

County of
Saginaw,
Michigan



Year Ended
September 30,
2023

Financial
Statements

Rehmann

COUNTY OF SAGINAW, MICHIGAN

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INDEPENDENT AUDITORS' REPORT

March 25, 2024

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, 2023, 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, 2023, 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%	76%	66%

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 25, 2024, 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.

Rehmann Loborn LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

As management of the *County of Saginaw, Michigan*, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

Financial Highlights

· Total primary government net position	\$ 80,560,076
· Change in total primary government net position	28,545,097
· Fund balances, governmental funds	67,093,049
· Change in fund balances, governmental funds	5,637,759
· Unassigned fund balance, general fund	5,789,887
· Change in fund balance, general fund	-
· Primary government installment debt outstanding	115,838,972
· Primary government change in installment debt	(8,301,110)

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, Health Department, 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 \$80,560,076 at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 132,714,612	\$ 124,518,047	\$ 45,849,009	\$ 52,843,192	\$ 178,563,621	\$ 177,361,239
Capital assets, net	73,973,784	71,441,565	39,556,228	33,680,400	113,530,012	105,121,965
Total assets	206,688,396	195,959,612	85,405,237	86,523,592	292,093,633	282,483,204
Deferred outflows of resources	19,112,103	9,606,570	-	-	19,112,103	9,606,570
Liabilities						
Long-term liabilities	131,362,209	121,708,545	44,906,293	47,064,611	176,268,502	168,773,156
Other liabilities	47,583,923	56,077,533	5,634,258	5,074,451	53,218,181	61,151,984
Total liabilities	178,946,132	177,786,078	50,540,551	52,139,062	229,486,683	229,925,140
Deferred inflows of resources	1,158,977	10,149,655	-	-	1,158,977	10,149,655
Net position						
Net investment in capital assets	17,169,468	14,653,475	14,982,918	14,918,927	32,152,386	29,572,402
Restricted	36,692,157	22,059,150	-	-	36,692,157	22,059,150
Unrestricted (deficit)	(8,166,235)	(19,082,176)	19,881,768	19,465,603	11,715,533	383,427
Total net position	\$ 45,695,390	\$ 17,630,449	\$ 34,864,686	\$34,384,530	\$ 80,560,076	\$ 52,014,979

One of the largest portions of the County's net position, \$32,152,386, 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, \$36,692,157 represents resources that are subject to external restrictions on how they may be used. This leaves an unrestricted net position of \$11,715,533.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net position for the government as a whole.

In governmental activities, current and other assets increased by \$8,196,565 due to amounts received from the Opioid Settlement and recording a receivable of \$4,255,469 for the net present value of Opioid Settlement revenues. Further, capital assets increased by \$2,532,219 mainly due to progress on the new Animal Care and Control Resource Center. Other liabilities decreased by \$8,493,610 due to recognition of unearned revenue from grants, completion of multi-year capital projects and a decrease in the Employee Benefits fund for incurred but not reported amounts for health insurance. Long-term liabilities increased by \$9,653,664 due to the County issuing additional debt in FY 2023, as well as due to the requirements of GASB Statement No. 68 and 75 recording net pension and OPEB liabilities. In addition, deferred outflows of resources increased by \$9,505,533 and deferred inflows of resources decreased by \$8,990,678 due to the above pension and OPEB requirements.

In business-type activities, current and other assets decreased by \$6,994,183 and capital assets increased by \$5,875,828. This is due to progress on improvements at the DOW Event Center. Further, total liabilities decreased by \$1,598,511, which is primarily due to paying down of tax notes for purchase of delinquent taxes.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 37,355,719	\$27,741,407	\$ 12,491,088	\$10,512,001	\$ 49,846,807	\$ 38,253,408
Operating grants and contributions	48,221,457	47,908,594	247,716	510,093	48,469,173	48,418,687
Capital grants and contributions	2,366	-	-	-	2,366	-
General revenues:						
Property taxes	60,177,556	55,028,310	2,480,960	2,367,550	62,658,516	57,395,860
Accommodations tax	3,755,353	3,626,755	-	-	3,755,353	3,626,755
Grants and contributions not restricted to specific programs	1,654,434	3,527,786	-	-	1,654,434	3,527,786
Investment income (loss)	2,007,598	(2,916,077)	935,523	(340,730)	2,943,121	(3,256,807)
Total revenues	153,174,483	134,916,775	16,155,287	13,048,914	169,329,770	147,965,689
Expenses						
Legislative	555,058	462,703	-	-	555,058	462,703
Judicial	18,061,887	14,849,412	-	-	18,061,887	14,849,412
General government	16,755,552	16,039,871	-	-	16,755,552	16,039,871
Public safety	37,547,778	35,238,310	-	-	37,547,778	35,238,310
Public works	928,640	702,234	-	-	928,640	702,234
Health and welfare	44,082,285	41,428,709	-	-	44,082,285	41,428,709
Community and economic development	3,950,809	3,577,064	-	-	3,950,809	3,577,064
Recreation and culture	3,079,785	2,615,160	-	-	3,079,785	2,615,160
Interest on long-term liabilities	2,921,487	3,140,734	-	-	2,921,487	3,140,734
Delinquent tax revolving	-	-	2,814,619	2,855,331	2,814,619	2,855,331
Delinquent tax foreclosure	-	-	1,312,566	1,264,738	1,312,566	1,264,738
Building Authority Event Center	-	-	6,703,572	5,033,692	6,703,572	5,033,692
Building Authority administration	-	-	123,937	11,920	123,937	11,920
Parking system	-	-	19,136	15,702	19,136	15,702
Harry W. Browne Airport	-	-	859,393	838,239	859,393	838,239
Inmate services	-	-	1,068,169	1,036,037	1,068,169	1,036,037
Total expenses	127,883,281	118,054,197	12,901,392	11,055,659	140,784,673	129,109,856
Change in net position before transfers	25,291,202	16,862,578	3,253,895	1,993,255	28,545,097	18,855,833
Transfers	2,773,739	2,271,048	(2,773,739)	(2,271,048)	-	-
Change in net position	28,064,941	19,133,626	480,156	(277,793)	28,545,097	18,855,833
Net position:						
Beginning of year (deficit)	17,630,449	(1,503,177)	34,384,530	34,662,323	52,014,979	33,159,146
End of year	\$ 45,695,390	\$ 17,630,449	\$ 34,864,686	\$ 34,384,530	\$ 80,560,076	\$ 52,014,979

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

Governmental activities. Governmental activities increased the County's net position by \$28,064,941 as compared to an increase of \$19,133,626 in the previous year. Key elements of this increase over the prior year are as follows:

- Revenues from FY 2022 to FY 2023 showed an increase of \$18,257,708 (13.5 percent). This increase was mainly the result of increase in charges for services and property taxes in the amount of \$9,614,312 and \$5,149,246, respectively, due to the sale of a County property, increased accommodations tax, and a voter approved increase in the Mosquito Abatement Commission millage. Investment income also increased 4,923,675 due to a lower adjustment in Fair Market Value of investments as compared to the prior year.
- Expenses increased during the year as compared to the prior year by \$9,829,084 (8.3 percent). This was mainly a result of an increase in activity in our Judicial and Health and Welfare programs.

Business-type activities. Business-type activities increased the County's net position by \$480,156 as compared to a decrease of \$277,793 in the previous year. Key elements of this decrease from the prior year are as follows:

- Revenues increased 23.8 percent, or \$3,106,373 mainly in the area of Charges for Services due to an increase in activity and events held at the DOW Event Center.
- Expenses increased 16.7 percent, or \$1,845,733, mainly as a result of activity at the DOW Event Center and on the DOW Event Center project.
- Transfers netted to an increase of \$502,691 or 22.1 percent. This is mainly the result of an increase in the transfer from Inmate Services to Public Improvement of same amount.

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.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$67,093,049, an increase of \$5,637,759 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 committed 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	157,234	-	157,234
Restricted	-	29,960,567	29,960,567
Committed	-	-	-
Assigned	30,728,971	-	30,728,971
Unassigned	5,789,887	-	5,789,887
Total	\$ 37,132,482	\$ 29,960,567	\$ 67,093,049

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

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	\$ 429,908
Restricted	231,767
Assigned	15,280,187
Unassigned	<u>5,789,887</u>
 Total	 <u>\$ 21,731,749</u>

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 45 percent of total General Fund expenditures, while total fund balance represents 46 percent of that same amount. Ending fund balance and net change in fund balance for each major fund is as follows:

	General	Health Department	Michigan Works!	American Rescue Plan Act
Ending fund balance	\$ 21,731,749	\$ 9,537,040	\$ 209,810	\$ 52,682
Net change in fund balance	-	2,031,264	(29,314)	-

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

- Property tax revenue increased \$1,608,487 (5.9 percent) due to an increase in taxable value of properties .
- Federal grant revenue decreased \$337,179 (14.9%) due to the decrease in use of American Rescue Plan Act grant revenue. State grants increased \$804,823 (9.3%) due to an increase in State Shared revenues.
- Charges for services decreased by \$663,472 (11.7%) due to a decrease in recording fees and transfer tax fees in our Register of Deeds office.
- Investment income increased \$2,071,183 (159.7%) due to the continual fluctuations in investments and recording investments at fair market value per GASB 72.
- Reimbursements increased \$686,433 (18%) mainly due to the increase in reimbursement of indirect costs allocated to other county departments in accordance with our Cost Allocation Plan.
- Expenditures increased \$4,020,715 (9.3%) with the largest increase in general government (\$2,187,211) mainly due to increased wages and fringes as a result of the implementation of a multi-year Job Classification and Total Compensation Study, and increases in health insurance rates. The increase in health and welfare (\$510,277) is due to reinstating the Medical Examiner's office at the County level in FY 2022 and FY 2023 being a full year of expenses for that office.
- Transfers in remained steady from FY 2022 to FY 2023.
- Transfers out increased \$608,784 (6.5%) mainly due to an increase in the transfer of funds to our Health Department in response to the increase in indirect cost allocation.

The Health Department special revenue fund had an increase in fund balance of \$2,031,264, for an ending fund balance of \$9,537,040. This increase was the result of collecting property tax revenue to support future expanded services of the Health Department.

The Michigan Works! special revenue fund had a decrease in fund balance of \$29,314, for an ending fund balance of \$209,810. 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.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

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

	Delinquent Tax Revolving	Building Authority Event Center	Nonmajor Enterprise Funds	Internal Service Funds
Unrestricted ending net position	\$ 11,054,929	\$ 7,926,216	\$ 810,960	\$ 7,221,676
Increase (decrease) in net position	(471,184)	1,383,466	(451,086)	3,261,402

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.

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 0.7 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 5.5 percent increase (\$2,561,595 increase in appropriations); whereas the difference between the original budget and final amended budget for revenues resulted in a 5.1 percent increase (\$2,585,966 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.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

The budgetary differences are summarized as follows:

- The Board of Commissioners approved an up to \$2 million one-time contribution to the healthcare fund to be allocated to all applicable departments. This resulted in an increase in budget across all general fund departments with staff of \$998,122 and offset to Federal ARPA Revenue Replacement revenue.
- The Administrator (formerly Controller/CAO) approved the carry forward of \$113,067 for the architectural and engineering services related to repurposing the former Sheriff Administration building, with an increase to the 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 the use of \$297,000 in ARPA Revenue Replacement for a cost of living increase to non-union staff at HealthSource Saginaw offset with an increase in federal grants.
- The Board of Commissioners approved an increase of \$111,449 in transfers out to the MSU Extension special project fund for the local base assessment funding, offset by an increase to ARPA Revenue Replacement funding.
- 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 \$643,921 and an increase in the use of fund balance of \$126,750.
- The Board of Commissioners approved the funding to continue one (1) temporary position to allow for cross over training in Probate Court (\$30,000) offset with a use of fund balance.

Overall during the year, actual General Fund revenues and expenditures were less than the amended budgetary estimates, resulting in an actual change in fund balance of \$0 and the final amended budget amount was expected to be a decrease of \$152,867 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 \$966,330 occurred due to a larger than anticipated increase in overall taxable value.
- The unfavorable variance in Federal grant revenue of \$3,909,560 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 \$555,132 in State Grants relates to higher than anticipated State Shared Revenues.
- The favorable variance of \$574,169 in investment income occurred due to the recording of investments at fair market value to comply with GASB 72.
- The favorable variance for total judicial expenditures of \$531,180 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 \$139,516 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 Administrator's Office (formerly Controller's Office) of \$237,193 is due to spending of ARPA Revenue Replacement dollars which are spread out over several years.
- The favorable variance of \$150,142 in the Maintenance department is mainly due to staff vacancies and turnover during the year.
- The favorable variance of \$645,112 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, 2023 and September 30, 2022, along with the amount and percentage of increases and decreases in relation to the 2022 amounts:

	2023	2022	Variance from 2022	Percent Increase/ (Decrease)
Revenues	\$ 50,983,708	\$ 46,680,715	\$ 4,302,993	9.22%
Expenditures	(47,087,074)	(43,066,359)	(4,020,715)	9.34%
Revenues over expenditures	<u>3,896,634</u>	<u>3,614,356</u>	<u>282,278</u>	
Other financing sources (uses)				
Proceeds from issuance of bonds, notes and other long-term liabilities	355,865	-	355,865	100.00%
Transfers in	5,659,986	5,689,342	(29,356)	-0.52%
Transfers out	(9,912,485)	(9,303,701)	(608,784)	6.54%
Net change in fund balance	-	(3)	3	
Fund balance, beginning of year	<u>21,731,749</u>	<u>21,731,752</u>	<u>(3)</u>	
Fund balance, end of year	<u>\$ 21,731,749</u>	<u>\$ 21,731,749</u>	<u>\$ -</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	<u>\$ 423,736</u>	<u>\$ 218,012</u>	<u>\$ 21,090,001</u>	<u>\$ 21,731,749</u>
Fiscal year transactions:				
Excess revenue over expenditures	6,172	13,755	3,876,707	3,896,634
Total other financing sources (uses)	-	-	(3,896,634)	(3,896,634)
Fiscal year net increase (decrease)	<u>6,172</u>	<u>13,755</u>	<u>(19,927)</u>	<u>-</u>
Fund balance, end of year	<u>\$ 429,908</u>	<u>\$ 231,767</u>	<u>\$ 21,070,074</u>	<u>\$ 21,731,749</u>

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.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

The current balance for Employee Payroll Reserve is \$14,598,408 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 \$5,789,887 or 9.89 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 \$681,779 represents the budgeted use of fund balance for FY 2024.

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 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, 2023 amounted to \$113,530,012 (net of accumulated depreciation/amortization). This investment in capital assets includes land, air rights, construction in progress, land improvements, buildings, leasehold improvements, machinery and equipment, office furniture and fixtures, vehicles, and subscription assets. The total increase in the County's investment in capital assets for the current fiscal year was 8.0 percent (a 3.5 percent increase for governmental activities and a 17.4 percent increase for business-type activities).

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

- Information Technology started the WiFi Installation project with costs totaling \$227,957.
- Construction costs of \$3,715,029 were completed at the Animal Control Center which had its grand opening on September 29, 2023. A new data center for the Animal Control Center was also completed with a total cost of \$476,716.
- Multiple departments purchased vehicles during fiscal year 2023 at a total cost of \$644,332. The Medical Examiner's Office purchased a truck for \$43,715. The Sheriff's department purchased seven (11) vehicles at a total cost of \$403,616. Parks and Recreation purchased a van and a pick-up truck at a total cost of \$65,207. Animal Control purchased a pick-up truck totaling \$38,671. Mosquito Control purchased three (3) pick-up trucks at a total cost of \$93,123.
- Construction continued at Haithco Park totaling \$142,823, at Imerman Memorial Park totaling \$306,801 and at the DOW Event Center totaling \$1,798,048. The DOW Event Center is hosting the Memorial Cup in FY24 and had construction costs of \$4,981,911 for improvements made for hosting the Memorial Cup in FY24.

	Capital Assets (net of depreciation/amortization)					
	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 3,885,729	\$ 3,965,708	\$ 2,258,248	\$ 2,258,248	\$ 6,143,977	\$ 6,223,956
Air rights	-	-	238,854	238,854	238,854	238,854
Construction in progress	1,366,994	8,123,547	20,071,935	13,182,813	21,438,929	21,306,360
Land improvements	4,724,086	4,538,328	1,767,628	2,028,663	6,491,714	6,566,991
Buildings and improvements	55,896,728	46,050,237	11,371,651	11,877,674	67,268,379	57,927,911
Leased buildings	3,279,532	4,128,230	-	-	3,279,532	4,128,230
Machinery and equipment	2,576,471	2,717,800	618,960	556,445	3,195,431	3,274,245
Office furniture & fixtures	132,277	231,140	21,583	22,283	153,860	253,423
Planning and development	-	-	3,172,527	3,472,636	3,172,527	3,472,636
Vehicles	1,665,029	1,686,575	34,842	42,784	1,699,871	1,729,359
Subscription assets (Note 10)	446,938	-	-	-	446,938	-
Total	\$ 73,973,784	\$ 71,441,565	\$ 39,556,228	\$ 33,680,400	\$ 113,530,012	\$ 105,121,965

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

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

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 \$160,431,895. Of this amount, 127,165,915 comprises debt backed by the full faith and credit of the government and \$33,265,980 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	
	2023	2022	2023	2022
General obligation bonds	\$ 72,905,404	\$ 78,925,082	\$ 19,415,000	\$ 14,545,000
Delinquent tax notes	-	-	23,518,568	30,670,000
Total	\$ 72,905,404	\$ 78,925,082	\$ 42,933,568	\$ 45,215,000

	Outstanding Debt			
	Component Units		Totals	
	2023	2022	2023	2022
General obligation bonds	\$ 44,418,177	\$ 42,297,378	\$ 136,738,581	\$ 135,767,460
Delinquent tax notes	-	-	23,518,568	30,670,000
Finance purchase agreement	174,746	258,382	174,746	258,382
Total	\$ 44,592,923	\$ 42,555,760	\$ 160,431,895	\$ 166,695,842

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 2023	\$ 13,550,000	5/24/2023	5.510%
Village of Oakley Sewage Disposal System Improvements, Series 2022	159,000	10/18/2022	1.750%
St. Charles Water Supply System Improvements, Series 2023	3,600,000	5/11/2023	3.00%-4.00%
Limited Tax General Obligation Bonds, Series 2023 (DOW Event Center)	5,500,000	8/24/2023	4.00%-5.00%
Parker Swamp Drain Bonds, Series 2023	1,330,000	5/11/2023	4.00%-5.00%

The County's total debt decreased by \$6,263,947 (3.8 percent) during the fiscal year, which was due to 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 \$785,295,630, 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 2024 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 6.27 percent for fiscal 2024.

COUNTY OF SAGINAW, MICHIGAN

Management's Discussion and Analysis

- Wages and Fringe Benefits – The County’s authorized staff count saw an increase from 2023 to 2024 with the addition of 6.50 F.T.E.’s for a total of 593.82 F.T.E.’s budgeted. The wage rates for these positions were budgeted with a base wage increase for fiscal 2024 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 30.5% of budgeted wages for 2024 which is a decrease of 3.50% from the 2023 budget (which was budgeted using 34% 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 2024 with the Board of Commissioners approving to use American Rescue Plan Act Revenue Replacement funds in an amount of \$2,263,842 and budgeting the use of fund balance in an amount of \$377,568 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 2024 and into the FY 2025 budget cycle, the Board of Commissioners and the County Administrator 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 2024 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 2024 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.

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.



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BASIC FINANCIAL STATEMENTS

COUNTY OF SAGINAW, MICHIGAN

Statement of Net Position

September 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investment pool	\$ 74,422,453	\$ 29,103,206	\$ 103,525,659	\$ 20,829,179
Restricted cash and investment pool	31,518,638	-	31,518,638	-
Receivables, net	25,157,528	16,700,686	41,858,214	51,177,216
Internal balances	79,689	(79,689)	-	-
Inventory	-	108,820	108,820	1,699,554
Prepays	1,136,304	15,986	1,152,290	322,737
Advances to component unit	400,000	-	400,000	-
Advance to land bank	-	-	-	467,691
Capital assets:				
Not being depreciated/amortized	5,252,723	22,569,037	27,821,760	59,472,632
Being depreciated/amortized, net	68,721,061	16,987,191	85,708,252	209,582,199
Total assets	206,688,396	85,405,237	292,093,633	343,551,208
Deferred outflows of resources				
Deferred pension amounts	14,714,043	-	14,714,043	3,556,165
Deferred OPEB amounts	4,398,060	-	4,398,060	129,890
Total deferred outflows of resources	19,112,103	-	19,112,103	3,686,055
Liabilities				
Accounts payable and accrued liabilities	15,836,922	4,631,761	20,468,683	1,995,647
Unearned revenue	31,747,001	169,697	31,916,698	-
Advances from primary government	-	-	-	400,000
Advance from brownfield redevelopment	-	-	-	467,691
Bonds, notes and other long-term liabilities:				
Due within one year	9,220,891	2,831,488	12,052,379	3,562,545
Due in more than one year	72,899,173	42,074,805	114,973,978	41,851,160
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	-	728,700	728,700	-
Net pension liability, due in more than one year	47,166,868	-	47,166,868	16,414,940
Net OPEB liability, due in more than one year	2,075,277	-	2,075,277	9,396,815
Total liabilities	178,946,132	50,540,551	229,486,683	74,088,798
Deferred inflows of resources				
Deferred OPEB amounts	255,523	-	255,523	2,087,310
Deferred lease amounts	903,454	-	903,454	-
Total deferred inflows of resources	1,158,977	-	1,158,977	2,087,310
Net position				
Net investment in capital assets	17,169,468	14,982,918	32,152,386	235,294,946
Restricted for:				
Public improvement	7,176,550	-	7,176,550	-
Drain projects	-	-	-	9,244,230
Debt service	2,595,065	-	2,595,065	34,959,996
Capital projects	-	-	-	2,117,180
Public safety	5,101,908	-	5,101,908	-
Health and welfare	11,095,484	-	11,095,484	-
Recreation	1,675,241	-	1,675,241	-
Community and economic development	1,817,415	-	1,817,415	-
Opioid remediation	5,520,725	-	5,520,725	-
Other	1,709,769	-	1,709,769	-
Unrestricted (deficit)	(8,166,235)	19,881,768	11,715,533	(10,555,197)
Total net position	\$ 45,695,390	\$ 34,864,686	\$ 80,560,076	\$ 271,061,155

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Activities

For the Year Ended September 30, 2023

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	\$ 553,204	\$ 1,854	\$ -	\$ -	\$ -	\$ (555,058)
Judicial	17,763,865	298,022	2,484,130	5,678,175	-	(9,899,582)
General government	20,282,911	(3,527,359)	13,626,552	9,557,840	-	6,428,840
Public safety	36,379,428	1,168,350	13,297,771	8,073,063	2,366	(16,174,578)
Public works	912,450	16,190	706,906	56,153	-	(165,581)
Health and welfare	42,286,651	1,795,634	7,050,199	24,589,206	-	(12,442,880)
Community and economic development	3,908,282	42,527	1,319	-	-	(3,949,490)
Recreation and culture	2,897,478	182,307	188,842	267,020	-	(2,623,923)
Interest on long-term liabilities	2,921,487	-	-	-	-	(2,921,487)
Total governmental activities	127,905,756	(22,475)	37,355,719	48,221,457	2,366	(42,303,739)
Business-type activities:						
Delinquent tax revolving	2,814,619	-	3,892,598	-	-	1,077,979
Delinquent tax foreclosure	1,312,566	-	989,518	-	-	(323,048)
Building Authority Event Center	6,703,229	343	5,378,359	138,552	-	(1,186,661)
Building Authority administration	123,937	-	17,922	-	-	(106,015)
Parking system	19,255	(119)	50,095	-	-	30,959
Harry W. Browne Airport	859,088	305	607,549	109,164	-	(142,680)
Inmate services	1,046,223	21,946	1,555,047	-	-	486,878
Total business-type activities	12,878,917	22,475	12,491,088	247,716	-	(162,588)
Total primary government	\$ 140,784,673	\$ -	\$ 49,846,807	\$ 48,469,173	\$ 2,366	\$ (42,466,327)
Component units						
Road Commission	\$ 24,312,167	\$ -	\$ 152,379	\$ 35,984,113	\$ -	\$ 11,824,325
Brownfield Redevelopment Authority	3,100	-	-	-	-	(3,100)
Department of Public Works	2,906,834	-	168,893	-	4,762,532	2,024,591
Drain Commission	4,862,276	-	-	518,636	4,877,546	533,906
Economic Development Corporation	18,908	-	22,389	-	-	3,481
Land Bank Authority	1,591,439	-	-	728,565	397,018	(465,856)
Total component units	\$ 33,694,724	\$ -	\$ 343,661	\$ 37,231,314	\$ 10,037,096	\$ 13,917,347

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, 2023

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Change in net position				
Net (expense) revenue	\$ (42,303,739)	\$ (162,588)	\$ (42,466,327)	\$ 13,917,347
General revenues:				
Property taxes	60,177,556	2,480,960	62,658,516	2,035
Accommodations tax	3,755,353	-	3,755,353	-
Grants and contributions not restricted to specific programs	1,654,434	-	1,654,434	-
Investment income (loss)	2,007,598	935,523	2,943,121	207,593
Transfers - internal activities	2,773,739	(2,773,739)	-	-
Total general revenues and transfers	70,368,680	642,744	71,011,424	209,628
Change in net position	28,064,941	480,156	28,545,097	14,126,975
Net position, beginning of year	17,630,449	34,384,530	52,014,979	256,934,180
Net position, end of year	<u>\$ 45,695,390</u>	<u>\$ 34,864,686</u>	<u>\$ 80,560,076</u>	<u>\$ 271,061,155</u>

concluded

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

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COUNTY OF SAGINAW, MICHIGAN

Balance Sheet

Governmental Funds
September 30, 2023

	Special Revenue Funds					Total Governmental Funds
	General	Health Department	Michigan Works!	American Rescue Plan Act	Nonmajor Governmental Funds	
Assets						
Cash and investment pool	\$ 16,372,610	\$ 12,342,652	\$ 1,404,496	\$ -	\$ 34,941,578	\$ 65,061,336
Restricted cash and investment pool	-	-	-	31,518,638	-	31,518,638
Receivables:						
Taxes	6,162,907	8,005	-	-	264,333	6,435,245
Accounts	801,445	468,532	71,766	-	7,101,231	8,442,974
Loans	-	-	-	-	1,935,910	1,935,910
Installment sales agreement	-	-	-	-	2,469,804	2,469,804
Leases	634,815	-	-	-	309,721	944,536
Due from other governmental units	619,285	104,917	680,839	-	3,042,762	4,447,803
Due from other funds	1,383,440	-	-	-	1,035,033	2,418,473
Advances to other funds	20,000	-	-	-	-	20,000
Advances to component units	400,000	-	-	-	-	400,000
Prepays	9,908	3,080	77,332	-	66,914	157,234
Total assets	<u>\$ 26,404,410</u>	<u>\$ 12,927,186</u>	<u>\$ 2,234,433</u>	<u>\$ 31,518,638</u>	<u>\$ 51,167,286</u>	<u>\$ 124,251,953</u>
Liabilities						
Accounts payable	\$ 614,564	\$ 484,540	\$ 1,283,725	\$ 340,181	\$ 3,781,153	\$ 6,504,163
Accrued liabilities	713,833	188,838	26,407	2,032	574,211	1,505,321
Checks issued in excess of pooled cash	-	-	-	-	708,641	708,641
Due to other funds	256,729	-	-	1,383,440	275,613	1,915,782
Due to other governmental units	5,681	1,735,298	654,246	-	301,124	2,696,349
Deposits payable	-	26,181	-	-	4,630	30,811
Unearned revenue	-	947,283	60,245	29,740,303	999,170	31,747,001
Total liabilities	<u>1,590,807</u>	<u>3,382,140</u>	<u>2,024,623</u>	<u>31,465,956</u>	<u>6,644,542</u>	<u>45,108,068</u>
Deferred inflows of resources						
Unavailable revenue:						
Property taxes	2,473,997	8,006	-	-	193,228	2,675,231
Long-term receivables	-	-	-	-	8,472,151	8,472,151
Deferred lease amounts	607,857	-	-	-	295,597	903,454
Total deferred inflows of resources	<u>3,081,854</u>	<u>8,006</u>	<u>-</u>	<u>-</u>	<u>8,960,976</u>	<u>12,050,836</u>
Fund balances						
Nonspendable	429,908	3,080	77,332	-	103,304	613,624
Restricted	231,767	-	-	-	29,728,800	29,960,567
Committed	-	-	-	-	-	-
Assigned	15,280,187	9,533,960	132,478	52,682	5,729,664	30,728,971
Unassigned	5,789,887	-	-	-	-	5,789,887
Total fund balances	<u>21,731,749</u>	<u>9,537,040</u>	<u>209,810</u>	<u>52,682</u>	<u>35,561,768</u>	<u>67,093,049</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 26,404,410</u>	<u>\$ 12,927,186</u>	<u>\$ 2,234,433</u>	<u>\$ 31,518,638</u>	<u>\$ 51,167,286</u>	<u>\$ 124,251,953</u>

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, 2023

Fund balances - total governmental funds \$ 67,093,049

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/amortized	5,252,723
Capital assets, being depreciated/amortized	68,721,061
Less: Internal service fund capital assets, net	(1,600,078)

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the governmental funds.

Deferred inflows for long-term receivables and unavailable property tax revenue	11,147,382
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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	(47,166,868)
Deferred outflows related to the net pension liability	14,714,043
Net OPEB liability	(2,075,277)
Deferred outflows related to the net OPEB liability	4,398,060
Deferred inflows related to the net OPEB liability	(255,523)

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	8,821,754
Portion of the governmental activity's internal service fund net position allocated to business-type activities	(89,663)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds, notes and other long-term liabilities	(76,544,585)
Premium on bond issuance	(3,700,629)
Accrued interest on bonds payable	(1,227,365)
Accrued compensated absences	(1,792,694)

Net position of governmental activities \$ 45,695,390

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, 2023

	Special Revenue Funds					Total Governmental Funds
	General	Health Department	Michigan Works!	American Rescue Plan Act	Nonmajor Governmental Funds	
Revenues						
Property taxes	\$ 28,668,124	\$ 2,665,845	\$ -	\$ -	\$ 28,786,276	\$ 60,120,245
Accommodations tax	-	-	-	-	3,755,353	3,755,353
Licenses and permits	122,376	510,662	-	-	103,760	736,798
Federal grants	1,926,835	4,064,094	9,522,649	851,446	5,386,028	21,751,052
State grants	9,456,398	2,030,338	1,705,565	-	12,794,501	25,986,802
Local grants and contributions	6,500	574,315	-	-	1,137,733	1,718,548
Charges for services	5,028,853	701,042	9,187	-	12,075,879	17,814,961
Fines and forfeitures	469,145	-	-	-	69,572	538,717
Investment income (loss)	774,219	202,428	-	-	809,830	1,786,477
Rental revenue	-	-	-	-	191,861	191,861
Donations	-	540	61	-	421,254	421,855
Reimbursements	4,504,309	2,322,114	2,314,080	-	6,321,646	15,462,149
Other revenue	26,949	463,084	-	-	1,589,130	2,079,163
Total revenues	50,983,708	13,534,462	13,551,542	851,446	73,442,823	152,363,981
Expenditures						
Current:						
Legislative	631,030	-	-	-	-	631,030
Judicial	15,192,454	-	-	-	5,918,658	21,111,112
General government	17,875,343	-	-	-	1,693,667	19,569,010
Public safety	10,374,403	-	-	851,446	27,160,932	38,386,781
Public works	340,440	-	-	-	572,485	912,925
Health and welfare	1,931,816	13,567,087	12,647,607	-	17,929,214	46,075,724
Community and economic development	322,920	-	-	-	3,804,591	4,127,511
Recreation and culture	-	-	-	-	2,985,736	2,985,736
Capital outlay	355,864	-	15,004	-	6,732,361	7,103,229
Debt service:						
Principal	56,466	-	879,228	-	6,090,528	7,026,222
Interest and fiscal charges	6,338	-	54,021	-	3,307,373	3,367,732
Total expenditures	47,087,074	13,567,087	13,595,860	851,446	76,195,545	151,297,012
Revenues over (under) expenditures	3,896,634	(32,625)	(44,318)	-	(2,752,722)	1,066,969
Other financing sources (uses)						
Proceeds from issuance of bonds, notes and other long-term liabilities	355,865	-	15,004	-	205,953	576,822
Transfers in	5,659,986	2,229,131	-	-	10,946,190	18,835,307
Transfers out	(9,912,485)	(165,242)	-	-	(4,763,612)	(14,841,339)
Total other financing sources (uses)	(3,896,634)	2,063,889	15,004	-	6,388,531	4,570,790
Net change in fund balances	-	2,031,264	(29,314)	-	3,635,809	5,637,759
Fund balances, beginning of year,	21,731,749	7,505,776	239,124	52,682	31,925,959	61,455,290
Fund balances, end of year	\$ 21,731,749	\$ 9,537,040	\$ 209,810	\$ 52,682	\$ 35,561,768	\$ 67,093,049

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, 2023

Net change in fund balances - total governmental funds \$ 5,637,759

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/amortization expense.

Capital assets purchased	6,278,221
Loss on disposal of capital assets	(480,205)
Depreciation/amortization expense	(3,495,435)

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	57,311
Change in deferred inflows related to long-term installment sales agreement receivable	(314,350)
Change in deferred inflows related to long-term loans receivable	(40,740)
Change in deferred inflows related to long-term opioid receivable	4,255,469

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 bonds, notes and other long-term liabilities	(576,822)
Principal payments on bonds, notes and other long-term liabilities	7,026,222
Change in accrued interest payable and amortization of bond premium	395,504

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	1,018,223
Change in net other postemployment benefit liability and related deferred amounts	5,019,393
Change in accrued compensated absences	41,949

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	3,261,402
Operating income from governmental activities in internal service funds charged to business-type activities	(18,960)

Change in net position of governmental activities \$ 28,064,941

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 27,701,794	\$ 27,701,794	\$ 28,668,124	\$ 966,330
Licenses and permits	154,500	154,500	122,376	(32,124)
Federal grants	3,921,150	5,836,395	1,926,835	(3,909,560)
State grants	8,878,866	8,901,266	9,456,398	555,132
Local grants and contributions	6,500	6,500	6,500	-
Charges for services	5,100,851	5,105,251	5,028,853	(76,398)
Fines and forfeitures	461,800	461,800	469,145	7,345
Investment income (loss)	200,050	200,050	774,219	574,169
Reimbursements	3,998,064	4,641,985	4,504,309	(137,676)
Other revenue	57,221	57,221	26,949	(30,272)
Total revenues	50,480,796	53,066,762	50,983,708	(2,083,054)
Expenditures				
Current:				
Legislative - Board of Commissioners	656,673	667,607	631,030	(36,577)
Judicial:				
Circuit Court	3,755,360	3,910,165	3,693,372	(216,793)
District Court	5,205,823	5,365,970	5,317,338	(48,632)
Probate Court	1,285,841	1,437,510	1,377,735	(59,775)
Law Library	57,500	57,500	5,808	(51,692)
Family Division	2,917,594	2,956,943	2,833,261	(123,682)
Probation - Circuit Court	62,550	81,946	81,582	(364)
Probation - District Court	1,006,677	988,437	958,195	(30,242)
Assigned Counsel	924,855	924,855	924,855	-
Jury Commission	300	308	308	-
Total judicial	15,216,500	15,723,634	15,192,454	(531,180)
General government:				
Elections	183,728	187,363	114,778	(72,585)
Auditing	119,800	126,580	125,759	(821)
Corporate Counsel	197,180	198,040	185,788	(12,252)
County Clerk	2,189,119	2,296,583	2,157,067	(139,516)
Controller	2,042,028	3,361,919	3,124,726	(237,193)
Equalization	776,457	822,648	814,027	(8,621)
Prosecuting Attorney	4,939,577	4,989,598	4,911,671	(77,927)
Prosecuting Attorney - Welfare	912,591	844,341	813,502	(30,839)
Register of Deeds	807,785	813,471	741,437	(72,034)
County Treasurer	1,030,660	1,075,638	1,058,507	(17,131)
Maintenance	3,312,474	3,320,737	3,170,595	(150,142)
Maintenance - Telephone	55,500	55,500	53,549	(1,951)
Public Works Commissioner	617,240	628,756	603,937	(24,819)
Total general government	17,184,139	18,721,174	17,875,343	(845,831)

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COUNTY OF SAGINAW, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued):				
Current (continued):				
Public safety:				
Sheriff	\$ 748,423	\$ 921,662	\$ 908,421	\$ (13,241)
Marine Law Enforcement	3,555	6,500	6,499	(1)
Sheriff - Jail Division	9,282,041	9,415,347	9,391,971	(23,376)
Corrections Reimbursement	77,060	68,715	67,512	(1,203)
Total public safety	10,111,079	10,412,224	10,374,403	(37,821)
Public works - Drains	350,000	340,441	340,440	(1)
Health and welfare:				
Medical Examiner	1,684,905	1,749,041	1,103,929	(645,112)
Veterans Burial	24,000	24,000	14,028	(9,972)
Contributions to other agencies	814,061	814,061	813,859	(202)
Total health and welfare	2,522,966	2,587,102	1,931,816	(655,286)
Community and economic development:				
Plat Board	300	300	-	(300)
Contributions to other agencies	172,150	322,920	322,920	-
Total community and economic development	172,450	323,220	322,920	(300)
Capital outlay	-	-	355,864	355,864
Debt service:				
Principal	-	-	56,466	56,466
Interest and fiscal charges	-	-	6,338	6,338
Total debt service	-	-	62,804	62,804
Total expenditures	46,213,807	48,775,402	47,087,074	(1,688,328)
Revenues over expenditures	4,266,989	4,291,360	3,896,634	(394,726)
Other financing sources (uses)				
Proceeds from issuance of bonds, notes and other long-term liabilities	-	-	355,865	355,865
Transfers in	5,659,986	5,659,986	5,659,986	-
Transfers out	(9,926,975)	(10,104,213)	(9,912,485)	(191,728)
Total other financing sources (uses)	(4,266,989)	(4,444,227)	(3,896,634)	(547,593)
Net change in fund balance	-	(152,867)	-	152,867
Fund balance, beginning of year	21,731,749	21,731,749	21,731,749	-
Fund balance, end of year	\$ 21,731,749	\$ 21,578,882	\$ 21,731,749	\$ 152,867

concluded

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Health Department Special Revenue Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 2,639,914	\$ 2,639,986	\$ 2,665,845	\$ 25,859
Licenses and permits	480,300	480,300	510,662	30,362
Federal grants	3,238,441	3,942,788	4,064,094	121,306
State grants	3,112,260	3,112,260	2,030,338	(1,081,922)
Local grants and contributions	135,420	679,599	574,315	(105,284)
Charges for services	925,650	925,650	701,042	(224,608)
Investment income (loss)	-	-	202,428	202,428
Donations	3,100	3,100	540	(2,560)
Reimbursements	2,689,212	2,689,212	2,322,114	(367,098)
Other revenue	500,319	500,319	463,084	(37,235)
Total revenues	13,724,616	14,973,214	13,534,462	(1,438,752)
Expenditures				
Current:				
Health and welfare	16,851,829	17,913,486	13,567,087	(4,346,399)
Revenues over (under) expenditures	(3,127,213)	(2,940,272)	(32,625)	2,907,647
Other financing sources (uses)				
Transfers in	2,229,131	2,229,131	2,229,131	-
Transfers out	(165,242)	(165,242)	(165,242)	-
Total other financing sources (uses)	2,063,889	2,063,889	2,063,889	-
Net change in fund balance	(1,063,324)	(876,383)	2,031,264	2,907,647
Fund balance, beginning of year	7,505,776	7,505,776	7,505,776	-
Fund balance, end of year	\$ 6,442,452	\$ 6,629,393	\$ 9,537,040	\$ 2,907,647

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, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal grants	\$ 13,376,109	\$ 15,169,819	\$ 9,522,649	\$ (5,647,170)
State grants	1,626,624	3,676,044	1,705,565	(1,970,479)
Charges for services	164,537	164,537	9,187	(155,350)
Donations	-	120,001	61	(119,940)
Reimbursements	2,408,277	2,551,769	2,314,080	(237,689)
Total revenues	<u>17,575,547</u>	<u>21,682,170</u>	<u>13,551,542</u>	<u>(8,130,628)</u>
Expenditures				
Current:				
Health and welfare	<u>17,575,547</u>	<u>20,753,814</u>	<u>12,647,607</u>	<u>(8,106,207)</u>
Capital outlay	-	-	15,004	15,004
Debt service:				
Principal	-	874,331	879,228	4,897
Interest and fiscal charges	-	54,025	54,021	(4)
Total debt service	-	928,356	933,249	4,893
Total expenditures	<u>17,575,547</u>	<u>21,682,170</u>	<u>13,595,860</u>	<u>(8,086,310)</u>
Revenues over (under) expenditures	-	-	(44,318)	(44,318)
Other financing sources				
Proceeds from issuance of bonds, notes and other long-term liabilities	-	-	15,004	15,004
Net change in fund balance	-	-	(29,314)	(29,314)
Fund balance, beginning of year	239,124	239,124	239,124	-
Fund balance, end of year	<u>\$ 239,124</u>	<u>\$ 239,124</u>	<u>\$ 209,810</u>	<u>\$ (29,314)</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, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal grants	\$ 156,352	\$ 1,406,352	\$ 851,446	\$ (554,906)
Expenditures				
Public safety	156,352	1,406,352	851,446	(554,906)
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, 2023

	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	\$ 18,209,916	\$ 9,759,399	\$ 1,133,891	\$ 29,103,206	\$ 10,069,758
Receivables, net:					
Taxes	12,135,288	18,065	-	12,153,353	-
Accounts	1,591,652	220,939	371,112	2,183,703	481,256
Interest and fees	2,357,402	-	-	2,357,402	-
Due from other governmental units	6,228	-	-	6,228	-
Due from other funds	-	-	-	-	354
Inventory	-	59,502	49,318	108,820	-
Prepays	-	14,903	1,083	15,986	979,070
Total current assets	<u>34,300,486</u>	<u>10,072,808</u>	<u>1,555,404</u>	<u>45,928,698</u>	<u>11,530,438</u>
Noncurrent assets:					
Advances to other funds	353,339	-	-	353,339	-
Capital assets not being depreciated	-	21,186,385	1,382,652	22,569,037	19,981
Capital assets being depreciated, net	-	13,175,058	3,812,133	16,987,191	1,580,097
Total noncurrent assets	<u>353,339</u>	<u>34,361,443</u>	<u>5,194,785</u>	<u>39,909,567</u>	<u>1,600,078</u>
Total assets	<u>34,653,825</u>	<u>44,434,251</u>	<u>6,750,189</u>	<u>85,838,265</u>	<u>13,130,516</u>
Liabilities					
Current liabilities:					
Accounts payable	72,813	3,101,528	175,230	3,349,571	309,458
Accrued liabilities	7,515	344,886	9,196	361,597	3,563,455
Deposits payable	-	888,046	32,547	920,593	-
Due to other funds	-	-	502,691	502,691	354
Accrued compensated absences	-	-	4,780	4,780	-
Unearned revenue	-	169,697	-	169,697	-
Current portion due to Saginaw Hockey Club, LLC	-	104,100	-	104,100	-
Current portion of notes payable	1,833,568	-	-	1,833,568	-
Current portion of bonds payable	-	993,140	-	993,140	-
Total current liabilities	<u>1,913,896</u>	<u>5,601,397</u>	<u>724,444</u>	<u>8,239,737</u>	<u>3,873,267</u>
Noncurrent liabilities:					
Advances from other funds	-	-	20,000	20,000	353,339
Due to Saginaw Hockey Club, LLC	-	728,700	-	728,700	-
Accrued compensated absences	-	-	-	-	82,156
Notes payable, net of current portion	21,685,000	-	-	21,685,000	-
Bonds payable, net of current portion	-	20,389,805	-	20,389,805	-
Total noncurrent liabilities	<u>21,685,000</u>	<u>21,118,505</u>	<u>20,000</u>	<u>42,823,505</u>	<u>435,495</u>
Total liabilities	<u>23,598,896</u>	<u>26,719,902</u>	<u>744,444</u>	<u>51,063,242</u>	<u>4,308,762</u>
Net position					
Net investment in capital assets	-	9,788,133	5,194,785	14,982,918	1,600,078
Unrestricted	11,054,929	7,926,216	810,960	19,792,105	7,221,676
Total net position	<u>\$ 11,054,929</u>	<u>\$ 17,714,349</u>	<u>\$ 6,005,745</u>	<u>34,775,023</u>	<u>\$ 8,821,754</u>
Adjustment to reflect the consolidation of internal service fund activities related to business-type activities				89,663	
Net position of business-type activities				<u>\$ 34,864,686</u>	

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended September 30, 2023

	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	\$ 242,675	\$ 3,920,845	\$ 3,056,114	\$ 7,219,634	\$ 233,468
Interest on delinquent taxes	2,082,068	-	4,311	2,086,379	-
Fines and forfeitures	-	-	340	340	-
Rental revenue	-	262,500	115,611	378,111	348,271
Reimbursements	-	-	38,353	38,353	28,087,727
Other revenue	1,567,855	1,195,014	5,402	2,768,271	140,843
Total operating revenues	3,892,598	5,378,359	3,220,131	12,491,088	28,810,309
Operating expenses					
Personnel services	-	1,502,567	5,972	1,508,539	1,053,320
Fringe benefits	-	-	-	-	17,977,664
Supplies	-	562,258	714,876	1,277,134	235,565
Services and charges	2,424,873	2,854,971	2,321,382	7,601,226	4,983,850
Other	-	581,310	-	581,310	-
Depreciation	-	844,899	314,317	1,159,216	296,119
Total operating expenses	2,424,873	6,346,005	3,356,547	12,127,425	24,546,518
Operating income (loss)	1,467,725	(967,646)	(136,416)	363,663	4,263,791
Nonoperating revenues (expenses)					
Property taxes	-	2,480,960	-	2,480,960	-
Federal grants	-	-	109,164	109,164	-
State grants	-	138,552	-	138,552	-
Investment income (loss)	450,837	123,501	361,185	935,523	221,121
Loss on disposal of capital assets	-	-	(13,304)	(13,304)	(3,281)
Interest expense and fiscal charges	(389,746)	(389,877)	-	(779,623)	-
Total nonoperating revenues (expenses)	61,091	2,353,136	457,045	2,871,272	217,840
Income (loss) before transfers	1,528,816	1,385,490	320,629	3,234,935	4,481,631
Transfers in	-	-	7,800	7,800	-
Transfers out	(2,000,000)	(2,024)	(779,515)	(2,781,539)	(1,220,229)
Change in net position	(471,184)	1,383,466	(451,086)	461,196	3,261,402
Net position, beginning of year	11,526,113	16,330,883	6,456,831		5,560,352
Net position, end of year	\$ 11,054,929	\$ 17,714,349	\$ 6,005,745		\$ 8,821,754
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				18,960	
Change in net position of business-type activities				\$ 480,156	

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, 2023

	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	\$ 3,567,917	\$ 4,558,110	\$ 2,945,181	\$ 11,071,208	\$ -
Receipts from interfund services provided	-	-	-	-	28,699,154
Payments to employees	-	(1,508,762)	(5,925)	(1,514,687)	(1,883,388)
Payments to suppliers	(4,426,253)	(5,043,374)	(2,433,746)	(11,903,373)	(24,801,365)
Net cash provided by (used in) operating activities	<u>(858,336)</u>	<u>(1,994,026)</u>	<u>505,510</u>	<u>(2,346,852)</u>	<u>2,014,401</u>
Cash flows from noncapital financing activities					
Property tax collections	-	2,504,189	-	2,504,189	-
State and federal grant proceeds	-	138,552	109,164	247,716	-
Transfers in	-	-	7,800	7,800	-
Transfers out	(2,000,000)	(2,024)	(779,515)	(2,781,539)	(1,220,229)
Proceeds from issuance of long-term liabilities	13,550,000	-	-	13,550,000	-
Principal paid on long-term liabilities	(20,701,432)	-	-	(20,701,432)	-
Net cash provided by (used in) noncapital financing activities	<u>(9,151,432)</u>	<u>2,640,717</u>	<u>(662,551)</u>	<u>(7,173,266)</u>	<u>(1,220,229)</u>
Cash flows from capital and related financing activities					
Repayment of advances from other funds	-	-	-	-	(177,868)
Collections on advances to other funds	177,868	-	-	177,868	-
Reimbursements paid to Saginaw Hockey Club, LLC	-	(104,100)	-	(104,100)	-
Principal paid on long-term liabilities	-	(630,000)	-	(630,000)	-
Interest paid on long-term liabilities	-	(477,353)	-	(477,353)	-
Proceeds from issuance of long-term liabilities	-	5,721,535	-	5,721,535	-
Payments for capital asset acquisition	-	(4,575,923)	(114,860)	(4,690,783)	(525,757)
Net cash provided by (used in) capital and related financing activities	<u>177,868</u>	<u>(65,841)</u>	<u>(114,860)</u>	<u>(2,833)</u>	<u>(703,625)</u>
Cash flows from investing activities					
Investment income	-	-	361,185	361,185	230,405
Investment appreciation (depreciation)	61,091	123,501	-	184,592	(9,284)
Net cash provided by (used in) investing activities	<u>61,091</u>	<u>123,501</u>	<u>361,185</u>	<u>545,777</u>	<u>221,121</u>
Net change in cash and investment pool	<u>(9,770,809)</u>	<u>704,351</u>	<u>89,284</u>	<u>(8,977,174)</u>	<u>311,668</u>
Cash and investment pool:					
Beginning of year	27,980,725	9,055,048	1,044,607	38,080,380	9,758,090
End of year	<u>\$ 18,209,916</u>	<u>\$ 9,759,399</u>	<u>\$ 1,133,891</u>	<u>\$ 29,103,206</u>	<u>\$ 10,069,758</u>

continued...

COUNTY OF SAGINAW, MICHIGAN

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended September 30, 2023

	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)	\$ 1,467,725	\$ (967,646)	\$ (136,416)	\$ 363,663	\$ 4,263,791
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	844,899	314,317	1,159,216	296,119
Changes in operating assets and liabilities that provided (used) cash:					
Receivables, net	(324,681)	(55,899)	(299,328)	(679,908)	(111,155)
Inventory	-	(250)	25,242	24,992	-
Prepays	-	(12,903)	-	(12,903)	(939,540)
Accounts payable	(1,572)	(1,069,430)	75,009	(995,993)	(1,035,321)
Accrued liabilities	192	31,553	(5,163)	26,582	(454,102)
Deposits payable	-	(698,485)	24,378	(674,107)	-
Due to other funds	(2,000,000)	-	502,691	(1,497,309)	-
Unearned revenue	-	(65,865)	-	(65,865)	-
Accrued compensated absences	-	-	4,780	4,780	(5,391)
Net cash provided by (used in) operating activities	<u>\$ (858,336)</u>	<u>\$ (1,994,026)</u>	<u>\$ 505,510</u>	<u>\$ (2,346,852)</u>	<u>\$ 2,014,401</u>
					concluded
Noncash transactions:					
Capital assets purchased with accounts payable	<u>\$ -</u>	<u>\$ 2,357,565</u>	<u>\$ -</u>	<u>\$ 2,357,565</u>	<u>\$ -</u>

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

COUNTY OF SAGINAW, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds

September 30, 2023

	Post- employment Health Benefits Trust Fund	Custodial Funds
Assets		
Current assets:		
Cash and investment pool	\$ 27,029,506	\$ 12,134,311
Investments, at fair value - mutual funds	22,643,831	-
Receivables (net):		
Accounts	3,998	2,228,594
Due from other governmental units	-	106,245
Prepays	11,113	500
Total assets	<u>49,688,448</u>	<u>14,469,650</u>
Liabilities		
Current liabilities:		
Accounts payable	7,498	1,109,513
Accrued liabilities	265,321	-
Deposits payable	-	3,005,067
Due to other governmental units	-	10,342,772
Total liabilities (all current)	<u>272,819</u>	<u>14,457,352</u>
Net position restricted for		
Other postemployment benefits	49,415,629	-
Individuals, organizations and other governments	-	12,298
Total net position	<u>\$ 49,415,629</u>	<u>\$ 12,298</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, 2023

	Post- employment Health Benefits Trust Fund	Custodial Funds
Additions		
Contributions:		
Employer	\$ 6,992,307	\$ -
Investment earnings:		
Net appreciation in fair value of investments	2,693,746	-
State education tax collected for other governments	-	35,413,589
Fees and fines collected on behalf of other units of government	-	9,545,983
Employee medical withholdings collected	-	36,557
Total additions	<u>9,686,053</u>	<u>44,996,129</u>
Deductions		
Participant benefits	2,676,195	-
Administrative expenses	182,412	-
Payments of state education tax to other governments	-	35,413,589
Fees and fines remitted to other units of government	-	9,545,983
Employee medical withholdings remitted	-	34,946
Total deductions	<u>2,858,607</u>	<u>44,994,518</u>
Change in net position	6,827,446	1,611
Net position, beginning of year	<u>42,588,183</u>	<u>10,687</u>
Net position, end of year	<u>\$ 49,415,629</u>	<u>\$ 12,298</u>

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

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COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Net Position

Discretely Presented Component Units
September 30, 2023

	Road Commission*	Brownfield Redevelopment Authority	Department of Public Works	Drain Commission
Assets				
Cash and investment pool	\$ 2,247,934	\$ 502,592	\$ 3,110,381	\$ 11,808,293
Receivables	6,548,686	459,084	11,250,779	32,698,938
Inventory	877,855	-	-	-
Prepays	285,517	-	-	-
Advance to land bank	-	467,691	-	-
Capital assets:				
Not being depreciated	50,889,327	-	-	8,583,305
Being depreciated, net	143,166,533	-	27,846	66,387,820
Total assets	204,015,852	1,429,367	14,389,006	119,478,356
Deferred outflows of resources				
Deferred pension amounts	3,556,165	-	-	-
Deferred OPEB amounts	129,890	-	-	-
Total deferred outflows of resources	3,686,055	-	-	-
Liabilities				
Accounts payable and accrued liabilities	786,564	-	420,611	671,568
Advances from primary government	-	-	-	400,000
Advance from brownfield redevelopment	-	-	-	-
Bonds, notes and other long-term liabilities:				
Due within one year	86,103	-	495,151	2,981,291
Due in more than one year	909,425	-	10,609,803	30,331,932
Net pension liability, due in more than one year	16,414,940	-	-	-
Net OPEB liability, due in more than one year	9,396,815	-	-	-
Total liabilities	27,593,847	-	11,525,565	34,384,791
Deferred inflows of resources				
Deferred OPEB amounts	2,087,310	-	-	-
Net position				
Net investment in capital assets	193,881,114	-	27,846	41,385,986
Restricted for:				
Drain projects	-	-	-	9,244,230
Debt service	-	-	496,647	34,463,349
Capital projects	-	-	2,117,180	-
Unrestricted (deficit)	(15,860,364)	1,429,367	221,768	-
Total net position	\$ 178,020,750	\$ 1,429,367	\$ 2,863,441	\$ 85,093,565

*Component Unit is presented on its fiscal year end of December 31, 2022.

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



Economic Development Corporation	Land Bank Authority	Total
\$ 270,139	\$ 2,889,840	\$ 20,829,179
28,061	191,668	51,177,216
-	821,699	1,699,554
-	37,220	322,737
-	-	467,691
-	-	59,472,632
-	-	209,582,199
<hr/>	<hr/>	<hr/>
298,200	3,940,427	343,551,208
<hr/>	<hr/>	<hr/>
-	-	3,556,165
-	-	129,890
<hr/>	<hr/>	<hr/>
-	-	3,686,055
<hr/>	<hr/>	<hr/>
6,800	110,104	1,995,647
-	-	400,000
-	467,691	467,691
-	-	3,562,545
-	-	41,851,160
-	-	16,414,940
-	-	9,396,815
<hr/>	<hr/>	<hr/>
6,800	577,795	74,088,798
<hr/>	<hr/>	<hr/>
-	-	2,087,310
<hr/>	<hr/>	<hr/>
-	-	235,294,946
-	-	9,244,230
-	-	34,959,996
-	-	2,117,180
291,400	3,362,632	(10,555,197)
<hr/>	<hr/>	<hr/>
<u>\$ 291,400</u>	<u>\$ 3,362,632</u>	<u>\$ 271,061,155</u>

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COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Activities

Discretely Presented Component Units
For the Year Ended September 30, 2023

	Program Revenues			Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	
Road Commission				
Governmental activities:				
Highways and streets	\$ 24,312,167	\$ 152,379	\$ 35,984,113	\$ -
				\$ 11,824,325
Brownfield Redevelopment Authority				
Governmental activities:				
Community and economic development	3,100	-	-	-
				(3,100)
Department of Public Works				
Governmental activities:				
Public works	2,393,736	-	-	4,762,532
Interest on long-term liabilities	314,504	-	-	-
Business-type activities:				
Public works	198,594	168,893	-	-
				(29,701)
Total Department of Public Works	2,906,834	168,893	-	4,762,532
				2,024,591
Drain Commission				
Governmental activities:				
Public works	3,984,980	-	518,636	4,877,546
Interest on long-term liabilities	877,296	-	-	-
				1,411,202
				(877,296)
Total Drain Commission	4,862,276	-	518,636	4,877,546
				533,906
Economic Development Corporation				
Business-type activities:				
Community and economic development	18,908	22,389	-	-
				3,481
Land Bank Authority				
Business-type activities:				
Community and economic development	1,591,439	-	728,565	397,018
				(465,856)
Total component units	\$ 33,694,724	\$ 343,661	\$ 37,231,314	\$ 10,037,096
				\$ 13,917,347

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COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Activities

Discretely Presented Component Units
For the Year Ended September 30, 2023

	Road Commission*	Brownfield Redevelopment Authority	Department of Public Works	Drain Commission
Change in net position				
Net (expense) revenue	\$ 11,824,325	\$ (3,100)	\$ 2,024,591	\$ 533,906
General revenues:				
Property taxes	-	2,035	-	-
Investment income (loss)	30,099	28,090	(41,455)	106,808
Total general revenues	30,099	30,125	(41,455)	106,808
Change in net position	11,854,424	27,025	1,983,136	640,714
Net position, beginning of year	166,166,326	1,402,342	880,305	84,452,851
Net position, end of year	<u>\$ 178,020,750</u>	<u>\$ 1,429,367</u>	<u>\$ 2,863,441</u>	<u>\$ 85,093,565</u>

*Component Unit is presented on its fiscal year end of December 31, 2022.

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



Economic Development Corporation	Land Bank Authority	Total
\$ 3,481	\$ (465,856)	\$ 13,917,347
-	-	2,035
<u>3,870</u>	<u>80,181</u>	<u>207,593</u>
<u>3,870</u>	<u>80,181</u>	<u>209,628</u>
7,351	(385,675)	14,126,975
<u>284,049</u>	<u>3,748,307</u>	<u>256,934,180</u>
<u>\$ 291,400</u>	<u>\$ 3,362,632</u>	<u>\$ 271,061,155</u>

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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 units, although legally separate entities, are, in substance, part of the government’s operations and as such, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

Blended Component Units

The Building Authority 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.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

Discretely Presented Component Units

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, 2022 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.

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.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

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

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.

COUNTY OF SAGINAW, MICHIGAN

Notes to 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.

The County reports the following major governmental funds:

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

The *Health Department Fund* (special revenue) accounts for the 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.

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.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

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.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

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

Advances

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

Inventory and Prepaids

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

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

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the County), 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

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

Lease and subscription assets are amortized using the straight-line method over the length of the agreement term.

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 assets that applies to a future period(s) and, as such, will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows of resources related to its net pension and OPEB liabilities.

Due to Saginaw Hockey Club, LLC

On August 23, 2016, the County entered into an agreement with the Saginaw Hockey Club, LLC (the "Club"), tenant of the County's Event Center, to reimburse the Club for certain building improvements. The agreement requires the County to reimburse the Club for up to 60% of the total cost of the building improvements up to a maximum County reimbursement of \$1,041,000. The County is only required to reimburse the Club if an increased millage is approved by the County voters commencing in tax year 2021. If the millage passes, the County will be required to repay its portion of the improvements from the increased millage proceeds over a ten year period. If the millage does not pass, the County will not be required to reimburse the Club for any amounts related to the building improvements. The 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 2023, resulting in the County recognizing a remaining liability of \$832,800 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.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

Compensated Absences

Union Employees

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

Non-union Employees

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

Compensated Absence Liability Recognition

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

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

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets 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.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

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.

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.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

Subscription-Based Information Technology Arrangements (SBITA)

The County has noncancellable subscription-based information technology arrangements. The County recognizes a subscription liability and an intangible right-to-use subscription asset in the financial statements. The County recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

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

Key estimates and judgments related to subscriptions include how the County determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) subscription term, and (3) subscription payments. The County uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription 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 subscription and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

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.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

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 \$14,598,408 assigned for the Employee Payroll Reserve and an additional amount of \$5,789,887 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.

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.

COUNTY OF SAGINAW, MICHIGAN

Notes to 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 Administrator 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 Administrator.
- 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, 2023, the County incurred expenditures in certain activities within budgetary funds which were in excess of the amounts appropriated, as follows:

	Final Budget	Actual	Variance
General Fund:			
Capital outlay	\$ -	\$ 355,864	\$ 355,864
Debt service	-	62,804	62,804
Michigan Works! Special Revenue Fund:			
Capital outlay	-	15,004	15,004
Debt service	928,356	933,249	4,893

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	\$ 103,525,659	\$ 20,829,179	\$ 124,354,838
Restricted cash and investment pool	31,518,638	-	31,518,638
Statement of Net Position - Fiduciary Funds			
Postemployment Health Benefits Trust Fund:			
Cash and investment pool	27,029,506	-	27,029,506
Investments	22,643,831	-	22,643,831
Custodial Funds:			
Cash and investment pool	12,134,311	-	12,134,311
Total	\$ 196,851,945	\$ 20,829,179	\$ 217,681,124

Deposits and Investments

Bank deposits:		
Checking and savings accounts		\$ 130,205,649
Certificates of deposit:		
Due in one to five years		8,810,254
Due in more than five years		15,474,232
Investments:		
Primary government		41,187,263
Fiduciary funds		22,643,831
Cash on hand		22,582
Timing difference for component unit with different fiscal year end		(662,687)
Total		\$ 217,681,124

	Carrying Amount (Fair Value)	No Maturity	Maturity Less than 1 Year	Maturity 1-5 Years	Maturity 5-10 Years
Investments					
Municipal bonds	\$ 14,865,427	\$ -	\$ -	\$ 9,831,420	\$ 2,668,770
U.S. government bonds	14,217,917	-	-	12,354,830	1,202,394
Michigan Class investment pool	1,502,653	1,502,653	-	-	-
Commercial paper	3,847,304	-	3,847,304	-	-
Mutual funds	22,643,831	22,643,831	-	-	-
Money market	6,753,962	6,753,962	-	-	-
Total	\$ 63,831,094	\$ 30,900,446	\$ 3,847,304	\$ 22,186,250	\$ 3,871,164

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

	Maturity 10-15 Years	Maturity 15-20 Years
Investments		
Municipal bonds	\$ 283,931	\$ 2,081,306
U.S. government bonds	-	660,693
Michigan Class investment pool	-	-
Commercial paper	-	-
Mutual funds	-	-
Money market	-	-
Total	<u>\$ 283,931</u>	<u>\$ 2,741,999</u>

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:

Investments	Carrying Amount (Fair Value)
AA+	\$ 6,864,322
AA	5,222,474
A+	546,104
A1	2,641,842
A-	976,041
AA-	1,653,196
Not rated	45,927,115
Total	<u>\$ 63,831,094</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, \$144,587,827 of the County’s bank balance of \$147,275,475 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, 2023, 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	\$ -	\$ 14,865,427	\$ -	\$ 14,865,427
U.S. government	-	14,217,917	-	14,217,917
Mutual funds	22,643,831	-	-	22,643,831
	<u>\$ 22,643,831</u>	<u>\$ 29,083,344</u>	<u>\$ -</u>	<u>51,727,175</u>
Investments not subject to fair value hierarchy:				
Michigan Class investment pool				1,502,653
Commercial paper				3,847,304
Money market funds				<u>6,753,962</u>
Total investments				<u>\$ 63,831,094</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 \$1,502,653. 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	\$ 6,435,245	\$ 12,153,353	\$ -
Special assessments:			
Due within one year	-	-	2,546,016
Due in more than one year	-	-	26,934,075
Accounts			
Due within one year	4,668,761	2,183,703	34,047
Due in more than one year	4,255,469	-	-
Loans:			
Due within one year	-	-	7,386
Due in more than one year	1,935,910	-	458,825
Installment sales agreement:			
Due within one year	355,000	-	-
Due in more than one year	2,114,804	-	-
Leases:			
Due within one year	72,524	-	-
Due in more than one year	872,012	-	-
Interest, net	-	2,357,402	20,934
Due from other governmental units:			
Due within one year	4,447,803	6,228	7,150,582
Due in more than one year	-	-	14,025,351
Total receivables, net	<u>\$ 25,157,528</u>	<u>\$ 16,700,686</u>	<u>\$ 51,177,216</u>

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

The interest receivable in the business-type activities is net of an allowance for uncollectible accounts of approximately \$170,000.

5. CAPITAL ASSETS

Primary government capital asset activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated/amortized:					
Land	\$ 3,965,708	\$ -	\$ (79,979)	\$ -	\$ 3,885,729
Construction in progress	8,123,547	307,989	-	(7,064,542)	1,366,994
	<u>12,089,255</u>	<u>307,989</u>	<u>(79,979)</u>	<u>(7,064,542)</u>	<u>5,252,723</u>
Capital assets being depreciated/amortized:					
Land improvements	9,478,327	480,504	(124,689)	-	9,834,142
Buildings and improvements	69,475,527	4,306,042	(794,666)	7,064,542	80,051,445
Leased building (Note 9)	4,895,017	-	-	-	4,895,017
Machinery and equipment	8,909,109	468,004	(481,786)	-	8,895,327
Office furniture & fixtures	1,151,355	-	-	-	1,151,355
Vehicles	4,632,733	664,617	(342,841)	-	4,954,509
Subscription assets (Note 10)	-	576,822	-	-	576,822
	<u>98,542,068</u>	<u>6,495,989</u>	<u>(1,743,982)</u>	<u>7,064,542</u>	<u>110,358,617</u>
Less accumulated depreciation/amortization:					
Land improvements	(4,939,999)	(239,992)	69,935	-	(5,110,056)
Buildings and improvements	(23,425,290)	(1,243,972)	514,545	-	(24,154,717)
Leased building (Note 9)	(766,787)	(848,698)	-	-	(1,615,485)
Machinery and equipment	(6,191,309)	(589,607)	462,060	-	(6,318,856)
Office furniture & fixtures	(920,215)	(98,863)	-	-	(1,019,078)
Vehicles	(2,946,158)	(640,538)	297,216	-	(3,289,480)
Subscription assets (Note 10)	-	(129,884)	-	-	(129,884)
	<u>(39,189,758)</u>	<u>(3,791,554)</u>	<u>1,343,756</u>	<u>-</u>	<u>(41,637,556)</u>
Total capital assets being depreciated/amortized, net	<u>59,352,310</u>	<u>2,704,435</u>	<u>(400,226)</u>	<u>7,064,542</u>	<u>68,721,061</u>
Governmental activities capital assets, net	<u>\$ 71,441,565</u>	<u>\$ 3,012,424</u>	<u>\$ (480,205)</u>	<u>\$ -</u>	<u>\$ 73,973,784</u>

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

As of September 30, 2023, the County had an outstanding commitment for the Animal Care and Control Resource Center project of \$641,667, \$307,854 for the DOW Event Center project, and \$4,032,274 for the DOW Memorial Cup project.

	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	13,182,813	6,889,122	-	-	20,071,935
	<u>15,679,915</u>	<u>6,889,122</u>	<u>-</u>	<u>-</u>	<u>22,569,037</u>
Capital assets being depreciated:					
Land improvements	4,399,361	-	-	-	4,399,361
Buildings and improvements	19,933,145	12,125	-	-	19,945,270
Machinery and equipment	1,351,755	147,101	(47,268)	-	1,451,588
Office furniture & fixtures	61,201	-	-	-	61,201
Planning and development	12,359,271	-	(51,479)	-	12,307,792
Vehicles	179,318	-	-	-	179,318
	<u>38,284,051</u>	<u>159,226</u>	<u>(98,747)</u>	<u>-</u>	<u>38,344,530</u>
Less accumulated depreciation:					
Land improvements	(2,370,698)	(261,035)	-	-	(2,631,733)
Buildings and improvements	(8,055,471)	(518,148)	-	-	(8,573,619)
Machinery and equipment	(795,310)	(84,211)	46,893	-	(832,628)
Office furniture & fixtures	(38,918)	(700)	-	-	(39,618)
Planning and development	(8,886,635)	(287,180)	38,550	-	(9,135,265)
Vehicles	(136,534)	(7,942)	-	-	(144,476)
	<u>(20,283,566)</u>	<u>(1,159,216)</u>	<u>85,443</u>	<u>-</u>	<u>(21,357,339)</u>
Total capital assets being depreciated, net	<u>18,000,485</u>	<u>(999,990)</u>	<u>(13,304)</u>	<u>-</u>	<u>16,987,191</u>
Business-type activities capital assets, net	<u>\$ 33,680,400</u>	<u>\$ 5,889,132</u>	<u>\$ (13,304)</u>	<u>\$ -</u>	<u>\$ 39,556,228</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	\$ 43,011
General government	1,412,164
Public safety	1,254,612
Public works	86,225
Health and welfare	502,853
Recreation and culture	196,570
Capital assets held by the government's internal service funds are charged to the various functions based on the usage of the assets	<u>296,119</u>
	<u>\$ 3,791,554</u>

Business-type activities

Building Authority Event Center	\$ 844,899
Harry W. Browne Airport	312,892
Parking system	<u>1,425</u>
	<u>\$ 1,159,216</u>

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

Discretely presented component units

Road Commission capital asset activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Land, land improvements and infrastructure	\$ 47,067,411	\$ 3,263,281	\$ -	\$ -	\$ 50,330,692
Land	558,635	-	-	-	558,635
	<u>47,626,046</u>	<u>3,263,281</u>	<u>-</u>	<u>-</u>	<u>50,889,327</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	353,818,836	12,920,339	-	-	366,739,175
Equipment	22,706,188	1,592,504	(210,197)	-	24,088,495
	<u>381,545,288</u>	<u>14,512,843</u>	<u>(210,197)</u>	<u>-</u>	<u>395,847,934</u>
Less accumulated depreciation:					
Land improvements	(397,843)	(5,641)	-	-	(403,484)
Depletable assets	(17,347)	(1,751)	-	-	(19,098)
Buildings and improvements	(2,418,497)	(124,605)	-	-	(2,543,102)
Office furniture & fixtures	(467,930)	(42,542)	-	-	(510,472)
Infrastructure	(219,516,630)	(9,441,786)	-	-	(228,958,416)
Equipment	(18,644,779)	(1,812,247)	210,197	-	(20,246,829)
	<u>(241,463,026)</u>	<u>(11,428,572)</u>	<u>210,197</u>	<u>-</u>	<u>(252,681,401)</u>
Total capital assets being depreciated, net	<u>140,082,262</u>	<u>3,084,271</u>	<u>-</u>	<u>-</u>	<u>143,166,533</u>
Road Commission capital assets, net	<u>\$ 187,708,308</u>	<u>\$ 6,347,552</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,055,860</u>

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

Department of Public Works capital asset activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets being depreciated:					
Vehicles	\$ 71,603	\$ -	\$ -	\$ -	\$ 71,603
Less accumulated depreciation:					
Vehicles	(19,889)	(23,868)	-	-	(43,757)
	<u>\$ 51,714</u>	<u>\$ (23,868)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,846</u>

Drain Commission capital asset activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Construction in progress	\$ 15,053,397	\$ 2,629,043	\$ (22,732)	\$ (9,076,403)	\$ 8,583,305
Capital assets being depreciated:					
Infrastructure	98,437,581	181,659	(116,600)	9,076,403	107,579,043
Equipment	548,056	-	-	-	548,056
Vehicles	121,261	-	-	-	121,261
	<u>99,106,898</u>	<u>181,659</u>	<u>(116,600)</u>	<u>9,076,403</u>	<u>108,248,360</u>
Less accumulated depreciation:					
Infrastructure	(39,376,987)	(1,989,866)	195	-	(41,366,658)
Equipment	(337,276)	(50,265)	-	-	(387,541)
Vehicles	(100,704)	(5,637)	-	-	(106,341)
	<u>(39,814,967)</u>	<u>(2,045,768)</u>	<u>195</u>	<u>-</u>	<u>(41,860,540)</u>
Total capital assets being depreciated, net	<u>59,291,931</u>	<u>(1,864,109)</u>	<u>(116,405)</u>	<u>9,076,403</u>	<u>66,387,820</u>
Drain Commission capital assets, net	<u>\$ 74,345,328</u>	<u>\$ 764,934</u>	<u>\$ (139,137)</u>	<u>\$ -</u>	<u>\$ 74,971,125</u>

As of September 30, 2023, the County had outstanding commitments related to the Gage Drain of \$160,097 and Parker Swamp Drain of \$40,160.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

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	\$ 6,813,621	\$ 3,349,571	\$ 1,547,479
Accrued liabilities	5,068,776	163,337	8,552
Due to other government units	2,696,349	-	-
Deposits payable	30,811	920,593	-
Accrued interest on long-term debt	1,227,365	198,260	439,616
Total accounts payable and accrued liabilities	<u>\$ 15,836,922</u>	<u>\$ 4,631,761</u>	<u>\$ 1,995,647</u>

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	\$ 1,383,440	\$ 256,729
American Rescue Plan Act	-	1,383,440
Nonmajor governmental funds	1,035,033	275,613
Nonmajor enterprise funds	-	502,691
	<u>\$ 2,418,473</u>	<u>\$ 2,418,473</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.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

Advances to/from other funds:

	Advance To	Advance From
General	\$ 20,000	\$ -
Delinquent Tax Revolving	353,339	-
Nonmajor enterprise funds	-	20,000
Internal services funds	-	353,339
Total	<u>\$ 373,339</u>	<u>\$ 373,339</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.

Advances to and from component units:

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

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.

	Advance to Component Unit	Advance from Component Unit
Brownfield Redevelopment Authority	\$ 467,691	\$ -
Land Bank Authority	-	467,691
Total	<u>\$ 467,691</u>	<u>\$ 467,691</u>

The advance to the Land Bank in the Brownfield Redevelopment Authority was provided for the demolition and redevelopment of the Property known as "Baker-Perkins", which is located on Hess St. in the City of Saginaw. The was set up to demolish a large office building that was attached to the operating business next store and clean up parts of the site for future redevelopment.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

For the year ended September 30, 2023, interfund transfers consisted of the following:

Transfers Out	Transfers In				Total
	General Fund	Health Department	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	
General fund	\$ -	\$ 2,229,131	\$ 7,677,578	\$ 5,776	\$ 9,912,485
Health department	-	-	165,242	-	165,242
Nonmajor governmental funds	3,659,986	-	1,103,626	-	4,763,612
Delinquent Tax Revolving	2,000,000	-	-	-	2,000,000
Building Authority					
Event Center	-	-	-	2,024	2,024
Nonmajor enterprise funds	-	-	779,515	-	779,515
Internal Service funds	-	-	1,220,229	-	1,220,229
Total	\$ 5,659,986	\$ 2,229,131	\$ 10,946,190	\$ 7,800	\$ 18,843,107

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. BONDS, NOTES AND OTHER LONG-TERM LIABILITIES

Bonds, notes and other long-term liabilities activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Primary Government					
Governmental activities:					
General obligation bonds:					
2013 pension bonds	\$ 24,285,000	\$ -	\$ (3,600,000)	\$ 20,685,000	\$ 3,755,000
2017 Sheriff's Adult Detention and Administration Facility bonds	35,290,000	-	(735,000)	34,555,000	765,000
2019 Mainframe Modernization project bonds	6,750,000	-	(830,000)	5,920,000	870,000
2018 Community Mental Health Facility bonds	3,285,000	-	(340,000)	2,945,000	355,000
2020 Animal Care and Control Resource Center bonds	8,780,000	-	(365,000)	8,415,000	375,000
2010 Capital Improvement bonds	535,082	-	(149,678)	385,404	152,219
	<u>78,925,082</u>	<u>-</u>	<u>(6,019,678)</u>	<u>72,905,404</u>	<u>6,272,219</u>
Leases liability (Note 9)	4,068,903	-	(874,328)	3,194,575	723,716
Subscription liability (Note 10)	-	576,822	(132,216)	444,606	143,152
Compensated absences	1,922,190	2,385,009	(2,432,349)	1,874,850	1,792,694
Bond premium	3,989,740	-	(289,111)	3,700,629	289,110
	<u>88,905,915</u>	<u>2,961,831</u>	<u>(9,747,682)</u>	<u>82,120,064</u>	<u>9,220,891</u>
Business-type activities:					
Direct placement:					
Delinquent tax notes	30,670,000	13,550,000	(20,701,432)	23,518,568	1,833,568
General obligation bonds	14,545,000	5,500,000	(630,000)	19,415,000	880,000
	<u>45,215,000</u>	<u>19,050,000</u>	<u>(21,331,432)</u>	<u>42,933,568</u>	<u>2,713,568</u>
Bond premium	1,849,611	221,535	(103,201)	1,967,945	113,140
Compensated absences	-	14,881	(10,101)	4,780	4,780
	<u>47,064,611</u>	<u>19,286,416</u>	<u>(21,444,734)</u>	<u>44,906,293</u>	<u>2,831,488</u>
Total primary government	<u>\$ 135,970,526</u>	<u>\$ 22,248,247</u>	<u>\$ (31,192,416)</u>	<u>\$ 127,026,357</u>	<u>\$ 12,052,379</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for those funds are included as part of the above totals for governmental activities. At year-end, \$82,156 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%	\$ 72,905,404
Business-type activities	1.90 - 2.85%	<u>42,933,568</u>
Total primary government		<u><u>\$ 115,838,972</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
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	7,370,000	1,790,046
2029-2033	10,035,000	6,170,993
2034-2038	9,470,000	4,380,144
2039-2043	9,395,000	2,636,213
2044-2048	<u>10,000,000</u>	<u>900,025</u>
Total	<u><u>\$ 72,905,404</u></u>	<u><u>\$ 26,304,848</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		Other Debt	
	Principal	Interest	Principal	Interest
2024	\$ 1,833,568	\$ 1,045,030	\$ 880,000	\$ 674,722
2025	8,135,000	853,987	860,000	696,680
2026	13,550,000	746,605	890,000	666,630
2027	-	-	930,000	634,744
2028	-	-	960,000	601,110
2029-2033	-	-	5,185,000	2,418,035
2034-2038	-	-	5,265,000	1,372,650
2039-2043	-	-	4,445,000	347,075
Total	\$ 23,518,568	\$ 2,645,622	\$ 19,415,000	\$ 7,411,646

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 \$14,690,000. 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:					
Installment purchase agreement	\$ 258,382	\$ -	\$ (83,636)	\$ 174,746	\$ 86,103
Compensated absences	789,916	87,617	(56,751)	820,782	-
	\$ 1,048,298	\$ 87,617	\$ (140,387)	\$ 995,528	\$ 86,103

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
2023	\$ 86,103	\$ 5,155
2024	88,643	2,615
Total	\$ 174,746	\$ 7,770

Department of Public Works Component Unit

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Direct Placement:					
General obligation bonds	\$ 5,718,519	\$ 3,759,000	\$ (466,000)	\$ 9,011,519	\$ 346,000
General obligation bonds	2,120,000	-	(141,000)	1,979,000	143,000
	7,838,519	3,759,000	(607,000)	10,990,519	489,000
Bond premium	-	116,861	(2,426)	114,435	6,151
	<u>\$ 7,838,519</u>	<u>\$ 3,875,861</u>	<u>\$ (609,426)</u>	<u>\$ 11,104,954</u>	<u>\$ 495,151</u>

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 2063 and bear interest at varying rates from 3.00% to 5.90%.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

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

Year Ending September 30,	Direct Placement Obligations		Other Debt	
	Principal	Interest	Principal	Interest
2024	\$ 346,000	\$ 330,409	\$ 143,000	\$ 66,320
2025	362,000	322,434	145,000	59,545
2026	378,000	310,428	68,000	52,440
2027	388,000	297,871	71,000	49,965
2028	413,000	283,665	73,000	47,370
2029-2033	2,277,000	1,181,701	297,000	199,500
2034-2038	2,640,000	737,223	266,000	157,770
2039-2043	1,695,000	287,463	310,000	114,750
2044-2048	439,519	42,652	361,000	64,485
2049-2053	23,000	5,434	245,000	11,175
2054-2058	25,000	3,281	-	-
2059-2063	25,000	1,094	-	-
Total	\$ 9,011,519	\$ 3,803,655	\$ 1,979,000	\$ 823,320

Drain Commission Component Unit

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Direct placement:					
Notes payable	\$ 122,859	\$ -	\$ (37,429)	\$ 85,430	\$ 37,431
General obligation bonds	34,336,000	1,330,000	(2,485,450)	33,180,550	2,941,450
	34,458,859	1,330,000	(2,522,879)	33,265,980	2,978,881
Bond premium	-	48,193	(950)	47,243	2,410
	\$ 34,458,859	\$ 1,378,193	\$ (2,523,829)	\$ 33,313,223	\$ 2,981,291

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%.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

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

Year Ending September 30,	Direct Placement Obligations		Other Debt	
	Principal	Interest	Principal	Interest
2024	\$ 37,431	\$ 2,106	\$ 2,941,450	\$ 919,159
2025	16,000	1,195	3,150,450	807,508
2026	16,000	797	2,440,450	765,460
2027	15,999	398	2,224,450	703,265
2028	-	-	2,114,000	642,779
2029-2033	-	-	8,772,250	2,425,986
2034-2038	-	-	6,912,500	1,271,207
2039-2043	-	-	3,077,500	465,764
2044-2048	-	-	1,547,500	140,888
Total	\$ 85,430	\$ 4,496	\$ 33,180,550	\$ 8,142,016

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 9 years

The right-to-use asset and the related activity are included in Note 5, Capital Assets. The leases liability and related activity are presented in Note 8, Bonds, Notes and Other Long-term Liabilities.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

The net present value of future minimum payments as of September 30, 2023, were as follows:

Governmental Activities		
Year Ended September 30,	Principal	Interest
2024	\$ 723,716	\$ 45,647
2025	549,054	38,045
2026	556,473	30,625
2027	564,029	23,069
2028	388,940	15,686
2029-2032	<u>412,363</u>	<u>25,745</u>
Total	<u>\$ 3,194,575</u>	<u>\$ 178,817</u>

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, 2023 was \$87,983 in governmental activities.

Remaining Term of Agreements

Asset Type

Land	21 years
Buildings	9 years

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT

The County is involved in several arrangements that qualify as long-term subscription-based information technology arrangements ("SBITA"). Below is a summary of the nature of these arrangements. These arrangements qualify as intangible, right-to-use subscription assets as the County has the control of the right to use another party's IT software and the noncancelable term of the arrangements surpass one year. The present value is discounted using the County's incremental borrowing rate.

Remaining Term of Arrangement

Asset Type

Subscription assets	2 to 5 years
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The right-to-use asset and the related activity are included in Note 5, Capital Assets. The subscription liability and related activity are presented in Note 8, Bonds, Notes and Other Long-term Liabilities.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

The net present value of future minimum payments as of September 30, 2023, were as follows:

Year Ended September 30,	Principal	Interest
2024	\$ 143,152	\$ 13,067
2025	145,976	84,463
2026	66,586	3,972
2027	71,678	1,824
2028	17,214	190
Total	<u>\$ 444,606</u>	<u>\$ 103,516</u>

11. 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	541
Inactive employees entitled to but not yet receiving benefits	26
Active employees	<u>7</u>
Total membership	<u><u>574</u></u>

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

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 2023, the actuarially determined monthly employer contributions ranged from \$552 to \$159,085 for all divisions.

Net Pension Liability. The County's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2022 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 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
- Disabled 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, 2022 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

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>

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2022 was 7.25%. 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, 2021	\$ 151,965,852	\$ 123,200,645	\$ 28,765,207
Changes for the year:			
Service cost	45,966	-	45,966
Interest	10,075,564	-	10,075,564
Difference between expected and actual experience	212,451	-	212,451
Employer contributions	-	5,675,973	(5,675,973)
Employee contributions	-	6,224	(6,224)
Net investment income (loss)	-	(13,530,187)	13,530,187
Benefit payments, including refunds of employee contributions	(13,302,644)	(13,302,644)	-
Administrative expense	-	(219,690)	219,690
Net changes	<u>(2,968,663)</u>	<u>(21,370,324)</u>	<u>18,401,661</u>
Balances at December 31, 2022	<u>\$ 148,997,189</u>	<u>\$ 101,830,321</u>	<u>\$ 47,166,868</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 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	\$ 60,423,027	\$ 47,166,868	\$ 35,014,329

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 September 30, 2023, the County recognized pension expense of \$5,707,142. 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	\$ 9,970,638	\$ -	\$ 9,970,638
Contributions subsequent to the measurement date	4,743,405	-	4,743,405
Total	<u>\$ 14,714,043</u>	<u>\$ -</u>	<u>\$ 14,714,043</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, 2024. Other amounts reported as pension-related deferred outflows of resources will be recognized in pension expense as follows:

Year Ended September 30,	Amount
2024	\$ 621,325
2025	1,813,051
2026	3,100,657
2027	<u>4,435,605</u>
Total	<u>\$ 9,970,638</u>

Payable to the Pension Plan. At September 30, 2023, the County has no amounts payable for contributions to the pension plan.

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, 2021, the date of the most recent actuarial valuation, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	108
Inactive employees entitled to but not yet receiving benefits	13
Active employees	<u>71</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, 2021, employer contributions ranged from 0% to 4.70% of annual payroll for open divisions. Closed divisions have a monthly employer contribution ranging from \$88 to \$56,432.

Net Pension Liability. The Commission's net pension liability was measured as of December 31, 2021, 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, 2021.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

Actuarial Assumptions. The total pension liability was rolled forward to December 31, 2022 using the December 31, 2021 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	7.00%, 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.

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.

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	<u>20.00%</u>	7.00%	1.40%
	<u>100.00%</u>		
Inflation			2.50%
Administrative and investment expenses netted above			<u>0.25%</u>
			<u>7.25%</u>

Discount Rate. The discount rate used to measure the total pension liability is 7.25%. 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, 2021	\$ 38,513,801	\$ 27,560,542	\$ 10,953,259
Changes for the year:			
Service cost	414,721	-	414,721
Interest	2,713,685	-	2,713,685
Employer contributions	-	1,426,890	(1,426,890)
Employee contributions	-	218,812	(218,812)
Net investment income (loss)	-	(2,851,632)	2,851,632
Benefit payments, including refunds of employee contributions	(2,582,046)	(2,582,046)	-
Differences between expected and actual experience	(264,053)	-	(264,053)
Assumption changes	1,364,721	-	1,364,721
Administrative expense	-	(50,279)	50,279
Other changes	(23,602)	-	(23,602)
Net changes	<u>1,623,426</u>	<u>(3,838,255)</u>	<u>5,461,681</u>
Balances at December 31, 2022	<u>\$ 40,137,227</u>	<u>\$ 23,722,287</u>	<u>\$ 16,414,940</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%.

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

1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
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Commission's net pension liability \$ 20,801,594 \$ 16,414,940 \$ 12,718,298

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, 2022, the Commission recognized pension expense of \$2,752,918. 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	\$ 1,968,839	\$ -	\$ 1,968,839
Differences in experience	56,650	-	56,650
Differences in assumptions	1,530,676	-	1,530,676
	<u>\$ 3,556,165</u>	<u>\$ -</u>	<u>\$ 3,556,165</u>

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

Year Ended December 31,	Amount
2023	\$ 1,135,398
2024	614,874
2025	843,092
2026	962,801
Total	<u>\$ 3,556,165</u>

Payable to the Pension Plan. At December 31, 2022, the Commission reported no payable to the pension plan required for the year ended December 31, 2022.

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

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

12. 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	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 \$2,145,327 and employee contributions were \$1,606,490.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

13. 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, 2023, the County contributed \$6,992,307 to the Plan.

At September 30, 2023, 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 0%-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, 2023, retiree contributions amounted to \$249,661.

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, 2022	\$ 50,694,509	\$ 42,588,183	\$ 8,106,326
Changes for the year:			
Service cost	374,478	-	374,478
Interest	2,983,854	-	2,983,854
Difference between expected and actual experience	(351,225)	-	(351,225)
Changes in assumptions	465,485	-	465,485
Employer contributions	-	6,992,307	(6,992,307)
Net investment income	-	2,693,746	(2,693,746)
Benefit payments, including refunds of employee contributions	(2,676,195)	(2,676,195)	-
Administrative expenses	-	(182,412)	182,412
Net changes	<u>796,397</u>	<u>6,827,446</u>	<u>(6,031,049)</u>
Balances at September 30, 2023	<u>\$ 51,490,906</u>	<u>\$ 49,415,629</u>	<u>\$ 2,075,277</u>

Changes in Assumptions. In 2023, changes in assumptions resulted from the medical trend rate being shifted to maintain the same immediate rates of 7.25%.

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

The total OPEB liability was calculated as of September 30, 2023, 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 and will cover their spouse for medical coverage.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

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, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 6.04%. 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%
	100.0%		
Inflation			2.50%
Investment rate of return			6.00%

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 (asset)	\$ 8,159,801	\$ 2,075,277	\$ (2,978,757)

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-65 4.50%)	Current Trend Rate (7.25% post-65 5.50%)	1% Increase (8.25% post-65 6.50%)
County's net OPEB liability (asset)	\$ (3,264,386)	\$ 2,075,277	\$ 8,465,822

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

For the year ended September 30, 2023, the County recognized OPEB expense of \$1,972,914. 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	\$ -	\$ 255,523	\$ (255,523)
Changes in assumptions	338,650	-	338,650
Net difference between projected and actual earnings on OPEB plan investments	4,059,410	-	4,059,410
Total	<u>\$ 4,398,060</u>	<u>\$ 255,523</u>	<u>\$ 4,142,537</u>

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

Year Ended September 30,	Amount
2024	\$ 1,293,754
2025	1,219,568
2026	1,632,102
2027	<u>(2,887)</u>
Total	<u>\$ 4,142,537</u>

Payable to the OPEB Plan. At September 30, 2023, the County reported no payable to the OPEB plan required for the year ended September 30, 2023.

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, 2022, retirement plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	98
Active employees	<u>30</u>
Total	<u><u>128</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, 2021	\$ 18,713,754	\$ 1,098,499	\$ 17,615,255
Changes for the year:			
Service cost	109,208	-	109,208
Interest	1,353,868	-	1,353,868
Net investment income (loss)	-	(117,104)	117,104
Differences between expected and actual experience	(8,138,279)	-	(8,138,279)
Changes in assumptions	(682,289)	-	(682,289)
Contributions to OPEB trust	-	174,000	(174,000)
Employer contributions	-	805,988	(805,988)
Benefit payments, including refunds of employee contributions	(805,988)	(805,988)	-
Administrative expenses	-	(1,936)	1,936
Net changes	<u>(8,163,480)</u>	<u>54,960</u>	<u>(8,218,440)</u>
Balances at December 31, 2022	<u>\$ 10,550,274</u>	<u>\$ 1,153,459</u>	<u>\$ 9,396,815</u>

Changes in Assumptions— (1) Investment rate of return changed from 7.35% to 7.00% (2) 20-year Aa Municipal bond rate (S&P Municipal Bond 20-year high grade rate index) increased from 2.25% to 4.31% (3) salary increases changed from 2.00% to 3.00%.

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, 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.

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

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

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

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 3.00%.

Investment Rate or Return— Based on the historical and expected returns of the County’s long-term investment portfolio, a discount rate of 7.00%, 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%	4.50%	2.70%
Global fixed income	20.0%	2.00%	0.40%
Private investment	20.0%	7.00%	1.40%
	<u>100.0%</u>		
Inflation			<u>2.50%</u>
Investment rate of return			<u><u>7.00%</u></u>

Discount Rate. The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the Road Commission made an annual contribution to the trust of \$200,000 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, 2021, the discount rate used to value OPEB liabilities was 7.35%.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

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 7.00%, as well as what the Commission's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Commission's net OPEB liability	\$ 10,412,101	\$ 9,396,815	\$ 8,536,161

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	\$ 8,496,992	\$ 9,396,815	\$ 10,457,689

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

For the year ended December 31, 2022, the Commission recognized OPEB expense (benefit) of \$(6,372,852). 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	\$ -	\$ 1,925,852	\$ (1,925,852)
Changes in assumptions	-	161,458	(161,458)
Net difference between projected and actual earnings on OPEB plan investments	129,890	-	129,890
Total	<u>\$ 129,890</u>	<u>\$ 2,087,310</u>	<u>\$ (1,957,420)</u>

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

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

Year Ended December 31,	Amount
2023	\$ (2,060,678)
2024	28,308
2025	34,118
2026	<u>40,832</u>
Total	<u><u>\$ (1,957,420)</u></u>

Payable to the OPEB Plan. At December 31, 2022, 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.

14. 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, 2023, 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.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

The changes in the claims liability for the years ended September 30, 2023 and 2022, are as follows:

	Beginning of Period Liability	Claims and Changes in Estimates	Claim Payments	End of Period Liability
2022	\$ 52,756	\$ 180,772	\$ 62,186	\$ 171,342
2023	171,342	731,928	214,390	688,880

General Liability

The self-insurance program for general liability is accounted for in the Risk Management Fund (an internal service fund). Presently, the County insures the first \$250,000 for each claim. After the first \$250,000 and up to \$15,000,000, insurance is provided by Michigan Municipal Risk Management (MMRMA). The revenues for this fund's operation are reimbursements from various funds. The funds are charged for general liability insurance based on number of employees, previous claims, modifiers, number of vehicles and other pertinent criteria.

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

The changes in the claims liability for the years ended September 30, 2023 and 2022, are as follows:

	Beginning of Period Liability	Claims and Changes in Estimates	Claim Payments	End of Period Liability
2022	\$ 297,015	\$ 355,800	\$ 314,037	\$ 338,778
2023	338,778	565,232	555,477	348,533

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

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, 2023 and 2022, are as follows:

	Beginning of Period Liability	Claims and Changes in Estimates	Claim Payments	End of Period Liability
2022	\$ 2,697,386	\$ 7,000,031	\$ 7,942,572	\$ 1,754,845
2023	1,754,845	5,120,458	6,047,605	827,698

15. 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, 2022 totaled \$5,750,9244,003. The tax levy for 2022/2023 operations were based on the following rates:

General operating	4.8485	mills
Mosquito control	1.0000	mills
Senior citizens	0.5891	mills
Sheriff service	1.7473	mills
County parks	0.2937	mills
Castle Museum	0.1994	mills
Event center	0.4493	mills
9-1-1 Authority	0.2795	mills
Animal control	0.4243	mills
Children zoo	0.1997	mills
Health Department	0.4792	mills

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

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.

16. 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, 2023, 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

17. NET POSITION

Restricted Net Position

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

	Governmental Activities	Component Units
Public improvement	\$ 7,176,550	\$ -
Drain projects	-	9,244,230
Debt service	2,595,065	34,959,996
Capital projects	-	2,117,180
Public safety	5,101,908	-
Health and welfare	11,095,484	-
Recreation	1,675,241	-
Community and economic development	1,817,415	-
Opioid remediation	5,520,725	-
Other:		
Public works	707,371	-
CMH renovations	512,348	-
Register of Deeds	448,904	-
Endowment:		
Nonexpendable	36,390	-
Expendable	4,756	-
Total restricted net position	<u>\$ 36,692,157</u>	<u>\$ 46,321,406</u>

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/amortized	\$ 5,252,723	\$ 22,569,037	\$ 59,472,632
Capital assets being depreciated/amortized, net	<u>68,721,061</u>	<u>16,987,191</u>	<u>209,582,199</u>
	<u>73,973,784</u>	<u>39,556,228</u>	<u>269,054,831</u>
Related debt:			
Bonds notes and other long-term liabilities	82,120,064	45,739,093	45,413,705
Accounts and retainage payable	977,209	2,357,565	271,916
Less:			
Department of Public Works conduit debt	-	-	(11,104,954)
Compensated absences	(1,874,850)	(4,780)	(820,782)
Delinquent tax notes	-	(23,518,568)	-
Unexpended bond proceeds	(788,107)	-	-
Community Mental Health bonds	(2,945,000)	-	-
Pension bonds	(20,685,000)	-	-
	<u>56,804,316</u>	<u>24,573,310</u>	<u>33,759,885</u>
Net investment in capital assets	<u><u>\$ 17,169,468</u></u>	<u><u>\$ 14,982,918</u></u>	<u><u>\$ 235,294,946</u></u>

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

18. FUND BALANCES - GOVERNMENTAL FUNDS

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

	General Fund	Health Department	Michigan Works!	American Rescue Plan Act	Nonmajor Governmental Funds	Total
Nonspendable:						
Long-term advances	\$ 420,000	\$ -	\$ -	\$ -	\$ -	\$ 420,000
Prepays	9,908	3,080	77,332	-	66,914	157,234
Permanent fund corpus	-	-	-	-	36,390	36,390
Total nonspendable	429,908	3,080	77,332	-	103,304	613,624
Restricted for:						
Public safety	-	-	-	-	5,022,694	5,022,694
Public works	-	-	-	-	707,371	707,371
Health and welfare	-	-	-	-	10,729,327	10,729,327
Community and economic development	-	-	-	-	70,537	70,537
Recreation	-	-	-	-	1,650,975	1,650,975
Family counseling	231,767	-	-	-	-	231,767
Register of Deeds	-	-	-	-	448,904	448,904
Debt service	-	-	-	-	1,351,975	1,351,975
Public Improvement	-	-	-	-	7,176,550	7,176,550
Opioid remediation	-	-	-	-	1,265,256	1,265,256
Mainframe conversion	-	-	-	-	694,375	694,375
Animal Care and Control Resource Center	-	-	-	-	93,732	93,732
CMH Renovations	-	-	-	-	512,348	512,348
Permanent trusts	-	-	-	-	4,756	4,756
Total restricted	231,767	-	-	-	29,728,800	29,960,567
Committed for:						
Public safety	-	-	-	-	-	-
Assigned for:						
Employee payroll reserve	14,598,408	-	-	-	-	14,598,408
G.I.S. System	-	-	-	-	23,253	23,253
Courts	-	-	-	-	747,192	747,192
General government	-	-	-	-	1,984,253	1,984,253
Public safety	-	-	-	52,682	479,751	532,433
Community and economic development	-	-	132,478	-	-	132,478
Health and welfare	-	9,533,960	-	-	1,239,114	10,773,074
Capital projects	-	-	-	-	101,606	101,606
Debt service	-	-	-	-	1,154,495	1,154,495
Subsequent year	681,779	-	-	-	-	681,779
Total assigned	15,280,187	9,533,960	132,478	52,682	5,729,664	30,728,971
Unassigned	5,789,887	-	-	-	-	5,789,887
Total fund balances, governmental funds	\$ 21,731,749	\$ 9,537,040	\$ 209,810	\$ 52,682	\$ 35,561,768	\$ 67,093,049

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

19. TAX ABATEMENTS

The County received reduced property tax revenues during 2023 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 2023 were as follows:

Governmental Entity	Taxable Value	Abatement Amount
Townships:		
Blumfield	\$ 1,037,500	\$ 5,665
Bridgeport	1,855,400	10,131
Buena Vista	6,121,532	33,427
Carrollton	124,600	680
Frankenmuth	79,400	434
Jonesfield	336,900	1,840
Kochville	45,446	248
Saginaw	2,382,298	13,009
Spaulding	79,234	433
Thomas	20,531,027	112,110
Tittabawassee	342,615	1,871
Cities:		
Frankenmuth	2,899,945	15,835
Saginaw	3,945,854	21,546
Zilwaukee	163,100	891
		\$ 218,119

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 2023 were as follows:

Governmental Entity	Taxable Value	Abatement Amount
City of Saginaw	\$ 283,811,299	\$ 3,099,503
Buena Vista Township	121,679,900	1,328,866
Thomas Township	4,177,100	45,618
		<u>\$ 4,473,987</u>

Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. These agreements were entered into based upon the Brownfield Redevelopment Act, PA 381 of 1996, as amended. Under this Act, a municipality may create a brownfield redevelopment authority to develop and implement brownfield projects. Tax increment financing may be used as a tool for property redevelopment. The abatements by local unit which reduced tax revenues to the County for 2023 were as follows:

Governmental Entity	Taxable Value	Abatement Amount
City of Saginaw	\$ 3,221,345	\$ 32,486
Village of Merrill	297,931	3,131
Tittabwassee Township	129,995	1,366
		<u>\$ 36,983</u>

20. FEDERAL GRANTS - ROAD COMMISSION

The Michigan Department of Transportation (MDOT) requires that road commissions report all Federal and State grants pertaining to their county. During the year ended December 31, 2022 the Federal aid received and expended by the Road Commission was \$4,472,432 for contracted projects and \$103,172 for negotiated projects. Contracted projects are defined as projects performed by private contractors paid for and administered by MDOT (they are included in MDOT's single audit). Negotiated projects are projects where the Commission administers the grant and either performs the work or contracts it out. The Road Commission is subject to single audit requirements if they expended \$750,000 or more for negotiated projects.

COUNTY OF SAGINAW, MICHIGAN

Notes to Financial Statements

21. OPIOID SETTLEMENT

The County is part of a \$21 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 (Distributors), and a \$5 billion nationwide settlement with manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (Janssen). The term of the settlement varies by entity; however, the County expects to receive eighteen (18) installments from the Distributors with the first two installments being paid in 2023 in the amount of \$428,897 and the remaining 16 installments expected to be made annually beginning in 2024. Additionally, the County expects to receive eleven (11) installments from Janssen with the first five installments being paid in 2023 in the amount of \$836,359 and the remaining installments expected to be made annually beginning in 2026. The County is currently allocated approximately 1.86975% of the total State of Michigan local unit settlement and the total amount of the settlement is expected to be \$5,352,669 and \$1,222,446 from the Distributors and Janssen, respectively.

As a result of the payment terms issued to the Directing Administrator of the National Opioid Settlements, the receivable for the Distributor and Janssen settlement agreements was recorded at the net present value, using a discount rate for payments to be received subsequent to 2023 of 3%. The net present value of the combined settlement payments to be received as of September 30, 2023 is \$4,255,469.

Additional settlements with pharmacies and manufacturers were entered into during 2023, including CVS, Walgreens, Walmart, Allergan and Teva. However, as of September 30, 2023, the amounts to be allocated to and collected by the County were not able to be determined, and as such, no amounts have been reported related to these settlements in the financial statements.

22. FUND RECLASSIFICATION

During 2023, the County reclassified the department of public works construction nonmajor capital projects fund into the department of public works component unit governmental fund. This did not have any impact on beginning fund balance as the fund balance was zero at the end of prior year.

23. SUBSEQUENT EVENTS

On October 4, 2023 the County entered in to two bonds for Eastwood Drain and Savage Drain for \$955,000 and \$2,830,000, respectively, both with interest rates not to exceed 6%.

On October 10, 2023 the County entered in to a bond for Little Eagle Drain for \$208,000 with an interest rate of 5%.

On February 21, 2024 the County entered in to a bond for Smith Drain for \$177,000 with an interest rate not to exceed 6%.



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,			
	2023	2022	2021	2020
Total pension liability				
Service cost	\$ 45,966	\$ 52,629	\$ 60,841	\$ 63,245
Interest	10,075,564	10,473,423	11,851,105	11,000,096
Difference between expected and actual experience	212,451	(447,384)	72,218	(142,834)
Changes in assumptions	-	4,455,981	5,545,935	4,725,317
Benefit payments, including refunds of employee contributions	(13,302,644)	(13,273,286)	(13,343,085)	(13,195,896)
Other changes	-	-	-	-
Net change in total pension liability	(2,968,663)	1,261,363	4,187,014	2,449,928
Total pension liability, beginning of year	151,965,852	150,704,489	146,517,475	144,067,547
Total pension liability, end of year	148,997,189	151,965,852	150,704,489	146,517,475
Plan fiduciary net position				
Employer contributions	5,675,973	4,529,343	3,595,010	3,245,914
Employee contributions	6,224	6,566	8,070	20,360
Net investment income (loss)	(13,530,187)	15,220,153	14,591,798	14,210,014
Benefit payments, including refunds of employee contributions	(13,302,644)	(13,273,286)	(13,343,085)	(13,195,896)
Administrative expense	(219,690)	(181,112)	(218,068)	(244,503)
Net change in plan fiduciary net position	(21,370,324)	6,301,664	4,633,725	4,035,889
Plan fiduciary net position, beginning of year	123,200,645	116,898,981	112,265,256	108,229,367
Plan fiduciary net position, end of year	101,830,321	123,200,645	116,898,981	112,265,256
County's net pension liability	\$ 47,166,868	\$ 28,765,207	\$ 33,805,508	\$ 34,252,219
Plan fiduciary net position as a percentage of total pension liability	68.3%	81.1%	77.6%	76.6%
Covered payroll	\$ 432,452	\$ 498,231	\$ 499,531	\$ 513,152
County's net pension liability as a percentage of covered payroll	10906.8%	5773.5%	6767.4%	6674.9%

See notes to required supplementary information.

Year Ended September 30,				
2019	2018	2017	2016	2015
\$ 141,797	\$ 271,358	\$ 343,667	\$ 366,482	\$ 470,724
11,077,621	11,161,488	11,214,831	11,030,766	11,028,920
747,985	5,196	(125,333)	(116,667)	-
-	-	-	6,937,875	-
(12,598,428)	(12,244,774)	(11,882,834)	(11,572,681)	(11,276,793)
(3)	2	3	(159)	(415)
(631,028)	(806,730)	(449,666)	6,645,616	222,436
144,698,575	145,505,305	145,954,971	139,309,355	139,086,919
144,067,547	144,698,575	145,505,305	145,954,971	139,309,355
2,457,345	1,141,350	401,184	384,689	52,025,528
56,056	54,021	61,122	95,891	98,809
(4,496,238)	15,139,260	12,879,155	(1,845,639)	7,963,230
(12,598,428)	(12,244,774)	(11,882,834)	(11,572,681)	(11,276,793)
(231,362)	(240,839)	(254,838)	(277,640)	(292,649)
(14,812,627)	3,849,018	1,203,789	(13,215,380)	48,518,125
123,041,994	119,192,976	117,989,187	131,204,567	82,686,442
108,229,367	123,041,994	119,192,976	117,989,187	131,204,567
\$ 35,838,180	\$ 21,656,581	\$ 26,312,329	\$ 27,965,784	\$ 8,104,788
75.1%	85.0%	81.9%	80.8%	94.2%
\$ 1,081,792	\$ 2,079,913	\$ 2,579,083	\$ 2,767,719	\$ 3,525,912
3312.9%	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%
2023	6,324,540	6,324,540	-	453,942	1393.2%

See notes to required supplementary information.

COUNTY OF SAGINAW, MICHIGAN

Notes to Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

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

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

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

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%.
- * In 2021, amounts reported as changes of assumptions related to updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.
- * In 2020, amounts reported as changes of assumptions resulted primarily from a decrease in the assumed rate of return from 7.75% to 7.35%, and a decrease in the assumed rate of wage inflation from 3.75% to 3.00%.
- * In 2016, amounts reported as changes in assumptions resulted in primarily from adjustments to the mortality table to reflect longer lifetimes, decreases in the assumed rate of return and changes in asset smoothing.

COUNTY OF SAGINAW, MICHIGAN

Notes to Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Notes to Schedule of Contributions

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

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	4-10 years depending on division
Asset valuation method	5-year smooth market
Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.35%, net of investment and administrative expense including inflation
Retirement age	Age 60
Mortality	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. Disabled 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.

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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,			
	2023	2022	2021	2020
Total OPEB liability				
Service cost	\$ 374,478	\$ 455,645	\$ 468,981	\$ 779,823
Interest	2,983,854	3,433,024	3,384,923	5,592,103
Differences between expected and actual experience	(351,225)	(4,479,458)	891,997	(51,173,560)
Changes in assumptions	465,485	(4,816,553)	(1,431,902)	12,441,144
Changes in benefits	-	198,315	-	-
Benefit payments, including refunds of employee contributions	(2,676,195)	(1,715,830)	(3,750,981)	(4,792,873)
Net change in total OPEB liability	796,397	(6,924,857)	(436,982)	(37,153,363)
Total OPEB liability, beginning of year	50,694,509	57,619,366	58,056,348	95,209,711
Total OPEB liability, end of year	51,490,906	50,694,509	57,619,366	58,056,348
Plan fiduciary net position				
Employer contributions	6,992,307	7,573,764	7,450,740	7,731,321
Net investment income	2,693,746	(5,363,149)	4,289,785	1,522,488
Benefit payments, including refunds of employee contributions	(2,676,195)	(1,715,830)	(3,750,981)	(4,792,873)
Administrative expense	(182,412)	(205,525)	(206,352)	(65,918)
Net change in plan fiduciary net position	6,827,446	289,260	7,783,192	4,395,018
Plan fiduciary net position, beginning of year	42,588,183	42,298,923	34,515,731	30,120,713
Plan fiduciary net position, end of year	49,415,629	42,588,183	42,298,923	34,515,731
County's net OPEB liability	<u>\$ 2,075,277</u>	<u>\$ 8,106,326</u>	<u>\$ 15,320,443</u>	<u>\$ 23,540,617</u>
Plan fiduciary net position as a percentage of total OPEB liability	96.0%	84.0%	73.4%	59.5%
Covered-employee payroll	\$ 22,413,718	\$ 22,600,876	\$ 8,585,103	\$ 8,296,124
County's net OPEB liability as a percentage of covered-employee payroll	9.3%	35.9%	178.5%	283.8%

See notes to required supplementary information.

Year Ended September 30,		
2019	2018	2017
\$ 751,637	\$ 941,815	\$ 934,769
5,488,195	5,969,257	6,243,989
-	1,329,614	-
-	(12,017,195)	-
-	-	-
<u>(4,267,244)</u>	<u>(4,006,144)</u>	<u>(7,347,208)</u>
1,972,588	(7,782,653)	(168,450)
<u>93,237,123</u>	<u>101,019,776</u>	<u>101,188,226</u>
<u>95,209,711</u>	<u>93,237,123</u>	<u>101,019,776</u>
7,999,149	8,991,013	8,331,754
776,801	1,034,722	1,726,727
(4,267,244)	(4,006,144)	(7,347,208)
<u>(147,505)</u>	<u>(133,404)</u>	<u>(160,297)</u>
4,361,201	5,886,187	2,550,976
<u>25,759,512</u>	<u>19,873,325</u>	<u>17,322,349</u>
<u>30,120,713</u>	<u>25,759,512</u>	<u>19,873,325</u>
<u>\$ 65,088,998</u>	<u>\$ 67,477,611</u>	<u>\$ 81,146,451</u>
31.6%	27.6%	19.7%
\$ 8,418,944	\$ 8,073,230	\$ 9,793,458
773.1%	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	(4,698,881)	8,585,103	86.8%
2022	2,307,918	7,573,764	(5,265,846)	22,600,876	33.5%
2023	1,042,851	6,992,307	(5,949,456)	22,413,718	31.2%

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%
2023	6.04%

* 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 2023, changes in assumptions resulted from the medical trend rate being shifted to maintain the same immediate rates of 7.25%.
- * 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	23 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.

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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.

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

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

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

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

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

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

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

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 Fund - 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 OF SAGINAW, MICHIGAN

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

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

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

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

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

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

Opioid Settlements Fund - This fund is used to account for funds received from a nationwide Opioid Settlement reached in July 2021. Money for the operation of this fund is supplied from the settlement dollars received by pharmaceutical distributors. It is to be spent in accordance with Exhibit E of the settlement documents and is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

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

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

COUNTY OF SAGINAW, MICHIGAN

Nonmajor Governmental Funds

Special Revenue Funds (Concluded)

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

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

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

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.

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.

COUNTY OF SAGINAW, MICHIGAN

Nonmajor Governmental Funds

Debt Service Funds (Concluded)

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.

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.

COUNTY OF SAGINAW, MICHIGAN

Nonmajor Governmental Funds

Capital Projects Funds (Concluded)

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.

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, 2023

	Special Revenue Funds					
	Law Enforcement	Parks & Recreation Commission	Geographic Information System	Friend of the Court	Solid Waste Management	Lodging Excise Tax
Assets						
Cash and investment pool	\$ 2,168,032	\$ 2,177,013	\$ -	\$ -	\$ 623,668	\$ -
Receivables:						
Taxes	60,788	11,773	-	-	-	-
Accounts	82,598	17,855	71,153	5,217	109,656	1,136,927
Loans	-	-	-	-	-	-
Installment sales agreement	-	-	-	-	-	-
Leases	-	309,721	-	-	-	-
Due from other governmental units	24,313	-	-	1,137,917	-	-
Due from other funds	232,579	-	-	-	-	-
Prepays	12,831	2,250	-	3,977	-	-
Total assets	\$ 2,581,141	\$ 2,518,612	\$ 71,153	\$ 1,147,111	\$ 733,324	\$ 1,136,927
Liabilities						
Accounts payable	\$ 72,428	\$ 374,886	\$ -	\$ 7,567	\$ 25,953	\$ 1,082,147
Accrued liabilities	153,082	20,413	5,806	94,846	-	-
Deposits payable	4,270	-	-	-	-	-
Checks issued in excess of pooled cash	-	-	42,094	293,529	-	54,780
Due to other funds	305	275,308	-	-	-	-
Due to other governmental units	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	230,085	670,607	47,900	395,942	25,953	1,136,927
Deferred inflows of resources						
Unavailable revenue:						
Property taxes	60,788	11,773	-	-	-	-
Long-term receivables	-	-	-	-	-	-
Deferred lease amounts	-	295,597	-	-	-	-
Total deferred inflows of resources	60,788	307,370	-	-	-	-
Fund balances						
Nonspendable	12,831	2,250	-	3,977	-	-
Restricted	2,277,437	1,538,385	-	-	707,371	-
Committed	-	-	-	-	-	-
Assigned	-	-	23,253	747,192	-	-
Total fund balances	2,290,268	1,540,635	23,253	751,169	707,371	-
Total liabilities, deferred inflows of resources and fund balances	\$ 2,581,141	\$ 2,518,612	\$ 71,153	\$ 1,147,111	\$ 733,324	\$ 1,136,927

Special Revenue Funds							
Castle Museum & Historical Activities	Commission on Aging	Mosquito Control	Dredged Materials Disposal	Planning	Principal Residence Exemption	Courthouse Preservation Technology	Animal Control
\$ 185,305	\$ 1,862,251	\$ 7,230,554	\$ -	\$ 119,215	\$ 80,156	\$ 67,819	\$ 651,043
10,243	25,041	32,589	-	-	71,105	-	12,292
-	10,710	-	1,013	-	-	20,901	2,829
-	-	-	-	1,935,910	-	-	-
-	-	-	-	-	-	-	-
-	629,551	6,000	-	-	-	-	-
-	-	-	-	-	-	-	24,150
-	42,464	419	-	-	-	-	160
<u>\$ 195,548</u>	<u>\$ 2,570,017</u>	<u>\$ 7,269,562</u>	<u>\$ 1,013</u>	<u>\$ 2,055,125</u>	<u>\$ 151,261</u>	<u>\$ 88,720</u>	<u>\$ 690,474</u>
\$ 72,715	\$ 92,311	\$ 2,300	\$ 115	\$ 48,678	\$ 20,111	\$ -	\$ 52,575
-	82,144	45,564	-	-	-	-	28,108
-	-	-	-	-	-	-	-
-	-	-	571	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	189,032	69,718	-	-
-	-	-	-	-	-	-	-
<u>72,715</u>	<u>174,455</u>	<u>47,864</u>	<u>686</u>	<u>237,710</u>	<u>89,829</u>	<u>-</u>	<u>80,683</u>
10,243	25,041	32,589	-	-	-	-	12,292
-	-	-	-	1,746,878	-	-	-
-	-	-	-	-	-	-	-
<u>10,243</u>	<u>25,041</u>	<u>32,589</u>	<u>-</u>	<u>1,746,878</u>	<u>-</u>	<u>-</u>	<u>12,292</u>
-	42,464	419	-	-	-	-	160
112,590	2,328,057	7,188,690	-	70,537	-	-	597,339
-	-	-	-	-	-	-	-
-	-	-	327	-	61,432	88,720	-
<u>112,590</u>	<u>2,370,521</u>	<u>7,189,109</u>	<u>327</u>	<u>70,537</u>	<u>61,432</u>	<u>88,720</u>	<u>597,499</u>
<u>\$ 195,548</u>	<u>\$ 2,570,017</u>	<u>\$ 7,269,562</u>	<u>\$ 1,013</u>	<u>\$ 2,055,125</u>	<u>\$ 151,261</u>	<u>\$ 88,720</u>	<u>\$ 690,474</u>

continued...

COUNTY OF SAGINAW, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
September 30, 2023

	Special Revenue Funds					
	Register of Deeds Automation	Indigent Care	E-911 Telephone Surcharge	Mobile Data Maintenance & Repair	Concealed Pistol Licensing	County Library Board
Assets						
Cash and investment pool	\$ 448,807	\$ 1,243,399	\$ 89,874	\$ 1,763,648	\$ 184,584	\$ -
Receivables:						
Taxes	-	-	5,974	-	-	-
Accounts	304	-	1,351,972	-	349	-
Loans	-	-	-	-	-	-
Installment sales agreement	-	-	-	-	-	-
Leases	-	-	-	-	-	-
Due from other governmental units	-	-	50,037	-	-	-
Due from other funds	-	-	-	-	-	-
Prepays	-	-	-	4,813	-	-
Total assets	\$ 449,111	\$ 1,243,399	\$ 1,497,857	\$ 1,768,461	\$ 184,933	\$ -
Liabilities						
Accounts payable	\$ 207	\$ 402,483	\$ 23,285	\$ -	\$ 2,561	\$ -
Accrued liabilities	-	-	-	-	1,432	-
Deposits payable	-	-	-	-	-	-
Checks issued in excess of pooled cash	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-
Unearned revenue	-	840,916	-	-	-	-
Total liabilities	207	1,243,399	23,285	-	3,993	-
Deferred inflows of resources						
Unavailable revenue:						
Property taxes	-	-	5,974	-	-	-
Long-term receivables	-	-	-	-	-	-
Deferred lease amounts	-	-	-	-	-	-
Total deferred inflows of resources	-	-	5,974	-	-	-
Fund balances						
Nonspendable	-	-	-	4,813	-	-
Restricted	448,904	-	1,468,598	-	180,940	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	1,763,648	-	-
Total fund balances	448,904	-	1,468,598	1,768,461	180,940	-
Total liabilities, deferred inflows of resources and fund balances	\$ 449,111	\$ 1,243,399	\$ 1,497,857	\$ 1,768,461	\$ 184,933	\$ -

Special Revenue Funds							
Remun- eration	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Opioid Settlements	Community Corrections	Local Correction Officer Training	MSU Extension
\$ 47,952	\$ 138,790	\$ 360,804	\$ 7,162	\$ 1,265,256	\$ 229,050	\$ 155,927	\$ 111,545
-	-	-	-	-	-	-	-
-	11,315	1,340	-	4,255,469	51	10,272	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
61,825	281,761	157,426	896	-	106,126	-	-
-	-	305	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 109,777</u>	<u>\$ 431,866</u>	<u>\$ 519,875</u>	<u>\$ 8,058</u>	<u>\$ 5,520,725</u>	<u>\$ 335,227</u>	<u>\$ 166,199</u>	<u>\$ 111,545</u>
\$ 96,171	\$ 141,440	\$ 17,834	\$ 419	\$ -	\$ 28,254	\$ 1,293	\$ 111,449
6,000	20,025	9,961	6,668	-	11,567	825	-
-	-	360	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	120,228	11,969	-	-	26,057	-	-
<u>102,171</u>	<u>281,693</u>	<u>40,124</u>	<u>7,087</u>	<u>-</u>	<u>65,878</u>	<u>2,118</u>	<u>111,449</u>
-	-	-	-	-	-	-	-
-	-	-	-	4,255,469	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	4,255,469	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,265,256	269,349	164,081	-
-	-	-	-	-	-	-	-
7,606	150,173	479,751	971	-	-	-	96
<u>7,606</u>	<u>150,173</u>	<u>479,751</u>	<u>971</u>	<u>1,265,256</u>	<u>269,349</u>	<u>164,081</u>	<u>96</u>
<u>\$ 109,777</u>	<u>\$ 431,866</u>	<u>\$ 519,875</u>	<u>\$ 8,058</u>	<u>\$ 5,520,725</u>	<u>\$ 335,227</u>	<u>\$ 166,199</u>	<u>\$ 111,545</u>

continued...

COUNTY OF SAGINAW, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
September 30, 2023

	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
Assets						
Cash and investment pool	\$ 247	\$ 872,284	\$ -	\$ 1,212,580	\$ 64,950	\$ 4,872
Receivables:						
Taxes	-	-	-	28,509	5,368	-
Accounts	-	9,602	1,698	-	-	-
Loans	-	-	-	-	-	-
Installment sales agreement	-	-	-	-	-	-
Leases	-	-	-	-	-	-
Due from other governmental units	-	502,902	18,473	-	-	-
Due from other funds	-	-	-	-	-	-
Prepays	-	-	-	-	-	-
Total assets	\$ 247	\$ 1,384,788	\$ 20,171	\$ 1,241,089	\$ 70,318	\$ 4,872
Liabilities						
Accounts payable	\$ 247	\$ 16,619	\$ 18,676	\$ -	\$ -	\$ -
Accrued liabilities	-	86,681	-	-	-	-
Deposits payable	-	-	-	-	-	-
Checks issued in excess of pooled cash	-	-	1,495	-	-	-
Due to other funds	-	-	-	-	-	-
Due to other governmental units	-	42,374	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	247	145,674	20,171	-	-	-
Deferred inflows of resources						
Unavailable revenue:						
Property taxes	-	-	-	28,509	5,368	-
Long-term receivables	-	-	-	-	-	-
Deferred lease amounts	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	28,509	5,368	-
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	1,212,580	64,950	4,872
Committed	-	-	-	-	-	-
Assigned	-	1,239,114	-	-	-	-
Total fund balances	-	1,239,114	-	1,212,580	64,950	4,872
Total liabilities, deferred inflows of resources and fund balances	\$ 247	\$ 1,384,788	\$ 20,171	\$ 1,241,089	\$ 70,318	\$ 4,872

Debt Service Funds						Capital Projects Funds	
Qualified Energy Bond	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
\$ 241	\$ 33,965	\$ 1,148,031	\$ 75	\$ 6,464	\$ 1,312,822	\$ -	\$ 512,348
-	651	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2,469,804	-	-	-	-
-	-	-	-	-	-	65,535	-
-	-	-	-	-	-	275,308	-
-	-	-	-	-	-	-	-
<u>\$ 241</u>	<u>\$ 34,616</u>	<u>\$ 1,148,031</u>	<u>\$ 2,469,879</u>	<u>\$ 6,464</u>	<u>\$ 1,312,822</u>	<u>\$ 340,843</u>	<u>\$ 512,348</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,785	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	316,172	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	327,957	-
-	-	-	-	-	-	-	-
-	651	-	-	-	-	-	-
-	-	-	2,469,804	-	-	-	-
-	-	-	-	-	-	-	-
-	651	-	2,469,804	-	-	-	-
-	-	-	-	-	-	-	-
241	33,965	-	75	-	1,312,822	-	512,348
-	-	-	-	-	-	-	-
-	-	1,148,031	-	6,464	-	12,886	-
<u>241</u>	<u>33,965</u>	<u>1,148,031</u>	<u>75</u>	<u>6,464</u>	<u>1,312,822</u>	<u>12,886</u>	<u>512,348</u>
<u>\$ 241</u>	<u>\$ 34,616</u>	<u>\$ 1,148,031</u>	<u>\$ 2,469,879</u>	<u>\$ 6,464</u>	<u>\$ 1,312,822</u>	<u>\$ 340,843</u>	<u>\$ 512,348</u>

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COUNTY OF SAGINAW, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
September 30, 2023

	Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
	Public Improvement	Animal Care and Control Resource Center Construction	Mainframe Conversion Project	Rail Trail Endowment	
Assets					
Cash and investment pool	\$ 6,753,294	\$ 742,725	\$ 1,023,680	\$ 41,146	\$ 34,941,578
Receivables:					
Taxes	-	-	-	-	264,333
Accounts	-	-	-	-	7,101,231
Loans	-	-	-	-	1,935,910
Installment sales agreement	-	-	-	-	2,469,804
Leases	-	-	-	-	309,721
Due from other governmental units	-	-	-	-	3,042,762
Due from other funds	502,691	-	-	-	1,035,033
Prepays	-	-	-	-	66,914
Total assets	\$ 7,255,985	\$ 742,725	\$ 1,023,680	\$ 41,146	\$ 51,167,286
Liabilities					
Accounts payable	\$ 79,435	\$ 648,993	\$ 328,216	\$ -	\$ 3,781,153
Accrued liabilities	-	-	1,089	-	574,211
Deposits payable	-	-	-	-	4,630
Checks issued in excess of pooled cash	-	-	-	-	708,641
Due to other funds	-	-	-	-	275,613
Due to other governmental units	-	-	-	-	301,124
Unearned revenue	-	-	-	-	999,170
Total liabilities	79,435	648,993	329,305	-	6,644,542
Deferred inflows of resources					
Unavailable revenue:					
Property taxes	-	-	-	-	193,228
Long-term receivables	-	-	-	-	8,472,151
Deferred lease amounts	-	-	-	-	295,597
Total deferred inflows of resources	-	-	-	-	8,960,976
Fund balances					
Nonspendable	-	-	-	36,390	103,304
Restricted	7,176,550	93,732	694,375	4,756	29,728,800
Committed	-	-	-	-	-
Assigned	-	-	-	-	5,729,664
Total fund balances	7,176,550	93,732	694,375	41,146	35,561,768
Total liabilities, deferred inflows of resources and fund balances	\$ 7,255,985	\$ 742,725	\$ 1,023,680	\$ 41,146	\$ 51,167,286

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COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended September 30, 2023

	Special Revenue Funds					
	Law Enforcement	Parks & Recreation Commission	Geographic Information System	Friend of the Court	Solid Waste Management	Lodging Excise Tax
Revenue						
Property taxes	\$ 9,738,671	\$ 1,638,451	\$ -	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-	3,755,353
Licenses and permits	-	-	-	-	-	-
Federal grants	-	-	-	3,233,276	-	-
State grants	256,258	90,583	-	259,478	-	-
Local grants and contributions	2,366	17,732	-	-	-	-
Charges for services	87,150	113,448	-	290,004	376,946	-
Fines and forfeitures	-	-	-	-	-	-
Investment income (loss)	96,737	57,178	-	-	15,054	-
Rental revenue	-	28,303	-	-	-	-
Donations	8,852	2,355	-	-	-	-
Reimbursements	531,014	161	284,611	-	-	-
Other revenue	-	7,534	-	-	-	-
Total revenue	10,721,048	1,955,745	284,611	3,782,758	392,000	3,755,353
Expenditures						
Current:						
Judicial	-	-	-	5,284,987	-	-
General government	-	-	284,794	-	-	-
Public safety	8,355,020	-	-	-	-	-
Public works	-	-	-	-	237,953	-
Health and welfare	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	3,755,353
Recreation and culture	-	1,775,736	-	-	-	-
Capital outlay	429,970	563,285	-	7,492	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	8,784,990	2,339,021	284,794	5,292,479	237,953	3,755,353
Revenues over (under) expenditures	1,936,058	(383,276)	(183)	(1,509,721)	154,047	-
Other financing sources (uses)						
Proceeds from issuance of bonds, notes and other long-term liabilities	-	-	-	-	-	-
Transfers in	749,503	15,977	-	1,568,267	-	-
Transfers out	(3,155,467)	(291,285)	-	-	(45,999)	-
Total other financing sources (uses)	(2,405,964)	(275,308)	-	1,568,267	(45,999)	-
Net change in fund balances	(469,906)	(658,584)	(183)	58,546	108,048	-
Fund balances, beginning of year	2,760,174	2,199,219	23,436	692,623	599,323	-
Fund balances, end of year	\$ 2,290,268	\$ 1,540,635	\$ 23,253	\$ 751,169	\$ 707,371	\$ -

Special Revenue Funds							
Castle Museum & Historical Activities	Commission on Aging	Mosquito Control	Dredged Materials Disposal	Planning	Principal Residence Exemption	Courthouse Preservation Technology	Animal Control
\$ 1,112,945	\$ 3,286,950	\$ 5,566,603	\$ -	\$ -	\$ -	\$ -	\$ 2,364,454
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	8,182
-	1,733,518	-	-	-	-	-	-
61,489	691,654	209,048	-	-	-	-	130,857
-	16,323	-	-	-	-	-	20,996
-	30,472	28,050	-	-	1,319	79,614	42,615
-	-	-	-	-	-	-	-
9,277	4,522	89,887	-	1,751	10,106	2,284	62,293
-	-	4,500	310	-	-	-	-
-	193,087	-	-	-	-	-	107,694
10,919	10,330	135,688	-	-	-	-	82
-	17,424	243	-	30,742	-	-	272
<u>1,194,630</u>	<u>5,984,280</u>	<u>6,034,019</u>	<u>310</u>	<u>32,493</u>	<u>11,425</u>	<u>81,898</u>	<u>2,737,445</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,053,682
-	-	-	-	-	-	-	-
-	5,614,804	3,411,392	-	-	-	-	-
-	-	-	-	48,798	-	-	-
1,181,523	-	-	-	-	-	-	-
-	7,987	93,123	-	-	-	-	17,170
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,181,523</u>	<u>5,622,791</u>	<u>3,504,515</u>	<u>-</u>	<u>48,798</u>	<u>-</u>	<u>-</u>	<u>2,070,852</u>
<u>13,107</u>	<u>361,489</u>	<u>2,529,504</u>	<u>310</u>	<u>(16,305)</u>	<u>11,425</u>	<u>81,898</u>	<u>666,593</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	24,150
-	-	-	-	-	-	(75,000)	(854,761)
-	-	-	-	-	-	(75,000)	(830,611)
13,107	361,489	2,529,504	310	(16,305)	11,425	6,898	(164,018)
99,483	2,009,032	4,659,605	17	86,842	50,007	81,822	761,517
<u>\$ 112,590</u>	<u>\$ 2,370,521</u>	<u>\$ 7,189,109</u>	<u>\$ 327</u>	<u>\$ 70,537</u>	<u>\$ 61,432</u>	<u>\$ 88,720</u>	<u>\$ 597,499</u>

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COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Special Revenue Funds					
	Register of Deeds Automation	Indigent Care	E-911 Telephone Surcharge	Mobile Data Maintenance & Repair	Concealed Pistol Licensing	County Library Board
Revenue						
Property taxes	\$ -	\$ -	\$ 1,556,483	\$ -	\$ -	\$ -
Accommodations tax	-	-	-	-	-	-
Licenses and permits	-	-	-	-	95,578	-
Federal grants	-	-	-	-	-	-
State grants	-	5,125,372	476,979	-	-	-
Local grants and contributions	-	924,855	-	150,000	-	-
Charges for services	139,878	-	5,483,060	144,197	14,565	-
Fines and forfeitures	-	-	-	-	-	28,477
Investment income (loss)	10,394	-	27,768	42,059	4,901	-
Rental revenue	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Reimbursements	-	-	53,963	5,334	-	-
Other revenue	-	-	-	-	-	-
Total revenue	150,272	6,050,227	7,598,253	341,590	115,044	28,477
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	57,488	-	-	-	-	-
Public safety	-	6,030,019	7,639,008	368,322	117,367	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	28,477
Capital outlay	205,953	20,208	-	-	-	-
Debt service:						
Principal	70,850	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	334,291	6,050,227	7,639,008	368,322	117,367	28,477
Revenues over (under) expenditures	(184,019)	-	(40,755)	(26,732)	(2,323)	-
Other financing sources (uses)						
Proceeds from issuance of bonds, notes and other long-term liabilities	205,953	-	-	-	-	-
Transfers in	-	-	-	123,000	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	205,953	-	-	123,000	-	-
Net change in fund balances	21,934	-	(40,755)	96,268	(2,323)	-
Fund balances, beginning of year	426,970	-	1,509,353	1,672,193	183,263	-
Fund balances, end of year	\$ 448,904	\$ -	\$ 1,468,598	\$ 1,768,461	\$ 180,940	\$ -

Special Revenue Funds							
Remuneration	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Opioid Settlements	Community Corrections	Local Correction Officer Training	MSU Extension
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	324,422	26,631	-	-	-	-	-
103,435	652,557	328,368	266,141	-	500,810	-	3,250
-	-	-	-	-	-	-	-
-	785	16,545	-	-	510	38,138	-
-	307	40,788	-	-	-	-	-
-	300	316	-	-	-	2,677	25
-	-	-	-	-	-	-	-
-	9,593	-	-	-	-	-	-
-	313,244	164,727	-	-	-	-	-
-	-	-	-	1,265,256	830	-	-
103,435	1,301,208	577,375	266,141	1,265,256	502,150	40,815	3,275
-	633,671	-	-	-	-	-	-
103,456	-	-	298,489	-	713	-	118,273
-	203,333	570,542	-	-	616,918	36,181	-
-	313,333	-	-	-	-	-	-
-	279,778	-	-	-	-	-	-
-	440	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
103,456	1,430,555	570,542	298,489	-	617,631	36,181	118,273
(21)	(129,347)	6,833	(32,348)	1,265,256	(115,481)	4,634	(114,998)
-	-	-	-	-	-	-	-
-	137,284	187,430	30,334	-	165,789	-	111,449
-	-	(47,298)	-	-	-	-	-
-	137,284	140,132	30,334	-	165,789	-	111,449
(21)	7,937	146,965	(2,014)	1,265,256	50,308	4,634	(3,549)
7,627	142,236	332,786	2,985	-	219,041	159,447	3,645
\$ 7,606	\$ 150,173	\$ 479,751	\$ 971	\$ 1,265,256	\$ 269,349	\$ 164,081	\$ 96

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COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended September 30, 2023

	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
Revenue						
Property taxes	\$ -	\$ -	\$ -	\$ 2,408,499	\$ 1,112,912	\$ -
Accommodations tax	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Federal grants	-	68,181	-	-	-	-
State grants	-	3,330,713	68,473	144,175	61,577	-
Local grants and contributions	-	5,461	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income (loss)	-	-	-	32,434	3,024	2,183
Rental revenue	-	-	-	-	-	-
Donations	-	43,520	-	-	-	-
Reimbursements	-	11,058	-	-	-	4,783,799
Other revenue	265,626	1,203	-	-	-	-
Total revenue	265,626	3,460,136	68,473	2,585,108	1,177,513	4,785,982
Expenditures						
Current:						
Judicial	-	-	-	-	-	-
General government	-	-	-	-	-	-
Public safety	-	-	-	-	1,170,540	-
Public works	-	-	-	-	-	-
Health and welfare	16,680	5,925,720	68,473	2,612,367	-	-
Community and economic development	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	3,600,000
Interest and fiscal charges	-	-	-	-	-	1,183,799
Total expenditures	16,680	5,925,720	68,473	2,612,367	1,170,540	4,783,799
Revenues over (under) expenditures	248,946	(2,465,584)	-	(27,259)	6,973	2,183
Other financing sources (uses)						
Proceeds from issuance of bonds, notes and other long-term liabilities	-	-	-	-	-	-
Transfers in	16,680	2,842,183	-	-	-	-
Transfers out	(265,626)	-	-	-	-	-
Total other financing sources (uses)	(248,946)	2,842,183	-	-	-	-
Net change in fund balances	-	376,599	-	(27,259)	6,973	2,183
Fund balances, beginning of year	-	862,515	-	1,239,839	57,977	2,689
Fund balances, end of year	\$ -	\$ 1,239,114	\$ -	\$ 1,212,580	\$ 64,950	\$ 4,872

Debt Service Funds						Capital Projects Funds	
Qualified Energy Bond	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
\$ -	\$ 308	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	33,284	-
-	-	-	438,183	-	-	-	-
-	-	-	-	-	-	-	-
15	658	32,082	(1)	6,451	29,726	(164)	13,847
158,748	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
158,763	966	32,082	438,182	6,451	29,726	33,120	13,847
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	25,650
-	-	-	-	-	-	21,199	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	538,069	-
149,678	-	365,000	340,000	830,000	735,000	-	-
14,022	-	245,069	98,183	338,500	1,427,800	-	-
163,700	-	610,069	438,183	1,168,500	2,162,800	559,268	25,650
(4,937)	966	(577,987)	(1)	(1,162,049)	(2,133,074)	(526,148)	(11,803)
-	-	-	-	-	-	-	-
-	-	-	-	1,168,000	2,167,384	275,308	-
-	-	(1,192)	-	-	(4,584)	-	-
-	-	(1,192)	-	1,168,000	2,162,800	275,308	-
(4,937)	966	(579,179)	(1)	5,951	29,726	(250,840)	(11,803)
5,178	32,999	1,727,210	76	513	1,283,096	263,726	524,151
\$ 241	\$ 33,965	\$ 1,148,031	\$ 75	\$ 6,464	\$ 1,312,822	\$ 12,886	\$ 512,348

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COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended September 30, 2023

	Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
	Public Improvement	Animal Care and Control Resource Center Construction	Mainframe Conversion Project	Rail Trail Endowment	
Revenue					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 28,786,276
Accommodations tax	-	-	-	-	3,755,353
Licenses and permits	-	-	-	-	103,760
Federal grants	-	-	-	-	5,386,028
State grants	-	-	-	-	12,794,501
Local grants and contributions	-	-	-	-	1,137,733
Charges for services	4,750,000	-	400	-	12,075,879
Fines and forfeitures	-	-	-	-	69,572
Investment income (loss)	(58,135)	218,885	90,180	1,116	809,830
Rental revenue	-	-	-	-	191,861
Donations	-	56,153	-	-	421,254
Reimbursements	-	16,716	-	-	6,321,646
Other revenue	-	-	-	-	1,589,130
Total revenue	4,691,865	291,754	90,580	1,116	73,442,823
Expenditures					
Current:					
Judicial	-	-	-	-	5,918,658
General government	12,962	-	791,842	-	1,693,667
Public safety	-	-	-	-	27,160,932
Public works	-	-	-	-	572,485
Health and welfare	-	-	-	-	17,929,214
Community and economic development	-	-	-	-	3,804,591
Recreation and culture	-	-	-	-	2,985,736
Capital outlay	387,988	4,202,072	259,044	-	6,732,361
Debt service:					
Principal	-	-	-	-	6,090,528
Interest and fiscal charges	-	-	-	-	3,307,373
Total expenditures	400,950	4,202,072	1,050,886	-	76,195,545
Revenues over (under) expenditures	4,290,915	(3,910,318)	(960,306)	1,116	(2,752,722)
Other financing sources (uses)					
Proceeds from issuance of bonds, notes and other long-term liabilities	-	-	-	-	205,953
Transfers in	552,691	810,761	-	-	10,946,190
Transfers out	(22,400)	-	-	-	(4,763,612)
Total other financing sources (uses)	530,291	810,761	-	-	6,388,531
Net change in fund balances	4,821,206	(3,099,557)	(960,306)	1,116	3,635,809
Fund balances, beginning of year	2,355,344	3,193,289	1,654,681	40,030	31,925,959
Fund balances, end of year	\$ 7,176,550	\$ 93,732	\$ 694,375	\$ 41,146	\$ 35,561,768

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, 2023

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
Assets						
Current assets:						
Cash and investment pool	\$ 193,227	\$ 275,613	\$ 90,245	\$ 292,543	\$ 282,263	\$ 1,133,891
Receivables, net:						
Accounts	-	-	184	22,130	348,798	371,112
Inventory	-	-	-	49,318	-	49,318
Prepays	-	-	-	1,083	-	1,083
Total current assets	193,227	275,613	90,429	365,074	631,061	1,555,404
Noncurrent assets:						
Capital assets not being depreciated	-	-	41,273	1,341,379	-	1,382,652
Capital assets being depreciated, net	-	-	5,647	3,806,486	-	3,812,133
Total noncurrent assets	-	-	46,920	5,147,865	-	5,194,785
Total assets	193,227	275,613	137,349	5,512,939	631,061	6,750,189
Liabilities						
Current liabilities:						
Accounts payable	10,920	108,235	75	5,180	50,820	175,230
Accrued liabilities	9,149	47	-	-	-	9,196
Deposits payable	-	-	-	-	32,547	32,547
Due to other funds	-	-	-	-	502,691	502,691
Accrued compensated absences	4,780	-	-	-	-	4,780
Total current liabilities	24,849	108,282	75	5,180	586,058	724,444
Noncurrent liabilities:						
Advances from other funds	-	-	-	-	20,000	20,000
Total liabilities	24,849	108,282	75	5,180	606,058	744,444
Net position						
Investment in capital assets	-	-	46,920	5,147,865	-	5,194,785
Unrestricted	168,378	167,331	90,354	359,894	25,003	810,960
Total net position	\$ 168,378	\$ 167,331	\$ 137,274	\$ 5,507,759	\$ 25,003	\$ 6,005,745

COUNTY OF SAGINAW, MICHIGAN

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

Nonmajor Enterprise Funds

For the Year Ended September 30, 2023

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
Operating revenues						
Charges for services	\$ 985,207	\$ 17,922	\$ 49,755	\$ 482,076	\$ 1,521,154	\$ 3,056,114
Interest on delinquent taxes	4,311	-	-	-	-	4,311
Fines and forfeitures	-	-	340	-	-	340
Rental revenue	-	-	-	115,611	-	115,611
Reimbursements	-	-	-	9,582	28,771	38,353
Other revenue	-	-	-	280	5,122	5,402
Total operating revenues	989,518	17,922	50,095	607,549	1,555,047	3,220,131
Operating expenses						
Personnel services	-	2,639	3,333	-	-	5,972
Supplies	-	-	-	262	714,614	714,876
Services and charges	1,312,566	109,320	12,656	533,285	353,555	2,321,382
Depreciation	-	-	1,425	312,892	-	314,317
Total operating expenses	1,312,566	111,959	17,414	846,439	1,068,169	3,356,547
Operating income (loss)	(323,048)	(94,037)	32,681	(238,890)	486,878	(136,416)
Nonoperating revenues (expenses)						
Federal grants	-	-	-	109,164	-	109,164
Investment income	355,503	5,682	-	-	-	361,185
Loss on disposal of capital assets	-	-	(376)	(12,928)	-	(13,304)
Total nonoperating revenues (expenses)	355,503	5,682	(376)	96,236	-	457,045
Income (loss) before transfers	32,455	(88,355)	32,305	(142,654)	486,878	320,629
Transfers in	-	7,800	-	-	-	7,800
Transfers out	-	-	-	-	(779,515)	(779,515)
Change in net position	32,455	(80,555)	32,305	(142,654)	(292,637)	(451,086)
Net position, beginning of year	135,923	247,886	104,969	5,650,413	317,640	6,456,831
Net position, end of year	\$ 168,378	\$ 167,331	\$ 137,274	\$ 5,507,759	\$ 25,003	\$ 6,005,745

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2023

	Delinquent Property Tax Foreclosure	Building Authority Administration	Parking System	Harry W. Browne Airport	Inmate Services	Total
Cash flows from operating activities						
Receipts from customers	\$ 989,518	\$ 17,922	\$ 49,984	\$ 624,974	\$ 1,262,783	\$ 2,945,181
Payments to employees	-	(2,592)	(3,333)	-	-	(5,925)
Payments to suppliers	(1,302,514)	(1,885)	(12,581)	(507,684)	(609,082)	(2,433,746)
Net cash provided by (used in) operating activities	<u>(312,996)</u>	<u>13,445</u>	<u>34,070</u>	<u>117,290</u>	<u>653,701</u>	<u>505,510</u>
Cash flows from noncapital financing activities						
Federal grant proceeds	-	-	-	109,164	-	109,164
Transfers in	-	7,800	-	-	-	7,800
Transfers out	-	-	-	-	(779,515)	(779,515)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>7,800</u>	<u>-</u>	<u>109,164</u>	<u>(779,515)</u>	<u>(662,551)</u>
Cash flows from capital and related financing activities						
Payments for capital asset acquisition	-	-	(5,695)	(109,165)	-	(114,860)
Cash flows from investing activities	<u>355,503</u>	<u>5,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>361,185</u>
Net change in cash and investment pool	<u>42,507</u>	<u>26,927</u>	<u>28,375</u>	<u>117,289</u>	<u>(125,814)</u>	<u>89,284</u>
Cash and investment pool: Beginning 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>
End of year	<u>\$ 193,227</u>	<u>\$ 275,613</u>	<u>\$ 90,245</u>	<u>\$ 292,543</u>	<u>\$ 282,263</u>	<u>\$ 1,133,891</u>

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COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended September 30, 2023

	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)	\$ (323,048)	\$ (94,037)	\$ 32,681	\$ (238,890)	\$ 486,878	\$ (136,416)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	1,425	312,892	-	314,317
Changes in operating assets and liabilities that provided (used) cash:						
Receivables, net	-	-	(111)	17,425	(316,642)	(299,328)
Inventory	-	-	-	25,242	-	25,242
Accounts payable	10,482	107,435	75	621	(43,604)	75,009
Accrued liabilities	(5,210)	47	-	-	-	(5,163)
Deposits payable	-	-	-	-	24,378	24,378
Due to other funds	-	-	-	-	502,691	502,691
Accrued compensated absences	4,780	-	-	-	-	4,780
Net cash provided by (used in) operating activities	\$ (312,996)	\$ 13,445	\$ 34,070	\$ 117,290	\$ 653,701	\$ 505,510

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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, 2023

	MERS (DB) Retirement	MERS (DC) Retirement	Information Technology	Equipment Revolving
Assets				
Current assets:				
Cash and investment pool	\$ 519,869	\$ 1,369,904	\$ 837,875	\$ 14,701
Receivables:				
Accounts	233	160,492	201,335	-
Due from other funds	-	-	-	-
Prepays	-	-	450	-
Total current assets	<u>520,102</u>	<u>1,530,396</u>	<u>1,039,660</u>	<u>14,701</u>
Noncurrent assets:				
Capital assets not being depreciated	-	-	19,981	-
Capital assets being depreciated, net	-	-	1,565,981	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>1,585,962</u>	<u>-</u>
Total assets	<u>520,102</u>	<u>1,530,396</u>	<u>2,625,622</u>	<u>14,701</u>
Liabilities				
Current liabilities:				
Accounts payable	233	161,463	2,052	-
Accrued liabilities	-	877	40,864	-
Due to other funds	-	-	-	-
Total current liabilities	<u>233</u>	<u>162,340</u>	<u>42,916</u>	<u>-</u>
Noncurrent liabilities:				
Advances from other funds	-	-	353,339	-
Accrued compensated absences	-	3,293	64,346	-
Total noncurrent liabilities	<u>-</u>	<u>3,293</u>	<u>417,685</u>	<u>-</u>
Total liabilities	<u>233</u>	<u>165,633</u>	<u>460,601</u>	<u>-</u>
Net position				
Investment in capital assets	-	-	1,585,962	-
Unrestricted	<u>519,869</u>	<u>1,364,763</u>	<u>579,059</u>	<u>14,701</u>
Total net position	<u>\$ 519,869</u>	<u>\$ 1,364,763</u>	<u>\$ 2,165,021</u>	<u>\$ 14,701</u>

Motor Pool	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
\$ 207,611	\$ 2,516,020	\$ 15,166	\$ 4,588,197	\$ 415	\$ 10,069,758
-	15,922	-	83,383	19,891	481,256
-	-	-	-	354	354
-	939,477	-	39,143	-	979,070
<u>207,611</u>	<u>3,471,419</u>	<u>15,166</u>	<u>4,710,723</u>	<u>20,660</u>	<u>11,530,438</u>
-	-	-	-	-	19,981
<u>14,116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,580,097</u>
<u>14,116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,600,078</u>
<u>221,727</u>	<u>3,471,419</u>	<u>15,166</u>	<u>4,710,723</u>	<u>20,660</u>	<u>13,130,516</u>
19,853	12,000	-	113,857	-	309,458
-	2,215,578	790	1,285,455	19,891	3,563,455
-	-	-	354	-	354
<u>19,853</u>	<u>2,227,578</u>	<u>790</u>	<u>1,399,666</u>	<u>19,891</u>	<u>3,873,267</u>
-	-	-	-	-	353,339
-	5,080	2,957	6,480	-	82,156
-	5,080	2,957	6,480	-	435,495
<u>19,853</u>	<u>2,232,658</u>	<u>3,747</u>	<u>1,406,146</u>	<u>19,891</u>	<u>4,308,762</u>
14,116	-	-	-	-	1,600,078
<u>187,758</u>	<u>1,238,761</u>	<u>11,419</u>	<u>3,304,577</u>	<u>769</u>	<u>7,221,676</u>
<u>\$ 201,874</u>	<u>\$ 1,238,761</u>	<u>\$ 11,419</u>	<u>\$ 3,304,577</u>	<u>\$ 769</u>	<u>\$ 8,821,754</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, 2023

	MERS (DB) Retirement	MERS (DC) Retirement	Information Technology	Equipment Revolving
Operating revenues				
Charges for services	\$ -	\$ -	\$ 211,639	\$ -
Rental revenue	-	-	-	-
Reimbursements	6,555,173	4,200,768	4,917,668	-
Other revenue	-	140,522	-	-
Total operating revenues	6,555,173	4,341,290	5,129,307	-
Operating expenses				
Personnel services	-	19,922	853,834	-
Fringe benefits	6,330,706	4,220,380	769,156	-
Supplies	-	-	11,807	-
Services and charges	65,346	2,168	1,761,313	1,964
Depreciation	-	-	289,604	-
Total operating expenses	6,396,052	4,242,470	3,685,714	1,964
Operating income (loss)	159,121	98,820	1,443,593	(1,964)
Nonoperating revenues (expenses)				
Investment income (loss)	16,914	32,351	(9,284)	372
Loss on disposal of capital assets	-	-	(3,281)	-
Total nonoperating revenues (expenses)	16,914	32,351	(12,565)	372
Income (loss) before transfers	176,035	131,171	1,431,028	(1,592)
Transfers out	-	-	(1,168,000)	-
Change in net position	176,035	131,171	263,028	(1,592)
Net position, beginning of year	343,834	1,233,592	1,901,993	16,293
Net position, end of year	\$ 519,869	\$ 1,364,763	\$ 2,165,021	\$ 14,701

Motor Pool	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
\$ 17,514	\$ 4,315	\$ -	\$ -	\$ -	\$ 233,468
348,271	-	-	-	-	348,271
-	1,647,156	75,009	10,186,523	505,430	28,087,727
-	-	-	321	-	140,843
<u>365,785</u>	<u>1,651,471</u>	<u>75,009</u>	<u>10,186,844</u>	<u>505,430</u>	<u>28,810,309</u>
-	68,823	17,909	92,832	-	1,053,320
-	42,222	13,879	6,601,321	-	17,977,664
182,747	78	-	40,933	-	235,565
164,506	1,541,790	40,946	900,645	505,172	4,983,850
6,515	-	-	-	-	296,119
<u>353,768</u>	<u>1,652,913</u>	<u>72,734</u>	<u>7,635,731</u>	<u>505,172</u>	<u>24,546,518</u>
<u>12,017</u>	<u>(1,442)</u>	<u>2,275</u>	<u>2,551,113</u>	<u>258</u>	<u>4,263,791</u>
-	110,985	-	69,272	511	221,121
-	-	-	-	-	(3,281)
-	110,985	-	69,272	511	217,840
12,017	109,543	2,275	2,620,385	769	4,481,631
-	(52,229)	-	-	-	(1,220,229)
12,017	57,314	2,275	2,620,385	769	3,261,402
189,857	1,181,447	9,144	684,192	-	5,560,352
<u>\$ 201,874</u>	<u>\$ 1,238,761</u>	<u>\$ 11,419</u>	<u>\$ 3,304,577</u>	<u>\$ 769</u>	<u>\$ 8,821,754</u>

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2023

	MERS (DB) Retirement	MERS (DC) Retirement	Information Technology	Equipment Revolving
Cash flows from operating activities				
Receipts from interfund services provided	\$ 6,554,940	\$ 4,258,984	\$ 5,121,838	\$ -
Payments to employees	-	(19,718)	(1,625,223)	-
Payments to suppliers	(7,306,666)	(4,325,681)	(1,804,211)	(2,791)
Net cash provided by (used in) operating activities	<u>(751,726)</u>	<u>(86,415)</u>	<u>1,692,404</u>	<u>(2,791)</u>
Cash flows from noncapital financing activities				
Transfers out	-	-	(1,168,000)	-
Cash flows from capital and related financing activities				
Repayment of advances	-	-	(177,868)	-
Payments for capital asset acquisition	-	-	(525,757)	-
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(703,625)</u>	<u>-</u>
Cash flows from investing activities				
Investment income	16,914	32,351	-	372
Investment depreciation	-	-	(9,284)	-
Net cash flows provided by (used in) investing activities	<u>16,914</u>	<u>32,351</u>	<u>(9,284)</u>	<u>372</u>
Net change in cash and investment pool	<u>(734,812)</u>	<u>(54,064)</u>	<u>(188,505)</u>	<u>(2,419)</u>
Cash and investment pool:				
Beginning of year	1,254,681	1,423,968	1,026,380	17,120
End of year	<u>\$ 519,869</u>	<u>\$ 1,369,904</u>	<u>\$ 837,875</u>	<u>\$ 14,701</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 159,121	\$ 98,820	\$ 1,443,593	\$ (1,964)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	-	289,604	-
Changes in operating assets and liabilities that provided (used) cash:				
Receivables, net	(233)	(82,306)	(7,469)	-
Prepays	-	-	(450)	-
Accounts payable	(910,614)	(103,176)	(30,641)	(827)
Accrued liabilities	-	43	537	-
Accrued compensated absences	-	204	(2,770)	-
Net cash provided by (used in) operating activities	<u>\$ (751,726)</u>	<u>\$ (86,415)</u>	<u>\$ 1,692,404</u>	<u>\$ (2,791)</u>

Motor Pool	Risk Management	Investment Pool	Employee Benefits	Retiree Health Savings Plan	Total
\$ 365,790	\$ 1,651,849	\$ 75,009	\$ 10,176,914	\$ 493,830	\$ 28,699,154
-	(112,637)	(31,589)	(94,221)	-	(1,883,388)
(349,423)	(2,327,092)	(74,946)	(8,099,513)	(511,042)	(24,801,365)
16,367	(787,880)	(31,526)	1,983,180	(17,212)	2,014,401
-	(52,229)	-	-	-	(1,220,229)
-	-	-	-	-	(177,868)
-	-	-	-	-	(525,757)
-	-	-	-	-	(703,625)
-	110,985	-	69,272	511	230,405
-	-	-	-	-	(9,284)
-	110,985	-	69,272	511	221,121
16,367	(729,124)	(31,526)	2,052,452	(16,701)	311,668
191,244	3,245,144	46,692	2,535,745	17,116	9,758,090
<u>\$ 207,611</u>	<u>\$ 2,516,020</u>	<u>\$ 15,166</u>	<u>\$ 4,588,197</u>	<u>\$ 415</u>	<u>\$ 10,069,758</u>
\$ 12,017	\$ (1,442)	\$ 2,275	\$ 2,551,113	\$ 258	\$ 4,263,791
6,515	-	-	-	-	296,119
5	378	-	(9,930)	(11,600)	(111,155)
-	(939,477)	-	387	-	(939,540)
(2,170)	(12,086)	(34,000)	66,484	(8,291)	(1,035,321)
-	166,339	43	(623,485)	2,421	(454,102)
-	(1,592)	156	(1,389)	-	(5,391)
<u>\$ 16,367</u>	<u>\$ (787,880)</u>	<u>\$ (31,526)</u>	<u>\$ 1,983,180</u>	<u>\$ (17,212)</u>	<u>\$ 2,014,401</u>

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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, 2023

	General Custodial	State Education Tax	Library Penal Fine	Dependent Care	Medical Spending Reimbursement	Total
Assets						
Cash and investment pool	\$ 2,251,446	\$ 9,740,238	\$ 130,329	\$ 6,755	\$ 5,543	\$ 12,134,311
Receivables:						
Accounts	2,095,538	-	133,056	-	-	2,228,594
Due from other governmental units	104,748	1,497	-	-	-	106,245
Prepays	500	-	-	-	-	500
Total assets	4,452,232	9,741,735	263,385	6,755	5,543	14,469,650
Liabilities						
Accounts payable	1,109,513	-	-	-	-	1,109,513
Deposits payable	3,005,067	-	-	-	-	3,005,067
Due to other governmental units	337,652	9,741,735	263,385	-	-	10,342,772
Total liabilities	4,452,232	9,741,735	263,385	-	-	14,457,352
Net position						
Restricted for:						
Individuals, organizations and other governments	\$ -	\$ -	\$ -	\$ 6,755	\$ 5,543	\$ 12,298

COUNTY OF SAGINAW, MICH

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended September 30, 2023

	General Custodial	State Education Tax	Library Penal Fine	Dependent Care	Medical Spending Reimbursement	Total
Additions						
State education tax collected for other governments	\$ -	\$ 35,413,589	\$ -	\$ -	\$ -	\$ 35,413,589
Fees and fines collected on behalf of other units of government	9,079,914	-	466,069	-	-	9,545,983
Employee medical withholdings collected	-	-	-	25,054	11,503	36,557
Total additions	<u>9,079,914</u>	<u>35,413,589</u>	<u>466,069</u>	<u>25,054</u>	<u>11,503</u>	<u>44,996,129</u>
Deductions						
Payments of state education tax to other governments	-	35,413,589	-	-	-	35,413,589
Fees and fines remitted to other units of government	9,079,914	-	466,069	-	-	9,545,983
Employee medical withholdings remitted	-	-	-	22,056	12,890	34,946
Total deductions	<u>9,079,914</u>	<u>35,413,589</u>	<u>466,069</u>	<u>22,056</u>	<u>12,890</u>	<u>44,994,518</u>
Change in net position	-	-	-	2,998	(1,387)	1,611
Net position, beginning of year	-	-	-	3,757	6,930	10,687
Net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,755</u>	<u>\$ 5,543</u>	<u>\$ 12,298</u>

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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, 2023

	Brownfield Redevelopment Authority	Adjustments	Statement of Net Position
Assets			
Cash and investment pool	\$ 502,592	\$ -	\$ 502,592
Receivables:			
Loans	438,150	-	438,150
Accrued interest	20,934	-	20,934
Advances to land bank	467,691	-	467,691
Total assets	<u>\$ 1,429,367</u>	<u>-</u>	<u>1,429,367</u>
Fund balance			
Nonspendable	\$ 905,841	\$ (905,841)	-
Unassigned	523,526	(523,526)	-
Total fund balance	<u>\$ 1,429,367</u>	<u>(1,429,367)</u>	<u>-</u>
Net position			
Unrestricted		<u>\$ 1,429,367</u>	<u>\$ 1,429,367</u>

COUNTY OF SAGINAW, MICHIGAN

Statement of Activities and Statement of Revenues, Expenditures

and Changes in Fund Balance

Brownfield Redevelopment Authority Component Unit

For the Year Ended September 30, 2023

	Brownfield Redevelopment Authority	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 2,035	\$ -	\$ 2,035
Investment income	28,090	-	28,090
Total revenues	30,125	-	30,125
Expenditures / expenses			
Current:			
Community and economic development	3,100	-	3,100
Change in fund balance / net position	27,025	-	27,025
Fund balance / net position, beginning of year	1,402,342	-	1,402,342
Fund balance / net position, end of year	<u>\$ 1,429,367</u>	<u>\$ -</u>	<u>\$ 1,429,367</u>

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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.

Capital Projects 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.

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, 2023

	Governmental Activities	Business-type Activities	Totals
Assets			
Cash and investment pool	\$ 2,765,626	\$ 344,755	\$ 3,110,381
Accounts receivable	11,250,779	-	11,250,779
	<u>14,016,405</u>	<u>344,755</u>	<u>14,361,160</u>
Noncurrent assets:			
Capital assets being depreciated, net	-	27,846	27,846
	<u>-</u>	<u>27,846</u>	<u>27,846</u>
Total assets	<u>14,016,405</u>	<u>372,601</u>	<u>14,389,006</u>
Liabilities			
Accounts payable and accrued liabilities	412,059	8,552	420,611
Bonds, notes and other long-term liabilities:			
Due within one year	495,151	-	495,151
Due in more than one year	10,609,803	-	10,609,803
	<u>11,517,013</u>	<u>8,552</u>	<u>11,525,565</u>
Total liabilities	<u>11,517,013</u>	<u>8,552</u>	<u>11,525,565</u>
Net position			
Investment in capital assets	-	27,846	27,846
Restricted for:			
Debt service	496,647	-	496,647
Capital projects	2,117,180	-	2,117,180
Unrestricted (deficit)	(114,435)	336,203	221,768
	<u>(114,435)</u>	<u>336,203</u>	<u>221,768</u>
Total net position	<u>\$ 2,499,392</u>	<u>\$ 364,049</u>	<u>\$ 2,863,441</u>

COUNTY OF SAGINAW, MICHIGAN

Statement of Activities

Department of Public Works Component Unit
For the Year Ended September 30, 2023

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenues	
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:					
Public works	\$ 2,393,736	\$ -	\$ 4,762,532	\$ 2,368,796	\$ -
Interest on long-term liabilities	314,504	-	-	(314,504)	-
Total governmental activities	2,708,240	-	4,762,532	2,054,292	-
Business-type activities:					
Public works	198,594	168,893	-	-	(29,701)
Total	<u>\$ 2,906,834</u>	<u>\$ 168,893</u>	<u>\$ 4,762,532</u>		
Net (expense) revenue				2,054,292	(29,701)
General revenues:					
Investment income (loss)				(41,455)	-
Change in net position				2,012,837	(29,701)
Net position, beginning of year				486,555	393,750
Net position, end of year				<u>\$ 2,499,392</u>	<u>\$ 364,049</u>

COUNTY OF SAGINAW, MICHIGAN

Combining Balance Sheet

Department of Public Works Component Unit - Governmental Funds

September 30, 2023

	Debt Service	Capital Projects Construction Fund	Totals
Assets			
Cash and investment pool	\$ 406,684	\$ 2,358,942	\$ 2,765,626
Due from other governmental units	11,080,482	7,000	11,087,482
Total assets	<u>\$ 11,487,166</u>	<u>\$ 2,365,942</u>	<u>\$ 13,853,108</u>
Liabilities			
Accounts payable	\$ -	\$ 248,762	\$ 248,762
Deferred inflows of resources			
Unavailable revenue - long-term receivables	10,990,519	-	10,990,519
Fund balances			
Restricted	<u>496,647</u>	<u>2,117,180</u>	<u>2,613,827</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 11,487,166</u>	<u>\$ 2,365,942</u>	<u>\$ 13,853,108</u>

COUNTY OF SAGINAW, MICHIGAN

Reconciliation

Fund Balances of Governmental Funds 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, 2023

Fund balances - governmental funds - Department of Public Works \$ 2,613,827

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	163,297
Deferred long-term receivables	10,990,519

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, notes and other long-term liabilities	(11,104,954)
Accrued interest on bonds, notes and other long-term liabilities	<u>(163,297)</u>

Net position of governmental activities - Department of Public Works \$ 2,499,392

COUNTY OF SAGINAW, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Department of Public Works Component Unit - Governmental Funds

For the Year Ended September 30, 2023

	Debt Service	Capital Projects Construction Fund	Totals
Revenues			
Federal grants	\$ -	\$ 126,000	\$ 126,000
State grants	-	250,000	250,000
Local grants and contributions	885,615	303,780	1,189,395
Investment income (loss)	8,270	(49,725)	(41,455)
Total revenues	<u>893,885</u>	<u>630,055</u>	<u>1,523,940</u>
Expenditures			
Current:			
Public works	5,000	2,388,736	2,393,736
Debt service:			
Principal	607,000	-	607,000
Interest and fiscal charges	271,793	-	271,793
Total expenditures	<u>883,793</u>	<u>2,388,736</u>	<u>3,272,529</u>
Revenues over (under) expenditures	<u>10,092</u>	<u>(1,758,681)</u>	<u>(1,748,589)</u>
Other financing sources (uses)			
Proceeds from issuance of bonds	-	3,759,000	3,759,000
Premium on bond issuance	-	116,861	116,861
Total other financing sources (uses)	<u>-</u>	<u>3,875,861</u>	<u>3,875,861</u>
Net change in fund balances	10,092	2,117,180	2,127,272
Fund balances, beginning of year	<u>486,555</u>	<u>-</u>	<u>486,555</u>
Fund balances, end of year	<u>\$ 496,647</u>	<u>\$ 2,117,180</u>	<u>\$ 2,613,827</u>

COUNTY OF SAGINAW, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds 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, 2023

Net change in fund balances of governmental fund - Department of Public Works \$ 2,127,272

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 3,197,137

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

Issuance of bonds, notes and other long-term liabilities (3,759,000)

Premium on issuance of bonds, notes and other long-term liabilities (116,861)

Principal payments on bonds, notes and other long-term liabilities 607,000

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 bonds, notes and other long-term liabilities (45,137)

Amortization of bond premium 2,426

Change in net position of governmental activities - Department of Public Works \$ 2,012,837

COUNTY OF SAGINAW, MICHIGAN

Statement of Net Position

Department of Public Works Component Unit - Proprietary Fund

September 30, 2023

	Administration
Assets	
Current assets:	
Cash and investment pool	\$ 344,755
Noncurrent assets:	
Capital assets being depreciated, net	<u>27,846</u>
Total assets	<u>372,601</u>
Liabilities	
Accrued liabilities	<u>8,552</u>
Net position	
Investment in capital assets	27,846
Unrestricted	<u>336,203</u>
Total net position	<u><u>\$ 364,049</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, 2023

	Administration
Operating revenues	
Licenses and permits	\$ 165,573
Other revenue	<u>3,320</u>
Total operating revenue	<u>168,893</u>
Operating expenses	
Personnel services	163,405
Supplies	4,511
Services and charges	6,810
Depreciation	<u>23,868</u>
Total operating expenses	<u>198,594</u>
Operating income (loss)	(29,701)
Net position, beginning of year	<u>393,750</u>
Net position, end of year	<u><u>\$ 364,049</u></u>

COUNTY OF SAGINAW, MICHIGAN

Statement of Cash Flows

Department of Public Works Component Unit - Proprietary Fund
For the Year Ended September 30, 2023

	Administration
Cash flows from operating activities	
Receipts from customers	\$ 168,893
Payments to employees	(163,610)
Payments to suppliers	<u>(11,321)</u>
Net cash provided by (used in) operating activities (equal to net change in cash and investment pool)	(6,038)
Cash and investment pool:	
Beginning of year	<u>350,793</u>
End of year	<u><u>\$ 344,755</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income (loss)	\$ (29,701)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	23,868
Changes in operating assets and liabilities that provided (used) cash: Accrued liabilities	<u>(205)</u>
Net cash provided by (used in) operating activities	<u><u>\$ (6,038)</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, 2023

	Debt Service Fund	Capital Projects Funds	
	Chapter 8 Drains	Special Assessment Drain	Chapter 8 Drains
Assets			
Cash and investment pool	\$ 2,933,987	\$ 4,739,930	\$ 3,637,770
Receivables:			
Special assessments	29,414,912	-	-
Accounts	-	20,454	-
Due from other governmental units	3,263,572	-	-
Due from other funds	-	-	1,007
Advance to other funds	-	882,053	-
Capital assets:			
Assets not being depreciated	-	-	-
Assets being depreciated, net	-	-	-
Total assets	<u>\$ 35,612,471</u>	<u>\$ 5,642,437</u>	<u>\$ 3,638,777</u>
Liabilities			
Accounts payable	\$ -	\$ 148,493	\$ 252,679
Accrued liabilities	-	-	-
Due to other funds	-	1,007	-
Advance from other funds	882,053	-	-
Advances from primary government	-	-	-
Long-term liabilities:			
Due within one year	-	-	-
Due in more than one year	-	-	-
Total liabilities	<u>882,053</u>	<u>149,500</u>	<u>252,679</u>
Deferred inflows of resources			
Unavailable revenue - long-term receivables	<u>32,678,484</u>	<u>-</u>	<u>-</u>
Fund balances / net position			
Restricted for:			
Debt service	2,051,934	-	-
Capital projects	<u>-</u>	<u>5,492,937</u>	<u>3,386,098</u>
Total fund balances	<u>2,051,934</u>	<u>5,492,937</u>	<u>3,386,098</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,612,471</u>	<u>\$ 5,642,437</u>	<u>\$ 3,638,777</u>
Net position:			
Net investment in capital assets			
Restricted for:			
Debt service			
Acquisition/construction of capital assets			
Total net position			

Capital Projects Funds		Total		Statement of
Revolving Drain	Revolving Drain Maintenance	Governmental Funds	Adjustments	Net Position
\$ 276,000	\$ 220,606	\$ 11,808,293	\$ -	\$ 11,808,293
-	-	29,414,912	-	29,414,912
-	-	20,454	-	20,454
-	-	3,263,572	-	3,263,572
124,000	-	125,007	(125,007)	-
-	-	882,053	(882,053)	-
-	-	-	8,583,305	8,583,305
-	-	-	66,387,820	66,387,820
<u>\$ 400,000</u>	<u>\$ 220,606</u>	<u>\$ 45,514,291</u>	<u>73,964,065</u>	<u>119,478,356</u>
\$ -	\$ 3,327	\$ 404,499	-	404,499
-	-	-	267,069	267,069
-	124,000	125,007	(125,007)	-
-	-	882,053	(882,053)	-
400,000	-	400,000	-	400,000
-	-	-	2,981,291	2,981,291
-	-	-	30,331,932	30,331,932
<u>400,000</u>	<u>127,327</u>	<u>1,811,559</u>	<u>32,573,232</u>	<u>34,384,791</u>
-	-	32,678,484	(32,678,484)	-
-	-	2,051,934	(2,051,934)	-
-	93,279	8,972,314	(8,972,314)	-
-	93,279	11,024,248	(11,024,248)	-
<u>\$ 400,000</u>	<u>\$ 220,606</u>	<u>\$ 45,514,291</u>		
			41,385,986	41,385,986
			34,463,349	34,463,349
			9,244,230	9,244,230
			<u>\$ 85,093,565</u>	<u>\$ 85,093,565</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, 2023

	Debt	Capital Projects Funds	
	Service Fund	Special Assessment Drain	Chapter 8 Drains
Revenues			
Special assessments	\$ 3,011,573	\$ 1,164,914	\$ 732,437
Federal grants and contributions	-	-	-
State grants and contributions	-	36,328	60,279
Local grants and contributions	545,309	84,456	115,391
Investment income	63,725	31,898	10,988
Reimbursements	-	32,944	351,400
Total revenues	<u>3,620,607</u>	<u>1,350,540</u>	<u>1,270,495</u>
Expenditures / expenses			
Current:			
Public works	-	1,890,353	2,675,324
Depreciation	-	-	-
Debt service:			
Principal	2,522,879	-	-
Interest and fiscal charges	844,789	-	23,275
Total expenditures	<u>3,367,668</u>	<u>1,890,353</u>	<u>2,698,599</u>
Revenues over (under) expenditures/expenses	<u>252,939</u>	<u>(539,813)</u>	<u>(1,428,104)</u>
Other financing sources			
Transfers in	9,595	130,000	564,574
Transfers out	(564,574)	-	(139,595)
Proceeds from issuance of bonds, notes and other long-term liabilities	-	-	1,330,000
Premium on issuance of bonds, notes and other long-term liabilities	-	-	48,193
Total other financing sources (uses)	<u>(554,979)</u>	<u>130,000</u>	<u>1,803,172</u>
Change in fund balance / net position	<u>(302,040)</u>	<u>(409,813)</u>	<u>375,068</u>
Fund balances / net position, beginning of year	<u>2,353,974</u>	<u>5,902,750</u>	<u>3,011,030</u>
Fund balances / net position, end of year	<u>\$ 2,051,934</u>	<u>\$ 5,492,937</u>	<u>\$ 3,386,098</u>

Capital Projects Funds		Total		Statement of
Revolving Drain	Revolving Drain Maintenance	Governmental Funds	Adjustments	Net Position
\$ -	\$ -	\$ 4,908,924	\$ (873,141)	\$ 4,035,783
-	-	-	-	-
-	-	96,607	-	96,607
-	-	745,156	-	745,156
-	197	106,808	-	106,808
-	134,292	518,636	-	518,636
-	134,489	6,376,131	(873,141)	5,502,990
-	45,099	4,610,776	(2,671,564)	1,939,212
-	-	-	2,045,768	2,045,768
-	-	2,522,879	(2,522,879)	-
-	-	868,064	9,232	877,296
-	45,099	8,001,719	(3,139,443)	4,862,276
-	89,390	(1,625,588)	2,266,302	640,714
-	-	704,169	(704,169)	-
-	-	(704,169)	704,169	-
-	-	1,330,000	(1,330,000)	-
-	-	48,193	(48,193)	-
-	-	1,378,193	(1,378,193)	-
-	89,390	(247,395)	888,109	640,714
-	3,889	11,271,643	73,181,208	84,452,851
\$ -	\$ 93,279	\$ 11,024,248	\$ 74,069,317	\$ 85,093,565

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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, 2023

	Economic Development Corporation	Adjustments	Statement of Net Position
Assets			
Cash and investment pool	\$ 270,139	\$ -	\$ 270,139
Loans receivable	28,061	-	28,061
Total assets	<u>\$ 298,200</u>	<u>-</u>	<u>298,200</u>
Liabilities			
Accounts payable	\$ 6,800	-	6,800
Deferred inflows of resources			
Unavailable revenue - long-term loans receivables	28,061	(28,061)	<u>-</u>
Fund balance / net position			
Unassigned	<u>263,339</u>	<u>(263,339)</u>	-
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 298,200</u>		
Net position:			
Unrestricted		<u>\$ 291,400</u>	<u>\$ 291,400</u>

COUNTY OF SAGINAW, MICHIGAN

Statement of Activities and Statement of Revenues, Expenditures and Changes

in Fund Balance

Economic Development Corporation Component Unit

For the Year Ended September 30, 2023

	Economic Development Corporation	Adjustments	Statement of Net Position
Revenues			
Investment income	\$ 3,870	\$ -	\$ 3,870
Rental revenue	21,664	-	21,664
Reimbursements	7,335	(6,610)	725
Total revenues	32,869	(6,610)	26,259
Expenditures / expenses			
Current:			
Community and economic development	18,908	-	18,908
Change in fund balance / net position	13,961	(6,610)	7,351
Fund balance / net position, beginning of year	249,378	34,671	284,049
Fund balance / net position, end of year	<u>\$ 263,339</u>	<u>\$ 28,061</u>	<u>\$ 291,400</u>