

COUNTY OF
SAGINAW,
MICHIGAN



Year Ended
September 30,
2022

Financial
Statements

Rehmann

COUNTY OF SAGINAW, MICHIGAN

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INDEPENDENT AUDITORS' REPORT

March 31, 2023

Board of Commissioners
County of Saginaw
Saginaw, Michigan

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying 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, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the general fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following entity, which represents the indicated percentage of the total aggregate discretely presented component units:

	Percent of Assets and Deferred Outflows	Percent of Revenues	Percent of Net Position
Road Commission	60%	65%	85%

Those statements were audited by other auditors whose reports thereon were furnished to us, and our opinions, insofar as they relate to the amounts included for the above entity, are based solely on the reports of the other auditors.



Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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. Such information is 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. The 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, under separate cover, our report dated March 31, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the County's 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.

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

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, 2022. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

Financial Highlights

· Total primary government net position	\$ 52,014,979
· Change in total primary government net position	18,855,833
· Fund balances, governmental funds	61,455,290
· Change in fund balances, governmental funds	(7,605,872)
· Unassigned fund balance, general fund	7,313,854
· Change in fund balance, general fund	(3)
· Primary government installment debt outstanding	124,140,082
· Primary government change in installment debt	9,999,819

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 property 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.

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.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

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, Michigan Works! Fund, and American Rescue Plan Act 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 general and 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, building authority event center, delinquent property tax foreclosure, 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 (Defined Benefit) retirement system, MERS (Defined Contribution) 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.

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 retirees as well as other supplementary information such as the combining and individual fund financial statements.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$52,014,979 at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 124,518,047	\$ 113,910,822	\$ 52,843,192	\$ 45,841,436	\$ 177,361,239	\$ 159,752,258
Capital assets, net	71,441,565	61,450,673	33,680,400	25,382,083	105,121,965	86,832,756
Total assets	195,959,612	175,361,495	86,523,592	71,223,519	282,483,204	246,585,014
Deferred outflows of resources	9,606,570	3,198,699	-	-	9,606,570	3,198,699
Liabilities						
Long-term debt	84,837,012	91,075,415	47,064,611	31,380,866	131,901,623	122,456,281
Other liabilities	92,949,066	83,313,933	5,074,451	5,180,330	98,023,517	88,494,263
Total liabilities	177,786,078	174,389,348	52,139,062	36,561,196	229,925,140	210,950,544
Deferred inflows of resources	10,149,655	5,482,293	-	-	10,149,655	5,482,293
Net position						
Net investment in capital assets	14,653,475	18,754,640	14,918,927	7,239,409	29,572,402	25,994,049
Restricted	22,059,150	22,157,181	-	-	22,059,150	22,157,181
Unrestricted (deficit)	(19,082,176)	(42,223,268)	19,465,603	27,422,914	383,427	(14,800,354)
Total net position	\$ 17,630,449	\$ (1,311,447)	\$ 34,384,530	\$ 34,662,323	\$ 52,014,979	\$ 33,350,876

One of the largest portions of the County's net position, \$29,572,402, 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, \$22,059,150 represents resources that are subject to external restrictions on how they may be used. This leaves a negative (deficit) unrestricted net position of \$383,427.

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.

In governmental activities, current and other assets increased by \$10,607,225 due to the County receiving the second tranche in America Rescue Plan Act funds of \$18,504,983. In addition, deferred outflows of resources increased by \$6,407,871, other liabilities increased by \$9,635,133 and deferred inflows of resources increased by \$4,667,362. This is due to the requirements of GASB Statement No. 68 and 75 recording net pension and OPEB liabilities. Further, capital assets increased by \$9,990,892 due to progress on the new Animal Care and Control Resource Center and long-term debt decreased by \$6,238,403 due to the County not issuing additional debt in FY 2022.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

In business-type activities, current and other assets increased by \$7,001,756 and capital assets increased by \$8,298,317. This is due to progress on improvements at the DOW Event Center. Further, total liabilities increased by \$15,577,866, which is primarily due to issuance of tax notes for purchase of delinquent taxes.

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 27,741,407	\$ 27,888,116	\$ 10,512,001	\$ 10,278,572	\$ 38,253,408	\$ 38,166,688
Operating grants and contributions	47,908,594	44,135,316	510,093	2,441,987	48,418,687	46,577,303
General revenues:						
Property taxes	55,028,310	52,820,001	2,367,550	1,157,197	57,395,860	53,977,198
Accommodations tax	3,626,755	2,713,818	-	-	3,626,755	2,713,818
Grants and contributions not restricted to specific programs	3,527,786	499,963	-	-	3,527,786	499,963
Investment income (loss)	(2,916,077)	(232,384)	(340,730)	481,452	(3,256,807)	249,068
Total revenues	134,916,775	127,824,830	13,048,914	14,359,208	147,965,689	142,184,038
Expenses						
Legislative	462,703	468,616	-	-	462,703	468,616
Judicial	14,849,412	16,125,997	-	-	14,849,412	16,125,997
General government	16,039,871	17,090,763	-	-	16,039,871	17,090,763
Public safety	35,238,310	32,362,285	-	-	35,238,310	32,362,285
Public works	702,234	914,026	-	-	702,234	914,026
Health and welfare	41,428,709	38,746,410	-	-	41,428,709	38,746,410
Community and economic development	3,577,064	3,101,586	-	-	3,577,064	3,101,586
Recreation and culture	2,615,160	2,549,038	-	-	2,615,160	2,549,038
Interest on long-term debt	3,140,734	3,375,629	-	-	3,140,734	3,375,629
Delinquent tax revolving	-	-	2,855,331	325,173	2,855,331	325,173
Delinquent tax foreclosure	-	-	1,264,738	1,878,438	1,264,738	1,878,438
Building Authority						
Event Center	-	-	5,033,692	2,998,623	5,033,692	2,998,623
Building Authority administration	-	-	11,920	12,130	11,920	12,130
Parking system	-	-	15,702	27,514	15,702	27,514
Harry W. Browne Airport	-	-	838,239	645,855	838,239	645,855
Inmate services	-	-	1,036,037	1,145,487	1,036,037	1,145,487
Total expenses	118,054,197	114,734,350	11,055,659	7,033,220	129,109,856	121,767,570
Change in net position before transfers	16,862,578	13,090,480	1,993,255	7,325,988	18,855,833	20,416,468
Transfers	2,271,048	2,683,084	(2,271,048)	(2,683,084)	-	-
Change in net position	19,133,626	15,773,564	(277,793)	4,642,904	18,855,833	20,416,468
Net position:						
Beginning of year (deficit) as previously reported	(1,311,447)	(18,477,091)	34,662,323	30,019,419	33,350,876	11,542,328
Restatement	(191,730)	1,392,080	-	-	(191,730)	1,392,080
End of year (deficit)	\$ 17,630,449	\$ (1,311,447)	\$ 34,384,530	\$ 34,662,323	\$ 52,014,979	\$ 33,350,876

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

Governmental activities. Governmental activities increased the County's net position by \$19,133,626 as compared to an increase of \$15,773,564 in the previous year. Key elements of this increase over the prior year are as follows:

- Revenues from FY 2021 to FY 2022 showed an increase of \$7,091,945 (5.5 percent). This increase was mainly the result of increase in operating grants and contributions in the amount of \$3,773,278 due to additional grant funds received from various agencies in response to the COVID-19 pandemic as well as an increase in grant funds received for MI Works activities. The County also experienced a loss in Fair Market Value of investments of over \$5 million.
- Expenses increased during the year as compared to the prior year by \$3,319,847 (2.9 percent). This was mainly a result of increased activity in both the Health Department and MI Works due to additional grant dollars received as well as an increase in spending of American Rescue Act funds.

Business-type activities. Business-type activities decreased the County's net position by \$277,793 as compared to an increase of \$4,642,904 in the previous year. Key elements of this decrease from the prior year are as follows:

- Revenues decreased 9.1 percent, or \$1,310,294 mainly in the area of Charges for Services and Operating Grants and Contributions due to a decrease in one-time grants received by the DOW Event Center. This was offset by an increase in property taxes for the DOW Event Center due to a voter approved increase in the millage rate and a decrease in sales of property tax foreclosure activity.
- Expenses increased 57.2 percent, or \$4,022,439, mainly as a result of activity in the delinquent tax revolving activity due to the payout of additional sales proceeds to homeowners whose homes were foreclosed on and sold at the Treasurer's auction and increased activity on the DOW Event Center project.
- Transfers netted to a decrease of \$412,036 or 15.4 percent. This is mainly the result of a decrease in the transfer from Inmate Services to Public Improvement of \$276,824 combined with a one-time transfer in FY 2021 from the Delinquent Tax Fund to the Animal Care and Control Resource Center project of \$140,586.

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 \$61,455,290, a decrease of \$7,605,872 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	149,574	-	149,574
Restricted	-	23,454,702	23,454,702
Committed	2,753,002	-	2,753,002
Assigned	27,327,768	-	27,327,768
Unassigned	7,313,854	-	7,313,854
Total	\$ 38,000,588	\$ 23,454,702	\$ 61,455,290

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	\$ 423,736
Restricted	218,012
Assigned	13,776,147
Unassigned	7,313,854
Total	\$ 21,731,749

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 49 percent of total General Fund expenditures, while total fund balance represents 50 percent of that same amount. Ending fund balance and net change in fund balance for each major fund is as follows:

	General	Michigan Works!	American Rescue Plan Act
Ending fund balance	\$ 21,731,749	\$ 239,124	\$ 52,682
Net change in fund balance	(3)	(99,954)	-

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

- Property tax revenue increased \$1,499,165 (5.9 percent) due to an increase in taxable value of properties .
- Federal grant revenue increased \$55,226 (2.5%) due to the increase American Rescue Plan Act grant revenue that was offset with a decrease of prior year grants received due to the COVID-19 pandemic through the CARES Act for Coronavirus Relief Local Government Grants (CRLGG) Program and Public Safety and Public Health Payroll Reimbursement Program (PSPHPR).
- Fines and forfeitures decreased by \$234,045 (75 percent) due to a decrease in fines and forfeiture collections in District Court as the Courts have not returned to full operations.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

- Investment income decreased \$1,092,530 (540.64 percent) due to the recording of investments at fair market value per GASB 72 which resulted in a loss at year end.
- Reimbursements increased \$329,581 (9.4 percent) mainly due to the increase in reimbursement of indirect costs allocated to other county departments in accordance with our Cost Allocation Plan.
- Expenditures increased \$1,639,483 (4 percent) with the largest increase in judicial (\$1,118,725) mainly due to increased wages and fringes as a result of the implementation of a multi-year Job Classification and Total Compensation Study, and information technology charges. The increase in public safety (\$655,592) is due to increased wages and fringes and jail medical costs. These increases were offset by a decrease of \$71,255 in public works-drains which represents the County portion of drain assessment costs.
- Transfers in increased \$532,189 (10.3 percent) due to a one-time operating transfer of \$447,202 to reimburse an advance given in the prior year to the Indigent Defense Fund budget representing funds spent in 2021 for payments made to attorneys in excess of the grant award amount.
- Transfers out decreased \$619,477 (6.2 percent) mainly due to a one-time transfer in 2021 to the indigent defense fund of \$447,202 to account for payments made to attorneys in excess of the grant award amount. The remaining decrease is due to a one-time Board approval in 2021 to transfer \$164,000 to the PLUS home surveillance program to cover a shortage in revenues received for tethers.

The Michigan Works! special revenue fund had a decrease in fund balance of \$99,954, for an ending fund balance of \$239,124. This decrease was a result of using strategic planning monies to cover administrative charges in excess of the cap allowed by their various grants.

The American Rescue Plan Act special revenue fund remained consistent with prior year, for an ending fund balance of \$52,682.

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	\$ 11,526,113	\$ 6,819,502	\$ 1,049,285	\$ 4,186,631
Increase (decrease) in net position	(1,545,208)	1,053,312	229,468	9,586

Enterprise operations. The enterprise operations of the County include the use of seven enterprise funds: the Delinquent Tax Revolving Fund, the Building Authority Event Center Fund, the Delinquent Property Tax Foreclosure Fund, the Building Authority Administration Fund, the Parking System Fund, the Harry W. Browne Airport Fund and the Inmate Services Fund. The current year information for these funds was included with business-type activities above.

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

The Building Authority Event Center Fund accounts for the operations of the County-owned facility that includes an arena, theater, 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 0.45 mills to be levied through fiscal year 2031, grants, charges for services, as well as donations received for specific purposes. This millage was renewed and extended by the voters in March 2020 to continue support for the on-going operations, upkeep and investment in the facility.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

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 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. The parking lots are a gated system where customers obtain a ticket upon entry and then can pay the ticket in the Courthouse or through the kiosk upon departure of the parking lot. Approximately 1.7 percent of the Parking System revenue is attributable to the fines received from tickets.

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

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

General Fund budgetary highlights. The differences between the original budget and final amended budget for expenditures resulted in a 4.2 percent increase (\$1,853,262 increase in appropriations); whereas the difference between the original budget and final amended budget for revenues resulted in a 2.3 percent increase (\$1,043,571 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:

- The Board of Commissioners approved an increase in funding for a Medical Examiner's Office and to permanently replace the existing services (forensic pathology, investigation, transportation, and storage) previously provided under contract by a third party, and to procure an autopsy suite and storage facility in an amount of \$1,025,925 offset with an increase in the use of fund balance.
- The Controller/CAO approved the carry forward of \$6,000 for completion of the Job Classification and Total Compensation Study offset with a use of fund balance.
- The Board of Commissioners approved an increase in funding to Saginaw Future, having met the terms of its services agreement. This resulted in an increase in the use of \$150,000 in fund balance.
- The Board of Commissioners approved architectural and engineering services related to repurposing of the former Sheriff Administration building and relocation of four (4) county offices for a total amount of \$136,825 offset with an increase in the use of fund balance.
- The Board of Commissioners approved an increase of \$450,000 in transfers in from the Indigent Defense Grant budget to cover prior year payments to attorneys that exceeded the 2021 grant, which resulted in a reduction in the use of fund balance. These payments were reimbursed by the 2022 indigent defense grant.
- The Board of Commissioners approved the County's Cost Allocation and Information Technology Plans which affected multiple budgets resulting in an increase in reimbursement revenue of \$545,176 and a decrease in the use of fund balance of \$292,749.
- The Board of Commissioners approved the funding of two (2) temporary positions to allow for cross over training in Probate Court (\$52,581) and the Controller's Office (\$10,722) as well as the reclassification of a position in Maintenance (\$7,024) all offset with a use of fund balance.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

- The Board of Commissioners approved to amend the budget by a total of \$378,045 for use of American Rescue Plan Act Revenue Replacement funds. Of that amount, \$130,212 was offset by a transfer out to Commission on Aging for revenue loss, \$150,483 was offset by a transfer out to the PLUS home surveillance program to cover a loss of revenue, and the remaining \$97,350 was offset by an increase in expense line items.

Overall during the year, actual General Fund revenues and expenditures were less than the amended budgetary estimates, resulting in an actual decrease in fund balance of \$3 and the final amended budget amount was expected to be a decrease of \$2,764,292 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 \$791,008 occurred due to a larger than anticipated increase in overall taxable value.
- The favorable variance in Federal grant revenue of \$296,155 relates to recognizing American Rescue Plan Act funds earmarked for Revenue Replacement. The County used these funds to balance the General Fund revenues with expenses at year end.
- The favorable variance of \$705,917 in Charges for Services relates to more real estate transfer taxes and recording fees than anticipated, due to an increase in real estate transactions. The hotel-motel tax administration fees were also higher than expected as travel increased from the prior year, as restrictions due to the Coronavirus pandemic decreased during the year.
- The unfavorable variance of \$1,497,014 in investment income occurred due to the recording of investments at fair market value to comply with GASB 72, which resulted in a loss of investment income.
- The favorable variance for total judicial expenditures of \$552,979 relates to the continued affect on court processes due to the Coronavirus pandemic. In-person court proceedings continue to be limited, which reduced many court-related expenditures, including jury costs and revenues received from state for jury costs, appeals costs, witness fees, and court-appointed attorney expenditures. Additionally, the Courts continue to struggle with staffing vacancies.
- The favorable variance for the County Clerk's office of \$390,041 relates to salary and fringes being under budget as there continue to be multiple vacant positions within the Clerk's Circuit Court Records office during the fiscal year.
- The favorable variance in the Prosecutor's office of \$189,482 is due to fewer court costs, including transcripts, witness fees, and travel. Due to the Coronavirus pandemic, court proceedings were limited which reduced most court-related expenditures.
- The favorable variance of \$191,619 in the Maintenance department is mainly due to staff vacancies and turnover during the year.
- The favorable variance of \$914,411 in the Medical Examiner's Office is due to bringing these services back into the County and the timing of getting this office up and running.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

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, 2022 and September 30, 2021, along with the amount and percentage of increases and decreases in relation to the 2021 amounts:

	2022	2021	Variance from 2021	Percent Increase/ (Decrease)
Revenues	\$ 46,680,715	\$ 46,199,754	\$ 480,961	1.04%
Expenditures	(43,066,359)	(40,979,674)	(2,086,685)	5.09%
Revenues over expenditures	3,614,356	5,220,080	(1,605,724)	
Other financing sources (uses)				
Transfers in	5,689,342	5,157,153	532,189	10.32%
Transfers out	(9,303,701)	(9,923,178)	619,477	-6.24%
Net change in fund balance	(3)	454,055	(454,058)	
Fund balance, beginning of year	21,731,752	21,277,697	454,055	
Fund balance, end of year	<u>\$ 21,731,749</u>	<u>\$ 21,731,752</u>	<u>\$ (3)</u>	0.00%

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

	Fund Balance Analysis			
	Nonspendable	Restricted	Assigned and Unassigned	Total Fund Balance
Fund balance, beginning of year	\$ 432,915	\$ 202,202	\$ 21,096,635	\$ 21,731,752
Fiscal year transactions:				
Excess revenue over expenditures	(9,179)	15,810	3,607,725	3,614,356
Total other financing sources (uses)	-	-	(3,614,359)	(3,614,359)
Fiscal year net increase (decrease)	(9,179)	15,810	(6,634)	(3)
Fund balance, end of year	<u>\$ 423,736</u>	<u>\$ 218,012</u>	<u>\$ 21,090,001</u>	<u>\$ 21,731,749</u>

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

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 \$13,746,147 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 \$7,313,854 or 13.02 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. The remaining balance in the assigned fund balance category of \$30,000 represents the budgeted use of fund balance for FY 2023.

Fiduciary operations. The fiduciary operations of the County include a postemployment health benefits fund and five custodial funds: a General Custodial Fund, the State Education Tax Fund, the Library Penal Fine Fund, the Postemployment Health Benefits Trust Fund, the Dependent Care Fund and the Medical Spending Reimbursement 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, 2022 amounted to \$105,121,965 (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 15.8 percent (a 9.3 percent increase for governmental activities and a 32.7 percent increase for business-type activities).

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

- Information Technology completed the initial phase of fiber optic installation project at a total cost of \$1,064,661.
- Additional VFD (variable frequency drive) were purchased and installed at the Courthouse and County Office Building for a total cost of \$87,860.
- Five (5) rooftop units were installed at the Juvenile Detention Center at a cost of \$68,000.
- Multiple departments purchased vehicles during fiscal year 2022 at a total cost of \$747,463. Department of Public Works purchased three (3) pick-up trucks at a total cost of \$107,405. Motor Pool purchased a small SUV for \$26,061. The Medical Examiner's Office purchased a van for \$25,014. The Sheriff's department purchased seven (8) vehicles at a total cost of \$273,997. Parks and Recreation purchased a boat, trailer and pick-up truck at a total cost of \$59,083. Commission on Aging purchased a van and two (2) pick-up trucks totaling \$120,760. Mosquito Control purchased two (2) pick-up trucks at a total cost of \$64,016. Maintenance purchased two (2) pick-up trucks at a total cost of \$57,376.
- Construction continued on the Haithco Park Splash Pad at a total cost of \$889,397, the Animal Care and Control Resource Center at a total cost of \$6,205,924, and the DOW Event Center at a total cost of \$9,217,290. The Adult Detention Center also had construction costs of \$2,120,856 during fiscal year 2022.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 3,965,708	\$ 3,965,708	\$ 2,258,248	\$ 2,258,248	\$ 6,223,956	\$ 6,223,956
Air rights	-	-	238,854	238,854	238,854	238,854
Construction in progress	8,123,547	3,830,931	13,182,813	4,798,969	21,306,360	8,629,900
Land improvements	4,538,328	4,669,767	2,028,663	2,289,702	6,566,991	6,959,469
Buildings and improvements	46,050,237	44,937,959	11,877,674	12,264,626	57,927,911	57,202,585
Leased buildings	4,128,230	3,912,093	-	-	4,128,230	3,912,093
Machinery and equipment	2,717,800	2,008,172	556,445	527,701	3,274,245	2,535,873
Office furniture & fixtures	231,140	361,628	22,283	22,983	253,423	384,611
Planning and development	-	-	3,472,636	2,930,275	3,472,636	2,930,275
Vehicles	1,686,575	1,676,508	42,784	50,725	1,729,359	1,727,233
Total	\$ 71,441,565	\$ 65,362,766	\$ 33,680,400	\$ 25,382,083	\$ 105,121,965	\$ 90,744,849

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 installment debt outstanding (less accrued compensated absences and bond premium) of \$166,695,841. Of this amount, \$132,236,983 comprises debt backed by the full faith and credit of the government and \$34,458,838 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 finance purchase agreements secured by specific assets.

	Outstanding Debt			
	Governmental Activities		Business-type Activities	
	2022	2021	2022	2021
General obligation bonds	\$ 78,925,082	\$ 84,717,263	\$ 14,545,000	\$ 15,150,000
Delinquent tax notes	-	-	30,670,000	14,273,000
Total	\$ 78,925,082	\$ 84,717,263	\$ 45,215,000	\$ 29,423,000

	Outstanding Debt			
	Component Units		Totals	
	2022	2021	2022	2021
General obligation bonds	\$ 42,297,377	\$ 44,697,255	\$ 135,767,459	\$ 144,564,518
Delinquent tax notes	-	-	30,670,000	14,273,000
Finance purchase agreement	258,382	339,621	258,382	339,621
Total	\$ 42,555,759	\$ 45,036,876	\$ 166,695,841	\$ 159,177,139

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
General Obligation Limited Tax Notes, Series 2022	\$ 17,635,000	4/1/2022	1.392%
Cheboyganing Creek Intercounty Drain Note, Series 2022	595,000	8/17/2022	2.920%
Youngs Intercounty Drain Note, Series 2022	400,000	3/30/2022	1.690%

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

The County's total debt increased by \$7,518,702 (4.7 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 \$704,768,034, 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 2023 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 5.20 percent for fiscal 2023.
- Wages and Fringe Benefits – The County's authorized staff count saw a decrease from 2022 to 2023 with the reduction of 1.75 F.T.E.'s for a total of 589.10 F.T.E.'s budgeted. The wage rates for these positions were budgeted with a base wage increase for fiscal 2023 of 2.00% plus any step adjustments. 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 to the cost of providing health insurance and contributions to the retiree health reserve remained the same at \$12,000 per position. Contributions to the MERS DB unfunded liability were budgeted using 34% of budgeted wages for 2023 which is an increase of 1.50% from the 2022 budget (which was budgeted using 32.5% of budgeted wages). The County continues to allocate both the MERS DB unfunded liability and retiree health reserve costs in a consistent manner across all funds as we 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 rose, however, costs associated with these items rose in proportion to any compensation increases.
- Use of Reserves – Structural Deficit – The structural budget deficit situation was still an issue for fiscal 2023 with the Board of Commissioners approving to use American Rescue Plan Act Revenue Replacement funds in an amount of \$3,315,285 for the following purposes: balancing revenues with expenditures; budgeting for the increase in wages and fringes associated with Collective Bargaining Agreements and increased costs in providing benefits along with the adverse impact inflation is having on supplies and services.
- Continuing in FY 2023 and into the FY 2024 budget cycle, the Board of Commissioners and the Controller/CAO will continue to communicate with all County departments regarding the County's continuing financial challenges and the use of reserves to balance the general fund budget in an effort to eliminate the reliance on the use of fund balance in future budget cycles.
- The FY 2023 budget confirms the Board of Commissioner's priorities set during their FY 2019 Strategic Planning Sessions. The Board identified three (2) Vision/Priorities Categories: Quality of Life, Accessibility of Services and Revenue/Cost Control/Efficiency. Within these categories, the Board has identified the following priorities: competitive pay system; construction of a modern, more efficient jail; construction of a "stat of the arts" animal shelter; enhancing senior services; improving technology; enhancing preventative health services; job creation and business expansion; and crime reduction. These priorities were reviewed during the FY 2023 budget process and will impact future budget cycles in various ways including where the Board prioritizes departmental budget requests. Additionally, the Board of Commissioners will continue to review and update these priorities as necessary.
- 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.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

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, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investment pool	\$ 68,496,600	\$ 38,080,380	\$ 106,576,980	\$ 21,364,319
Restricted cash and investment pool	32,027,869	-	32,027,869	-
Receivables, net	21,986,384	16,044,007	38,030,391	48,054,053
Internal balances	1,418,090	(1,418,090)	-	-
Inventory	-	133,812	133,812	1,834,811
Prepays	189,104	3,083	192,187	329,731
Advances to component unit	400,000	-	400,000	-
Advance to land bank	-	-	-	540,378
Capital assets:				
Not being depreciated	12,089,255	15,679,915	27,769,170	62,679,443
Being depreciated, net	59,352,310	18,000,485	77,352,795	199,425,907
Total assets	195,959,612	86,523,592	282,483,204	334,228,642
Deferred outflows of resources				
Deferred pension amounts	4,094,838	-	4,094,838	1,618,834
Deferred OPEB amounts	5,511,732	-	5,511,732	-
Total deferred outflows of resources	9,606,570	-	9,606,570	1,618,834
Liabilities				
Accounts payable and accrued liabilities	18,904,319	3,901,989	22,806,308	2,768,586
Unearned revenue	33,104,311	235,562	33,339,873	-
Advances from primary government	-	-	-	400,000
Advance from brownfield redevelopment	-	-	-	540,378
Lease payable:				
Due within one year	874,328	-	874,328	-
Due in more than one year	3,194,575	-	3,194,575	-
Long-term debt:				
Due within one year	8,143,431	2,332,063	10,475,494	2,972,515
Due in more than one year	76,693,581	44,732,548	121,426,129	40,373,160
Due to Saginaw Hockey Club, LLC, due within one year	-	104,100	104,100	-
Due to Saginaw Hockey Club, LLC, due in more than one year	-	832,800	832,800	-
Net pension liability, due in more than one year	28,765,207	-	28,765,207	10,953,259
Net other postemployment benefit liability, due in more than one year	8,106,326	-	8,106,326	17,615,255
Total liabilities	177,786,078	52,139,062	229,925,140	75,623,153
Deferred inflows of resources				
Deferred pension amounts	8,800,679	-	8,800,679	2,198,323
Deferred OPEB amounts	357,539	-	357,539	1,091,820
Deferred lease amounts	991,437	-	991,437	-
Total deferred inflows of resources	10,149,655	-	10,149,655	3,290,143
Net position				
Net investment in capital assets	14,653,475	14,918,927	29,572,402	226,329,299
Restricted for:				
Public improvement	2,355,344	-	2,355,344	-
Drain projects	-	-	-	9,976,480
Debt service	2,778,171	-	2,778,171	36,135,267
Public safety	2,907,780	-	2,907,780	-
Health and welfare	8,228,965	-	8,228,965	-
Recreation	2,323,954	-	2,323,954	-
Community and economic development	1,874,462	-	1,874,462	-
Other	1,590,474	-	1,590,474	-
Unrestricted (deficit)	(19,082,176)	19,465,603	383,427	(15,506,866)
Total net position	\$ 17,630,449	\$ 34,384,530	\$ 52,014,979	\$ 256,934,180

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Activities

For the Year Ended September 30, 2022

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government						
Governmental activities:						
Legislative	\$ 461,197	\$ 1,506	\$ -	\$ -	\$ -	\$ (462,703)
Judicial	14,395,704	453,708	2,474,826	5,664,084	-	(6,710,502)
General government	18,866,798	(2,826,927)	9,334,553	9,549,819	-	2,844,501
Public safety	34,455,785	782,525	8,471,531	7,340,093	-	(19,426,686)
Public works	684,085	18,149	689,180	15,000	-	1,946
Health and welfare	39,955,770	1,472,939	6,646,703	24,338,494	-	(10,443,512)
Community and economic development	3,551,911	25,153	1,865	-	-	(3,575,199)
Recreation and culture	2,560,650	54,510	122,749	1,001,104	-	(1,491,307)
Interest on long-term debt	3,140,734	-	-	-	-	(3,140,734)
Total governmental activities	118,072,634	(18,437)	27,741,407	47,908,594	-	(42,404,196)
Business-type activities:						
Delinquent tax revolving	2,855,331	-	3,798,040	-	-	942,709
Delinquent tax foreclosure	1,264,738	-	1,044,181	-	-	(220,557)
Building Authority Event Center	5,033,230	462	3,431,921	497,093	-	(1,104,678)
Building Authority administration	11,920	-	17,922	-	-	6,002
Parking system	15,677	25	39,972	-	-	24,270
Harry W. Browne Airport	837,718	521	591,308	13,000	-	(233,931)
Inmate services	1,018,608	17,429	1,588,657	-	-	552,620
Total business-type activities	11,037,222	18,437	10,512,001	510,093	-	(33,565)
Total primary government	\$ 129,109,856	\$ -	\$ 38,253,408	\$ 48,418,687	\$ -	\$ (42,437,761)
Component units						
Road Commission	\$ 23,713,045	\$ -	\$ 201,583	\$ 36,790,878	\$ -	\$ 13,279,416
Brownfield Redevelopment Authority	2,743	-	500	-	-	(2,243)
Department of Public Works	519,034	-	262,092	-	457,557	200,615
Drain Commission	4,358,422	-	-	165,216	3,323,743	(869,463)
Economic Development Corporation	18,394	-	22,713	-	-	4,319
Land Bank Authority	2,237,323	-	-	798,302	1,390,230	(48,791)
Total component units	\$ 30,848,961	\$ -	\$ 486,888	\$ 37,754,396	\$ 5,171,530	\$ 12,563,853

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, 2022

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Change in net position				
Net (expense) revenue	\$ (42,404,196)	\$ (33,565)	\$ (42,437,761)	\$ 12,563,853
General revenues:				
Property taxes	55,028,310	2,367,550	57,395,860	4,399
Accommodations tax	3,626,755	-	3,626,755	-
Grants and contributions not restricted to specific programs	3,527,786	-	3,527,786	-
Investment income (loss)	(2,916,077)	(340,730)	(3,256,807)	23,317
Transfers - internal activities	2,271,048	(2,271,048)	-	-
Total general revenues and transfers	61,537,822	(244,228)	61,293,594	27,716
Change in net position	19,133,626	(277,793)	18,855,833	12,591,569
Net position, beginning of year, as restated	(1,503,177)	34,662,323	33,159,146	244,342,611
Net position, end of year	<u>\$ 17,630,449</u>	<u>\$ 34,384,530</u>	<u>\$ 52,014,979</u>	<u>\$ 256,934,180</u>

Concluded

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

COUNTY OF SAGINAW, MICHIGAN

Balance Sheet

Governmental Funds
September 30, 2022

	Special Revenue Funds				Total Governmental Funds
	General	Michigan Works!	American Rescue Plan Act	Nonmajor Governmental Funds	
Assets					
Cash and investment pool	\$ 16,510,978	\$ 560,200	\$ -	\$ 43,165,619	\$ 60,236,797
Restricted cash and investment pool	-	-	32,027,869	-	32,027,869
Receivables:					
Taxes	5,434,666	-	-	323,685	5,758,351
Accounts	677,819	8,735	-	3,206,063	3,892,617
Loans	-	-	-	1,986,651	1,986,651
Installment sales agreement	-	-	-	2,784,154	2,784,154
Leases	696,528	-	-	316,964	1,013,492
Due from other funds	2,000,000	-	-	590,495	2,590,495
Due from other governmental units	514,254	1,495,904	-	4,170,860	6,181,018
Advances to other funds	20,000	-	-	-	20,000
Advances to component units	400,000	-	-	-	400,000
Prepays	3,736	80,035	-	65,803	149,574
Total assets	\$ 26,257,981	\$ 2,144,874	\$ 32,027,869	\$ 56,610,294	\$ 117,041,018
Liabilities					
Accounts payable	\$ 747,645	\$ 1,886,526	\$ -	\$ 6,179,115	\$ 8,813,286
Accrued liabilities	687,590	18,917	-	934,040	1,640,547
Checks issued in excess of pooled cash	-	-	-	1,498,287	1,498,287
Due to other funds	-	-	-	590,495	590,495
Due to other governmental units	5,681	-	-	1,720,526	1,726,207
Deposits payable	-	-	-	31,466	31,466
Unearned revenue	-	307	31,975,187	1,128,817	33,104,311
Total liabilities	1,440,916	1,905,750	31,975,187	12,082,746	47,404,599
Deferred inflows of resources					
Unavailable revenue:					
Property taxes	2,403,779	-	-	214,139	2,617,918
Long-term receivables	-	-	-	4,571,774	4,571,774
Deferred lease amounts	681,537	-	-	309,900	991,437
Total deferred inflows of resources	3,085,316	-	-	5,095,813	8,181,129
Fund balances					
Nonspendable	423,736	80,035	-	102,193	605,964
Restricted	218,012	-	-	23,236,690	23,454,702
Committed	-	-	-	2,753,002	2,753,002
Assigned	13,776,147	159,089	52,682	13,339,850	27,327,768
Unassigned (deficit)	7,313,854	-	-	-	7,313,854
Total fund balances	21,731,749	239,124	52,682	39,431,735	61,455,290
Total liabilities, deferred inflows of resources and fund balances	\$ 26,257,981	\$ 2,144,874	\$ 32,027,869	\$ 56,610,294	\$ 117,041,018

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

COUNTY OF SAGINAW, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
To Net Position of Governmental Activities
September 30, 2022

Fund balances - total governmental funds	\$ 61,455,290
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	12,089,255
Capital assets, being depreciated	59,352,310
Less: Internal service fund capital assets, net	(1,373,721)
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	7,189,692
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	(28,765,207)
Deferred outflows related to the net pension liability	4,094,838
Deferred inflows related to the net pension liability	(8,800,679)
Net OPEB liability	(8,106,326)
Deferred outflows related to the net OPEB liability	5,511,732
Deferred inflows related to the net OPEB liability	(357,539)
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	5,560,352
Portion of the governmental activity's internal service fund net position allocated to business-type activities	(70,703)
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	(78,925,082)
Leases payable	(4,068,903)
Premium on bond issuance	(3,989,740)
Accrued interest on bonds payable	(1,330,477)
Accrued compensated absences	(1,834,643)
Net position of governmental activities	<u><u>\$ 17,630,449</u></u>

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended September 30, 2022

	Special Revenue Funds				Total Governmental Funds
	General	Michigan Works!	American Rescue Plan Act	Nonmajor Governmental Funds	
Revenues					
Property taxes	\$ 27,059,637	\$ -	\$ -	\$ 27,974,573	\$ 55,034,210
Accommodations tax	-	-	-	3,626,755	3,626,755
Licenses and permits	137,232	-	-	599,122	736,354
Federal grants	2,264,014	11,187,704	3,021,806	9,292,849	25,766,373
State grants	8,651,575	1,669,384	-	13,535,593	23,856,552
Local grants and contributions	6,500	-	-	1,425,180	1,431,680
Charges for services	5,692,175	7,838	-	7,808,391	13,508,404
Fines and forfeitures	312,432	-	-	43,456	355,888
Investment income (loss)	(1,296,964)	-	-	(1,324,328)	(2,621,292)
Rental revenue	-	-	-	192,654	192,654
Donations	-	9,990	-	371,995	381,985
Reimbursements	3,818,026	2,451,756	-	9,301,889	15,571,671
Other revenue	36,088	-	-	496,663	532,751
Total revenues	46,680,715	15,326,672	3,021,806	73,344,792	138,373,985
Expenditures					
Current:					
Legislative	602,001	-	-	-	602,001
Judicial	14,386,502	-	-	5,836,909	20,223,411
General government	15,688,132	-	-	4,470,585	20,158,717
Public safety	10,392,934	-	3,021,806	23,774,163	37,188,903
Public works	224,649	-	-	524,747	749,396
Health and welfare	1,421,539	14,569,454	-	29,156,334	45,147,327
Community and economic development	314,800	-	-	3,713,718	4,028,518
Recreation and culture	-	-	-	2,600,294	2,600,294
Capital outlay	35,802	982,924	-	8,615,826	9,634,552
Debt service:					
Bond and note principal	-	-	-	5,792,181	5,792,181
Lease principal	-	826,114	-	-	826,114
Interest and fiscal charges	-	31,058	-	3,520,736	3,551,794
Total expenditures	43,066,359	16,409,550	3,021,806	88,005,493	150,503,208
Revenues over (under) expenditures	3,614,356	(1,082,878)	-	(14,660,701)	(12,129,223)
Other financing sources (uses)					
Proceeds from issuance of leases	-	982,924	-	-	982,924
Transfers in	5,689,342	-	-	11,924,098	17,613,440
Transfers out	(9,303,701)	-	-	(4,769,312)	(14,073,013)
Total other financing sources (uses)	(3,614,359)	982,924	-	7,154,786	4,523,351
Net change in fund balances	(3)	(99,954)	-	(7,505,915)	(7,605,872)
Fund balances, beginning of year, as restated	21,731,752	339,078	52,682	46,937,650	69,061,162
Fund balances, end of year	\$ 21,731,749	\$ 239,124	\$ 52,682	\$ 39,431,735	\$ 61,455,290

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

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, 2022

Net change in fund balances - total governmental funds \$ (7,605,872)

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	9,312,387
Net book value of disposed capital assets	(35,387)
Depreciation/amortization expense	(3,284,890)

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	(5,900)
Change in deferred inflows related to long-term installment sales agreement receivable	(306,597)
Change in deferred inflows related to long-term loans receivable	(123,038)

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.

Issuance of leases payable	(982,924)
Principal payments on leases payable	826,114
Principal payments on long-term debt	5,792,181
Change in accrued interest payable and amortization of bond premium	380,002

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	1,535,995
Change in net other postemployment benefit liability and related deferred amounts	13,450,368
Change in accrued compensated absences	156,236

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	9,586
Operating income from governmental activities in internal service funds charged to business-type activities	15,365

Change in net position of governmental activities \$ 19,133,626

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, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 26,268,629	\$ 26,268,629	\$ 27,059,637	\$ 791,008
Licenses and permits	154,500	154,500	137,232	(17,268)
Federal grants	1,566,832	1,967,859	2,264,014	296,155
State grants	8,532,784	8,532,784	8,651,575	118,791
Local grants and contributions	6,500	6,500	6,500	-
Charges for services	4,946,235	4,986,258	5,692,175	705,917
Fines and forfeitures	451,800	451,800	312,432	(139,368)
Investment income (loss)	200,050	200,050	(1,296,964)	(1,497,014)
Reimbursements	3,525,388	4,070,689	3,818,026	(252,663)
Other revenue	1	57,221	36,088	(21,133)
Total revenues	45,652,719	46,696,290	46,680,715	(15,575)
Expenditures				
Current:				
Legislative - Board of Commissioners	637,307	642,156	602,001	(40,155)
Judicial:				
Circuit Court	3,580,833	3,677,411	3,458,791	(218,620)
District Court	5,041,189	5,066,208	4,954,479	(111,729)
Probate Court	1,220,136	1,293,987	1,247,421	(46,566)
Law Library	57,500	57,500	57,500	-
Family Division	2,827,044	2,863,991	2,742,807	(121,184)
Probation - Circuit Court	72,539	78,539	70,300	(8,239)
Probation - District Court	982,061	995,651	946,212	(49,439)
Assigned Counsel	908,692	908,692	908,692	-
Jury Commission	300	300	300	-
Total judicial	14,690,294	14,942,279	14,386,502	(555,777)
General government:				
Elections	146,515	146,515	81,120	(65,395)
Auditing	114,800	129,800	127,073	(2,727)
Corporate Counsel	205,180	240,180	208,338	(31,842)
County Clerk	2,213,260	2,390,911	2,000,870	(390,041)
Controller	1,824,078	1,861,963	1,797,929	(64,034)
Equalization	727,178	718,320	712,945	(5,375)
Prosecuting Attorney	4,702,374	4,692,127	4,502,645	(189,482)
Prosecuting Attorney - Welfare	853,450	883,810	867,412	(16,398)
Register of Deeds	788,501	783,647	759,943	(23,704)
County Treasurer	945,417	990,832	975,735	(15,097)
Maintenance	3,190,287	3,205,065	3,013,446	(191,619)
Maintenance - Telephone	52,500	74,500	72,239	(2,261)
Public Works Commissioner	590,531	589,099	568,437	(20,662)
Total general government	16,354,071	16,706,769	15,688,132	(1,018,637)

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, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued):				
Current (continued):				
Public safety:				
Sheriff	\$ 830,905	\$ 823,768	\$ 795,640	\$ (28,128)
Marine Law Enforcement	3,555	6,502	6,502	-
Sheriff - Jail Division	9,425,456	9,580,705	9,519,420	(61,285)
Corrections Reimbursement	88,516	94,138	71,372	(22,766)
Total public safety	<u>10,348,432</u>	<u>10,505,113</u>	<u>10,392,934</u>	<u>(112,179)</u>
Public works - Drains	<u>350,000</u>	<u>249,931</u>	<u>224,649</u>	<u>(25,282)</u>
Health and welfare:				
Medical Examiner	466,041	1,504,091	589,680	(914,411)
Veterans Burial	20,000	20,300	19,439	(861)
Contributions to other agencies	814,061	814,061	812,420	(1,641)
Total health and welfare	<u>1,300,102</u>	<u>2,338,452</u>	<u>1,421,539</u>	<u>(916,913)</u>
Community and economic development:				
Plat Board	300	300	-	(300)
Contributions to other agencies	165,000	315,000	314,800	(200)
Total community and economic development	<u>165,300</u>	<u>315,300</u>	<u>314,800</u>	<u>(500)</u>
Capital outlay	<u>37,500</u>	<u>36,268</u>	<u>35,802</u>	<u>(466)</u>
Total expenditures	<u>43,883,006</u>	<u>45,736,268</u>	<u>43,066,359</u>	<u>(2,669,909)</u>
Revenues over expenditures	<u>1,769,713</u>	<u>960,022</u>	<u>3,614,356</u>	<u>2,654,334</u>
Other financing sources (uses)				
Transfers in	5,242,140	5,692,140	5,689,342	(2,798)
Transfers out	(9,127,184)	(9,416,454)	(9,303,701)	(112,753)
Total other financing sources (uses)	<u>(3,885,044)</u>	<u>(3,724,314)</u>	<u>(3,614,359)</u>	<u>(109,955)</u>
Net change in fund balance	<u>(2,115,331)</u>	<u>(2,764,292)</u>	<u>(3)</u>	<u>2,764,289</u>
Fund balance, beginning of year	<u>21,731,752</u>	<u>21,731,752</u>	<u>21,731,752</u>	<u>-</u>
Fund balance, end of year	<u>\$ 19,616,421</u>	<u>\$ 18,967,460</u>	<u>\$ 21,731,749</u>	<u>\$ 2,764,289</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 - Michigan Works! Special Revenue Fund

For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal grants	\$ 14,466,884	\$ 16,614,336	\$ 11,187,704	\$ (5,426,632)
State grants	682,132	3,326,532	1,669,384	(1,657,148)
Charges for services	157,600	157,600	7,838	(149,762)
Donations	-	9,990	9,990	-
Reimbursements	2,497,952	2,528,049	2,451,756	(76,293)
Total revenues	<u>17,804,568</u>	<u>22,636,507</u>	<u>15,326,672</u>	<u>(7,309,835)</u>
Expenditures				
Current:				
Health and welfare	16,947,395	21,793,678	14,569,454	(7,224,224)
Capital outlay	-	-	982,924	982,924
Debt service:				
Lease principal	826,115	826,115	826,114	(1)
Lease interest	31,058	31,058	31,058	-
Total expenditures	<u>17,804,568</u>	<u>22,650,851</u>	<u>16,409,550</u>	<u>(6,241,301)</u>
Revenues over (under) expenditures	-	(14,344)	(1,082,878)	(1,068,534)
Other financing sources				
Proceeds from issuance of lease	-	-	982,924	982,924
Net change in fund balance	-	(14,344)	(99,954)	(85,610)
Fund balance, beginning of year	<u>339,078</u>	<u>339,078</u>	<u>339,078</u>	-
Fund balance, end of year	<u>\$ 339,078</u>	<u>\$ 324,734</u>	<u>\$ 239,124</u>	<u>\$ (85,610)</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 - American Rescue Plan Act Special Revenue Fund

For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal grants	\$ 153,892	\$ 4,233,591	\$ 3,021,806	\$ (1,211,785)
Expenditures				
Public safety	153,892	4,233,591	3,021,806	(1,211,785)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	52,682	52,682	52,682	-
Fund balance, end of year	<u>\$ 52,682</u>	<u>\$ 52,682</u>	<u>\$ 52,682</u>	<u>\$ -</u>

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Net Position

Proprietary Funds
September 30, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities
	Delinquent Tax Revolving	Building Authority Event Center	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets					
Current assets:					
Cash and investment pool	\$ 27,980,725	\$ 9,055,048	\$ 1,044,607	\$ 38,080,380	\$ 9,758,090
Receivables, net:					
Taxes	11,187,251	41,294	-	11,228,545	-
Accounts	2,193,983	165,040	71,784	2,430,807	370,101
Interest and fees	2,378,427	-	-	2,378,427	-
Due from other governmental units	6,228	-	-	6,228	-
Due from other funds	-	-	-	-	354
Inventory	-	59,252	74,560	133,812	-
Prepays	-	2,000	1,083	3,083	39,530
Total current assets	43,746,614	9,322,634	1,192,034	54,261,282	10,168,075
Noncurrent assets:					
Advances to other funds	531,207	-	-	531,207	-
Capital assets not being depreciated	-	14,406,427	1,273,488	15,679,915	-
Capital assets being depreciated, net	-	13,866,427	4,134,058	18,000,485	1,373,721
Total noncurrent assets	531,207	28,272,854	5,407,546	34,211,607	1,373,721
Total assets	44,277,821	37,595,488	6,599,580	88,472,889	11,541,796
Liabilities					
Current liabilities:					
Accounts payable	74,385	1,813,393	100,221	1,987,999	1,344,779
Accrued liabilities	7,323	297,608	14,359	319,290	4,017,557
Deposits payable	-	1,586,531	8,169	1,594,700	-
Due to other funds	2,000,000	-	-	2,000,000	354
Unearned revenue	-	235,562	-	235,562	-
Current portion due to Saginaw Hockey Club, LLC	-	104,100	-	104,100	-
Current portion of notes payable	1,600,000	-	-	1,600,000	-
Current portion of bonds payable	-	732,063	-	732,063	-
Total current liabilities	3,681,708	4,769,257	122,749	8,573,714	5,362,690
Noncurrent liabilities:					
Advances from other funds	-	-	20,000	20,000	531,207
Due to Saginaw Hockey Club, LLC	-	832,800	-	832,800	-
Accrued compensated absences	-	-	-	-	87,547
Notes payable, net of current portion	29,070,000	-	-	29,070,000	-
Bonds payable, net of current portion	-	15,662,548	-	15,662,548	-
Total noncurrent liabilities	29,070,000	16,495,348	20,000	45,585,348	618,754
Total liabilities	32,751,708	21,264,605	142,749	54,159,062	5,981,444
Net position					
Net investment in capital assets	-	9,511,381	5,407,546	14,918,927	1,373,721
Unrestricted	11,526,113	6,819,502	1,049,285	19,394,900	4,186,631
Total net position	\$ 11,526,113	\$ 16,330,883	\$ 6,456,831	34,313,827	\$ 5,560,352
Adjustment to reflect the consolidation of internal service fund activities related to business-type activities				70,703	
Net position of business-type activities				\$ 34,384,530	

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, 2022

	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	\$ 381,691	\$ 2,953,084	\$ 3,076,560	\$ 6,411,335	\$ 218,417
Interest on delinquent taxes	1,424,176	-	17,615	1,441,791	-
Fines and forfeitures	-	-	692	692	-
Rental revenue	-	-	112,541	112,541	366,897
Reimbursements	-	-	30,482	30,482	25,774,086
Other revenue	1,992,173	478,837	44,150	2,515,160	167,908
Total operating revenues	3,798,040	3,431,921	3,282,040	10,512,001	26,527,308
Operating expenses					
Personnel services	-	1,236,906	1,391	1,238,297	1,012,599
Fringe benefits	-	-	-	-	18,326,226
Supplies	35,264	347,865	691,153	1,074,282	223,864
Services and charges	2,626,871	2,054,420	2,134,045	6,815,336	5,206,250
Other	-	309,125	-	309,125	-
Depreciation	-	841,371	318,453	1,159,824	184,619
Total operating expenses	2,662,135	4,789,687	3,145,042	10,596,864	24,953,558
Operating income (loss)	1,135,905	(1,357,766)	136,998	(84,863)	1,573,750
Nonoperating revenues (expenses)					
Property taxes	-	2,367,550	-	2,367,550	-
Federal grants	-	417,780	13,000	430,780	-
State grants	-	79,313	-	79,313	-
Investment income (loss)	(487,917)	(201,307)	348,494	(340,730)	(294,785)
Interest expense and fiscal charges	(193,196)	(250,234)	-	(443,430)	-
Total nonoperating revenues (expenses)	(681,113)	2,413,102	361,494	2,093,483	(294,785)
Income (loss) before transfers	454,792	1,055,336	498,492	2,008,620	1,278,965
Transfers in	-	-	7,800	7,800	354
Transfers out	(2,000,000)	(2,024)	(276,824)	(2,278,848)	(1,269,733)
Change in net position	(1,545,208)	1,053,312	229,468	(262,428)	9,586
Net position, beginning of year	13,071,321	15,277,571	6,227,363		5,550,766
Net position, end of year	\$ 11,526,113	\$ 16,330,883	\$ 6,456,831		\$ 5,560,352
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(15,365)	
Change in net position of business-type activities				<u>\$ (277,793)</u>	

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2022

	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 and users	\$ 3,375,087	\$ 4,681,287	\$ 3,546,238	\$ 11,602,612	\$ -
Receipts from interfund services provided	-	-	-	-	26,652,847
Payments to employees	-	(1,236,906)	(1,484)	(1,238,390)	(1,770,448)
Payments to suppliers	(630,618)	(3,068,816)	(4,184,903)	(7,884,337)	(21,345,003)
Net cash provided by (used in) operating activities	<u>2,744,469</u>	<u>375,565</u>	<u>(640,149)</u>	<u>2,479,885</u>	<u>3,537,396</u>
Cash flows from noncapital financing activities					
Property tax collections	-	2,370,112	-	2,370,112	-
State and federal grant proceeds	-	608,930	13,000	621,930	-
Transfers in	-	-	7,800	7,800	354
Transfers out	(2,000,000)	(2,024)	(276,824)	(2,278,848)	(1,269,733)
Proceeds from issuance of long-term debt	17,635,000	-	-	17,635,000	-
Principal paid on long-term debt	(1,238,000)	-	-	(1,238,000)	-
Interest paid on long-term debt	(681,113)	-	-	(681,113)	-
Net cash provided by (used in) noncapital financing activities	<u>13,715,887</u>	<u>2,977,018</u>	<u>(256,024)</u>	<u>16,436,881</u>	<u>(1,269,379)</u>
Cash flows from capital and related financing activities					
Repayment of advances from other funds	-	(189,000)	-	(189,000)	(257,758)
Advances to other funds	446,758	-	-	446,758	-
Reimbursements paid to Saginaw Hockey Club, LLC	-	(104,100)	-	(104,100)	-
Principal paid on long-term debt	-	(605,000)	-	(605,000)	-
Interest paid on long-term debt	-	(360,616)	-	(360,616)	-
Payments for capital asset acquisition	-	(9,458,141)	-	(9,458,141)	(271,308)
Net cash provided by (used in) capital and related financing activities	<u>446,758</u>	<u>(10,716,857)</u>	<u>-</u>	<u>(10,270,099)</u>	<u>(529,066)</u>
Cash flows from investing activities					
Investment income	-	-	356,479	356,479	-
Investment appreciation (depreciation)	-	(196,934)	(7,920)	(204,854)	(292,471)
Net cash provided by (used in) investing activities	<u>-</u>	<u>(196,934)</u>	<u>348,559</u>	<u>151,625</u>	<u>(292,471)</u>
Net change in cash and investment pool	<u>16,907,114</u>	<u>(7,561,208)</u>	<u>(547,614)</u>	<u>8,798,292</u>	<u>1,446,480</u>
Cash and investment pool:					
Beginning of year	<u>11,073,611</u>	<u>16,616,256</u>	<u>1,592,221</u>	<u>29,282,088</u>	<u>8,311,610</u>
End of year	<u>\$ 27,980,725</u>	<u>\$ 9,055,048</u>	<u>\$ 1,044,607</u>	<u>\$ 38,080,380</u>	<u>\$ 9,758,090</u>

continued...

COUNTY OF SAGINAW, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2022

	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)	\$ 1,135,905	\$ (1,357,766)	\$ 136,998	\$ (84,863)	\$ 1,573,750
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	841,371	318,453	1,159,824	184,619
Changes in operating assets and liabilities that provided (used) cash:					
Receivables, net	(424,816)	(104,320)	295,978	(233,158)	(41,676)
Due from other funds	-	-	-	-	(354)
Due from other governmental units	1,863	-	-	1,863	167,569
Inventory	-	(29,228)	(60,927)	(90,155)	-
Prepays	-	(2,000)	-	(2,000)	69,841
Accounts payable	31,236	(353,854)	(1,029,164)	(1,351,782)	598,550
Accrued liabilities	281	27,676	8,459	36,416	1,058,919
Deposits payable	-	1,188,664	(29,865)	1,158,799	-
Due to other funds	2,000,000	-	(271,974)	1,728,026	(72,946)
Unearned revenue	-	165,022	(1,915)	163,107	-
Accrued compensated absences	-	-	(6,192)	(6,192)	(876)
Net cash provided by (used in) operating activities	\$ 2,744,469	\$ 375,565	\$ (640,149)	\$ 2,479,885	\$ 3,537,396

Concluded

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds

September 30, 2022

	Post- employment Health Benefits Trust Fund	Custodial Funds
Assets		
Current assets:		
Cash and investment pool	\$ 22,139,107	\$ 22,882,157
Investments, at fair value - mutual funds	20,511,210	-
Receivables (net):		
Accounts	38,827	1,517,247
Due from other governmental units	-	4,822
Prepays	11,752	-
Total assets	<u>42,700,896</u>	<u>24,404,226</u>
Liabilities		
Current liabilities:		
Accounts payable	6,262	946,188
Accrued liabilities	106,451	-
Deposits payable	-	2,275,804
Due to other governmental units	-	21,171,547
Total liabilities (all current)	<u>112,713</u>	<u>24,393,539</u>
Net position restricted for		
Other postemployment benefits	42,588,183	-
Individuals, organizations and other governments	-	10,687
Total net position	<u>\$ 42,588,183</u>	<u>\$ 10,687</u>

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended September 30, 2022

	Post- employment Health Benefits Trust Fund	Custodial Funds
Additions		
Contributions:		
Employer	\$ 7,573,764	\$ -
Investment earnings:		
Net depreciation in fair value of investments	(6,125,098)	-
Interest and dividends	761,949	-
State education tax collected for other governments	-	34,599,666
Fees and fines collected on behalf of other units of government	-	10,573,642
Employee medical withholdings collected	-	30,193
Total additions	<u>2,210,615</u>	<u>45,203,501</u>
Deductions		
Participant benefits	1,715,830	-
Administrative expenses	205,525	-
Payments of state education tax to other governments	-	34,599,666
Fees and fines remitted to other units of government	-	10,573,642
Employee medical withholdings remitted	-	34,252
Total deductions	<u>1,921,355</u>	<u>45,207,560</u>
Change in net position	289,260	(4,059)
Net position, beginning of year	<u>42,298,923</u>	<u>14,746</u>
Net position, end of year	<u>\$ 42,588,183</u>	<u>\$ 10,687</u>

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

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Net Position

Discretely Presented Component Units

September 30, 2022

	Road Commission	Brownfield Redevelopment Authority	Department of Public Works	Drain Commission
Assets				
Cash and investment pool	\$ 3,858,882	\$ 412,056	\$ 622,431	\$ 12,719,846
Receivables, net	5,639,086	451,758	8,171,596	33,756,942
Inventory	907,811	-	-	-
Prepays	289,106	-	-	-
Advance to land bank	-	540,378	-	-
Capital assets:				
Not being depreciated	47,626,046	-	-	15,053,397
Being depreciated, net	140,082,262	-	51,714	59,291,931
Total assets	<u>198,403,193</u>	<u>1,404,192</u>	<u>8,845,741</u>	<u>120,822,116</u>
Deferred outflows of resources				
Deferred pension amounts	1,618,834	-	-	-
Liabilities				
Accounts payable and accrued liabilities	948,746	1,850	126,917	1,510,407
Advances from primary government	-	-	-	400,000
Advance from brownfield redevelopment	-	-	-	-
Long-term debt:				
Due within one year	83,636	-	366,000	2,522,879
Due in more than one year	964,662	-	7,472,519	31,935,979
Net pension liability, due in more than one year	10,953,259	-	-	-
Net other postemployment benefit liability, due in more than one year	17,615,255	-	-	-
Total liabilities	<u>30,565,558</u>	<u>1,850</u>	<u>7,965,436</u>	<u>36,369,265</u>
Deferred inflows of resources				
Deferred pension amounts	2,198,323	-	-	-
Deferred OPEB amounts	1,091,820	-	-	-
Total deferred inflows of resources	<u>3,290,143</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position				
Net investment in capital assets	187,449,926	-	51,714	38,827,659
Restricted for:				
Drain projects	-	-	-	9,976,480
Debt service	-	-	486,555	35,648,712
Unrestricted (deficit)	(21,283,600)	1,402,342	342,036	-
Total net position	<u>\$ 166,166,326</u>	<u>\$ 1,402,342</u>	<u>\$ 880,305</u>	<u>\$ 84,452,851</u>

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



Economic Development Corporation	Land Bank Authority	Total
\$ 249,678	\$ 3,501,426	\$ 21,364,319
34,671	-	48,054,053
-	927,000	1,834,811
-	40,625	329,731
-	-	540,378
-	-	62,679,443
-	-	199,425,907
<hr/>	<hr/>	<hr/>
284,349	4,469,051	334,228,642
<hr/>	<hr/>	<hr/>
-	-	1,618,834
<hr/>	<hr/>	<hr/>
300	180,366	2,768,586
-	-	400,000
-	540,378	540,378
-	-	2,972,515
-	-	40,373,160
-	-	10,953,259
-	-	17,615,255
<hr/>	<hr/>	<hr/>
300	720,744	75,623,153
<hr/>	<hr/>	<hr/>
-	-	2,198,323
-	-	1,091,820
<hr/>	<hr/>	<hr/>
-	-	3,290,143
<hr/>	<hr/>	<hr/>
-	-	226,329,299
-	-	9,976,480
-	-	36,135,267
284,049	3,748,307	(15,506,866)
<hr/>	<hr/>	<hr/>
\$ 284,049	\$ 3,748,307	\$ 256,934,180
<hr/>	<hr/>	<hr/>

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Activities

Discretely Presented Component Units
For the Year Ended September 30, 2022

	Program Revenues			Net (Expense) Revenue	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Road Commission					
Governmental activities:					
Highways and streets	\$ 23,713,045	\$ 201,583	\$ 36,790,878	\$ -	\$ 13,279,416
Brownfield Redevelopment Authority					
Governmental Activities:					
Community and economic development	2,743	500	-	-	(2,243)
Department of Public Works					
Governmental Activities:					
Public works	-	-	-	457,557	457,557
Interest on long-term debt	297,065	-	-	-	(297,065)
Business-type Activities:					
Public works	221,969	262,092	-	-	40,123
Total Department of Public Works	519,034	262,092	-	457,557	200,615
Drain Commission					
Governmental Activities:					
Public works	3,482,132	-	165,216	3,323,743	6,827
Interest on long-term debt	876,290	-	-	-	(876,290)
Total Drain Commission	4,358,422	-	165,216	3,323,743	(869,463)
Economic Development Corporation					
Business-type Activities:					
Community and economic development	18,394	22,713	-	-	4,319
Land Bank Authority					
Business-type Activities:					
Community and economic development	2,237,323	-	798,302	1,390,230	(48,791)
Total component units	\$ 30,848,961	\$ 486,888	\$ 37,754,396	\$ 5,171,530	\$ 12,563,853

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COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Activities

Discretely Presented Component Units
For the Year Ended September 30, 2022

	Road Commission	Brownfield Redevelopment Authority	Department of Public Works	Drain Commission
Change in net position				
Net (expense) revenue	\$ 13,279,416	\$ (2,243)	\$ 200,615	\$ (869,463)
General revenues:				
Property taxes	-	4,399	-	-
Investment income (loss)	106,601	1,614	-	16,153
Total general revenues	106,601	6,013	-	16,153
Change in net position	13,386,017	3,770	200,615	(853,310)
Net position, beginning of year, as restated	152,780,309	1,398,572	679,690	85,306,161
Net position, end of year	<u>\$ 166,166,326</u>	<u>\$ 1,402,342</u>	<u>\$ 880,305</u>	<u>\$ 84,452,851</u>

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



Economic Development Corporation	Land Bank Authority	Total
\$ 4,319	\$ (48,791)	\$ 12,563,853
-	-	4,399
(5,161)	(95,890)	23,317
(5,161)	(95,890)	27,716
(842)	(144,681)	12,591,569
284,891	3,892,988	244,342,611
<u>\$ 284,049</u>	<u>\$ 3,748,307</u>	<u>\$ 256,934,180</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 2020 is 190,124.

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.

The Postemployment Health Benefits component unit - The Postemployment Health Benefits Trust Fund is considered a fiduciary component unit. The County created a trust fund to account for the activities of the retiree healthcare, which accumulates resources for other postemployment benefit payments to qualified retirees. The Trust fund meets the criteria of a fiduciary component unit because the trust is considered a legally separate entity. The Trust Fund Board consists of 3 members and they are appointed by the Board of Commissioners. Because the County makes contributions to the Trust fund it is considered to have a financial burden/benefit.

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, 2021 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.

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. 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 *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 *American Rescue Plan Act Fund* (special revenue) accounts for funds received under the American Rescue Plan Act (ARPA) of 2021. These funds will be spent on appropriate COVID-19 related expenditures in accordance with federal regulations.

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.

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, fringe benefits and fleet management services provided to other departments or agencies of the County on a cost reimbursement basis.

Custodial funds are used to account for assets held by the County in a fiduciary 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.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

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.

The restricted cash and investment pool on the governmental activities statement of net position consists of unspent ARPA funds.

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.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

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.

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.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

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 Club has expended \$1,880,871 on the agreed upon building improvements. The increased millage did pass by the County voters commencing in tax year 2021 and the County has reimbursed the Club \$104,100 under this agreement in FY 2022, resulting in the County recognizing a remaining liability of \$936,000 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.

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.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

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 long-term receivables. 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. Finally, the statement of net position and governmental funds balance sheet report deferred inflows related to leases. The amounts are deferred and amortized over the remaining life of the lease.

Leases

Lessee. The County is a lessee for noncancellable leases of buildings. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price (if applicable) that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor. The County is a lessor for noncancellable leases of land and buildings. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for prepaid lease payments received at lease inception. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The County uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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.

When the County incurs an expenditure for purposes for which various fund balance classifications can be used, it is the County's policy to use restricted fund balance first, then committed, assigned, and finally unassigned.

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 \$13,746,147 assigned for the Employee Payroll Reserve and an additional amount of \$7,313,854 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, 2022, the County incurred expenditures in certain activities within budgetary funds which were in excess of the amounts appropriated, as follows:

	Final Budget	Actual	Variance
Michigan Works! Special Revenue Fund:			
Capital outlay	\$ -	\$ 982,924	\$ 982,924

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

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

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

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and investment pool	\$ 106,576,980	\$ 21,364,319	\$ 127,941,299
Restricted cash and investment pool	32,027,869	-	32,027,869
Statement of Net Position - Fiduciary Funds			
Postemployment Health Benefits Trust Fund:			
Cash and investment pool	22,139,107	-	22,139,107
Investments	20,511,210	-	20,511,210
Custodial Funds:			
Cash and investment pool	22,882,157	-	22,882,157
Total	\$ 204,137,323	\$ 21,364,319	\$ 225,501,642

Deposits and Investments

Bank deposits:		
Checking and savings accounts		\$ 133,911,189
Certificates of deposit:		
Due in one to five years		24,800,218
Due in more than five years		868,006
Investments:		
Primary government		41,994,723
Fiduciary funds		20,511,211
Cash on hand		22,582
Timing difference for component unit with different fiscal year end		3,393,713
Total		\$ 225,501,642

	Carrying Amount (Fair Value)	No Maturity	Maturity Less than 1 Year	Maturity 1-5 Years	Maturity 5-10 Years
Investments					
Municipal bonds	\$ 25,274,569	\$ -	\$ -	\$ 19,871,734	\$ 2,695,824
U.S. government bonds	6,928,746	-	-	3,344,080	2,869,336
Michigan Class investment pool	1,433,066	1,433,066	-	-	-
Commercial paper	2,947,681	-	-	2,947,681	-
Mutual funds	20,511,211	20,511,211	-	-	-
Money market	5,410,661	5,410,661	-	-	-
Total	\$ 62,505,934	\$ 27,354,938	\$ -	\$ 26,163,495	\$ 5,565,160

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COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

	Maturity 10-15 Years	Maturity 15-20 Years
Investments		
Municipal bonds	\$ 383,486	\$ 2,323,525
U.S. government bonds	-	715,330
Michigan Class investment pool	-	-
Commercial paper	-	-
Mutual funds	-	-
Money market	-	-
Total	<u>\$ 383,486</u>	<u>\$ 3,038,855</u>
		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	
AA+	\$ 6,928,745
AA	6,123,430
A+	564,242
A1	2,323,551
A-	992,752
AA-	897,790
Not rated	<u>44,675,424</u>
Total	<u>\$ 62,505,934</u>

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, \$151,671,447 of the County’s bank balance of \$151,921,447 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, 2022, 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	\$ -	\$ 25,274,569	\$ -	\$ 25,274,569
U.S. government	-	6,928,746	-	6,928,746
Mutual funds	20,511,211	-	-	20,511,211
	<u>\$ 20,511,211</u>	<u>\$ 32,203,315</u>	<u>\$ -</u>	<u>52,714,526</u>
Investments not subject to fair value hierarchy:				
Michigan Class investment pool				1,433,066
Commercial paper (maturity less than one year)				2,947,681
Money market funds				<u>5,410,661</u>
Total investments				<u>\$ 62,505,934</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 and government bonds 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

Investments in Entities that Calculate Net Asset Value per Share

The County holds shares in Michigan CLASS whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient.

At year end, the net asset value of the County's investment in Michigan CLASS was \$1,433,066. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies.

4. RECEIVABLES

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

	Governmental Activities	Business-type Activities	Component Units
Property taxes	\$ 5,758,351	\$ 11,228,545	\$ -
Special assessments:			
Due within one year	-	-	2,330,124
Due in more than one year	-	-	27,768,743
Accounts	4,262,718	2,430,807	1,179,464
Loans:			
Due within one year	-	-	7,026
Due in more than one year	1,986,651	-	465,795
Installment sales agreement:			
Due within one year	340,000	-	-
Due in more than one year	2,444,154	-	-
Leases:			
Due within one year	68,956	-	-
Due in more than one year	944,536	-	-
Interest, net	-	2,378,427	13,608
Due from other governmental units:			
Due within one year	6,181,018	6,228	4,791,509
Due in more than one year	-	-	11,497,784
Total receivables, net	<u>\$ 21,986,384</u>	<u>\$ 16,044,007</u>	<u>\$ 48,054,053</u>

The interest receivable in the business-type activities is net of an allowance for uncollectible accounts of approximately \$172,000.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

5. CAPITAL ASSETS

Primary government capital asset activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 3,965,708	\$ -	\$ -	\$ -	\$ 3,965,708
Construction in progress	3,830,931	7,174,395	(15,000)	(2,866,779)	8,123,547
	<u>7,796,639</u>	<u>7,174,395</u>	<u>(15,000)</u>	<u>(2,866,779)</u>	<u>12,089,255</u>
Capital assets being depreciated/amortized:					
Land improvements	9,373,023	105,304	-	-	9,478,327
Buildings and improvements	67,132,501	295,660	-	2,047,366	69,475,527
Leased building*	3,912,093	982,924	-	-	4,895,017
Machinery and equipment	8,818,050	349,556	(1,077,910)	819,413	8,909,109
Office furniture & fixtures	1,151,355	-	-	-	1,151,355
Vehicles	4,269,637	675,856	(312,760)	-	4,632,733
	<u>94,656,659</u>	<u>2,409,300</u>	<u>(1,390,670)</u>	<u>2,866,779</u>	<u>98,542,068</u>
Less accumulated depreciation/amortization:					
Land improvements	(4,703,256)	(236,743)	-	-	(4,939,999)
Buildings and improvements	(22,194,542)	(1,230,748)	-	-	(23,425,290)
Leased building *	-	(766,787)	-	-	(766,787)
Machinery and equipment	(6,809,878)	(459,341)	1,077,910	-	(6,191,309)
Office furniture & fixtures	(789,727)	(130,488)	-	-	(920,215)
Vehicles	(2,593,129)	(645,402)	292,373	-	(2,946,158)
	<u>(37,090,532)</u>	<u>(3,469,509)</u>	<u>1,370,283</u>	<u>-</u>	<u>(39,189,758)</u>
Total capital assets being depreciated, net	<u>57,566,127</u>	<u>(1,060,209)</u>	<u>(20,387)</u>	<u>2,866,779</u>	<u>59,352,310</u>
Governmental activities capital assets, net	<u>\$ 65,362,766</u>	<u>\$ 6,114,186</u>	<u>\$ (35,387)</u>	<u>\$ -</u>	<u>\$ 71,441,565</u>

As of September 30, 2022, the County had an outstanding commitment for the Animal Care and Control Resource Center project of \$4,476,786 and \$3,017,224 for the DOW Event Center project.

*The County implemented the provisions of GASB Statement No. 87, *Leases*, in the current year. In accordance with this Statement, leased assets have been added to the beginning balances shown above and a corresponding lease payable has been recorded for the same amount.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 2,258,248	\$ -	\$ -	\$ -	\$ 2,258,248
Air rights	238,854	-	-	-	238,854
Construction in progress	4,798,969	9,217,290	-	(833,446)	13,182,813
	<u>7,296,071</u>	<u>9,217,290</u>	<u>-</u>	<u>(833,446)</u>	<u>15,679,915</u>
Capital assets being depreciated:					
Land improvements	4,399,361	-	-	-	4,399,361
Buildings and improvements	19,799,453	133,692	-	-	19,933,145
Machinery and equipment	1,244,596	107,159	-	-	1,351,755
Office furniture & fixtures	61,201	-	-	-	61,201
Planning and development	11,525,825	-	-	833,446	12,359,271
Vehicles	179,318	-	-	-	179,318
	<u>37,209,754</u>	<u>240,851</u>	<u>-</u>	<u>833,446</u>	<u>38,284,051</u>
Less accumulated depreciation:					
Land improvements	(2,109,659)	(261,039)	-	-	(2,370,698)
Buildings and improvements	(7,534,827)	(520,644)	-	-	(8,055,471)
Machinery and equipment	(716,895)	(78,415)	-	-	(795,310)
Office furniture & fixtures	(38,218)	(700)	-	-	(38,918)
Planning and development	(8,595,550)	(291,085)	-	-	(8,886,635)
Vehicles	(128,593)	(7,941)	-	-	(136,534)
	<u>(19,123,742)</u>	<u>(1,159,824)</u>	<u>-</u>	<u>-</u>	<u>(20,283,566)</u>
Total capital assets being depreciated, net	<u>18,086,012</u>	<u>(918,973)</u>	<u>-</u>	<u>833,446</u>	<u>18,000,485</u>
Business-type activities capital assets, net	<u>\$ 25,382,083</u>	<u>\$ 8,298,317</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,680,400</u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

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

Governmental activities

Judicial	\$	37,126
General government		449,012
Public safety		1,217,849
Public works		84,236
Health and welfare		1,307,950
Recreation and culture		188,717
Capital assets held by the government's internal service funds are charged to the various functions based on the usage of the assets		<u>184,619</u>
	\$	<u>3,469,509</u>

Business-type activities

Building Authority Event Center	\$	841,371
Harry W. Browne Airport		316,949
Parking system		<u>1,504</u>
	\$	<u>1,159,824</u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Discretely presented component units

Road Commission capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Land, land improvements and infrastructure	\$ 44,840,152	\$ 2,227,259	\$ -	\$ -	\$ 47,067,411
Land	558,635	-	-	-	558,635
	<u>45,398,787</u>	<u>2,227,259</u>	<u>-</u>	<u>-</u>	<u>47,626,046</u>
Capital assets being depreciated:					
Land improvements	420,355	-	-	-	420,355
Depletable assets	35,013	-	-	-	35,013
Buildings and improvements	3,920,336	-	-	-	3,920,336
Office furniture & fixtures	644,560	-	-	-	644,560
Infrastructure	338,936,544	14,882,292	-	-	353,818,836
Equipment	21,225,832	1,841,212	(360,856)	-	22,706,188
	<u>365,182,640</u>	<u>16,723,504</u>	<u>(360,856)</u>	<u>-</u>	<u>381,545,288</u>
Less accumulated depreciation:					
Land improvements	(391,966)	(5,877)	-	-	(397,843)
Depletable assets	(15,597)	(1,750)	-	-	(17,347)
Buildings and improvements	(2,280,548)	(137,949)	-	-	(2,418,497)
Office furniture & fixtures	(418,428)	(49,502)	-	-	(467,930)
Infrastructure	(210,263,538)	(9,253,092)	-	-	(219,516,630)
Equipment	(17,263,409)	(1,742,226)	360,856	-	(18,644,779)
	<u>(230,633,486)</u>	<u>(11,190,396)</u>	<u>360,856</u>	<u>-</u>	<u>(241,463,026)</u>
Total capital assets being depreciated, net	<u>134,549,154</u>	<u>5,533,108</u>	<u>-</u>	<u>-</u>	<u>140,082,262</u>
Road Commission capital assets, net	<u>\$ 179,947,941</u>	<u>\$ 7,760,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,708,308</u>

Department of Public Works capital asset activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets being depreciated:					
Vehicles	\$ 70,861	\$ 71,603	\$ (70,861)	\$ -	\$ 71,603
Less accumulated depreciation:					
Vehicles	(25,298)	(22,421)	27,830	-	(19,889)
	<u>\$ 45,563</u>	<u>\$ 49,182</u>	<u>\$ (43,031)</u>	<u>\$ -</u>	<u>\$ 51,714</u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Drain Commission capital asset activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Construction in progress	\$ 10,677,543	\$ 6,325,681	\$ -	\$ (1,949,827)	\$ 15,053,397
Capital assets being depreciated:					
Infrastructure	95,900,204	587,550	-	1,949,827	98,437,581
Equipment	548,056	-	-	-	548,056
Vehicles	121,261	-	-	-	121,261
	<u>96,569,521</u>	<u>587,550</u>	<u>-</u>	<u>1,949,827</u>	<u>99,106,898</u>
Less accumulated depreciation:					
Infrastructure	(37,429,035)	(1,947,952)	-	-	(39,376,987)
Equipment	(287,011)	(50,265)	-	-	(337,276)
Vehicles	(86,240)	(14,464)	-	-	(100,704)
	<u>(37,802,286)</u>	<u>(2,012,681)</u>	<u>-</u>	<u>-</u>	<u>(39,814,967)</u>
Total capital assets being depreciated, net	<u>58,767,235</u>	<u>(1,425,131)</u>	<u>-</u>	<u>1,949,827</u>	<u>59,291,931</u>
Drain Commission capital assets, net	<u>\$ 69,444,778</u>	<u>\$ 4,900,550</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,345,328</u>

As of September 30, 2022, the County had outstanding commitments related to the Gage Drain of \$462,892, Misteguay Creek Drain of \$184,662 and Sanderson Drain of \$56,644.

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	\$ 10,158,065	\$ 1,987,999	\$ 2,374,096
Accrued liabilities	5,658,104	136,755	8,757
Due to other government units	1,726,207	-	-
Deposits payable	31,466	1,594,700	-
Accrued interest on long-term debt	1,330,477	182,535	385,733
Total accounts payable and accrued liabilities	<u>\$ 18,904,319</u>	<u>\$ 3,901,989</u>	<u>\$ 2,768,586</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 fund	\$ 2,000,000	\$ -
Nonmajor governmental funds	590,495	590,495
Delinquent tax revolving	-	2,000,000
	<u>\$ 2,590,495</u>	<u>\$ 2,590,495</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 To	Advance From
General	\$ 20,000	\$ -
Delinquent Tax Revolving	531,207	-
Nonmajor enterprise funds	-	20,000
Internal services funds	-	531,207
Total	<u>\$ 551,207</u>	<u>\$ 551,207</u>

The advances from the General Fund to the nonmajor enterprise funds exist to maintain adequate cash reserves in the funds. The advance from the Delinquent Tax Revolving fund to the Internal Service fund was used for fiber installation to all County owned facilities.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Advances to and from component units:

	Advance to Component Unit	Advance from Primary Government
General fund	\$ 400,000	\$ -
Drain Commission	-	400,000
Total	\$ 400,000	\$ 400,000

The advance to the Drain Commission component unit in the General Fund is to maintain adequate cash reserves and assist with acquisition of equipment if necessary.

For the year ended September 30, 2022, interfund transfers consisted of the following:

Transfers Out	Transfers In				Total
	General Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Internal Service Funds	
General fund	\$ -	\$ 9,297,925	\$ 5,776	\$ -	\$ 9,303,701
Nonmajor governmental funds	3,689,342	1,079,970	-	-	4,769,312
Delinquent Tax Revolving	2,000,000	-	-	-	2,000,000
Building Authority Event Center	-	-	2,024	-	2,024
Nonmajor enterprise funds	-	276,824	-	-	276,824
Internal Service funds	-	1,269,379	-	354	1,269,733
Total	\$ 5,689,342	\$ 11,924,098	\$ 7,800	\$ 354	\$ 17,621,594

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

8. LONG-TERM DEBT

Long-term debt activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Primary Government					
Governmental activities:					
General obligation bonds:					
2013 pension bonds	\$ 27,740,000	\$ -	\$ (3,455,000)	\$ 24,285,000	\$ 3,600,000
2017 Sheriff's Adult Detention and Administration Facility bonds	35,995,000	-	(705,000)	35,290,000	735,000
2019 Mainframe Modernization project bonds	7,555,000	-	(805,000)	6,750,000	830,000
2018 Community Mental Health Facility bonds	3,615,000	-	(330,000)	3,285,000	340,000
2020 Animal Care and Control Resource Center bonds	9,130,000	-	(350,000)	8,780,000	365,000
2010 Capital Improvement bonds	682,263	-	(147,181)	535,082	149,678
	<u>84,717,263</u>	<u>-</u>	<u>(5,792,181)</u>	<u>78,925,082</u>	<u>6,019,678</u>
Compensated absences	2,079,302	1,400,484	(1,557,596)	1,922,190	1,834,643
Bond premium	4,278,850	-	(289,110)	3,989,740	289,110
	<u>91,075,415</u>	<u>1,400,484</u>	<u>(7,638,887)</u>	<u>84,837,012</u>	<u>8,143,431</u>
Business-type activities:					
Direct placement:					
Delinquent tax notes	14,273,000	17,635,000	(1,238,000)	30,670,000	1,600,000
General obligation bonds	15,150,000	-	(605,000)	14,545,000	630,000
	<u>29,423,000</u>	<u>17,635,000</u>	<u>(1,843,000)</u>	<u>45,215,000</u>	<u>2,230,000</u>
Bond premium	1,951,674	-	(102,063)	1,849,611	102,063
Compensated absences	6,192	8,740	(14,932)	-	-
	<u>31,380,866</u>	<u>17,643,740</u>	<u>(1,959,995)</u>	<u>47,064,611</u>	<u>2,332,063</u>
Total primary government	<u>\$ 122,456,281</u>	<u>\$ 19,044,224</u>	<u>\$ (9,598,882)</u>	<u>\$ 131,901,623</u>	<u>\$ 10,475,494</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for those funds are included as part of the above totals for governmental activities. At year-end, \$87,547 of internal service funds compensated absences are included in the above amounts. For governmental activities, compensated absences are generally liquidated by the General Fund and internal service funds.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

General obligation bonds and notes payable are direct obligations and pledge the full faith and credit of the County. 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 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%	\$ 78,925,082
Business-type activities	1.90 - 2.85%	<u>45,215,000</u>
Total primary government		<u><u>\$ 124,140,082</u></u>

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

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2023	\$ 6,019,678	\$ 3,320,249
2024	6,272,219	3,057,199
2025	6,559,802	2,773,656
2026	6,778,383	2,463,092
2027	7,025,000	2,133,480
2028-2032	15,480,000	6,886,550
2033-2037	9,370,000	4,710,364
2038-2042	9,640,000	2,994,881
2043-2047	9,635,000	1,248,088
2048-2049	<u>2,145,000</u>	<u>37,538</u>
Total	<u><u>\$ 78,925,082</u></u>	<u><u>\$ 29,625,097</u></u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Annual debt service requirements to maturity for business-type activities general obligation bonds and direct placement obligations are as follows:

Year Ending September 30,	Direct Placement Obligations		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 1,600,000	\$ 123,838	\$ 630,000	\$ 518,638
2024	11,435,000	123,838	650,000	496,288
2025	17,635,000	58,196	675,000	473,980
2026	-	-	700,000	451,330
2027	-	-	730,000	427,044
2028-2032	-	-	4,080,000	1,723,245
2033-2037	-	-	3,630,000	975,350
2038-2041	-	-	3,450,000	228,325
Total	\$ 30,670,000	\$ 305,872	\$ 14,545,000	\$ 5,294,199

The County is party to an agreement with HealthSource Saginaw ("HealthSource"), a Municipal Health Facilities Organization under Public Act 230 of Public Acts of 1987, 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 \$16,635,000. Because the County only provides a guarantee related to these bonds, there is no related liability recorded in these financial statements.

Component Units

Road Commission Component Unit

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Direct placements:					
Equipment lease	\$ 339,621	\$ -	\$ (81,239)	\$ 258,382	\$ 83,636
Compensated absences	728,979	85,684	(24,747)	789,916	-
	<u>\$ 1,068,600</u>	<u>\$ 85,684</u>	<u>\$ (105,986)</u>	<u>\$ 1,048,298</u>	<u>\$ 83,636</u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Annual debt service requirements to maturity for direct placement installment debt are as follows:

Year Ending December 31,	Principal	Interest
2022	\$ 83,636	\$ 7,622
2023	86,103	5,155
2024	88,643	2,615
Total	\$ 258,382	\$ 15,392

Department of Public Works Component Unit

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Direct Placement:					
General obligation bonds	\$ 6,429,519	\$ -	\$ (711,000)	\$ 5,718,519	\$ 225,000
General obligation bonds	2,259,000	-	(139,000)	2,120,000	141,000
	\$ 8,688,519	\$ -	\$ (850,000)	\$ 7,838,519	\$ 366,000

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 3.00% to 5.90%.

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

Year Ending September 30,	Direct Placement Obligations		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 225,000	\$ 219,657	\$ 141,000	\$ 72,780
2024	235,000	204,141	143,000	66,320
2025	240,000	195,824	145,000	59,545
2026	255,000	187,255	68,000	52,440
2027	260,000	178,214	71,000	49,965
2028-2032	1,449,000	745,280	321,000	210,675
2033-2037	1,630,000	479,384	259,000	165,645
2038-2042	846,000	227,992	300,000	123,900
2043-2047	578,519	70,541	350,000	75,150
2048-2052	-	-	322,000	19,680
Total	\$ 5,718,519	\$ 2,508,288	\$ 2,120,000	\$ 896,100

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Drain Commission Component Unit

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Direct placement:					
Notes payable	\$ 184,286	\$ -	\$ (61,427)	\$ 122,859	\$ 37,429
General obligation bonds	35,824,450	995,000	(2,483,451)	34,335,999	2,485,450
	<u>\$ 36,008,736</u>	<u>\$ 995,000</u>	<u>\$ (2,544,878)</u>	<u>\$ 34,458,858</u>	<u>\$ 2,522,879</u>

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 1.05% to 4.00%.

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

Year Ending September 30,	Direct Placement Obligations		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 37,429	\$ 3,008	\$ 2,485,450	\$ 920,491
2024	37,431	2,106	2,896,450	859,367
2025	16,000	1,195	3,080,450	753,113
2026	16,000	797	2,370,450	714,565
2027	15,999	398	2,154,450	655,870
2028-2032	-	-	8,966,750	2,489,225
2033-2037	-	-	6,922,500	1,369,665
2038-2042	-	-	3,602,500	527,666
2043-2047	-	-	1,547,500	187,850
2048-2049	-	-	309,499	9,393
Total	<u>\$ 122,859</u>	<u>\$ 7,504</u>	<u>\$ 34,335,999</u>	<u>\$ 8,487,205</u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

9. LEASES

Lessee - The County is involved in several agreements as a lessee that qualify as long-term lease agreements. Below is a summary of the nature of these agreements. These agreements qualify as intangible, right-to-use assets and not financed purchases, as the County will not own the asset at the end of the contract term and the noncancelable term of the agreement surpasses one year. The present values are discounted using the County's incremental borrowing rate for the leases.

Remaining Term of Agreements

Asset Type	
Building	2 to 10 years

The assets acquired through leases in governmental activities are summarized as follows:

Building	\$ 4,895,017
Less accumulated amortization	<u>(766,787)</u>
Net book value	<u>\$ 4,128,230</u>

Lease liability activity for the year ended September 30, 2022, was as follows:

	Beginning Balance*	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Leases payable	\$ 3,912,093	\$ 982,924	\$ (826,114)	\$ 4,068,903	\$ 874,328

The net present value of future minimum payments as of September 30, 2022, were as follows:

Governmental Activities		
Year Ended September 30,	Principal	Interest
2023	\$ 874,328	\$ 54,022
2024	723,716	45,647
2025	549,054	38,045
2026	556,473	30,625
2027	564,029	23,069
2028-2032	<u>801,303</u>	<u>41,431</u>
Total	<u>\$ 4,068,903</u>	<u>\$ 232,839</u>

*The County implemented the provisions of GASB Statement No. 87, *Leases*, in the current year. In accordance with this Statement, leases payable have been added to the beginning balances shown above and a corresponding leased asset has been recorded for the same amount.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Lessor - The County is involved in two agreements as a lessor that qualify as long-term lease agreements. Below is a summary of these agreements. These agreements qualify as long-term lease agreements as the County will not surrender control of the asset at the end of the term and the noncancelable term of the agreement surpasses one year. Total lease revenue for the year ended September 30, 2022 was \$87,983 in governmental activities.

Remaining Term of Agreements

Asset Type	
Land	22 years
Buildings	10 years

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities				
Leases receivable	\$ 1,079,420	\$ -	\$ (65,928)	\$ 1,013,492

The net present value of future rental receipts as of September 30, 2022, were as follows:

Governmental Activities		
Year Ended September 30,	Principal	Interest
2023	\$ 68,956	\$ 15,454
2024	72,524	14,418
2025	76,221	13,329
2026	80,053	12,184
2027	84,024	10,980
2028 - 2032	414,372	34,997
2033 - 2037	77,164	17,331
2038 - 2042	100,665	8,881
2043 - 2044	39,513	669
Total	\$ 1,013,492	\$ 128,243

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

10. 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.

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	548
Inactive employees entitled to but not yet receiving benefits	29
Active employees	<u>9</u>
Total membership	<u><u>586</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 fiscal year 2022, the actuarially determined monthly employer contributions ranged from \$2,113 to \$88,451 for all divisions.

Net Pension Liability. The County's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.00%, net of investment and administrative expense including inflation

The base mortality tables used are constructed as described below and are based on are amount weighted sex distinct rates:

- Pre-retirement mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 100% of PubG-2010 Employee Mortality Tables for Ages 18-80, and 100% of PubG-2010 Healthy Retiree Tables for ages 81-120
- Non-disabled retired plan members and beneficiaries mortality based on 106% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 106% of PubG-2010 Employee Mortality Tables for Ages 18-49, and 106% of PubG-2010 Healthy Retiree Tables for ages 50-120
- Disables retired plan members mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, and 100% of PubNS-2010 Disabled Retiree Tables for ages 18-120

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

Long-term Expected Rate of Return. 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	60.00%	4.50%	2.70%
Global fixed income	20.00%	2.00%	0.40%
Private investments	20.00%	7.00%	1.40%
	<u>100.00%</u>		
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u><u>7.25%</u></u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2021 was 7.25% (down from 7.60% at December 31, 2020). 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.

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, 2021	\$ 150,704,489	\$ 116,898,981	\$ 33,805,508
Changes for the year:			
Service cost	52,629	-	52,629
Interest	10,473,423	-	10,473,423
Difference between expected and actual experience	(447,384)	-	(447,384)
Changes in assumptions	4,455,981	-	4,455,981
Employer contributions	-	4,529,343	(4,529,343)
Employee contributions	-	6,566	(6,566)
Net investment income	-	15,220,153	(15,220,153)
Benefit payments, including refunds of employee contributions	(13,273,286)	(13,273,286)	-
Administrative expense	-	(181,112)	181,112
Net changes	<u>1,261,363</u>	<u>6,301,664</u>	<u>(5,040,301)</u>
Balances at December 31, 2022	<u>\$ 151,965,852</u>	<u>\$ 123,200,645</u>	<u>\$ 28,765,207</u>

Changes in assumptions. In 2022, amounts reported as changes of assumptions resulted from a decrease in the assumed rate of return from 7.35% to 7.00%.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

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 7.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's net pension liability	\$ 42,123,961	\$ 28,765,207	\$ 15,809,228

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

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the County recognized pension expense of \$4,308,769. The County reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 8,800,679	\$ (8,800,679)
Contributions subsequent to the measurement date	4,094,838	-	4,094,838
Total	<u>\$ 4,094,838</u>	<u>\$ 8,800,679</u>	<u>\$ (4,705,841)</u>

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, 2023. Other amounts reported as pension-related deferred outflows of resources will be recognized in pension expense as follows:

Year Ended September 30,	Amount
2023	\$ (1,028,894)
2024	(3,814,281)
2025	(2,622,555)
2026	<u>(1,334,949)</u>
Total	<u>\$ (8,800,679)</u>

Payable to the Pension Plan. At September 30, 2022, the County had a payable for contributions to the pension plan in the amount of \$910,847.

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

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

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.

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 were 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, 2020, the date of the most recent actuarial valuation, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	110
Inactive employees entitled to but not yet receiving benefits	14
Active employees	<u>68</u>
Total membership	<u><u>192</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, 2020, employer contributions ranged from 0% to 5.00% of annual payroll for open divisions. Closed divisions have a monthly employer contribution ranging from \$162 to \$51,076.

Net Pension Liability. The Commission's net pension liability was measured as of December 31, 2020, the date of the actuary report, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020.

Actuarial Assumptions. The total pension liability was rolled forward to December 31, 2021 using the December 31, 2020 actuarial valuation with the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.00% in the long-term
Investment rate of return	7.35%, net of investment and administrative expense including inflation

The mortality table used were based on a version of Pub-2010 and fully generational MP-2019.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

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	60.00%	5.25%	3.15%
Global fixed income	20.00%	1.25%	0.25%
Private Investments	<u>20.00%</u>	7.25%	1.45%
	<u>100.00%</u>		
Inflation			2.50%
Administrative and investment expenses netted above			<u>0.25%</u>
			<u>7.60%</u>

Discount Rate. The discount rate used to measure the total pension liability is 7.60%. 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, 2020	\$ 36,613,750	\$ 25,097,866	\$ 11,515,884
Changes for the year:			
Service cost	420,971	-	420,971
Interest	2,698,686	-	2,698,686
Employer contributions	-	1,458,527	(1,458,527)
Employee contributions	-	191,489	(191,489)
Net investment income	-	3,483,044	(3,483,044)
Benefit payments, including refunds of employee contributions	(2,630,425)	(2,630,425)	-
Differences between expected and actual experience	809,327	-	809,327
Assumption changes	717,626	-	717,626
Administrative expense	-	(39,959)	39,959
Other changes	(116,134)	-	(116,134)
Net changes	<u>1,900,051</u>	<u>2,462,676</u>	<u>(562,625)</u>
Balances at December 31, 2021	<u>\$ 38,513,801</u>	<u>\$ 27,560,542</u>	<u>\$ 10,953,259</u>

Changes in assumptions. In 2022, amounts reported as changes of assumptions resulted from the salary increase changing from 3.75% in the long-term to 3.00% in the long-term, decrease in the investment rate of return from 8.00% to 7.35%, and update in the mortality tables from the RP-2014 tables to the Pub-2010 and fully generational MP-2019 tables.

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 7.60%, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.60%) or 1% higher (8.60%) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
Commission's net pension liability	\$ 15,096,043	\$ 10,953,259	\$ 7,455,491

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/Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the Commission recognized pension expense of \$1,198,407. 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 (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 2,198,323	\$ (2,198,323)
Differences in experience	604,564	-	604,564
Differences in assumptions	1,014,270	-	1,014,270
	<u>\$ 1,618,834</u>	<u>\$ 2,198,323</u>	<u>\$ (579,489)</u>

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

Year Ended December 31,	Amount
2022	\$ 541,053
2023	(102,570)
2024	(623,094)
2025	<u>(394,878)</u>
Total	<u>\$ (579,489)</u>

Payable to the Pension Plan. At December 31, 2021, the Commission reported no payable to the pension plan required for the year ended December 31, 2021.

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

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

11. 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 are required to contribute 3% of their annual salary, and the County is required to contribute 9% of the employee's salary. New employees are required to contribute 6% of their annual salary, and the County is required to contribute 6% of the employee's annual salary.

More recently, employees who were previously contributing 0% of their annual salary with a 6% County contribution shall transition into the employee contributing 3% of their annual salary with the County contributing 9%. Employees who were previously contributing 0% of their annual salary with a 3% County contribution will transition into the employee contributing 6% of their annual salary with the County contributing 6%.

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 amounted to \$2,096,274 and employee contributions were \$1,468,421.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

12. 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 \$200 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. The plan is closed to all new hires.

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, 2022, the County contributed \$7,573,764 to the Plan.

At September 30, 2022, the date of the latest actuarial valuation, participants in the plan consisted of:

Retirees and beneficiaries currently receiving benefits	722
Active employees	<u>498</u>
Total	<u><u>1,220</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 on or after October 1, 2013	
	Employer Pays	Employee Pays
0-5	0%	100%
6	10%	90%
7	15%	85%
8	20%	80%
9	25%	75%
10	30%	70%
11	35%	65%
12	40%	60%
13	45%	55%
14	50%	50%
15	55%	45%
16	60%	40%
17	65%	35%
18	70%	30%
19	75%	25%
20 or more	80%	20%

Except for employees retired prior to January 1, 1991 in which no premium contributions is required, all other non-union employees are required to pay premiums as follows: *Pub. H. Nurses. Retired prior to October 1, 2013:* varies by retirement date, *OPEIU hired prior to March 29, 1986:* contributes percentages of funding premium according to table above, except that members with 20 or more years of service pay 0% of funding premium.

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, 2022, retiree contributions amounted to \$274,795.

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, 2021	57,619,366	42,298,923	15,320,443
Changes for the year:			
Service cost	455,645	-	455,645
Interest	3,433,024	-	3,433,024
Difference between expected and actual experience	(4,479,458)	-	(4,479,458)
Changes in assumptions	(4,816,553)	-	(4,816,553)
Changes in benefits	198,315	-	198,315
Employer contributions	-	7,573,764	(7,573,764)
Net investment income	-	(5,363,149)	5,363,149
Benefit payments, including refunds of employee contributions	(1,715,830)	(1,715,830)	-
Administrative expenses	-	(205,525)	205,525
Net changes	(6,924,857)	289,260	(7,214,117)
Balances at September 30, 2022	50,694,509	42,588,183	8,106,326

Changes in assumptions. In 2022, changes in assumptions had a decreased immediate trend from 7.50% to 7.25% pre-65, and from 5.75% to 5.50% post-65 for disability.

Changes in benefits. In 2022, changes in benefits resulted primarily from the pre-Medicare medical administration moving from Aetna to ARS and pharmacy administration moving from CIGNA to Navitus, a QHDHP plan, division 0058, was added as an option for retirees, premium equivalent rates were updated to reflect current rates, including an overall decrease in Medicare Advantage premiums, and a significant increase in pre-Medicare premium rates, and those hired after the retiree health cutoff dates are now included as it was determined they are eligible for retiree life insurance.

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.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

The total OPEB liability was calculated as of September 30, 2022, 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—80% of participating retirees are assumed to be married at retirement. 100% of married participants at retirement will elect to cover their spouse.

Mortality—Pre-Retirement: Pub-2010 General Employees Mortality Table without adjustment. *Healthy Retirees*: Pub-2010 General Retiree Mortality Table scaled by a factor of 106%. *Disabled Retirees*: PubNS-2010 Disabled Retiree Mortality Table without adjustment. The mortality assumptions include a margin for future mortality improvements using Scale MP-2019 projected fully-generationally from the central year of data, 2010.

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 7.25% and a post-65 rate of 5.50% 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 3.00%.

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

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, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -11.86%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

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%
	<u>100.0%</u>		
Inflation			<u>2.50%</u>
Investment rate of return			<u><u>6.00%</u></u>

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 County, calculated using the discount rate of 6.00%, as well as what the County'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	\$ 14,197,268	\$ 8,106,326	\$ 3,054,784

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability of the County, calculated using the healthcare cost trend rate of 7.25% (post-65 5.50%), as well as what the County'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 (6.25% post-pre 4.50%)	Current Trend Rate (7.25% post- 65 5.50%)	1% Increase (8.25% post-65 6.50%)
County's net OPEB liability	\$ 3,159,189	\$ 8,106,326	\$ 14,026,250

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

For the year ended September 30, 2022, the County recognized OPEB expense of \$(5,876,605). 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 (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 172,287	\$ (172,287)
Changes in assumptions	-	185,252	(185,252)
Net difference between projected and actual earnings on pension plan investments	5,511,732	-	5,511,732
Total	\$ 5,511,732	\$ 357,539	\$ 5,154,193

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

Year Ended September 30,	Amount
2023	\$ 1,083,229
2024	1,265,510
2025	1,191,324
2026	1,614,130
Total	\$ 5,154,193

Payable to the OPEB Plan. At September 30, 2022, the County reported no payable to the OPEB plan required for the year ended September 30, 2022.

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

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

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. The Plan provides up to 100% of health insurance benefits depending on coverage elected by the employee. The Plan is closed to union members and managers hired on or after December 27, 2011 for medical, dental or life insurance benefits and commissioners hired on or after January 1, 2020 for medical or dental insurance.

Contributions. The Saginaw County Road Commission OPEB was established and is being funded under the authority of the Road Commission and under agreements with the unions representing various classes of employees. The plan's funding policy is that the Road Commission will contribute \$200,000 annually in addition to making benefit payments from general operating funds until the OPEB trust meets its goal of 40% funded status while continuing to pay plan benefits from general operating funds. There are no long term contracts for contributions to the plan.

At December 31, 2020, retirement plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	99
Active employees	<u>31</u>
Total	<u><u>130</u></u>

Benefits. Dental premiums, life insurance premiums stipends for retirees opting out of medical coverage are fully paid by the Commission. Union retirees hired on or after February 9, 2004 pay a percentage of their medical premiums based on their service years at retirement. If healthcare premiums exceed the hard caps as set by the State of Michigan under MCL 15.563, retirees must contribute the cost of the medical premiums in excess of those caps.

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 December 31, 2020	22,017,365	532,942	21,484,423
Changes for the year:			
Service cost	174,282	-	174,282
Interest	1,270,349	78,830	1,191,519
Net investment income	-	-	-
Differences between expected and actual experience	(495,980)	-	(495,980)
Changes in assumptions	(3,448,683)	-	(3,448,683)
Contributions to OPEB trust	-	488,100	(488,100)
Employer contributions	-	803,579	(803,579)
Benefit payments, including refunds of employee contributions	(803,579)	(803,579)	-
Administrative expenses	-	(1,373)	1,373
Net changes	(3,303,611)	565,557	(3,869,168)
Balances at December 31, 2021	18,713,754	1,098,499	17,615,255

Changes in assumptions— (1) mortality improvement scale changed from MP-2018 to MP-2020 (2) timing of claims changed from middle of year to beginning of year (3) trend rates updated from rates prescribed by Public Act 202 for 2019 to 2020.

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 determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021, 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.

Election rates— 100% of participants will elect coverage at retirement.

Mortality— 2010 Public-General Employees and Healthy Retirees, Headcount weighted.

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 rate 8.25% 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 2.00%.

Investment rate or return— Based on the historical and expected returns of the County’s long-term investment portfolio, a discount rate of 7.35%, including inflation, was used.

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
Global equity	60.0%	4.95%	2.97%
Global fixed income	20.0%	2.40%	0.48%
Private investment	20.0%	7.00%	1.40%
	<u>100.0%</u>		
Inflation			<u>2.50%</u>
Investment rate of return			<u><u>7.35%</u></u>

Discount Rate. The discount rate used to measure the total OPEB liability was 7.35%. The projection of cash flows used to determine the discount rate assumed that the Road Commission made an annual contribution of \$120,000 this year, and will make annual contributions of \$200,000 in subsequent year until the plan attains 40% funded status. In addition, it is assumed that the plan sponsor will continue to pay current benefits from general operating funds. Based on these assumptions, the retirement plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members, therefore, there is no cross-over point depletion date. Projected benefits were discounted at a discount rate equal to the long-term rate of return, plus inflation, as shown above. At December 31, 2020, the discount rate used to value OPEB liabilities was 5.83%.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the Commission, calculated using the discount rate of 7.35%, as well as what the Commission's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (6.35%) or 1% higher (8.35%) than the current rate:

	1% Decrease (6.35%)	Current Discount Rate (7.35%)	1% Increase (8.35%)
Commission's net OPEB liability	\$ 19,486,351	\$ 17,615,255	\$ 16,034,072

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability of the Commission, calculated using the healthcare cost trend rate of 8.25% reducing to an ultimate rate of 4.50%, as well as what the Commission'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 (7.25%)	Current Trend Rate (8.25%)	1% Increase (9.25%)
Commission's net OPEB liability	\$ 16,146,907	\$ 17,615,255	\$ 19,051,142

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

For the year ended December 31, 2021, the Commission recognized OPEB expense of \$(1,459,030). The Road Commission reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 131,289	\$ (131,289)
Changes in assumptions	-	912,887	(912,887)
Net difference between projected and actual earnings on pension plan investments	-	47,644	(47,644)
Total	<u>\$ -</u>	<u>\$ 1,091,820</u>	<u>\$ (1,091,820)</u>

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

Year Ended December 31,	Amount
2022	\$ (1,058,376)
2023	(14,202)
2024	(12,526)
2025	(6,716)
Total	<u>\$ (1,091,820)</u>

Payable to the OPEB Plan. At December 31, 2021, the Commission did not have any outstanding contributions payable to the OPEB plan.

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

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

13. 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 self-insured for \$500,000 in liability for each occurrence except for Classification 7720, Police Officers, who has a specific retention of \$750,000. The ASU Group, 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, 2022, 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, 2022 and 2021, are as follows:

	Beginning of Period Liability	Claims and Changes in Estimates	Claim Payments	End of Period Liability
2021	\$ 52,054	\$ 87,264	\$ 86,562	\$ 52,756
2022	52,756	180,772	62,186	171,342

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 \$11,000,000, insurance is provided by Tokio Marine. 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.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

The changes in the claims liability for the years ended September 30, 2022 and 2021, are as follows:

	Beginning of Period Liability	Claims and Changes in Estimates	Claim Payments	End of Period Liability
2021	\$ 303,907	\$ 241,194	\$ 248,086	\$ 297,015
2022	297,015	355,800	314,037	338,778

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 (ASR/HAP) is hired to process the daily claims. The County is responsible for individual claims up to \$300,000 and Companion Life 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 Humana Medicare Advantage 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 ASR/HAP. 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, 2022 and 2021, are as follows:

	Beginning of Period Liability	Claims and Changes in Estimates	Claim Payments	End of Period Liability
2021	\$ 274,112	\$ 8,522,896	\$ 6,099,622	\$ 2,697,386
2022	2,697,386	7,000,031	7,942,572	1,754,845

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

14. 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 property at December 1, 2021 totaled \$5,451,079,509 The tax levy for 2021/2022 operations were based on the following rates:

General operating	4.8558	mills
Mosquito control	0.6400	mills
Senior citizens	0.5900	mills
Sheriff service	1.7500	mills
County parks	0.2942	mills
Castle Museum	0.1997	mills
Event center	0.4500	mills
9-1-1 Authority	0.2800	mills
Animal control	0.4250	mills
Children zoo	0.2000	mills
Health Department	0.4800	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.

15. 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.

The County is a defendant in litigation related to provisions of the Michigan General Property Tax Act and surplus proceeds generated through the auction of property tax-foreclosed properties under the statute, with similarly situated counties in the state. Proceedings are currently stayed while an appeal pending in the U.S. Circuit Court of Appeals is heard. The County may be required to repay in the future some portion of the surplus from previous years proceeds to former owners of property tax-foreclosed properties for the tax-foreclosed property dispositions. As of September 30, 2022, the County is not able to reasonably estimate this potential liability. Accordingly, no amounts for this potential liability have been recognized in the County's delinquent tax foreclosure fund.

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

Opioid Settlement

The County is part of a \$26 billion nationwide settlement reached in July 2021 to resolve all opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors: McKesson, Cardinal Health, and AmerisourceBergen and manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson. The term of the settlement varies by entity; however, the County expects to receive payments over 18 years from the distributors. As of September 30, 2022, the amount to be allocated to and collected by the County was not able to be determined, and as such no amounts have been reported related to the settlement in the financial statements.

16. NET POSITION

Restricted Net Position

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

	Governmental Activities	Component Units
Public improvement	\$ 2,355,344	\$ -
Drain projects	-	9,976,480
Debt service	2,778,171	36,135,267
Public safety	2,907,780	-
Health and welfare	8,228,965	-
Recreation	2,323,954	-
Community and economic development	1,874,462	-
Other:		
Public works	599,323	-
CMH renovations	524,151	-
Register of Deeds	426,970	-
Endowment:		
Nonexpendable	36,390	-
Expendable	3,640	-
Total restricted net position	\$ 22,059,150	\$ 46,111,747

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

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	\$ 12,089,255	\$ 15,679,915	\$ 62,679,443
Capital assets being depreciated, net	59,352,310	18,000,485	199,425,907
	<u>71,441,565</u>	<u>33,680,400</u>	<u>262,105,350</u>
Related debt:			
Due within one year	8,143,431	2,332,063	2,972,515
Due in more than one year	76,693,581	44,732,548	40,373,160
Lease payable	4,068,903	-	-
Due to Saginaw Hockey Club, LLC	-	936,900	-
Accounts and retainage payable	2,222,335	1,429,962	1,058,811
Less:			
Department of Public Works conduit debt	-	-	(7,838,519)
Compensated absences	(1,922,190)	-	(789,916)
Delinquent tax notes	-	(30,670,000)	-
Unexpended bond proceeds	(4,847,970)	-	-
Community Mental Health bonds	(3,285,000)	-	-
Pension bonds	(24,285,000)	-	-
	<u>56,788,090</u>	<u>18,761,473</u>	<u>35,776,051</u>
Net investment in capital assets	<u>\$ 14,653,475</u>	<u>\$ 14,918,927</u>	<u>\$ 226,329,299</u>

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

17. FUND BALANCES - GOVERNMENTAL FUNDS

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

	General Fund	Michigan Works!	American Rescue Plan Act	Nonmajor Governmental Funds	Total
Nonspendable:					
Long-term advances	\$ 420,000	\$ -	\$ -	\$ -	\$ 420,000
Prepays	3,736	80,035	-	65,803	149,574
Permanent fund corpus	-	-	-	36,390	36,390
Total nonspendable	423,736	80,035	-	102,193	605,964
Restricted for:					
Public safety	-	-	-	2,890,598	2,890,598
Public works	-	-	-	599,323	599,323
Health and welfare	-	-	-	7,879,112	7,879,112
Community and economic development	-	-	-	86,842	86,842
Recreation	-	-	-	2,298,702	2,298,702
Family counseling	218,012	-	-	-	218,012
Register of Deeds	-	-	-	426,970	426,970
Debt service	-	-	-	1,324,038	1,324,038
Public Improvement	-	-	-	2,355,344	2,355,344
Mainframe conversion	-	-	-	1,654,681	1,654,681
Animal Care and Control Resource Center	-	-	-	3,193,289	3,193,289
CMH Renovations	-	-	-	524,151	524,151
Permanent trusts	-	-	-	3,640	3,640
Total restricted	218,012	-	-	23,236,690	23,454,702
Committed for:					
Public safety	-	-	-	2,753,002	2,753,002
Recreation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Total committed	-	-	-	2,753,002	2,753,002
Assigned for:					
Employee payroll reserve	13,746,147	-	-	-	13,746,147
G.I.S. System	-	-	-	23,436	23,436
Courts	-	-	-	688,103	688,103
General government	-	-	-	1,864,763	1,864,763
Public safety	-	-	52,682	332,786	385,468
Community and economic development	-	159,089	-	-	159,089
Health and welfare	-	-	-	8,358,491	8,358,491
Capital projects	-	-	-	345,548	345,548
Debt service	-	-	-	1,726,723	1,726,723
Subsequent year	30,000	-	-	-	30,000
Total assigned	13,776,147	159,089	52,682	13,339,850	27,327,768
Unassigned (deficit)	7,313,854	-	-	-	7,313,854
Total fund balances, governmental funds	\$ 21,731,749	\$ 239,124	\$ 52,682	\$ 39,431,735	\$ 61,455,290

COUNTY OF SAGINAW, MICHIGAN

Notes To Financial Statements

18. TAX ABATEMENTS

The County received reduced property tax revenues during 2022 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 2022 were as follows:

Governmental Entity	Taxable Value	Abatement Amount
Townships:		
Blumfield	\$ 1,535,700	\$ 8,400
Bridgeport	2,810,200	15,372
Buena Vista	6,841,993	37,426
Carrollton	124,600	682
Frankenmuth	79,400	434
Jonesfield	802,500	4,390
Kochville	567,632	3,105
Saginaw	2,513,965	13,751
Spaulding	87,561	479
Swan Creek	215,400	1,178
Thomas	74,184,939	405,792
Tittabawassee	326,300	1,785
Cities:		
Frankenmuth	2,482,900	13,581
Saginaw	4,234,675	23,164
		<u>\$ 529,539</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 2022 were as follows:

Governmental Entity	Taxable Value	Abatement Amount
City of Saginaw	\$ 308,463,900	\$ 3,374,595
Buena Vista Township	126,835,100	1,387,576
Thomas Township	3,889,500	42,551
		<u>\$ 4,804,722</u>

19. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the County for providing emergency services to its citizens, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. The County directly received approximately \$5.2 million during 2022 to be used to respond to the impacts of the COVID-19 pandemic through the American Rescue Plan Act (ARPA) and other funding sources. This funding was used to provide relief in multiple areas such as State public safety and public health programs, purchases of personal protection equipment (PPE), transportation assistance, library assistance, and election assistance.

20. RESTATEMENT/FUND RECLASSIFICATION

During 2022, the County combined the Small Cities Reuse nonmajor special revenue fund into the Economic Development Corporation component unit fund. As a result, nonmajor special revenue funds beginning fund balance was decreased by \$149,439 and the component unit fund balance was increased by the same. Further, in the previous year the unavailable revenue in the nonmajor special revenue fund was eliminated at the governmental activities government-wide level. This amount was removed from the governmental activities government-wide level and set up in the Economic Development Corporation government-wide level in the current year. Therefore, governmental activities beginning net position was decreased by \$191,730 and the component unit net position was increased by the same amount as a result of this fund reclassification.

21. SUBSEQUENT EVENTS

On October 18, 2022, the Board approved the Saginaw Future's Transformational Economic Development Project with a minimum of \$5 million from ARPA funds.

On December 20, 2022, the Board approved Emergency response unit equipment and vehicles purchases in the amount of \$298,806.



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,			
	2022	2021	2020	2019
Total pension liability				
Service cost	\$ 52,629	\$ 60,841	\$ 63,245	\$ 141,797
Interest	10,473,423	11,851,105	11,000,096	11,077,621
Difference between expected and actual experience	(447,384)	72,218	(142,834)	747,985
Changes in assumptions	4,455,981	5,545,935	4,725,317	-
Benefit payments, including refunds of employee contributions	(13,273,286)	(13,343,085)	(13,195,896)	(12,598,428)
Other changes	-	-	-	(3)
Net change in total pension liability	<u>1,261,363</u>	<u>4,187,014</u>	<u>2,449,928</u>	<u>(631,028)</u>
Total pension liability, beginning of year	<u>150,704,489</u>	<u>146,517,475</u>	<u>144,067,547</u>	<u>144,698,575</u>
Total pension liability, end of year	<u>151,965,852</u>	<u>150,704,489</u>	<u>146,517,475</u>	<u>144,067,547</u>
Plan fiduciary net position				
Employer contributions	4,529,343	3,595,010	3,245,914	2,457,345
Employee contributions	6,566	8,070	20,360	56,056
Net investment income (loss)	15,220,153	14,591,798	14,210,014	(4,496,238)
Benefit payments, including refunds of employee contributions	(13,273,286)	(13,343,085)	(13,195,896)	(12,598,428)
Administrative expense	(181,112)	(218,068)	(244,503)	(231,362)
Net change in plan fiduciary net position	<u>6,301,664</u>	<u>4,633,725</u>	<u>4,035,889</u>	<u>(14,812,627)</u>
Plan fiduciary net position, beginning of year	<u>116,898,981</u>	<u>112,265,256</u>	<u>108,229,367</u>	<u>123,041,994</u>
Plan fiduciary net position, end of year	<u>123,200,645</u>	<u>116,898,981</u>	<u>112,265,256</u>	<u>108,229,367</u>
County's net pension liability	<u>\$ 28,765,207</u>	<u>\$ 33,805,508</u>	<u>\$ 34,252,219</u>	<u>\$ 35,838,180</u>
Plan fiduciary net position as a percentage of total pension liability	81.1%	77.6%	76.6%	75.1%
Covered payroll	\$ 498,231	\$ 499,531	\$ 513,152	\$ 1,081,792
County's net pension liability as a percentage of covered payroll	5773.5%	6767.4%	6674.9%	3312.9%

See notes to required supplementary information.

Year Ended September 30,			
2018	2017	2016	2015
\$ 271,358	\$ 343,667	\$ 366,482	\$ 470,724
11,161,488	11,214,831	11,030,766	11,028,920
5,196	(125,333)	(116,667)	-
-	-	6,937,875	-
(12,244,774)	(11,882,834)	(11,572,681)	(11,276,793)
2	3	(159)	(415)
(806,730)	(449,666)	6,645,616	222,436
145,505,305	145,954,971	139,309,355	139,086,919
144,698,575	145,505,305	145,954,971	139,309,355
1,141,350	401,184	384,689	52,025,528
54,021	61,122	95,891	98,809
15,139,260	12,879,155	(1,845,639)	7,963,230
(12,244,774)	(11,882,834)	(11,572,681)	(11,276,793)
(240,839)	(254,838)	(277,640)	(292,649)
3,849,018	1,203,789	(13,215,380)	48,518,125
119,192,976	117,989,187	131,204,567	82,686,442
123,041,994	119,192,976	117,989,187	131,204,567
\$ 21,656,581	\$ 26,312,329	\$ 27,965,784	\$ 8,104,788

85.0% 81.9% 80.8% 94.2%

\$ 2,079,913 \$ 2,579,083 \$ 2,767,719 \$ 3,525,912

1041.2% 1020.2% 1010.4% 229.9%

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%
2019	3,012,960	3,012,960	-	1,135,893	265.3%
2020	3,386,952	3,386,952	-	561,185	603.5%
2021	4,219,188	4,219,188	-	499,530	844.6%
2022	5,459,784	5,459,784	-	499,898	1092.2%

See notes to required supplementary information.

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,			
	2022	2021	2020	2019
Total OPEB liability				
Service cost	\$ 455,645	\$ 468,981	\$ 779,823	\$ 751,637
Interest	3,433,024	3,384,923	5,592,103	5,488,195
Differences between expected and actual experience	(4,479,458)	891,997	(51,173,560)	-
Changes in assumptions	(4,816,553)	(1,431,902)	12,441,144	-
Changes in benefits	198,315	-	-	-
Benefit payments, including refunds of employee contributions	(1,715,830)	(3,750,981)	(4,792,873)	(4,267,244)
Net change in total OPEB liability	<u>(6,924,857)</u>	<u>(436,982)</u>	<u>(37,153,363)</u>	<u>1,972,588</u>
Total OPEB liability, beginning of year	57,619,366	58,056,348	95,209,711	93,237,123
Total OPEB liability, end of year	<u>50,694,509</u>	<u>57,619,366</u>	<u>58,056,348</u>	<u>95,209,711</u>
Plan fiduciary net position				
Employer contributions	7,573,764	7,450,740	7,731,321	7,999,149
Net investment income	(5,363,149)	4,289,785	1,522,488	776,801
Benefit payments, including refunds of employee contributions	(1,715,830)	(3,750,981)	(4,792,873)	(4,267,244)
Administrative expense	(205,525)	(206,352)	(65,918)	(147,505)
Net change in plan fiduciary net position	<u>289,260</u>	<u>7,783,192</u>	<u>4,395,018</u>	<u>4,361,201</u>
Plan fiduciary net position, beginning of year	42,298,923	34,515,731	30,120,713	25,759,512
Plan fiduciary net position, end of year	<u>42,588,183</u>	<u>42,298,923</u>	<u>34,515,731</u>	<u>30,120,713</u>
County's net OPEB liability	<u>\$ 8,106,326</u>	<u>\$ 15,320,443</u>	<u>\$ 23,540,617</u>	<u>\$ 65,088,998</u>
Plan fiduciary net position as a percentage of total OPEB liability	84.0%	73.4%	59.5%	31.6%
Covered payroll	\$ 22,600,876	\$ 8,585,103	\$ 8,296,124	\$ 8,418,944
County's net OPEB liability as a percentage of covered payroll	35.9%	178.5%	283.8%	773.1%

See notes to required supplementary information.



Year Ended September 30,

2018 **2017**

\$ 941,815 \$ 934,769
5,969,257 6,243,989
1,329,614 -
(12,017,195) -
- -

(4,006,144) (7,347,208)
(7,782,653) (168,450)

101,019,776 101,188,226

93,237,123 101,019,776

8,991,013 8,331,754
1,034,722 1,726,727

(4,006,144) (7,347,208)
(133,404) (160,297)

5,886,187 2,550,976

19,873,325 17,322,349

25,759,512 19,873,325

\$ 67,477,611 \$ 81,146,451

27.6% 19.7%

\$ 8,073,230 \$ 9,793,458

835.8% 828.6%

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%
2019	5,807,513	7,999,149	(2,191,636)	8,418,944	95.0%
2020	5,836,545	7,731,321	(1,894,776)	8,296,124	93.2%
2021	2,293,426	7,450,740	(5,280,338)	8,585,103	86.8%
2022	2,307,918	7,573,764	(5,265,846)	22,600,876	33.5%

See notes to required supplementary information.

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%
2019	2.82%
2020	4.83%
2021	11.85%
2022	-11.86%

* Annual money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

See notes to required supplementary information.

COUNTY OF SAGINAW, MICHIGAN

Notes to Required Supplementary Information

Single Employer Defined Benefit Other Postemployment Benefit Plan

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

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:

- * In 2022, changes in assumptions had a decreased immediate trend from 7.50% to 7.25% pre-65, and from 5.75% to 5.50% post-65 for disability.
- * In 2021, actuarial valuation had a decreased immediate trend from 8.00% to 7.50% pre-65, and from 6.25% to 5.75% post-65 for disability.
- * In 2020, actuarial valuation were (1) annual wage increase rate was decreased from 3.75% to 3.00%, plus merit-related increases per the MERS of Michigan experience study published February 2020; (2) per-capita costs were updated to reflect experience and insurer changes since the previous valuation; (3) loads on healthcare trend to estimate the impact of the 'Cadillac Tax' were removed as the tax was repealed in December 2019; (4) post-65 immediate medical trend rate was decreased to 6.50%; (5) percentage of future retirees assumed to be married at retirement was increased from 70% to 80% per the MERS of Michigan experience study published February 2020; (6) mortality, withdrawal, and retirement rates were updated to the current MERS of Michigan assumptions per the experience study published February 2020; (7) pre-Medicare medical insurer was changed from BCBS (Anthem) to Aetna, and the Medicare Advantage insurer was changed from BCBS (Anthem) to Humana; and (8) premium equivalent rates were updated to reflect current rates.
- * In 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.

Changes in Benefits:

- * In 2022, changes in benefits resulted primarily from the pre-Medicare medical administration moving from Aetna to ARS and pharmacy administration moving from CIGNA to Navitus, a QHDHP plan, division 0058, was added as an option for retirees, premium equivalent rates were updated to reflect current rates, including an overall decrease in Medicare Advantage premiums, and a significant increase in pre-Medicare premium rates, and those hired after the retiree health cutoff dates are now included as it was determined they are eligible for retiree life insurance.

COUNTY OF SAGINAW, MICHIGAN

Notes to Required Supplementary Information

Single Employer Defined Benefit Other Postemployment Benefit Plan

Notes to Schedule of Contributions

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

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	24 years
Asset valuation method	Market value of assets
Health care inflation rates	7.25% (pre age 65) 5.50% (post age 65) reduced 0.25% each year until the rate reaches 4.50%
Salary increases	Long-term salary increases consist of 3.00% increases.
Investment rate of return	6.00%
Retirement age	Rates are based on the Retirement rates used in the most recent OPEB valuation.
Mortality	<i>Pre-Retirement</i> : Pub-2010 General Employees Mortality Table without adjustment. <i>Healthy Retirees</i> : Pub-2010 General Retiree Mortality Table scaled by a factor of 106%. <i>Disabled Retirees</i> : PubNS-2010 Disabled Retiree Mortality Table without adjustment. The mortality assumptions include a margin for future mortality improvements using Scale MP-2019 projected fully-generationally from the central year of data, 2010.

Notes to Schedule of Investment Returns

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.

Health Department Fund - This fund is used to account for the operations of the Saginaw County Health Department. Money for the operation of this fund is supplied from a special voted tax, contributions from other County funds, federal and state grants, and user 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.

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.

COUNTY OF SAGINAW, MICHIGAN

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

Planning Fund – This fund is used to account for the tracking and repayments of CDBG Housing Program Loans previously provided through a federal and state grant. 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.

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.

Indigent Care - This fund was established under Public Act 93 of 2013 and is used to account for the County's plan to comply with the provisions of the Public Act to provide indigent defendants with effective counsel. Money for the operation of this fund is supplied from a state grant, and a required local share from the general fund. 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 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.

COUNTY OF SAGINAW, MICHIGAN

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

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

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

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

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

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

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

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.

COUNTY OF SAGINAW, MICHIGAN

Nonmajor Governmental Funds

Special Revenue Funds (Concluded)

County Veteran Service Fund - This fund is used to account for county veteran service operations to meet the needs of the veterans in the county. 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.

Hospital Millage Fund - This fund is used to account for the collection and distribution of tax collections levied by the County and provided to HealthSource of Saginaw for operations and debt service.

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

COUNTY OF SAGINAW, MICHIGAN

Nonmajor Governmental Funds

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.

Animal Control Building 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 in FY 2020 for a new Animal Care and Control Resource facility. Money from this fund is received by transfers from the Animal Control Fund.

Community Mental Health Bonds Fund - This fund accounts for the resources accumulated from the Saginaw County Community Mental Health Authority capital lease to pay the principal and interest on the bonds.

Mainframe Modernization Bonds Fund - This fund is used to account for the payment of principal and interest on long-term debt. The debt was created when the County issued bonds in FY 2019 to convert the County's existing mainframe software to new software vendors and replace existing IBM hardware. Money in this fund is received from the IT Cost allocation plan through charges to benefiting departments.

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

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.

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.

Public Improvement Fund - This fund 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.

Sheriff's Adult Detention and Administration Facility Fund - This fund was established to account for the bond proceeds that were received and the construction of the new County adult detention and administration facility.

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

Animal Care and Control Resource Center Construction Fund - This fund was established to account for the acquisition of property and construction of a new Animal Care and Control Resource facility. Money for the operation of this fund is supplied from bond proceeds.

Mainframe Conversion Project Fund - This fund was established 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.

COUNTY OF SAGINAW, MICHIGAN

■ Nonmajor Governmental Funds

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, 2022

	Special Revenue Funds						
	Law Enforcement	Parks & Recreation Commission	Geographic Information System	Friend of the Court	Health Department	Solid Waste Management	Lodging Excise Tax
Assets							
Cash and investment pool	\$ 2,740,423	\$ 2,723,835	\$ -	\$ -	\$ 9,763,524	\$ 527,328	\$ -
Receivables:							
Taxes	68,025	14,415	-	-	5,277	-	-
Accounts	184,521	3,006	126,442	5,863	190,556	97,868	1,113,552
Loans	-	-	-	-	-	-	-
Installment sales agreement	-	-	-	-	-	-	-
Leases	-	316,964	-	-	-	-	-
Due from other funds	-	115,495	-	-	-	-	-
Due from other governmental units	5,892	2,607	-	1,179,929	102,955	-	-
Prepays	7,172	-	-	4,520	9,800	-	-
Total assets	<u>\$ 3,006,033</u>	<u>\$ 3,176,322</u>	<u>\$ 126,442</u>	<u>\$ 1,190,312</u>	<u>\$ 10,072,112</u>	<u>\$ 625,196</u>	<u>\$ 1,113,552</u>
Liabilities							
Accounts payable	\$ 36,577	\$ 41,192	\$ -	\$ 32,759	\$ 443,464	\$ 25,873	\$ 1,064,644
Accrued liabilities	141,517	21,101	5,569	89,214	128,857	-	-
Deposits payable	4,270	-	-	-	26,836	-	-
Checks issued in excess of pooled cash	-	-	97,437	375,716	-	-	48,908
Due to other funds	-	590,495	-	-	-	-	-
Due to other governmental units	-	-	-	-	1,305,854	-	-
Unearned revenue	-	-	-	-	656,048	-	-
Total liabilities	<u>182,364</u>	<u>652,788</u>	<u>103,006</u>	<u>497,689</u>	<u>2,561,059</u>	<u>25,873</u>	<u>1,113,552</u>
Deferred inflows of resources							
Unavailable revenue:							
Property taxes	63,495	14,415	-	-	5,277	-	-
Long-term receivables	-	-	-	-	-	-	-
Deferred lease amounts	-	309,900	-	-	-	-	-
Total deferred inflows of resources	<u>63,495</u>	<u>324,315</u>	<u>-</u>	<u>-</u>	<u>5,277</u>	<u>-</u>	<u>-</u>
Fund balances							
Nonspendable	7,172	-	-	4,520	9,800	-	-
Restricted	-	2,199,219	-	-	-	599,323	-
Committed	2,753,002	-	-	-	-	-	-
Assigned	-	-	23,436	688,103	7,495,976	-	-
Unassigned (deficit)	-	-	-	-	-	-	-
Total fund balances	<u>2,760,174</u>	<u>2,199,219</u>	<u>23,436</u>	<u>692,623</u>	<u>7,505,776</u>	<u>599,323</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,006,033</u>	<u>\$ 3,176,322</u>	<u>\$ 126,442</u>	<u>\$ 1,190,312</u>	<u>\$ 10,072,112</u>	<u>\$ 625,196</u>	<u>\$ 1,113,552</u>

continued...



Special Revenue Funds

Castle Museum & Historical Activities	Commission on Aging	Mosquito Control	Dredged Materials Disposal	Planning	Principal Residence Exemption	Courthouse Preservation Technology	Animal Control
\$ 118,955	\$ 1,564,265	\$ 4,738,413	\$ -	\$ 86,843	\$ 157,224	\$ 79,767	\$ 827,039
10,837	30,400	32,087	-	-	105,016	-	12,122
-	6,932	2,187	-	-	-	2,055	22,606
-	-	-	-	1,986,651	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	530,280	1,200	17	-	-	-	-
-	28,989	375	-	-	-	-	-
<u>\$ 129,792</u>	<u>\$ 2,160,866</u>	<u>\$ 4,774,262</u>	<u>\$ 17</u>	<u>\$ 2,073,494</u>	<u>\$ 262,240</u>	<u>\$ 81,822</u>	<u>\$ 861,767</u>
\$ 19,472	\$ 42,217	\$ 46,569	\$ -	\$ -	\$ 62,455	\$ -	\$ 67,218
-	79,217	36,000	-	-	-	-	20,911
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	199,032	149,778	-	-
-	-	-	-	-	-	-	-
<u>19,472</u>	<u>121,434</u>	<u>82,569</u>	<u>-</u>	<u>199,032</u>	<u>212,233</u>	<u>-</u>	<u>88,129</u>
10,837	30,400	32,088	-	-	-	-	12,121
-	-	-	-	1,787,620	-	-	-
-	-	-	-	-	-	-	-
<u>10,837</u>	<u>30,400</u>	<u>32,088</u>	<u>-</u>	<u>1,787,620</u>	<u>-</u>	<u>-</u>	<u>12,121</u>
-	28,989	375	-	-	-	-	-
99,483	1,980,043	4,659,230	-	86,842	-	-	761,517
-	-	-	-	-	-	-	-
-	-	-	17	-	50,007	81,822	-
-	-	-	-	-	-	-	-
<u>99,483</u>	<u>2,009,032</u>	<u>4,659,605</u>	<u>17</u>	<u>86,842</u>	<u>50,007</u>	<u>81,822</u>	<u>761,517</u>
<u>\$ 129,792</u>	<u>\$ 2,160,866</u>	<u>\$ 4,774,262</u>	<u>\$ 17</u>	<u>\$ 2,073,494</u>	<u>\$ 262,240</u>	<u>\$ 81,822</u>	<u>\$ 861,767</u>

continued...

COUNTY OF SAGINAW, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2022

	Special Revenue Funds				
	Register of Deeds Automation	Indigent Care	E-911 Telephone Surcharge	Mobile Data Maintenance & Repair	Concealed Pistol Licensing
Assets					
Cash and investment pool	\$ 431,004	\$ 646,926	\$ 276,971	\$ 1,653,746	\$ 184,517
Receivables:					
Taxes	-	-	5,061	-	-
Accounts	495	-	1,330,232	4,500	472
Loans	-	-	-	-	-
Installment sales agreement	-	-	-	-	-
Leases	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	56,545	-	-
Prepays	-	-	-	13,947	-
Total assets	<u>\$ 431,499</u>	<u>\$ 646,926</u>	<u>\$ 1,668,809</u>	<u>\$ 1,672,193</u>	<u>\$ 184,989</u>
Liabilities					
Accounts payable	\$ 4,529	\$ 318,538	\$ 154,395	\$ -	\$ 313
Accrued liabilities	-	-	-	-	1,413
Deposits payable	-	-	-	-	-
Checks issued in excess of pooled cash	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Unearned revenue	-	328,388	-	-	-
Total liabilities	<u>4,529</u>	<u>646,926</u>	<u>154,395</u>	<u>-</u>	<u>1,726</u>
Deferred inflows of resources					
Unavailable revenue:					
Property taxes	-	-	5,061	-	-
Long-term receivables	-	-	-	-	-
Deferred lease amounts	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>5,061</u>	<u>-</u>	<u>-</u>
Fund balances					
Nonspendable	-	-	-	13,947	-
Restricted	426,970	-	1,509,353	-	183,263
Committed	-	-	-	-	-
Assigned	-	-	-	1,658,246	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	<u>426,970</u>	<u>-</u>	<u>1,509,353</u>	<u>1,672,193</u>	<u>183,263</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 431,499</u>	<u>\$ 646,926</u>	<u>\$ 1,668,809</u>	<u>\$ 1,672,193</u>	<u>\$ 184,989</u>

continued...



Special Revenue Funds

County Library Board	Remonumentation	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections	Local Correction Officer Training	MSU Extension
\$ -	\$ 36,146	\$ 168,748	\$ 206,191	\$ -	\$ 168,529	\$ 130,387	\$ 6,889
-	-	-	-	-	-	-	-
-	-	28,164	26,333	-	-	43,655	6,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	52,951	241,173	271,762	43,030	98,417	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 89,097</u>	<u>\$ 438,085</u>	<u>\$ 504,286</u>	<u>\$ 43,030</u>	<u>\$ 266,946</u>	<u>\$ 174,042</u>	<u>\$ 12,889</u>
\$ -	\$ 81,470	\$ 165,288	\$ 158,560	\$ 274	\$ 5,199	\$ 6,242	\$ 9,244
-	-	17,931	12,580	6,510	10,955	8,353	-
-	-	-	360	-	-	-	-
-	-	-	-	33,261	-	-	-
-	-	-	-	-	-	-	-
-	-	112,630	-	-	31,751	-	-
-	81,470	295,849	171,500	40,045	47,905	14,595	9,244
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	219,041	159,447	-
-	7,627	142,236	332,786	2,985	-	-	3,645
-	-	-	-	-	-	-	-
-	7,627	142,236	332,786	2,985	219,041	159,447	3,645
<u>\$ -</u>	<u>\$ 89,097</u>	<u>\$ 438,085</u>	<u>\$ 504,286</u>	<u>\$ 43,030</u>	<u>\$ 266,946</u>	<u>\$ 174,042</u>	<u>\$ 12,889</u>

continued...

COUNTY OF SAGINAW, MICHIGAN

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2022

	Special Revenue Funds					Debt Service Funds	
	Department of Human Services	Child Care	County Veteran Service	Hospital Millage	Saginaw Children's Zoo Millage	MERS (DB) Pension Obligation Bond	Qualified Energy Bond
Assets							
Cash and investment pool	\$ 265,626	\$ 388,940	\$ 45,000	\$ 1,243,060	\$ 57,977	\$ 2,689	\$ 5,178
Receivables:							
Taxes	-	-	-	34,287	5,702	-	-
Accounts	-	10,624	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Installment sales agreement	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governmental units	-	654,526	-	-	-	-	-
Prepays	-	-	-	-	-	-	-
Total assets	<u>\$ 265,626</u>	<u>\$ 1,054,090</u>	<u>\$ 45,000</u>	<u>\$ 1,277,347</u>	<u>\$ 63,679</u>	<u>\$ 2,689</u>	<u>\$ 5,178</u>
Liabilities							
Accounts payable	\$ -	\$ 37,427	\$ 45,000	\$ 3,221	\$ -	\$ -	\$ -
Accrued liabilities	265,626	88,286	-	-	-	-	-
Deposits payable	-	-	-	-	-	-	-
Checks issued in excess of pooled cash	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Due to other governmental units	-	65,862	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>265,626</u>	<u>191,575</u>	<u>45,000</u>	<u>3,221</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources							
Unavailable revenue:							
Property taxes	-	-	-	34,287	5,702	-	-
Long-term receivables	-	-	-	-	-	-	-
Deferred lease amounts	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,287</u>	<u>5,702</u>	<u>-</u>	<u>-</u>
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	1,239,839	57,977	2,689	5,178
Committed	-	-	-	-	-	-	-
Assigned	-	862,515	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>862,515</u>	<u>-</u>	<u>1,239,839</u>	<u>57,977</u>	<u>2,689</u>	<u>5,178</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 265,626</u>	<u>\$ 1,054,090</u>	<u>\$ 45,000</u>	<u>\$ 1,277,347</u>	<u>\$ 63,679</u>	<u>\$ 2,689</u>	<u>\$ 5,178</u>

continued...

Debt Service Funds					Capital Projects Funds			
Juvenile Center Renovation	Animal Control Building Bonds	Community Mental Health Bonds	Mainframe Modernization Bonds	Sheriff's Adult Detention and Administration Facility Bonds	Parks Building & Site	Community Mental Health Renovations	Public Improvement	Sheriff's Adult Detention and Administration Facility
\$ 32,999	\$ 1,726,710	\$ 76	\$ 13	\$ 1,283,096	\$ -	\$ 524,151	\$ 2,400,455	\$ -
456	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	2,784,154	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	475,000	-	-	-
-	-	-	-	-	883,356	-	-	-
-	500	-	500	-	-	-	-	-
<u>\$ 33,455</u>	<u>\$ 1,727,210</u>	<u>\$ 2,784,230</u>	<u>\$ 513</u>	<u>\$ 1,283,096</u>	<u>\$ 1,358,356</u>	<u>\$ 524,151</u>	<u>\$ 2,400,455</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,759	\$ -	\$ 45,111	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	942,871	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,094,630	-	45,111	-
456	-	-	-	-	-	-	-	-
-	-	2,784,154	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>456</u>	<u>-</u>	<u>2,784,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	500	-	500	-	-	-	-	-
32,999	-	76	-	1,283,096	-	524,151	2,355,344	-
-	-	-	-	-	-	-	-	-
-	1,726,710	-	13	-	263,726	-	-	-
-	-	-	-	-	-	-	-	-
<u>32,999</u>	<u>1,727,210</u>	<u>76</u>	<u>513</u>	<u>1,283,096</u>	<u>263,726</u>	<u>524,151</u>	<u>2,355,344</u>	<u>-</u>
<u>\$ 33,455</u>	<u>\$ 1,727,210</u>	<u>\$ 2,784,230</u>	<u>\$ 513</u>	<u>\$ 1,283,096</u>	<u>\$ 1,358,356</u>	<u>\$ 524,151</u>	<u>\$ 2,400,455</u>	<u>\$ -</u>

continued...

Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
Department of Public Works Construction	Animal Care and Control Resource Center Construction	Mainframe Conversion Project	Rail Trail Endowment	
\$ -	\$ 5,415,624	\$ 2,496,325	\$ 40,030	\$ 43,165,619
-	-	-	-	323,685
-	-	-	-	3,206,063
-	-	-	-	1,986,651
-	-	-	-	2,784,154
-	-	-	-	316,964
-	-	-	-	590,495
46,220	-	-	-	4,170,860
-	-	-	-	65,803
<u>\$ 46,220</u>	<u>\$ 5,415,624</u>	<u>\$ 2,496,325</u>	<u>\$ 40,030</u>	<u>\$ 56,610,294</u>
\$ 46,126	\$ 2,222,335	\$ 841,644	\$ -	\$ 6,179,115
-	-	-	-	934,040
-	-	-	-	31,466
94	-	-	-	1,498,287
-	-	-	-	590,495
-	-	-	-	1,720,526
-	-	-	-	1,128,817
<u>46,220</u>	<u>2,222,335</u>	<u>841,644</u>	<u>-</u>	<u>12,082,746</u>
-	-	-	-	214,139
-	-	-	-	4,571,774
-	-	-	-	309,900
-	-	-	-	5,095,813
-	-	-	36,390	102,193
-	3,193,289	1,654,681	3,640	23,236,690
-	-	-	-	2,753,002
-	-	-	-	13,339,850
-	-	-	-	-
-	<u>3,193,289</u>	<u>1,654,681</u>	<u>40,030</u>	<u>39,431,735</u>
<u>\$ 46,220</u>	<u>\$ 5,415,624</u>	<u>\$ 2,496,325</u>	<u>\$ 40,030</u>	<u>\$ 56,610,294</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, 2022

	Special Revenue Funds						
	Law Enforcement	Parks & Recreation Commission	Geographic Information System	Friend of the Court	Health Department	Solid Waste Management	Lodging Excise Tax
Revenue							
Property taxes	\$ 9,232,434	\$ 1,551,902	\$ -	\$ -	\$ 2,521,103	\$ -	\$ -
Accommodations tax	-	-	-	-	-	-	3,626,755
Licenses and permits	-	-	-	-	498,774	-	-
Federal grants	-	2,607	-	3,261,751	4,240,649	-	-
State grants	257,680	113,706	-	285,223	1,606,688	-	-
Local grants and contributions	-	215	-	-	243,171	-	-
Charges for services	68,212	34,049	-	289,763	574,049	383,425	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment income (loss)	(94,102)	(51,029)	-	-	(324,385)	(22,397)	-
Rental revenue	-	28,303	-	-	-	-	-
Donations	-	7,595	-	-	223	-	-
Reimbursements	1,006,393	437	252,886	-	2,195,768	-	-
Other revenue	-	10,078	-	-	341,431	-	-
Total revenue	10,470,617	1,697,863	252,886	3,836,737	11,897,471	361,028	3,626,755
Expenditures							
Current:							
Judicial	-	-	-	5,256,060	-	-	-
General government	-	-	259,525	-	-	-	-
Public safety	7,626,602	-	-	-	-	-	-
Public works	-	-	-	-	-	215,340	-
Health and welfare	-	-	-	-	11,836,455	-	-
Community and economic development	-	-	-	-	-	-	3,626,755
Recreation and culture	-	1,487,380	-	-	-	-	-
Capital outlay	209,293	158,736	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	7,835,895	1,646,116	259,525	5,256,060	11,836,455	215,340	3,626,755
Revenues over (under) expenditures	2,634,722	51,747	(6,639)	(1,419,323)	61,016	145,688	-
Other financing sources (uses)							
Transfers in	884,542	-	-	1,632,326	1,519,045	-	-
Transfers out	(2,984,074)	(475,000)	-	62,437	-	(45,999)	-
Total other financing sources (uses)	(2,099,532)	(475,000)	-	1,694,763	1,519,045	(45,999)	-
Net change in fund balances	535,190	(423,253)	(6,639)	275,440	1,580,061	99,689	-
Fund balances, beginning of year, as restated	2,224,984	2,622,472	30,075	417,183	5,925,715	499,634	-
Fund balances, end of year	\$ 2,760,174	\$ 2,199,219	\$ 23,436	\$ 692,623	\$ 7,505,776	\$ 599,323	\$ -

continued...

Special Revenue Funds							
Castle Museum & Historical Activities	Commission on Aging	Mosquito Control	Dredged Materials Disposal	Planning	Principal Residence Exemption	Courthouse Preservation Technology	Animal Control
\$ 1,054,691	\$ 3,111,528	\$ 3,379,583	\$ -	\$ -	\$ -	\$ -	\$ 2,237,342
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	7,127
-	1,299,671	-	17	-	-	-	-
70,395	769,515	230,402	-	-	-	-	149,814
-	14,721	-	-	-	-	-	18,010
-	39,072	38,341	-	-	1,865	57,890	51,002
-	-	-	-	-	-	-	-
(10,719)	(46,111)	(159,132)	-	(2,793)	1,365	(2,973)	(55,227)
-	-	4,500	310	-	-	-	-
-	131,948	-	-	-	-	-	155,706
12,407	14,627	207,284	-	-	-	-	-
-	23,966	511	-	107,789	-	-	-
<u>1,126,774</u>	<u>5,358,937</u>	<u>3,701,489</u>	<u>327</u>	<u>104,996</u>	<u>3,230</u>	<u>54,917</u>	<u>2,563,774</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,791,019
-	-	-	-	-	-	-	-
-	5,294,014	3,470,138	8,301	-	-	-	-
-	-	-	-	86,359	-	-	-
1,075,439	-	-	-	-	-	-	-
-	146,621	91,185	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,075,439</u>	<u>5,440,635</u>	<u>3,561,323</u>	<u>8,301</u>	<u>86,359</u>	<u>-</u>	<u>-</u>	<u>1,791,019</u>
<u>51,335</u>	<u>(81,698)</u>	<u>140,166</u>	<u>(7,974)</u>	<u>18,637</u>	<u>3,230</u>	<u>54,917</u>	<u>772,755</u>
-	130,212	-	7,574	-	-	-	34,609
-	-	-	-	-	-	(75,000)	(728,761)
-	130,212	-	7,574	-	-	(75,000)	(694,152)
51,335	48,514	140,166	(400)	18,637	3,230	(20,083)	78,603
<u>48,148</u>	<u>1,960,518</u>	<u>4,519,439</u>	<u>417</u>	<u>68,205</u>	<u>46,777</u>	<u>101,905</u>	<u>682,914</u>
<u>\$ 99,483</u>	<u>\$ 2,009,032</u>	<u>\$ 4,659,605</u>	<u>\$ 17</u>	<u>\$ 86,842</u>	<u>\$ 50,007</u>	<u>\$ 81,822</u>	<u>\$ 761,517</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, 2022

	Special Revenue Funds				
	Register of Deeds Automation	Indigent Care	E-911 Telephone Surcharge	Mobile Data Maintenance & Repair	Concealed Pistol Licensing
Revenue					
Property taxes	\$ -	\$ -	\$ 1,472,418	\$ -	\$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	93,221
Federal grants	-	-	-	-	-
State grants	-	4,297,951	511,661	-	-
Local grants and contributions	-	908,692	-	153,350	-
Charges for services	177,719	-	5,422,621	144,102	17,426
Fines and forfeitures	-	-	-	-	-
Investment income (loss)	(14,371)	-	(16,172)	(53,675)	(6,110)
Rental revenue	-	-	-	-	-
Donations	-	-	-	-	-
Reimbursements	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenue	<u>163,348</u>	<u>5,206,643</u>	<u>7,390,528</u>	<u>243,777</u>	<u>104,537</u>
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	120,931	-	-	-	-
Public safety	-	4,759,441	6,321,278	371,083	92,649
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>120,931</u>	<u>4,759,441</u>	<u>6,321,278</u>	<u>371,083</u>	<u>92,649</u>
Revenues over (under) expenditures	<u>42,417</u>	<u>447,202</u>	<u>1,069,250</u>	<u>(127,306)</u>	<u>11,888</u>
Other financing sources (uses)					
Transfers in	-	-	-	128,000	-
Transfers out	-	(447,202)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(447,202)</u>	<u>-</u>	<u>128,000</u>	<u>-</u>
Net change in fund balances	<u>42,417</u>	<u>-</u>	<u>1,069,250</u>	<u>694</u>	<u>11,888</u>
Fund balances, beginning of year, as restated	<u>384,553</u>	<u>-</u>	<u>440,103</u>	<u>1,671,499</u>	<u>171,375</u>
Fund balances, end of year	<u>\$ 426,970</u>	<u>\$ -</u>	<u>\$ 1,509,353</u>	<u>\$ 1,672,193</u>	<u>\$ 183,263</u>

continued...

Special Revenue Funds							
County Library Board	Remuneration	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections	Local Correction Officer Training	MSU Extension
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	355,409	78,530	-	6,081	-	-
-	88,237	606,017	298,529	247,776	517,190	-	-
-	-	-	-	-	-	-	16,500
-	-	1,000	24,397	-	630	43,655	-
37,475	-	367	3,600	2,014	-	-	-
-	-	(492)	(1,453)	-	-	(4,057)	51
-	-	-	-	-	-	-	-
-	-	10,750	-	-	-	-	-
-	-	305,755	438,327	-	-	-	-
-	-	-	5,685	-	-	-	-
<u>37,475</u>	<u>88,237</u>	<u>1,278,806</u>	<u>847,615</u>	<u>249,790</u>	<u>523,901</u>	<u>39,598</u>	<u>16,551</u>
-	-	580,849	-	-	-	-	-
-	88,238	-	-	292,920	3,039	-	14,174
-	-	213,162	948,944	-	513,872	66,600	-
-	-	305,944	-	-	-	-	-
-	-	298,208	-	-	-	-	-
-	-	604	-	-	-	-	-
37,475	-	-	-	-	-	-	-
-	-	-	44,536	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>37,475</u>	<u>88,238</u>	<u>1,398,767</u>	<u>993,480</u>	<u>292,920</u>	<u>516,911</u>	<u>66,600</u>	<u>14,174</u>
-	(1)	(119,961)	(145,865)	(43,130)	6,990	(27,002)	2,377
-	-	148,970	222,058	45,143	-	-	-
-	-	-	(7,500)	-	-	-	-
-	-	148,970	214,558	45,143	-	-	-
-	(1)	29,009	68,693	2,013	6,990	(27,002)	2,377
-	7,628	113,227	264,093	972	212,051	186,449	1,268
<u>\$ -</u>	<u>\$ 7,627</u>	<u>\$ 142,236</u>	<u>\$ 332,786</u>	<u>\$ 2,985</u>	<u>\$ 219,041</u>	<u>\$ 159,447</u>	<u>\$ 3,645</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, 2022

	Special Revenue Funds					Debt Service Funds	
	Department of Human Services	Child Care	County Veteran Service	Hospital Millage	Saginaw Children's Zoo Millage	MERS (DB) Pension Obligation Bond	Qualified Energy Bond
Revenue							
Property taxes	\$ -	\$ -	\$ -	\$ 2,360,541	\$ 1,052,635	\$ -	\$ -
Accommodations tax	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Federal grants	-	48,134	-	-	-	-	-
State grants	-	2,474,902	40,552	165,769	70,501	-	-
Local grants and contributions	-	21,301	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Investment income (loss)	-	-	-	(41,027)	(1,363)	276	4
Rental revenue	-	-	-	-	-	-	159,541
Donations	-	50,773	-	-	-	-	-
Reimbursements	-	86,169	-	-	-	4,781,836	-
Other revenue	-	7,203	-	-	-	-	-
Total revenue	-	2,688,482	40,552	2,485,283	1,121,773	4,782,112	159,545
Expenditures							
Current:							
Judicial	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	1,069,513	-	-
Public works	-	-	-	-	-	-	-
Health and welfare	17,054	5,626,874	40,552	2,564,738	-	-	-
Community and economic development	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	3,455,000	147,181
Interest and fiscal charges	-	-	-	-	-	1,326,836	7,408
Total expenditures	17,054	5,626,874	40,552	2,564,738	1,069,513	4,781,836	154,589
Revenues over (under) expenditures	(17,054)	(2,938,392)	-	(79,455)	52,260	276	4,956
Other financing sources (uses)							
Transfers in	17,054	2,636,197	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	17,054	2,636,197	-	-	-	-	-
Net change in fund balances	-	(302,195)	-	(79,455)	52,260	276	4,956
Fund balances, beginning of year, as restated	-	1,164,710	-	1,319,294	5,717	2,413	222
Fund balances, end of year	\$ -	\$ 862,515	\$ -	\$ 1,239,839	\$ 57,977	\$ 2,689	\$ 5,178

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Debt Service Funds					Capital Projects Funds			
Juvenile Center Renovation	Animal Control Building Bonds	Community Mental Health Bonds	Mainframe Modernization Bonds	Sheriff's Adult Detention and Administration Facility Bonds	Parks Building & Site	Community Mental Health Renovations	Public Improvement	Sheriff's Adult Detention and Administration Facility
\$ 396	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	733,085	-	-	-
-	-	-	-	-	3,000	-	-	-
-	-	439,173	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(908)	(35,238)	-	1	(41,964)	42	(17,148)	(79,051)	764
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>(512)</u>	<u>(35,238)</u>	<u>439,173</u>	<u>1</u>	<u>(41,964)</u>	<u>736,127</u>	<u>(17,148)</u>	<u>(79,051)</u>	<u>764</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	81,737	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	3,463	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	956,948	23,403	500,510	104,808
-	350,000	330,000	805,000	705,000	-	-	-	-
-	258,569	109,173	362,150	1,456,600	-	-	-	-
-	608,569	439,173	1,167,150	2,161,600	960,411	23,403	582,247	104,808
<u>(512)</u>	<u>(643,807)</u>	<u>-</u>	<u>(1,167,149)</u>	<u>(2,203,564)</u>	<u>(224,284)</u>	<u>(40,551)</u>	<u>(661,298)</u>	<u>(104,044)</u>
-	609,761	-	1,167,150	1,987,413	475,000	-	100,000	104,044
-	(1,192)	-	-	(4,584)	-	-	(62,437)	-
-	608,569	-	1,167,150	1,982,829	475,000	-	37,563	104,044
(512)	(35,238)	-	1	(220,735)	250,716	(40,551)	(623,735)	-
<u>33,511</u>	<u>1,762,448</u>	<u>76</u>	<u>512</u>	<u>1,503,831</u>	<u>13,010</u>	<u>564,702</u>	<u>2,979,079</u>	<u>-</u>
<u>\$ 32,999</u>	<u>\$ 1,727,210</u>	<u>\$ 76</u>	<u>\$ 513</u>	<u>\$ 1,283,096</u>	<u>\$ 263,726</u>	<u>\$ 524,151</u>	<u>\$ 2,355,344</u>	<u>\$ -</u>

continued...

Capital Projects Funds			Permanent Fund	
Department of Public Works Construction	Animal Care and Control Resource Center Construction	Mainframe Conversion Project	Rail Trail Endowment	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 27,974,573
-	-	-	-	3,626,755
-	-	-	-	599,122
-	-	-	-	9,292,849
-	-	-	-	13,535,593
46,220	-	-	-	1,425,180
-	-	-	-	7,808,391
-	-	-	-	43,456
-	(167,889)	(75,634)	(1,411)	(1,324,328)
-	-	-	-	192,654
-	15,000	-	-	371,995
-	-	-	-	9,301,889
-	-	-	-	496,663
46,220	(152,889)	(75,634)	(1,411)	73,344,792
-	-	-	-	5,836,909
94	-	3,609,927	-	4,470,585
-	-	-	-	23,774,163
-	-	-	-	524,747
-	-	-	-	29,156,334
-	-	-	-	3,713,718
-	-	-	-	2,600,294
46,126	6,296,235	37,425	-	8,615,826
-	-	-	-	5,792,181
-	-	-	-	3,520,736
46,220	6,296,235	3,647,352	-	88,005,493
-	(6,449,124)	(3,722,986)	(1,411)	(14,660,701)
-	75,000	-	-	11,924,098
-	-	-	-	(4,769,312)
-	75,000	-	-	7,154,786
-	(6,374,124)	(3,722,986)	(1,411)	(7,505,915)
-	9,567,413	5,377,667	41,441	46,937,650
\$ -	\$ 3,193,289	\$ 1,654,681	\$ 40,030	\$ 39,431,735

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, 2022

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
Assets						
Current assets:						
Cash and investment pool	\$ 150,720	\$ 248,686	\$ 61,870	\$ 175,254	\$ 408,077	\$ 1,044,607
Receivables, net:						
Accounts	-	-	73	39,555	32,156	71,784
Inventory	-	-	-	74,560	-	74,560
Prepays	-	-	-	1,083	-	1,083
Total current assets	150,720	248,686	61,943	290,452	440,233	1,192,034
Noncurrent assets:						
Capital assets not being depreciated	-	-	41,273	1,232,215	-	1,273,488
Capital assets being depreciated, net	-	-	1,753	4,132,305	-	4,134,058
Total noncurrent assets	-	-	43,026	5,364,520	-	5,407,546
Total assets	150,720	248,686	104,969	5,654,972	440,233	6,599,580
Liabilities						
Current liabilities:						
Accounts payable	438	800	-	4,559	94,424	100,221
Accrued liabilities	14,359	-	-	-	-	14,359
Deposits payable	-	-	-	-	8,169	8,169
Total current liabilities	14,797	800	-	4,559	102,593	122,749
Noncurrent liabilities:						
Advances from other funds	-	-	-	-	20,000	20,000
Total liabilities	14,797	800	-	4,559	122,593	142,749
Net position						
Net investment in capital assets	-	-	43,026	5,364,520	-	5,407,546
Unrestricted	135,923	247,886	61,943	285,893	317,640	1,049,285
Total net position	\$ 135,923	\$ 247,886	\$ 104,969	\$ 5,650,413	\$ 317,640	\$ 6,456,831

COUNTY OF SAGINAW, MICHIGAN

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

Nonmajor Enterprise Funds

For the Year Ended September 30, 2022

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
Operating revenues						
Charges for services	\$ 1,026,566	\$ 17,922	\$ 39,280	\$ 468,602	\$ 1,524,190	\$ 3,076,560
Interest on delinquent taxes	17,615	-	-	-	-	17,615
Fines and forfeitures	-	-	692	-	-	692
Rental revenue	-	-	-	112,541	-	112,541
Reimbursements	-	-	-	9,815	20,667	30,482
Other revenue	-	-	-	350	43,800	44,150
Total operating revenues	1,044,181	17,922	39,972	591,308	1,588,657	3,282,040
Operating expenses						
Personnel services	-	1,391	-	-	-	1,391
Supplies	-	-	-	476	690,677	691,153
Services and charges	1,264,738	5,451	14,607	503,889	345,360	2,134,045
Depreciation	-	-	1,504	316,949	-	318,453
Total operating expenses	1,264,738	6,842	16,111	821,314	1,036,037	3,145,042
Operating income (loss)	(220,557)	11,080	23,861	(230,006)	552,620	136,998
Nonoperating revenues (expenses)						
Federal grants	-	-	-	13,000	-	13,000
Investment income	356,479	(7,985)	-	-	-	348,494
Total nonoperating revenues (expenses)	356,479	(7,985)	-	13,000	-	361,494
Income (loss) before transfers	135,922	3,095	23,861	(217,006)	552,620	498,492
Transfers in	-	7,800	-	-	-	7,800
Transfers out	-	-	-	-	(276,824)	(276,824)
Change in net position	135,922	10,895	23,861	(217,006)	275,796	229,468
Net position, beginning of year	1	236,991	81,108	5,867,419	41,844	6,227,363
Net position, end of year	\$ 135,923	\$ 247,886	\$ 104,969	\$ 5,650,413	\$ 317,640	\$ 6,456,831

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2022

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
Cash flows from operating activities						
Receipts from customers	\$ 1,044,475	\$ 25,887	\$ 41,487	\$ 600,403	\$ 1,833,986	\$ 3,546,238
Payments to employees	-	(1,484)	-	-	-	(1,484)
Payments to suppliers	(2,312,294)	(7,486)	(17,578)	(567,472)	(1,280,073)	(4,184,903)
Net cash provided by (used in) operating activities	<u>(1,267,819)</u>	<u>16,917</u>	<u>23,909</u>	<u>32,931</u>	<u>553,913</u>	<u>(640,149)</u>
Cash flows from noncapital financing activities						
State and federal grand proceeds	-	-	-	13,000	-	13,000
Transfers in	-	7,800	-	-	-	7,800
Transfers out	-	-	-	-	(276,824)	(276,824)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>7,800</u>	<u>-</u>	<u>13,000</u>	<u>(276,824)</u>	<u>(256,024)</u>
Cash flows from investing activities						
Investment income	356,479	-	-	-	-	356,479
Investment appreciation (depreciation)	-	(7,920)	-	-	-	(7,920)
Net cash provided by (used in) investing activities	<u>356,479</u>	<u>(7,920)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>348,559</u>
Net change in cash and investment pool	<u>(911,340)</u>	<u>16,797</u>	<u>23,909</u>	<u>45,931</u>	<u>277,089</u>	<u>(547,614)</u>
Cash and investment pool:						
Beginning of year	<u>1,062,060</u>	<u>231,889</u>	<u>37,961</u>	<u>129,323</u>	<u>130,988</u>	<u>1,592,221</u>
End of year	<u>\$ 150,720</u>	<u>\$ 248,686</u>	<u>\$ 61,870</u>	<u>\$ 175,254</u>	<u>\$ 408,077</u>	<u>\$ 1,044,607</u>

continued...

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2022

	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)	\$ (220,557)	\$ 11,080	\$ 23,861	\$ (230,006)	\$ 552,620	\$ 136,998
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	1,504	316,949	-	318,453
Changes in operating assets and liabilities that provided (used) cash:						
Receivables, net	294	7,965	1,515	11,010	275,194	295,978
Inventory	-	-	-	(60,927)	-	(60,927)
Accounts payable	(1,049,916)	(2,035)	(2,971)	(2,180)	27,938	(1,029,164)
Accrued liabilities	8,552	(93)	-	-	-	8,459
Deposits payable	-	-	-	-	(29,865)	(29,865)
Due to other funds	-	-	-	-	(271,974)	(271,974)
Accrued compensated absences	(6,192)	-	-	-	-	(6,192)
Unearned revenue	-	-	-	(1,915)	-	(1,915)
Net cash provided by (used in) operating activities	\$ (1,267,819)	\$ 16,917	\$ 23,909	\$ 32,931	\$ 553,913	\$ (640,149)

Concluded

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, 2022

	MERS (DB) Retirement	MERS (DC) Retirement	Information Technology	Equipment Revolving
Assets				
Current assets:				
Cash and investment pool	\$ 1,254,681	\$ 1,423,968	\$ 1,026,380	\$ 17,120
Receivables:				
Accounts	-	78,186	193,866	-
Due from other funds	-	-	-	-
Prepays	-	-	-	-
Total current assets	<u>1,254,681</u>	<u>1,502,154</u>	<u>1,220,246</u>	<u>17,120</u>
Noncurrent assets:				
Capital assets being depreciated, net	-	-	1,353,090	-
Total assets	<u>1,254,681</u>	<u>1,502,154</u>	<u>2,573,336</u>	<u>17,120</u>
Liabilities				
Current liabilities:				
Accounts payable	910,847	264,639	32,693	827
Accrued liabilities	-	834	40,327	-
Due to other funds	-	-	-	-
Total current liabilities	<u>910,847</u>	<u>265,473</u>	<u>73,020</u>	<u>827</u>
Noncurrent liabilities:				
Advances from other funds	-	-	531,207	-
Accrued compensated absences	-	3,089	67,116	-
Total noncurrent liabilities	<u>-</u>	<u>3,089</u>	<u>598,323</u>	<u>-</u>
Total liabilities	<u>910,847</u>	<u>268,562</u>	<u>671,343</u>	<u>827</u>
Net position				
Net investment in capital assets	-	-	1,353,090	-
Unrestricted (deficit)	<u>343,834</u>	<u>1,233,592</u>	<u>548,903</u>	<u>16,293</u>
Total net position	<u>\$ 343,834</u>	<u>\$ 1,233,592</u>	<u>\$ 1,901,993</u>	<u>\$ 16,293</u>

Motor Pool	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
\$ 191,244	\$ 3,245,144	\$ 46,692	\$ 2,535,745	\$ 17,116	\$ 9,758,090
5	16,300	-	73,453	8,291	370,101
-	-	-	-	354	354
-	-	-	39,530	-	39,530
191,249	3,261,444	46,692	2,648,728	25,761	10,168,075
20,631	-	-	-	-	1,373,721
211,880	3,261,444	46,692	2,648,728	25,761	11,541,796
22,023	24,086	34,000	47,373	8,291	1,344,779
-	2,049,239	747	1,908,940	17,470	4,017,557
-	-	-	354	-	354
22,023	2,073,325	34,747	1,956,667	25,761	5,362,690
-	-	-	-	-	531,207
-	6,672	2,801	7,869	-	87,547
-	6,672	2,801	7,869	-	618,754
22,023	2,079,997	37,548	1,964,536	25,761	5,981,444
20,631	-	-	-	-	1,373,721
169,226	1,181,447	9,144	684,192	-	4,186,631
<u>\$ 189,857</u>	<u>\$ 1,181,447</u>	<u>\$ 9,144</u>	<u>\$ 684,192</u>	<u>\$ -</u>	<u>\$ 5,560,352</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, 2022

	MERS (DB) Retirement	MERS (DC) Retirement	Information Technology	Equipment Revolving
Operating revenues				
Charges for services	\$ -	\$ -	\$ 195,717	\$ -
Rental revenue	-	-	-	281
Reimbursements	5,545,052	3,918,992	4,925,874	-
Other revenue	-	166,450	-	-
Total operating revenues	5,545,052	4,085,442	5,121,591	281
Operating expenses				
Personnel services	-	19,585	827,030	-
Fringe benefits	5,466,400	3,971,439	706,313	-
Supplies	-	-	20,790	-
Services and charges	76,563	15,885	1,587,018	2,721
Depreciation	-	-	179,190	-
Total operating expenses	5,542,963	4,006,909	3,320,341	2,721
Operating income (loss)	2,089	78,533	1,801,250	(2,440)
Nonoperating revenues (expenses)				
Investment income (loss)	(14,003)	(43,638)	(13,631)	(439)
Income (loss) before transfers	(11,914)	34,895	1,787,619	(2,879)
Transfers in	-	-	-	-
Transfers out	-	-	(1,167,150)	-
Total transfers	-	-	(1,167,150)	-
Change in net position	(11,914)	34,895	620,469	(2,879)
Net position, beginning of year	355,748	1,198,697	1,281,524	19,172
Net position, end of year	\$ 343,834	\$ 1,233,592	\$ 1,901,993	\$ 16,293

Motor Pool	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
\$ 13,700	\$ 9,000	\$ -	\$ -	\$ -	\$ 218,417
366,616	-	-	-	-	366,897
-	1,555,325	84,105	9,284,629	460,109	25,774,086
-	-	-	1,458	-	167,908
<u>380,316</u>	<u>1,564,325</u>	<u>84,105</u>	<u>9,286,087</u>	<u>460,109</u>	<u>26,527,308</u>
-	65,845	17,026	83,113	-	1,012,599
-	40,683	12,822	8,128,569	-	18,326,226
193,189	174	-	9,711	-	223,864
168,087	2,341,990	55,064	498,813	460,109	5,206,250
5,429	-	-	-	-	184,619
<u>366,705</u>	<u>2,448,692</u>	<u>84,912</u>	<u>8,720,206</u>	<u>460,109</u>	<u>24,953,558</u>
13,611	(884,367)	(807)	565,881	-	1,573,750
-	(111,331)	-	(111,234)	(509)	(294,785)
13,611	(995,698)	(807)	454,647	(509)	1,278,965
-	-	-	-	354	354
-	(102,229)	-	(354)	-	(1,269,733)
<u>-</u>	<u>(102,229)</u>	<u>-</u>	<u>(354)</u>	<u>354</u>	<u>(1,269,379)</u>
13,611	(1,097,927)	(807)	454,293	(155)	9,586
176,246	2,279,374	9,951	229,899	155	5,550,766
<u>\$ 189,857</u>	<u>\$ 1,181,447</u>	<u>\$ 9,144</u>	<u>\$ 684,192</u>	<u>\$ -</u>	<u>\$ 5,560,352</u>

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2022

	MERS (DB) Retirement	MERS (DC) Retirement	Information Technology	Equipment Revolving
Cash flows from operating activities				
Receipts from interfund services provided	\$ 5,545,052	\$ 4,076,232	\$ 5,096,769	\$ 281
Payments to employees	-	(19,635)	(1,530,034)	-
Payments to suppliers	(4,632,116)	(3,791,580)	(1,889,682)	(1,894)
Net cash provided by (used in) operating activities	<u>912,936</u>	<u>265,017</u>	<u>1,677,053</u>	<u>(1,613)</u>
Cash flows from noncapital financing activities				
Transfers in	-	-	-	-
Transfers out	-	-	(1,167,150)	-
Net cash flows provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>(1,167,150)</u>	<u>-</u>
Cash flows from capital and related financing activities				
Repayment of advances	-	-	(257,758)	-
Payments for capital asset acquisition	-	-	(245,248)	-
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(503,006)</u>	<u>-</u>
Cash flows from investing activities				
Investment depreciation	(13,905)	(43,307)	(13,631)	(434)
Net change in cash and investment pool	<u>899,031</u>	<u>221,710</u>	<u>(6,734)</u>	<u>(2,047)</u>
Cash and investment pool:				
Beginning of year	355,650	1,202,258	1,033,114	19,167
End of year	<u>\$ 1,254,681</u>	<u>\$ 1,423,968</u>	<u>\$ 1,026,380</u>	<u>\$ 17,120</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 2,089	\$ 78,533	\$ 1,801,250	\$ (2,440)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	-	179,190	-
Changes in operating assets and liabilities that provided (used) cash:				
Receivables, net	-	(9,210)	(192,391)	-
Due from other funds	-	-	-	-
Due from other governments	-	-	167,569	-
Prepays	-	590	-	-
Accounts payable	910,847	195,080	(281,874)	827
Accrued liabilities	-	74	2,735	-
Due to other funds	-	-	-	-
Accrued compensated absences	-	(50)	574	-
Net cash provided by (used in) operating activities	<u>\$ 912,936</u>	<u>\$ 265,017</u>	<u>\$ 1,677,053</u>	<u>\$ (1,613)</u>

Motor Pool	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
\$ 380,311	\$ 1,564,467	\$ 84,237	\$ 9,446,788	\$ 458,710	\$ 26,652,847
-	(106,812)	(29,590)	(84,377)	-	(1,770,448)
(354,782)	(1,162,702)	(99,457)	(8,971,196)	(441,594)	(21,345,003)
25,529	294,953	(44,810)	391,215	17,116	3,537,396
-	-	-	-	354	354
-	(102,229)	-	(354)	-	(1,269,733)
-	(102,229)	-	(354)	354	(1,269,379)
-	-	-	-	-	(257,758)
(26,060)	-	-	-	-	(271,308)
(26,060)	-	-	-	-	(529,066)
-	(110,464)	-	(110,221)	(509)	(292,471)
(531)	82,260	(44,810)	280,640	16,961	1,446,480
191,775	3,162,884	91,502	2,255,105	155	8,311,610
<u>\$ 191,244</u>	<u>\$ 3,245,144</u>	<u>\$ 46,692</u>	<u>\$ 2,535,745</u>	<u>\$ 17,116</u>	<u>\$ 9,758,090</u>
\$ 13,611	\$ (884,367)	\$ (807)	\$ 565,881	\$ -	\$ 1,573,750
5,429	-	-	-	-	184,619
(5)	142	132	160,701	(1,045)	(41,676)
-	-	-	-	(354)	(354)
-	-	-	-	-	167,569
-	4,788	-	64,463	-	69,841
6,494	9,407	28,907	(272,183)	1,045	598,550
-	1,165,267	110	(126,737)	17,470	1,058,919
-	-	(73,300)	354	-	(72,946)
-	(284)	148	(1,264)	-	(876)
<u>\$ 25,529</u>	<u>\$ 294,953</u>	<u>\$ (44,810)</u>	<u>\$ 391,215</u>	<u>\$ 17,116</u>	<u>\$ 3,537,396</u>

COUNTY OF SAGINAW, MICHIGAN

Fiduciary Funds

General Custodial Fund - This fund is used to account for the collection of monies to be held by the County in a custodial manner and 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.

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

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

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Fiduciary Net Position

Custodial Funds
September 30, 2022

	General Custodial	State Education Tax	Library Penal Fine	Dependent Care	Medical Spending Reimbursement	Total
Assets						
Cash and investment pool	\$ 1,802,838	\$ 21,043,304	\$ 25,328	\$ 3,757	\$ 6,930	\$ 22,882,157
Receivables:						
Accounts	1,457,120	-	60,127	-	-	1,517,247
Due from other governmental units	1,970	2,852	-	-	-	4,822
Total assets	3,261,928	21,046,156	85,455	3,757	6,930	24,404,226
Liabilities						
Accounts payable	946,188	-	-	-	-	946,188
Deposits payable	2,275,804	-	-	-	-	2,275,804
Due to other governmental units	39,936	21,046,156	85,455	-	-	21,171,547
Total liabilities	3,261,928	21,046,156	85,455	-	-	24,393,539
Net position						
Restricted for:						
Individuals, organizations and other governments	\$ -	\$ -	\$ -	\$ 3,757	\$ 6,930	\$ 10,687

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended September 30, 2022

	General Custodial	State Education Tax	Library Penal Fine	Dependent Care	Medical Spending Reimbursement	Total
Additions						
State education tax collected for other governments	\$ -	\$ 34,599,666	\$ -	\$ -	\$ -	\$ 34,599,666
Fees and fines collected on behalf of other units of government	10,265,414	-	308,228	-	-	10,573,642
Employee medical withholdings collected	-	-	-	16,778	13,415	30,193
Total additions	<u>10,265,414</u>	<u>34,599,666</u>	<u>308,228</u>	<u>16,778</u>	<u>13,415</u>	<u>45,203,501</u>
Deductions						
Payments of state education tax to other governments	-	34,599,666	-	-	-	34,599,666
Fees and fines remitted to other units of government	10,265,414	-	308,228	-	-	10,573,642
Employee medical withholdings remitted	-	-	-	17,020	17,232	34,252
Total deductions	<u>10,265,414</u>	<u>34,599,666</u>	<u>308,228</u>	<u>17,020</u>	<u>17,232</u>	<u>45,207,560</u>
Change in net position	-	-	-	(242)	(3,817)	(4,059)
Net position, beginning of year	-	-	-	3,999	10,747	14,746
Net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,757</u>	<u>\$ 6,930</u>	<u>\$ 10,687</u>

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

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, 2022

	Brownfield Redevelopment Authority	Adjustments	Statement of Net Position
Assets			
Cash and investment pool	\$ 412,056	\$ -	\$ 412,056
Receivables:			
Loans	438,150	-	438,150
Accrued interest	13,608	-	13,608
Advances to land bank	540,378	-	540,378
Total assets	<u>\$ 1,404,192</u>	<u>-</u>	<u>1,404,192</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 1,850	-	1,850
Fund balance			
Nonspendable	978,528	(978,528)	-
Unassigned	423,814	(423,814)	-
Total fund balance	<u>1,402,342</u>	<u>(1,402,342)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,404,192</u>		
Net position			
Unrestricted		<u>\$ 1,402,342</u>	<u>\$ 1,402,342</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, 2022

	Brownfield Redevelopment Authority	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 4,399	\$ -	\$ 4,399
Charges for services	500	-	500
Investment income	1,614	-	1,614
Total revenues	6,513	-	6,513
Expenditures / expenses			
Current:			
Community and economic development	2,743	-	2,743
Change in fund balance / net position	3,770	-	3,770
Fund balance / net position, beginning of year	1,398,572	-	1,398,572
Fund balance / net position, end of year	<u>\$ 1,402,342</u>	<u>\$ -</u>	<u>\$ 1,402,342</u>

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

Statement of Net Position

Department of Public Works Component Unit
September 30, 2022

	Governmental Activities	Business-type Activities	Totals
Assets			
Cash and investment pool	\$ 271,638	\$ 350,793	\$ 622,431
Accounts receivable	8,171,596	-	8,171,596
	<u>8,443,234</u>	<u>350,793</u>	<u>8,794,027</u>
Noncurrent assets:			
Capital assets being depreciated, net	-	51,714	51,714
	<u>-</u>	<u>51,714</u>	<u>51,714</u>
Total assets	<u>8,443,234</u>	<u>402,507</u>	<u>8,845,741</u>
Liabilities			
Accounts payable and accrued liabilities	118,160	8,757	126,917
Long-term debt:			
Due within one year	366,000	-	366,000
Due in more than one year	7,472,519	-	7,472,519
	<u>7,956,679</u>	<u>8,757</u>	<u>7,965,436</u>
Total liabilities	<u>7,956,679</u>	<u>8,757</u>	<u>7,965,436</u>
Net position			
Net investment in capital assets	-	51,714	51,714
Restricted for:			
Debt service	486,555	-	486,555
Unrestricted	-	342,036	342,036
	<u>-</u>	<u>342,036</u>	<u>342,036</u>
Total net position	<u>\$ 486,555</u>	<u>\$ 393,750</u>	<u>\$ 880,305</u>

COUNTY OF SAGINAW, MICHIGAN

Statement of Activities

Department of Public Works Component Unit
For the Year Ended September 30, 2022

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenues	
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:					
Public works	\$ -	\$ -	\$ 457,557	\$ 457,557	\$ -
Interest on long-term debt	297,065	-	-	(297,065)	-
Total governmental activities	297,065	-	457,557	160,492	-
Business-type activities:					
Public works	221,969	262,092	-	-	40,123
Total	<u>\$ 519,034</u>	<u>\$ 262,092</u>	<u>\$ 915,114</u>		
Change in net position				160,492	40,123
Net position, beginning of year				326,063	353,627
Net position, end of year				<u>\$ 486,555</u>	<u>\$ 393,750</u>

COUNTY OF SAGINAW, MICHIGAN

Balance Sheet

Department of Public Works Component Unit
September 30, 2022

	Debt Service
Assets	
Cash and investment pool	\$ 271,638
Due from other governmental units	<u>8,053,436</u>
Total assets	<u><u>\$ 8,325,074</u></u>
Deferred inflows of resources	
Unavailable revenue - long-term receivables	\$ 7,838,519
Fund balance	
Restricted for:	
Debt service	<u>486,555</u>
Total liabilities, deferred inflow of resources and fund balance	<u><u>\$ 8,325,074</u></u>

COUNTY OF SAGINAW, MICHIGAN

Reconciliation

Fund Balance of Governmental Fund of the Department of Public Works Component Unit
to Net Position of the Governmental Activities of the Department of Public Works Component Unit
September 30, 2022

Fund balance - governmental fund - Department of Public Works \$ 486,555

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

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e., receivables) are offset by deferred inflows of resources in the governmental funds and, therefore, are not included in fund balance.

Due from other governments related to accrued interest payable	118,160
Deferred long-term receivables	7,838,519

Long-term debt and related deferred outflows are not due and payable in the current period and therefore are not reported in the fund.

Bonds and notes payable current	(366,000)
Bonds and notes payable	(7,472,519)
Accrued interest on bonds and notes payable	(118,160)

Net position of governmental activities - Department of Public Works \$ 486,555

COUNTY OF SAGINAW, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Department of Public Works Component Unit
For the Year Ended September 30, 2022

	Debt Service
Revenues	
Local grants and contributions	<u>\$ 1,316,731</u>
Expenditures	
Debt service:	
Principal	850,000
Interest and fiscal charges	<u>306,239</u>
Total expenditures	<u>1,156,239</u>
Change in fund balance	160,492
Fund balance, beginning of year	<u>326,063</u>
Fund balance, end of year	<u><u>\$ 486,555</u></u>

COUNTY OF SAGINAW, MICHIGAN

Reconciliation

Net Change in Fund Balance of Governmental Fund of the Department of Public Works Component Unit
to Change in Net Position of Governmental Activities of the Department of Public Works Component Unit
For the Year Ended September 30, 2022

Net change in fund balance of governmental fund - Department of Public Works \$ 160,492

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

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 long-term receivables (859,174)

Repayment of debt principal is an expenditure in the fund, but the repayment reduces long-term debt in the statement of net position.

Principal payments on bonds and notes payable current 850,000

Some 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 accrued interest payable on long-term debt 9,174

Change in net position of governmental activities - Department of Public Works \$ 160,492

COUNTY OF SAGINAW, MICHIGAN

Statement of Net Position

Department of Public Works Component Unit - Proprietary Fund
September 30, 2022

	Administration
Assets	
Current assets:	
Cash and investment pool	\$ 350,793
Noncurrent assets:	
Capital assets being depreciated, net	<u>51,714</u>
Total assets	<u>402,507</u>
Liabilities	
Accrued liabilities	<u>8,757</u>
Net position	
Investment in capital assets	51,714
Unrestricted	<u>342,036</u>
Total net position	<u><u>\$ 393,750</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, 2022

	Administration
Operating revenues	
Licenses and permits	\$ 175,092
Other revenue	87,000
Total operating revenue	<u>262,092</u>
Operating expenses	
Personnel services	139,283
Supplies	3,011
Services and charges	14,223
Depreciation	22,421
Total operating expenses	<u>178,938</u>
Operating income (loss)	83,154
Nonoperating expenses	
Loss on disposal of capital assets	<u>(43,031)</u>
Change in net position	40,123
Net position, beginning of year	<u>353,627</u>
Net position, end of year	<u><u>\$ 393,750</u></u>

COUNTY OF SAGINAW, MICHIGAN

Statement of Cash Flows

Department of Public Works Component Unit - Proprietary Fund
For the Year Ended September 30, 2022

	Administration
Cash flows from operating activities	
Receipts from customers	\$ 262,992
Payments to employees	(138,752)
Payments to suppliers	<u>(17,234)</u>
Net cash provided by operating activities	107,006
Cash flows from capital and related financing activities	
Payments for capital asset acquisition	<u>(71,603)</u>
Net change in cash and investment pool	35,403
Cash and investment pool:	
Beginning of year	<u>315,390</u>
End of year	<u><u>\$ 350,793</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income	\$ 83,154
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	22,421
Changes in operating assets and liabilities that provided (used) cash:	
Accounts receivable	900
Accrued liabilities	<u>531</u>
Net cash provided by operating activities	<u><u>\$ 107,006</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.

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 Maintenance Capital Projects 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, 2022

	Debt	Capital Projects Funds	
	Service Fund	Special Assessment Drain	Chapter 8 Drains
Assets			
Cash and investment pool	\$ 2,762,448	\$ 5,596,634	\$ 3,947,885
Receivables:			
Special assessments	30,011,446	-	-
Accounts	-	53,308	-
Due from other funds	-	-	-
Advance to other funds	-	408,474	-
Due from other governmental units	3,540,178	151,996	-
Capital assets:			
Assets not being depreciated	-	-	-
Assets being depreciated, net	-	-	-
Total assets	<u>\$ 36,314,072</u>	<u>\$ 6,210,412</u>	<u>\$ 3,947,885</u>
Liabilities			
Accounts payable	\$ -	\$ 307,662	\$ 936,855
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Advance from other funds	408,474	-	-
Advances from primary government	-	-	-
Long-term liabilities:			
Due within one year	-	-	-
Due in more than one year	-	-	-
Total liabilities	<u>408,474</u>	<u>307,662</u>	<u>936,855</u>
Deferred inflows of resources			
Unavailable revenue - long-term receivables	33,551,624	-	-
Fund balances / net position			
Restricted for:			
Debt service	2,353,974	-	-
Capital projects	-	5,902,750	3,011,030
Total fund balances (deficit)	<u>2,353,974</u>	<u>5,902,750</u>	<u>3,011,030</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 36,314,072</u>	<u>\$ 6,210,412</u>	<u>\$ 3,947,885</u>
Net position:			
Net investment in capital assets			
Restricted for:			
Debt service			
Acquisition/construction of capital assets			
Total net position			



Capital Projects Funds					
Revolving Drain	Revolving Drain Maintenance	Total Governmental Funds	Adjustments	Statement of Net Position	
\$ 226,000	\$ 186,879	\$ 12,719,846	\$ -	\$ 12,719,846	
-	-	30,011,446	-	30,011,446	
-	-	53,308	-	53,308	
174,000	-	174,000	(174,000)	-	
-	-	408,474	(408,474)	-	
-	14	3,692,188	-	3,692,188	
-	-	-	15,053,397	15,053,397	
-	-	-	59,291,931	59,291,931	
<u>\$ 400,000</u>	<u>\$ 186,893</u>	<u>\$ 47,059,262</u>	<u>73,762,854</u>	<u>120,822,116</u>	
\$ -	\$ 9,004	\$ 1,253,521	-	1,253,521	
-	-	-	256,886	256,886	
-	174,000	174,000	(174,000)	-	
-	-	408,474	(408,474)	-	
400,000	-	400,000	-	400,000	
-	-	-	2,522,879	2,522,879	
-	-	-	31,935,979	31,935,979	
<u>400,000</u>	<u>183,004</u>	<u>2,235,995</u>	<u>34,133,270</u>	<u>36,369,265</u>	
-	-	33,551,624	(33,551,624)	-	
-	-	2,353,974	(2,353,974)	-	
-	3,889	8,917,669	(8,917,669)	-	
-	3,889	11,271,643	(11,271,643)	-	
<u>\$ 400,000</u>	<u>\$ 186,893</u>	<u>\$ 47,059,262</u>			
			38,827,659	38,827,659	
			35,648,712	35,648,712	
			9,976,480	9,976,480	
			<u>\$ 84,452,851</u>	<u>\$ 84,452,851</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, 2022

	Debt Service Fund	Capital Projects Funds	
	Chapter 8 Drains	Special Assessment Drain	Chapter 8 Drains
Revenues			
Special assessments	\$ 2,706,517	\$ 797,410	\$ 6,313
Federal grants and contributions	-	7,073	-
State grants and contributions	-	163,582	-
Local grants and contributions	847,817	209,252	207
Investment income	647	13,581	1,924
Reimbursements	6,080	19,304	-
Total revenues	<u>3,561,061</u>	<u>1,210,202</u>	<u>8,444</u>
Expenditures / expenses			
Current:			
Public works	-	2,002,053	6,330,122
Depreciation	-	-	-
Debt service:			
Principal	2,544,878	-	-
Interest and fiscal charges	876,245	-	-
Total expenditures	<u>3,421,123</u>	<u>2,002,053</u>	<u>6,330,122</u>
Revenues over (under) expenditures/expenses	139,938	(791,851)	(6,321,678)
Other financing sources			
Proceeds from issuance of long-term debt	-	-	995,000
Change in fund balance / net position	139,938	(791,851)	(5,326,678)
Fund balances (deficit) / net position, beginning of year	<u>2,214,036</u>	<u>6,694,601</u>	<u>8,337,708</u>
Fund balances (deficit) / net position, end of year	<u>\$ 2,353,974</u>	<u>\$ 5,902,750</u>	<u>\$ 3,011,030</u>

Capital Projects Funds				
Revolving Drain	Revolving Drain Maintenance	Total Governmental Funds	Adjustments	Statement of Net Position
\$ -	\$ -	\$ 3,510,240	\$ (1,407,355)	\$ 2,102,885
-	14	7,087	-	7,087
-	-	163,582	-	163,582
-	-	1,057,276	-	1,057,276
-	1	16,153	-	16,153
-	132,745	158,129	-	158,129
-	132,760	4,912,467	(1,407,355)	3,505,112
-	50,506	8,382,681	(6,913,230)	1,469,451
-	-	-	2,012,681	2,012,681
-	-	2,544,878	(2,544,878)	-
-	-	876,245	45	876,290
-	50,506	11,803,804	(7,445,382)	4,358,422
-	82,254	(6,891,337)	6,038,027	(853,310)
-	-	995,000	(995,000)	-
-	82,254	(5,896,337)	5,043,027	(853,310)
-	(78,365)	17,167,980	68,138,181	85,306,161
<u>\$ -</u>	<u>\$ 3,889</u>	<u>\$ 11,271,643</u>	<u>\$ 73,181,208</u>	<u>\$ 84,452,851</u>

COUNTY OF SAGINAW, MICHIGAN

Economic Development Corporation

Component Unit of Saginaw County

Economic Development Corporation - This fund is used to account for the operations of the Economic Development Corporation whose purpose is to provide 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. This fund also accounts for an Energy Efficiency Revolving Loan program. Money for the operation of this fund is supplied from state grants, investment earnings, farm land rental, and principal repayments.

COUNTY OF SAGINAW, MICHIGAN

Statement of Net Position and Governmental Fund Balance Sheet

Economic Development Corporation Component Unit
September 30, 2022

	Economic Development Corporation	Adjustments	Statement of Net Position
Assets			
Cash and investment pool	\$ 249,678	\$ -	\$ 249,678
Loans receivable	34,671	-	34,671
Total assets	<u>\$ 284,349</u>	<u>-</u>	<u>284,349</u>
Liabilities			
Accounts payable	\$ 300	-	300
Deferred inflows of resources			
Unavailable revenue - long-term loans receivables	34,671	(34,671)	-
Fund balances / net position			
Unassigned	249,378	(249,378)	-
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 284,349</u>		
Net position:			
Unrestricted		<u>\$ 284,049</u>	<u>\$ 284,049</u>

COUNTY OF SAGINAW, MICHIGAN

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

Economic Development Corporation Component Unit

For the Year Ended September 30, 2022

	Economic Development Corporation	Adjustments	Statement of Net Position
Revenues			
Investment income	\$ (5,161)	\$ -	\$ (5,161)
Rental revenue	21,664	-	21,664
Reimbursements	8,669	(7,620)	1,049
	<hr/>	<hr/>	<hr/>
Total revenues	25,172	(7,620)	17,552
Expenditures / expenses			
Current:			
Community and economic development	18,394	-	18,394
	<hr/>	<hr/>	<hr/>
Change in fund balance / net position	6,778	(7,620)	(842)
Fund balances (deficit) / net position, beginning of year, as restated	242,600	42,291	284,891
	<hr/>	<hr/>	<hr/>
Fund balances (deficit) / net position, end of year	<u>\$ 249,378</u>	<u>\$ 34,671</u>	<u>\$ 284,049</u>