigned fund balance for the Budget Stabilization Reserve.

### *Interfund transactions*

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

Internal service funds record charges for services to all County departments and funds as operating revenue. All affected County funds record these payments to the internal service funds as operating expenditures or expenses.

### *Pensions and OPEB Plans*

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Plans and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. The County utilizes various investment instruments which are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

## 2. BUDGETARY INFORMATION

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

- Annual budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds. Annual Informational Budget Summaries are prepared for enterprise funds and internal service funds.
- The County Controller is authorized to transfer budgeted amounts from one category to another within an activity and between activities within the same fund in an amount up to \$75,000. Revisions that alter the total expenditures of any fund must be approved by the Board of Commissioners. The activity level in the General Fund and the special revenue funds is the legal level of control.
- Budgets for the General and special revenue funds are prepared on a modified accrual basis, while the internal service and enterprise fund informational budgets are prepared using the accrual basis of accounting. Both methods are consistent with generally accepted accounting principles (“GAAP”).
- Budget appropriations lapse at year-end with certain exceptions based on the approval of the Controller/CAO.
- The original budget was amended during the year in compliance with local and state laws. The budget to actual expenditures in the financial statements represent the final budgeted expenditures as amended by the County. Supplemental appropriations were necessary during the year.
- The County adopted a policy to establish the manner in which a surplus fund balance in the General Fund is distributed among the County funds. This policy requires that the General Fund budget surplus will first be used to bring any reserve balances in the General Fund into compliance with the policy as well as any budget surplus in the sheriff's jail division will be transferred to the Sheriff's Adult Detention and Administration Facility Bonds debt service fund. Any remaining General Fund budgeted surplus is to be transferred as follows: one-third (1/3) of any such surplus to the Public Improvement Special Revenue Fund; one-third (1/3) distributed to the OPEB fund (reported as contributions to postemployment health benefits trust fund, in the General Fund), and; the remaining one-third (1/3) to be distributed to the General Fund assigned fund balance accounts to be used towards maintaining an adequate level of reserves.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended September 30, 2018, the County incurred expenditures in certain activities within budgetary funds which were in excess of the amounts appropriated, as follows:

	Final Budget	Actual	Variance
General Fund:			
Judicial:			
Circuit Court	\$ 3,703,143	\$ 3,726,355	\$ 23,212
General government:			
Public Works Commissioner	418,974	422,476	3,502
Contributions to postemployment health benefits trust fund	-	1,718,557	1,718,557
Transfers out	6,464,672	8,040,569	1,575,897

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

### 3. DEPOSITS AND INVESTMENTS

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

Statutes authorize the County to invest in the following:

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

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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

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

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and investment pool	\$ 88,038,896	\$ 18,743,237	\$ 106,782,133
Statement of Net Position - Fiduciary Funds			
Postemployment Health Benefits Trust Fund:			
Cash and investment pool	4,849,614	-	4,849,614
Investments	19,045,182	-	19,045,182
Agency Funds:			
Cash and investment pool	10,311,415	-	10,311,415
<b>Total</b>	<b>\$ 122,245,107</b>	<b>\$ 18,743,237</b>	<b>\$ 140,988,344</b>

### Deposits and Investments

Bank deposits:			
Checking and savings accounts			\$ 68,605,344
Certificates of deposit:			
Due within one year			15,158,606
Due in one to five years			3,062,052
Investments:			
Primary government			33,493,853
Fiduciary funds			19,045,182
Cash on hand			52,121
Timing difference for component unit with different fiscal year end			1,571,186
<b>Total</b>			<b>\$ 140,988,344</b>

	Carrying Amount (Fair Value)	No Maturity	Maturity Less than 1 Year	Maturity 1-5 Years	Maturity 5-10 Years
Investments - primary government					
Municipal bonds	\$ 20,745,434	\$ -	\$ 5,532,230	\$ 13,169,944	\$ 2,043,260
U.S. government bonds	8,835,213	-	-	7,059,473	957,070
Michigan Class investment pool	1,371,875	-	1,371,875	-	-
Fixed income	2,527,645	-	2,527,645	-	-
Mutual funds	19,045,182	19,045,182	-	-	-
Money market	13,686	13,686	-	-	-
<b>Total</b>	<b>\$ 52,539,035</b>	<b>\$ 19,058,868</b>	<b>\$ 9,431,750</b>	<b>\$ 20,229,417</b>	<b>\$ 3,000,330</b>

continued...

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

	Maturity 10-15 Years	Maturity 15-20 Years
Investments - primary government		
Municipal bonds	\$ -	\$ -
U.S. government bonds	182,850	635,820
Michigan Class investment pool	-	-
Fixed income	-	-
Mutual funds	-	-
Money market	-	-
<b>Total</b>	<b>\$ 182,850</b>	<b>\$ 635,820</b>

Concluded

### Investment and deposit risk

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

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

	Carrying Amount (Fair Value)
Investments - primary government	
AAAm	\$ 1,371,875
AA+	13,176,994
AA	9,722,578
AA-	504,220
A+	2,115,569
Not rated	27,019,674
<b>Total</b>	<b>\$ 52,539,035</b>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year-end, \$84,232,600 of the County’s bank balance of \$94,334,063 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

*Concentration of Credit Risk.* State law limits allowable investments but does not limit concentration of credit risk as identified above. The County’s investment policy does not limit concentration of credit risk. At September 30, 2018, the County has no investments that exceeded 5% of total investments.

### Fair Value Measurement

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County had the following recurring fair value measurements as of year end:

Investment Type	Level 1	Level 2	Level 3	Total Fair Value
Municipal bonds	\$ -	\$ 20,745,434	\$ -	\$ 20,745,434
U.S. government	-	8,835,213	-	8,835,213
Fixed income	-	2,527,645	-	2,527,645
Mutual funds	19,045,182	-	-	19,045,182
	<u>\$ 19,045,182</u>	<u>\$ 32,108,292</u>	<u>\$ -</u>	<u>51,153,474</u>
Investments not subject to fair value hierarchy:				
Michigan Class investment pool				1,371,875
Money market funds				<u>13,686</u>
Total investments				<u>\$ 52,539,035</u>

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

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

Municipal bonds, government bonds, Michigan Class investment pool and fixed income are classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### 4. RECEIVABLES

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

	Governmental Activities	Business-type Activities	Component Units
Property taxes	\$ 6,125,939	\$ 12,677,364	\$ -
Special assessments:			
Due within one year	-	-	1,616,167
Due in more than one year	-	-	8,676,392
Accounts receivable	4,182,608	1,616,429	1,064,853
Loans:			
Due within one year	42,720	-	-
Due in more than one year	2,224,766	-	-
Lease:			
Due within one year	325,000	-	-
Due in more than one year	2,473,675	-	-
Interest, net	404,250	2,656,773	13,106
Due from other governmental units:			
Due within one year	6,288,067	33,201	489,000
Due in more than one year	-	-	13,513,894
<b>Total receivables, net</b>	<b><u>\$ 22,067,025</u></b>	<b><u>\$ 16,983,767</u></b>	<b><u>\$ 25,373,412</u></b>

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



# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### 5. CAPITAL ASSETS

Primary government capital asset activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 3,654,707	\$ 138,041	\$ -	\$ -	\$ 3,792,748
Construction in progress	487,437	5,764,877	-	(292,587)	5,959,727
	<u>4,142,144</u>	<u>5,902,918</u>	<u>-</u>	<u>(292,587)</u>	<u>9,752,475</u>
Capital assets being depreciated:					
Land improvements	9,107,893	132,531	(43,487)	-	9,196,937
Building and improvements	28,625,010	552,639	-	106,170	29,283,819
Machinery and equipment	7,281,439	417,314	(323,208)	-	7,375,545
Office furniture & fixtures	651,103	255,546	-	186,417	1,093,066
Vehicles	2,934,622	415,203	(219,821)	-	3,130,004
	<u>48,600,067</u>	<u>1,773,233</u>	<u>(586,516)</u>	<u>292,587</u>	<u>50,079,371</u>
Less accumulated depreciation:					
Land improvements	(3,825,560)	(229,743)	31,694	-	(4,023,609)
Buildings and improvements	(18,582,756)	(613,589)	-	-	(19,196,345)
Machinery and equipment	(5,795,545)	(297,045)	272,985	-	(5,819,605)
Office furniture & fixtures	(255,529)	(115,051)	-	-	(370,580)
Vehicles	(2,350,346)	(297,889)	215,234	-	(2,433,001)
	<u>(30,809,736)</u>	<u>(1,553,317)</u>	<u>519,913</u>	<u>-</u>	<u>(31,843,140)</u>
Total capital assets being depreciated, net	<u>17,790,331</u>	<u>219,916</u>	<u>(66,603)</u>	<u>292,587</u>	<u>18,236,231</u>
Governmental activities capital assets, net	<u>\$ 21,932,475</u>	<u>\$ 6,122,834</u>	<u>\$ (66,603)</u>	<u>\$ -</u>	<u>\$ 27,988,706</u>

As of September 30, 2018, the County had an outstanding commitment related to the Saginaw County Adult Detention Facility and Sheriff Administration Building project in the amount of approximately \$31,164,000.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-type activities</b>					
Capital assets not being depreciated:					
Land	\$ 2,258,248	\$ -	\$ -	\$ -	\$ 2,258,248
Air rights	117,761	-	-	-	117,761
Construction in progress	838,328	158,040	-	(703,018)	293,350
	<u>3,214,337</u>	<u>158,040</u>	<u>-</u>	<u>(703,018)</u>	<u>2,669,359</u>
Capital assets being depreciated:					
Land improvements	4,183,745	-	-	-	4,183,745
Buildings and improvements	19,621,131	89,510	-	-	19,710,641
Machinery and equipment	1,160,038	-	-	-	1,160,038
Office furniture & fixtures	61,201	-	-	-	61,201
Planning and development	9,186,036	1,513,071	-	703,018	11,402,125
Vehicles	125,318	-	-	-	125,318
	<u>34,337,469</u>	<u>1,602,581</u>	<u>-</u>	<u>703,018</u>	<u>36,643,068</u>
Less accumulated depreciation:					
Land improvements	(1,089,003)	(251,624)	-	-	(1,340,627)
Buildings and improvements	(5,504,854)	(533,198)	-	-	(6,038,052)
Machinery and equipment	(833,212)	(60,520)	-	-	(893,732)
Office furniture & fixtures	(35,418)	(700)	-	-	(36,118)
Planning and development	(7,698,138)	(142,732)	-	-	(7,840,870)
Vehicles	(114,008)	(2,143)	-	-	(116,151)
	<u>(15,274,633)</u>	<u>(990,917)</u>	<u>-</u>	<u>-</u>	<u>(16,265,550)</u>
Total capital assets being depreciated, net	<u>19,062,836</u>	<u>611,664</u>	<u>-</u>	<u>703,018</u>	<u>20,377,518</u>
Business-type activities capital assets, net	<u>\$ 22,277,173</u>	<u>\$ 769,704</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,046,877</u>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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

<b>Governmental activities</b>	
Judicial	\$ 65,929
General government	509,365
Public safety	306,721
Public works	83,191
Health and welfare	331,172
Recreation and culture	168,886
Capital assets held by the government's internal service funds are charged to the various functions based on the usage of the assets	88,053
	\$ 1,553,317
 <b>Business-type activities</b>	
Building Authority Event Center	\$ 826,382
Harry W. Browne Airport	159,288
Parking system	2,373
Delinquent tax revolving fund	2,874
	\$ 990,917

Discretely presented component units

Department of Public Works capital asset activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets being depreciated:					
Vehicles	\$ 34,021	\$ -	\$ -	\$ -	\$ 34,021
Less accumulated depreciation:					
Vehicles	(7,290)	(4,860)	-	-	(12,150)
	\$ 26,731	\$ (4,860)	\$ -	\$ -	\$ 21,871

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

Road Commission capital asset activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Land and improvements, infrastructure	\$ 39,150,223	\$ 514,708	\$ -	\$ -	\$ 39,664,931
Land	558,635	-	-	-	558,635
	<u>39,708,858</u>	<u>514,708</u>	<u>-</u>	<u>-</u>	<u>40,223,566</u>
Capital assets being depreciated:					
Land improvements	460,211	-	-	-	460,211
Depletable assets	35,013	-	-	-	35,013
Buildings and improvements	3,088,124	590,458	(155,561)	-	3,523,021
Office furniture & fixtures	508,498	-	-	-	508,498
Infrastructure	295,567,598	7,925,808	-	-	303,493,406
Equipment	17,586,420	1,732,467	(1,426,023)	-	17,892,864
	<u>317,245,864</u>	<u>10,248,733</u>	<u>(1,581,584)</u>	<u>-</u>	<u>325,913,013</u>
Less accumulated depreciation:					
Land improvements	(439,028)	(4,929)	-	-	(443,957)
Depletable assets	(3,914)	-	-	-	(3,914)
Buildings and improvements	(2,103,214)	(92,374)	155,561	-	(2,040,027)
Office furniture & fixtures	(484,474)	-	1,426,005	-	941,531
Infrastructure	(173,960,604)	(8,897,542)	-	-	(182,858,146)
Equipment	(15,608,067)	(924,326)	-	-	(16,532,393)
	<u>(192,599,301)</u>	<u>(9,919,171)</u>	<u>1,581,566</u>	<u>-</u>	<u>(200,936,906)</u>
Total capital assets being depreciated, net	<u>124,646,563</u>	<u>329,562</u>	<u>(18)</u>	<u>-</u>	<u>124,976,107</u>
Road Commission capital assets, net	<u>\$ 164,355,421</u>	<u>\$ 844,270</u>	<u>\$ (18)</u>	<u>\$ -</u>	<u>\$ 165,199,673</u>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

Drain Commission capital asset activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Construction in progress	\$ 3,658,265	\$ 8,419,997	\$ -	\$ (118,702)	\$ 11,959,560
Capital assets being depreciated:					
Infrastructure	71,941,382	358,004	-	118,702	72,418,088
Equipment	424,171	92,947	-	-	517,118
Vehicles	82,807	10,270	-	-	93,077
	<u>72,448,360</u>	<u>461,221</u>	<u>-</u>	<u>118,702</u>	<u>73,028,283</u>
Less accumulated depreciation:					
Infrastructure	(31,101,386)	(1,439,408)	-	-	(32,540,794)
Equipment	(99,817)	(39,636)	-	-	(139,453)
Vehicles	(22,600)	(16,018)	-	-	(38,618)
	<u>(31,223,803)</u>	<u>(1,495,062)</u>	<u>-</u>	<u>-</u>	<u>(32,718,865)</u>
Total capital assets being depreciated, net	<u>41,224,557</u>	<u>(1,033,841)</u>	<u>-</u>	<u>118,702</u>	<u>40,309,418</u>
Drain Commission capital assets, net	<u>\$ 44,882,822</u>	<u>\$ 7,386,156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,268,978</u>

## 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts payable	\$ 9,212,255	\$ 619,823	\$ 4,025,859
Accrued liabilities	3,748,658	170,184	285,441
Due to other government units	432,117	103,797	-
Deposits payable	53,170	612,604	-
Total accounts payable and accrued liabilities	<u>\$ 13,446,200</u>	<u>\$ 1,506,408</u>	<u>\$ 4,311,300</u>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### 7. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The composition of interfund balances as of year-end, was as follows:

Due to/from primary government funds:

	Due from Other Funds	Due to Other Funds
General	\$ 1,127,943	\$ 1,932,659
Health Department	124,723	-
Public Improvement	1,844,771	-
Nonmajor governmental funds	427,666	1,463,305
Nonmajor enterprise funds	8,700	128,207
Internal service funds	-	9,632
	<u>\$ 3,533,803</u>	<u>\$ 3,533,803</u>

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

Advances to/from other funds:

	Advance From	Advance To
General	\$ 20,000	\$ -
Delinquent Tax Revolving	283,500	-
Building Authority Event Center	-	283,500
Nonmajor enterprise funds	-	20,000
	<u>\$ 303,500</u>	<u>\$ 303,500</u>

The advances from the General Fund to the nonmajor enterprise and internal service funds exist to maintain adequate cash reserves in the funds. The advance from the Delinquent Tax Revolving fund to the Building Authority Event Center fund was used for renovations at the event center. In addition, there is a \$400,000 advance from the General Fund to the Drain Commission to maintain adequate cash reserves.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

For the year ended September 30, 2018, interfund transfers consisted of the following:

	Transfers In	Transfers Out
General	\$ 4,617,052	\$ 8,040,569
Health Department	1,559,630	-
Planning Commission	87,445	-
Public Improvement	1,997,641	-
Sheriff's Adult Detention and Administration Facility	672,000	2,994,800
Nonmajor governmental funds	8,026,837	3,084,498
Delinquent Tax Revolving	-	2,372,000
Building Authority Event Center	-	4,500
Nonmajor enterprise funds	4,500	403,038
Internal service funds	-	65,700
	<u>\$ 16,965,105</u>	<u>\$ 16,965,105</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.

## 8. LONG-TERM DEBT

### Changes in Long-term Debt

Long-term debt activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Primary Government					
Governmental activities:					
General obligation bonds:					
2013 pension bonds	\$ 40,430,000	\$ -	\$ (3,040,000)	\$ 37,390,000	\$ 3,115,000
2017 Sheriff's Adult Detention and Administration Facility bonds	-	36,675,000	-	36,675,000	-
2018 Community Mental Health Facility bonds	-	4,580,000	-	4,580,000	325,000
2010 Capital Improvement bonds	1,246,829	-	(137,599)	1,109,230	139,934
	<u>41,676,829</u>	<u>41,255,000</u>	<u>(3,177,599)</u>	<u>79,754,230</u>	<u>3,579,934</u>
Compensated absences	1,349,826	1,189,916	(1,221,654)	1,318,088	1,304,631
Bond premium	-	2,600,265	(43,338)	2,556,927	86,676
	<u>\$ 43,026,655</u>	<u>\$ 45,045,181</u>	<u>\$ (4,442,591)</u>	<u>\$ 83,629,245</u>	<u>\$ 4,971,241</u>

Continued...

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Primary Government (concluded)</b>					
Business-type activities:					
Delinquent tax notes	\$ 17,381,000	\$ 11,780,000	\$ (19,532,000)	\$ 9,629,000	\$ -
General obligation bonds	2,890,000	-	(130,000)	2,760,000	165,000
	<u>20,271,000</u>	<u>11,780,000</u>	<u>(19,662,000)</u>	<u>12,389,000</u>	<u>165,000</u>
Compensated absences	6,683	6,775	(10,095)	3,363	-
	<u>\$ 20,277,683</u>	<u>\$ 11,786,775</u>	<u>\$ (19,672,095)</u>	<u>\$ 12,392,363</u>	<u>\$ 165,000</u>
					Concluded
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Component Units</b>					
Road Commission:					
Michigan Transportation Note					
Note	\$ 1,600,000	\$ -	\$ (400,000)	\$ 1,200,000	\$ 400,000
Equipment lease	288,410	575,638	(117,644)	746,404	203,241
	<u>1,888,410</u>	<u>575,638</u>	<u>(517,644)</u>	<u>1,946,404</u>	<u>603,241</u>
Compensated absences	624,915	63,214	(18,791)	669,338	-
	<u>\$ 2,513,325</u>	<u>\$ 638,852</u>	<u>\$ (536,435)</u>	<u>\$ 2,615,742</u>	<u>\$ 603,241</u>
Brownfield Redevelopment Authority:					
Loans from State of Michigan					
	\$ 15,564	\$ -	\$ (15,564)	\$ -	\$ -
Department of Public Works:					
General obligation bonds	\$ 10,718,000	\$ -	\$ (646,000)	\$ 10,072,000	\$ 489,000
Drain Commission:					
General obligation bonds and notes	\$ 11,000,200	\$ 8,186,000	\$ (1,776,229)	\$ 17,409,971	\$ 1,778,729

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, \$41,886 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, MICHIGAN

## Notes To Financial Statements

### Primary Government

General obligation bonds and notes payable are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued as 5 to 20-year serial bonds with varying amounts of principal maturing each year through fiscal year 2048. Delinquent tax notes payable are generally mature within 24 months of issuance with interest due annually. General obligation bonds and notes payable currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental activities	1.90 - 5.75%	\$ 79,754,230
Business-type activities	1.88 - 2.00%	12,389,000
Total primary government		<u>\$ 92,143,230</u>

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

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 3,579,934	3,346,692	\$ 165,000	\$ 182,051
2020	3,667,310	3,251,775	2,819,000	84,670
2021	4,474,724	3,105,527	7,155,000	48,500
2022	4,637,180	2,928,982	175,000	47,813
2023	4,824,678	2,738,681	180,000	46,688
2024-2028	27,150,404	10,204,829	985,000	179,801
2029-2033	6,470,000	5,538,249	910,000	62,535
2034-2038	6,730,000	4,088,600	-	-
2039-2043	8,220,000	2,598,600	-	-
2044-2048	10,000,000	900,025	-	-
Total	<u>\$ 79,754,230</u>	<u>\$ 38,701,960</u>	<u>\$ 12,389,000</u>	<u>\$ 652,058</u>

The County is party to an agreement with HealthSource Saginaw ("HealthSource"), a non-profit organization whereas HealthSource issued bonds to fund improvements to its facility. The County has agreed to levy the voter-approved property tax millage and provide these funds to HealthSource for it to make the required principal and interest payments. HealthSource has pledged its net revenue as security on the bonds. The County provided its full faith and credit for the prompt repayment of these bonds; however, the County does not expect to be obligated for any payments since the voters have approved a property tax millage to fund the bond obligation and HealthSource has pledged its net revenues. At year end, the outstanding balance on these bonds, which mature May 1, 2029, was \$23,055,000. Because the County only provides a guarantee related to these bonds, there is no related liability recorded in these financial statements.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### Component Units

#### *Road Commission*

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

Year Ending December 31,	Principal	Interest
2018	\$ 603,241	\$ 40,240
2019	524,631	33,751
2020	478,911	20,623
2021	81,239	10,019
2022	83,636	7,622
2023-2024	174,746	7,770
<b>Total</b>	<b>\$ 1,946,404</b>	<b>\$ 120,025</b>

#### *Department of Public Works*

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

These bonds are direct obligations, and pledge the full faith and credit of the County and the associated municipalities and authorities. The bonds are issued as 8 to 40-year serial bonds with varying amounts of principal maturing each year through fiscal year 2051 and bear interest at varying rates from 2.50% to 5.90%.

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

Year Ending September 30,	Principal	Interest
2019	\$ 489,000	\$ 362,016
2020	516,000	345,750
2021	358,000	328,620
2022	365,000	314,745
2023	381,000	300,342
2024-2028	1,840,000	1,276,996
2029-2033	1,852,000	944,338
2034-2038	2,001,000	614,964
2039-2043	1,354,000	279,973
2044-2048	671,000	96,810
2049-2051	245,000	9,915
<b>Total</b>	<b>\$ 10,072,000</b>	<b>\$ 4,874,469</b>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### *Drain Commission*

General obligation drain improvement bonds and notes are issued by the County to finance certain drainage district construction projects. General obligation bonds have been issued for governmental activities. These bonds and notes are direct obligations, and pledge the full faith and credit of the County and the respective drainage districts. The bonds are generally issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year through fiscal year 2048 and bear interest rates varying from 1.00% to 5.00%.

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

Year Ending September 30,	Principal	Interest
2019	\$ 1,778,729	\$ 528,265
2020	1,442,079	551,571
2021	1,317,079	514,643
2022	1,318,079	482,093
2023	1,294,079	449,436
2024-2028	5,567,229	1,752,218
2029-2033	3,673,500	1,226,940
2034-2038	2,468,500	643,856
2039-2043	1,878,500	375,700
2044-2048	1,878,500	140,888
	<u>22,616,274</u>	<u>6,665,610</u>
Remaining available to draw	<u>(5,206,303)</u>	<u>-</u>
Total	<u>\$ 17,409,971</u>	<u>\$ 6,665,610</u>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### 9. DEFINED BENEFIT PENSION PLANS

Primary Government

*General Information About the Plan*

*Plan Description.* The County participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at [www.mersofmich.com](http://www.mersofmich.com).

*Benefits Provided.* Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 or 5 year period) and multipliers ranging from 2.25% to 2.50%. Participants are considered to be fully vested in the plan after 6 years. Normal retirement age is 60 with early retirement options including 25 years of service and out and ages 50 to 55 with 15 to 25 years of service, depending on division/bargaining unit. Member contributions range from 0% to 4.34%. The MERS plan is closed to all new hires.

*Employees Covered by Benefit Terms.* As of the most recent valuation date, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	566
Inactive employees entitled to but not yet receiving benefits	45
Active employees	38
 Total membership	 649

*Contributions.* The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. For fiscal year 2018, the actuarially determined monthly employer contributions ranged from \$0 to \$67,615 for all divisions.

*Net Pension Liability.* The County's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

Although no specific price inflation assumptions are needed for the valuation, the 3.75% long-term wage inflation assumption would be consistent with a price inflation of 2.50%.

Mortality rates used were based on a 50% Male - 50% Female blend of the RP-2014 Healthy Annuitant (with rates multiplied by 105%), Employee and Juvenile Mortality Tables.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of the most recent actuarial experience study of 2009-2013.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	57.50%	5.02%	2.89%
Global fixed income	20.00%	2.18%	0.44%
Real assets	12.50%	4.23%	0.51%
Diversifying strategies	<u>10.00%</u>	6.56%	0.66%
	<u><u>100.00%</u></u>		
Inflation			3.25%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u><u>8.00%</u></u>

*Discount Rate.* The discount rate used to measure the total pension liability as of December 31, 2017 was 8.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### *Changes in Net Pension Liability*

The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2016	\$ 145,505,305	\$ 119,192,976	\$ 26,312,329
Changes for the year:			
Service cost	271,358	-	271,358
Interest	11,161,488	-	11,161,488
Difference between expected and actual experience	5,196	-	5,196
Employer contributions	-	1,141,350	(1,141,350)
Employee contributions	-	54,021	(54,021)
Net investment income (loss)	-	15,139,260	(15,139,260)
Benefit payments, including refunds of employee contributions	(12,244,774)	(12,244,774)	-
Administrative expense	-	(240,839)	240,839
Other changes	2	-	2
Net changes	<u>(806,730)</u>	<u>3,849,018</u>	<u>(4,655,748)</u>
Balances at December 31, 2017	<u>\$ 144,698,575</u>	<u>\$ 123,041,994</u>	<u>\$ 21,656,581</u>

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the County, calculated using the discount rate of 8.00%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.00%) or 1% higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
County's net pension liability	\$ 34,795,213	\$ 21,656,581	\$ 10,364,056

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

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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

For the year ended September 30, 2018, the County recognized pension expense of \$3,095,002. The County reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources, net	Deferred Inflows of Resources, net	Net Deferred (Inflows) Outflows)
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 2,201,904	\$ (2,201,904)
Contributions subsequent to the measurement date	1,845,765	-	1,845,765
<b>Total</b>	<b>\$ 1,845,765</b>	<b>\$ 2,201,904</b>	<b>\$ (356,139)</b>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending September 30, 2019. Other amounts reported as pension-related deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended September 30,	Amount
2019	\$ 553,968
2020	447,709
2021	(1,992,493)
2022	(1,211,088)
<b>Total</b>	<b>\$ (2,201,904)</b>

*Payable to the Pension Plan.* At September 30, 2018, the County did not have any outstanding required contributions to report as payable to the pension plan for the year ended September 30, 2018.

The net pension liability is generally liquidated by the General Fund.

### Component Unit - Road Commission

#### *General Information About the Plan*

*Plan Description.* The Road Commission participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at [www.mersofmich.com](http://www.mersofmich.com).

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

*Benefits Provided.* Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 or 5 year period) and multipliers ranging from 1.50% to 2.50%. Participants are considered to be fully vested in the plan after 6 or 10 years. Normal retirement age is 60 with early retirement at age 55 with 15 to 25 years of service or age 50 with 25 years of service. Member contributions range from 4.00% to 4.70% of annual compensation. Four of the seven divisions included in the Plan are closed to new hires.

*Employees Covered by Benefit Terms.* At December 31, 2016, the date of the most recent actuarial valuation, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	104
Inactive employees entitled to but not yet receiving benefits	7
Active employees	<u>65</u>
Total membership	<u><u>176</u></u>

*Contributions.* The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. For the year ended December 31, 2017, employer contributions ranged from 1.70% to 3.56% of annual payroll for open divisions. Closed divisions have a monthly employer contribution ranging from \$6,931 to \$32,439.

*Net Pension Liability.* The Commission's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was rolled forward to December 31, 2017 using the December 31, 2016 actuarial valuation with the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of the most recent actuarial experience study of 2009-2013.



# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	57.50%	5.02%	2.89%
Global fixed income	20.00%	2.18%	0.44%
Real assets	12.50%	4.23%	0.51%
Diversifying strategies	<u>10.00%</u>	6.56%	0.66%
	<u>100.00%</u>		
Inflation			3.25%
Administrative and investment expenses netted above			<u>0.25%</u>
			<u>8.00%</u>

*Discount Rate.* The discount rate used to measure the total pension liability is 8.00% for 2017. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### *Changes in Net Pension Liability*

The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2016	\$ 32,580,367	\$ 22,133,648	\$ 10,446,719
Changes for the year:			
Service cost	392,452	-	392,452
Interest	2,535,884	-	2,535,884
Employer contributions	-	719,886	(719,886)
Employee contributions	-	170,862	(170,862)
Net investment income	-	2,864,864	(2,864,864)
Benefit payments, including refunds of employee contributions	(2,156,171)	(2,156,171)	-
Experience changes	205,475	-	205,475
Administrative expense	-	(45,461)	45,461
Other changes	(32,084)	-	(32,084)
Net changes	<u>945,556</u>	<u>1,553,980</u>	<u>(608,424)</u>
Balances at December 31, 2017	<u>\$ 33,525,923</u>	<u>\$ 23,687,628</u>	<u>\$ 9,838,295</u>

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the Commission, calculated using the discount rate of 8.00%, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.00%) or 1% higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Commission's net pension liability	\$ 13,361,833	\$ 9,838,295	\$ 6,836,623

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

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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

For the year ended December 31, 2017, the Commission recognized pension expense of \$1,645,974. The Commission reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows and (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 471,841	\$ (471,841)
Differences in assumptions	528,020	-	528,020
Differences in experience	74,875	-	74,875
	<u>\$ 602,895</u>	<u>\$ 471,841</u>	<u>\$ 131,054</u>

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

Year Ended December 31,	Amount
2018	\$ 593,379
2019	127,467
2020	(360,471)
2021	<u>(229,321)</u>
Total	<u>\$ 131,054</u>

*Payable to the Pension Plan.* At December 31, 2017, the Commission reported \$74,510 in outstanding contributions to the pension plan required for the year ended December 31, 2017.

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

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### 10. DEFINED CONTRIBUTION PENSION PLAN

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

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

Currently, the County has a two-tiered system regarding employee and employer contributions to the defined contribution pension plan based upon the employee’s date of hire. Current plan provisions do not allow for any employee to change his/her election contribution. Each bargaining group negotiated a specific date to use when defining an employee as a new hire or as a current employee and these dates generally reflect the date its contract was ratified. These dates range for new hires between November 2004 and September 2007 (refer to specific bargaining agreements for exact dates).

Employees classified as current employees under each bargaining agreement may elect to contribute either 0% or 3% of their annual salary. If the employee elects to contribute 0% of their salary, the County is required to contribute 6% of the employee’s salary. If the employee elects to contribute 3% of their salary, the County is required to contribute 9% of the employee’s annual salary.

More recently, employees classified as a new hire under each bargaining agreement may elect to contribute either 0% or 6% of their annual salary. If the employee elects to contribute 0% of their annual salary, the County is required to contribute 3% of the employee’s annual salary. If the employee elects to contribute 6% of their annual salary, the County is required to contribute 6% of the employee’s annual salary.

Plan provisions and contribution requirements are established and may be amended by the Saginaw County Board of Commissioners.

Employer contributions to the Plan for the year ended September 30, 2018, amounted to \$1,777,463 and employee contributions were \$1,088,963.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### 11. POSTEMPLOYMENT HEALTH BENEFITS

#### Primary Government

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

*Basis of Accounting.* The postemployment health benefits fund financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

*Method Used to Value Investments.* Investments are reported at fair value which is determined using selected bases as follows: short-term investments are reported at cost, which approximates fair value; securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; investments for which market quotations are not readily available are valued at fair market values as determined by the custodian under the direction of the Board of Commissioners, with the assistance of a valuation service; and cash deposits are reported at carrying amounts which reasonably estimates fair value.

*Funding Policy.* The contribution requirements of the Plan members and the County are established and may be amended by the County Board of Commissioners, in accordance with County policies, union contracts, and Plan provisions. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined through the annual actuarial valuation. For the year ended September 30, 2018, the County contributed \$8,991,013 to the Plan.

At September 30, 2018, the date of the latest actuarial valuation, participants in the plan consisted of:

Retirees and beneficiaries currently receiving benefits	678
Active employees	<u>156</u>
Total	<u><u>834</u></u>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

*Benefits.* The County pays between 10%-100% of the health insurance premiums for these retirees. At age 65 retirees and covered spouses are required to enroll in Medicare parts A and B when eligible. The retiree is responsible for payment of the Medicare part B premiums. Effective August 1, 2017, eligible retirees and their spouses that become Medicare eligible are transferred into a Medicare Plus Blue PPO (Medicare Advantage) fully insured plan. Retirees are required to enroll in both Part A and Part B of Medicare to continue under the County's group coverage. A premium share at the percentage indicated below, as established by Board resolution, is required by non-union retirees:

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

Union employees are also subject to the same or similar co-pay percentages based on retirement eligibility and years of service as specified in their individual union contracts. During year ended September 30, 2018, retiree contributions amounted to \$317,607.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### *Changes in Net OPEB Liability*

The components of the change in the net OPEB liability are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at September 30, 2017	\$ 101,019,776	\$ 19,873,325	\$ 81,146,451
Changes for the year:			
Service cost	941,815	-	941,815
Interest	5,969,257	-	5,969,257
Differences between expected and actual experience	1,329,614	-	1,329,614
Changes in assumptions	(12,017,195)	-	(12,017,195)
Employer contributions	-	8,991,013	(8,991,013)
Net investment income	-	1,034,722	(1,034,722)
Benefit payments, including refunds of employee contributions	(4,006,144)	(4,006,144)	-
Administrative expenses	-	(133,404)	133,404
Net changes	<u>(7,782,653)</u>	<u>5,886,187</u>	<u>(13,668,840)</u>
Balances at September 30, 2018	<u>\$ 93,237,123</u>	<u>\$ 25,759,512</u>	<u>\$ 67,477,611</u>

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

The total OPEB liability was calculated as of September 30, 2018 from an actuarial valuation as of the same date, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

*Retirement age for active employees*—Based on the retirement rates used in the most recent MERS pension valuation.

*Spousal election rates*—70% of participating retirees are assumed to be married at retirement. 100% of married participants at retirement will elect to cover their spouse.

*Mortality*—Mortality rates used were a blended rate of the RP-2014 Health Annuitant Mortality Tables, with rates multiplied by 105%, RP-2014 Employee Mortality Tables and the RP-2014 Juvenile Mortality Tables of a 50% Male and 50% Female blend. Disabled retirees mortality rates were based on the 50% Male - 50% Female blend of the RP-2014 Disabled Retiree Mortality Tables.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

*Healthcare cost trend rate*—The expected rate of increase in healthcare insurance premiums was based on projections by the County’s management. A pre-65 rate of 8.5% and a post-65 rate of 7.0% were used for the first year reducing by .25% each year until leveling out at 4.50%.

*Inflation rate*—The expected long-term inflation assumption used was 2.50%.

*Payroll growth rate*—The expected long-term payroll growth was 3.75%.

*Investment rate or return*—Based on the historical and expected returns of the County’s long-term investment portfolio, a discount rate of 6.00% was used.

*Changes in assumptions*—(1) per-capita claims and fixed cost rates were updated to reflect experience since the previous valuation (2) healthcare trend rates were changed to (a) pre-65 first year was reduced to 8.50% reducing 0.25% each year until reaching 4.50% (b) post-65 first year was reduced to 7.00% reducing 0.25% each year until reaching 4.50% (3) pre-65 healthcare cost trend assumption was adjusted to account for potential excise taxes on "Cadillac" plan benefits. Adjustment included a 0.50% increase in the ultimate trend rate.

### Investments

*Investment Policy.* The OPEB Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board. The investment policy has been formulated based on consideration of a wide range of policies and describes the prudent investment processes that the Board deems appropriate. The OPEB Plan’s asset allocation policy is shown below.

*Rate of Return.* For the year ended September 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 4.73%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB Plan investments was determined using a forward looking estimate of capital market returns model for each investment major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and investment expenses. The target allocation and best estimates of arithmetic real rates of return for each asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic fixed income	40.0%	1.00%	0.41%
Domestic equity	50.0%	5.50%	2.75%
International equity	5.0%	6.50%	0.36%
Other	5.0%	-0.50%	-0.02%
	100.0%		
Inflation			2.50%
Investment rate of return			6.00%



# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

*Discount Rate.* The discount rate used to measure the total OPEB liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.* The following presents the net OPEB liability of the Authority, calculated using the discount rate of 6.00%, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (5.00%) or 1% higher (7.00%) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
County's net OPEB liability	\$ 79,966,258	\$ 67,477,611	\$ 57,068,951

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following presents the net OPEB liability of the Authority, calculated using the healthcare cost trend rate of 8.50% (post-65 7.00%), as well as what the Authority's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (pre-65 7.50% and post-65 6.00%)	Current Trend Rate (pre-65 8.50% post-65 7.00%)	1% Increase (pre-65 7.50% and post-65 6.00%)
County's net OPEB liability	\$ 57,061,044	\$ 67,477,611	\$ 79,890,945

### *OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB*

For the year ended September 30, 2018, the County recognized negative OPEB expense of \$(795,052) mainly due to the amortization of the changes in assumptions. The County reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows and (Inflows) of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 227,431	\$ -	\$ 227,431
Differences in assumptions	-	4,644,683	(4,644,683)
Differences in experience	513,900	-	513,900
	<u>\$ 741,331</u>	<u>\$ 4,644,683</u>	<u>\$ (3,903,352)</u>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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

Year Ended December 31,	Amount
2018	\$ (4,073,925)
2019	56,858
2020	56,858
2021	<u>56,857</u>
Total	<u>\$ (3,903,352)</u>

*Payable to the OPEB Plan.* At September 30, 2018, the County reported \$1,718,557 in outstanding contributions to the OPEB plan for the year ended September 30, 2018.

The net OPEB liability is generally liquidated by the General Fund.

### Component Unit - Road Commission

*Plan Description.* The Road Commission administers a single employer defined benefit postemployment benefit plan (the “Plan”). The Plan provides healthcare, dental and life insurance benefits in accordance with the Saginaw County Road Commission’s union contract Article 28, to all employees who retire from the Road Commission and qualify for benefits under MERS. Coverage for non-union employees is provided upon the discretion of management. As the time of the last actuarial report, as of December 31, 2015, the Plan provided up to 100% of health insurance benefits depending on coverage elected by the employee.

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

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

Three-Year Trend Information			
Fiscal Year Ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
12/31/2015	\$ 3,019,091	22%	\$ 6,141,676
12/31/2016	3,332,383	23%	8,148,748
12/31/2017	3,737,749	24%	10,128,741

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

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

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

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

## 12. RISK MANAGEMENT

The County is self-funded for worker’s compensation, general liability, health, dental and vision insurance.

### *Worker’s Compensation*

The self-insurance program for worker’s compensation is accounted for in the Employee Benefits Fund (an internal service fund). An independent administrator is hired to process the daily claims and to perform auditing and management duties. The County is insured for \$500,000 in liability for each occurrence and Eagles Claims Management, the County’s administrator for worker’s compensation, insures the remainder, through Midwest Employers Casualty Company, up to \$1,000,000 for each occurrence. The revenue for this activity’s operation is derived through reimbursements from various funds having employees. Losses, damages and administrative expenses are all paid from this fund.

The claims liability as reported at September 30, 2018, is based on requirements that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. The claim liability is estimated by the claims administrator and management. Management estimates the incurred but not reported (“IBNR”) liability based on prior experience and both the estimated claims liability and the IBNR estimates are recorded as a current expenditure. No annuity contracts have been purchased to satisfy claim liabilities. Settled claims have not exceeded insurance coverage in any of the past three years.

The changes in the claims liability for the years ended September 30, 2018 and 2017, are as follows:

	Beginning of Period Liability	Claims and Changes in Estimates	Claim Payments	End of Period Liability
2017	\$ 81,904	\$ 120,016	\$ 104,776	\$ 97,144
2018	97,144	172,855	140,595	129,404

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### *General Liability*

The self-insurance program for general liability is accounted for in the Risk Management Fund (an internal service fund). Presently, the County insures the first \$250,000 for each claim. After the first \$250,000 and up to \$15,000,000, insurance is provided by Tokio Marine. 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, modifiers, number of vehicles and other pertinent criteria.

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

The changes in the claims liability for the years ended September 30, 2018 and 2017, are as follows:

	Beginning of Period Liability	Claims and Changes in Estimates	Claim Payments	End of Period Liability
2017	\$ 277,691	\$ 301,965	\$ 292,308	\$ 287,348
2018	287,348	564,116	560,230	291,234

### *Health Insurance*

The self-insurance program for health insurance is accounted for in the Employee Benefits Fund (internal service fund) and the Postemployment Health Benefits Fund (an other employee benefit trust fund). An independent administrator (Blue Cross) is hired to process the daily claims. The County is responsible for individual claims up to \$200,000 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. Effective August 1, 2017, eligible retirees and their spouses that become Medicare eligible are transferred into a Medicare Plus Blue PPO (Medicare Advantage) fully insured plan. Retirees are required to enroll in both Part A and Part B of Medicare to continue under the County's group coverage. 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, 2018 and 2017, are as follows:

	Beginning of Period Liability	Claims and Changes in Estimates	Claim Payments	End of Period Liability
2017	\$ 1,070,197	\$ 11,812,001	\$ 11,964,118	\$ 918,080
2018	918,080	7,560,419	7,885,499	593,000

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### 13. PROPERTY TAXES

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

The taxable value of real and personal property at December 1, 2017, totaled \$4,889,462,255. The tax levy for 2017/2018 operations were based on the following rates:

General operating	4.8558	mills
Mosquito control	0.6400	mills
Senior citizens	0.4300	mills
Sheriff service	1.3394	mills
County parks	0.2942	mills
Castle Museum	0.1997	mills
Event center	0.2250	mills
Animal control	0.1500	mills
Children's zoo	0.2000	mills

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

### 14. 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.

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### 15. NET POSITION

#### *Restricted Net Position*

The composition of restricted net position as of year end, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Public improvement	\$ 4,982,684	\$ -	\$ -
Drain projects	-	-	5,000,322
Debt service	1,699,999	-	11,369,275
CMH renovations	1,781,325	-	-
Public safety	826,121	-	-
Other:			
Public works	139,661	-	-
Health and welfare	1,433,514	-	-
Community and economic development	68,999	-	-
Recreation	1,583,093	-	-
Register of Deeds	402,443	-	-
Endowment:			
Nonexpendable	36,390	-	-
Expendable	3,618	-	-
<b>Total restricted net position</b>	<b>\$ 12,957,847</b>	<b>\$ -</b>	<b>\$ 16,369,597</b>

#### *Net Investment in Capital Assets*

The composition of net investment in capital assets as of year end, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 9,752,475	\$ 2,669,359	\$ 52,183,126
Capital assets being depreciated, net	18,236,231	20,377,518	165,307,396
	<u>27,988,706</u>	<u>23,046,877</u>	<u>217,490,522</u>
Related debt:			
Due within one year	4,971,241	165,000	2,870,970
Due in more than one year	78,658,004	12,227,363	27,226,743
Due to Saginaw Hockey Club, LLC	-	1,041,000	-
Less:			
Department of Public Works conduit debt	-	-	(10,072,000)
Compensated absences	(1,318,088)	(3,363)	(669,338)
Delinquent tax notes	-	(9,629,000)	-
Unexpended bond proceeds	(30,835,671)	-	-
Community Mental Health bonds	(4,580,000)	-	-
Pension bonds	(37,390,000)	-	-
	<u>9,505,486</u>	<u>3,801,000</u>	<u>19,356,375</u>
<b>Net investment in capital assets</b>	<b>\$ 18,483,220</b>	<b>\$ 19,245,877</b>	<b>\$ 198,134,147</b>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

16. FUND BALANCES - GOVERNMENTAL FUNDS

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

	General Fund	Health Department	Michigan Works!	Planning Commission
Nonspendable:				
Long-term advances	\$ 420,000	\$ -	\$ -	\$ -
Prepays	178,830	2,549	57,491	-
Permanent fund corpus	-	-	-	-
<b>Total nonspendable</b>	<b>598,830</b>	<b>2,549</b>	<b>57,491</b>	<b>-</b>
Restricted for:				
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	68,999
Recreation	-	-	-	-
Register of Deeds	-	-	-	-
Debt service	-	-	-	-
Public Improvement	-	-	-	-
Sheriff's Adult Detention and Administration Facility	-	-	-	-
CMH Renovations	-	-	-	-
Permanent trusts	-	-	-	-
<b>Total restricted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68,999</b>
Committed for:				
Public safety	-	-	-	-
Recreation	-	-	-	-
Health and welfare	-	-	-	-
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Assigned for:				
Employee payroll reserve	11,743,044	-	-	-
G.I.S. System	-	-	-	-
Courts	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Community and economic development	-	-	100,088	-
Health and welfare	-	1,635,838	-	-
Capital projects	-	-	-	-
Subsequent year	368,229	-	-	-
<b>Total assigned</b>	<b>12,111,273</b>	<b>1,635,838</b>	<b>100,088</b>	<b>-</b>
Unassigned	8,595,662	-	-	-
<b>Total fund balances, governmental funds</b>	<b>\$ 21,305,765</b>	<b>\$ 1,638,387</b>	<b>\$ 157,579</b>	<b>\$ 68,999</b>



Public Improvement	Sheriff's Adult Detention and Administration Facility	Nonmajor Funds	Total
\$ -	\$ -	\$ -	\$ 420,000
-	-	162,472	401,342
-	-	36,390	36,390
-	-	198,862	857,732
-	-	826,121	826,121
-	-	139,661	139,661
-	-	1,433,514	1,433,514
-	-	-	68,999
-	-	1,583,093	1,583,093
-	-	402,443	402,443
-	-	3,067,891	3,067,891
4,982,684	-	-	4,982,684
-	30,835,671	-	30,835,671
-	-	1,781,325	1,781,325
-	-	3,618	3,618
4,982,684	30,835,671	9,237,666	45,125,020
-	-	1,304,132	1,304,132
-	-	41,180	41,180
-	-	3,447,988	3,447,988
-	-	4,793,300	4,793,300
-	-	-	11,743,044
-	-	28,828	28,828
-	-	478,125	478,125
-	-	2,334,768	2,334,768
-	-	293,388	293,388
-	-	105,652	205,740
-	-	1,269,951	2,905,789
-	-	186,547	186,547
-	-	-	368,229
-	-	4,697,259	18,544,458
-	-	-	8,595,662
\$ 4,982,684	\$ 30,835,671	\$ 18,927,087	\$ 77,916,172



# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

### 17. TAX ABATEMENTS

The County received reduced property tax revenues during 2018 as a result of industrial facilities tax exemptions (IFT's), brownfield redevelopment agreements and personal property exemption (Act 328 of 1998) agreements entered into by the local municipalities.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the County. The abatements by local unit which reduced tax revenues to the County for 2018 were as follows:

Governmental Entity	Taxable Value	Abatement Amount
Townships:		
Blumfield	\$ 1,975,600	\$ 4,797
Bridgeport	3,642,000	8,842
Buena Vista	8,189,317	19,883
Carrollton	223,392	542
Chesaning	107,400	261
Frankenmuth	671,500	1,630
Jonesfield	4,500,453	10,927
Kochville	1,243,788	3,020
Richland	520,000	1,263
Saginaw	3,592,128	8,721
Spaulding	85,630	208
Swan Creek	216,100	525
Taymouth	273,550	664
Thomas	105,168,600	255,339
Tittabawassee	666,773	1,619
Cities:		
Frankenmuth	3,755,000	9,117
Zilwaukee	180,000	437
Saginaw	2,401,960	5,832
		<u>\$ 333,627</u>

# COUNTY OF SAGINAW, MICHIGAN

## Notes To Financial Statements

The New Personal Property Exemption, PA 328 of 1998, (MCL 211.9 f) as amended, affords a 100% property tax exemption for specific businesses located within eligible distressed communities. This exemption is for all new personal property placed in a district that has been established by the local unit of government. The local unit of government determines the number of years granted and may grant any number of years for the exemption. Applications are filed, reviewed and approved by the local unit of government, but are also subject to review at the State level by the Property Services Division and the State Tax Commission. The abatements by local unit which reduced tax revenues to the County for 2018 were as follows:

Governmental Entity	Taxable Value	Abatement Amount
City of Saginaw	\$ 368,327,300	\$ 1,788,524
Buena Vista Township	146,471,200	711,235
Thomas Township	5,624,400	27,311
		<u>\$ 2,527,070</u>

Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. These agreements were entered into based upon the Brownfield Redevelopment Act, PA 381 of 1996, as amended. Under this Act, a municipality may create a brownfield redevelopment authority to develop and implement brownfield projects. Tax increment financing may be used as a tool for property redevelopment. The abatements were entered into by the City of Saginaw and reduced the County's tax revenue by approximately \$5,000 for 2018.

### 18. RESTATEMENT

The County implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting of Postemployment Benefits Other Than Pensions*, during the current year. The implementation of this new standard includes the recognition of the net OPEB liability at the beginning of the year and the elimination of the net other postemployment benefits obligation recorded under the standards previously in effect. The net adjustment reduced the beginning net position of the governmental activities by \$38,469,937 and the business-type activities and the aggregate remaining funds opinion units were increased by \$330,732.

### 19. SUBSEQUENT EVENTS

In October 2018, the County issued the Universal Pump Station Drain Bonds, Series 2018 in the amount of \$5,305,000, which will be used to fund the related Universal Pump Station Drainage District projects. These bonds will be repaid annually beginning June 1, 2019 in amounts ranging from \$200,000 to \$265,000 plus interest ranging from 2.50% to 4.00%.

In December 2018, the County issued the Swan Creek Intercounty Drain Bonds, Series 2018 in the amount of \$2,295,000, which will be used to fund the related Swan Creek Intercounty Drainage District projects. These bonds will be repaid annually beginning June 1, 2020 in amounts ranging from \$225,000 to \$230,000 plus interest ranging from 2.50% to 3.10%.

In October 2018, the Saginaw County Land Bank Authority component unit borrowed \$750,000 from the Saginaw County Brownfield Redevelopment Authority component unit. This loan will be repaid in 10 annual installments of \$83,495 including interest at 5% beginning October 2019.



## REQUIRED SUPPLEMENTARY INFORMATION

# COUNTY OF SAGINAW, MICHIGAN

## Required Supplementary Information

### MERS Agent Multiple-Employer Defined Benefit Pension Plan

#### Schedule of Changes in County's Net Pension Liability and Related Ratios

	Year Ended September 30,			
	2018	2017	2016	2015
<b>Total pension liability</b>				
Service cost	\$ 271,358	\$ 343,667	\$ 366,482	\$ 470,724
Interest	11,161,488	11,214,831	11,030,766	11,028,920
Difference between expected and actual experience	5,196	(125,333)	(116,667)	-
Changes in assumptions	-	-	6,937,875	-
Benefit payments, including refunds of employee contributions	(12,244,774)	(11,882,834)	(11,572,681)	(11,276,793)
Other changes	2	3	(159)	(415)
<b>Net change in total pension liability</b>	<b>(806,730)</b>	<b>(449,666)</b>	<b>6,645,616</b>	<b>222,436</b>
<b>Total pension liability, beginning of year</b>	<b>145,505,305</b>	<b>145,954,971</b>	<b>139,309,355</b>	<b>139,086,919</b>
<b>Total pension liability, end of year</b>	<b>144,698,575</b>	<b>145,505,305</b>	<b>145,954,971</b>	<b>139,309,355</b>
<b>Plan fiduciary net position</b>				
Employer contributions	1,141,350	401,184	384,689	52,025,528
Employee contributions	54,021	61,122	95,891	98,809
Net investment income (loss)	15,139,260	12,879,155	(1,845,639)	7,963,230
Benefit payments, including refunds of employee contributions	(12,244,774)	(11,882,834)	(11,572,681)	(11,276,793)
Administrative expense	(240,839)	(254,838)	(277,640)	(292,649)
<b>Net change in plan fiduciary net position</b>	<b>3,849,018</b>	<b>1,203,789</b>	<b>(13,215,380)</b>	<b>48,518,125</b>
<b>Plan fiduciary net position, beginning of year</b>	<b>119,192,976</b>	<b>117,989,187</b>	<b>131,204,567</b>	<b>82,686,442</b>
<b>Plan fiduciary net position, end of year</b>	<b>123,041,994</b>	<b>119,192,976</b>	<b>117,989,187</b>	<b>131,204,567</b>
<b>County's net pension liability</b>	<b>\$ 21,656,581</b>	<b>\$ 26,312,329</b>	<b>\$ 27,965,784</b>	<b>\$ 8,104,788</b>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	<b>85.0%</b>	<b>81.9%</b>	<b>80.8%</b>	<b>94.2%</b>
<b>Covered payroll</b>	<b>\$ 2,079,913</b>	<b>\$ 2,579,083</b>	<b>\$ 2,767,719</b>	<b>\$ 3,525,912</b>
<b>County's net pension liability as a percentage of covered payroll</b>	<b>1041.2%</b>	<b>1020.2%</b>	<b>1010.4%</b>	<b>229.9%</b>

#### Notes:

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

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

# COUNTY OF SAGINAW, MICHIGAN

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

### Schedule of the County's Net Pension Liability

Fiscal Year Ended September 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability as Percentage of Covered Payroll
2015	\$ 139,309,355	\$ 131,204,567	\$ 8,104,788	94.2%	\$ 3,525,912	229.86%
2016	145,954,971	117,989,187	27,965,784	80.8%	2,767,719	1010.43%
2017	145,505,305	119,192,976	26,312,329	81.9%	2,579,083	1020.22%
2018	144,698,575	123,041,994	21,656,581	85.0%	2,079,913	1041.23%

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

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

*Changes in assumptions.* In 2016, amounts reported as changes in assumptions resulted in primarily from adjustments to the mortality table to reflect longer lifetimes, decreases in the assumed rate of return and changes in asset smoothing.

# COUNTY OF SAGINAW, MICHIGAN

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

### Schedule of Contributions

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as Percentage of Covered Payroll
2015	\$ 338,547	\$ 338,547	\$ -	\$ 3,566,631	9.5%
2016	300,847	300,847	-	3,014,094	10.0%
2017	701,460	701,460	-	2,486,296	28.2%
2018	2,461,020	2,461,020	-	1,963,141	125.4%

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

#### Notes to Schedule of Contributions

Valuation Date Actuarially determined contribution rates are calculated as of December 31, which is 21 months prior to the beginning of the fiscal year in which contributions are reported.

#### Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	23 years
Asset valuation method	Closed; 10-year smooth market
Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment and administrative expense including inflation
Retirement age	Age-based table of rates that are specific to the type of eligibility condition. The Normal Retirement rates were first used for the December 31, 2015 actuarial valuations. The Early Retirement rates were first used for the December 31, 2015 actuarial valuations.
Mortality	Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

# COUNTY OF SAGINAW, MICHIGAN

## Required Supplementary Information

### Single Employer Defined Benefit Other Postemployment Benefit Plan

#### Schedule of Changes in County's Net OPEB Liability and Related Ratios

	Year Ended September 30,	
	2018	2017
Total OPEB liability		
Service cost	\$ 941,815	\$ 934,769
Interest	5,969,257	6,243,989
Differences between expected and actual experience	1,329,614	-
Changes in assumptions	(12,017,195)	-
Benefit payments, including refunds of employee contributions	(4,006,144)	(7,347,208)
Net change in total OPEB liability	(7,782,653)	(168,450)
Total OPEB liability, beginning of year	101,019,776	101,188,226
Total OPEB liability, end of year	93,237,123	101,019,776
Plan fiduciary net position		
Employer contributions	8,991,013	8,331,754
Net investment income	1,034,722	1,726,727
Benefit payments, including refunds of employee contributions	(4,006,144)	(7,347,208)
Administrative expense	(133,404)	(160,297)
Net change in plan fiduciary net position	5,886,187	2,550,976
Plan fiduciary net position, beginning of year	19,873,325	17,322,349
Plan fiduciary net position, end of year	25,759,512	19,873,325
County's net OPEB liability	\$ 67,477,611	\$ 81,146,451
Plan fiduciary net position as a percentage of total OPEB liability	27.6%	19.7%
Covered payroll	\$ 8,073,230	\$ 9,793,458
County's net OPEB liability as a percentage of covered payroll	835.8%	828.6%

#### Notes:

The amounts presented for each fiscal year were determined as of September 30 of the preceding year.

GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Changes in assumptions for the September 30, 2018 actuarial valuation were (1) per-capita claims and fixed cost rates were updated to reflect experience since the previous valuation; (2) healthcare trend rates were changed to (a) pre-65 first year was reduced to 8.50% reducing 0.25% each year until reaching 4.50% (b) post-65 first year was reduced to 7.00% reducing 0.25% each year until reaching 4.50%; and (3) pre-65 healthcare cost trend assumption was adjusted to account for potential excise taxes on "Cadillac" plan benefits. Adjustment included a 0.50% increase in the ultimate trend rate.

# COUNTY OF SAGINAW, MICHIGAN

## Required Supplementary Information Single Employer Defined Benefit Other Postemployment Benefit Plan

### Schedule of the County's Net OPEB Liability

Fiscal Year Ended September 30,	Total OPEB Liability	Plan Net Position	Net OPEB Liability	Plan Net Position as Percentage of Total Pension Liability	Covered-Employee Payroll	Net Pension Liability as Percentage of Covered Payroll
2017	\$ 101,019,776	\$ 19,873,325	\$ 81,146,451	19.7%	\$ 9,793,458	828.6%
2018	93,237,123	25,759,512	67,477,611	27.6%	8,073,230	835.8%

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

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.



COUNTY OF SAGINAW, MICHIGAN

**Required Supplementary Information**  
 Single Employer Defined Benefit Other Postemployment Benefit Plan

Schedule of Contributions

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as Percentage of Covered-Employee Payroll
2017	\$ 11,412,510	\$ 8,331,754	\$ 3,080,756	\$ 9,793,458	85.1%
2018	6,457,457	8,991,013	(2,533,556)	8,073,230	111.4%

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Contributions

Valuation Date Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Individual entry-age normal  
 Amortization method Level percent of payroll  
 Remaining amortization period 30 years  
 Asset valuation method Market value of assets  
 Health care inflation rates 9.00% (reduced 0.50% each year until the rate reaches 4.50%)  
 Salary increases Long-term salary increases consist of 3.75% increases plus an additional amount for merit and longevity ranging from 0.30-11.00%.

Investment rate of return 6.00%  
 Retirement age Rates are based on the Retirement rates used in the most recent MERS pension valuation.

Mortality Mortality rates used were a blended rate of the RP-2014 Health Annuitant Mortality Tables, with rates multiplied by 105%, RP-2014 Employee Mortality Tables and the RP-2014 Juvenile Mortality Tables of a 50% Male and 50% Female blend. Disabled retirees mortality rates were based on the 50% Male - 50% Female blend of the RP-2014 Disabled Retiree Mortality Tables.

Changes in assumptions (1) per-capita claims and fixed cost rates were updated to reflect experience since the previous valuation (2) healthcare trend rates were changed to (a) pre-65 first year was reduced to 8.50% reducing 0.25% each year until reaching 4.50% (b) post-65 first year was reduced to 7.00% reducing 0.25% each year until reaching 4.50% (3) pre-65 healthcare cost trend assumption was adjusted to

# COUNTY OF SAGINAW, MICHIGAN

## Required Supplementary Information Single Employer Defined Benefit Other Postemployment Benefit Plan

### Schedule of Investment Returns

Fiscal Year Ended September 30,	Annual Rate of Return*
2017	9.74%
2018	4.73%

\* Annual money-weighted rate of return, net of investment expenses.

Note: GASB 74 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS**

## COUNTY OF SAGINAW, MICHIGAN

### Nonmajor Governmental Funds

#### Special Revenue Funds

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

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

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

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

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

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

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

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

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

## COUNTY OF SAGINAW, MICHIGAN

### Nonmajor Governmental Funds (Continued)

#### Special Revenue Funds (Continued)

**Dredged Materials Disposal Fund** - This fund is used to account for the operations and maintenance of an over 500 acre containment site to accept river dredging spoils from the Upper Saginaw River. Money for the operation of this fund is supplied from donations from private sources, rental agreements, and interest earnings. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

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

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

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

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

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

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

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

**Concealed Pistol Licensing Fund** - This fund is used to account for the collection of various fees under Act 3 of the Public Acts of 2015, which is used by the County Clerk for the cost of administering the Act. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

## COUNTY OF SAGINAW, MICHIGAN

### Nonmajor Governmental Funds (Continued)

#### Special Revenue Funds (Continued)

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

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

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

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

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

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

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

## COUNTY OF SAGINAW, MICHIGAN

### Nonmajor Governmental Funds (Continued)

#### Special Revenue Funds (Concluded)

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

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

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

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

#### Debt Service Funds

MERS (DB) Pension Obligation Bond Fund - This fund is used to account for the payment of interest and principal on long-term debt. This debt was created when the County issued bonds to fund its unfunded accrued pension liabilities for the County's defined benefit pension plan retirement program. Money in this fund is received from charges to other funds to be used for debt retirement.

Qualified Energy Bond Fund - This fund is used to account for the payment of interest and principal on long-term debt. The debt was created when the County issued bonds for energy improvements at County facilities. Money in this fund is received from lease payments from governmental departments to be used for debt retirement and interest credits received by the IRS.

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

Sheriff's Adult Detention and Administration Facility Bonds 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 construction of the Sheriff's Adult Detention & Administration building. Funding will generally be transfers from the General Fund Sheriff's Jail activity.

## COUNTY OF SAGINAW, MICHIGAN

### ■ Nonmajor Governmental Funds (Concluded)

#### Capital Projects Funds

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

**Mainframe Conversion Project Fund** - This fund is used to account for the conversion of the County's existing mainframe software to a .net platform and replace existing IBM hardware. It is anticipated that this conversion will take place in four separate phases over several years. Money for the operation of this fund is supplied from contributions from other funds and interest earnings.

**Community Mental Health Renovations Fund** - This fund is used to account for acquiring, constructing, improving and equipping Saginaw County Community Mental Health Authority facilities. Money for the operation of this fund is supplied from bond proceeds.

#### Permanent Fund

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



COUNTY OF SAGINAW, MICHIGAN

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2018

	Special Revenue Funds				
	Law Enforcement	Parks & Recreation	Geographic Information System	Friend of the Court	Solid Waste Management
<b>Assets</b>					
Cash and investment pool	\$ 1,329,053	\$ 1,615,547	\$ 31,314	\$ 1,400	\$ 182,255
Receivables:					
Taxes	68,102	14,400	-	-	-
Accounts	144,207	-	-	5,629	105,618
Loans	-	-	-	-	-
Accrued interest	(824)	5,822	-	600	970
Due from other funds	-	98,130	-	-	-
Due from other governmental units	-	-	-	1,394,051	-
Prepays	5,243	-	-	3,931	-
<b>Total assets</b>	<b>\$ 1,545,781</b>	<b>\$ 1,733,899</b>	<b>\$ 31,314</b>	<b>\$ 1,405,611</b>	<b>\$ 288,843</b>
<b>Liabilities</b>					
Accounts payable	\$ 17,941	\$ 49,180	\$ -	\$ 9,615	\$ 24,416
Accrued liabilities	60,917	6,966	2,486	43,336	43
Deposits payable	26,083	-	-	-	-
Due to other funds	48,443	80,260	-	870,604	124,723
Due to other governmental units	-	-	-	-	-
Unearned revenue	14,920	-	-	-	-
<b>Total liabilities</b>	<b>168,304</b>	<b>136,406</b>	<b>2,486</b>	<b>923,555</b>	<b>149,182</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue:					
Property taxes	68,102	14,400	-	-	-
Long-term receivables	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>68,102</b>	<b>14,400</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>					
Nonspendable	5,243	-	-	3,931	-
Restricted	-	1,583,093	-	-	139,661
Committed	1,304,132	-	-	-	-
Assigned	-	-	28,828	478,125	-
<b>Total fund balances</b>	<b>1,309,375</b>	<b>1,583,093</b>	<b>28,828</b>	<b>482,056</b>	<b>139,661</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,545,781</b>	<b>\$ 1,733,899</b>	<b>\$ 31,314</b>	<b>\$ 1,405,611</b>	<b>\$ 288,843</b>

Special Revenue Funds							
Lodging Excise Tax	Castle Museum & Historical Activities	Commission on Aging	Mosquito Control	Dredged Materials Disposal	Principal Residence Exemption	Courthouse Preservation Technology	Animal Control
\$ -	\$ 172,515	\$ 1,177,535	\$ 3,470,431	\$ 9	\$ 42,512	\$ 87,716	\$ 154,155
-	11,874	29,817	34,419	-	56,711	-	7,693
998,766	9,615	13,873	339	6,837	-	8,424	2,367
-	-	-	-	-	-	-	-
-	1,171	3,595	11,892	(6)	133	259	-
-	-	-	-	-	-	-	56,405
-	-	333,287	7,200	96,028	-	-	-
-	-	26,457	445	-	-	-	-
<u>\$ 998,766</u>	<u>\$ 195,175</u>	<u>\$ 1,584,564</u>	<u>\$ 3,524,726</u>	<u>\$ 102,868</u>	<u>\$ 99,356</u>	<u>\$ 96,399</u>	<u>\$ 220,620</u>
\$ 948,979	\$ 142,121	\$ 67,533	\$ 25,632	\$ 237	\$ 21,729	\$ -	\$ 33,620
-	-	27,519	16,242	-	-	-	5,176
-	-	-	-	-	-	-	-
49,787	-	-	-	95,793	-	-	-
-	-	-	-	-	55,255	-	-
-	-	-	-	-	-	-	-
<u>998,766</u>	<u>142,121</u>	<u>95,052</u>	<u>41,874</u>	<u>96,030</u>	<u>76,984</u>	<u>-</u>	<u>38,796</u>
-	11,874	29,817	34,419	-	-	-	7,692
-	-	-	-	-	-	-	-
-	11,874	29,817	34,419	-	-	-	7,692
-	-	26,457	445	-	-	-	-
-	-	1,433,238	-	-	-	-	174,132
-	41,180	-	3,447,988	-	-	-	-
-	-	-	-	6,838	22,372	96,399	-
-	41,180	1,459,695	3,448,433	6,838	22,372	96,399	174,132
<u>\$ 998,766</u>	<u>\$ 195,175</u>	<u>\$ 1,584,564</u>	<u>\$ 3,524,726</u>	<u>\$ 102,868</u>	<u>\$ 99,356</u>	<u>\$ 96,399</u>	<u>\$ 220,620</u>

continued...

COUNTY OF SAGINAW, MICHIGAN

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 September 30, 2018

	Special Revenue Funds				
	Small Cities Reuse	Register of Deeds Automation	E-911 Telephone Surcharge	Mobile Data Maintenance & Repair	Concealed Pistol Licensing
<b>Assets</b>					
Cash and investment pool	\$ 131,443	\$ 398,999	\$ 532,647	\$ 2,171,378	\$ 113,039
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	5,295	1,252,288	-	3,392
Loans	117,378	-	-	-	-
Accrued interest	439	1,447	2,213	8,043	-
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	136,268	-	-
Prepays	-	-	-	20,000	-
<b>Total assets</b>	<u>\$ 249,260</u>	<u>\$ 405,741</u>	<u>\$ 1,923,416</u>	<u>\$ 2,199,421</u>	<u>\$ 116,431</u>
<b>Liabilities</b>					
Accounts payable	\$ 26,230	\$ 3,298	\$ 1,730,270	\$ 19,824	\$ 2,560
Accrued liabilities	-	-	-	-	582
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<u>26,230</u>	<u>3,298</u>	<u>1,730,270</u>	<u>19,824</u>	<u>3,142</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue:					
Property taxes	-	-	-	-	-
Long-term receivables	117,378	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>117,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>					
Nonspendable	-	-	-	20,000	-
Restricted	-	402,443	193,146	-	113,289
Committed	-	-	-	-	-
Assigned	105,652	-	-	2,159,597	-
<b>Total fund balances</b>	<u>105,652</u>	<u>402,443</u>	<u>193,146</u>	<u>2,179,597</u>	<u>113,289</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 249,260</u>	<u>\$ 405,741</u>	<u>\$ 1,923,416</u>	<u>\$ 2,199,421</u>	<u>\$ 116,431</u>

Special Revenue Funds							
County Library Board	Remuneration	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections	Local Correction Officer Training	MSU Extension
\$ -	\$ 45,086	\$ 1	\$ 221,440	\$ -	\$ 59,085	\$ 166,840	\$ 58,140
-	-	-	-	-	-	-	-
-	-	27,601	3,081	-	-	480	-
-	-	-	59	-	-	714	159
-	-	-	48,443	-	-	-	-
-	56,365	166,809	81,705	80,427	138,008	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 101,451</u>	<u>\$ 194,411</u>	<u>\$ 354,728</u>	<u>\$ 80,427</u>	<u>\$ 197,093</u>	<u>\$ 168,034</u>	<u>\$ 58,299</u>
\$ -	\$ 93,822	\$ 31,064	\$ 34,045	\$ 624	\$ 15,335	\$ -	\$ 8,844
-	-	5,941	4,545	6,834	4,238	-	-
-	-	-	8,276	-	-	-	-
-	-	20,037	-	72,001	-	-	-
-	-	-	-	-	-	-	-
-	-	5	14,474	-	-	-	49,455
-	93,822	57,047	61,340	79,459	19,573	-	58,299
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	177,520	168,034	-
-	-	-	-	-	-	-	-
-	7,629	137,364	293,388	968	-	-	-
-	7,629	137,364	293,388	968	177,520	168,034	-
<u>\$ -</u>	<u>\$ 101,451</u>	<u>\$ 194,411</u>	<u>\$ 354,728</u>	<u>\$ 80,427</u>	<u>\$ 197,093</u>	<u>\$ 168,034</u>	<u>\$ 58,299</u>

continued...

COUNTY OF SAGINAW, MICHIGAN

**Combining Balance Sheet**  
 Nonmajor Governmental Funds  
 September 30, 2018

	Special Revenue Funds			Debt Service Funds	
	Department of Human Services	Child Care	Veterans' Trust	MERS (DB) Pension Obligation Bond	Qualified Energy Bond
<b>Assets</b>					
Cash and investment pool	\$ 271,143	\$ 612,549	\$ -	\$ 2,362	\$ 177
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	25,023	-	-	-
Loans	-	-	-	-	-
Accrued interest	-	-	-	(128)	(14)
Due from other funds	-	-	-	-	-
Due from other governmental units	-	731,360	3,527	-	-
Prepays	-	106,396	-	-	-
<b>Total assets</b>	<u>\$ 271,143</u>	<u>\$ 1,475,328</u>	<u>\$ 3,527</u>	<u>\$ 2,234</u>	<u>\$ 163</u>
<b>Liabilities</b>					
Accounts payable	\$ 229	\$ 44,971	\$ -	\$ -	\$ -
Accrued liabilities	265,626	38,735	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	-	3,527	-	-
Due to other governmental units	-	14,999	-	-	-
Unearned revenue	5,288	-	-	-	-
<b>Total liabilities</b>	<u>271,143</u>	<u>98,705</u>	<u>3,527</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue:					
Property taxes	-	-	-	-	-
Long-term receivables	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>					
Nonspendable	-	106,396	-	-	-
Restricted	-	276	-	2,234	163
Committed	-	-	-	-	-
Assigned	-	1,269,951	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>1,376,623</u>	<u>-</u>	<u>2,234</u>	<u>163</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 271,143</u>	<u>\$ 1,475,328</u>	<u>\$ 3,527</u>	<u>\$ 2,234</u>	<u>\$ 163</u>

Debt Service Funds		Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
Juvenile Center Renovation	Sheriff's Adult Detention and Administration Facility Bonds	Parks Building & Site	Mainframe Conversion Project	Community Mental Health Renovations	Rail Trail Endowment	
\$ 31,518	\$ 2,875,768	\$ -	\$ 121,069	\$ 1,766,639	\$ 39,871	\$ 17,883,636
528	-	-	-	-	-	223,544
-	-	344	777	-	-	2,613,956
-	-	-	-	-	-	117,378
110	13,670	209	376	14,686	137	65,732
-	144,428	80,260	-	-	-	427,666
-	-	23,249	-	-	-	3,248,284
-	-	-	-	-	-	162,472
<u>\$ 32,156</u>	<u>\$ 3,033,866</u>	<u>\$ 104,062</u>	<u>\$ 122,222</u>	<u>\$ 1,781,325</u>	<u>\$ 40,008</u>	<u>\$ 24,742,668</u>
\$ -	\$ -	\$ -	\$ 38,006	\$ -	\$ -	\$ 3,390,125
-	-	-	-	-	-	489,186
-	-	-	-	-	-	34,359
-	-	98,130	-	-	-	1,463,305
-	-	-	-	-	-	70,254
-	-	-	-	-	-	84,142
-	-	98,130	38,006	-	-	5,531,371
528	-	-	-	-	-	166,832
-	-	-	-	-	-	117,378
528	-	-	-	-	-	284,210
-	-	-	-	-	36,390	198,862
31,628	3,033,866	-	-	1,781,325	3,618	9,237,666
-	-	-	-	-	-	4,793,300
-	-	5,932	84,216	-	-	4,697,259
<u>31,628</u>	<u>3,033,866</u>	<u>5,932</u>	<u>84,216</u>	<u>1,781,325</u>	<u>40,008</u>	<u>18,927,087</u>
<u>\$ 32,156</u>	<u>\$ 3,033,866</u>	<u>\$ 104,062</u>	<u>\$ 122,222</u>	<u>\$ 1,781,325</u>	<u>\$ 40,008</u>	<u>\$ 24,742,668</u>

Concluded

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended September 30, 2018

	Special Revenue Funds				
	Law Enforcement	Parks & Recreation	Geographic Information System	Friend of the Court	Solid Waste Management
Revenue					
Property taxes	\$ 6,334,548	\$ 1,487,987	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	2,897,063	-
State grants	-	-	-	252,629	-
Local grants and contributions	2,481	-	-	-	-
Charges for services	27,131	26,831	-	301,078	381,496
Fines and forfeitures	-	-	-	-	-
Investment income (loss)	11,263	4,081	-	345	82
Rental revenue	-	-	-	-	-
Donations	5,000	24,053	-	-	-
Reimbursements	1,399,793	33,775	210,408	164,341	-
Other revenue	-	4,494	-	-	-
<b>Total revenue</b>	<b>7,780,216</b>	<b>1,581,221</b>	<b>210,408</b>	<b>3,615,456</b>	<b>381,578</b>
Expenditures					
Current:					
Judicial	-	-	-	4,676,935	-
General government	-	-	209,903	-	-
Public safety	5,448,141	-	-	-	-
Public works	-	-	-	-	226,499
Health and welfare	-	-	-	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	1,181,979	-	-	-
Capital outlay	186,998	40,595	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>5,635,139</b>	<b>1,222,574</b>	<b>209,903</b>	<b>4,676,935</b>	<b>226,499</b>
Revenues over (under) expenditures	2,145,077	358,647	505	(1,061,479)	155,079
Other financing sources (uses)					
Bond proceeds	-	-	-	-	-
Transfers in	553,856	-	-	1,066,682	-
Transfers out	(2,692,521)	(88,380)	-	(33,071)	(72,175)
<b>Total other financing sources (uses)</b>	<b>(2,138,665)</b>	<b>(88,380)</b>	<b>-</b>	<b>1,033,611</b>	<b>(72,175)</b>
Net change in fund balances	6,412	270,267	505	(27,868)	82,904
Fund balances, beginning of year	1,302,963	1,312,826	28,323	509,924	56,757
<b>Fund balances, end of year</b>	<b>\$ 1,309,375</b>	<b>\$ 1,583,093</b>	<b>\$ 28,828</b>	<b>\$ 482,056</b>	<b>\$ 139,661</b>

Special Revenue Funds							
Lodging Excise Tax	Castle Museum & Historical Activities	Commission on Aging	Mosquito Control	Dredged Materials Disposal	Principal Residence Exemption	Courthouse Preservation Technology	Animal Control
\$ -	\$ 1,065,416	\$ 2,292,508	\$ 3,346,404	\$ -	\$ -	\$ -	\$ 797,009
3,215,047	-	-	-	-	-	-	-
-	-	-	-	-	-	-	10,048
-	-	1,146,922	-	-	-	-	-
-	-	397,973	7,200	-	-	-	-
-	-	-	-	-	-	-	-
-	-	16,071	24,882	-	1,152	122,022	62,371
-	-	-	-	-	-	-	-
1	(87)	4,699	9,074	3	5,518	389	-
-	-	-	1,850	16,170	-	-	-
-	-	198,255	-	-	-	-	58,546
-	9,615	136,305	280,892	-	250	-	25,750
-	-	42,990	169	6,837	-	-	-
<u>3,215,048</u>	<u>1,074,944</u>	<u>4,235,723</u>	<u>3,670,471</u>	<u>23,010</u>	<u>6,920</u>	<u>122,411</u>	<u>953,724</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,114,231
-	-	-	-	-	-	-	-
3,215,048	-	4,178,434	2,811,984	12,714	-	-	-
-	1,076,133	-	-	-	-	-	-
-	-	160,035	118,479	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>3,215,048</u>	<u>1,076,133</u>	<u>4,338,469</u>	<u>2,930,463</u>	<u>12,714</u>	<u>-</u>	<u>-</u>	<u>1,114,231</u>
-	(1,189)	(102,746)	740,008	10,296	6,920	122,411	(160,507)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	107,386
-	-	(23,208)	(11,024)	(5,433)	-	(150,000)	(14,686)
-	-	(23,208)	(11,024)	(5,433)	-	(150,000)	92,700
-	(1,189)	(125,954)	728,984	4,863	6,920	(27,589)	(67,807)
-	42,369	1,585,649	2,719,449	1,975	15,452	123,988	241,939
<u>\$ -</u>	<u>\$ 41,180</u>	<u>\$ 1,459,695</u>	<u>\$ 3,448,433</u>	<u>\$ 6,838</u>	<u>\$ 22,372</u>	<u>\$ 96,399</u>	<u>\$ 174,132</u>

continued...



COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended September 30, 2018

	Special Revenue Funds				
	Small Cities Reuse	Register of Deeds Automation	E-911 Telephone Surcharge	Mobile Data Maintenance & Repair	Concealed Pistol Licensing
Revenue					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	89,428
Federal grants	-	-	-	-	-
State grants	-	-	479,341	-	-
Local grants and contributions	-	-	-	105,000	-
Charges for services	-	161,885	5,103,064	180,882	-
Fines and forfeitures	-	-	-	-	-
Investment income (loss)	386	782	1,318	4,701	-
Rental revenue	-	-	-	-	-
Donations	-	-	-	-	-
Reimbursements	68,941	3,600	-	-	-
Other revenue	-	-	-	-	-
<b>Total revenue</b>	<b>69,327</b>	<b>166,267</b>	<b>5,583,723</b>	<b>290,583</b>	<b>89,428</b>
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	-	162,348	-	-	-
Public safety	-	-	5,556,581	241,136	66,862
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	52,317	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	-	8,000
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>52,317</b>	<b>162,348</b>	<b>5,556,581</b>	<b>241,136</b>	<b>74,862</b>
Revenues over (under) expenditures	17,010	3,919	27,142	49,447	14,566
Other financing sources (uses)					
Bond proceeds	-	-	-	-	-
Transfers in	-	-	-	150,000	-
Transfers out	-	-	-	6,000	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>17,010</b>	<b>3,919</b>	<b>27,142</b>	<b>205,447</b>	<b>14,566</b>
Fund balances, beginning of year	88,642	398,524	166,004	1,974,150	98,723
<b>Fund balances, end of year</b>	<b>\$ 105,652</b>	<b>\$ 402,443</b>	<b>\$ 193,146</b>	<b>\$ 2,179,597</b>	<b>\$ 113,289</b>

Special Revenue Funds							
County Library Board	Remuneration	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections	Local Correction Officer Training	MSU Extension
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	112,239	106,665	12,784	-	-	-
-	100,739	447,562	222,257	289,536	529,606	-	99,554
-	-	1,000	-	-	-	-	-
-	-	1,576	48,978	-	-	61,930	-
52,636	-	6,964	16,303	25,767	-	-	-
-	-	-	83	-	-	262	245
-	-	-	-	-	-	-	-
-	-	500	90	400	-	-	-
-	-	243,513	512,667	30,017	23,000	5,750	-
-	-	-	-	-	-	-	-
<u>52,636</u>	<u>100,739</u>	<u>813,354</u>	<u>907,043</u>	<u>358,504</u>	<u>552,606</u>	<u>67,942</u>	<u>99,799</u>
-	-	567,183	-	-	-	-	-
-	100,738	-	-	601,359	-	-	312,895
-	-	169,830	879,163	-	493,992	31,473	-
-	-	230,512	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	34	-	-	-	-	-
52,636	-	-	-	-	-	-	-
-	-	13,071	63,911	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>52,636</u>	<u>100,738</u>	<u>980,630</u>	<u>943,074</u>	<u>601,359</u>	<u>493,992</u>	<u>31,473</u>	<u>312,895</u>
-	1	(167,276)	(36,031)	(242,855)	58,614	36,469	(213,096)
-	-	-	-	-	-	-	-
-	-	91,713	94,442	242,869	-	-	213,096
-	-	-	-	-	-	-	-
-	-	91,713	94,442	242,869	-	-	213,096
-	1	(75,563)	58,411	14	58,614	36,469	-
-	7,628	212,927	234,977	954	118,906	131,565	-
<u>\$ -</u>	<u>\$ 7,629</u>	<u>\$ 137,364</u>	<u>\$ 293,388</u>	<u>\$ 968</u>	<u>\$ 177,520</u>	<u>\$ 168,034</u>	<u>\$ -</u>

continued...

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended September 30, 2018

	Special Revenue Funds			Debt Service Funds	
	Department of Human Services	Child Care	Veterans' Trust	MERS (DB) Pension Obligation Bond	Qualified Energy Bond
Revenue					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	63,798	-	-	-
State grants	-	2,779,524	1,786	-	-
Local grants and contributions	-	41,246	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income (loss)	-	-	-	148	23
Rental revenue	-	-	-	-	161,341
Donations	-	25,007	-	-	-
Reimbursements	-	473,948	-	4,781,049	-
Other revenue	-	10,801	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>3,394,324</b>	<b>1,786</b>	<b>4,781,197</b>	<b>161,364</b>
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	17,101	5,649,235	1,786	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	3,040,000	137,599
Interest and fiscal charges	-	-	-	1,741,299	23,741
<b>Total expenditures</b>	<b>17,101</b>	<b>5,649,235</b>	<b>1,786</b>	<b>4,781,299</b>	<b>161,340</b>
Revenues over (under) expenditures	(17,101)	(2,254,911)	-	(102)	24
Other financing sources (uses)					
Bond proceeds	-	-	-	-	-
Transfers in	17,100	1,707,672	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>17,100</b>	<b>1,707,672</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(1)	(547,239)	-	(102)	24
Fund balances, beginning of year	1	1,923,862	-	2,336	139
<b>Fund balances, end of year</b>	<b>\$ -</b>	<b>\$ 1,376,623</b>	<b>\$ -</b>	<b>\$ 2,234</b>	<b>\$ 163</b>

Debt Service Funds		Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
Juvenile Center Renovation	Sheriff's Adult Detention and Administration Facility Bonds	Parks Building & Site	Mainframe Conversion Project	Community Mental Health Renovations	Rail Trail Endowment	
\$ 494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,324,366
-	-	-	-	-	-	3,215,047
-	-	-	-	-	-	99,476
-	-	-	-	-	-	4,339,471
-	-	19,190	-	-	-	5,626,897
-	-	3,000	-	-	-	152,727
-	-	-	-	-	-	6,521,349
-	-	-	-	-	-	101,670
77	2,175	360	495	(6,500)	102	40,025
-	-	-	-	-	-	179,361
-	-	-	-	-	-	311,851
-	-	-	-	-	-	8,403,614
-	-	-	-	-	-	65,291
571	2,175	22,550	495	(6,500)	102	44,381,145
-	-	-	-	-	-	5,244,118
-	-	-	77,379	2,792,175	-	4,256,797
-	-	-	-	-	-	14,001,409
-	-	625	-	-	-	457,636
-	-	-	-	-	-	12,671,254
-	-	-	-	-	-	3,267,399
-	-	-	-	-	-	2,310,748
-	-	100,770	-	-	-	691,859
-	-	-	-	-	-	3,177,599
-	666,011	-	-	-	-	2,431,051
-	666,011	101,395	77,379	2,792,175	-	48,509,870
571	(663,836)	(78,845)	(76,884)	(2,798,675)	102	(4,128,725)
-	-	-	-	4,580,000	-	4,580,000
-	3,697,702	84,319	-	-	-	8,026,837
-	-	-	-	-	-	(3,084,498)
-	3,697,702	84,319	-	4,580,000	-	9,522,339
571	3,033,866	5,474	(76,884)	1,781,325	102	5,393,614
31,057	-	458	161,100	-	39,906	13,533,473
\$ 31,628	\$ 3,033,866	\$ 5,932	\$ 84,216	\$ 1,781,325	\$ 40,008	\$ 18,927,087

Concluded

## COUNTY OF SAGINAW, MICHIGAN

### ■ Nonmajor Enterprise Funds

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

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

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

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

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

COUNTY OF SAGINAW, MICHIGAN

**Combining Statement of Net Position**

Nonmajor Enterprise Funds

September 30, 2018

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
<b>Assets</b>						
Current assets:						
Cash and investment pool	\$ 639,793	\$ 263,722	\$ 108,094	\$ 259,001	\$ 159,583	\$ 1,430,193
Receivables:						
Accounts	-	-	988	19,428	42,778	63,194
Accrued interest	1,149	777	-	-	-	1,926
Due from other funds	-	8,700	-	-	-	8,700
Due from other governmental units	-	-	-	27,599	-	27,599
Inventory	-	-	-	38,157	-	38,157
Prepays	-	-	-	108	-	108
Total current assets	<u>640,942</u>	<u>273,199</u>	<u>109,082</u>	<u>344,293</u>	<u>202,361</u>	<u>1,569,877</u>
Noncurrent assets:						
Capital assets not being depreciated	-	-	41,273	1,404,472	-	1,445,745
Capital assets being depreciated, net	-	-	10,303	4,144,726	-	4,155,029
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>51,576</u>	<u>5,549,198</u>	<u>-</u>	<u>5,600,774</u>
Total assets	<u>640,942</u>	<u>273,199</u>	<u>160,658</u>	<u>5,893,491</u>	<u>202,361</u>	<u>7,170,651</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	423,072	360	434	3,862	26,332	454,060
Accrued liabilities	2,870	-	696	-	-	3,566
Deposits payable	-	-	-	-	4,816	4,816
Due to other funds	-	-	1,993	-	126,214	128,207
Due to other governmental units	-	-	-	103,797	-	103,797
Unearned revenue	-	-	-	6,355	-	6,355
Total current liabilities	<u>425,942</u>	<u>360</u>	<u>3,123</u>	<u>114,014</u>	<u>157,362</u>	<u>700,801</u>
Noncurrent liabilities:						
Advances from other funds	-	-	-	-	20,000	20,000
Accrued compensated absences	2,645	-	718	-	-	3,363
Total noncurrent liabilities	<u>2,645</u>	<u>-</u>	<u>718</u>	<u>-</u>	<u>20,000</u>	<u>23,363</u>
Total liabilities	<u>428,587</u>	<u>360</u>	<u>3,841</u>	<u>114,014</u>	<u>177,362</u>	<u>724,164</u>
<b>Net position</b>						
Net investment in capital assets	-	-	51,576	5,549,198	-	5,600,774
Unrestricted	<u>212,355</u>	<u>272,839</u>	<u>105,241</u>	<u>230,279</u>	<u>24,999</u>	<u>845,713</u>
Total net position	<u>\$ 212,355</u>	<u>\$ 272,839</u>	<u>\$ 156,817</u>	<u>\$ 5,779,477</u>	<u>\$ 24,999</u>	<u>\$ 6,446,487</u>

COUNTY OF SAGINAW, MICHIGAN

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

Nonmajor Enterprise Funds

For the Year Ended September 30, 2018

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
<b>Operating revenues</b>						
Charges for services	\$ 1,132,462	\$ 17,401	\$ 73,972	\$ 197,004	\$ 731,402	\$ 2,152,241
Fines and forfeitures	-	-	13,941	-	-	13,941
Rental revenue	-	-	-	105,719	-	105,719
Reimbursements	750	-	4,500	7,914	20,329	33,493
Other revenue	-	-	-	-	62,615	62,615
<b>Total operating revenues</b>	<b>1,133,212</b>	<b>17,401</b>	<b>92,413</b>	<b>310,637</b>	<b>814,346</b>	<b>2,368,009</b>
<b>Operating expenses</b>						
Personnel services	228,435	4,403	30,847	215	-	263,900
Fringe benefits	-	18	44,086	-	-	44,104
Supplies	-	-	585	340	387,118	388,043
Services and charges	912,626	50,520	21,999	287,129	24,190	1,296,464
Depreciation	-	-	2,373	159,288	-	161,661
<b>Total operating expenses</b>	<b>1,141,061</b>	<b>54,941</b>	<b>99,890</b>	<b>446,972</b>	<b>411,308</b>	<b>2,154,172</b>
<b>Operating income (loss)</b>	<b>(7,849)</b>	<b>(37,540)</b>	<b>(7,477)</b>	<b>(136,335)</b>	<b>403,038</b>	<b>213,837</b>
<b>Nonoperating revenues</b>						
Investment income	7,849	871	-	-	-	8,720
<b>Income (loss) before capital contributions and transfers</b>	<b>-</b>	<b>(36,669)</b>	<b>(7,477)</b>	<b>(136,335)</b>	<b>403,038</b>	<b>222,557</b>
<b>Capital contributions:</b>						
Federal grants	-	-	-	1,512,509	-	1,512,509
State grants	-	-	-	86,942	-	86,942
Transfers in	-	4,500	-	-	-	4,500
Transfers out	-	-	-	-	(403,038)	(403,038)
<b>Change in net position</b>	<b>-</b>	<b>(32,169)</b>	<b>(7,477)</b>	<b>1,463,116</b>	<b>-</b>	<b>1,423,470</b>
<b>Net position, beginning of year, as restated</b>	<b>212,355</b>	<b>305,008</b>	<b>164,294</b>	<b>4,316,361</b>	<b>24,999</b>	<b>5,023,017</b>
<b>Net position, end of year</b>	<b>\$ 212,355</b>	<b>\$ 272,839</b>	<b>\$ 156,817</b>	<b>\$ 5,779,477</b>	<b>\$ 24,999</b>	<b>\$ 6,446,487</b>

COUNTY OF SAGINAW, MICHIGAN

**Combining Statement of Cash Flows**

Nonmajor Enterprise Funds

For the Year Ended September 30, 2018

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
Cash flows from operating activities						
Receipts from customers	\$ 1,137,232	\$ 17,401	\$ 93,020	\$ 310,316	\$ 788,129	\$ 2,346,098
Payments to employees	(231,516)	(4,421)	(75,208)	(215)	-	(311,360)
Payments to suppliers	(1,731,414)	(60,113)	(21,887)	(214,777)	(334,997)	(2,363,188)
Net cash provided by (used in) operating activities	(825,698)	(47,133)	(4,075)	95,324	453,132	(328,450)
Cash flows from noncapital financing activities						
Transfers in	-	4,500	-	-	-	4,500
Transfers out	-	-	-	-	(403,038)	(403,038)
Net cash provided by (used in) noncapital financing activities	-	4,500	-	-	(403,038)	(398,538)
Cash flows from capital and related financing activities						
Receipts from state grants	-	-	-	86,942	-	86,942
Payments for capital asset acquisition	-	-	-	(158,600)	-	(158,600)
Net cash provided by (used in) capital and related financing activities	-	-	-	(71,658)	-	(71,658)
Cash flows from investing activities						
Investment income	7,849	1,204	-	-	-	9,053
Net change in cash and investment pool	(817,849)	(41,429)	(4,075)	23,666	50,094	(789,593)
Cash and investment pool:						
Beginning of year	1,457,642	305,151	112,169	235,335	109,489	2,219,786
End of year	\$ 639,793	\$ 263,722	\$ 108,094	\$ 259,001	\$ 159,583	\$ 1,430,193

continued...



COUNTY OF SAGINAW, MICHIGAN

**Combining Statement of Cash Flows**

Nonmajor Enterprise Funds

For the Year Ended September 30, 2018

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ (7,849)	\$ (37,540)	\$ (7,477)	\$ (136,335)	\$ 403,038	\$ 213,837
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	2,373	159,288	-	161,661
Changes in operating assets and liabilities that provided (used) cash:						
Receivables, net	4,020	-	607	(2,078)	(23,286)	(20,737)
Due from other funds	-	(8,700)	-	-	-	(8,700)
Inventory	-	-	-	(8,332)	-	(8,332)
Prepays	-	-	-	3,982	-	3,982
Accounts payable	(818,788)	(893)	209	955	9,622	(808,895)
Accrued liabilities	(62)	-	26	-	-	(36)
Deposits payable	-	-	-	-	(2,931)	(2,931)
Due to other funds	-	-	488	-	66,689	67,177
Due to other governments	-	-	-	76,087	-	76,087
Accrued compensated absences	(3,019)	-	(301)	-	-	(3,320)
Unearned revenue	-	-	-	1,757	-	1,757
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (825,698)</u>	<u>\$ (47,133)</u>	<u>\$ (4,075)</u>	<u>\$ 95,324</u>	<u>\$ 453,132</u>	<u>\$ (328,450)</u>
						Concluded
Noncash transaction: Donated capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,512,509</u>	<u>\$ -</u>	<u>\$ 1,512,509</u>

## COUNTY OF SAGINAW, MICHIGAN

### Internal Service Funds

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

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

Information Technology 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.

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

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

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

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

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

COUNTY OF SAGINAW, MICHIGAN

**Combining Statement of Net Position**

Internal Service Funds

September 30, 2018

	MERS (DB) Retirement	MERS (DC) Retirement	Information Technology	Equipment Revolving
<b>Assets</b>				
Current assets:				
Cash and investment pool	\$ 115,559	\$ 693,232	\$ 546,500	\$ 17,306
Receivables:				
Accounts	-	34,120	100	-
Accrued interest	(672)	2,387	-	82
Due from other governmental units	-	-	192,521	-
Prepays	-	-	7,698	-
Total current assets	<u>114,887</u>	<u>729,739</u>	<u>746,819</u>	<u>17,388</u>
Noncurrent assets:				
Capital assets being depreciated, net	-	-	438,732	5,814
Total assets	<u>114,887</u>	<u>729,739</u>	<u>1,185,551</u>	<u>23,202</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	-	36,206	90,566	-
Accrued liabilities	-	379	16,478	-
Due to other funds	-	-	-	-
Total current liabilities	-	<u>36,585</u>	<u>107,044</u>	-
Noncurrent liabilities:				
Accrued compensated absences	-	2,240	30,400	-
Total liabilities	-	<u>38,825</u>	<u>137,444</u>	-
<b>Net position</b>				
Net investment in capital assets	-	-	438,732	5,814
Unrestricted	<u>114,887</u>	<u>690,914</u>	<u>609,375</u>	<u>17,388</u>
Total net position	<u>\$ 114,887</u>	<u>\$ 690,914</u>	<u>\$ 1,048,107</u>	<u>\$ 23,202</u>

Motor Pool	Risk Management	Investment Pool	Employee Benefits	Retiree Health	Total
\$ 294,743	\$ 2,600,303	\$ 8,038	\$ 3,242,887	\$ 93	\$ 7,518,661
-	36,274	-	290,556	3,258	364,308
-	7,735	-	5,373	2	14,907
-	-	-	-	-	192,521
-	-	-	-	-	7,698
<u>294,743</u>	<u>2,644,312</u>	<u>8,038</u>	<u>3,538,816</u>	<u>3,353</u>	<u>8,098,095</u>
11,008	-	-	-	-	455,554
<u>305,751</u>	<u>2,644,312</u>	<u>8,038</u>	<u>3,538,816</u>	<u>3,353</u>	<u>8,553,649</u>
15,584	2,634	-	35,724	3,258	183,972
400	882,322	334	595,320	-	1,495,233
3,542	-	6,090	-	-	9,632
<u>19,526</u>	<u>884,956</u>	<u>6,424</u>	<u>631,044</u>	<u>3,258</u>	<u>1,688,837</u>
-	3,789	1,614	3,843	-	41,886
<u>19,526</u>	<u>888,745</u>	<u>8,038</u>	<u>634,887</u>	<u>3,258</u>	<u>1,730,723</u>
11,008	-	-	-	-	455,554
<u>275,217</u>	<u>1,755,567</u>	<u>-</u>	<u>2,903,929</u>	<u>95</u>	<u>6,367,372</u>
<u>\$ 286,225</u>	<u>\$ 1,755,567</u>	<u>\$ -</u>	<u>\$ 2,903,929</u>	<u>\$ 95</u>	<u>\$ 6,822,926</u>

COUNTY OF SAGINAW, MICHIGAN

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

Internal Service Funds

For the Year Ended September 30, 2018

	MERS (DB) Retirement	MERS (DC) Retirement	Information Technology	Equipment Revolving
Operating revenues				
Charges for services	\$ -	\$ -	\$ 191,298	\$ -
Rental revenue	-	-	-	6,566
Reimbursements	2,555,999	2,895,137	2,202,471	-
Other revenue	-	2	-	-
Total operating revenues	<u>2,555,999</u>	<u>2,895,139</u>	<u>2,393,769</u>	<u>6,566</u>
Operating expenses				
Personnel services	-	16,744	717,450	-
Fringe benefits	2,508,829	2,909,128	569,098	-
Supplies	-	-	21,385	-
Services and charges	70,518	3,628	1,174,887	-
Other	-	-	-	-
Depreciation	-	-	68,264	3,197
Total operating expenses	<u>2,579,347</u>	<u>2,929,500</u>	<u>2,551,084</u>	<u>3,197</u>
Operating income (loss)	(23,348)	(34,361)	(157,315)	3,369
Nonoperating revenues (expenses)				
Investment income	707	1,921	-	19
Income (loss) before transfers	(22,641)	(32,440)	(157,315)	3,388
Transfers out	-	-	(13,537)	-
Change in net position	(22,641)	(32,440)	(170,852)	3,388
Net position, beginning of year	<u>137,528</u>	<u>723,354</u>	<u>1,218,959</u>	<u>19,814</u>
Net position, end of year	<u>\$ 114,887</u>	<u>\$ 690,914</u>	<u>\$ 1,048,107</u>	<u>\$ 23,202</u>

Motor Pool	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
\$ 2,800	\$ 9,297	\$ -	\$ -	\$ -	\$ 203,395
357,788	-	-	-	-	364,354
-	1,456,741	51,450	7,681,114	320,347	17,163,259
-	-	-	2,614	-	2,616
<u>360,588</u>	<u>1,466,038</u>	<u>51,450</u>	<u>7,683,728</u>	<u>320,347</u>	<u>17,733,624</u>
-	48,852	15,065	70,739	-	868,850
-	22,975	8,705	7,777,072	-	13,795,807
148,051	996	-	7,614	-	178,046
414,344	1,049,046	27,680	2,578,483	320,347	5,638,933
-	-	-	2,757	-	2,757
16,592	-	-	-	-	88,053
<u>578,987</u>	<u>1,121,869</u>	<u>51,450</u>	<u>10,436,665</u>	<u>320,347</u>	<u>20,572,446</u>
(218,399)	344,169	-	(2,752,937)	-	(2,838,822)
-	8,058	-	19,823	4	30,532
(218,399)	352,227	-	(2,733,114)	4	(2,808,290)
-	(52,163)	-	-	-	(65,700)
(218,399)	300,064	-	(2,733,114)	4	(2,873,990)
<u>504,624</u>	<u>1,455,503</u>	<u>-</u>	<u>5,637,043</u>	<u>91</u>	<u>9,696,916</u>
<u>\$ 286,225</u>	<u>\$ 1,755,567</u>	<u>\$ -</u>	<u>\$ 2,903,929</u>	<u>\$ 95</u>	<u>\$ 6,822,926</u>

COUNTY OF SAGINAW, MICHIGAN

**Combining Statement of Cash Flows**

Internal Service Funds

For the Year Ended September 30, 2018

	MERS (DB) Retirement	MERS (DC) Retirement	Information Technology	Equipment Revolving
Cash flows from operating activities				
Receipts from interfund services provided	\$ 2,555,999	\$ 2,893,987	\$ 2,217,542	\$ 6,566
Payments to employees	-	(17,557)	(1,288,397)	(224)
Payments to suppliers	(2,643,516)	(2,911,971)	(1,128,065)	-
Net cash provided by (used in) operating activities	<u>(87,517)</u>	<u>(35,541)</u>	<u>(198,920)</u>	<u>6,342</u>
Cash flows from noncapital financing activities				
Transfers out	-	-	(13,537)	-
Cash flows from capital and related financing activities				
Payments for capital asset acquisition	-	-	(195,308)	-
Cash flows from investing activities				
Investment income	2,726	2,010	-	(1)
Net change in cash and investment pool	(84,791)	(33,531)	(407,765)	6,341
Cash and investment pool:				
Beginning of year	200,350	726,763	954,265	10,965
End of year	<u>\$ 115,559</u>	<u>\$ 693,232</u>	<u>\$ 546,500</u>	<u>\$ 17,306</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (23,348)	\$ (34,361)	\$ (157,315)	\$ 3,369
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	-	68,264	3,197
Changes in operating assets and liabilities that provided (used) cash:				
Receivables, net	-	(1,152)	500	-
Due from other governments	-	-	(176,727)	-
Prepays	-	-	829	-
Accounts payable	(64,169)	781	67,378	-
Accrued liabilities	-	4	116	(224)
Due to other funds	-	-	-	-
Accrued compensated absences	-	(813)	(1,965)	-
Net cash provided by (used in) operating activities	<u>\$ (87,517)</u>	<u>\$ (35,541)</u>	<u>\$ (198,920)</u>	<u>\$ 6,342</u>

Motor Pool	Risk Management	Investment Pool	Employee Benefits	Retiree Health	Total
\$ 361,593	\$ 1,438,079	\$ 51,450	\$ 7,623,391	\$ 320,069	\$ 17,468,676
400	(71,862)	(23,709)	(71,291)	-	(1,472,640)
(557,884)	(1,244,211)	(31,390)	(10,447,033)	(320,069)	(19,284,139)
(195,891)	122,006	(3,649)	(2,894,933)	-	(3,288,103)
-	(52,163)	-	-	-	(65,700)
-	-	-	-	-	(195,308)
-	10,217	-	35,816	12	50,780
(195,891)	80,060	(3,649)	(2,859,117)	12	(3,498,331)
490,634	2,520,243	11,687	6,102,004	81	11,016,992
<u>\$ 294,743</u>	<u>\$ 2,600,303</u>	<u>\$ 8,038</u>	<u>\$ 3,242,887</u>	<u>\$ 93</u>	<u>\$ 7,518,661</u>
\$ (218,399)	\$ 344,169	\$ -	\$ (2,752,937)	\$ -	\$ (2,838,822)
16,592	-	-	-	-	88,053
64	(27,959)	-	(60,337)	(278)	(89,162)
-	-	-	-	-	(176,727)
-	1,500	-	1,702	-	4,031
4,511	(4,418)	(3,157)	(89,955)	278	(88,751)
400	(191,251)	5	7,146	-	(183,804)
941	-	(553)	-	-	388
-	(35)	56	(552)	-	(3,309)
<u>\$ (195,891)</u>	<u>\$ 122,006</u>	<u>\$ (3,649)</u>	<u>\$ (2,894,933)</u>	<u>\$ -</u>	<u>\$ (3,288,103)</u>



## COUNTY OF SAGINAW, MICHIGAN

### Fiduciary Funds

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

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

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

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

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

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

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

COUNTY OF SAGINAW, MICHIGAN

**Combining Statement of Fiduciary Assets and Liabilities**

Agency Funds  
September 30, 2018

	Trust & Agency	State Education Tax	Library Penal Fine	Hospital Millage
<b>Assets</b>				
Cash and investment pool	\$ 1,112,400	\$ 7,936,850	\$ 86,120	\$ 1,095,056
Receivables:				
Taxes	-	-	-	38,714
Accounts	971,778	-	40,916	-
Accrued interest	60	-	(1,840)	4,193
Due from other governmental units	206,941	-	-	-
<b>Total assets</b>	<u>\$ 2,291,179</u>	<u>\$ 7,936,850</u>	<u>\$ 125,196</u>	<u>\$ 1,137,963</u>
<b>Liabilities</b>				
Accounts payable	\$ 396,869	\$ -	\$ -	\$ -
Deposits payable	1,566,381	-	-	-
Due to other governmental units	327,929	7,936,850	125,196	1,137,963
<b>Total liabilities</b>	<u>\$ 2,291,179</u>	<u>\$ 7,936,850</u>	<u>\$ 125,196</u>	<u>\$ 1,137,963</u>

Saginaw Children's Zoo Millage	Dependent Care	Medical Spending Reimbursement	Total
\$ 63,116	\$ 1,113	\$ 16,760	\$ 10,311,415
4,221	-	-	42,935
-	-	40	1,012,734
143	-	-	2,556
-	-	-	206,941
<u>\$ 67,480</u>	<u>\$ 1,113</u>	<u>\$ 16,800</u>	<u>\$ 11,576,581</u>
\$ -	\$ 1,113	\$ 16,800	\$ 414,782
-	-	-	1,566,381
<u>67,480</u>	<u>-</u>	<u>-</u>	<u>9,595,418</u>
<u>\$ 67,480</u>	<u>\$ 1,113</u>	<u>\$ 16,800</u>	<u>\$ 11,576,581</u>

## COUNTY OF SAGINAW, MICHIGAN

### **Brownfield Redevelopment Authority**

Component Unit of Saginaw County

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Net Position and Governmental Fund Balance Sheet

Brownfield Redevelopment Authority Component Unit  
September 30, 2018

	Brownfield Redevelopment Authority	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and investment pool	\$ 1,316,299	\$ -	\$ 1,316,299
Accrued interest receivable	4,463	-	4,463
<b>Total assets</b>	<u>\$ 1,320,762</u>	<u>-</u>	<u>1,320,762</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 3,161	-	3,161
<b>Fund balance</b>			
Unassigned	1,317,601	(1,317,601)	-
<b>Total liabilities and fund balance</b>	<u>\$ 1,320,762</u>		
<b>Net position</b>			
Unrestricted		1,317,601	1,317,601
<b>Total net position</b>		<u>\$ 1,317,601</u>	<u>\$ 1,317,601</u>

COUNTY OF SAGINAW, MICHIGAN

**Statement of Activities and Statement of Revenues, Expenditures  
and Changes in Fund Balances**  
Brownfield Redevelopment Authority Component Unit  
For the Year Ended September 30, 2018

	Brownfield Redevelopment Authority	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 415	\$ -	\$ 415
Reimbursements	15,914	-	15,914
Investment income	3,435	-	3,435
<b>Total revenues</b>	<b>19,764</b>	<b>-</b>	<b>19,764</b>
Expenditures / expenses			
Current:			
Community and economic development	17,790	-	17,790
Debt service:			
Principal	15,564	(15,564)	-
Interest and fiscal charges	350	-	350
<b>Total expenditures / expenses</b>	<b>33,704</b>	<b>(15,564)</b>	<b>18,140</b>
Change in fund balance / net position	(13,940)	15,564	1,624
Fund balance / net position, beginning of year	1,331,541	(15,564)	1,315,977
<b>Fund balance / net position, end of year</b>	<b>\$ 1,317,601</b>	<b>\$ -</b>	<b>\$ 1,317,601</b>

## COUNTY OF SAGINAW, MICHIGAN

### Department of Public Works

#### Component Unit of Saginaw County

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

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

COUNTY OF SAGINAW, MICHIGAN

**Governmental Activities Statement of Net Position and Governmental Fund Balance Sheet**  
 Department of Public Works Component Unit  
 September 30, 2018

	Debt Service	Adjustments	Governmental Activities Statement of Net Position
<b>Assets</b>			
Cash and investment pool	\$ 364,279	\$ -	\$ 364,279
Due from other governmental units	10,072,000	145,563	10,217,563
<b>Total assets</b>	<u>\$ 10,436,279</u>	<u>145,563</u>	<u>10,581,842</u>
<b>Liabilities</b>			
Accrued liabilities	\$ -	145,563	145,563
Long-term liabilities:			
Due within one year	-	489,000	489,000
Due in more than one year	-	9,583,000	9,583,000
<b>Total liabilities</b>	<u>-</u>	<u>10,217,563</u>	<u>10,217,563</u>
Deferred inflows of resources			
Unavailable revenue -long-term receivables	10,072,000	(10,072,000)	-
Fund balance/net position			
Restricted for:			
Debt service	364,279	(364,279)	-
<b>Total liabilities, deferred inflow of resources and fund balance</b>	<u>\$ 10,436,279</u>		
Net position			
Restricted for:			
Debt service		<u>\$ 364,279</u>	<u>\$ 364,279</u>



COUNTY OF SAGINAW, MICHIGAN

**Governmental Activities Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balance**  
 Department of Public Works Component Unit  
 For the Year Ended September 30, 2018

	Debt Service	Adjustments	Governmental Activities Statement of Activities
<b>Revenues</b>			
Local grants and contributions	\$ 1,092,773	\$ (652,021)	\$ 440,752
Investment income	896	-	896
<b>Total revenues</b>	<u>1,093,669</u>	<u>(652,021)</u>	<u>441,648</u>
<b>Expenditures / expenses</b>			
Current:			
Public works	229	-	229
Debt service:			
Principal	646,000	(646,000)	-
Interest and fiscal charges	365,830	(6,021)	359,809
<b>Total expenditures / expenses</b>	<u>1,012,059</u>	<u>(652,021)</u>	<u>360,038</u>
<b>Change in fund balance / net position</b>	81,610	-	81,610
<b>Fund balance / net position, beginning of year</b>	<u>282,669</u>	<u>-</u>	<u>282,669</u>
<b>Fund balance / net position, end of year</b>	<u>\$ 364,279</u>	<u>\$ -</u>	<u>\$ 364,279</u>

COUNTY OF SAGINAW, MICHIGAN

**Statement of Net Position**

Department of Public Works Component Unit - Proprietary Fund  
September 30, 2018

	<b>Administration</b>
<b>Assets</b>	
Current assets:	
Cash and investment pool	\$ 206,332
Noncurrent assets:	
Capital assets being depreciated, net	<u>21,871</u>
<b>Total assets</b>	<u>228,203</u>
<b>Liabilities</b>	
Accrued liabilities	<u>2,002</u>
<b>Net position</b>	
Investment in capital assets	21,871
Unrestricted	<u>204,330</u>
<b>Total net position</b>	<u><u>\$ 226,201</u></u>

COUNTY OF SAGINAW, MICHIGAN

**Statement of Revenues, Expenses and Changes in Fund Net Position**  
 Department of Public Works Component Unit - Proprietary Fund  
 For the Year Ended September 30, 2018

	<b>Administration</b>
Operating revenues	
Licenses and permits	\$ 135,949
Other revenue	1,827
	<hr/>
Total operating revenue	137,776
	<hr/>
Operating expenses	
Personal services	20,467
Fringe benefits	26,571
Supplies	361
Services and charges	2,584
Depreciation	4,860
	<hr/>
Total operating expenses	54,843
	<hr/>
Change in net position	82,933
	<hr/>
Net position, beginning of year	143,268
	<hr/>
Net position, end of year	<u>\$ 226,201</u>

COUNTY OF SAGINAW, MICHIGAN

**Statement of Cash Flows**

Department of Public Works Component Unit - Proprietary Fund  
 For the Year Ended September 30, 2018

**Administration**

Cash flows from operating activities	
Receipts from customers	\$ 137,776
Payments to employees	(46,808)
Payments to suppliers	<u>(2,945)</u>
Net cash provided by operating activities / change in cash and investment pool	88,023
Cash and investment pool:	
Beginning of year	<u>118,309</u>
End of year	<u><u>\$ 206,332</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income	\$ 82,933
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	4,860
Changes in operating assets and liabilities that provided (used) cash:	
Accrued liabilities	<u>230</u>
Net cash provided by operating activities	<u><u>\$ 88,023</u></u>

# COUNTY OF SAGINAW, MICHIGAN

## ■ Drain Commission

### Component Unit of Saginaw County

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

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

Special Assessment Drain Capital Projects 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 Capital Projects Fund - This fund is used to account for construction of drains, generally petitioned by the property owners. Money for the operation of this fund is supplied from special assessments against the property owners benefited.

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Net Position and Governmental Fund Balance Sheet

Drain Commission Component Unit

September 30, 2018

	Debt Service Funds		Capital Projects Funds	
	Chapter 8 Drains	Chapter 20 Drains	Special Assessment Drain	Chapter 8 Drains
<b>Assets</b>				
Cash and investment pool	\$ 282,877	\$ 154,939	\$ 3,573,514	\$ 3,504,900
Receivables:				
Special assessments	9,952,558	-	-	-
Accounts	-	-	14,443	-
Due from other funds	1,114,988	-	-	74
Advance to other funds	-	-	362,490	-
Due from other governmental units	-	-	493,298	574,000
Capital assets:				
Assets not being depreciated	-	-	-	-
Assets being depreciated, net	-	-	-	-
<b>Total assets</b>	<b>11,350,423</b>	<b>154,939</b>	<b>4,443,745</b>	<b>4,078,974</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 669,958	\$ 1,555,435
Accrued liabilities	-	-	-	-
Due to other funds	-	-	240	1,114,988
Advance from other funds	362,490	-	-	-
Advances from primary government	-	-	-	-
Long-term liabilities:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
<b>Total liabilities</b>	<b>362,490</b>	<b>-</b>	<b>670,198</b>	<b>2,670,423</b>
Deferred inflows of resources				
Unavailable revenue - special assessments	9,952,558	-	-	-
<b>Fund balances / net position</b>				
Restricted for:				
Debt service	1,035,375	154,939	-	-
Capital projects	-	-	3,773,547	1,408,551
<b>Total fund balances (deficit)</b>	<b>1,035,375</b>	<b>154,939</b>	<b>3,773,547</b>	<b>1,408,551</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 11,350,423</b>	<b>\$ 154,939</b>	<b>\$ 4,443,745</b>	<b>\$ 4,078,974</b>
<b>Net position:</b>				
Net investment in capital assets				
Restricted for:				
Debt service				
Acquisition/construction of capital assets				
<b>Total net position</b>				

Capital Projects Funds				
Revolving Drain	Revolving Drain Maintenance	Total Governmental Funds	Adjustments	Statement of Net Position
\$ 85,000	\$ 123,503	\$ 7,724,733	\$ -	\$ 7,724,733
-	-	9,952,558	-	9,952,558
-	9,587	24,030	-	24,030
315,000	166	1,430,228	(1,430,228)	-
-	-	362,490	(362,490)	-
-	-	1,067,298	-	1,067,298
-	-	-	11,959,560	11,959,560
-	-	-	40,309,418	40,309,418
<u>400,000</u>	<u>133,256</u>	<u>20,561,337</u>	<u>50,476,260</u>	<u>71,037,597</u>
\$ -	\$ 32	\$ 2,225,425	-	2,225,425
-	-	-	137,876	137,876
-	315,000	1,430,228	(1,430,228)	-
-	-	362,490	(362,490)	-
400,000	-	400,000	-	400,000
-	-	-	1,778,729	1,778,729
-	-	-	15,631,242	15,631,242
<u>400,000</u>	<u>315,032</u>	<u>4,418,143</u>	<u>15,755,129</u>	<u>20,173,272</u>
-	-	9,952,558	(9,952,558)	-
-	-	1,190,314	(1,190,314)	-
-	(181,776)	5,000,322	(5,000,322)	-
-	(181,776)	6,190,636	(6,190,636)	-
<u>\$ 400,000</u>	<u>\$ 133,256</u>	<u>\$ 20,561,337</u>		
			34,859,007	34,859,007
			11,004,996	11,004,996
			<u>5,000,322</u>	<u>5,000,322</u>
			<u>\$ 50,864,325</u>	<u>\$ 50,864,325</u>

COUNTY OF SAGINAW, MICHIGAN

Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balances

Drain Commission Component Unit  
For the Year Ended September 30, 2018

	Debt Service Funds		Capital Projects Funds	
	Chapter 8 Drains	Chapter 20 Drains	Special Assessment Drain	Chapter 8 Drains
<b>Revenues</b>				
Special assessments	\$ 1,352,521	\$ -	\$ 389,941	\$ 1,400,381
State grants and contributions	-	-	1,108,682	34,446
Local grants and contributions	292,358	73,385	339,268	11,615
Investment income	70,557	405	11,577	5,403
Reimbursements	6,842	-	7,467	-
<b>Total revenues</b>	<b>1,722,278</b>	<b>73,790</b>	<b>1,856,935</b>	<b>1,451,845</b>
<b>Expenditures / expenses</b>				
Current:				
Public works	-	-	2,061,544	7,905,177
Depreciation	-	-	-	-
Debt service:				
Principal	1,686,229	90,000	-	-
Interest and fiscal charges	323,121	5,200	-	-
<b>Total expenditures</b>	<b>2,009,350</b>	<b>95,200</b>	<b>2,061,544</b>	<b>7,905,177</b>
Revenues over (under) expenditures/expenses	(287,072)	(21,410)	(204,609)	(6,453,332)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	402,766
Transfers out	(402,766)	-	-	-
Proceeds from issuance of long-term debt	810,024	-	-	7,375,976
<b>Total other financing sources (uses)</b>	<b>407,258</b>	<b>-</b>	<b>-</b>	<b>7,778,742</b>
Change in fund balance / net position	120,186	(21,410)	(204,609)	1,325,410
Fund balances (deficit) / net position, beginning of year	915,189	176,349	3,978,156	83,141
Fund balances (deficit) / net position, end of year	\$ 1,035,375	\$ 154,939	\$ 3,773,547	\$ 1,408,551



Capital Projects Funds				
Revolving Drain	Revolving Drain Maintenance	Total Governmental Funds	Adjustments	Statement of Net Position
\$ -	\$ -	\$ 3,142,843	\$ 263,832	\$ 3,406,675
-	-	1,143,128	-	1,143,128
-	-	716,626	-	716,626
-	644	88,586	-	88,586
-	66,283	80,592	-	80,592
-	66,927	5,171,775	263,832	5,435,607
-	20,408	9,987,129	(8,881,218)	1,105,911
-	-	-	1,495,062	1,495,062
-	-	1,776,229	(1,776,229)	-
-	-	328,321	30,863	359,184
-	20,408	12,091,679	(9,131,522)	2,960,157
-	46,519	(6,919,904)	9,395,354	2,475,450
-	-	402,766	-	402,766
-	-	(402,766)	-	(402,766)
-	-	8,186,000	(8,186,000)	-
-	-	8,186,000	(8,186,000)	-
-	46,519	1,266,096	1,209,354	2,475,450
-	(228,295)	4,924,540	43,464,335	48,388,875
<u>\$ -</u>	<u>\$ (181,776)</u>	<u>\$ 6,190,636</u>	<u>\$ 44,673,689</u>	<u>\$ 50,864,325</u>

## SINGLE AUDIT ACT COMPLIANCE

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

March 29, 2019

Board of Commissioners  
County of Saginaw  
Saginaw, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Saginaw, Michigan* (the "County") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 29, 2019, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



COUNTY OF SAGINAW, MICHIGAN

**Schedule of Expenditures of Federal Awards**  
For the Year Ended September 30, 2018

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Agriculture					
Child Nutrition Cluster:					
Non-cash assistance (commodities):					
Entitlement Commodities	10.555	MDE	730008002	\$ -	\$ 7,405
Cash assistance:					
National School Lunch Program:					
Children's Facility	10.555	MDE	730008002	-	63,798
				<u>-</u>	<u>71,203</u>
Women and Infant Care	10.557	MDHHS	N/A	-	632,904
Women and Infant Care - Breastfeeding	10.557	MDHHS	N/A	-	57,747
				<u>-</u>	<u>690,651</u>
SNAP Cluster:					
Food Assistance & Employment Training Type A	10.561	WDA	N/A	106,121	148,135
Food Assistance & Employment Training / SS Type B	10.561	WDA	N/A	4,678	4,678
				<u>110,799</u>	<u>152,813</u>
Total U.S. Department of Agriculture				<u>110,799</u>	<u>914,667</u>
U.S. Department of Justice					
Bulletproof Vest Partnership Program	16.607	Direct	2016-BO-BX-16083421	-	39
Edward Byrne Memorial Justice Assistance Grant (JAG) Program:					
Edward Byrne Memorial JAG Program	16.738	Direct	2015-DJ-BX-0892	-	41,790
Edward Byrne Memorial JAG Program	16.738	Direct	2016-DJ-BX-0669	-	25,794
Edward Byrne Memorial JAG Program	16.738	SCAO	18-10526	-	57,915
Prosecutor's Bay Area Narcotics Enforcement Team (BAYANET)	16.738	MSP	2016-MU-BX-0703	-	12,784
				<u>-</u>	<u>138,283</u>
Total U.S. Department of Justice				<u>-</u>	<u>138,322</u>
U.S. Department of Labor					
Employment Services Cluster:					
Employment Service	17.207	WDA	N/A	461,152	640,909
Reemployment Services and Eligibility Assessment Program:					
UIA Admin. RESEA	17.225	WDA	N/A	84,491	84,491
Trade Adjustment Assistance:					
Trade Adjustment Assistance	17.245	WDA	N/A	5,535	5,535
Trade Case Management	17.245	WDA	N/A	1,200,948	1,300,845
				<u>1,206,483</u>	<u>1,306,380</u>

continued...

COUNTY OF SAGINAW, MICHIGAN

**Schedule of Expenditures of Federal Awards**  
For the Year Ended September 30, 2018

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Labor (continued)					
Workforce Investment Act (WIA) Cluster:					
Workforce Innovation and Opportunity Act - Adult	17.258	WDA	N/A	\$ 1,141,664	\$ 1,284,363
Workforce Innovation and Opportunity Act - One Stop Operations	17.258	WDA	N/A	-	33,220
Workforce Innovation and Opportunity Act - SWA High Concentration Youth	17.258	WDA	N/A	1,585	1,585
Workforce Innovation and Opportunity Act - Administration	17.258	WDA	N/A	-	155,150
Workforce Innovation and Opportunity Act - SWA Capacity Building	17.258	WDA	N/A	-	10,295
Workforce Innovation and Opportunity Act - SWA Apprenticeship Coordinator	17.258	WDA	N/A	-	507
Workforce Innovation and Opportunity Act - SWA-GLB Fast Start	17.258	WDA	N/A	98,900	110,067
Workforce Innovation and Opportunity Act - Apprenticeship USA State Accelerator	17.258	WDA	N/A	-	6,179
				<u>1,242,149</u>	<u>1,601,366</u>
Workforce Innovation and Opportunity Act - Youth	17.259	WDA	N/A	976,521	1,118,059
Workforce Innovation and Opportunity Act - One Stop Operations	17.259	WDA	N/A	-	36,292
Workforce Innovation and Opportunity Act - SWA High Concentration Youth	17.259	WDA	N/A	1,732	1,732
Workforce Innovation and Opportunity Act - Administration	17.259	WDA	N/A	-	169,496
Workforce Innovation and Opportunity Act - SWA Capacity Building	17.259	WDA	N/A	-	11,248
Workforce Innovation and Opportunity Act - SWA Apprenticeship Coordinator	17.259	WDA	N/A	-	554
Workforce Innovation and Opportunity Act - SWA-GLB Fast Start	17.259	WDA	N/A	108,045	120,244
				<u>1,086,298</u>	<u>1,457,625</u>
Workforce Innovation and Opportunity Act - Dislocated Worker	17.278	WDA	N/A	988,208	1,250,423
Workforce Innovation and Opportunity Act - One Stop Operations	17.278	WDA	N/A	-	44,256
Workforce Innovation and Opportunity Act - SWA High Concentration Youth	17.278	WDA	N/A	2,112	2,112
Workforce Innovation and Opportunity Act - Administration	17.278	WDA	N/A	-	206,689
WIA RR CRM	17.278	WDA	N/A	-	6,610
Workforce Innovation and Opportunity Act - SWA Capacity Building	17.278	WDA	N/A	-	13,716
Workforce Innovation and Opportunity Act - SWA-Apprenticeship Coordinator	17.278	WDA	N/A	-	676
Workforce Innovation and Opportunity Act - SWA-GLB Fast Start	17.278	WDA	N/A	131,754	146,630
				<u>1,122,074</u>	<u>1,671,112</u>
				<u>3,450,521</u>	<u>4,730,103</u>
					continued...

COUNTY OF SAGINAW, MICHIGAN

**Schedule of Expenditures of Federal Awards**  
For the Year Ended September 30, 2018

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Labor (concluded) WIA - SP NEG	17.277	WDA	N/A	\$ 193,183	\$ 198,311
<b>Total U.S. Department of Labor</b>				<b>5,395,830</b>	<b>6,960,194</b>
U.S. Department of Transportation Highway Planning and Construction Cluster: Urban Planning - FHWA (PL)	20.205	MDOT	PL-1684-148	-	303,938
Rural Transit Assistance Program (RTAP)	20.509	MPTA	N/A	-	1,144
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grant - DWI Sobriety Court	20.601	SCAO	AL-18-05	-	11,156
Highway Safety Cluster: Saginaw County Underage Drinking Enforcement	20.616	MSP	AL-18-36	-	1,127
Saginaw County Traffic Enforcement Program	20.616	MSP	PT-18-28	-	37,915
				-	39,042
<b>Total U.S. Department of Transportation</b>				<b>-</b>	<b>355,280</b>
U.S. Environmental Protection Agency Drinking Water State Revolving Fund Cluster: Capitalization Grants for Drinking Water State Revolving Funds	66.468	MDEQ	FS975487-16	-	350
U.S. Department of Health and Human Services Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services: Evidence Based Programs	93.043	MOAS	N/A	-	13,195
Aging Cluster: Case Coordination and Support	93.044	MOAS	N/A	-	98,996
Case Coordination and Support - In-Home Support Services	93.044	MOAS	N/A	-	46,807
Outreach	93.044	MOAS	N/A	-	19,156
Transportation	93.044	MOAS	N/A	-	9,359
Senior Center Staffing - MO	93.044	MOAS	N/A	-	10,512
Senior Center Staffing	93.044	MOAS	N/A	-	13,000
Senior Center Operations	93.044	MOAS	N/A	-	9,000
Senior Health Screenings	93.044	MOAS	N/A	-	9,969
Nutrition - Title III C-1 Meal Event	93.045	MOAS	N/A	-	9,605
Nutrition - Title III C-1 Congregate	93.045	MOAS	N/A	-	102,204
Nutrition - Title III C-2 HDM	93.045	MOAS	N/A	-	249,778
Nutrition Services Incentive Program - Congregate	93.053	MOAS	N/A	-	36,761
Nutrition Services Incentive Program - HDM	93.053	MOAS	N/A	-	118,815
				-	733,962
National Family Caregiver Support, Title III, Part E: Title III E Kinship Care	93.052	MOAS	N/A	-	3,698
National Family Caregiver Support Program	93.052	MOAS	N/A	-	31,429
Supplemental funds - Title III E	93.052	MOAS	N/A	-	13,506
				-	48,633
					continued...

COUNTY OF SAGINAW, MICHIGAN

**Schedule of Expenditures of Federal Awards**  
For the Year Ended September 30, 2018

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Health and Human Services (continued)					
Public Health Emergency Preparedness:					
PHEP - Bioterrorism Nine	93.069	MDHHS	20180091	\$ -	\$ 112,006
PHEP - Laboratory Services Bio	93.069	MDHHS	20180091	-	20,000
				<u>-</u>	<u>132,006</u>
Hospital Preparedness Program:					
Capacity Bldg Assist - Bioterrorism Three	93.074	MDHHS	20180091	-	33,970
Tuberculosis Control	93.116	MDHHS	20180091	-	100
Family Planning Services	93.217	MDHHS	20180091	-	131,635
Immunization Cooperation Agreements:					
Immunizations - IAP	93.268	MDHHS	20180091	-	15,369
Federally Funded Vaccines	93.268	MDHHS	20180091	-	205,933
Immunization Fixed Fees	93.268	MDHHS	20180091	-	1,750
				<u>-</u>	<u>223,052</u>
ACA - Maternal, Infant & Early Childhood Home Visiting Cluster:					
NFP (Nurse Family Partnership)	93.505	MDHHS	20180091	-	255,750
Immunizations - IAP	93.539	MDHHS	20180091	-	70,593
TANF Cluster:					
TANF - JET Supportive Services Type E	93.558	WDA	N/A	136,967	136,967
TANF - JET Type T	93.558	WDA	N/A	2,181,915	3,334,865
				<u>2,318,882</u>	<u>3,471,832</u>
Child Enforcement Support:					
Title IV-D Maintenance Assistance (Federal Incentive) (FOC)	93.563	MDHHS	CSFOC-17-73001	-	280,043
Title IV-D Cooperative Reimbursement Program (FOC)	93.563	MDHHS	CSFOC-17-73001	-	2,612,620
Title IV-D Cooperative Reimbursement Program (PA)	93.563	MDHHS	CSPA-17-73002	-	456,482
				<u>-</u>	<u>3,349,145</u>
Federal Access and Visitation	93.597	SCAO	SCAO-2018-021	-	4,400
Medicaid Cluster:					
CSHCS Care Coordination	93.778	MDHHS	20180091	-	2,465
CSHCS Case Management	93.778	MDHHS	20180091	-	806
CSHCS Medicaid Outreach	93.778	MDHHS	20180091	-	16,322
CSHCS Outreach & Advocacy	93.778	MDHHS	20180091	-	56,500
CSHCS Elevated Blood Level	93.778	MDHHS	20180091	-	2,217
POS Waiver	93.778	MOAS	N/A	-	96,259
				<u>-</u>	<u>174,569</u>

continued...

COUNTY OF SAGINAW, MICHIGAN

**Schedule of Expenditures of Federal Awards**  
For the Year Ended September 30, 2018

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Health and Human Services (concluded)					
HIV/AIDS Prevention Counseling	93.940	MDHHS	20180091	\$ -	\$ 1,003
Maternal and Child Health Services Block Grant:					
Enabling Services Children-MCH	93.994	MDHHS	20180091	-	157,859
CSHCS Care Coordination	93.994	MDHHS	20180091	-	4,410
Fetal Infant Mortality Review	93.994	MDHHS	20161705	-	4,320
Family Planning Services	93.994	MDHHS	20161705	-	28,764
Public Health Functions & Infrastructure	93.994	MDHHS	20161705	-	39,465
				-	234,818
Total U.S. Department of Health and Human Services				2,318,882	8,878,663
Corporation for National and Community Service					
Foster Grandparent/Senior Companion Cluster:					
Foster Grandparent Program	94.011	Direct	13SFNMI006	-	233,228
U.S. Department of Homeland Security					
Marine Safety Program	97.012	MDNR	MS18-077	-	1,621
Emergency Food and Shelter					
National Board Program	97.024	UWSC	481400-005	-	500
Emergency Management Performance Grant	97.042	MSP	EMC-2017-EP-00001	-	34,815
3rd District Regional Homeland Security Grant	97.067	losco	EMW-2015-SS-00033	-	323
3rd District Regional Homeland Security Grant	97.067	losco	EMW-2016-SS-00010-S01	-	262
3rd District Regional Homeland Security Grant	97.067	losco	EMW-2017-SS-00013	-	7,768
Total U.S. Department of Homeland Security				-	45,289
Total Expenditures of Federal Awards				\$ 7,825,511	\$ 17,525,993

See notes to schedule of expenditures of federal awards.



# COUNTY OF SAGINAW, MICHIGAN

## Notes to the Schedule of Expenditures of Federal Awards

### 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the County of Saginaw, Michigan (the “County”) under programs of the federal government for the year ended September 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

The County’s reporting entity is defined in Note 1 of the financial statements. The County’s financial statements include the operations of the Saginaw County Road Commission discretely presented component unit, which received federal awards that are not included in the Schedule for the year ended September 30, 2018, as this entity was separately audited.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

### 3. PASS-THROUGH AGENCIES

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

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

# COUNTY OF SAGINAW, MICHIGAN

## Notes to the Schedule of Expenditures of Federal Awards

### 4. AIRPORT IMPROVEMENT GRANT

During the year the County airport received \$1,512,509 in airport improvements through a grant from Michigan Department of Transportation (MDOT). The projects funded with this grant are considered contracted projects, which are defined as projects performed by private contractors paid for and administered by MDOT. These federal awards are included on MDOT's single audit, therefore, will not be reported on the County's Schedule and not included as part of the County's single audit.

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

Federal revenue:	
Statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 17,483,747
Statement of revenues, expenses and changes in fund net position:	
Enterprise funds	1,512,509
Less:	
Program income not reported as federal revenue	42,246
MDOT Administered grants (Note 4)	<u>(1,512,509)</u>
	<u>\$ 17,525,993</u>

■ ■ ■ ■ ■

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 29, 2019

Board of Commissioners  
County of Saginaw  
Saginaw, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Saginaw* (the "County"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 29, 2019. Our report includes a reference to other auditors who audited the financial statements of the Saginaw County Road Commission, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

#### Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as items 2018-001, and -002 that we consider to be significant deficiencies.

#### Compliance and Other Matters

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

#### County of Saginaw's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

#### Purpose of this Report

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

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

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

March 29, 2019

Board of Commissioners  
County of Saginaw  
Saginaw, Michigan

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

We have audited the compliance of the *County of Saginaw* (the "County") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended September 30, 2018. The County's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Saginaw County Road Commission, which received approximately \$37,000 in federal awards for negotiated projects, and is not included in the schedule of expenditures of federal awards for the year ended September 30, 2018. Our audit, described below, did not include the operations of the Saginaw County Road Commission because it arranged for a separate audit.

*Management's Responsibility*

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

*Independent Auditors' Responsibility*

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

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

#### *Opinion on the Major Federal Program*

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2018.

#### Report on Internal Control Over Compliance

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

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

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

#### *Purpose of this Report*

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

The image shows a handwritten signature in black ink that reads "Lehmann Loborn LLC". The signature is written in a cursive, flowing style.

# COUNTY OF SAGINAW, MICHIGAN

## Schedule of Findings and Questioned Costs For the Year Ended September 30, 2018

### SECTION I - SUMMARY OF AUDITORS RESULTS

#### Financial Statements

Type of auditors' report issued: Unmodified

Internal controls over financial reporting:

Material weakness(es) identified?        yes   X   no

Significant deficiency(ies) identified?   X   yes        none reported

Noncompliance material to financial statements noted?        yes   X   no

#### Federal Awards

Internal control over major programs:

Material weakness(es) identified?        yes   X   no

Significant deficiency(ies) identified?        yes   X   none reported

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

#### *Identification of Major Programs:*

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Report</u>
17.258, 17.259, 17,278	Workforce Investment Act Cluster	Unmodified

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

Auditee qualified as low-risk auditee?   X   yes        no

# COUNTY OF SAGINAW, MICHIGAN

## Schedule of Findings and Questioned Costs For the Year Ended September 30, 2018

### SECTION II - FINANCIAL STATEMENT FINDINGS

#### 2018-001 - Significant Audit Adjustment

Finding Type. Significant Deficiency in Internal Control over Financial Reporting.

Criteria. All governments are required to prepare financial statements in accordance with generally accepted accounting principals (GAAP). This is a responsibility of the government's management. The preparation of financial statements in accordance with GAAP requires internal controls over both (1) recording, processing, and summarizing accounting data (i.e., maintaining internal books and records), and (2) reporting governmentwide and fund financial statements, including the related footnotes (i.e., external financial reporting.)

Condition. Adjustments were necessary in order to present the County's pooled investments at fair market value in accordance with GAAP. The significant fair market value adjustments that were proposed by the auditor and corrected by management impacted substantially all opinion units.

Cause. The County did not identify adjustments that were necessary for the financial statements to be presented in accordance with GAAP.

Effect. As a result of this condition, the County's financial information was initially misstated by amounts that were deemed to be quantitatively significant to most opinion units. Correcting entries were subsequently posted by management to the County's records and the appropriate balances are presented in the audited financial statements.

Recommendation. We recommend management assess the fair value of the County's investment at year end and post the necessary adjustments for the County's investments to be presented at fair value in accordance with GAAP.

View of Responsible Officials. The industry standard has been to report information based on a market value method. As interest rates rose last year, the value of a large piece of our investment portfolio decreased, as they have an inverse relationship. These adjustments are temporary. In addition, as the bonds come to maturity the value comes back to par value, close to the purchase price. Our portfolio has a shorter than average overall maturity range in comparison to a lot of municipalities. The plan of action will be to adjust the values for fair market quarterly, which should smooth out larger disruptions such as this.



# COUNTY OF SAGINAW, MICHIGAN

## Schedule of Findings and Questioned Costs For the Year Ended September 30, 2018

### SECTION II - FINANCIAL STATEMENT FINDINGS (CONCLUDED)

#### 2018-002 - Bank Reconciliations

**Finding Type.** Significant Deficiency in Internal Control over Financial Reporting.

**Criteria.** The State of Michigan requires that all bank reconciliations be completed within six weeks of each month end and also at year end. The bank reconciliation process is also an important part of ensuring effective control over the County's assets.

**Condition.** The payroll and the general pooled cash bank account reconciliations for the month of September 2018 were not completed until late February 2019 and March 2019, respectively. However, the County has not been able to fully reconcile these accounts. The payroll account had an unreconciled difference of approximately \$13,000 and the general pooled cash account had an unreconciled difference of approximately \$30,000.

**Cause.** Management did not perform timely bank reconciliations for all bank and investment accounts maintained by the County and there were unreconciled balances in the completed reconciliations.

**Effect.** As a result of this condition, the County has not complied with the State of Michigan requirements related to timely completion of bank reconciliations for all bank and investment accounts. The general pooled cash is shared by significantly all funds and opinion units. Management has determined that this error is not considered material to any of the affected opinion units.

**Recommendation.** We recommend that the County develop a process for complying with the State of Michigan's bank reconciliation requirement and communicate this process to all County employees that are responsible for performing bank and investment reconciliations. We also recommend that the County implement a procedure for the completion of daily bank reconciliations for the pooled cash accounts in order to identify errors on a daily basis, which will make the month end reconciliation much easier.

**View of Responsible Officials.** The County will continue to refine a process for timelier bank reconciliations. The process will be communicated to County departments and employees that help perform banking reconciliations. In addition, the Treasurer's office will hire a Deputy Treasurer. The position is currently posted and applications are being reviewed. This position has been vacant for some time and the addition of personnel will help facilitate this process.

# COUNTY OF SAGINAW, MICHIGAN

## Schedule of Findings and Questioned Costs For the Year Ended September 30, 2018

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

No matters were reported.

# COUNTY OF SAGINAW, MICHIGAN

## ■ Summary Schedule of Prior Audit Findings

For the Year Ended September 30, 2018

2017-001 - Procurement

The County did not comply with the Uniform Guidance procurement compliance requirement due to the lack of proper bidding documentation related to one vendor of the Temporary Assistance for Needy Families grant. This matter was not repeated for 2018.

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