Michigan Dept. of Treasury, Local Audit & Finance Division
496 (3-98). Formerly L-3147

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type	Local Government Name	County
☐ City ☐ Township ☐ Village ☒ Other	COUNTY OF SAGINAW	SAGINAW

Audit Date	Opinion Date	Date Accountant Report Submitted to State:
9/30/04	3/14/05	3/31/05

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.

2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.

☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).

☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).

☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.

☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).

☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.

☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).

☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).

☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).	X		

Certified Public Accountant (Firm Name)	GERALD J. DESLOOVER, CPA		
REHMANN ROBSON, P.C.			
Street Address	City	State	ZIP
5800 GRATIOT, PO BOX 2025	SAGINAW	MI	48605
Accountant Signature			

COUNTY OF SAGINAW, MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2004

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

COUNTY OF SAGINAW, MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2004

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COUNTY OF SAGINAW, MICHIGAN

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COUNTY OF SAGINAW, MICHIGAN

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COUNTY OF SAGINAW

111 SOUTH MICHIGAN AVENUE
SAGINAW, MICHIGAN 48602

MARC A. McGILL
Controller/Chief Administrative Officer

March 14, 2005

Todd M. Hare, Chairman
Saginaw County Board of Commissioners
111 South Michigan Avenue
Saginaw, Michigan 48602

Dear Commissioners:

The Comprehensive Annual Financial Report of the County of Saginaw, Michigan, for the fiscal year ended September 30, 2004, is hereby submitted. This report was prepared by the Financial Services Department of the Office of the Controller. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

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

The Introductory Section includes this letter of transmittal, a copy of the "Certificate of Achievement for Excellence in Financial Reporting" presented to the County of Saginaw, Michigan for the Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2003, the County's organizational chart, and a list of the County's Board of Commissioners and Principal Non-Elected Officials.

The Financial Section begins with the Independent Auditors' Report on the basic financial statements and schedules for the fiscal year ended September 30, 2004. Management's Discussion and Analysis (MD&A) follows it and is designed to compliment this letter of transmittal and accordingly, should be read in conjunction with it. The MD&A is a requirement of Generally Accepted Accounting Principals which require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The basic financial statements follow the MD&A and are comprised of government-wide financial statements, fund financial statements and the essential notes to the basic financial statements. Detailed financial information on fund types, and discretely presented component units are listed in the tabbed sub-sections within the Financial Section.

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

PHONE (989) 790-5210 FAX (989) 790-5566

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Amendments of 1996. The U. S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments and Non-Profit Organizations, revised June 24, 1997, which rescinds OMB Circular A-128, also applies. Information related to this single audit, including the Schedule of Expenditures of Federal Awards and auditor's reports on internal control and compliance with applicable laws and regulations are included in the Single Audit Section.

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

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

ECONOMIC CONDITION AND OUTLOOK

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

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

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

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

COMMERCIAL/DEVELOPMENT

The Bay-Tittabawassee Road corridor, which is the major retail hub of the Tri-City area, continues to grow. An Aldi’s grocery store opened as well as a Culver’s Family restaurant. Perini’s hockey store joins the ranks of one of our Bay Road shopping strips conveniently located near our local ice arena. A couple of banks and a new barbeque restaurant are slated to open in 2005 as well as a new 13 acre park including bicycle paths near the Super Wal-Mart and Sam’s Club.

The revitalization of the State Street area continues. A Menard's is slated to open in 2005 and the State Street Wal-Mart is planning to expand to a Super Wal-Mart to meet our community's needs.

Throughout Saginaw County there has been development in both rural and urban areas. Frankenmuth continues to make improvements. The Frankenmuth Bavarian Inn is expanding to include an indoor water park and the Chocolate Factory that burned down in the summer of 2003 has reopened their doors in 2004.

ENTERTAINMENT

Our Saginaw County Event Center has joined forces with Dow Chemical Company and is now The Dow Event Center. The Dow kicked off its grand re-opening in November of 2003 with comedian Bill Cosby as the headliner. It is home to the Saginaw Spirit, a hockey team comprised of young players who are developing their skills with hopes of making it to the National Hockey League. SMG, the Event Center management group, has scheduled a variety of touring concerts, theater productions, and ice-skating shows, as well as locally produced programs that appeal to the residents of the area.

SERVICE/RECREATIONAL

Saginaw County's residents have access to the latest in medical and diagnostic technology. The four medical centers have more than 1,700 beds and offer a full range of treatments and preventive services. Saint Mary's is a regional destination for treating burns, trauma, heart disease, cancer and neural problems. It has plans for another multimillion-dollar expansion and renovation project. Covenant HealthCare offers complete medical service for the County and controls the majority of the inpatient acute care beds. HealthSource Saginaw is a tax-subsidized facility offering physical rehabilitation, substance abuse treatment and long-term nursing care. In August of 2004, the residents of Saginaw County passed a millage proposal for HealthSource Saginaw for the purpose of renovation, remodeling, equipping, and construction of the building. The Lutz Veterans Affairs Medical Center offers free or low-cost care for veterans and focuses mostly on outpatient care.

Among the latest large-scale developments is the Michigan CardioVascular Institute, a $12 million three-story medical center erected along the Saginaw River and is considered to be one of Michigan's top leaders in cardiovascular procedures. Dr. Samuel H. Shaheen has announced plans to build Saginaw County's largest medical complex in Kochville Township with 27 office buildings.

The Children's Zoo at Celebration Square has received nearly $3 million in grants and donations. Implementation has begun on a $25 million expansion over twenty-five years. Two new exhibits opened in 2003; one featuring monkeys and the other featuring warm-water penguins. A kangaroo exhibit was added to the family in 2004. New sewer and water lines have been installed and electrical work has been done.

RESIDENTIAL

Saginaw County continues to be one of the most affordable housing markets in the United States. The average selling price of a home in 2004 was $85,000-$90,000, which is still below the national average, and down from $97,700 in 2003 (Source: Michigan Association of Realtors). Homes are less expensive than in other states, but still appreciate significantly. The desirability of the area is further enhanced by the many choices of locations, both urban and rural. New neighborhoods are developing and growing in the County. Mortgage interest rates remained low during 2004.

EDUCATION

There are numerous opportunities for higher education in Saginaw County. Saginaw Valley State University offers Bachelor's and Master's degree programs in a wide variety of disciplines. Delta College offers Associate's degree programs as well as certificates. Together, they enrolled 10,000 students during the fall semester of 2004. They also completed more than $100 million in construction to enhance their academic and other student service facilities.

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

INDUSTRIAL

Cinderella Inc., a wholesale distributor of pool and spa supplies, is expanding their business and staying in the City of Saginaw. Cinderella has purchased vacant property from CSX where they are constructing a 25,500 square foot warehouse with additional buildings, offices, and renovations of existing structures to come. The multi-million dollar investment will result in a total of 150,000 square feet of warehouse and office space. Cinderella's existing 62,000 square foot facility in Saginaw will remain in use by the company for warehousing and manufacturing.

Duperon Corporation, an engineering/manufacturing firm providing treatment solutions for municipal and industrial applications, has moved its multi-million dollar headquarter operations to the Saginaw Tower. This move will allow Duperon to add to its national customer base and position it for entry into the international market.

International Quality Control (IQC) is in the process of investing approximately $500,000 to purchase a building adjacent to its existing operations in the City of Saginaw as well as renovations. IQC is a minority owned company offering several key services for automotive suppliers such as technical representation, light assembly, sorting, reworking, and warehousing.

Phase III of the Buena Vista Commerce Centre was completed the fall of 2003. The Buena Vista Commerce Centre is a 70 acre industrial park home to seven operating companies including Means Industries Inc. and a FedEx distribution facility. Phase III began in 2000 and developed approximately 24 acres with an investment of $700,000.

Miles Petroleum Inc. is planning to invest $1.155 million to develop new corporate offices and support facilities in the village of Merrill. The project involves a demolition of an existing grain elevator and renovating the existing structures for use as new corporate offices, warehouse, garage and enclosed truck storage. Miles Petroleum Inc. is a distributor of petroleum and propane products and concentrates on bulk deliveries to airports, schools, government units, construction companies and local businesses, including numerous farm operations in the area.

AGRICULTURE

In 2003 State, Federal and local officials announced a significant step in the state's agricultural pollution prevention efforts - the acquisition of the first permanent conservation easement in Chesaning, MI. Saginaw County remains dominant in agriculture, which accounts for approximately 64% of the County's land use. The County ranks as one of the top 10 producers of the following crops in the state: dry edible beans, corn, wheat, soybeans, and sugar beets. This creates a strong financial presence through crop production, transportation, handling and processing of the crops. Sugar beets are a favored cash crop in Saginaw County typically returning a higher value than corn or soybeans along with being very resilient and able to survive in adverse weather conditions. Mid-Michigan farmers reported a relatively good year for wheat, alfalfa, soybeans and sugar beets. Improvements in commodity prices have led to lower federal government farm payments but have increased farm profitability only slightly.

Michigan Sugar was purchased by a sugar beet cooperative formed by the Great Lakes Sugar Beet Growers Association. The $18.5 million investment retained 35 jobs at area processing plants. The first crop of sugar beets of the grower-owned cooperative was harvested in 2002 and is being processed into sugar at four factories including one in Carrollton.

MAJOR ISSUES

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

- Road Patrol Levels – The top concern for the safety of County residents is the number of road patrol officers. The goal is to increase the number of officers on patrol. This is an ongoing concern and represents a top budget priority. The City of Saginaw is considering a police millage. The County's existing road patrol millage will expire next year and there is consideration being given to the possibility of increasing this revenue source in the future.

- Health Care Benefit Cost Containment – Health Care benefit costs for employees and retirees continue to dramatically escalate while County resources are level or diminishing. In addition to changes in recent collective bargaining agreements to reduce and/or eliminate pay increases, pension, and health benefits for new hires, the Controller's Office has introduced two major health plan initiatives to be implemented by June 1, 2005. (A mail order prescription drug program and a wellness program). These initiatives are intended to have an immediate and positive impact upon all subscribers by offering them both convenience and the opportunity for improvement of their individual well being while resulting in associated benefit cost containment.

- Land Bank Authority – There are an estimated 1,600 parcels of property not on the tax rolls as a result of foreclosures and/or abandonment. Faster reclamation of these properties, with the possibility of packaging and marketing them, offers the opportunity to redevelop these parcels for both the benefit of the community and to raise operating revenue for various taxing entities. The County Treasurer is working with other departments, as well as counterparts from other surrounding counties to implement this process and make the authority a reality.

- River Dredging – River dredging is vital for both environmental concerns and for local commerce. River dredging improves hydraulics and assists in alleviating flooding. Sixteen local businesses rely on the river for their existence and survival. The Public Works Commissioner is working with local communities, as well as state and federal authorities, to acquire land as a disposal site for dredging spoils while addressing environmental concerns and pursuing associated grant funding.

- House Numbering – In a number of instances, emergency first responders cannot efficiently locate the addresses of individuals calling for help. It is clear that a uniform numbering system is needed to assist first responders and best protect County residents. The Controller's Office, in cooperation with law enforcement agencies and the road commission, is developing a plan to implement the changes necessary to address this problem.

FINANCIAL INFORMATION

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

SINGLE AUDIT

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

As part of the County's single audit, described earlier, tests are made to determine the adequacy of the internal control, including that portion related to Federal award programs, as well as to determine that the County has complied with applicable laws and regulations. The results of the County's single audit for the fiscal year ended September 30, 2004 provided no instances of material weaknesses in internal control and no significant violations of applicable laws and regulations.

BUDGETARY CONTROLS

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

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

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not currently employed by the County. However, the County has developed an encumbrance system that will more adequately reflect budgeted obligations and has placed it into service effective October 1, 2004.

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

CASH MANAGEMENT

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

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

Interest rates were falling throughout 2004, which resulted in a continued lowering of interest earnings. The average number of days to maturity for the investment portfolio has increased to 287 days for 2004. The average yield of 1.594% for 2004 is very good for this investment pool in this market.

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

RISK MANAGEMENT

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

The self-insurance program for workers' compensation is accounted for in the Employee Benefit Fund (an Internal Service Fund). An independent administrator (agency) is hired to process the daily claims and to perform auditing and management duties. Currently, the County insures $275,000 in liability for each occurrence and Citizen's Management, Inc., the County's administrator for workers' compensation, insures the remainder through various reinsurance companies.

The self-insurance program for general liability is accounted for in the Risk Management Fund (an Internal Service Fund). Presently, the County insures the first $150,000 for each claim. After the first $150,000 and up to $10,000,000, insurance is provided by St. Paul Fire and Marine Insurance Company and Discovery Reinsurance Company.

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

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

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

OTHER INFORMATION
Independent Audit

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

FINANCIAL REPORTING EXCELLENCE AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Saginaw for its comprehensive annual financial report for the fiscal year ended September 30, 2003. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,

Marc A. McGill
County Controller/CAO

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Saginaw, Michigan

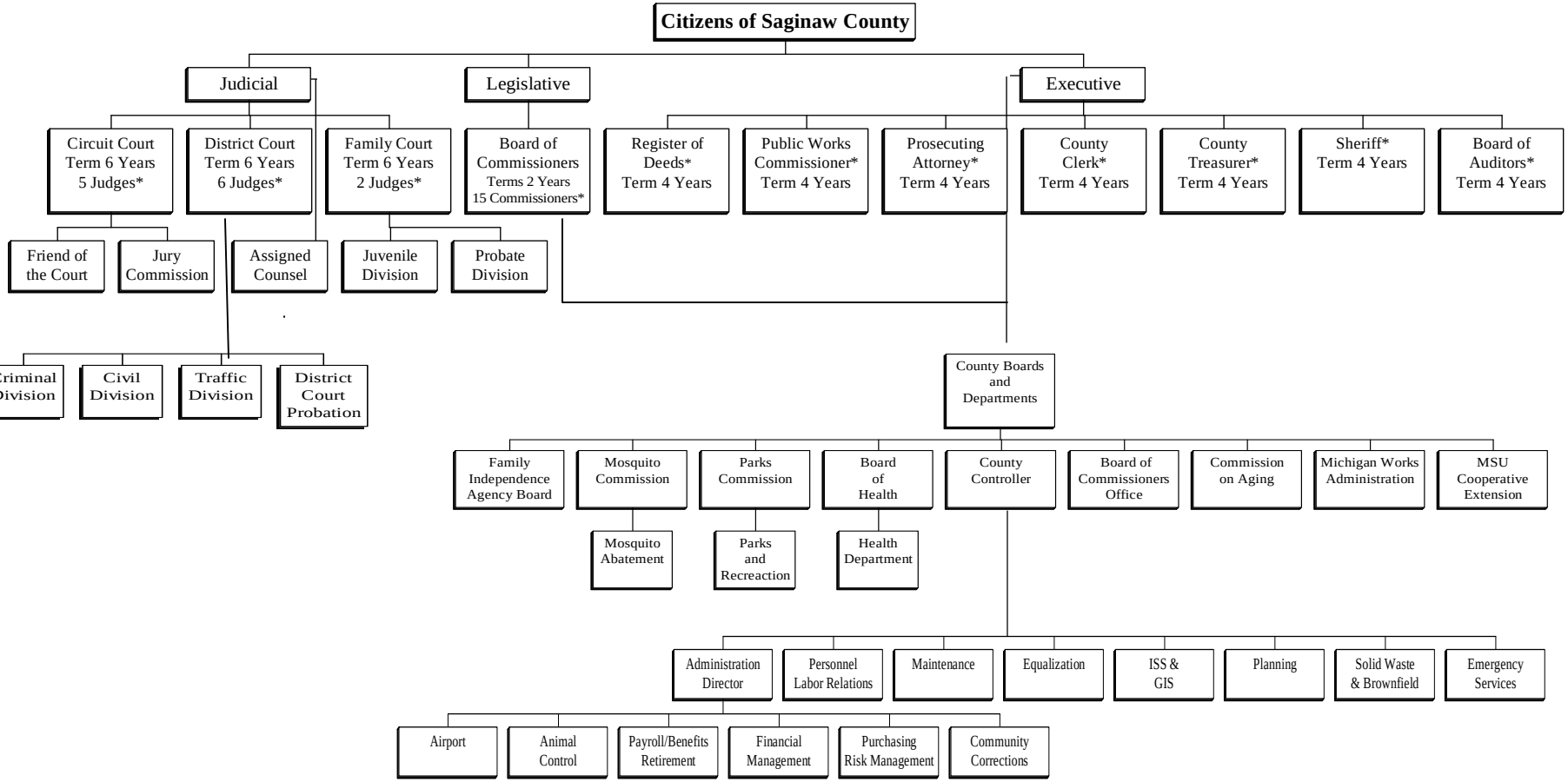
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2003

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

President

Executive Director

County of Saginaw Organizational Chart 2004/2005



*Elected Officials

Updated 9/04

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COUNTY OF SAGINAW
2004

BOARD OF COMMISSIONERS

Todd M. Hare
Chair

Connie D. Smith
Vice Chair

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Cheryl M. Hadsall	**Terry W. Sangster**
Kenneth B. Horn	**Robert M. Woods, Jr.**

Patrick A. Wurtzel

Marc A. McGill
Controller/Chief Administrative Officer

Prepared by:
Financial Services Department

County of Saginaw Principal Non-Elected Officials 2003/2004

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

REV. 03/05

REHMANN ROBSON
Certified Public Accountants
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INDEPENDENT AUDITORS' REPORT

March 14, 2005

Board of Commissioners
County of Saginaw
Saginaw, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***County of Saginaw, Michigan***, as of and for the year ended September 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the ***County of Saginaw*** management's. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Road Commission Component Unit, which represents 61.7% and 90.4% respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Road Commission, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***County of Saginaw, Michigan***, as of September 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons of the General, Health Department, and Michigan Works! governmental funds for the year then

ended in conformity with accounting principles general accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2005, on our consideration of the ***County of Saginaw, Michigan's*** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis listed in the table of contents on pages 3-17, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

Rehmann Robson

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, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and the accompanying basic financial statements.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by $78,569,617 (*net assets*). Of this amount, $46,675,245 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.

- The County's total net assets increased by $4,675,652 during 2004.

- As of the close of the current fiscal year, the County's governmental funds (this includes the general fund, special revenue, debt service, capital projects, and permanent funds) reported combined ending fund balances of $38,193,218, an increase of $2,177,784 in comparison with the prior year. Approximately 58.1 percent of this total amount, or $22,179,752, is *available for spending* at the government's discretion (*unreserved fund balance*). This amount is inclusive of both the *unreserved – designated* amount, which has been designated based upon either County policy or for a specific purpose, and the *unreserved – undesignated* amount.

- At the end of the current fiscal year, the general fund did not have an unreserved – undesignated fund balance; however, the unreserved – designated fund balance for the general fund was $10,269,727, or 32.1 percent of total general fund expenditures. Total fund balance for the general fund was $21,235,913.

- The County's total bonded debt decreased by $9,272,396 during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

The County maintains 42 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Health Department Fund, and Michigan Works! Fund, each of which are considered to be major funds. Data from the other 39 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 21 - 28 of this report.

Proprietary funds. The County maintains two different types of proprietary funds: enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its Delinquent Tax Revolving Fund, Building Authority Event Center, Building Authority Administration, Parking System, Harry W. Browne Airport, and Inmate Services operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County of Saginaw uses internal service funds to account for its MERS Retirement System, ICMA Retirement System, Information Systems and Services operations, Equipment Revolving (computer equipment maintenance and replacement) activities, Mailing Services, Motor Pool operations, Risk Management program, Investment Pool, Health Center Building operations, and Employee Benefits. 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, Building Authority Event Center, and Harry W. Browne Airport, each of which are considered to be major funds. Data from the other proprietary funds are combined and presented in two separate columns distinguishing between *business-type activities* and *governmental activities*. Individual fund data for each of these nonmajor enterprise funds and internal service funds are provided in the form of *combining statements* elsewhere in this report.

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38 - 71 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. This includes the combining and individual fund financial statements and schedules. Combining and individual fund statements and schedules can be found on pages 72 - 149 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County of Saginaw, as the following table demonstrates, assets exceeded liabilities by $78,569,617 at the close of the most recent fiscal year.

County of Saginaw's
Net Assets

Fiscal Year Ending September 30,	Governmental Activities 2004	Governmental Activities 2003	Business-type Activities 2004	Business-type Activities 2003	Totals 2004	Totals 2003
Current and other assets	$ 56,574,577	$ 53,763,646	$ 13,053,508	$ 15,307,161	$ 69,628,085	$ 69,070,807
Capital assets, net of accumulated depreciation	27,073,962	29,853,092	19,417,534	19,223,283	46,491,496	49,076,375
Total assets	83,648,539	83,616,738	32,471,042	34,530,444	116,119,581	118,147,182
Long-term liabilities outstanding	11,760,163	10,690,632	16,758,382	17,546,890	28,518,545	28,237,522
Other liabilities	7,984,342	10,203,194	1,047,077	3,615,560	9,031,419	13,818,754
Total liabilities	19,744,505	20,893,826	17,805,459	21,162,450	37,549,964	42,056,276
Net assets:						
Invested in capital assets, net of related debt	18,693,962	20,348,092	8,182,534	6,588,283	26,876,496	26,936,375
Restricted	5,017,876	3,578,140	-	-	5,017,876	3,578,140
Unrestricted	40,192,196	38,796,680	6,483,049	6,779,711	46,675,245	45,576,391
Total net assets	**$ 63,904,034**	**$ 62,722,912**	**$ 14,665,583**	**$ 13,367,994**	**$ 78,569,617**	**$ 76,090,906**

One of the largest portions of the County's net assets, $26,876,496 (34.2 percent) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, vehicles), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets, $5,017,876 (6.4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, $46,675,245 (59.4 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

County of Saginaw's

Changes in Net Assets

	Governmental Activities		Business-type Activities		Totals	
Fiscal Year Ending September 30,	2004	2003	2004	2003	2004	2003
Revenues						
Program revenue:						
Charges for services	$ 20,887,788	$ 19,214,444	$ 5,959,369	$ 5,977,334	$ 26,847,157	$ 25,191,778
Operating grants and contributions	36,045,992	36,899,066	-	25,027	36,045,992	36,924,093
Capital grants and contributions	106,417	578,484	315,889	487,430	422,306	1,065,914
General revenue:						
Property taxes	28,769,964	27,806,316	2,299,161	2,249,128	31,069,125	30,055,444
Accomodations tax	1,451,049	1,421,480	-	-	1,451,049	1,421,480
Grants and contributions not restricted to specific programs	4,372,580	4,692,761	-	-	4,372,580	4,692,761
Other	502,683	757,154	208,898	356,890	711,581	1,114,044
Total revenue	92,136,473	91,369,705	8,783,317	9,095,809	100,919,790	100,465,514
Expenses						
Legislative	668,853	632,837	-	-	668,853	632,837
Judicial	14,550,828	14,256,047	-	-	14,550,828	14,256,047
General government	11,062,526	12,274,800	-	-	11,062,526	12,274,800
Public safety	19,254,707	19,616,738	-	-	19,254,707	19,616,738
Public works	869,985	790,748	-	-	869,985	790,748
Health and welfare	39,677,325	40,316,258	-	-	39,677,325	40,316,258
Community and economic development	2,232,404	2,655,768	-	-	2,232,404	2,655,768
Recreation and culture	1,798,804	1,705,574	-	-	1,798,804	1,705,574
Interest on long-term debt	400,453	439,505	-	-	400,453	439,505
Delinquent tax revolving	-	-	168,793	120,580	168,793	120,580
Building Authority Event Center	-	-	4,272,247	4,724,260	4,272,247	4,724,260
Building Authority administration	-	-	177,606	57,722	177,606	57,722
Parking system	-	-	62,934	74,894	62,934	74,894
Harry W. Browne Airport	-	-	539,446	479,585	539,446	479,585
Inmate services	-	-	507,227	429,168	507,227	429,168
Total expenses	90,515,885	92,688,275	5,728,253	5,886,209	96,244,138	98,574,484
Increase in net assets before transfers	1,620,588	(1,318,570)	3,055,064	3,209,600	4,675,652	1,891,030
Transfers	2,094,475	2,029,771	(2,094,475)	(2,029,771)	-	-
Increase in net assets	3,715,063	711,201	960,589	1,179,829	4,675,652	1,891,030
Net assets - beginning, as restated	60,188,971	62,011,711	13,704,994	12,188,165	73,893,965	74,199,876
Net assets - end of year	**$ 63,904,034**	**$ 62,722,912**	**$ 14,665,583**	**$ 13,367,994**	**$ 78,569,617**	**$ 76,090,906**

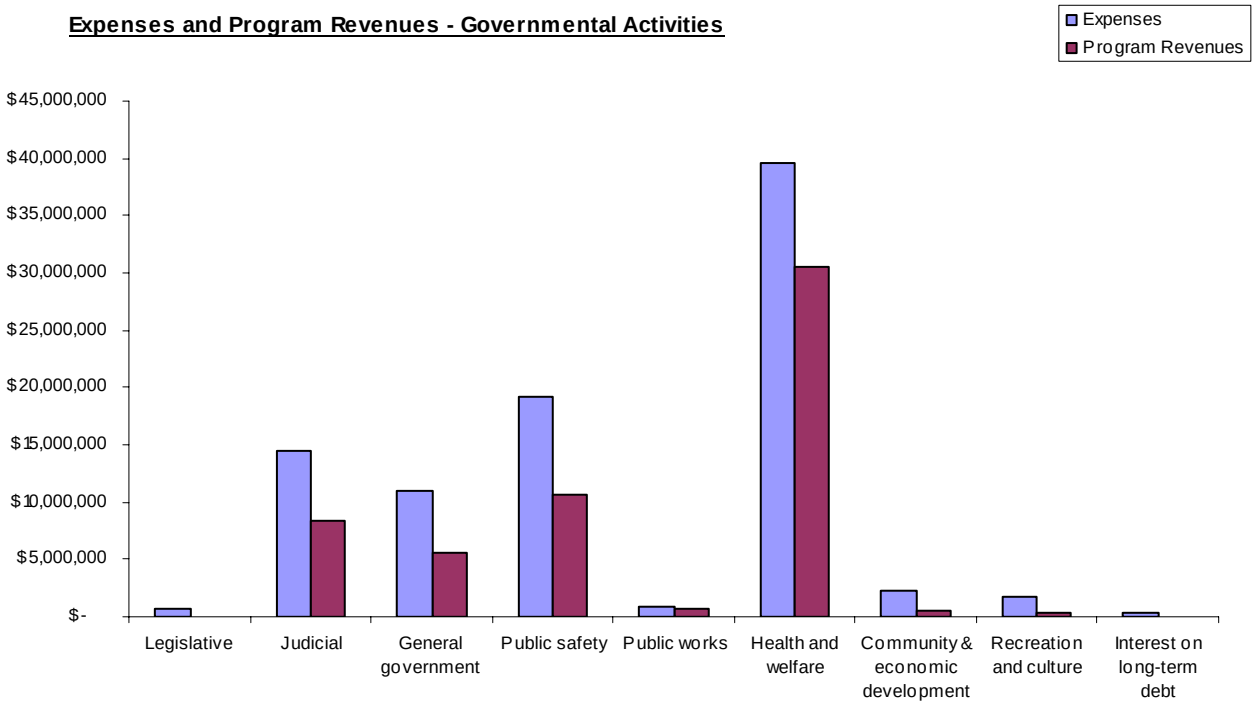
The County's net assets increased by $4,675,652 during the current fiscal year. Approximately 21.7 percent of this increase is attributable to growth in property taxes. The remainder of this growth reflects the degree to which ongoing revenues exceeded ongoing expenses.

Governmental activities. Governmental activities increased the County's net assets by $3,715,063, thereby accounting for 79.5 percent of the total growth in the net assets of the County. Key elements of this increase are as follows:

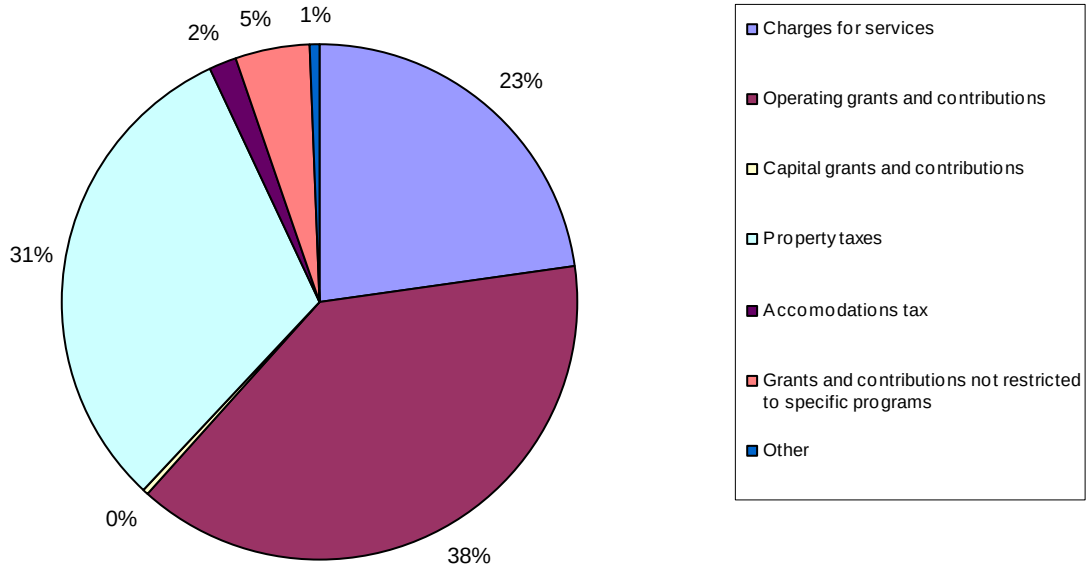
- Property taxes increased by approximately $964,000 (3.5 percent) during the year. Most of this increase is the product of increased taxable values and residential growth.

- Charges for services increased by approximately $1,673,000 (8.7 percent) during the year. The increase is mainly a result of an additional telephone surcharge that was approved to cover the costs for 9-1-1 emergency services equipment acquisition.

- Due to declining interest rates, total investment earnings decreased by approximately $252,000 (34.7 percent).



Revenues by Source - Governmental Activities

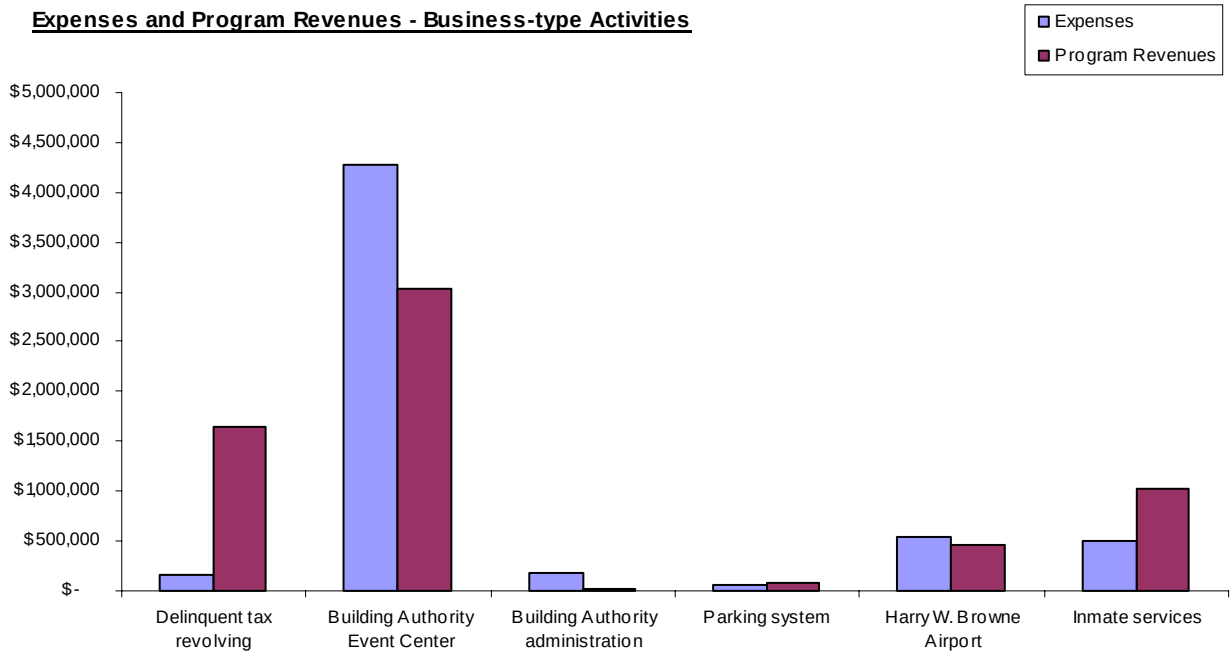


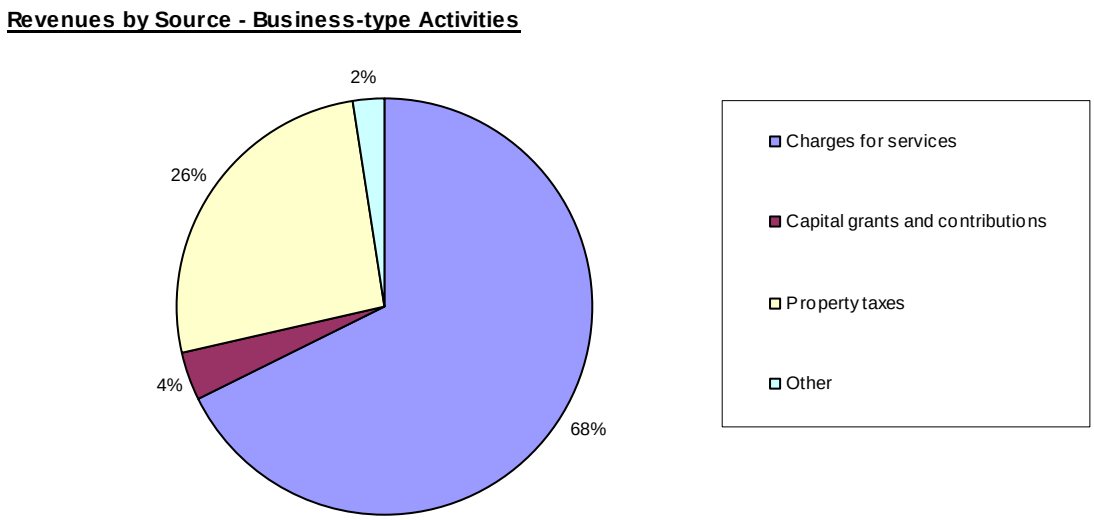
Business-type activities. Business-type activities increased the County's net assets by $960,589, thereby accounting for 20.5 percent of the total growth in the government's net assets for the current year. Key elements of this increase are as follows:

- Revenues decreased by 3.4 percent or $312,492. This is a result of a loss of investment earnings and a decrease in activity and grants for the Harry W. Browne Airport.

- Expenses decreased 18.9 percent, or $157,956, as a result of decreased expenses associated with the Building Authority Event Center as all construction has been completed. This decrease was offset by increased expenses and activity in the Building Authority administration and Inmate Services.

Expenses and Program Revenues - Business-type Activities





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, *unreserved fund balance* may serve as a useful measurement of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $38,193,218, an increase of $2,177,784 in comparison with the prior year. Approximately 58.1 percent of this total amount ($22,179,752) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. However, the *unreserved fund* balance amount is further separated into *unreserved – designated fund balance* ($13,207,442) and *unreserved – undesignated fund balance* ($8,972,310). The underlying distinction between the two is that *unreserved – designated fund balance* has been designated based upon either the County's Fund Balance Policy or for a specific purpose. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to: 1) cover long-term advances ($10,955,773), 2) cover prepaid expenditures ($60,913), 3) pay debt service ($1,667,963), 4) for capital projects ($89,802), or 5) for restricted contributions ($3,239,015).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the unreserved – designated fund balance of the general fund was $10,269,727, while total fund balance amounted to $21,235,913. As a measure of the general fund's liquidity, it may be useful to compare both unreserved – designated fund balance and total fund balance to total fund expenditures. Unreserved – designated fund balance represents 32.1 percent of total general fund expenditures, while total fund balance represents 66.4 percent of that same amount.

The fund balance of the County's general fund increased by $348,670 during the current fiscal year. Key factors in this increase are as follows:

- Property tax revenue increased by $479,973 (2.3 percent).

- State grants increased by $3,461,249 (99.9 percent). This is attributable to the accounting of state revenue sharing payments in the general fund instead of in a separate special revenue fund.

- Investment income decreased by $104,947 (31.3 percent).

- Transfers in decreased by $86,018 (4.1 percent) while transfers out increased by $4,094,290 (100.5 percent). This is also attributable to the accounting of state revenue sharing payments in the general fund instead of in a separate special revenue fund.

The Health Department fund had a decrease in fund balance for the current year of $174,013, for an ending total of $1,440,824. This decrease was primarily the result in the loss of federal and local grants and an increase in expenses.

The Michigan Works! fund no longer carries a fund balance thus resulting in a decrease of $24,563 during the year.

The debt service funds have a total fund balance of $1,710,189, which is entirely reserved for the payment of debt service. The net decrease in fund balance during the current year in the debt service funds was $101,367.

The capital projects funds have a total fund balance of $89,497, of which $74,312 will be used for the continuing expansion of the Saginaw Valley Rail Trail project as overseen by the Parks and Recreation Commission and $15,185 will be used for the River Dredging Project as overseen by the Department of Public Works. The decrease in fund balance during the year was $22,808.

The permanent fund has a fund balance of $28,305, which is entirely reserved for maintenance of the Saginaw Valley Rail Trail and $305 is available for spending at the end of the year.

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

Unrestricted net assets of the Delinquent Tax Revolving Fund at the end of the year amounted to $5,784,435, while those for the Building Authority Event Center amounted to $65,238, and those of Harry W. Browne Airport amounted to $267,835. The combined unrestricted net assets of the nonmajor enterprise funds and the internal service funds were $361,080 and $3,869,610, respectively, at the end of the year. The Delinquent Tax Revolving Fund had an increase in net assets for the year of $27,927, whereas the Building Authority Event Center had an increase of $1,057,518 and Harry W. Browne Airport had an increase of $8,999. The combined decrease in net assets of the nonmajor enterprise funds was $136,773 and increase of the internal service funds was $123,675 for the year. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

General Fund budgetary highlights. The differences between the original budget and final amended budget for expenditures resulted in a .05 percent increase ($176,255 increase in appropriations); whereas the difference between the original budget and final amended budget for revenues resulted in a 0.2 percent decrease ($68,597 decrease in revenues). All of these budgetary adjustments were offset by either an adjustment to other expenditures and transfers out or to revenues and transfers in and use of fund balance. The budgetary differences are summarized as follows:

- A $51,350 increase was allocated to judicial activities with the most significant change occurring in wages and fringes to properly account for the allocation of a portion of a position that could not be funded through the Child Care special revenue fund.

- A $82,500 increase was allocated to general government activities mainly to account for the addition of temporary wages as a result of a contract with Buena Vista to collect their taxes and for the purchase of a new air conditioning unit for our Information Systems and Services department.

- A $41,405 increase was allocated to public safety activities to account for an increase in the Sheriff's Department's expenditures associated with an unplanned MERS generic service purchase.

- A $118,373 increase in federal grants that was offset with a $118,373 decrease in state grants to properly account for a change in the funding source of our Prosecutor Welfare grant.

- A $227,522 increase in the use of fund balance used to account for a revised estimate of state revenue sharing payments and court equity funding. The offset was a decrease in state grants.

- A $113,355 increase in various charges for services with the most significant changes occurring in federal bed space rental and district court civil fees.

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

General Fund balance. The following schedule presents a comparative summary of changes in the fund balance of the General Fund for the fiscal years ended September 30, 2004, and September 30, 2003, along with the amount and percentage of increases and decreases in relation to the 2003 fund balance:

	2004	2003	Variance from 2003	Percent Increase/ (Decrease)
Revenues	$ 38,496,368	$ 33,904,535	$ 4,591,833	13.54%
Expenditures	(31,980,465)	(31,614,137)	(366,328)	1.16%
Revenues over expenditures	6,515,903	2,290,398	4,225,505	
Other Financing Sources (Uses):				
Transfers in	2,000,568	2,086,586	(86,018)	
Transfers out	(8,167,801)	(4,073,511)	(4,094,290)	
Revenues & other financing sources over (under) expenditures & other financing uses	348,670	303,473	45,197	
Fund balance, beginning of year	20,887,243	20,583,770	303,473	
Fund balance, end of year	$ 21,235,913	$ 20,887,243	$ 348,670	1.67%

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

GENERAL FUND BALANCE ANALYSIS

	Reserve for Advances to Other Funds	Reserve and Designated for Future Use	Unreserved	Total Fund Balance
Fund balance, beginning of year	$ 10,955,773	$ 9,931,470	$ -	$ 20,887,243
2003/2004 Transactions:				
Excess revenue over expenditures	-	6,515,903	-	6,515,903
Total other financing sources (uses)	-	(6,167,233)	-	(6,167,233)
2003/2004 net increase (decrease)	-	348,670	-	348,670
Fund balance, end of year	$ 10,955,773	$ 10,280,140	$ -	$ 21,235,913

The Board of Commissioners approved the Specific Fund Balance Policy within the Saginaw County Policy Book. This policy establishes a Reserve for Cash Flow and a Reserve for Budget Stabilization in the General Fund. The policy authorizes earmarking a minimum of five percent of the General Fund's upcoming budget for the Cash Flow Reserve and a minimum of ten percent of the General Fund's upcoming budget for the Budget Stabilization Reserve.

The current balance for Reserve for Cash Flow is $2,102,853 or five percent, and for Budget Stabilization is $2,676,990 or 6.4%. The Reserve for Advance Tax Collections, which was established with the change of the County's fiscal year during 1996, at 25% (twenty-five percent) of the upcoming year's budgeted tax collections has a current balance of $5,489,884. The Reserve for Prepaid items is $10,413, and it is the final component comprising the Reserve and Designated for Future Use classification shown above. There were not any changes to the 100% Tax Payment Fund Reserve, the Reserve for Advances to Other Funds or to Component Units.

The County's budget resolution addressing the distribution of any unappropriated surplus, as amended, was applied at September 30, 2004. The resolution states that two-thirds (2/3) of a budget surplus be transferred to the Public Improvement fund. Accordingly, $697,334 was transferred to be used for future public improvement projects.

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

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

The Building Authority Event Center Fund accounts for the operations of the County-owned facility that includes an arena, theater, and conference center. Prior to acquisition by the County, the facility was slated for closure by the previous owner, the City of Saginaw. In May 2001, County voters approved a 10-year millage of .45 mills to improve and operate the Event Center. The renovations of the Event Center started in early 2002, financed with a $14.3 million bond issue, and were completed in November 2003.

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

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

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

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

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

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

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

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2004 amounted to $46,491,496 (net of accumulated depreciation). This investment in capital assets includes land, air rights, construction in progress, land improvements, buildings, leasehold improvements, machinery and equipment, office furniture and fixtures, and vehicles. The total decrease in the County's investment in capital assets for the current fiscal year was 5.3 percent (a 9.3 percent decrease for governmental activities and a 1.0 percent increase for business-type activities).

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

- Construction ended on the renovation of the Event Center, at a combined cost of approximately $14,300,000. All construction in progress has been placed in service.

- Land improvements and construction continued to be made to the Saginaw Valley Rail Trail project at a cost of approximately $89,000. Construction also commenced at Imerman Park for the riverbank stabilization and fishing access project at a cost of approximately $28,000.

- Building improvements at the jail occurred including the replacement of the south elevator and exterior insulation and finish system at a cost of $149,326 and $63,750, respectively.

- Construction continued at Harry Browne Airport on the instrument landing system and apron reconstruction and expansion at a cost of approximately $333,000.

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

	Governmental Activities		Business-type Activities		Totals	
Fiscal Year Ending September 30,	2004	2003	2004	2003	2004	2003
Land	$ 1,214,661	$ 1,214,661	$ 1,053,248	$ 1,053,248	$ 2,267,909	$ 2,267,909
Air rights	-	-	117,761	117,761	117,761	117,761
Construction in progress	1,429,621	1,312,664	793,231	12,964,009	2,222,852	14,276,673
Land improvements	2,480,670	2,563,796	1,616	2,383	2,482,286	2,566,179
Buildings and improvements	19,172,726	19,906,911	14,138,217	2,361,858	33,310,943	22,268,769
Leasehold improvements	19,535	20,400	-	-	19,535	20,400
Planning and development	-	-	2,324,311	2,629,129	2,324,311	2,629,129
Equipment	2,263,947	4,142,983	887,832	65,959	3,151,779	4,208,942
Office furniture and fixtures	43,946	55,166	60,648	-	104,594	55,166
Vehicles	448,856	636,511	40,670	28,936	489,526	665,447
Total	$ 27,073,962	$ 29,853,092	$ 19,417,534	$ 19,223,283	$ 46,491,496	$ 49,076,375

Additional information on the County's capital assets can be found in note III.C. on pages 51 - 54 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of $64,123,620. Of this amount, $53,290,825 comprises debt backed by the full faith and credit of the government and $5,145,010 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the County debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

County of Saginaw's
Outstanding Debt

Fiscal Year Ending September 30,	Governmental Activities 2004	Governmental Activities 2003	Business-type Activities 2004	Business-type Activities 2003	Totals 2004	Totals 2003
Primary Government						
General obligation bonds	$ 8,380,000	$ 9,505,000	$ 11,235,000	$ 12,635,000	$ 19,615,000	$ 22,140,000
2003 GOL delinquent tax notes	-	-	-	6,300,000	-	6,300,000
2004 GOL delinquent tax notes	-	-	5,521,000	-	5,521,000	-
Component Units						
Revolving loans	166,785	183,490	-	-	166,785	183,490
General obligation bonds	33,675,825	38,410,396	-	-	33,675,825	38,410,396
Special assessment debt with governmental commitment	5,145,010	6,362,130	-	-	5,145,010	6,362,130
Total	$ 47,367,620	$ 54,461,016	$ 16,756,000	$ 18,935,000	$ 64,123,620	$ 73,396,016

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

	Amount	Issue	Rate
2004 Series GOL Delinquent Tax Notes	$ 9,500,000	05/25/04	varies
Refunding of Taymouth Township Water Bonds	965,000	04/28/04	3.55%
Carrollton-Zilwaukee Road Tile Drain	343,000	09/30/04	4.16%
Massacar Drain	112,400	10/01/03	4.11%

However, the County's total debt still decreased by $9,272,396 (12.6 percent) during the fiscal year. This is a result of paying off the 2003 series delinquent tax notes and the refunding of four Taymouth Township water bonds.

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

State statutes (Article 7, Section II, Michigan Constitution of 1963) limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total state equalized valuation. The current debt limitation for the County is $510,861,084, which is significantly higher than the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in note III.G. on pages 58 - 62 of this report.

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the County's budget for the 2005 fiscal year:

- The average unemployment rate for the County of Saginaw as of September 30, 2004 was 8.7 percent, which is an increase from an average rate of 8.5 percent a year ago. This is slightly higher as compared to the State's average unemployment rate of 6.9 percent and the national average rate of 5.6 percent.

- Labor contracts with four separate bargaining units expired on September 30, 2004. Consequently, no pay increase was budgeted for those employees. Three labor contracts that expired on September 30, 2003 were still unsettled during the preparation of the 2005 budget. Consequently, a 2 percent pay increase was budgeted for those employees to cover the first expired year of the contract (2004) and no pay increase was budgeted for 2005.

- The formation of three new unions during 2004. As there was not a settled labor contract in place during the budget process, no wage increase was budgeted for the employees associated with those unions.

- Inflationary trends in the region compare favorably to national indices.

- Michigan has two constitutional laws that limit property tax growth to the rate of inflation or a maximum allowable increase in assessment of 5.0 percent, whichever is smaller. Based upon this and the estimated reduction in tax revenue from captured values (LDFA, DDA, & TIFA), renaissance zones, brownfield zones, and board of reviews, property tax revenues are budgeted to increase approximately 3.5 percent for 2005.

- Public Act 357 of 2004 which essentially created a funding mechanism to serve as a substitute to state revenue sharing payments whereas the County will gradually shift its county operating property tax millage from a winter tax levy to a summer tax levy over three consecutive years. The County is required to deposit an amount equal to the County's December 2004 property tax levy into a separate special revenue fund in three separate distributions as follows:
  - in 2005, 1/3 from the December 2004 property tax levy
  - in 2006, 1/3 from the December 2005 property tax levy
  - in 2007, 1/3 from the December 2006 property tax levy

  The County is then allowed to make distributions from the special revenue fund in an amount not to exceed its October 1, 2003 through September 30, 2004 revenue sharing payments adjusted for inflation. This amount for 2005 is $3,992,812.

During the current fiscal year, unreserved – designated fund balance in the general fund increased to $10,269,727. The County has appropriated $1,217,888 of this amount for spending in the 2005 fiscal year budget. This appropriation of available fund balance allows the County to adopt a balanced budget and eliminates the need to raise taxes or charges above the current recommended levels during the 2005 fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2004

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and investment pool	$ 30,876,714	$ 15,924,101	$ 46,800,815	$ 10,313,014
Receivables (net)	11,639,769	7,924,895	19,564,664	42,985,937
Internal balances	10,967,262	(10,967,262)	-	-
Prepaid items and other assets	691,677	171,774	863,451	785,497
Net pension asset	2,399,155	-	2,399,155	-
Capital assets, net:				
Assets not being depreciated	2,644,282	1,964,240	4,608,522	29,341,918
Assets being depreciated	24,429,680	17,453,294	41,882,974	147,748,891
Total assets	83,648,539	32,471,042	116,119,581	231,175,257
Liabilities				
Accounts payable and accrued liabilities	7,145,587	1,040,533	8,186,120	1,813,270
Unearned revenue	647,044	6,544	653,588	9,327
Long-term liabilities:				
Due within one year	2,899,085	1,440,238	4,339,323	2,523,141
Due in more than one year	9,052,789	15,318,144	24,370,933	37,130,710
Total liabilities	19,744,505	17,805,459	37,549,964	41,476,448
Net Assets				
Invested in capital assets, net of related debt	18,693,962	8,182,534	26,876,496	158,790,974
Restricted for:				
Debt service	1,689,059	-	1,689,059	884,544
Acquisition/construction of capital assets	89,497	-	89,497	4,239,195
Other purposes	3,211,015	-	3,211,015	7,196,301
Endowment				
Expendable	305	-	305	-
Nonexpendable	28,000	-	28,000	-
Unrestricted	40,192,196	6,483,049	46,675,245	18,587,795
Total net assets	$ 63,904,034	$ 14,665,583	$ 78,569,617	$ 189,698,809

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

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Continued

			Program Revenues			
	Expenses	**Indirect Expenses Allocation**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Net (Expense) Revenue**
Primary Government						
Governmental activities:						
Legislative	$ 668,853	$ -	$ -	$ -	$ -	$ (668,853)
Judicial	14,125,779	425,049	3,110,120	5,325,609	-	(6,115,099)
General government	12,536,359	(1,473,832)	4,059,315	1,586,426	-	(5,416,786)
Public safety	19,189,525	65,182	8,297,605	2,413,650	-	(8,543,452)
Public works	869,448	537	768,708	-	-	(101,277)
Health and welfare	38,747,553	929,772	4,330,631	26,124,697	-	(9,221,997)
Community and economic development	2,218,645	13,759	120,454	478,280	-	(1,633,670)
Recreation and culture	1,765,043	33,761	200,955	117,330	106,417	(1,374,102)
Interest on long-term debt	400,452	-	-	-	-	(400,452)
Total governmental activities	90,521,657	(5,772)	20,887,788	36,045,992	106,417	(33,475,688)
Business-type activities:						
Delinquent tax revolving	168,793	-	1,652,180	-	-	1,483,387
Building Authority Event Center	4,272,247	-	3,029,997	-	-	(1,242,250)
Building Authority administration	177,606	-	28,300	-	-	(149,306)
Parking system	62,934	-	78,274	-	-	15,340
Harry W. Browne Airport	539,446	-	142,388	-	315,889	(81,169)
Inmate services	501,455	5,772	1,028,230	-	-	521,003
Total business-type activities	5,722,481	5,772	5,959,369	-	315,889	547,005
Total primary government	96,244,138	$ -	$ 26,847,157	$ 36,045,992	$ 422,306	$ (32,928,683)
Component Units						
Road Commission	$ 16,176,969	$ -	$ 105,916	$ 21,431,993	$ -	$ 5,360,940
Brownfield Redevelopment Authority	27,194	-	-	22,462	-	(4,732)
Department of Public Works	1,484,707	-	94,338	-	660,355	(730,014)
Drain Commission	2,043,286	-	53,793	-	1,273,934	(715,559)
Total component units	$ 19,732,156	$ -	$ 254,047	$ 21,454,455	$ 1,934,289	$ 3,910,635

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

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Concluded

	Primary Government			
	Governmental Activities	**Business-type Activities**	**Total**	**Component Units**
Change in net assets				
Net (expense) revenue	$ (33,475,688)	$ 547,005	$ (32,928,683)	$ 3,910,635
General revenues:				
Property taxes	28,769,964	2,299,161	31,069,125	159,673
Accomodations tax	1,451,049	-	1,451,049	-
Grants and contributions not restricted to specific programs	4,372,580	-	4,372,580	-
Investment income - interest earned	473,729	205,915	679,644	141,616
Gain on sale of capital assets	28,954	2,983	31,937	-
Transfers	2,094,475	(2,094,475)	-	-
Total general revenues and transfers	37,190,751	413,584	37,604,335	301,289
Change in net assets	3,715,063	960,589	4,675,652	4,211,924
Net assets, beginning of year, as restated	60,188,971	13,704,994	73,893,965	185,486,885
Net assets, end of year	$ 63,904,034	$ 14,665,583	$ 78,569,617	$ 189,698,809

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

COUNTY OF SAGINAW, MICHIGAN
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

	General	Health Department	Michigan Works!	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investment pool	$ 9,543,580	$ 1,643,551	$ 298,889	$ 14,854,741	$ 26,340,761
Receivables (net):					
Taxes	775,585	-	-	311,794	1,087,379
Accounts	105,202	167,582	204	1,271,285	1,544,273
Notes	-	-	-	1,577,026	1,577,026
Accrued interest	58,294	-	807	42,877	101,978
Due from other funds	1,161,541	22,956	51,821	1,865,888	3,102,206
Due from component units	29,145	-	-	8,434	37,579
Due from other governmental units	1,565,329	878,758	1,861,292	2,042,240	6,347,619
Advances to other funds	10,555,773	-	-	-	10,555,773
Advances to component units	400,000	-	-	-	400,000
Advances to other governmental units	-	-	5,000	-	5,000
Prepaid items	10,413	-	4,185	147,404	162,002
Total assets	$ 24,204,862	$ 2,712,847	$ 2,222,198	$ 22,121,689	$ 51,261,596
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 442,591	$ 385,552	$ 1,753,862	$ 1,549,448	$ 4,131,453
Accrued liabilities	917,272	248,983	57,816	719,298	1,943,369
Deposits payable	-	47,809	-	940	48,749
Due to other funds	830,051	167,163	42,846	1,749,116	2,789,176
Due to other governmental units	-	97,640	-	223,666	321,306
Advances from other governmental units	-	324,876	-	198,000	522,876
Deferred revenue	779,035	-	367,674	2,164,740	3,311,449
Total liabilities	2,968,949	1,272,023	2,222,198	6,605,208	13,068,378
Fund Balances					
Reserved for:					
Long-term advances	10,955,773	-	-	-	10,955,773
Prepaid items	10,413	-	-	50,500	60,913
Debt service	-	-	-	1,667,963	1,667,963
Capital projects	-	-	-	89,802	89,802
Restricted contributions	-	-	-	3,239,015	3,239,015
Unreserved - designated for:					
Advance tax collections	5,489,884	-	-	-	5,489,884
Cash flow	2,102,853	-	-	-	2,102,853
Budget stabilization	2,676,990	-	-	-	2,676,990
Future use-special revenue funds	-	-	-	1,927,786	1,927,786
General improvements-special revenue funds	-	-	-	1,009,929	1,009,929
Unreserved - undesignated, reported in:					
Special revenue funds	-	1,440,824	-	7,531,486	8,972,310
Total fund balances	21,235,913	1,440,824	-	15,516,481	38,193,218
Total liabilities and fund balances	$ 24,204,862	$ 2,712,847	$ 2,222,198	$ 22,121,689	$ 51,261,596

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

COUNTY OF SAGINAW, MICHIGAN
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO NET ASSETS OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2004

Fund balances - total governmental funds	$ 38,193,218
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Add - capital assets	40,602,087
Deduct - accumulated depreciation	(14,692,354)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are either deferred or otherwise not recorded in the funds.	
Add - deferred revenue on taxes receivable	1,087,379
Add - deferred revenue on notes receivable	1,577,026
Add - net pension asset	2,399,155
Internal service funds are used by management to charge the costs of certain activities to individual funds. A portion of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	5,029,378
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Deduct - bonds payable	(8,380,000)
Deduct - accrued interest on bonds payable	(142,021)
Deduct - accrued compensated absences	(1,769,834)
Net assets of governmental activities	$ 63,904,034

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, 2004

	General	Health Department	Michigan Works!	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 21,195,943	$ -	$ -	$ 7,294,722	$ 28,490,665
Accomodations tax	-	-	-	1,451,049	1,451,049
Licenses and permits	209,262	280,950	-	15,121	505,333
Federal grants	343,570	5,175,904	12,827,328	4,658,695	23,005,497
State grants	6,926,767	2,651,099	498,074	5,859,613	15,935,553
Local grants and contributions	-	291,374	-	636,769	928,143
Charges for services	5,430,203	2,725,451	-	6,184,409	14,340,063
Fines and forfeitures	715,374	-	-	311,701	1,027,075
Investment income	230,403	-	1,900	177,577	409,880
Rental revenue	-	-	-	794,848	794,848
Donations	-	56,919	-	575,513	632,432
Reimbursements	3,283,792	43,159	-	2,351,364	5,678,315
Other revenue	161,054	26,319	20,363	134,841	342,577
Total revenues	38,496,368	11,251,175	13,347,665	30,446,222	93,541,430
Expenditures					
Current:					
Legislative	650,860	-	-	-	650,860
Judicial	10,033,608	-	-	3,927,300	13,960,908
General government	9,946,555	-	-	1,978,589	11,925,144
Public safety	7,448,822	-	-	11,654,031	19,102,853
Public works	500,630	-	-	364,814	865,444
Health and welfare	2,315,824	11,970,441	12,881,144	12,261,875	39,429,284
Community and economic development	172,028	-	-	2,743,495	2,915,523
Recreation and culture	-	-	-	1,739,480	1,739,480
Other	890,908	-	-	-	890,908
Capital outlay	21,230	53,793	12,786	405,872	493,681
Debt service:					
Principal	-	-	-	1,125,000	1,125,000
Interest and fiscal charges	-	-	-	420,955	420,955
Total expenditures	31,980,465	12,024,234	12,893,930	36,621,411	93,520,040
Revenues over (under) expenditures	6,515,903	(773,059)	453,735	(6,175,189)	21,390
Other Financing Sources (Uses)					
Transfers in	2,000,568	599,046	-	9,362,429	11,962,043
Transfers out	(8,167,801)	-	(478,298)	(1,170,642)	(9,816,741)
Proceeds from sale of capital assets	-	-	-	11,092	11,092
Total other financing sources (uses)	(6,167,233)	599,046	(478,298)	8,202,879	2,156,394
Net change in fund balances	348,670	(174,013)	(24,563)	2,027,690	2,177,784
Fund balance, beginning of year	20,887,243	1,614,837	24,563	13,488,791	36,015,434
Fund balance, end of year	$ 21,235,913	$ 1,440,824	$ -	$ 15,516,481	$ 38,193,218

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

COUNTY OF SAGINAW, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Net change in fund balances - total governmental funds	$ 2,177,784
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Add - capital outlay	800,182
Deduct - net loss on sale of capital assets	(18,798)
Deduct - depreciation expense	(1,079,196)
Revenues in the funds that represent repayment of taxes or loans receivable that do not affect the statement of activities	771,624
A decrease in the net pension asset is recorded as an expense in the statement of activities but does not require the use of current resources and, therefore, is not reported as an expenditure of the funds	(264,933)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,125,000
Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.	
Add - decrease in accrued interest payable	20,499
Add - decrease in accrual for accrued compensated absences	62,144
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.	
Add - net operating income from governmental activities in internal service funds	78,781
Add - investment income from governmental internal service funds	63,849
Add - net gain on sale of capital assets in governmental internal service funds	28,954
Deduct - net transfers	(50,827)
Change in net assets of governmental activities	$ 3,715,063

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, 2004

Continued

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 21,283,281	$ 21,283,281	$ 21,195,943	$ (87,338)
Licenses and permits	195,800	195,800	209,262	13,462
Federal grants	229,782	348,155	343,570	(4,585)
State grants	7,253,756	6,919,741	6,926,767	7,026
Charges for services	4,820,468	4,933,823	5,430,203	496,380
Fines and forfeitures	689,800	689,800	715,374	25,574
Investment income	353,150	353,150	230,403	(122,747)
Reimbursements	3,142,499	3,176,189	3,283,792	107,603
Other revenue	175,821	175,821	161,054	(14,767)
Total revenues	38,144,357	38,075,760	38,496,368	420,608
Expenditures				
Legislative - Board of Commissioners	664,532	664,532	650,860	13,672
Judicial:				
Circuit Court	3,179,872	3,179,872	2,665,284	514,588
District Court	3,055,059	3,070,059	2,987,117	82,942
Probate Court	749,318	749,318	749,686	(368)
Family Division	2,510,149	2,546,499	2,630,524	(84,025)
Probation - Circuit Court	95,973	95,973	93,272	2,701
Probation - District Court	834,825	834,825	819,223	15,602
Assigned Counsel	88,061	88,061	87,002	1,059
Jury Commission	1,500	1,500	1,500	-
Total judicial	10,514,757	10,566,107	10,033,608	532,499
General government:				
Elections	61,762	61,762	51,481	10,281
Auditing	128,350	128,350	113,910	14,440
Coporate Counsel	135,000	135,000	98,203	36,797
County Clerk	1,015,988	1,015,988	998,439	17,549
Controller	1,077,349	1,077,349	879,271	198,078
Board of Auditors	780	780	508	272
Equalization	440,473	440,473	384,359	56,114
Prosecuting Attorney	2,607,963	2,618,963	2,562,899	56,064
Prosecuting Attorney - Welfare	527,507	527,507	501,687	25,820
Register of Deeds	501,739	500,739	473,841	26,898
County Treasurer	643,898	688,898	688,847	51
Maintenance	2,851,856	2,879,356	2,795,104	84,252
Maintenance - Telephone	118,500	118,500	94,542	23,958
Public Works Commissioner	312,565	312,565	302,837	9,728
Budget Stabilization	-	-	627	(627)
Total general government	10,423,730	10,506,230	9,946,555	559,675

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Concluded

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures - continued				
Public Safety:				
Sheriff	$ 675,059	$ 716,464	$ 698,745	$ 17,719
Marine Law Enforcement	4,271	4,271	2,325	1,946
Sheriff - Jail Division	6,628,847	6,628,847	6,604,948	23,899
Corrections Reimbursement	155,151	155,151	142,804	12,347
Total public safety	7,463,328	7,504,733	7,448,822	55,911
Public Works - Drains	505,000	505,000	500,630	4,370
Health and Welfare:				
Medical Examiner	238,133	238,133	220,021	18,112
Veterans Burial	120,000	120,000	97,350	22,650
Contributions to Other Agencies	1,997,403	1,997,403	1,998,453	(1,050)
Total health and welfare	2,355,536	2,355,536	2,315,824	39,712
Community and Economic Development:				
Plat Board	1,000	2,000	2,028	(28)
Contributions to Other Agencies	170,000	170,000	170,000	-
Total community and economic development	171,000	172,000	172,028	(28)
Other general expenditures	890,908	890,908	890,908	-
Capital outlay	-	-	21,230	(21,230)
Total expenditures	32,988,791	33,165,046	31,980,465	1,184,581
Revenues over (under) expenditures	5,155,566	4,910,714	6,515,903	1,605,189
Other Financing Sources (Uses)				
Transfers in	1,955,892	1,983,392	2,000,568	17,176
Transfers out	(7,462,084)	(7,472,254)	(8,167,801)	(695,547)
Total other financing sources (uses)	(5,506,192)	(5,488,862)	(6,167,233)	(678,371)
Net change in fund balances	(350,626)	(578,148)	348,670	926,818
Fund balance, beginning of year	20,887,243	20,887,243	20,887,243	-
Fund balance, end of year	$ 20,536,617	$ 20,309,095	$ 21,235,913	$ 926,818

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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Licenses and permits	$ 286,025	$ 296,025	$ 280,950	$ (15,075)
Federal grants	5,175,904	5,175,904	5,175,904	-
State grants	1,971,554	2,198,275	2,651,099	452,824
Local grants and contributions	348,474	348,474	291,374	(57,100)
Charges for services	2,798,566	2,894,437	2,725,451	(168,986)
Donations	82,038	82,038	56,919	(25,119)
Reimbursements	16,100	16,100	43,159	27,059
Other revenue	347,905	347,905	26,319	(321,586)
Total revenues	11,026,566	11,359,158	11,251,175	(107,983)
Expenditures				
Health and welfare	11,729,795	12,049,887	11,970,441	79,446
Capital outlay	-	12,500	53,793	(41,293)
Total expenditures	11,729,795	12,062,387	12,024,234	38,153
Revenues over (under) expenditures	(703,229)	(703,229)	(773,059)	(69,830)
Other Financing Sources (Uses)				
Transfers in	599,046	599,046	599,046	-
Net change in fund balances	(104,183)	(104,183)	(174,013)	(69,830)
Fund balance, beginning of year	1,614,837	1,614,837	1,614,837	-
Fund balance, end of year	$ 1,510,654	$ 1,510,654	$ 1,440,824	$ (69,830)

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, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Federal grants	$ 12,827,328	$ 12,827,328	$ 12,827,328	$ -
State grants	2,721,950	4,789,552	498,074	(4,291,478)
Investment income	-	-	1,900	1,900
Other revenue	202,662	202,662	20,363	(182,299)
Total revenues	15,751,940	17,819,542	13,347,665	(4,471,877)
Expenditures				
Health and welfare	15,196,381	17,263,983	12,881,144	4,382,839
Capital outlay	57,939	57,939	12,786	45,153
Total expenditures	15,254,320	17,321,922	12,893,930	4,427,992
Revenues over (under) expenditures	497,620	497,620	453,735	(43,885)
Other Financing Sources (Uses)				
Transfers out	(497,620)	(497,620)	(478,298)	19,322
Net change in fund balances	-	-	(24,563)	(24,563)
Fund balance, beginning of year	24,563	24,563	24,563	-
Fund balance, end of year	$ 24,563	$ 24,563	$ -	$ (24,563)

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

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
SEPTEMBER 30, 2004

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Revolving	Building Authority Event Center	Harry W. Browne Airport	Other Enterprise Funds	Total	Internal Service Funds
Assets						
Current assets:						
Cash and investment pool	$ 13,997,280	$ 1,013,081	$ 279,609	$ 634,131	$ 15,924,101	$ 4,535,953
Receivables (net):						
Taxes	7,360,606	-	-	-	7,360,606	-
Accounts	257,496	32,786	12,598	51,456	354,336	526,232
Accrued interest	46,191	700	-	1,204	48,095	12,683
Due from other funds	10,588	111,166	-	-	121,754	171,920
Due from other governmental units	161,841	17	-	-	161,858	-
Unamortized bond issuance costs	-	126,681	-	-	126,681	-
Inventories	-	30,831	-	-	30,831	-
Prepaid items	-	9,662	4,600	-	14,262	529,675
Total current assets	21,834,002	1,324,924	296,807	686,791	24,142,524	5,776,463
Noncurrent assets - capital assets:						
Land	-	18,614	993,361	41,273	1,053,248	233,000
Air rights	-	-	117,761	-	117,761	-
Land improvements	-	-	6,625	33,933	40,558	25,387
Buildings and improvements	-	14,000,235	1,060,547	-	15,060,782	927,000
Leasehold improvements	-	-	-	-	-	23,628
Machinery and equipment	-	843,709	-	133,187	976,896	1,844,219
Office furniture and fixtures	-	61,201	-	-	61,201	84,750
Vehicles	-	29,518	50,414	54,428	134,360	1,401,766
Planning and development	-	-	6,687,878	-	6,687,878	-
Construction in progress	-	-	793,231	-	793,231	-
Accumulated depreciation	-	(222,938)	(5,124,022)	(161,421)	(5,508,381)	(3,375,521)
Total noncurrent assets - capital assets	-	14,730,339	4,585,795	101,400	19,417,534	1,164,229
Total assets	21,834,002	16,055,263	4,882,602	788,191	43,560,058	6,940,692
Liabilities						
Current liabilities:						
Accounts payable	10,475	146,870	7,321	23,408	188,074	486,991
Accrued liabilities	-	250,535	-	2,223	252,758	71,698
Deposits payable	2,928	537,208	-	15,852	555,988	-
Due to other funds	14,391	296,229	-	262,084	572,704	34,000
Due to other governmental units	-	-	18,811	-	18,811	-
Deferred revenue	-	3,704	2,840	-	6,544	-
Unamortized bond premium	-	25,140	-	-	25,140	-
Bonds payable - current	-	1,440,000	-	-	1,440,000	-
Total current liabilities	27,794	2,699,686	28,972	303,567	3,060,019	592,689
Noncurrent liabilities:						
Accrued liabilities	-	-	-	2,144	2,144	1,279,164
Advances from other funds	10,500,773	-	-	20,000	10,520,773	35,000
Bonds payable	-	9,795,000	-	-	9,795,000	-
Notes payable	5,521,000	-	-	-	5,521,000	-
Total noncurrent liabilities	16,021,773	9,795,000	-	22,144	25,838,917	1,314,164
Total liabilities	16,049,567	12,494,686	28,972	325,711	28,898,936	1,906,853
Net Assets						
Invested in capital assets, net of related debt	-	3,495,339	4,585,795	101,400	8,182,534	1,164,229
Unrestricted	5,784,435	65,238	267,835	361,080	6,478,588	3,869,610
Total Net Assets	$ 5,784,435	$ 3,560,577	$ 4,853,630	$ 462,480	14,661,122	$ 5,033,839
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					4,461	
Net assets of business-type activities					$ 14,665,583	

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

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Revolving	Building Authority Event Center	Harry W. Browne Airport	Other Enterprise Funds	Total	Internal Service Funds
Operating Revenues						
Charges for services	$ 508,015	$ 2,859,800	$ 31,983	$ 1,049,734	$ 4,449,532	$ 327,313
Interest income	1,082,743	-	-	-	1,082,743	-
Fines and forfeitures	-	-	-	18,298	18,298	-
Rental revenue	-	-	102,467	-	102,467	779,929
Reimbursements	-	41,589	-	-	41,589	13,789,990
Other revenue	61,422	128,608	7,938	66,772	264,740	175,180
Total operating revenues	1,652,180	3,029,997	142,388	1,134,804	5,959,369	15,072,412
Operating Expenses						
Personal services	-	1,391,551	450	32,070	1,424,071	1,181,702
Fringe benefits	-	-	35	10,715	10,750	11,569,150
Supplies	-	537,575	3,351	413,984	954,910	211,666
Services and charges	99,635	1,025,951	176,751	265,828	1,568,165	1,640,595
Other	-	761,393	-	-	761,393	-
Amortization	-	13,836	-	-	13,836	-
Depreciation	-	103,066	360,348	26,599	490,013	387,600
Total operating expenses	99,635	3,833,372	540,935	749,196	5,223,138	14,990,713
Operating income (loss)	1,552,545	(803,375)	(398,547)	385,608	736,231	81,699
Nonoperating Revenues (Expenses)						
Property taxes	-	2,299,161	-	-	2,299,161	-
Federal grants	-	-	299,263	-	299,263	-
State grants	-	-	16,626	-	16,626	-
Investment income	194,540	5,724	-	5,651	205,915	63,849
Interest expense and fiscal charges	(69,158)	(438,875)	-	-	(508,033)	-
Gain on sale of capital assets	-	383	2,600	-	2,983	28,954
Total nonoperating revenues (expenses)	125,382	1,866,393	318,489	5,651	2,315,915	92,803
Income (loss) before transfers	1,677,927	1,063,018	(80,058)	391,259	3,052,146	174,502
Transfers						
Transfers in	-	176,364	89,057	9,600	275,021	-
Transfers out	(1,650,000)	(181,864)	-	(537,632)	(2,369,496)	(50,827)
Net transfers	(1,650,000)	(5,500)	89,057	(528,032)	(2,094,475)	(50,827)
Change in net assets	27,927	1,057,518	8,999	(136,773)	957,671	123,675
Net assets, beginning of year, as restated	5,756,508	2,503,059	4,844,631	599,253		4,910,164
Net assets, end of year	$ 5,784,435	$ 3,560,577	$ 4,853,630	$ 462,480		$ 5,033,839
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					2,918	
Change in net assets of business-type activities					$ 960,589	

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, 2004

Continued

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Revolving	Building Authority Event Center	Harry W. Browne Airport	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:						
Receipts from customers	$ 929,142	$ 2,881,690	$ 137,424	$ 1,036,447	$ 4,984,703	$ -
Receipts from interfund services provided	3,803	235,594	-	85,417	324,814	14,758,224
Payments to employees	-	(1,391,551)	(485)	(42,275)	(1,434,311)	(1,668,583)
Payments to suppliers	(103,449)	(3,500,715)	(176,694)	(685,643)	(4,466,501)	(13,545,907)
Other operating revenue	1,144,165	170,197	7,938	85,070	1,407,370	175,180
Net cash provided by (used in) operating activities	1,973,661	(1,604,785)	(31,817)	479,016	816,075	(281,086)
Cash flows from noncapital financing activities:						
Property tax collections	-	2,299,161	-	-	2,299,161	-
Transfers in	-	176,364	89,057	9,600	275,021	-
Transfers out	(1,650,000)	(181,864)	-	(537,632)	(2,369,496)	(50,827)
Proceeds from issuing long-term debt	9,500,000	-	-	-	9,500,000	-
Principal paid on long-term debt	(10,279,000)	-	-	-	(10,279,000)	-
Interest paid on long-term debt	(69,158)	-	-	-	(69,158)	-
Net cash provided by (used in) noncapital financing activities	(2,498,158)	2,293,661	89,057	(528,032)	(643,472)	(50,827)
Cash flows from capital and related financing activities:						
Grant proceeds	-	-	315,889	-	315,889	-
Principal paid on capital debt	-	(1,400,000)	-	-	(1,400,000)	-
Interest paid on capital debt	-	(438,875)	-	-	(438,875)	-
Proceeds from sale of capital assets	-	-	2,600	-	2,600	35,800
Payments for capital asset acquisition	-	(14,364)	(332,516)	-	(346,880)	(46,662)
Net cash provided by (used in) capital and related financing activities	-	(1,853,239)	(14,027)	-	(1,867,266)	(10,862)
Cash flows from investing activities:						
Investment income	194,540	5,724	-	5,651	205,915	63,849
Net increase (decrease) in cash and cash equivalents	(329,957)	(1,158,639)	43,213	(43,365)	(1,488,748)	(278,926)
Cash and cash equivalents, beginning of year	14,327,237	2,171,720	236,396	677,496	17,412,849	4,814,879
Cash and cash equivalents, end of year	$ 13,997,280	$ 1,013,081	$ 279,609	$ 634,131	$ 15,924,101	$ 4,535,953

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Concluded

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Revolving	Building Authority Event Center	Harry W. Browne Airport	Other Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income to net cash provided by (used in) operating activities:						
Operating income (loss)	$ 1,552,545	$ (803,375)	$ (398,547)	$ 385,608	$ 736,231	$ 81,699
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	103,066	360,348	26,599	490,013	387,600
Changes in assets and liabilities:						
Accounts receivable	527,290	15,271	(6,614)	(13,287)	522,660	122,366
Advances to other governmental units	-	-	9,776	-	9,776	-
Due from other funds	(10,588)	207	-	-	(10,381)	(119,526)
Due from other governmental units	(106,163)	8,083	-	-	(98,080)	-
Unamortized bond issuance costs	-	17,268	-	-	17,268	-
Inventories	-	(812)	-	-	(812)	-
Prepaid items	-	(3,203)	(4,600)	-	(7,803)	(498,049)
Accounts payable	3,722	(966,327)	1,791	(5,831)	(966,645)	20,444
Accrued liabilities	(6,294)	(45,311)	-	510	(51,095)	(133,772)
Deposits payable	(1,242)	(160,143)	-	-	(161,385)	-
Due to other funds	14,391	235,387	-	85,417	335,195	(141,848)
Due to other governmental units	-	-	16,150	-	16,150	-
Advances from other governmental units	-	-	(9,933)	-	(9,933)	-
Deferred revenue	-	(1,464)	(188)	-	(1,652)	-
Unamortized bond premium	-	(3,432)	-	-	(3,432)	-
Net cash provided by (used in) operating activities	$ 1,973,661	$ (1,604,785)	$ (31,817)	$ 479,016	$ 816,075	$ (281,086)

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

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
SEPTEMBER 30, 2004

	Post-Employment Health Benefits Trust Fund	Agency Funds
Assets		
Cash and investment pool	$ 405,125	$ 8,351,295
Investments, at fair value - mutual funds	11,300,658	-
Investment in land contract	146,509	-
Receivables (net):		
Taxes	-	40,402
Accounts	96,355	4,820,987
Accrued interest	1,808	736
Due from other governmental units	-	9
Total assets	11,950,455	$ 13,213,429
Liabilities		
Accounts payable	-	$ 424,331
Accrued liabilities	272,886	-
Deposits payable	-	6,054,853
Due to other governmental units	-	6,734,245
Total liabilities	272,886	$ 13,213,429
Net Assets		
Held in trust for postemployment health benefits	$ 11,677,569	

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

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS - POSTEMPLOYMENT HEALTH BENEFITS TRUST FUNI
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Additions	
Contributions:	
Employer	$ 2,489,351
Retirees	132,181
Total contributions	2,621,532
Investment earnings:	
Net appreciation in fair value of investments	799,863
Interest and dividends	348,191
Net investment earnings	1,148,054
Total additions	3,769,586
Deductions	
Participant benefits	2,142,393
Administrative expenses	152,470
Total deductions	2,294,863
Change in net assets	1,474,723
Net assets, beginning of year	10,202,846
Net assets, end of year	$ 11,677,569

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

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF NET ASSETS - COMPONENT UNITS
SEPTEMBER 30, 2004

	Road Commission	Brownfield Redevelopment Authority	Department of Public Works	Drain Commission	Total
Assets					
Cash and investment pool	$ 4,381,563	$ 235,942	$ 83,585	$ 5,611,924	$ 10,313,014
Receivables (net)	3,605,167	7,808	20,768,790	18,604,172	42,985,937
Prepaid items and other assets	785,497	-	-	-	785,497
Capital assets, net:					
Assets not being depreciated	28,821,809	-	-	520,109	29,341,918
Assets being depreciated	104,931,994	-	-	42,816,897	147,748,891
Total assets	142,526,030	243,750	20,852,375	67,553,102	231,175,257
Liabilities					
Accounts payable and accrued liabilities	905,453	5,624	271,765	630,428	1,813,270
Deferred revenue	4,242	5,085	-	-	9,327
Long-term liabilities:					
Due within one year	-	13,373	1,098,000	1,411,768	2,523,141
Due in more than one year	666,231	153,412	19,423,000	16,888,067	37,130,710
Total liabilities	1,575,926	177,494	20,792,765	18,930,263	41,476,448
Net Assets					
Invested in capital assets, net of related debt	133,753,803	-	-	25,037,171	158,790,974
Restricted for:					
Debt service	-	-	51,485	833,059	884,544
Acquisition/construction of capital assets	-	-	8,125	4,231,070	4,239,195
Other purposes	7,196,301	-	-	-	7,196,301
Unrestricted		66,256	-	18,521,539	18,587,795
Total net assets	$ 140,950,104	$ 66,256	$ 59,610	$ 48,622,839	$ 189,698,809

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

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Continued

		Program Revenues			
	Expenses	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Net (Expense) Revenue**
Road Commission					
Governmental Activities:					
Highways and streets	$ 16,176,969	$ 105,916	$ 21,431,993	$ -	$ 5,360,940
Brownfield Redevelopment Authority					
Governmental Activities:					
Community and economic development	27,194	-	22,462	-	(4,732)
Department of Public Works					
Governmental Activities:					
Public works	633,738	94,338	-	-	(539,400)
Interest on long-term debt	850,969	-	-	660,355	(190,614)
Total Department of Public Works	1,484,707	94,338	-	660,355	(730,014)
Drain Commission					
Governmental Activities:					
Public works	1,482,270	53,793	-	578,435	(850,042)
Interest on long-term debt	561,016	-	-	695,499	134,483
Total Drain Commission	2,043,286	53,793	-	1,273,934	(715,559)
Total component units	$ 19,732,156	$ 254,047	$ 21,454,455	$ 1,934,289	$ 3,910,635

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

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Concluded

	Road Commission	Brownfield Redevelopment Authority	Department of Public Works	Drain Commission	Total
Change in net assets					
Net (expense) revenue	$ 5,360,940	$ (4,732)	$ (730,014)	$ (715,559)	$ 3,910,635
General revenues:					
Property taxes	-	159,673	-	-	159,673
Investment income - interest earned	78,149	2,919	1,406	59,142	141,616
Total general revenues	78,149	162,592	1,406	59,142	301,289
Change in net assets	5,439,089	157,860	(728,608)	(656,417)	4,211,924
Net assets (deficit), beginning of year, as restated	135,511,015	(91,604)	788,218	49,279,256	185,486,885
Net assets, end of year	$ 140,950,104	$ 66,256	$ 59,610	$ 48,622,839	$ 189,698,809

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

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

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

Saginaw County Road Commission (the "Road Commission") - The County appoints a majority of the members of the governing board of the Road Commission. The Road Commission deposits receipts with the County. The Road Commission also has a balance in the County's common bank account and has investments through the County. A complete financial statement can be obtained from the Saginaw County Road Commission, 3020 Sheridan Avenue, Saginaw, Michigan 48601.

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

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

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

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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 and fiduciary fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting, except for agency funds, which do not have a measurement focus. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, or within one year for reimbursement-based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The government reports the following major governmental funds:

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

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

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

The government reports the following major proprietary funds:

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

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

The *Harry W. Browne airport fund* accounts for the operations of the Harry W. Browne International Airport.

Additionally, the County reports the following fund types:

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

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the delinquent tax revolving, building authority event center and Harry W. Browne Airport enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues interest income and fees associated with hangar rentals, landing usage and the sale of fuel and oil. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses,

and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

1. CASH AND CASH EQUIVALENTS

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

2. INVESTMENTS

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

3. RECEIVABLES

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

4. DUE TO/FROM OTHER FUNDS

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

5. ADVANCES

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

6. INVENTORIES

Inventory is valued at average cost for the Road Commission, a discretely presented component unit of Saginaw County. The costs of the Road Commission's inventory are recorded as assets when purchased and charged to expenditures when used, which is the consumption method.

7. CAPITAL ASSETS

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

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

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

Building and improvements	5-45 years
Equipment	3-10 years
Vehicles and accessories	2-8 years
Office furniture and fixtures	5-20 years
Planning and development	5-30 years
Infrastructure	50 years

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

8. LONG-TERM OBLIGATONS

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

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

9. FUND EQUITY

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

10. INTERFUND TRANSACTIONS

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

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

11. COMPENSATED ABSENCES

Union Employees

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

In January 1993, 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 an unlimited amount 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 1,200 hours (150 days).

Non-Union Employees

Non-union employees are granted PTO days, based on length of service and may carry over an unlimited amount 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 (75 days). Accumulation of PTO hours effective December 31, 2000 was limited to 1,200 hours, and the amount carried forward into a new calendar year was limited by this number. Effective December 31, 2001, the accumulation of PTO hours was limited to 1,100 hours, effective December 31, 2002 - 1,000 hours, effective December 2003 - 900 hours, effective 2004 - 800 hours, effective 2005 - 700 hours, and effective 2006 - 600 hours.

Compensated Absence Liability Recognition

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

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETS AND BUDGETARY ACCOUNTING

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

- Annual budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Annual Informational Budget Summaries are prepared for Enterprise Funds and Internal Service Funds.

- The County Controller is authorized to transfer budgeted amounts from one category to another within an activity and between activities within the same fund in an amount up to $50,000 for non-equipment expenditures and up to $25,000 for equipment expenditures. Revisions that alter the total expenditures of any fund or total activity within the General Fund must be approved by the Board of Commissioners. The activity level in the General Fund and the Special Revenue is the legal level of control.

- Budgets for the General and Special Revenue Funds are prepared on a modified accrual basis, while the Internal Service and Enterprise Fund informational budgets are prepared using the accrual basis of accounting. Both methods are consistent with generally accepted accounting principles (GAAP).

- Budget appropriations lapse at year end.

- The original budget was amended during the year in compliance with local and state laws. The budget to actual expenditures in the financial statements represent the final budgeted expenditures as amended by the County. Supplemental appropriations were necessary during the year.

- The County's annual budgeting process includes the adoption of a budget resolution to establish the manner in which a surplus fund balance in the General Fund is distributed among the County funds. The budget resolution adopted for the year ended September 30, 2004, established that the 2004 General Fund budgeted surplus be transferred as follows: up to one-fourth (1/4) to the Debt Service Funds for anticipated debt service payments for the upcoming budget year and the following budget year for General Fund related debt; two-thirds (2/3) of any remaining surplus to the Public Improvement Special Revenue Fund and; the remaining one-third (1/3) to the General Fund Unappropriated Fund Balance account.

Results of operations for the year ended September 30, 2004 did not produce a General Fund unallocated surplus.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS FOR BUDGETARY FUNDS

The General Fund and other County Funds had expenditures exceeding budgeted appropriations at the activity level, which is the County's legal level of budgetary control for the year ended September 30, 2004.

	Budget	Actual	Variance
GENERAL FUND			
JUDICIAL			
Probate Court	$ 749,318	$ 749,686	$ (368)
Family Division	2,546,499	2,630,524	(84,025)
GENERAL COUNTY GOVERNMENT			
Budget stabilization	-	627	(627)
HEALTH AND WELFARE			
Contributions to Other Agencies	1,997,403	1,998,453	(1,050)
COMMUNITY AND ECONOMIC DEVELOPMENT			
Plat Board	2,000	2,028	(28)
CAPITAL OUTLAY	-	21,230	(21,230)
TRANSFERS OUT	7,472,254	8,167,801	(695,547)
SPECIAL REVENUE FUNDS			
Health Department – Capital Outlay	12,500	53,793	(41,293)
Law Enforcement – Transfers Out	62,384	567,905	(505,521)
County Road Patrol Millage - Public Safety	1,476,193	1,479,343	(3,150)
Parks & Recreation – Transfers Out	-	13	(13)
G.I.S. System - General Government	145,953	154,099	(8,146)
Lodging Excise Tax- Community and Economic Development	1,365,000	1,451,049	(86,049)
Michigan Works Service Centers - Health and Welfare	497,620	510,242	(12,622)

	Budget	Actual	Variance
Special Projects -			
General Government	2,300	3,117	(817)
Public Works	86,226	87,529	(1,303)
Prosecutor Special Projects –			
General Government	522,728	526,317	(3,589)
Soldiers' Relief -			
Health and Welfare	19,680	20,165	(305)

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

III. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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:

	Carrying Amount
Government-wide Financial Statement Captions:	
Primary Government:	
Cash and investment pool	$ 46,800,815
Component Units:	
Cash and investment pool	10,313,014
Fiduciary Fund Financial Statement Captions:	
Cash and cash equivalents	8,756,420
Investments	11,300,658
Total	$ 77,170,907
Notes to Financial Statements:	
Deposits	$ 39,365,721
Investments	37,779,946
Cash on hand	25,240
Total	$ 77,170,907

Deposits - At September 30, 2004, the carrying amount of the County's deposits was $39,365,721 and the bank balance was $12,996,128. Of the bank balance, $306,343 was covered by Federal Depository Insurance and $12,689,785 was neither insured nor collateralized.

The County maintains a cash and investment pool that is available for use by essentially all County funds. The portion of this pool attributable to each separate fund type is shown on the Statement of Net Assets as "Cash and Investment Pool". In addition, various interest bearing savings and checking accounts, certificates of deposit and investments are separately held by several of the County's funds.

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 day of purchase
- Repurchase agreements consisting of instruments in item one above.
- Bankers acceptance of United States banks.
- Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- Obligations described in items one through six above, if purchased through an interlocal agreement under the urban cooperation act of 1967. 1967 (ExSess) PA 7, MCL 124.501 to 124.512.
- Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367 MCL 129.111 to 129.118.
- Investment pools organized under the local government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.

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

The County's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered, or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name.

The County's investments are in accordance with statutory authority as follows:

	Category			Fair Value/ Carrying Amount
	1	2	3	
U.S. Federal Government securities	$ 23,472,923	$ -	$ -	$ 23,472,923
Commercial paper	800,000	-	-	800,000
	$ 24,272,923	$ -	$ -	24,272,923
Uncategorized as to risk:				
Parks Building & Site Capital Projects Fund:				
Mutual funds				4,834
Post-Employment Benefits:				
Mutual funds				11,300,658
Drain Commission:				
Municipal investment funds				2,176,654
Mutual funds				24,877
Total Investments				$ 37,779,946

The County's investments in mutual funds are not categorized because they are not evidenced by securities that exist in physical or book entry form.

B. Receivables

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

	Governmental Activities	Business-type Activities	Component Units
Taxes	$ 1,087,379	$ 7,360,606	$ -
Accounts	2,077,634	354,336	2,350
Notes			
Due within one year	265,700	-	-
Due after one year	1,711,735	-	-
Interest	114,661	48,095	764
Intergovernmental	6,783,069	161,858	42,982,823
Less: allowance for uncollectible accounts	(400,409)	-	-
Total	$ 11,639,769	$ 7,924,895	$ 42,985,937

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Property taxes receivable (General Fund)	$ 775,585	$ -
Property taxes receivable (Non-major governmental fund types)	367,803	-
Notes receivable	1,577,026	-
Grant drawdowns prior to meeting all eligibility requirements (General Fund)	-	591,035
Grant drawdowns prior to meeting all eligibility requirements (Non-major Governmental fund types)	-	56,009
Total	$ 2,720,414	$ 647,044

C. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2004 was as follows:

Primary Government

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	$ 1,214,661	$ -	$ -	$ 1,214,661
Construction in progress	1,312,664	116,957	-	1,429,621
Total capital assets not being depreciated	2,527,325	116,957	-	2,644,282
Capital assets being depreciated:				
Land improvements	3,853,082	-	-	3,853,082
Buildings	30,842,355	213,076	(7,900)	31,047,531
Leasehold improvements	23,628	-	-	23,628
Equipment	4,606,076	326,841	(92,259)	4,840,658
Office furniture & fixtures	84,750	-	-	84,750
Vehicles	2,713,032	189,970	(255,096)	2,647,906
Total capital assets being depreciated	42,122,923	729,887	(355,255)	42,497,555
Less accumulated depreciation				
Land improvements	(1,289,286)	(83,126)	-	(1,372,412)
Buildings	(11,272,445)	(609,417)	7,057	(11,874,805)
Leasehold improvements	(3,228)	(865)	-	(4,093)
Equipment	(2,259,625)	(384,545)	67,459	(2,576,711)
Office furniture & fixtures	(29,584)	(11,220)	-	(40,804)
Vehicles	(2,076,523)	(377,623)	255,096	(2,199,050)
Total accumulated depreciation	(16,930,691)	(1,466,796)	329,612	(18,067,875)
Total capital assets being depreciated, net	25,192,232	(736,909)	(25,643)	24,429,680
Governmental activities capital assets, net	$27,719,557	$(619,952)	$ (25,643)	$27,073,962

Business-type activities				
Capital assets not being depreciated:				
Land	$ 1,053,248	$ -	$ -	$ 1,053,248
Air rights	117,761	-	-	117,761
Construction in progress	12,964,009	332,516	(12,503,294)	793,231
Total capital assets not being depreciated	14,135,018	332,516	(12,503,294)	1,964,240
Capital assets being depreciated:				
Land improvements	40,558	-	-	40,558
Buildings	3,477,169	11,583,613	-	15,060,782
Office furniture and fixtures	-	61,201	-	61,201
Planning and development	6,687,878	-	-	6,687,878
Equipment	104,008	843,709	(29,180)	918,537
Vehicles	113,560	29,518	(8,719)	134,359
Total capital assets being depreciated	10,423,173	12,518,041	(37,899)	22,903,315
Less accumulated depreciation				
Land improvements	(38,175)	(767)	-	(38,942)
Buildings	(778,310)	(144,255)	-	(922,565)
Office furniture and fixtures	-	(553)	-	(553)
Planning and development	(4,058,748)	(304,819)	-	(4,363,567)
Equipment	(38,049)	(21,836)	29,180	(30,705)
Vehicles	(84,625)	(17,783)	8,719	(93,689)
Total accumulated depreciation	(4,997,907)	(490,013)	37,899	(5,450,021)
Total capital assets being depreciated, net	5,425,266	12,028,028	-	17,453,294
Business-type activities capital assets, net	$19,560,283	$12,360,544	$(12,503,294)	$19,417,534

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

Governmental activities:	
Judicial	$ 33,994
General government	392,515
Public safety	199,592
Public works	876
Health and welfare	380,619
Community and economic development	1,943
Recreation and culture	69,657
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	387,600
Total depreciation expense – governmental activities	**$ 1,466,796**

Business-type activities:	
Building Authority Event Center	$ 103,066
Harry W. Browne Airport	360,348
Parking system	4,612
Building Authority Administration	5,369
Inmate services	16,618
Total depreciation expense – business-type activities	**$ 490,013**

Discretely presented component units

Activity for the Drain Commission for the year ended September 30, 2004, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets not being depreciated:				
Construction in progress	$ 333,328	$ 520,109	$ (333,328)	$ 520,109
Capital assets being depreciated:				
Infrastructure	57,584,092	333,328	-	57,917,420
Equipment	17,989	7,300	-	25,289
Total capital assets being depreciated	57,602,081	340,628	-	57,942,709
Less accumulated depreciation				
Infrastructure	(13,969,879)	(1,151,682)	-	(15,121,561)
Equipment	(1,499)	(2,752)	-	(4,251)
Total accumulated depreciation	(13,971,378)	(1,154,434)	-	(15,125,812)
Total capital assets being depreciated, net	43,630,703	(813,806)	-	42,816,897
Drain commission capital assets, net	$43,964,031	$ (293,697)	$(333,328)	$43,337,006

Activity for the Road Commission for the year ended September 30, 2004, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets not being Depreciated:				
Land and improvements	$27,128,820	$1,692,989	$ -	$28,821,809
Capital assets being depreciated:				
Infrastructure	169,476,499	9,281,048	-	178,757,547
Building	2,535,400	3,256	-	2,538,656
Road equipment	9,921,917	1,378,970	(896,988)	10,403,899
Equipment	606,135	277,059	(83,786)	799,408
Total capital assets being depreciated	182,539,951	10,940,333	(980,774)	192,499,510
Less accumulated depreciation				
Infrastructure	(71,191,182)	(6,658,779)	-	(77,849,961)
Building	(1,743,511)	(74,090)	-	(1,817,601)
Road equipment	(7,318,642)	(1,060,209)	872,793	(7,506,058)
Equipment	(395,478)	(82,969)	84,551	(393,896)
Total accumulated depreciation	(80,648,813)	(7,876,047)	957,344	(87,567,516)
Total capital assets being depreciated, net	101,891,138	3,064,286	(23,430)	104,931,994
Road commission capital assets, net	$129,019,958	$4,757,275	$ (23,430)	$133,753,803

D. Payables

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

	Governmental Activities	Business-type Activities
Accounts	$ 4,618,445	$ 188,074
Wages, fringe benefits and other accrued liabilities	2,397,547	833,648
Intergovernmental	321,306	18,811
Total	$ 7,337,298	$ 1,040,533

E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

	Due from							
Due to	General Fund	Health Department	Michigan Works!	Non-major Governmental Funds	Building Authority Event Center	Delinquent Tax Revolving	Internal Service Funds	Total
General Fund	$ -	$ -	$ -	$ 843,755	$ -	$ 7,399	$ 2,304	$ 853,458
Helath Department	270	270	-	-	-	-	166,893	167,163
Michigan Works!	-	-	-	42,846	-	-	-	42,846
Non-major Governmental Funds	786,312	17,439	51,821	756,450	111,166	2,521	-	1,725,709
Building Authority Event Center	295,561	-	-	-	-	668	-	296,229
Delinquent Tax Revolving	13,678	-	-	713	-	-	-	14,391
Non-major Enterprise Funds	16,693	-	-	245,391	-	-	-	262,084
Internal Service Funds	25,620	5,517	-	140	-	-	2,723	34,000
Total	$1,138,134	$ 22,956	$ 51,821	$ 1,889,295	$ 111,166	$ 10,588	$ 171,920	$3,395,880

The balance of $786,312 due to the general fund from the non-major governmental funds resulted from amounts due, but not yet transferred from the general fund during the year to subsidize operations of the non-major governmental funds. Unexpended subsidies provided during the year revert to the general fund at the end of every year in accordance with County policy. The entire balance is scheduled to be collected in the subsequent year.

The balance of $756,450 due to the non-major governmental funds from the non-major governmental funds includes $516,049 that is due from the Law Enforcement Special Revenue Fund to the County Road Patrol Millage Fund Special Revenue Fund. Activities that were formerly accounted for in the Law Enforcement Fund are now being accounted for in the newly created County Road Patrol Millage Fund. The entire balance is scheduled to be collected in the subsequent year.

All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances to/from other funds:

General	$10,555,773	$ -
Delinquent tax revolving	-	10,500,773
Nonmajor enterprise funds	-	20,000
Internal service funds	-	35,000
Total	$10,555,773	$10,555,773

Advances between the General Fund and the Delinquent Tax Revolving Fund exist to maintain adequate reserves in the Delinquent Tax Revolving Fund to assure prompt payment of general obligation limited tax notes.

	Transfer from							
Transfer to	General Fund	Michigan Works!	Non-major Governmental Funds	Delinquent Tax Revolving	Building Authority Event Center	Non-major Enterprise Funds	Internal Service Funds	Total
General Fund	$ -	$ -	$ 57,500	$ 1,650,000	$ -	$ 292,241	$ 827	$ 2,000,568
Health Department	599,046	-	-	-	-	-	-	599,046
Non-major governmental funds	7,479,698	478,298	927,178	-	181,864	245,391	50,000	9,362,429
Harry W. Brown Airport	89,057	-	-	-	-	-	-	89,057
Delinquent Tax Revolving	-	-	176,364	-	-	-	-	176,364
Non-major enterprise funds	-	-	9,600	-	-	-	-	9,600
Total	$ 8,167,801	$ 478,298	$ 1,170,642	$ 1,650,000	$ 181,864	$ 537,632	$ 50,827	$ 12,237,064

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 and state revenue sharing special revenue fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

G. LONG-TERM DEBT

Changes in Long-Term Debt

Long-term liability activity for the year ended September 30, 2004 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Primary Government					
Governmental activities:					
Building Authority -					
General obligation bonds	$ 9,505,000	$ -	$ (1,125,000)	$ 8,380,000	$ 1,185,000
Long-term advances	388,527	134,349	-	522,876	324,876
Internal service fund -					
Claims	1,331,188	6,688,418	(6,822,108)	1,197,498	1,197,498
Compensated absences	1,917,107	3,069,495	(3,135,102)	1,851,500	191,711
	$ 13,141,822	$ 9,892,262	$ (11,082,210)	$ 11,951,874	$ 2,899,085
Business-type activities:					
Building Authority -					
General obligation bonds	$ 12,635,000	$ -	$ (1,400,000)	$ 11,235,000	$ 1,440,000
Harry W. Browne Airport -					
Long-term advances	9,933	-	(9,933)	-	-
Parking System -					
Compensated absences	2,174	3,242	(3,034)	2,382	238
Delinquent Tax -					
General obligation notes	6,300,000	9,500,000	(10,279,000)	5,521,000	-
	$ 18,947,107	$ 9,503,242	$ (11,691,967)	$ 16,758,382	$ 1,440,238
Component Units					
Road Commission:					
Compensated absences	$ 652,859	$ 413,948	$ (400,576)	$ 666,231	$ -
Brownfield Redevelopment Authority:					
Loan from State of Michigan	$ 183,490	$ -	$ (16,705)	$ 166,785	$ 13,373
Department of Public Works:					
General obligation bonds	$ 23,119,000	$ 965,000	$ (3,563,000)	$ 20,521,000	$ 1,098,000
Drain Commission:					
General obligation bonds	15,291,396	343,000	(2,479,571)	$ 13,154,825	$ 45,000
Notes payable	6,362,130	112,400	(1,329,520)	5,145,010	1,366,768
	$ 21,653,526	$ 455,400	$ (3,809,091)	$ 18,299,835	$ 1,411,768

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, $71,698 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

Primary Government

The County issues general obligation and revenue bonds to provide funds for the acquisition and construction of major capital facilities. General obligation and revenue bonds have been issued for governmental activities and business-type activities. The County also issues general obligation notes to provide monies for the purchase of delinquent taxes receivable from local units of government. The original amount of the general obligation note issued to purchase delinquent taxes in 2003 / 2004 was $9,500,000 and has a maturity date of March 2007.

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

Purpose	Interest Rates	Amount
Governmental activities	2.75 – 7.0%	$ 8,380,000
Business-type activities	1.23 – 4.0%	16,756,000
		$ 25,136,000

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

Year Ending	Governmental Activities		Business-type Activities	
September 30	Principal	Interest	Principal	Interest
2005	$ 1,185,000	$ 364,494	$ 1,440,000	$ 483,113
2006	1,210,000	310,875	1,485,000	439,913
2007	1,315,000	266,100	7,061,000	351,393
2008	925,000	217,150	1,595,000	266,812
2009	1,010,000	177,800	1,655,000	207,000
2010-2014	1,335,000	486,726	3,520,000	212,600
2015-2019	1,400,000	206,438	-	-
Total	$ 8,380,000	$2,029,583	$ 16,756,000	$1,960,831

Component Units

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

Purpose	Interest Rates	Amount
Governmental activities	2.25%	$ 166,785

Annual principal and interest requirements to service all debt outstanding as of September 30, 2004, are as follows:

Year Ending September 30	Governmental Activities Principal	Interest
2005	$ 13,373	$ 3,333
2006	13,674	3,032
2007	13,981	2,724
2008	16,231	2,409
2009	16,176	2,464
2010-2014	86,506	6,696
2015-2019	6,844	372
Total	$ 166,785	$ 21,030

Department of Public Works

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

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

Purpose	Interest Rates	Amount
Governmental activities	1.45 – 9.25%	$ 20,521,000

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

Year Ending September 30	Governmental Activities Principal	Interest
2005	$ 1,098,000	$ 390,821
2006	1,635,000	767,012
2007	1,618,000	699,382
2008	1,683,000	613,214
2009	1,718,000	568,525
2010-2014	7,902,000	1,897,219
2015-2019	4,376,000	569,025
2020-2024	310,000	68,255
2025-2029	148,000	27,990
2030	33,000	1,485
Total	$ 20,521,000	$ 5,602,928

Drain Commission

General obligation drain improvement bonds and notes are issued by the County to finance

certain drainage district construction projects. General obligation bonds have been issued for governmental activities. During the year general obligation notes totaling $455,400 were issued.

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

Purpose	Interest Rates	Amount
Governmental activities	1.35 – 7.95%	$ 18,299,835

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

Year Ending	Governmental Activities	
September 30	Principal	Interest
2005	$ 1,411,768	$ 401,206
2006	2,418,341	455,608
2007	2,508,341	378,907
2008	2,257,769	298,420
2009	1,635,869	232,021
2010-2014	6,654,151	582,269
2015-2019	1,413,596	86,185
Total	$ 18,299,835	$ 2,434,616

Advance refunding

On January 28, 2003, the government advanced refunded the 1991 Sewage Disposal System – Birch Run Extension No. 2 general obligation bonds (original issue amount of $1,400,000) with Series 2003 general obligation bonds. The government issued $935,000 of general obligation bonds to provide an escrow agent with the resources for all future debt service payments of the refunded debt ($695,000 is considered defeased as of September 30, 2004). As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide statement of net assets.

On December 1, 1997, the Department of Public Works component unit issued general obligation limited tax bonds of $3,690,000. Of the total bond issue, $2,490,000 was issued to advance refund a portion of the general obligation limited tax bonds issued in 1990 in the amount of $2,325,000. The remaining $1,200,000 was issued to provide resources to pay the costs of constructing sewage disposal system improvements to service the Township of Carrollton, the Township of Kochville, Saginaw Charter Township and the City of Zilwaukee. The refunded bonds mature as scheduled on May 1, 2000 through 2010 and are callable on May 1, 2000. The balance of the defeased debt outstanding at September 30, 2004 was $1,625,000.

On April 28, 2004, the Department of Public Works component unit issued general obligation limited tax bonds of $965,000. Proceeds from this bond issue, along with a cash

contribution from Taymouth Township of $500,990 was used to advance refund four separately issued general obligation limited tax bonds issued between 1993 and 1996. The refunded bonds mature as scheduled on June 1, 1993 through 2015. The balance of the defeased debt outstanding at September 30, 2004 was $1,420,000. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide statement of net assets. The refunding was undertaken to reduce total debt service payments over the next 12 years by $709,620 and resulted in an economic gain of $98,104.

IV. OTHER INFORMATION

A. DEFINED BENEFIT PENSION PLANS

Pension Plan

Plan Description

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

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

Funding Policy

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

Annual Pension Cost and Net Pension Obligation

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

Annual required contribution	$ 2,207,592
Less: Interest on net pension asset	(213,127)
Plus: Adjustment to annual required contribution	434,053
Annual pension cost	2,428,518
Contributions made	2,163,585
Decrease in net pension asset	264,933
Net pension (asset), beginning of year	(2,664,088)
Net pension (asset), end of year	$(2,399,155)

The required contribution was determined using the entry age normal cost method. The actuarial assumptions included (a) a long-term net investment yield rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0% to 4.16% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment that smoothes the fair value of investments over a 5-year period. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2003, the date of the latest actuarial valuation, was 30 years.

Three-Year Trend Information

Fiscal Period Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/02	$2,545,116	84%	$(3,087,834)
9/30/03	2,535,827	83%	(2,664,088)
9/30/04	2,428,518	89%	(2,399,155)

Pension Plan

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/01	$76,976,633	$ 93,444,440	$16,467,807	82.4%	$13,636,683	120.8%
12/31/02	78,295,659	99,129,201	20,833,542	78.9%	13,083,241	159.2%
12/31/03	82,375,896	104,989,442	22,613,546	78.5%	13,005,956	173.9%

Component Unit – Road Commission

Plan Description

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

Funding Policy

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

Annual Pension Cost

For the year ended September 30, 2004, the Road Commission's annual pension cost and required contribution was $118,458. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The Road Commission chose to make voluntary contributions in the amount of $60,000 for the fiscal year ended September 30, 2004. The actuarial assumptions included (a) an assumed rate of investment return which is used to discount liabilities and project what plan assets will earn from investment of present and future assets of 8.0%, (b) a mortality table projecting the number of employees who will die before retirement and the duration of benefit payments after retirement, (c) assumed retirement rates projected when employees will retire and

commence receiving benefits, (d) a set of withdrawal and disability rates to estimate the number of employees who will leave the work force before retirement, (e) assumed rates of salary increases of 4.5% to project employees compensation in future years and (f) no specific price inflation assumption was needed for this valuation, the 4.5% wage inflation assumption would be consistent with a price inflation of 3% to 4%. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return and includes an adjustment to reflect market value. The Road Commission's actuarial accrued liability is over-funded as of December 31, 2003, the date of the last actuary report.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
9/30/02	$ -	0%	-
9/30/03	78,472	100%	-
9/30/04	118,458	151%	$ (60,000)

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/01	$21,777,703	$18,416,283	$(3,361,420)	118%	$3,455,449	(97)%
12/31/02	21,397,622	19,339,097	(2,058,525)	111%	3,537,272	(58)%
12/31/03	21,886,543	19,770,390	(2,116,153)	111%	3,433,645	(62)%

B. DEFINED CONTRIBUTION PENSION PLAN

Plan Description

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

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

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

At September 30, 2004, there were 414 plan members. Plan members are not required to contribute to the Plan, however, employees may contribute up to 3% of their annual salary. The County is required to contribute 6% of the employees' annual salary, as well as match all employee contributions. Plan provision and contribution requirements are established and may be amended by the Saginaw County Board of Commissioners.

Employer contributions to the Plan for the year ended September 30, 2004 amounted to $1,370,072 and employee contributions were $437,308.

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

C. POST-EMPLOYMENT HEALTH BENEFITS

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

Employees who retire on or after January 1, 1993, may elect to receive a monthly stipend ranging from $75 to $150 per month in lieu of health coverage provided they are not covered as a dependent under a County paid health plan. New hires after January 1, 1993 will receive only single coverage for their health insurance upon retirement.

Currently 362 retirees meet the eligibility requirements. The County pays between 25%-100% of the health insurance premiums for these retirees. A co-pay at the percentage indicated below, as established by board resolution, is required by non-union retirees who retired after January 1, 1991:

Years of Service	**Employer Pays**	**Employee Pays**
6	25%	75%
7	30%	70%
8	35%	65%
9	40%	60%
10	45%	55%
11	50%	50%
12	55%	45%

13	60%	40%
14	65%	35%
15	70%	30%
16	75%	25%
17	80%	20%
18	85%	15%
19	90%	10%
20 or more	95%	5%

Union employees are also subject to the same or similar co-pay percentages based on retirement eligibility and years of service as specified in their individual union contract. Expenditures for the premiums are paid and recognized as they become due. During the year ended September 30, 2004, expenditures of $2,489,351 were recognized for retiree health insurance costs.

The County had an actuarial valuation performed as of December 31, 2003, which showed the County's unfunded accrued liability for post-retirement health benefits to be $84,968,301.

The fair value of the cash and investments held to fund retiree health care costs as of September 30, 2004 was $11,705,783. The cash and investments held to fund retiree health care costs are invested with several investment managers and are accounted for within the Post-Employment Benefits Trust Fund.

D. RISK MANAGEMENT

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

Worker's Compensation

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

The claims liability of $237,305 reported at September 30, 2004 is based on the requirements of Statement No. 10 of the Governmental Accounting Standards Board, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. The claim liability is estimated by the claims administrator and management. Management estimates the incurred but not reported (IBNR) liability based on prior experience and both the estimated claims liability and the IBNR estimates are recorded as a current expenditure. No annuity contracts have been purchased to satisfy claim liabilities. Settled claims have not exceeded insurance coverage in any of the past three years.

The changes in the claims liability for the years ended September 30, 2003 and 2004 are as follows:

	Beginning of Period Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Period Liability
2003	$266,255	$ 86,941	$140,143	$213,053
2004	$213,053	$ 123,866	$ 99,614	$237,305

General Liability

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

Losses, damages and administrative expenses are all paid from this fund. The claims liability for known claims and incurred but not reported claims is estimated by management and the insurance administrators. No annuity contracts have been purchased to satisfy claim 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, 2003 and 2004 are as follows:

	Beginning of Period Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Period Liability
2003	$ 774,637	$ 67,379	$180,068	$ 661,948
2004	$ 661,948	$ (58,451)	$137,563$	465,934

Health Insurance

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

contracts have been purchased to satisfy claim liabilities. Settled claims have not exceeded insurance coverage in any of the past three years.

The changes in the claims liability for the years ended September 30, 2003 and 2004 are as follows:

	Beginning of Period Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Period Liability
2003	$ 582,525	$4,706,452	$4,883,482	$405,495
2004	$ 405,495	$5,963,611	$5,940,306	$428,800

Dental Insurance

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

The changes in the claims liability for the years ended September 30, 2003 and 2004 are as follows:

	Beginning of Period Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Period Liability
2003	$ 45,151	$ 626,656	$626,145	$45,662
2004	$ 45,662	$ 586,566	$569,985	$62,243

Vision Insurance

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

The changes in the claims liability for the years ended September 30, 2003 and 2004 are as follows:

	Beginning of Period Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Period Liability
2003	$ 5,654	$ 66,989	$ 67,613	$ 5,030
2004	$ 5,030	$ 72,826	$ 71,227	$ 6,629

E. PROPERTY TAXES

The County levies property taxes on December 1 to fund operations for the current year; such taxes are due without penalty on or before February 14, with the final collection date of February 28 before they are added to the County's delinquent tax rolls.

The property taxes attach as an enforceable lien on property as of December 1. Property taxes are collected by the local taxing district until February 28 when the unpaid taxes become delinquent.

The taxable value of real and personal property at December 1, 2003 totaled $4,455,116,564. The tax levy for 2003/2004 operations was based on the following rates:

General Operating	4.86220 mills
Mosquito Control	.50000 mills
Senior Citizens	.33000 mills
Law Enforcement	.34000 mills
Hospital Debt	.09160 mills
County Parks	.16180 mills
Castle Museum	.20000 mills
Juvenile Home Renovation	.04960 mills
Event Center	.45000 mills

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

F. CONTINGENCIES AND PENDING LITIGATION

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

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

G. PRIOR PERIOD ADJUSTMENTS

During the year ended September 30, 2004, a prior period adjustment in the amount of $337,000 was necessary to properly account for capital assets transferred to the Harry W. Browne Airport from the County Building Authority during the year ended September 30, 2003. The effect on the Harry W. Browne Airport Fund net assets was as follows:

Net assets, beginning of year, as previously stated	$ 4,507,631
Prior period adjustments	337,000
Net assets, beginning of year, as restated	$ 4,844,631

During the year ended September 30, 2004, a prior period adjustment in the amount of $337,000 was necessary in governmental activities to properly account for capital assets transferred to the Harry W. Browne Airport during the year ended September 30, 2003. In addition, a prior period adjustment in the amount of $1,796,532 was necessary to properly account for capital assets transferred to the Saginaw County 911 Communications Center Authority at September 30, 2003. Finally, a prior period adjustment in the amount of $400,409 was necessary to account for the allowance for doubtful accounts for long-term notes receivable. The effects on the governmental activities net assets was as follows:

Net assets, beginning of year, as previously stated	$62,722,912
Adjustment for Airport capital assets	(337,000)
Adjustment for 911 Authority capital assets	(1,796,532)
Adjustment for allowance for doubtful accounts	(400,409)
Net assets, beginning of year, as restated	$60,188,971

During the year ended September 30, 2004, a prior period adjustment in the amount of $4,571 was necessary to properly account for outstanding debt as of September 30, 2003 in the Drain Commission. The effect on the Drain Commission component unit net assets was as follows:

Net assets, beginning of year, as previously stated	$49,274,685
Prior period adjustments	4,571
Net assets, beginning of year, as restated	$49,279,256

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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

Michigan Works! Service Centers Fund - This fund is used to account for the operations of the Midland, Bay, and Northpointe one-stop employment agencies. Money for the operation of this fund is supplied from contributions from the County's Michigan Works Administration Special Revenue Fund. It is subject to the budgetary requirements of Act 2 of the Public Acts of 1968, as amended.

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

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

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

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

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.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Concluded)

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

DEBT SERVICE FUNDS

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

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

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

CAPITAL PROJECTS FUNDS

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

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

NONMAJOR GOVERNMENTAL FUNDS (Concluded)

PERMANANT FUNDS

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

COUNTY OF SAGINAW, MICHIGAN
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

Continued

	Special Revenue Funds				
	Law Enforcement	County Road Patrol Millage	Parks & Recreation	G.I.S. System	Friend of the Court
Assets					
Cash and investment pool	$ 632,749	$ 65,168	$ 557,728	$ 5,777	$ 1,465
Receivables (net):					
Taxes	-	53,566	22,891	-	-
Accounts	7,197	10	28,944	1,910	14,446
Notes receivable	-	-	-	-	-
Accrued interest	1,140	715	1,857	-	125
Due from other funds	50,856	517,806	53	7,729	71,703
Due from component units	-	-	-	-	-
Due from other governmental units	-	13	6	445	512,724
Prepaid items	-	-	-	-	-
Total assets	$ 691,942	$ 637,278	$ 611,479	$ 15,861	$ 600,463
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 19,394	$ 1,099	$ 35,626	$ 10,725	$ 11,618
Accrued liabilities	82,482	67,984	13,608	5,136	129,774
Deposits payable	-	-	-	-	-
Due to other funds	552,969	517	244	-	435,099
Due to component units	-	-	-	-	-
Due to other governmental units	-	-	-	-	840
Advances from other governmental units	-	-	-	-	-
Deferred revenue	-	53,565	22,891	-	1
Total liabilities	654,845	123,165	72,369	15,861	577,332
Fund Balances					
Reserved for:					
Prepaid items	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	-	94,939	-	23,131
Unreserved - designated for:					
Future use	37,097	-	444,171	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	-	514,113	-	-	-
Total fund balances	37,097	514,113	539,110	-	23,131
Total liabilities and fund balances	$ 691,942	$ 637,278	$ 611,479	$ 15,861	$ 600,463

COUNTY OF SAGINAW, MICHIGAN
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

Continued

	Special Revenue Funds				
	Solid Waste	Lodging Excise Tax	Castle Museum & Historical Activities	Commission on Aging	Mosquito Control
Assets					
Cash and investment pool	$ 2,697,173	$ 18,272	$ 195,401	$ 736,306	$ 420,965
Receivables (net):					
Taxes	143	-	26,970	51,372	79,366
Accounts	95,184	579,780	5,832	927	688
Notes receivable	-	-	-	-	-
Accrued interest	7,870	-	841	2,643	2,266
Due from other funds	-	-	53	152	367
Due from component units	-	-	-	-	-
Due from other governmental units	-	-	7	386,093	19
Prepaid items	-	-	-	25,626	2,585
Total assets	$ 2,800,370	$ 598,052	$ 229,104	$ 1,203,119	$ 506,256
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 120	$ 457,632	$ -	$ 103,398	$ 73,449
Accrued liabilities	140	-	-	89,306	45,057
Deposits payable	-	-	-	-	-
Due to other funds	17,439	140,420	299	498	761
Due to component units	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	143	-	26,970	53,979	79,366
Total liabilities	17,842	598,052	27,269	247,181	198,633
Fund Balances					
Reserved for:					
Prepaid items	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	-	-	40,917	-
Unreserved - designated for:					
Future use	-	-	198,753	915,021	307,623
General improvements	-	-	-	-	-
Unreserved - undesignated	2,782,528	-	3,082	-	-
Total fund balances	2,782,528	-	201,835	955,938	307,623
Total liabilities and fund balances	$ 2,800,370	$ 598,052	$ 229,104	$ 1,203,119	$ 506,256

COUNTY OF SAGINAW, MICHIGAN
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

Continued

	Special Revenue Funds				
	Planning Commission	Principal Residence Exemption	Public Improvement	Courthouse Preservation Technology	Animal Control
Assets					
Cash and investment pool	$ 141	$ 86,398	$ 548,050	$ 155,568	$ 23,256
Receivables (net):					
Taxes	-	56,390	-	-	-
Accounts	1,416	-	-	-	-
Notes receivable	-	-	-	-	-
Accrued interest	54	28	2,066	306	-
Due from other funds	-	-	1,065,405	-	12,447
Due from component units	-	-	-	-	-
Due from other governmental units	54,734	-	-	-	-
Prepaid items	1,801	-	-	-	-
Total assets	$ 58,146	$ 142,816	$ 1,615,521	$ 155,874	$ 35,703
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 2,649	$ 65,077	$ 78,265	$ -	$ 4,174
Accrued liabilities	21,031	-	-	-	20,711
Deposits payable	-	-	-	-	-
Due to other funds	7,456	-	1,078	149,999	270
Due to component units	-	-	-	-	-
Due to other governmental units	-	58,845	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	88	-	-	-	-
Total liabilities	31,224	123,922	79,343	149,999	25,155
Fund Balances					
Reserved for:					
Prepaid items	1,801	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	-	-	-	10,548
Unreserved - designated for:					
Future use	25,121	-	-	-	-
General improvements	-	-	1,009,929	-	-
Unreserved - undesignated	-	18,894	526,249	5,875	-
Total fund balances	26,922	18,894	1,536,178	5,875	10,548
Total liabilities and fund balances	$ 58,146	$ 142,816	$ 1,615,521	$ 155,874	$ 35,703

COUNTY OF SAGINAW, MICHIGAN
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

Continued

	Special Revenue Funds			
	Small Cities Reuse	**Register of Deeds Automation**	**E-911 Telephone Surcharge**	**E-911 Equipment Digital**
Assets				
Cash and investment pool	$ 1,691,110	$ 326,129	$ 840,852	$ 829,402
Receivables (net):				
Taxes	-	-	-	-
Accounts	-	8,470	289,405	88,258
Notes receivable	1,577,026	-	-	-
Accrued interest	5,673	704	1,869	1,550
Due from other funds	-	-	-	-
Due from component units	-	-	-	-
Due from other governmental units	-	-	66,871	-
Prepaid items	-	-	-	-
Total assets	$ 3,273,809	$ 335,303	$ 1,198,997	$ 919,210
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 4,474	$ 18,841	$ 217,872	$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Due to component units	-	-	-	-
Due to other governmental units	-	-	-	-
Advances from other governmental units	-	-	-	-
Deferred revenue	1,577,026	-	-	-
Total liabilities	1,581,500	18,841	217,872	-
Fund Balances				
Reserved for:				
Prepaid items	-	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Restricted contributions	-	307,992	-	919,210
Unreserved - designated for:				
Future use	-	-	-	-
General improvements	-	-	-	-
Unreserved - undesignated	1,692,309	8,470	981,125	-
Total fund balances	1,692,309	316,462	981,125	919,210
Total liabilities and fund balances	$ 3,273,809	$ 335,303	$ 1,198,997	$ 919,210

COUNTY OF SAGINAW, MICHIGAN
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

Continued

	Special Revenue Funds				
	Mobile Data Maintenance & Repair	Law Library	County Library Board	Michigan Works! Service Centers	Remonu-mentation
Assets					
Cash and investment pool	$ 1,876,313	$ 22,113	$ -	$ -	$ 16,284
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	-	-	-	2	-
Notes receivable	-	-	-	-	-
Accrued interest	4,853	-	-	-	-
Due from other funds	-	1,281	-	42,846	-
Due from component units	-	-	-	-	-
Due from other governmental units	-	-	-	-	70,765
Prepaid items	40,793	156	-	27,618	-
Total assets	$ 1,921,959	$ 23,550	$ -	$ 70,466	$ 87,049
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 16,971	$ 6,070	$ -	$ 17,761	$ 79,421
Accrued liabilities	-	526	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	16,954	-	51,821	-
Due to component units	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	93,177	-	-	884	-
Total liabilities	110,148	23,550	-	70,466	79,421
Fund Balances					
Reserved for:					
Prepaid items	-	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	1,811,811	-	-	-	-
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	-	-	-	-	7,628
Total fund balances	1,811,811	-	-	-	7,628
Total liabilities and fund balances	$ 1,921,959	$ 23,550	$ -	$ 70,466	$ 87,049

COUNTY OF SAGINAW, MICHIGAN
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

Continued

	Special Revenue Funds				
	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections	MSU Extension
Assets					
Cash and investment pool	$ 193,222	$ 795,198	$ -	$ -	$ 28,904
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	10,357	58,919	-	43	923
Notes receivable	-	-	-	-	-
Accrued interest	-	2,385	-	-	113
Due from other funds	27	65,290	21,550	-	-
Due from component units	8,434	-	-	-	-
Due from other governmental units	41,587	180,570	89,384	266,533	50,611
Prepaid items	1,073	2,329	-	126	-
Total assets	$ 254,700	$ 1,104,691	$ 110,934	$ 266,702	$ 80,551
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 13,798	$ 33,621	$ -	$ 106,290	$ 19,850
Accrued liabilities	8,926	67,637	22,435	8,896	4,430
Deposits payable	-	940	-	-	-
Due to other funds	11,534	43,858	88,029	151,516	677
Due to component units	-	-	-	-	-
Due to other governmental units	-	5,816	-	-	-
Advances from other governmental units	-	-	-	-	55,000
Deferred revenue	-	205,748	-	-	3
Total liabilities	34,258	357,620	110,464	266,702	79,960
Fund Balances					
Reserved for:					
Prepaid items	1,073	2,329	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Restricted contributions	-	-	-	-	-
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	219,369	744,742	470	-	591
Total fund balances	220,442	747,071	470	-	591
Total liabilities and fund balances	$ 254,700	$ 1,104,691	$ 110,934	$ 266,702	$ 80,551

COUNTY OF SAGINAW, MICHIGAN
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

Continued

	Special Revenue Funds			
	Family Independence Agency	Child Care	Soldiers' Relief	Veterans' Trust
Assets				
Cash and investment pool	$ 148,400	$ 189,362	$ 1,016	$ -
Receivables (net):				
Taxes	-	-	-	-
Accounts	-	30,974	-	-
Notes receivable	-	-	-	-
Accrued interest	-	-	-	-
Due from other funds	-	-	305	-
Due from component units	-	-	-	-
Due from other governmental units	77,164	243,541	-	1,173
Prepaid items	-	3,071	-	-
Total assets	$ 225,564	$ 466,948	$ 1,321	$ 1,173
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 82,354	$ 48,214	$ 1,321	$ 214
Accrued liabilities	-	131,219	-	-
Deposits payable	-	-	-	-
Due to other funds	210	67,968	-	959
Due to component units	-	-	-	-
Due to other governmental units	-	158,165	-	-
Advances from other governmental units	143,000	-	-	-
Deferred revenue	-	29,803	-	-
Total liabilities	225,564	435,369	1,321	1,173
Fund Balances				
Reserved for:				
Prepaid items	-	3,071	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Restricted contributions	-	2,467	-	-
Unreserved - designated for:				
Future use	-	-	-	-
General improvements	-	-	-	-
Unreserved - undesignated	-	26,041	-	-
Total fund balances	-	31,579	-	-
Total liabilities and fund balances	$ 225,564	$ 466,948	$ 1,321	$ 1,173

COUNTY OF SAGINAW, MICHIGAN
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

	Debt Service Funds			Capital Projects Funds	
	Hospital Construction	Juvenile Center Renovation	Building Authority	Parks Building & Site	River Dredging Project
Assets					
Cash and investment pool	$ 64	$ 118	$ 1,662,858	$ 45,567	$ 15,185
Receivables (net):					
Taxes	14,542	6,554	-	-	-
Accounts	-	-	-	47,600	-
Notes receivable	-	-	-	-	-
Accrued interest	120	221	5,105	295	-
Due from other funds	6,960	1,058	-	-	-
Due from component units	-	-	-	-	-
Due from other governmental units	-	-	-	-	-
Prepaid items	-	-	42,226	-	-
Total assets	$ 21,686	$ 7,951	$ 1,710,189	$ 93,462	$ 15,185
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ -	$ -	$ -	$ 19,150	$ -
Accrued liabilities	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	7,143	1,398	-	-	-
Due to component units	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Advances from other governmental units	-	-	-	-	-
Deferred revenue	14,543	6,553	-	-	-
Total liabilities	21,686	7,951	-	19,150	-
Fund Balances					
Reserved for:					
Prepaid items	-	-	42,226	-	-
Debt service	-	-	1,667,963	-	-
Capital projects	-	-	-	74,312	15,185
Restricted contributions	-	-	-	-	-
Unreserved - designated for:					
Future use	-	-	-	-	-
General improvements	-	-	-	-	-
Unreserved - undesignated	-	-	-	-	-
Total fund balances	-	-	1,710,189	74,312	15,185
Total liabilities and fund balances	$ 21,686	$ 7,951	$ 1,710,189	$ 93,462	$ 15,185

COUNTY OF SAGINAW, MICHIGAN
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2004

Concluded

	Permanent Fund	Total Nonmajor Governmental Funds
	Rail Trail Endowment	
Assets		
Cash and investment pool	$ 28,227	$ 14,854,741
Receivables (net):		
Taxes	-	311,794
Accounts	-	1,271,285
Notes receivable	-	1,577,026
Accrued interest	78	42,877
Due from other funds	-	1,865,888
Due from component units	-	8,434
Due from other governmental units	-	2,042,240
Prepaid items	-	147,404
Total assets	$ 28,305	$ 22,121,689
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 1,549,448
Accrued liabilities	-	719,298
Deposits payable	-	940
Due to other funds	-	1,749,116
Due to component units	-	-
Due to other governmental units	-	223,666
Advances from other governmental units	-	198,000
Deferred revenue	-	2,164,740
Total liabilities	-	6,605,208
Fund Balances		
Reserved for:		
Prepaid items	-	50,500
Debt service	-	1,667,963
Capital projects	305	89,802
Restricted contributions	28,000	3,239,015
Unreserved - designated for:		
Future use	-	1,927,786
General improvements	-	1,009,929
Unreserved - undesignated	-	7,531,486
Total fund balances	28,305	15,516,481
Total liabilities and fund balances	$ 28,305	$ 22,121,689

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Continued

	Special Revenue Funds				
	Law Enforcement	County Road Patrol Millage	Parks & Recreation	G.I.S. System	Friend of the Court
Revenues					
Property taxes	$ -	$ 1,480,122	$ 703,920	$ -	$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	2,475,572
State grants	-	-	-	-	291,781
Local grants and contributions	-	-	-	-	-
Charges for services	-	-	56,495	8,416	306,444
Fines and forfeitures	-	-	-	-	-
Investment income	4,422	2,850	7,222	-	581
Rental revenue	-	-	-	-	-
Donations	-	-	117,330	-	-
Reimbursements	180,972	4,828	-	-	69,936
Other revenue	-	-	8,641	-	-
Total revenues	185,394	1,487,800	893,608	8,416	3,144,314
Expenditures					
Current:					
Judicial	-	-	-	-	3,838,851
General government	-	-	-	154,099	-
Public safety	2,193,522	1,479,343	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	717,535	-	-
Capital outlay	-	-	57,666	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	2,193,522	1,479,343	775,201	154,099	3,838,851
Revenues over (under) expenditures	(2,008,128)	8,457	118,407	(145,683)	(694,537)
Other Financing Sources (Uses)					
Transfers in	2,315,918	515,052	-	113,679	665,384
Transfers out	(567,905)	(9,396)	(13)	-	(18,262)
Sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	1,748,013	505,656	(13)	113,679	647,122
Net change in fund balances	(260,115)	514,113	118,394	(32,004)	(47,415)
Fund balance, beginning of year	297,212	-	420,716	32,004	70,546
Fund balance, end of year	$ 37,097	$ 514,113	$ 539,110	$ -	$ 23,131

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Continued

	Special Revenue Funds				
	Solid Waste	Lodging Excise Tax	Castle Museum & Historical Activities	Commission on Aging	Mosquito Control
Revenues					
Property taxes	$ 2	$ -	$ 871,076	$ 1,436,632	$ 2,179,466
Accommodations tax	-	1,451,049	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	1,061,624	-
State grants	-	-	-	557,194	-
Local grants and contributions	-	-	-	10,018	-
Charges for services	393,015	-	-	205,617	13,165
Fines and forfeitures	-	-	-	-	-
Investment income	33,417	-	3,080	10,236	9,638
Rental revenue	-	-	-	-	985
Donations	-	-	-	292,396	-
Reimbursements	-	-	25,340	42,075	238,600
Other revenue	-	-	-	76,165	654
Total revenues	426,434	1,451,049	899,496	3,691,957	2,442,508
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	277,285	-	-	-	-
Health and welfare	-	-	-	3,723,316	2,593,491
Community and economic development	-	1,451,049	-	-	-
Recreation and culture	-	-	911,466	-	-
Capital outlay	-	-	-	-	60,794
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	277,285	1,451,049	911,466	3,723,316	2,654,285
Revenues over (under) expenditures	149,149	-	(11,970)	(31,359)	(211,777)
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	39,000
Transfers out	(168,483)	-	-	-	(3,000)
Sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	(168,483)	-	-	-	36,000
Net change in fund balances	(19,334)	-	(11,970)	(31,359)	(175,777)
Fund balance, beginning of year	2,801,862	-	213,805	987,297	483,400
Fund balance, end of year	$ 2,782,528	$ -	$ 201,835	$ 955,938	$ 307,623

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Continued

	Special Revenue Funds				
	Planning Commission	Principal Residence Exemption	Public Improvement	Courthouse Preservation Technology	Animal Control
Revenues					
Property taxes	$ -	$ -	$ -	$ -	$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	15,121
Federal grants	351,284	-	-	-	-
State grants	-	-	-	-	-
Local grants and contributions	-	-	-	-	-
Charges for services	4,296	18,827	-	209,040	53,113
Fines and forfeitures	-	-	-	-	-
Investment income	329	67	9,747	1,249	-
Rental revenue	-	-	-	-	-
Donations	-	-	-	-	14,655
Reimbursements	22,087	-	5,489	-	-
Other revenue	14,474	-	-	-	398
Total revenues	392,470	18,894	15,236	210,289	83,287
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	-	-	68,855	-	-
Public safety	-	-	356,958	-	706,502
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community and economic development	533,627	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	533,627	-	425,813	-	706,502
Revenues over (under) expenditures	(141,157)	18,894	(410,577)	210,289	(623,215)
Other Financing Sources (Uses)					
Transfers in	104,891	-	965,405	-	633,763
Transfers out	(16,000)	-	(28,578)	(300,000)	-
Sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	88,891	-	936,827	(300,000)	633,763
Net change in fund balances	(52,266)	18,894	526,250	(89,711)	10,548
Fund balance, beginning of year	79,188	-	1,009,928	95,586	-
Fund balance, end of year	$ 26,922	$ 18,894	$ 1,536,178	$ 5,875	$ 10,548

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Continued

	Special Revenue Funds			
	Small Cities Reuse	**Register of Deeds Automation**	**E-911 Telephone Surcharge**	**E-911 Equipment Digital**
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Accommodations tax	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	2,440	-	-	-
State grants	-	-	268,503	-
Local grants and contributions	-	-	-	-
Charges for services	-	323,120	3,249,307	914,831
Fines and forfeitures	3,305	-	-	-
Investment income	25,240	2,338	7,192	4,379
Rental revenue	-	-	-	-
Donations	-	-	-	-
Reimbursements	252,640	-	-	-
Other revenue	-	-	-	-
Total revenues	283,625	325,458	3,525,002	919,210
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	55,175	-	-
Public safety	-	-	3,145,683	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	737,321	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	12,150	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	737,321	67,325	3,145,683	-
Revenues over (under) expenditures	(453,696)	258,133	379,319	919,210
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(453,696)	258,133	379,319	919,210
Fund balance, beginning of year	2,146,005	58,329	601,806	-
Fund balance, end of year	$ 1,692,309	$ 316,462	$ 981,125	$ 919,210

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Continued

	Special Revenue Funds				
	Mobile Data Maintenance & Repair	**Law Library**	**County Library Board**	**Michigan Works! Service Centers**	**Remonu-mentation**
Revenues					
Property taxes	$ -	$ -	$ -	$ -	$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	-	-
State grants	-	-	-	-	102,088
Local grants and contributions	-	-	-	-	-
Charges for services	301,365	-	-	-	-
Fines and forfeitures	-	6,500	110,479	-	-
Investment income	20,119	-	-	-	-
Rental revenue	-	-	-	-	-
Donations	-	-	-	-	-
Reimbursements	-	-	-	22,546	-
Other revenue	-	-	-	6	-
Total revenues	321,484	6,500	110,479	22,552	102,088
Expenditures					
Current:					
Judicial	-	56,544	-	-	-
General government	-	-	-	-	102,088
Public safety	231,991	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	510,242	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	110,479	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	231,991	56,544	110,479	510,242	102,088
Revenues over (under) expenditures	89,493	(50,044)	-	(487,690)	-
Other Financing Sources (Uses)					
Transfers in	326,046	50,044	-	478,298	-
Transfers out	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	326,046	50,044	-	478,298	-
Net change in fund balances	415,539	-	-	(9,392)	-
Fund balance, beginning of year	1,396,272	-	-	9,392	7,628
Fund balance, end of year	$ 1,811,811	$ -	$ -	$ -	$ 7,628

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Continued

	Special Revenue Funds				
	Special Projects	Sheriff Special Projects	Prosecutor Special Projects	Community Corrections	MSU Extension
Revenues					
Property taxes	$ -	$ -	$ -	$ -	$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	131,618	244,652	90,395	62,161	142,617
State grants	39,094	428,978	217,222	1,238,634	115,322
Local grants and contributions	-	31,172	-	-	566,579
Charges for services	2,611	124,747	-	-	-
Fines and forfeitures	9,133	161,768	20,516	-	-
Investment income	-	10,074	-	-	426
Rental revenue	-	-	-	-	-
Donations	25,000	69,366	440	-	-
Reimbursements	97,335	1,051,879	20,516	-	-
Other revenue	-	21,851	-	-	1,452
Total revenues	304,791	2,144,487	349,089	1,300,795	826,396
Expenditures					
Current:					
Judicial	31,905	-	-	-	-
General government	3,117	-	526,317	-	1,068,938
Public safety	169,853	2,107,913	-	1,262,266	-
Public works	87,529	-	-	-	-
Health and welfare	9,777	-	-	-	-
Community and economic development	21,498	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	43,614	104,020	-	-	9,909
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	367,293	2,211,933	526,317	1,262,266	1,078,847
Revenues over (under) expenditures	(62,502)	(67,446)	(177,228)	38,529	(252,451)
Other Financing Sources (Uses)					
Transfers in	85,332	156,204	177,228	11,471	252,684
Transfers out	-	(4,905)	-	(50,000)	-
Sale of capital assets	-	11,092	-	-	-
Total other financing sources (uses)	85,332	162,391	177,228	(38,529)	252,684
Net change in fund balances	22,830	94,945	-	-	233
Fund balance, beginning of year	197,612	652,126	470	-	358
Fund balance, end of year	$ 220,442	$ 747,071	$ 470	$ -	$ 591

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Continued

	Special Revenue Funds			
	Family Independence Agency	Child Care	Soldiers' Relief	Veterans' Trust
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Accommodations tax	-	-	-	-
Licenses and permits	-	-	-	-
Federal grants	-	66,515	-	-
State grants	1,115,665	1,387,666	-	49,866
Local grants and contributions	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Rental revenue	-	-	-	-
Donations	-	16,326	-	-
Reimbursements	-	317,121	-	-
Other revenue	-	11,200	-	-
Total revenues	1,115,665	1,798,828	-	49,866
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	1,215,191	4,115,012	20,165	49,866
Community and economic development	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,215,191	4,115,012	20,165	49,866
Revenues over (under) expenditures	(99,526)	(2,316,184)	(20,165)	-
Other Financing Sources (Uses)				
Transfers in	99,339	2,344,562	20,165	-
Transfers out	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	99,339	2,344,562	20,165	-
Net change in fund balances	(187)	28,378	-	-
Fund balance, beginning of year	187	3,201	-	-
Fund balance, end of year	$ -	$ 31,579	$ -	$ -

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Debt Service Funds			Capital Projects Funds	
	Hospital Construction	Juvenile Center Renovation	Building Authority	Parks Building & Site	River Dredging Project
Revenues					
Property taxes	$ 404,679	$ 218,825	$ -	$ -	$ -
Accommodations tax	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Federal grants	-	-	-	29,817	-
State grants	-	-	-	47,600	-
Local grants and contributions	-	-	-	1,000	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	742	890	21,738	1,296	-
Rental revenue	-	-	793,863	-	-
Donations	-	-	-	-	40,000
Reimbursements	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	405,421	219,715	815,601	79,713	40,000
Expenditures					
Current:					
Judicial	-	-	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	24,815
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	117,719	-
Debt service:					
Principal	350,000	150,000	625,000	-	-
Interest and fiscal charges	62,433	70,773	287,749	-	-
Total expenditures	412,433	220,773	912,749	117,719	24,815
Revenues over (under) expenditures	(7,012)	(1,058)	(97,148)	(38,006)	15,185
Other Financing Sources (Uses)					
Transfers in	6,893	1,058	-	13	-
Transfers out	-	-	(4,100)	-	-
Sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	6,893	1,058	(4,100)	13	-
Net change in fund balances	(119)	-	(101,248)	(37,993)	15,185
Fund balance, beginning of year	119	-	1,811,437	112,305	-
Fund balance, end of year	$ -	$ -	$ 1,710,189	$ 74,312	$ 15,185

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Permanent Fund Rail Trail Endowment	Total Nonmajor Governmental Funds
Revenues		
Property taxes	$ -	$ 7,294,722
Accommodations tax	-	1,451,049
Licenses and permits	-	15,121
Federal grants	-	4,658,695
State grants	-	5,859,613
Local grants and contributions	28,000	636,769
Charges for services	-	6,184,409
Fines and forfeitures	-	311,701
Investment income	305	177,577
Rental revenue	-	794,848
Donations	-	575,513
Reimbursements	-	2,351,364
Other revenue	-	134,841
Total revenues	28,305	30,446,222
Expenditures		
Current:		
Judicial	-	3,927,300
General government	-	1,978,589
Public safety	-	11,654,031
Public works	-	364,814
Health and welfare	-	12,261,875
Community and economic development	-	2,743,495
Recreation and culture	-	1,739,480
Capital outlay	-	405,872
Debt service:		
Principal	-	1,125,000
Interest and fiscal charges	-	420,955
Total expenditures	-	36,621,411
Revenues over (under) expenditures	28,305	(6,175,189)
Other Financing Sources (Uses)		
Transfers in	-	9,362,429
Transfers out	-	(1,170,642)
Sale of capital assets	-	11,092
Total other financing sources (uses)	-	8,202,879
Net change in fund balances	28,305	2,027,690
Fund balance, beginning of year	-	13,488,791
Fund balance, end of year	$ 28,305	$ 15,516,481

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Law Enforcement			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investment income	$ -	$ -	$ 4,422	$ 4,422
Reimbursements	148,854	148,854	180,972	32,118
Total revenues	148,854	148,854	185,394	36,540
Expenditures				
Current:				
Public safety	2,406,507	2,407,388	2,193,522	213,866
Revenues over (under) expenditures	(2,257,653)	(2,258,534)	(2,008,128)	250,406
Other Financing Sources (Uses)				
Transfers in	2,300,918	2,320,918	2,315,918	(5,000)
Transfers out	(43,265)	(62,384)	(567,905)	(505,521)
Total other financing sources (uses)	2,257,653	2,258,534	1,748,013	(510,521)
Net change in fund balances	-	-	(260,115)	(260,115)
Fund balance, beginning of year	297,212	297,212	297,212	-
Fund balance, end of year	$ 297,212	$ 297,212	$ 37,097	$ (260,115)

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANC
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	County Road Patrol Millage			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 1,484,084	$ 1,484,084	$ 1,480,122	$ (3,962)
Investment income	1,505	1,505	2,850	1,345
Reimbursements	-	-	4,828	4,828
Total revenues	1,485,589	1,485,589	1,487,800	2,211
Expenditures				
Current:				
Public safety	1,476,193	1,476,193	1,479,343	(3,150)
Revenues over (under) expenditures	9,396	9,396	8,457	(939)
Other Financing Sources (Uses)				
Transfers in	-	-	515,052	515,052
Transfers out	(9,396)	(9,396)	(9,396)	-
Total other financing sources (uses)	(9,396)	(9,396)	505,656	515,052
Net change in fund balances	-	-	514,113	514,113
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ 514,113	$ 514,113

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Parks & Recreation			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 706,250	$ 706,250	$ 703,920	$ (2,330)
Charges for services	41,500	41,500	56,495	14,995
Investment income	8,998	8,998	7,222	(1,776)
Donations	19,000	343,925	117,330	(226,595)
Other revenue	15,000	15,000	8,641	(6,359)
Total revenues	790,748	1,115,673	893,608	(222,065)
Expenditures				
Current:				
Recreation and culture	675,375	1,001,950	717,535	284,415
Capital outlay	115,373	113,723	57,666	56,057
Total expenditures	790,748	1,115,673	775,201	340,472
Revenues over (under) expenditures	-	-	118,407	(118,407)
Other Financing Sources (Uses)				
Transfers out	-	-	(13)	(13)
Net change in fund balances	-	-	118,394	118,394
Fund balance, beginning of year	420,716	420,716	420,716	-
Fund balance, end of year	$ 420,716	$ 420,716	$ 539,110	$ 118,394

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	G.I.S. System			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	$ 88,953	$ -	$ 8,416	$ 8,416
Reimbursements	8,000	8,000	-	(8,000)
Total revenues	96,953	8,000	8,416	416
Expenditures				
Current:				
General government	145,953	145,953	154,099	(8,146)
Revenues over (under) expenditures	(49,000)	(137,953)	(145,683)	(7,730)
Other Financing Sources (Uses)				
Transfers in	49,000	105,950	113,679	7,729
Net change in fund balances	-	(32,003)	(32,004)	(1)
Fund balance, beginning of year	32,004	32,004	32,004	-
Fund balance, end of year	$ 32,004	$ 1	$ -	$ (1)

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Friend of the Court			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Federal grants	$ 2,144,734	$ 2,742,664	$ 2,475,572	$ (267,092)
State grants	934,231	336,301	291,781	(44,520)
Charges for services	314,972	314,972	306,444	(8,528)
Investment income	8,083	8,083	581	(7,502)
Reimbursements	76,500	76,500	69,936	(6,564)
Total revenues	3,478,520	3,478,520	3,144,314	(334,206)
Expenditures				
Current:				
Judicial	4,110,769	4,097,969	3,838,851	259,118
Capital outlay	-	12,800	-	12,800
Total expenditures	4,110,769	4,110,769	3,838,851	271,918
Revenues over (under) expenditures	(632,249)	(632,249)	(694,537)	(62,288)
Other Financing Sources (Uses)				
Transfers in	593,681	593,681	665,384	71,703
Transfers out	(18,262)	(18,262)	(18,262)	-
Total other financing sources (uses)	575,419	575,419	647,122	71,703
Net change in fund balances	(56,830)	(56,830)	(47,415)	9,415
Fund balance, beginning of year	70,546	70,546	70,546	-
Fund balance, end of year	$ 13,716	$ 13,716	$ 23,131	$ 9,415

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Solid Waste			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	$ 320,802	$ 320,802	$ 393,015	$ 72,213
Investment income	26,235	26,235	33,417	7,182
Total revenues	347,037	347,037	426,432	79,395
Expenditures				
Current:				
Public works	287,673	287,673	277,285	10,388
Revenues over (under) expenditures	59,364	59,364	149,147	89,783
Other Financing Sources (Uses)				
Transfers out	(168,483)	(168,483)	(168,483)	-
Net change in fund balances	(109,119)	(109,119)	(19,336)	89,783
Fund balance, beginning of year	2,801,862	2,801,862	2,801,862	-
Fund balance, end of year	$ 2,692,743	$ 2,692,743	$ 2,782,526	$ 89,783

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Lodging Excise Tax			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Accommodations tax	$ 1,365,000	$ 1,365,000	$ 1,451,049	$ 86,049
Expenditures				
Current:				
Community and economic development	1,365,000	1,365,000	1,451,049	(86,049)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Castle Museum & Historical Activities			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 872,991	$ 872,991	$ 871,076	$ (1,915)
Investment income	4,715	4,715	3,080	(1,635)
Reimbursements	11,449	13,600	25,340	11,740
Total revenues	889,155	891,306	899,496	8,190
Expenditures				
Current:				
Recreation and culture	897,038	915,802	911,466	4,336
Net change in fund balances	(7,883)	(24,496)	(11,970)	12,526
Fund balance, beginning of year	213,805	213,805	213,805	-
Fund balance, end of year	$ 205,922	$ 189,309	$ 201,835	$ 12,526

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Commission on Aging			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 1,440,435	$ 1,440,435	$ 1,436,632	$ (3,803)
Federal grants	1,181,277	1,277,824	1,061,624	(216,200)
State grants	292,512	306,461	557,194	250,733
Local grants and contributions	-	10,300	10,018	(282)
Charges for services	285,824	287,101	205,617	(81,484)
Investment income	25,597	25,597	10,236	(15,361)
Donations	255,769	261,169	292,396	31,227
Reimbursements	45,777	49,777	42,075	(7,702)
Other revenue	79,090	83,949	76,165	(7,784)
Total revenues	3,606,281	3,742,613	3,691,957	(50,656)
Expenditures				
Current:				
Health and welfare	3,606,281	3,764,113	3,723,316	40,797
Net change in fund balances	-	(21,500)	(31,359)	(9,859)
Fund balance, beginning of year	987,297	987,297	987,297	-
Fund balance, end of year	$ 987,297	$ 965,797	$ 955,938	$ (9,859)

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Mosquito Control			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 2,182,476	$ 2,182,476	$ 2,179,466	$ (3,010)
Charges for services	15,000	15,000	13,165	(1,835)
Investment income	17,513	17,513	9,638	(7,875)
Rental revenue	900	900	985	85
Reimbursements	193,750	193,750	238,600	44,850
Other revenue	-	-	654	654
Total revenues	2,409,639	2,409,639	2,442,508	32,869
Expenditures				
Current:				
Health and welfare	2,560,874	2,648,544	2,593,491	55,053
Capital outlay	112,000	74,330	60,794	13,536
Total expenditures	2,672,874	2,722,874	2,654,285	68,589
Revenues over (under) expenditures	(263,235)	(313,235)	(211,777)	101,458
Other Financing Sources (Uses)				
Transfers in	39,000	39,000	39,000	-
Transfers out	(3,000)	(3,000)	(3,000)	-
Total other financing sources (uses)	36,000	36,000	36,000	-
Net change in fund balances	(227,235)	(277,235)	(175,777)	101,458
Fund balance, beginning of year	483,400	483,400	483,400	-
Fund balance, end of year	$ 256,165	$ 206,165	$ 307,623	$ 101,458

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Planning Commission			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Federal grants	$ 511,466	$ 551,494	$ 351,284	$ (200,210)
Charges for services	5,133	5,133	4,296	(837)
Investment income	1,179	1,179	329	(850)
Reimbursements	1,000	8,000	22,087	14,087
Other revenue	32,321	16,821	14,474	(2,347)
Total revenues	551,099	582,627	392,470	(190,157)
Expenditures				
Current:				
Community and economic development	639,990	731,564	533,627	197,937
Revenues over (under) expenditures	(88,891)	(148,937)	(141,157)	7,780
Other Financing Sources (Uses)				
Transfers in	104,891	104,891	104,891	-
Transfers out	(16,000)	(16,000)	(16,000)	-
Total other financing sources (uses)	88,891	88,891	88,891	-
Net change in fund balances	-	(60,046)	(52,266)	7,780
Fund balance, beginning of year	79,188	79,188	79,188	-
Fund balance, end of year	$ 79,188	$ 19,142	$ 26,922	$ 7,780

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Principal Residence Exemption			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	$ -	$ 20,000	$ 18,827	$ (1,173)
Investment income	-	-	67	67
Net change in fund balances	-	20,000	18,894	(1,106)
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ 20,000	$ 18,894	$ (1,106)

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Public Improvement			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investment income	$ -	$ -	$ 9,747	$ 9,747
Reimbursements	-	-	5,489	5,489
Total revenues	-	-	15,236	15,236
Expenditures				
Current:				
General government	106,500	79,635	68,855	10,780
Public safety	186,000	377,191	356,958	20,233
Total expenditures	292,500	456,826	425,813	31,013
Revenues over (under) expenditures	(292,500)	(456,826)	(410,577)	46,249
Other Financing Sources (Uses)				
Transfers in	149,000	246,074	965,405	719,331
Transfers out	(3,000)	(30,500)	(28,578)	1,922
Total other financing sources (uses)	146,000	215,574	936,827	721,253
Net change in fund balances	(146,500)	(241,252)	526,250	767,502
Fund balance, beginning of year	1,009,928	1,009,928	1,009,928	-
Fund balance, end of year	$ 863,428	$ 768,676	$ 1,536,178	$ 767,502

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Courthouse Preservation Technology			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	$ 180,752	$ 220,316	$ 209,040	$ (11,276)
Investment income	673	673	1,249	576
Total revenues	181,425	220,989	210,289	(10,700)
Expenditures				
Current:				
Judicial	31,425	-	-	-
Revenues over (under) expenditures	150,000	220,989	210,289	(10,700)
Other Financing Sources (Uses)				
Transfers out	(150,000)	(300,000)	(300,000)	-
Net change in fund balances	-	(79,011)	(89,711)	(10,700)
Fund balance, beginning of year	95,586	95,586	95,586	-
Fund balance, end of year	$ 95,586	$ 16,575	$ 5,875	$ (10,700)

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Animal Control			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Licenses and permits	$ 16,000	$ 16,000	$ 15,121	$ (879)
Donations	3,300	16,300	14,655	(1,645)
Charges for services	60,930	60,930	53,113	(7,817)
Other revenue	-	-	398	398
Total revenues	80,230	93,230	83,287	(9,943)
Expenditures				
Current:				
Public safety	701,546	714,546	706,502	8,044
Revenues over (under) expenditures	(621,316)	(621,316)	(623,215)	(1,899)
Other Financing Sources (Uses)				
Transfers in	621,316	621,316	633,763	12,447
Net change in fund balances	-	-	10,548	10,548
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ 10,548	$ 10,548

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Small Cities Reuse			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Federal grants	$ 192,500	$ 192,500	$ 2,440	$ (190,060)
Fines and forfeitures	-	-	3,305	3,305
Investment income	45,896	45,896	25,240	(20,656)
Donations	53,167	53,167	-	(53,167)
Reimbursements	400,636	400,636	252,640	(147,996)
Total revenues	692,199	692,199	283,625	(408,574)
Expenditures				
Current:				
Community and economic development	759,777	759,777	737,321	22,456
Revenues over (under) expenditures	(67,578)	(67,578)	(453,696)	(386,118)
Other Financing Sources (Uses)				
Transfers out	-	(333,000)	-	333,000
Net change in fund balances	(67,578)	(400,578)	(453,696)	(53,118)
Fund balance, beginning of year	2,146,005	2,146,005	2,146,005	-
Fund balance, end of year	$ 2,078,427	$ 1,745,427	$ 1,692,309	$ (53,118)

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Register of Deeds Automation			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	$ 350,000	$ 350,000	$ 323,120	$ (26,880)
Investment income	1,000	1,000	2,338	1,338
Total revenues	351,000	351,000	325,458	(25,542)
Expenditures				
Current:				
General government	351,000	220,500	55,175	165,325
Capital outlay	-	130,500	12,150	118,350
Total expenditures	351,000	351,000	67,325	283,675
Net change in fund balances	-	-	258,133	258,133
Fund balance, beginning of year	58,329	58,329	58,329	-
Fund balance, end of year	$ 58,329	$ 58,329	$ 316,462	$ 258,133

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	E-911 Telephone Surcharge			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
State grants	$ 175,000	$ 175,000	$ 268,503	$ 93,503
Charges for services	3,473,618	3,473,618	3,249,307	(224,311)
Investment income	22,381	22,381	7,192	(15,189)
Total revenues	3,670,999	3,670,999	3,525,002	(145,997)
Expenditures				
Current:				
Public safety	3,936,319	4,371,319	3,145,683	1,225,636
Net change in fund balances	(265,320)	(700,320)	379,319	1,079,639
Fund balance, beginning of year	601,806	601,806	601,806	-
Fund balance (deficit), end of year	$ 336,486	$ (98,514)	$ 981,125	$ 1,079,639

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	E-911 Equipment Digital			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	$ 1,008,000	$ 1,008,000	$ 914,831	$ (93,169)
Investment income	-	-	4,379	4,379
Total revenues	1,008,000	1,008,000	919,210	(88,790)
Expenditures				
Capital outlay	1,008,000	1,008,000	-	1,008,000
Net change in fund balances	-	-	919,210	919,210
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ 919,210	$ 919,210

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Mobile Data Maintenance & Repair			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	$ 300,582	$ 300,582	$ 301,365	$ 783
Investment income	-	2,349	20,119	17,770
Total revenues	300,582	302,931	321,484	18,553
Expenditures				
Current:				
Public safety	476,628	628,977	231,991	396,986
Revenues over (under) expenditures	(176,046)	(326,046)	89,493	415,539
Other Financing Sources (Uses)				
Transfers in	176,046	326,046	326,046	-
Net change in fund balances	-	-	415,539	415,539
Fund balance, beginning of year	1,396,272	1,396,272	1,396,272	-
Fund balance, end of year	$ 1,396,272	$ 1,396,272	$ 1,811,811	$ 415,539

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Law Library			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	$ 6,500	$ 6,500	$ 6,500	$ -
Expenditures				
Current:				
Judicial	73,498	73,498	56,544	16,954
Revenues over (under) expenditures	(66,998)	(66,998)	(50,044)	16,954
Other Financing Sources (Uses)				
Transfers in	66,998	66,998	50,044	(16,954)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	County Library Board			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	$ 130,000	$ 130,000	$ 110,479	$ (19,521)
Expenditures				
Current:				
Recreation and culture	130,000	130,000	110,479	19,521
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Michigan Works! Service Centers			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Reimbursements	$ -	$ -	$ 22,546	$ 22,546
Other revenue	-	-	6	6
Total revenues	-	-	22,552	22,552
Expenditures				
Current:				
Health and welfare	497,620	497,620	510,242	(12,622)
Revenues over (under) expenditures	(497,620)	(497,620)	(487,690)	9,930
Other Financing Sources (Uses)				
Transfers in	497,620	497,620	478,298	(19,322)
Net change in fund balances	-	-	(9,392)	(9,392)
Fund balance, beginning of year	9,392	9,392	9,392	-
Fund balance, end of year	$ 9,392	$ 9,392	$ -	$ (9,392)

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Remonumentation			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
State grants	$ 100,000	$ 135,269	$ 102,088	$ (33,181)
Expenditures				
Current:				
General government	100,000	135,269	102,088	33,181
Revenues over (under) expenditures	-	-	-	-
Fund balance, beginning of year	7,628	7,628	7,628	-
Fund balance, end of year	$ 7,628	$ 7,628	$ 7,628	$ -

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Special Projects			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Federal grants	$ 27,005	$ 543,966	$ 131,618	$ (412,348)
State grants	25,000	20,000	39,094	19,094
Charges for services	2,300	2,300	2,611	311
Fines and forfeitures	6,250	11,250	9,133	(2,117)
Donations	-	25,000	25,000	-
Reimbursements	86,226	112,503	97,335	(15,168)
Total revenues	146,781	715,019	304,791	(410,228)
Expenditures				
Current:				
Judicial	67,071	62,071	31,905	30,166
General government	2,300	2,300	3,117	(817)
Public safety	119,740	449,229	169,853	279,376
Public works	86,226	86,226	87,529	(1,303)
Health and welfare	-	17,000	9,777	7,223
Community and economic development	-	193,245	21,498	171,747
Capital outlay	-	43,615	43,614	1
Total expenditures	275,337	853,686	367,293	486,393
Revenues over (under) expenditures	(128,556)	(138,667)	(62,502)	76,165
Other Financing Sources (Uses)				
Transfers in	86,485	96,596	85,332	(11,264)
Net change in fund balances	(42,071)	(42,071)	22,830	64,901
Fund balance, beginning of year	197,612	197,612	197,612	-
Fund balance, end of year	$ 155,541	$ 155,541	$ 220,442	$ 64,901

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Sheriff Special Projects			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Federal grants	$ 356,567	$ 405,922	$ 244,652	$ (161,270)
State grants	357,355	478,149	428,978	(49,171)
Local grants and contributions	52,500	52,500	31,172	(21,328)
Charges for services	44,866	124,866	124,747	(119)
Fines and forfeitures	100,000	180,800	161,768	(19,032)
Investment income	-	-	10,074	10,074
Donations	224,228	224,228	69,366	(154,862)
Reimbursements	1,143,385	1,224,185	1,051,879	(172,306)
Other revenue	23,390	23,390	21,851	(1,539)
Total revenues	2,302,291	2,714,040	2,144,487	(569,553)
Expenditures				
Current:				
Public safety	2,550,217	2,879,001	2,107,913	771,088
Capital outlay	-	127,061	104,020	23,041
Total expenditures	2,550,217	3,006,062	2,211,933	794,129
Revenues over (under) expenditures	(247,926)	(292,022)	(67,446)	224,576
Other Financing Sources (Uses)				
Transfers in	120,779	167,224	156,204	(11,020)
Transfers out	(5,990)	(8,339)	(4,905)	3,434
Sale of capital assets	-	-	11,092	11,092
Total other financing sources (uses)	114,789	158,885	162,391	3,506
Net change in fund balances	(133,137)	(133,137)	94,945	228,082
Fund balance, beginning of year	652,126	652,126	652,126	-
Fund balance, end of year	$ 518,989	$ 518,989	$ 747,071	$ 228,082

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Prosecutor Special Projects			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Federal grants	$ 98,066	$ 98,066	$ 90,395	$ (7,671)
State grants	192,388	227,828	217,222	(10,606)
Fines and forfeitures	20,000	20,000	20,516	516
Donations	1,108	1,108	440	(668)
Reimbursements	20,000	20,000	20,516	516
Total revenues	331,562	367,002	349,089	(17,913)
Expenditures				
Current:				
General government	516,339	522,728	526,317	(3,589)
Revenues over (under) expenditures	(184,777)	(155,726)	(177,228)	(21,502)
Other Financing Sources (Uses)				
Transfers in	184,777	155,726	177,228	21,502
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	470	470	470	-
Fund balance, end of year	$ 470	$ 470	$ 470	$ -

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Community Corrections Special Projects			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Federal grants	$ 97,994	$ 156,728	$ 62,161	$ (94,567)
State grants	1,215,880	1,250,925	1,238,634	(12,291)
Other revenue	140,161	52,243	-	(52,243)
Total revenues	1,454,035	1,459,896	1,300,795	(159,101)
Expenditures				
Current:				
Public safety	1,461,404	1,447,265	1,262,266	184,999
Revenues over (under) expenditures	(7,369)	12,631	38,529	25,898
Other Financing Sources (Uses)				
Transfers in	37,369	37,369	11,471	(25,898)
Transfers out	(30,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	7,369	(12,631)	(38,529)	(25,898)
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	MSU Extension Special Projects			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Federal grants	$ 195,429	$ 195,429	$ 142,617	$ (52,812)
State grants	120,000	120,000	115,322	(4,678)
Local grants and contributions	834,832	834,832	566,579	(268,253)
Investment income	-	-	426	426
Other revenue	-	-	1,452	1,452
Total revenues	1,150,261	1,150,261	826,396	(323,865)
Expenditures				
Current:				
General government	1,403,622	1,393,622	1,068,938	324,684
Capital outlay	-	10,000	9,909	91
Total expenditures	1,403,622	1,403,622	1,078,847	324,775
Revenues over (under) expenditures	(253,361)	(253,361)	(252,451)	910
Other Financing Sources (Uses)				
Transfers in	253,361	253,361	252,684	(677)
Net change in fund balances	-	-	233	233
Fund balance, beginning of year	358	358	358	-
Fund balance, end of year	$ 358	$ 358	$ 591	$ 233

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Family Independence Agency			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
State grants	$ 1,544,576	$ 1,544,576	$ 1,115,665	$ (428,911)
Donations	186	186	-	(186)
Total revenues	1,544,762	1,544,762	1,115,665	(429,097)
Expenditures				
Current:				
Health and welfare	1,643,741	1,644,311	1,215,191	429,120
Revenues over (under) expenditures	(98,979)	(99,549)	(99,526)	23
Other Financing Sources (Uses)				
Transfers in	98,979	99,549	99,339	(210)
Net change in fund balances	-	-	(187)	(187)
Fund balance, beginning of year	187	187	187	-
Fund balance, end of year	$ 187	$ 187	$ -	$ (187)

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Child Care			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Federal grants	$ 64,686	$ 64,686	$ 66,515	$ 1,829
State grants	1,674,441	1,691,155	1,387,666	(303,489)
Donations	4,200	49,200	16,326	(32,874)
Reimbursements	311,700	311,700	317,121	5,421
Other revenue	8,000	8,000	11,200	3,200
Total revenues	2,063,027	2,124,741	1,798,828	(325,913)
Expenditures				
Current:				
Health and welfare	4,523,518	4,538,042	4,115,012	423,030
Capital outlay	-	729	-	729
Total expenditures	4,523,518	4,538,771	4,115,012	423,759
Revenues over (under) expenditures	(2,460,491)	(2,414,030)	(2,316,184)	97,846
Other Financing Sources (Uses)				
Transfers in	2,458,991	2,412,530	2,344,562	(67,968)
Net change in fund balances	(1,500)	(1,500)	28,378	29,878
Fund balance, beginning of year	3,201	3,201	3,201	-
Fund balance, end of year	$ 1,701	$ 1,701	$ 31,579	$ 29,878

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Soldiers' Relief			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
Current:				
Health and welfare	$ 19,860	$ 19,860	$ 20,165	$ (305)
Other Financing Sources (Uses)				
Transfers in	19,860	19,860	20,165	305
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

COUNTY OF SAGINAW, MICHIGAN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Veterans' Trust			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
State grants	$ 81,866	$ 81,866	$ 49,866	$ (32,000)
Expenditures				
Current:				
Health and welfare	81,866	81,866	49,866	32,000
Net change in fund balances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

NONMAJOR ENTERPRISE FUNDS

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

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.

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

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF NET ASSETS - NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2004

	Parking System	Building Authority Administration	Inmate Services	Total
Assets				
Current assets:				
Cash and investment pool	$ 20,792	$ 346,512	$ 266,827	$ 634,131
Receivables (net):				
Accounts	443	-	51,013	51,456
Accrued interest	-	1,204	-	1,204
Total current assets	21,235	347,716	317,840	686,791
Noncurrent assets - capital assets:				
Land	41,273	-	-	41,273
Land improvements	33,933	-	-	33,933
Machinery and equipment	73,055	53,240	6,892	133,187
Vehicles	-	-	54,428	54,428
Accumulated depreciation	(103,516)	(8,053)	(49,852)	(161,421)
Total noncurrent assets - capital assets	44,745	45,187	11,468	101,400
Total assets	65,980	392,903	329,308	788,191
Liabilities				
Current liabilities:				
Accounts payable	343	-	23,065	23,408
Accrued liabilities	2,055	168	-	2,223
Deposits payable	-	-	15,852	15,852
Due to other funds	16,693	-	245,391	262,084
Total current liabilities	19,091	168	284,308	303,567
Noncurrent liabilities:				
Accrued liabilities	2,144	-	-	2,144
Advances from other funds	-	-	20,000	20,000
Total noncurrent liabilities	2,144	-	20,000	22,144
Total liabilities	21,235	168	304,308	325,711
Net Assets				
Invested in capital assets	44,745	45,187	11,468	101,400
Unrestricted	-	347,548	13,532	361,080
Total Net Assets	$ 44,745	$ 392,735	$ 25,000	$ 462,480

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Parking System	Building Authority Administration	Inmate Services	Total
Operating Revenues				
Charges for services	$ 59,976	$ 28,300	$ 961,458	$ 1,049,734
Fines and forfeitures	18,298	-	-	18,298
Other revenue	-	-	66,772	66,772
Total operating revenues	78,274	28,300	1,028,230	1,134,804
Operating Expenses				
Personal services	30,960	1,110	-	32,070
Fringe benefits	10,715	-	-	10,715
Supplies	1,413	-	412,571	413,984
Services and charges	16,663	171,127	78,038	265,828
Depreciation	4,612	5,369	16,618	26,599
Total operating expenses	64,363	177,606	507,227	749,196
Operating income (loss)	13,911	(149,306)	521,003	385,608
Nonoperating Revenues (Expenses)				
Investment income	-	5,371	280	5,651
Income (loss) before transfers	13,911	(143,935)	521,283	391,259
Transfers				
Transfers in	-	9,600	-	9,600
Transfers out	(16,349)	-	(521,283)	(537,632)
Net transfers	(16,349)	9,600	(521,283)	(528,032)
Change in net assets	(2,438)	(134,335)	-	(136,773)
Net assets, beginning of year	47,183	527,070	25,000	599,253
Net assets, end of year	$ 44,745	$ 392,735	$ 25,000	$ 462,480

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Continued

	Parking System	Building Authority Administration	Inmate Services	Total
Cash flows from operating activities:				
Receipts from customers	$ 60,512	$ 28,869	$ 947,066	$ 1,036,447
Interfund reimbursements	7,457	-	77,960	85,417
Payments to employees	(41,243)	(1,032)	-	(42,275)
Payments to suppliers	(24,203)	(171,247)	(490,193)	(685,643)
Other operating revenue	18,298	-	66,772	85,070
Net cash provided by (used in) operating activities	20,821	(143,410)	601,605	479,016
Cash flows from noncapital financing activities:				
Transfers in	-	9,600	-	9,600
Transfers out	(16,349)	-	(521,283)	(537,632)
Net cash provided by (used in) noncapital financing activities	(16,349)	9,600	(521,283)	(528,032)
Cash flows from investing activities:				
Investment income	-	5,371	280	5,651
Net increase (decrease) in cash and cash equivalents	4,472	(128,439)	80,602	(43,365)
Cash and cash equivalents, beginning of year	16,320	474,951	186,225	677,496
Cash and cash equivalents, end of year	$ 20,792	$ 346,512	$ 266,827	$ 634,131

COUNTY OF SAGINAW, MICHIGAN
STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Concluded

	Parking System	Building Authority Administration	Inmate Services	Total
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 13,911	$ (149,306)	$ 521,003	$ 385,608
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	4,612	5,369	16,618	26,599
Changes in assets and liabilities:				
Accounts receivable	536	569	(14,392)	(13,287)
Accounts payable	(6,127)	(120)	416	(5,831)
Accrued liabilities	432	78	-	510
Deposits payable	-	-	-	-
Due to other funds	7,457	-	77,960	85,417
Net cash provided by (used in) operating activities	$ 20,821	$ (143,410)	$ 601,605	$ 479,016

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

INTERNAL SERVICE FUNDS (Concluded)

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

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

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

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2004

Continued

	MERS Retirement	ICMA Retirement	Information Systems & Services	Equipment Revolving	Mailing Department	Motor Pool
Assets						
Current assets:						
Cash and investment pool	$ 118,109	$ 113,754	$ 323,623	$ 372,183	$ 20,954	$ 533,291
Receivables (net):						
Accounts	218,304	72,366	6,037	-	-	-
Accrued interest	26	264	-	1,090	-	-
Due from other funds	-	-	-	-	-	-
Prepaid items	-	-	-	-	30,000	-
Total current assets	336,439	186,384	329,660	373,273	50,954	533,291
Noncurrent assets - capital assets:						
Land	-	-	-	-	-	-
Land improvements	-	-	-	-	-	-
Buildings and improvements	-	-	-	-	-	-
Leasehold improvements	-	-	-	-	-	-
Machinery and equipment	-	-	1,613,351	224,270	-	-
Office furniture and fixtures	-	-	84,750	-	-	-
Vehicles	-	-	-	-	-	1,401,766
Accumulated depreciation	-	-	(1,087,626)	(58,260)	-	(1,268,997)
Total noncurrent assets - capital assets	-	-	610,475	166,010	-	132,769
Total assets	336,439	186,384	940,135	539,283	50,954	666,060
Liabilities						
Current liabilities:						
Accounts payable	293,965	89,292	27,332	14,635	15,954	-
Accrued liabilities	-	3,136	49,390	-	-	-
Due to other funds	25,818	3	1	-	-	1,318
Total current liabilities	319,783	92,431	76,723	14,635	15,954	1,318
Noncurrent liabilities:						
Accrued liabilities	-	4,406	59,187	-	-	-
Advances from other funds	-	-	-	-	35,000	-
Total noncurrent liabilities	-	4,406	59,187	-	35,000	-
Total liabilities	319,783	96,837	135,910	14,635	50,954	1,318
Net Assets						
Invested in capital assets	-	-	610,475	166,010	-	132,769
Unrestricted	16,656	89,547	193,750	358,638	-	531,973
Total Net Assets	$ 16,656	$ 89,547	$ 804,225	$ 524,648	$ -	$ 664,742

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2004

Concluded

	Risk Management	Investment Pool	Health Center Building	Employee Benefits	Total
Assets					
Current assets:					
Cash and investment pool	$ 1,060,235	$ 17,845	$ 67,308	$ 1,908,651	$ 4,535,953
Receivables (net):					
Accounts	14,982	-	3,401	211,142	526,232
Accrued interest	4,646	-	312	6,345	12,683
Due from other funds	829	-	169,197	1,894	171,920
Prepaid items	494,555	-	-	5,120	529,675
Total current assets	1,575,247	17,845	240,218	2,133,152	5,776,463
Noncurrent assets - capital assets:					
Land	-	-	233,000	-	233,000
Land improvements	-	-	25,387	-	25,387
Buildings and improvements	-	-	927,000	-	927,000
Leasehold improvements	-	-	23,628	-	23,628
Machinery and equipment	6,598	-	-	-	1,844,219
Office furniture and fixtures	-	-	-	-	84,750
Vehicles	-	-	-	-	1,401,766
Accumulated depreciation	(6,598)	-	(954,040)	-	(3,375,521)
Total noncurrent assets - capital assets	-	-	254,975	-	1,164,229
Total assets	1,575,247	17,845	495,193	2,133,152	6,940,692
Liabilities					
Current liabilities:					
Accounts payable	838	7,866	5,855	31,254	486,991
Accrued liabilities	2,593	1,827	8,220	6,532	71,698
Due to other funds	-	6,860	-	-	34,000
Total current liabilities	3,431	16,553	14,075	37,786	592,689
Noncurrent liabilities:					
Accrued liabilities	465,934	1,292	5,450	742,895	1,279,164
Advances from other funds	-	-	-	-	35,000
Total noncurrent liabilities	465,934	1,292	5,450	742,895	1,314,164
Total liabilities	469,365	17,845	19,525	780,681	1,906,853
Net Assets					
Invested in capital assets	-	-	254,975	-	1,164,229
Unrestricted	1,105,882	-	220,693	1,352,471	3,869,610
Total Net Assets	$ 1,105,882	$ -	$ 475,668	$ 1,352,471	$ 5,033,839

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Continued

	MERS Retirement	ICMA Retirement	Information Systems & Services	Equipment Revolving	Mailing Department	Motor Pool
Operating Revenues						
Charges for services	$ -	$ -	$ 66,575	$ 67,000	$ 193,738	$ -
Rental revenue	-	-	-	70,047	-	304,283
Reimbursements	2,246,680	1,807,380	1,387,794	-	-	-
Other revenue	-	94,029	-	-	-	-
Total operating revenues	2,246,680	1,901,409	1,454,369	137,047	193,738	304,283
Operating Expenses						
Personal services	-	86,592	784,373	6,096	-	-
Fringe benefits	2,246,680	1,807,380	333,627	3,364	-	-
Supplies	-	-	21,879	46	180,168	121
Services and charges	983	893	275,084	27,819	13,570	67,770
Depreciation	-	-	172,060	28,609	-	185,254
Total operating expenses	2,247,663	1,894,865	1,587,023	65,934	193,738	253,145
Operating income (loss)	(983)	6,544	(132,654)	71,113	-	51,138
Nonoperating Revenues (Expenses)						
Investment income	10,548	1,069	-	4,483	-	-
Gain (loss) on sale of capital assets	-	-	-	(6,846)	-	35,800
Total nonoperating revenues (expenses)	10,548	1,069	-	(2,363)	-	35,800
Income (loss) before transfers	9,565	7,613	(132,654)	68,750	-	86,938
Transfers						
Transfers out	-	-	-	-	-	-
Change in net assets	9,565	7,613	(132,654)	68,750	-	86,938
Net assets, beginning of year	7,091	81,934	936,879	455,898	-	577,804
Net assets, end of year	$ 16,656	$ 89,547	$ 804,225	$ 524,648	$ -	$ 664,742

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Concluded

	Risk Management	Investment Pool	Health Center Building	Employee Benefits	Total
Operating Revenues					
Charges for services	$ -	$ -	$ -	$ -	$ 327,313
Rental revenue	-	-	405,599	-	779,929
Reimbursements	1,128,267	83,221	29	7,136,619	13,789,990
Other revenue	-	-	-	81,151	175,180
Total operating revenues	1,128,267	83,221	405,628	7,217,770	15,072,412
Operating Expenses					
Personal services	41,457	27,086	118,942	117,156	1,181,702
Fringe benefits	11,596	17,747	84,622	7,064,134	11,569,150
Supplies	31	1	9,056	364	211,666
Services and charges	770,159	37,560	197,292	249,465	1,640,595
Depreciation	-	-	1,677	-	387,600
Total operating expenses	823,243	82,394	411,589	7,431,119	14,990,713
Operating income (loss)	305,024	827	(5,961)	(213,349)	81,699
Nonoperating Revenues (Expenses)					
Investment income	19,189	-	1,528	27,032	63,849
Gain (loss) on sale of capital assets	-	-	-	-	28,954
Total nonoperating revenues (expenses)	19,189	-	1,528	27,032	92,803
Income (loss) before transfers	324,213	827	(4,433)	(186,317)	174,502
Transfers					
Transfers out	(50,000)	(827)	-	-	(50,827)
Change in net assets	274,213	-	(4,433)	(186,317)	123,675
Net assets, beginning of year	831,669	-	480,101	1,538,788	4,910,164
Net assets, end of year	$ 1,105,882	$ -	$ 475,668	$ 1,352,471	$ 5,033,839

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Continued

	MERS Retirement	ICMA Retirement	Information Systems & Services	Equipment Revolving	Mailing Department	Motor Pool
Cash flows from operating activities:						
Receipts from interfund services provided	$ 2,328,305	$ 1,812,020	$ 1,442,922	$ 137,214	$ 194,275	$ 191,161
Payments to employees	-	-	(1,110,963)	(10,188)	-	-
Payments to suppliers	(2,242,078)	(1,893,398)	(287,762)	(13,664)	(193,741)	(67,891)
Other operating revenue	-	94,029	-	-	-	-
Net cash provided by (used in) operating activities	86,227	12,651	44,197	113,362	534	123,270
Cash flows from noncapital financing activities:						
Transfers out	-	-	-	-	-	-
Cash flows from capital and related financing activities:						
Proceeds from sale of capital assets	-	-	-	-	-	35,800
Payments for capital asset acquisition	-	-	-	(25,100)	-	(21,562)
Net cash provided by (used in) capital and related financing activities	-	-	-	(25,100)	-	14,238
Cash flows from investing activities:						
Investment income	10,548	1,069	-	4,483	-	-
Net increase (decrease) in cash and cash equivalents	96,775	13,720	44,197	92,745	534	137,508
Cash and cash equivalents, beginning of year	21,334	100,034	279,426	279,438	20,420	395,783
Cash and cash equivalents, end of year	$ 118,109	$ 113,754	$ 323,623	$ 372,183	$ 20,954	$ 533,291
Reconciliation of operating income to net cash provided by (used in) operating activities:						
Operating income (loss)	$ (983)	$ 6,544	$ (132,654)	$ 71,113	$ -	$ 51,138
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	172,060	28,609	-	185,254
Changes in assets and liabilities:						
Accounts receivable	55,807	4,637	(2,474)	167	37	-
Due from other funds	-	-	33,401	-	500	-
Prepaid items	-	-	-	-	-	-
Accounts payable	5,585	12,722	9,201	14,201	(3)	-
Accrued liabilities	-	(11,255)	7,037	(728)	-	-
Due to other funds	25,818	3	(42,374)	-	-	(113,122)
Net cash provided by (used in) operating activities	$ 86,227	$ 12,651	$ 44,197	$ 113,362	$ 534	$ 123,270

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Continued

	Risk Management	Investment Pool	Health Center Building	Employee Benefits	Total
Cash flows from operating activities:					
Receipts from interfund services provided	$ 1,133,649	$ 84,048	$ 234,987	$ 7,199,643	$ 14,758,224
Payments to employees	(251,728)	(43,623)	(201,531)	(50,550)	(1,668,583)
Payments to suppliers	(1,263,732)	(32,067)	(206,562)	(7,345,012)	(13,545,907)
Other operating revenue	-	-	-	81,151	175,180
Net cash provided by (used in) operating activities	(381,811)	8,358	(173,106)	(114,768)	(281,086)
Cash flows from noncapital financing activities:					
Transfers out	(50,000)	(827)	-	-	(50,827)
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets	-	-	-	-	35,800
Payments for capital asset acquisition	-	-	-	-	(46,662)
Net cash provided by (used in) capital and related financing activities	-	-	-	-	(10,862)
Cash flows from investing activities:					
Investment income	19,189	-	1,528	27,032	63,849
Net increase (decrease) in cash and cash equivalents	(412,622)	7,531	(171,578)	(87,736)	(278,926)
Cash and cash equivalents, beginning of year	1,472,857	10,314	238,886	1,996,387	4,814,879
Cash and cash equivalents, end of year	$ 1,060,235	$ 17,845	$ 67,308	$ 1,908,651	$ 4,535,953
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income (loss)	$ 305,024	$ 827	$ (5,961)	$ (213,349)	$ 81,699
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	-	1,677	-	387,600
Changes in assets and liabilities:					
Accounts receivable	(12,282)	-	(1,444)	77,918	122,366
Due from other funds	17,664	-	(169,197)	(1,894)	(119,526)
Prepaid items	(492,929)	-	-	(5,120)	(498,049)
Accounts payable	(613)	5,494	(214)	(25,929)	20,444
Accrued liabilities	(198,675)	1,210	2,033	66,606	(133,772)
Due to other funds	-	827	-	(13,000)	(141,848)
Net cash provided by (used in) operating activities	$ (381,811)	$ 8,358	$ (173,106)	$ (114,768)	$ (281,086)

FIDUCIARY FUNDS

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

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

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

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

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

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

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS
SEPTEMBER 30, 2004

Continued

	Trust & Agency	State Education Tax	Library Penal Fine
Assets			
Cash and investment pool	$ 1,910,813	$ 6,206,903	$ 212,996
Receivables (net):			
Taxes	-	-	-
Accounts	4,820,293	-	694
Accrued interest	42	-	593
Due from other governmental units	-	-	-
Total assets	$ 6,731,148	$ 6,206,903	$ 214,283
Liabilities			
Accounts payable	$ 373,233	$ -	$ -
Deposits payable	6,044,856	-	-
Due to other governmental units	313,059	6,206,903	214,283
Total liabilities	$ 6,731,148	$ 6,206,903	$ 214,283

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS
SEPTEMBER 30, 2004

Concluded

	Hospital Millage	Dependent Care	Medical Spending Reimbursement	Total
Assets				
Cash and investment pool	$ 10,586	$ 2,507	$ 7,490	$ 8,351,295
Receivables (net):				
Taxes	40,402	-	-	40,402
Accounts	-	-	-	4,820,987
Accrued interest	101	-	-	736
Due from other governmental units	9	-	-	9
Total assets	$ 51,098	$ 2,507	$ 7,490	$ 13,213,429
Liabilities				
Accounts payable	$ 51,098	$ -	$ -	$ 424,331
Deposits payable	-	2,507	7,490	6,054,853
Due to other governmental units	-	-	-	6,734,245
Total liabilities	$ 51,098	$ 2,507	$ 7,490	$ 13,213,429

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Continued

	Balance October 1, 2003	Additions	(Deductions)	Balance September 30, 2004
Trust & Agency				
Assets				
Cash and investment pool	$ 2,354,537	$ 94,209,526	$ (94,653,250)	$ 1,910,813
Receivables (net):				
Accounts	4,808,869	1,796,261	(1,784,837)	4,820,293
Accrued interest	61	190	(209)	42
Due from other funds	61	-	(61)	-
Total assets	$ 7,163,528	$ 96,005,977	$ (96,438,357)	$ 6,731,148
Liabilities				
Accounts payable	$ 628,650	$ 7,716,593	$ (7,972,010)	$ 373,233
Deposits payable	6,470,066	77,292,112	(77,717,322)	6,044,856
Due to other funds	5,943	187,294	(193,237)	-
Due to other governmental units	58,869	17,141,242	(16,887,052)	313,059
Total liabilities	$ 7,163,528	$ 102,337,241	$ (102,769,621)	$ 6,731,148
State Education Tax				
Assets				
Cash and investment pool	$ 5,106,407	$ 24,425,496	$ (23,325,000)	$ 6,206,903
Due from other funds	-	571	(571)	-
Total assets	$ 5,106,407	$ 24,426,067	$ (23,325,571)	$ 6,206,903
Liabilities				
Due to other funds	$ 61	$ 10,753	$ (10,814)	$ -
Due to other governmental units	5,106,346	24,291,035	(23,190,478)	6,206,903
Total liabilities	$ 5,106,407	$ 24,301,788	$ (23,201,292)	$ 6,206,903

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Continued

	Balance October 1, 2003	Additions	(Deductions)	Balance September 30, 2004
Library Penal Fine				
Assets				
Cash and investment pool	$ 221,860	$ 790,764	$ (799,628)	$ 212,996
Receivables (net):				
Accounts	-	694	-	694
Accrued interest	1,522	-	(929)	593
Total assets	$ 223,382	$ 791,458	$ (800,557)	$ 214,283
Liabilities				
Due to other governmental units	$ 223,382	$ 791,458	$ (800,557)	$ 214,283
Hospital Millage				
Assets				
Cash and investment pool	$ 12,413	$ 1,099,403	$ (1,101,230)	$ 10,586
Receivables (net):				
Taxes	31,697	13,253	(4,548)	40,402
Accrued interest	106	543	(548)	101
Due from other funds	5,943	190	(6,133)	-
Due from other governmental units	-	9	-	9
Total assets	$ 50,159	$ 1,113,398	$ (1,112,459)	$ 51,098
Liabilities				
Accounts payable	$ 50,159	$ 1,105,828	$ (1,104,889)	$ 51,098
Due to other funds	-	380	(380)	-
Total liabilities	$ 50,159	$ 1,106,208	$ (1,105,269)	$ 51,098
Dependent Care				
Assets				
Cash and investment pool	$ 1,203	$ 54,154	$ (52,850)	$ 2,507
Accounts receivable	2,528	-	(2,528)	-
Total assets	$ 3,731	$ 54,154	$ (55,378)	$ 2,507
Liabilities				
Accounts payable	$ 2,079	$ 55,052	$ (57,131)	$ -
Deposits payable	1,652	54,254	(53,399)	2,507
Total liabilities	$ 3,731	$ 109,306	$ (110,530)	$ 2,507

COUNTY OF SAGINAW, MICHIGAN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

Concluded

	Balance October 1, 2003	Additions	(Deductions)	Balance September 30, 2004
Medical Spending Reimbursement				
Assets				
Cash and investment pool	$ -	$ 92,555	$ (85,065)	$ 7,490
Accounts receivable	2,231	-	(2,231)	-
Total assets	$ 2,231	$ 92,555	$ (87,296)	$ 7,490
Liabilities				
Accounts payable	$ 2,231	$ 80,053	$ (82,284)	$ -
Deposits payable	-	88,015	(80,525)	7,490
Due to other funds	-	4,353	(4,353)	-
Total liabilities	$ 2,231	$ 172,421	$ (167,162)	$ 7,490
Total - All Agency Funds				
Assets				
Cash and investment pool	$ 7,696,420	$ 120,671,898	$ (120,017,023)	$ 8,351,295
Receivables (net):				
Taxes	31,697	13,253	(4,548)	40,402
Accounts	4,813,628	1,796,955	(1,789,596)	4,820,987
Accrued interest	1,689	733	(1,686)	736
Due from other funds	6,004	761	(6,765)	-
Due from other governmental units	-	9	-	9
Total assets	$ 12,549,438	$ 122,483,609	$ (121,819,618)	$ 13,213,429
Liabilities				
Accounts payable	$ 683,119	$ 8,957,526	$ (9,216,314)	$ 424,331
Deposits payable	6,471,718	77,434,381	(77,851,246)	6,054,853
Due to other funds	#REF!	#REF!	#REF!	#REF!
Due to other governmental units	5,388,597	42,223,735	(40,878,087)	6,734,245
Total liabilities	#REF!	#REF!	#REF!	#REF!
	#REF!			#REF!

BROWNFIELD REDEVELOPMENT AUTHORITY

COMPONENT UNIT OF SAGINAW COUNTY

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

COUNTY OF SAGINAW, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2004

	Brownfield Redevelopment Authority	Adjustments	Statement of Net Assets
Assets			
Cash and investment pool	$ 235,942	$ -	$ 235,942
Accrued interest receivable	764	-	764
Due from other governmental units	7,044	-	7,044
Total assets	$ 243,750	$ -	243,750
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 5,624	$ -	5,624
Deferred revenue	41,592	(36,507)	5,085
Long-term liabilities:			
Due within one year	-	13,373	13,373
Due in more than one year	-	153,412	153,412
Total liabilities	47,216	130,278	177,494
Fund Balances			
Unreserved	196,534	(196,534)	-
Total liabilities and fund balances	$ 243,750		
Net assets:			
Unrestricted		66,256	66,256
Total net assets		$ 66,256	$ 66,256

COUNTY OF SAGINAW, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Brownfield Redevelopment Authority	Adjustments	Statement of Activities
Revenues			
Property taxes	$ 123,166	$ 36,507	$ 159,673
Federal grants	22,462	-	22,462
Investment income	2,919	-	2,919
Total revenues	148,547	36,507	185,054
Expenditures / Expenses			
Current:			
Community and economic development	27,194	-	27,194
Debt service:			
Principal	16,705	(16,705)	-
Total expenditures / expenses	43,899	(16,705)	27,194
Net change in fund balances	104,648	(104,648)	-
Change in net assets	-	157,860	157,860
Fund balance / net assets, beginning of year	91,886	(183,490)	(91,604)
Fund balance / net assets, end of year	$ 196,534	$ (25,630)	$ 66,256

COUNTY OF SAGINAW, MICHIGAN
BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 116,911	$ 99,830	$ 123,166	$ 23,336
Federal grants	960,807	960,807	22,462	(938,345)
State grants	208,955	208,955	-	(208,955)
Investment income	-	-	2,919	2,919
Total revenues	1,286,673	1,269,592	148,547	(1,121,045)
Expenditures				
Current:				
Community and economic development	1,277,337	1,290,256	27,194	1,263,062
Debt service:				
Principal	17,081	17,081	16,705	376
Total expenses	1,294,418	1,307,337	43,899	1,263,438
Net change in fund balances	(7,745)	(37,745)	104,648	142,393
Fund balance, beginning of year	91,886	91,886	91,886	-
Fund balance, end of year	$ 84,141	$ 54,141	$ 196,534	$ 142,393

DEPARTMENT OF PUBLIC WORKS

COMPONENT UNIT OF SAGINAW COUNTY

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

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

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

COUNTY OF SAGINAW, MICHIGAN
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2004

	Debt Service	Construction	Total Governmental Funds	Adjustments	Statement of Net Assets
Assets					
Cash and investment pool	$ 59,861	$ -	$ 59,861	$ -	$ 59,861
Due from other governmental units	-	-	-	20,756,721	20,756,721
Prepaid items	598,315	-	598,315	(598,315)	-
Total assets	$ 658,176	$ -	$ 658,176	$ 20,158,406	20,816,582
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 251	$ -	$ 251	$ 235,721	$ 235,972
Deferred revenue	606,440	-	606,440	(606,440)	-
Long-term liabilities:					
Due within one year	-	-	-	1,098,000	1,098,000
Due in more than one year	-	-	-	19,423,000	19,423,000
Total liabilities	606,691	-	606,691	20,150,281	20,756,972
Fund Balances					
Reserved for:					
Debt service	51,485	-	51,485	(51,485)	-
Total liabilities and fund balances	$ 658,176	$ -	$ 658,176		
Net assets:					
Restricted for:					
Debt service				51,485	51,485
Acquisition/construction of capital assets				8,125	8,125
Total net assets				$ 59,610	$ 59,610

COUNTY OF SAGINAW, MICHIGAN
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Debt Service	Construction	Total Governmental Funds	Adjustments	Statement of Activities
Revenues					
Local grants and contributions	$ 2,549,986	$ -	$ 2,549,986	$ (1,889,631)	$ 660,355
Investment income	920	486	1,406	-	1,406
Total revenues	2,550,906	486	2,551,392	(1,889,631)	661,761
Expenditures / Expenses					
Current:					
Public works	-	516,313	516,313	-	516,313
Debt service:					
Principal	1,628,000	-	1,628,000	(1,628,000)	-
Interest and fiscal charges	921,641	-	921,641	(70,672)	850,969
Total expenditures / expenses	2,549,641	516,313	3,065,954	(1,698,672)	1,367,282
Revenues over (under) expenditures	1,265	(515,827)	(514,562)	(190,959)	(705,521)
Other Financing Sources (Uses)					
Transfers in	229	-	229	(229)	-
Transfers out	-	(229)	(229)	229	-
Proceeds of refunding debt	965,000	-	965,000	(965,000)	-
Payments to refunded debt escrow agent	(965,000)	-	(965,000)	965,000	-
Total other financing sources (uses)	229	(229)	-	-	-
Net change in fund balances	1,494	(516,056)	(514,562)	514,562	-
Change in net assets	-	-	-	(705,521)	(705,521)
Fund balance / net assets, beginning of year	49,991	516,056	566,047	199,084	765,131
Fund balance / net assets, end of year	$ 51,485	$ -	$ 51,485	$ 8,125	$ 59,610

COUNTY OF SAGINAW, MICHIGAN
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT
STATEMENT OF NET ASSETS - PROPRIETARY FUND
SEPTEMBER 30, 2004

	Administration
Assets	
Current assets:	
Cash and investment pool	$ 23,724
Due from other governmental units	11,729
Due from primary government	340
Total current assets	35,793
Liabilities	
Current liabilities:	
Accounts payable	4,618
Accrued liabilities	2,030
Due to primary government	29,145
Total current liabilities	35,793
Net Assets	
Unrestricted	$ -

COUNTY OF SAGINAW, MICHIGAN
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Administration
Operating Revenues	
Licenses and permits	$ 74,332
Reimbursements	20,006
Total operating revenues	94,338
Operating Expenses	
Personal services	27,354
Fringe benefits	9,492
Supplies	1,201
Services and charges	79,378
Total operating expenses	117,425
Operating income (loss)	(23,087)
Net assets, beginning of year	23,087
Net assets, end of year	$ -

COUNTY OF SAGINAW, MICHIGAN
DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

		Administration
Cash flows from operating activities:		
Receipts from customers	$	70,235
Interfund reimbursements		28,805
Payments to employees		(36,279)
Payments to suppliers		(79,742)
Other operating revenue		20,006
Net cash provided by (used in) operating activities		3,025
Cash and cash equivalents, beginning of year		20,699
Cash and cash equivalents, end of year	$	23,724

Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income (loss)	$	(23,087)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Due from other governmental units		(4,097)
Due from primary government		(340)
Accounts payable		837
Accrued liabilities		567
Due to primary government		29,145
Net cash provided by (used in) operating activities	$	3,025

DRAIN COMMISSION

COMPONENT UNIT OF SAGINAW COUNTY

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

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

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

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

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

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

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

COUNTY OF SAGINAW, MICHIGAN
DRAIN COMMISSION COMPONENT UNIT
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2004

Continued

	Debt Service Funds		Capital Projects Funds		
	Chapter 8 Drains	Chapter 20 Drains	Special Assessment Drain	Chapter 8 Drains	Chapter 20 Drains
Assets					
Cash and investment pool	$ 887,774	$ 48,018	$ 3,163,088	$ 1,262,098	$ 132,825
Receivables (net):					
Special assessments	4,555,746	14,046,396	-	-	-
Accounts	-	-	-	-	-
Due from other funds	7,134	-	21,222	49,500	-
Prepaid items	-	1,365,298	-	-	-
Capital assets, net:					
Assets not being depreciated	-	-	-	-	-
Assets being depreciated	-	-	-	-	-
Total assets	$ 5,450,654	$ 15,459,712	$ 3,184,310	$ 1,311,598	$ 132,825
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ -	$ -	$ 85,068	$ 30,726	$ -
Due to other funds	99,980	-	324,715	7,234	-
Due to primary government	-	-	7,419	-	-
Advances from primary government	-	-	-	-	-
Deferred revenue	4,555,746	15,421,581	-	-	-
Long-term liabilities:					
Due within one year	-	-	-	-	-
Due in more than one year	-	-	-	-	-
Total liabilities	4,655,726	15,421,581	417,202	37,960	-
Fund Balances					
Reserved for:					
Debt service	794,928	38,131	-	-	-
Capital projects	-	-	2,767,108	1,273,638	132,825
Total fund balances	794,928	38,131	2,767,108	1,273,638	132,825
Total liabilities and fund balances	$ 5,450,654	$ 15,459,712	$ 3,184,310	$ 1,311,598	$ 132,825

COUNTY OF SAGINAW, MICHIGAN
DRAIN COMMISSION COMPONENT UNIT
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2004

Concluded

	Capital Projects Funds				
	Revolving Drain	Revolving Drain Maintenance	Total Governmental Funds	Adjustments	Statement of Net Assets
Assets					
Cash and investment pool	$ 81,555	$ 36,566	$ 5,611,924	$ -	$ 5,611,924
Receivables (net):					
Special assessments	-	-	18,602,142	-	18,602,142
Accounts	-	2,030	2,030	-	2,030
Due from other funds	333,373	21,622	432,851	(432,851)	-
Prepaid items	-	-	1,365,298	(1,365,298)	-
Capital assets, net:					
Assets not being depreciated	-	-	-	520,109	520,109
Assets being depreciated	-	-	-	42,816,897	42,816,897
Total assets	$ 414,928	$ 60,218	$ 26,014,245	41,538,857	67,553,102
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 14,006	$ 1,610	$ 131,410	90,490	221,900
Due to other funds	922	-	432,851	(432,851)	-
Due to primary government	-	1,109	8,528	-	8,528
Advances from primary government	400,000	-	400,000	-	400,000
Deferred revenue	-	-	19,977,327	(19,977,327)	-
Long-term liabilities:					
Due within one year	-	-	-	1,411,768	1,411,768
Due in more than one year	-	-	-	16,888,067	16,888,067
Total liabilities	414,928	2,719	20,950,116	(2,019,853)	18,930,263
Fund Balances					
Reserved for:					
Debt service	-	-	833,059	(833,059)	-
Capital projects	-	57,499	4,231,070	(4,231,070)	-
Total fund balances	-	57,499	5,064,129	(5,064,129)	-
Total liabilities and fund balances	$ 414,928	$ 60,218	$ 26,014,245		

Net assets:		
Invested in capital assets, net of related debt	25,037,171	25,037,171
Restricted for:		
Debt service	833,059	833,059
Acquisition/construction of capital assets	4,231,070	4,231,070
Unrestricted	18,521,539	18,521,539
Total net assets	$ 48,622,839	$ 48,622,839

COUNTY OF SAGINAW, MICHIGAN
DRAIN COMMISSION COMPONENT UNIT
STATEMENT OF ACTIVTIES AND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Major Debt Service Funds		Major Capital Projects Funds		
	Chapter 8 Drains	Chapter 20 Drains	Special Assessment Drain	Chapter 8 Drains	Chapter 20 Drains
Revenues					
Special assessments	$ 1,563,305	$ -	$ 578,435	$ -	$ -
Local grants and contributions	-	1,593,827	-	-	-
Investment income	27,739	1,024	20,202	7,933	876
Reimbursements	-	-	26,535	-	-
Total revenues	1,591,044	1,594,851	625,172	7,933	876
Expenditures					
Current:					
Public works	-	-	562,500	86,560	-
Capital outlay	-	-	-	166,061	-
Depreciation	-	-	-	-	-
Debt service:					
Principal	1,329,520	1,245,000	-	-	-
Interest and fiscal charges	271,897	338,938	-	-	-
Total expenditures	1,601,417	1,583,938	562,500	252,621	-
Revenues over (under) expenditures	(10,373)	10,913	62,672	(244,688)	876
Other Financing Sources (Uses)					
Transfers in	4,100	-	27,912	-	-
Transfers out	(8,082)	(19,664)	(4,100)	-	(166)
Bond proceeds	7,134	-	-	335,866	-
Note proceeds	-	-	-	112,400	-
Total other financing sources (uses)	3,152	(19,664)	23,812	448,266	(166)
Net change in fund balances	(7,221)	(8,751)	86,484	203,578	710
Fund balance / net assets, beginning of year, as restated	802,149	46,882	2,680,624	1,070,060	132,115
Fund balance / net assets, end of year	$ 794,928	$ 38,131	$ 2,767,108	$ 1,273,638	$ 132,825

COUNTY OF SAGINAW, MICHIGAN
DRAIN COMMISSION COMPONENT UNIT
STATEMENT OF ACTIVITIES AND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Major Capital Projects Funds				
	Revolving Drain	Revolving Drain Maintenance	Total Governmental Funds	Adjustments	Statement of Activities
Revenues					
Special assessments	$ -	$ -	$ 2,141,740	$ (1,244,227)	$ 897,513
Local grants and contributions	-	-	1,593,827	(1,217,406)	376,421
Investment income	-	1,368	59,142	-	59,142
Reimbursements	-	27,258	53,793	-	53,793
Total revenues	-	28,626	3,848,502	(2,461,633)	1,386,869
Expenditures / Expenses					
Current:					
Public works	-	32,824	681,884	(354,048)	327,836
Capital outlay	-	7,300	173,361	(173,361)	-
Depreciation	-	-	-	1,154,434	1,154,434
Debt service:					
Principal	-	-	2,574,520	(2,574,520)	-
Interest and fiscal charges	-	-	610,835	(49,819)	561,016
Total expenditures / expenses	-	40,124	4,040,600	(1,997,314)	2,043,286
Revenues over (under) expenditures	-	(11,498)	(192,098)	(464,319)	(656,417)
Other Financing Sources (Uses)					
Transfers in	-	-	32,012	(32,012)	-
Transfers out	-	-	(32,012)	32,012	-
Bond proceeds	-	-	343,000	(343,000)	-
Note proceeds	-	-	112,400	(112,400)	-
Total other financing sources (uses)	-	-	455,400	(455,400)	-
Net change in fund balances	-	(11,498)	263,302	(263,302)	-
Change in net assets	-	-	-	(656,417)	(656,417)
Fund balance / net assets, beginning of year, as restated	-	68,997	4,800,827	44,478,429	49,279,256
Fund balance / net assets, end of year	$ -	$ 57,499	$ 5,064,129	$ 43,558,710	$ 48,622,839

COUNTY OF SAGINAW

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
(UNAUDITED)
LAST TEN YEARS

Year		Legislative	Judicial	General Government	Public Safety	Public Works	Health and Welfare	Community & Economic Development	Recreation and Cultural	Other Functions	Capital Projects	Debt Service	Pooled Costs & Fees	Total
1995	(1)	$ 457,216	$ 8,510,735	$ 7,352,477	$ 12,356,227	$ 15,102,816	$ 54,001,539	$ -	$ 2,015,964	$ 179,703	$ 14,060,079	$ 6,267,717	$ -	$ 120,304,473
1996	(1) (3)	384,977	6,426,294	6,114,666	10,381,465	12,037,468	49,491,822	-	1,733,545	106,051	6,749,096	5,396,129	-	98,821,513
1996/1997	(1) (4)	529,267	9,167,811	8,786,498	15,439,621	14,344,461	60,142,498	-	2,437,530	460,692	8,605,660	8,305,853	-	128,219,891
1997/1998	(1) (4)	576,261	8,833,443	8,957,120	15,267,283	16,126,960	32,978,998	-	2,571,939	643,629	8,685,829	7,680,341	1,028,333	103,350,136
1998/1999	(1) (4)	571,950	8,828,910	8,875,721	16,942,940	18,794,089	36,181,138	-	2,634,515	484,613	11,817,482	8,963,829	2,224,379	116,319,566
1999/2000	(1) (4)	581,279	9,194,760	8,926,317	21,645,831	23,365,026	38,314,903	-	2,889,026	898,080	5,121,913	8,497,280	2,639,824	122,074,239
2000/2001	(1) (4)	636,076	9,747,468	9,811,784	19,895,101	21,330,723	41,254,760	-	3,664,186	596,436	3,000,723	7,705,164	2,836,560	120,478,981
2001/2002	(1) (4)	642,725	10,149,975	10,136,764	21,251,088	25,109,079	43,190,293	-	2,974,709	811,463	4,460,121	7,713,975	-	126,440,192
2002/2003	(2) (4)	616,217	13,758,483	12,395,693	19,062,965	775,952	39,985,219	2,703,399	1,644,117	870,421	990,676	2,349,626	-	95,152,768
2003/2004	(4) (5)	650,860	13,960,908	11,925,144	19,102,853	865,444	39,429,284	2,915,523	1,739,480	890,908	493,681	1,545,955	-	93,520,040

(1) Includes general, special revenue, debt service, capital projects funds and the discretely presented component units.

(2) Includes general, special revenue, debt service and capital projects funds.

(3) Nine-month fiscal year ended September 30, 1996.

(4) The County of Saginaw now operates on an October through September fiscal year.

(5) Includes general, special revenue, debt service, capital projects, and permanent funds.

Source: Saginaw County Finance Department

COUNTY OF SAGINAW

GENERAL GOVERNMENTAL REVENUES BY SOURCE
(UNAUDITED)
LAST TEN YEARS

Year	Property Taxes	Accomodations Tax	Licenses and Permits	Federal Grants	State Grants	Local Grants and Contributions	Charges for Services	Fines and Forfeitures	Investment Income	Rental Revenue	Donations	Special Assessments	Reimbursements	Other Revenue	Loan Repayments	Total
1995	$ 20,701,787	$ -	$ 421,672	$ 13,626,411	$ 44,845,975	$ 6,455,120	$ 11,909,956	$ 1,190,481	$ 2,289,254	$ 628,335	$ 302,506	$ 491,796	$ 6,561,910	$ 1,310,246	$ 316,175	$ 111,051,624
1996 (1) (3)	21,212,376	-	364,650	9,175,715	39,767,388	4,313,691	10,008,006	1,187,495	1,549,903	1,801,234	219,126	471,049	5,985,789	681,228	261,053	96,998,703
1996/1997 (1) (4)	22,582,691	-	391,151	14,430,287	51,224,936	7,556,630	11,822,664	1,263,136	1,806,739	1,890,823	437,554	745,631	6,369,978	773,598	278,560	121,574,378
1997/1998 (1) (4)	23,506,467	-	400,304	14,866,062	30,028,929	8,653,854	7,537,401	1,455,151	2,099,164	1,055,518	346,971	1,161,639	5,388,719	2,271,923	270,769	99,042,871
1998/1999 (1) (4)	25,006,934	-	441,531	19,368,243	30,416,096	10,025,823	8,550,555	1,571,717	2,431,826	793,986	339,160	1,929,219	6,263,600	2,199,158	454,481	109,792,329
1999/2000 (1) (4)	26,224,793	-	472,029	24,465,693	31,502,355	9,702,651	10,769,768	1,154,000	2,642,811	905,786	379,182	1,954,750	7,200,229	2,086,339	374,830	119,835,216
2000/2001 (1) (4)	26,892,029	-	416,148	21,225,146	31,764,400	8,196,371	10,234,094	977,623	2,429,768	1,081,960	434,378	1,703,179	7,798,396	2,114,669	256,098	115,524,259
2001/2002 (1) (4)	28,196,295	-	491,242	22,150,440	36,302,486	9,799,194	11,574,582	1,883,866	1,434,088	1,061,609	418,466	1,927,605	4,411,247	1,693,617	151,308	121,496,045
2002/2003 (2) (4)	27,704,824	1,421,480	464,531	26,454,653	13,916,767	1,248,967	12,517,704	1,126,489	631,230	831,261	531,032	-	5,733,568	395,154	-	92,977,660
2003/2004 (4) (5)	28,490,665	1,451,049	505,333	22,999,398	15,941,652	928,143	14,340,063	1,027,075	409,880	794,848	632,432	-	5,678,315	342,577	-	93,541,430

(1) Includes general, special revenue, debt service, capital projects funds and the discretely presented component units.

(2) Includes general, special revenue, debt service and capital projects funds.

(3) Nine-month fiscal year ended September 30, 1996.

(4) The County of Saginaw now operates on an October through September fiscal year.

(5) Includes general, special revenue, debt service, capital projects, and permanent funds.

Source: Saginaw County Finance Department

COUNTY OF SAGINAW

PROPERTY TAX LEVIES AND COLLECTIONS
(UNAUDITED)
LAST TEN YEARS

(1) Year	Total Tax Levy	Current Tax Collections to March 1st	Percentage of Levy Collected	Delinquent Tax Collections to December 31	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Tax Levy
1995	$ 20,940,745	$ 19,478,074	93.02%	$ 678,751	$ 19,682,371	93.99%	$ 797,460	3.81%
1996	21,432,539	19,969,868	93.18%	603,490	20,573,358	95.99%	859,181	4.01%
1997	21,958,917	20,423,623	93.01%	750,085	21,173,443	96.42%	785,474	3.58%
1998	22,844,817	21,200,992	92.80%	829,790	22,030,782	96.44%	814,035	3.56%
1999	24,296,135	22,517,012	92.68%	963,833	23,480,845	96.64%	815,290	3.36%
2000	25,285,393	23,614,203	93.39%	1,082,716	24,696,919	97.67%	588,474	2.33%
2001	26,144,344	24,411,398	93.37%	1,188,250	25,599,648	97.92%	544,696	2.08%
2002	29,934,657	27,522,023	91.94%	1,347,657	28,869,680	96.44%	1,064,977	3.56%
2003	31,134,725	29,196,651	93.78%	773,069	29,969,720	96.26%	1,165,005	3.74%
2004	32,233,659	30,239,367	93.81%	1,306,023	31,545,390	97.86%	688,269	2.14%

(1) Year tax collected.

NOTE: The Delinquent Tax Fund purchases the delinquent taxes of each unit on or about May or June of each year.
Taxes levied are for County Operating (5 Mills) and all other extra voted taxes.

Source: Saginaw County Treasurer's Office

COUNTY OF SAGINAW

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
(UNAUDITED)
LAST TEN YEARS

	Real Property		Personal Property		Total	
(1) Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1995	$ 2,750,436,644	$ 5,500,873,288	$ 443,406,852	$ 886,813,704	$ 3,193,843,496	$ 6,387,686,992
1996	2,899,457,585	5,798,915,170	486,385,660	972,771,320	3,385,843,245	6,771,686,490
1997	3,147,764,094	6,295,528,188	502,881,909	1,005,763,818	3,650,646,003	7,301,292,006
1998	3,362,279,262	6,724,558,524	568,638,272	1,137,276,544	3,930,917,534	7,861,835,068
1999	3,576,456,501	7,152,913,002	555,969,687	1,111,939,374	4,132,426,188	8,264,852,376
2000	3,814,128,656	7,628,257,312	556,893,158	1,113,786,316	4,371,021,814	8,742,043,628
2001	4,056,548,190	8,113,096,380	619,837,395	1,239,674,790	4,676,385,585	9,352,771,170
2002	4,357,303,496	8,714,606,992	558,421,300	1,116,842,600	4,915,724,796	9,831,449,592
2003	4,616,251,781	9,232,503,562	526,687,722	1,053,375,444	5,142,939,503	10,285,879,006
2004	4,887,129,006	9,774,258,012	491,400,272	982,800,544	5,378,529,278	10,757,058,556

(1) Year tax was levied.

NOTE: The ratio of assessed value to estimated actual value is approximately 50% for all of the above years.

Source: Saginaw County Equalization Department

COUNTY OF SAGINAW

PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS
(UNAUDITED)
LAST TEN YEARS
(Per $1,000 of Assessed Value)

			Saginaw County									
Year	(1) Townships	(1) Cities & Villages	Operating	Debt	Extra Voted	Community College	(1) Intermediate Schools	State Education Tax	(1) Local Schools		(1) Average Effective Rate	
1995	3.19	10.51	4.86	.155	1.57	2.04	2.18	6.000	3.55	H	24.83	H
									21.55	NH	42.83	NH
1996	2.92	10.90	4.86	.188	1.57	2.04	2.18	6.000	4.14	H	29.92	H
									22.14	NH	47.92	NH
1997	2.98	10.44	4.86	.1224	1.579	2.0427	2.18	6.000	4.29	H	27.78	H
									22.29	NH	45.78	NH
1998	2.97	10.33	4.86	.1224	1.579	2.0427	2.20	6.000	3.86	H	27.3141	H
									21.86	NH	45.3141	NH
1999	2.69	10.09	4.86	.1847	1.6345	2.0427	2.145	6.000	4.17	H	27.43	H
									22.05	NH	45.30	NH
2000	2.77	10.11	4.86	.1413	1.6345	2.0427	2.14	6.000	4.52	H	27.40	H
									22.42	NH	45.29	NH
2001	2.59	10.02	4.86	0.1218	2.2227	2.5427	2.14	6.000	4.56	H	28.75	H
									22.44	NH	46.63	NH
2002	2.50	10.47	4.86	0.1173	2.2227	2.5427	2.14	6.000	4.83	H	29.19	H
									22.66	NH	47.03	NH
2003	2.50	10.47	4.86	0.1412	2.2318	2.5427	2.14	5.000	4.80	H	28.2	H
									22.53	NH	45.55	NH
2004	2.50	10.45	4.86	0.5428	2.2308	2.0427	2.15	6.000	4.98	H	29.28	H
									22.83	NH	47.132	NH

(1) Averages based on Totaled Rates divided by Number of Jurisdictions.

Note: School rates are separated into Homestead and Non-Homestead.

Source: Saginaw County Equalization Department

COUNTY OF SAGINAW

SPECIAL ASSESSMENTS BILLINGS AND COLLECTIONS
(UNAUDITED)
LAST TEN YEARS

(1) Year	Amount of Special Assessments Becoming Due During Year	Current Assessment Collected To March 1	Total Amount Special Assessments Uncollected
1995	$431,769	$412,704	$19,065
1996	475,877	453,878	21,999
1997	498,501	474,205	24,296
1998	674,456	631,827	42,629
1999	710,314	639,494	70,820
2000	754,424	689,043	65,381
2001	621,600	557,469	64,131
2002	854,012	795,171	58,841
2003	868,973	796,488	72,485
2004	849,794	789,143	60,651

(1) Year of Collection.

Note: Each year the Public Works Commissioner turns over for collection the portion of Special Assessment Drains to be paid by taxpayers in a drainage district. Those are collected by the local units up to March 1st and then turned into the County as delinquent. Delinquent taxes are paid 100 percent by the Delinquent Tax assessments. Total outstanding assessments include both levied and unlevied assessments.

Source: Saginaw County Public Works Commissioner and Saginaw County Treasurer

COUNTY OF SAGINAW

MAJOR TAXPAYERS
(UNAUDITED)
YEAR ENDED SEPTEMBER 30, 2004

	Taxpayer	Taxable Valuation	Percent of Total County Taxable Value
1.	Delphi Automotive Systems	$ 103,191,235	2.23%
2.	General Motors	41,306,573	0.89%
3.	Consumers Energy	92,681,667	2.01%
4.	Hemlock Semi-Conductor	23,466,947	0.51%
5.	Sahasa/SSP Associates	23,336,349	0.50%
6.	Frankenmuth Bavarian Inn	21,616,952	0.47%
7.	Saginaw Joint Ventures (Fashion Sq.)	20,646,706	0.45%
8.	Birch Run Outlet Center	20,231,155	0.44%
9.	Dow Corning Company	13,083,016	0.28%
10.	Charter Communications	13,139,337	0.28%
	Total	$ 372,699,937	8.06%

Above total represents 8.06% of the 2004 tax base.

Additional valuation has been placed on the Industrial and Commercial Facilities roll as follows:

	IFT Exemption	328 Exemption
Delphi Automotive Systems	$ 69,891,600	$ 87,398,700
General Motors	46,011,900	5,890,300
Hemlock Semi-Conductor	51,092,600	
Dow Corning Company	490,000	
	$ 167,486,100	$ 93,289,000

Source: Saginaw County Equalization Department

COUNTY OF SAGINAW

MAJOR PRIVATE EMPLOYERS
(UNAUDITED)
YEAR ENDED SEPTEMBER 30, 2004

	EMPLOYER	TYPE OF BUSINESS	EMPLOYEES
1.	Delphi Automotive Systems	Automotive	6,800
2.	Covenant HealthCare	Medical	4,129
3.	General Motors Powertrain	Automotive	2,637
4.	Saint Mary's	Medical	2,460
5.	SBC	Communication	1,273
6.	Frankenmuth Bavarian Inn Inc.	Restaurant/Hotel	1,000
7.	H.E. Services	Engineering	750
8.	Meijer	Department Store	600
9.	Zehnder's of Frankenmuth	Restaurant	600
10.	Frankenmuth Mutual Insurance	Insurance	525
11.	Means Industries	Auto Stampings	489
12.	Dow Corning Corporation/Hemlock Semiconductor	R&D Healthcare Materials/Polycrystalline Silicon	489
13.	Consumers Energy	Energy	450
14.	Eaton Corporation	Motor Vehicle Parts	395
15.	Michigan Sugar Company	Beet Sugar	350
16.	Duro-Last Roofing Inc.	Roofing Materials	325
17.	Hehr Companies	Glass Products	325
18.	XO Communications	Internet Provider	320
19.	Morley Companies	Meetings, Interactive Services & Travel	300
20.	The Saginaw News	Newspaper Publishing	265
21.	Citizens Bank	Banking, Finance	252
22.	Saginaw Control & Engineering	Electronic Controls	215
23.	Dixie Cut Stone & Marble	Patio Blocks & Landscape Stone	190
24.	Merrill Tool Holding Company	Machining	180
25.	Nash Finch	Wholesale Grocery Supplier	180
		Total	**25,499**

* List does not include government, school, non-profits or higher academic institution employers

Source: Saginaw Future, Inc.

COUNTY OF SAGINAW

ANNUAL AVERAGE UNEMPLOYMENT RATES
(UNAUDITED)
LAST TEN YEARS

Year	Labor Force	Employment	Unemployment	Rate
1995	98,425	92,750	5,675	5.8%
1996	98,500	93,975	4,525	4.6%
1997	99,000	95,100	3,900	3.9%
1998	101,258	96,535	4,723	4.7%
1999	102,354	97,850	4,504	4.4%
2000	102,425	98,375	4,050	4.0%
2001	103,275	97,528	5,747	5.6%
2002	101,629	94,708	6,921	6.8%
2003	102,238	93,556	8,682	8.5%
2004	98,735	90,119	8,616	8.7%

Source: Michigan Department of Career Development.

COUNTY OF SAGINAW

COMPUTATION OF LEGAL DEBT MARGIN
(UNAUDITED)
SEPTEMBER 30, 2004

State Equalized Valuation			$ 5,378,529,278
Debt Limit - 10% of State Equalized Valuation			0.10
Amount of Debt applicable to Debt Limit			$ 537,852,928
Total Bonded Debt (1)		$ 64,123,620	
Less: Deductions Allowed by Law:			
DPW - Water Bonds	$ 10,014,000		
DPW - Sewer Bonds	10,507,000		
Drains - Chapter 20 Bonds	12,816,396		
Drains - Special Assessment Bonds	4,879,709		
Drains - Special Assessment Notes	603,730	38,820,835	
Net Debt Subject to Statutory Limitations		$ 25,302,785	
Less: Restricted Amount Available for Debt Service		(1,689,059)	
Total Amount of Debt Applicable to Debt Limit			26,991,844
LEGAL DEBT MARGIN			$ 510,861,084

(1) Accumulated Vacation and Sick Leave not included.

COUNTY OF SAGINAW

RATIO OF NET GENERAL BONDED DEBT TO STATE EQUALIZED VALUATION AND NET BONDED DEBT PER CAPITA (UNAUDITED)
LAST TEN YEARS

(1) Year		(2) Population	State Equalized Valuation	(3) Total Debt	Less Deductions	Net General Bonded Debt	Ratio of Net General Bonded Debt to State Equalized Value	Net Bonded Debt per Capita
1995		212,545	$ 3,193,843,496	$ 66,050,691	$ 60,475,700	$ 5,574,991	0.175%	$ 26.23
1996	(4)	212,366	3,385,843,245	69,136,874	63,843,067	5,293,807	0.156%	24.93
1996/1997	(5)	211,742	3,650,646,003	68,191,815	63,251,228	4,940,587	0.135%	23.33
1997/1998	(5)	210,101	3,930,917,534	73,762,862	68,999,788	4,763,074	0.121%	22.67
1998/1999	(5)	210,101	4,132,426,188	74,917,864	70,562,098	4,355,766	0.105%	20.73
1999/2000	(5)	209,245	4,371,021,814	71,720,711	67,784,279	3,936,432	0.090%	18.81
2000/2001	(5)	210,039	4,676,385,585	66,034,282	62,463,555	3,570,727	0.076%	17.00
2001/2002	(5)	209,461	4,915,724,796	73,875,566	56,650,603	17,224,963	0.350%	82.23
2002/2003	(5)	210,087	5,142,939,503	73,396,016	56,525,972	16,870,044	0.328%	80.30
2003/2004	(5)	209,327	5,378,529,278	64,123,620	50,690,405	13,433,215	0.250%	64.17

(1) Represents year taxes are levied.

(2) Source: State of Michigan Department of Commerce.

(3) Does not include the non-current portion of the annual vacation and sick leave accrual.

(4) Nine-month fiscal year ended September 30, 1996.

(5) The County of Saginaw now operates on an October through September fiscal year.

COUNTY OF SAGINAW

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
(UNAUDITED)
LAST TEN YEARS

Year		Principal	(1) Interest and Fiscal Charges	Total Debt Service	Total General Governmental Expenditures		Ratio of Debt Service to General Governmental Expenditures
1995		$ 3,795,359	$ 2,445,518	$ 6,240,877	$ 120,304,473	(2)	5.2%
1996	(3)	3,544,609	1,790,564	5,335,173	98,821,513	(2)	5.4%
1996/1997	(4)	5,752,831	2,516,752	8,269,583	128,219,891	(2)	6.4%
1997/1998	(4)	5,122,399	2,488,224	7,610,623	103,350,136	(2)	7.4%
1998/1999	(4)	6,346,798	2,591,011	8,937,809	116,319,566	(2)	7.7%
1999/2000	(4)	5,898,304	2,577,352	8,475,656	122,074,239	(2)	6.9%
2000/2001	(4)	5,044,151	2,641,745	7,685,896	120,478,981	(2)	6.4%
2001/2002	(4)	5,255,922	2,442,580	7,698,502	126,612,815	(2)	6.1%
2002/2003	(4)	1,842,000	507,626	2,349,626	95,152,768	(5)	2.5%
2003/2004	(4)	1,125,000	420,956	1,545,956	93,520,040	(6)	1.7%

(1) Excludes bond issuance and other costs.

(2) Includes general, special revenue, debt service, capital project funds and discretely presented component units.

(3) Nine-month fiscal year ended September 30, 1996.

(4) The County of Saginaw now operates on an October through September fiscal year.

(5) Includes general, special revenue, debt service and capital project funds.

(6) Includes general, special revenue, debt service, capital project, and permenant funds.

COUNTY OF SAGINAW

COMPUTATION OF NET DIRECT AND OVERLAPPING DEBT
(UNAUDITED)
SEPTEMBER 30,2004

	Debt Outstanding	Percentage Applicable	County Share of Debt
NET DIRECT DEBT			
DPW - Water Bonds	$ 10,014,000		
DPW - Sewer Bonds	10,507,000		
Drains - Chapter 20 Bonds	12,816,396		
Drains - Special Assessment Bonds	4,879,709		
Drains - Special Assessment Notes	603,730		
Gol Tax Notes	5,521,000		
Building Authority Bonds	17,240,000		
HealthSource (Saginaw Comm. Hosp.)	1,150,000		
Juvenile Center Renovation	1,225,000		
Brownfield Redevelopment Authority	166,785		
Gross Bonded Debt	64,123,620		
Less Self-Supporting Bonds			
DPW - Water Bonds	10,014,000		
DPW - Sewer Bonds	10,507,000		
Drains - Chapter 20 Bonds	12,816,396		
Drains - Special Assessment Bonds	4,879,709		
Drains - Special Assessment Notes	603,730		
Gol Tax Notes	5,521,000		
Total Self-Supporting Bonds	44,341,835		
Less Restricted Amount Available for Debt Service	(1,689,059)		
TOTAL NET DIRECT DEBT	21,470,844	100%	$ 21,470,844
OVERLAPPING DEBT			
School Districts	154,734,644		
Cities and Villages	28,570,520		
Townships	29,494,820		
Community College and Intermediate S/Ds	3,940,159		
TOTAL NET OVERLAPPING DEBT	216,740,143	100%	216,740,143
TOTAL NET DIRECT AND OVERLAPPING DEBT	$ 238,210,987		$ 238,210,987

COUNTY OF SAGINAW

DEMOGRAPHIC STATISTICS
(UNAUDITED)
LAST TEN YEARS

Year	(1) Population	(2) Per Capita Income	(1) Median Age	(3) School Enrollment Public	(3) School Enrollment Private	(4) Unemployment Rate
1995	212,545	$ 20,871	34.1	36,586	5,436	5.8%
1996	212,366	20,740	33.9	38,618	6,251	4.6%
1997	211,742	21,732	32.9	37,068	5,805	3.9%
1998	210,101	22,770	32.7	37,133	4,783	4.7%
1999	210,101	23,889	32.0	36,639	4,809	4.4%
2000	209,245	25,081	36.9	36,504	4,471	4.0%
2001	210,039	26,351	36.3	36,474	4,300	5.6%
2002	209,461	19,438	36.3	36,389	4,300	6.8%
2003	210,087	19,438	36.3	36,159	N/A	8.5%
2004	209,327	25,297	36.3	35,441	N/A	8.7%

(1) State of Michigan Dept. of Management & Budget estimate.

(2) Woods & Poole Economics, Inc. 1994 Data Pamphlet 2002 -2000 Census.

(3) Saginaw Co. Intermediate School District.

(4) Michigan Department of Career Development.

COUNTY OF SAGINAW

PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
(UNAUDITED)
LAST TEN YEARS

Fiscal Year		Commercial Construction (1) Number of Permits (2)	Commercial Construction (1) Value	Residential Construction (1) Number of Permits (2)	Residential Construction (1) Value	Bank Deposits (000's)	True Cash Value Real & Personal (not including I. F. T.) Industrial Commercial Utility	Residential	Agricultural
1995		29	$ 14,169,018	200	$ 24,590,500	$ 2,585,383	$ 2,144,870,298	$ 3,731,090,698	$ 496,231,196
1996	(3)	39	4,680,000	302	28,596,895	2,572,847	2,286,844,526	3,947,851,388	514,990,922
1996/1997	(4)	35	4,444,020	245	24,766,183	2,626,075	2,447,330,918	4,284,912,026	543,574,404
1997/1998	(4)	109	13,839,948	173	22,978,250	2,690,232	2,659,932,694	4,610,183,544	572,009,330
1998/1999	(4)	73	10,106,412	416	38,395,136	2,734,236	2,688,043,874	4,976,653,998	580,699,684
1999/2000	(4)	56	7,552,440	549	49,395,136	2,817,594	2,758,627,726	5,365,491,814	599,167,974
2000/2001	(4)	53	7,729,944	464	49,199,392	(5)	2,936,990,714	5,788,633,284	612,377,272
2001/2002	(4)	38	5,571,066	616	60,206,608	(5)	2,974,024,492	6,208,994,954	632,803,146
2002/2003	(4)	50	8,009,000	605	66,500,000	(5)	3,027,785,192	6,578,512,574	724,141,040
2003/2004	(4)	34	5,175,000	566	57,500,000	(5)	3,057,313,884	7,021,181,666	654,333,206

(1) Information provided by Michigan State Housing Development Authority and Saginaw County Planning Dept.&Equalization.

(2) New Construction.

(3) Nine-month fiscal year ended September 30, 1996.

(4) The County of Saginaw now operates on an October through September fiscal year.

(5) Figures not available.

COUNTY OF SAGINAW

PROPERTY VALUE CHANGES
(UNAUDITED)
LAST TEN YEARS

Year	Agriculture & Timber Cut*	Percent Increase (Decrease)	Commercial & Development	Percent Increase (Decrease)	Industrial & Utility	Percent Increase (Decrease)	Residential	Percent Increase (Decrease)	Total SEV	Percent Increase (Decrease)
1995	$ 248,115,598	0.97%	$ 663,108,168	5.14%	$ 417,074,381	4.02%	$ 1,865,545,349	5.30%	$ 3,193,843,496	4.75%
Percent of Total	7.77%		20.76%		13.06%		58.41%		100.00%	
1996	259,657,371	4.65%	700,894,913	5.70%	451,365,267	8.22%	1,973,925,694	5.81%	3,385,843,245	6.01%
	7.67%		20.70%		13.33%		58.30%		100.00%	
1997	273,900,674	5.49%	780,329,930	11.33%	453,959,386	0.57%	2,142,456,013	8.54%	3,650,646,003	7.82%
	7.50%		21.37%		12.44%		58.69%		100.00%	
1998	288,045,815	5.16%	821,871,168	5.32%	515,908,779	13.65%	2,305,091,772	7.59%	3,930,917,534	7.68%
	7.33%		20.91%		13.12%		58.64%		100.00%	
1999	292,280,502	1.47%	864,088,591	5.14%	487,730,096	-5.46%	2,488,326,999	7.95%	4,132,426,188	5.13%
	7.07%		20.91%		11.80%		60.22%		100.00%	
2000	301,563,794	3.18%	898,854,676	4.02%	487,857,437	0.03%	2,682,745,907	7.81%	4,371,021,814	5.77%
	6.90%		20.56%		11.16%		61.38%		100.00%	
2001	306,572,736	1.66%	932,442,385	3.74%	543,053,822	11.31%	2,894,316,642	7.89%	4,676,385,585	6.99%
	6.56%		19.94%		11.61%		61.89%		100.00%	
2002	316,401,573	3.21%	1,018,039,957	9.18%	476,785,789	-12.20%	3,104,497,477	7.26%	4,915,724,796	5.12%
	6.44%		20.71%		9.70%		63.15%		100.00%	
2003	326,070,520	3.06%	1,069,310,831	5.04%	458,301,865	-3.88%	3,289,256,287	5.95%	5,142,939,503	4.62%
	6.34%		20.79%		8.91%		63.96%		100.00%	
2004	327,166,603	0.34%	1,107,626,965	3.58%	433,144,877	-5.49%	3,510,590,833	6.73%	5,378,529,278	4.58%
	6.08%		20.59%		8.05%		65.28%		100.00%	

Source: Saginaw County Equalization Department.

* Timber Cut classification is included in the Residential classification starting in 2002.

COUNTY OF SAGINAW

GENERAL FUND REVENUE AND EXPENDITURES AND OTHER FINANCING SOURCES AND USES
(UNAUDITED)
LAST TEN YEARS

	1995	1996 (1)	1996/1997 (2)	1997/1998 (2)	1998/1999 (2)	1999/2000 (2)	2000/2001 (2)	2001/2002 (2)	2002/2003(2)	2003/2004(2)
Revenues	$29,400,802	$27,579,522	$32,965,336	$35,750,155	$37,451,436	$34,728,744	$35,273,406	$33,284,525	$33,904,535	$38,496,368
Expenditures	(23,075,101)	(18,223,600)	(24,626,789)	(26,735,639)	(28,031,379)	(29,790,488)	(32,004,127)	(30,615,091)	(31,614,137)	(31,980,465)
Excess of Revenues Over Expenditures	6,325,701	9,355,922	8,338,547	9,014,516	9,420,057	4,938,256	3,269,279	2,669,434	2,290,398	6,515,903
Transfers:										
in	4,124,947	3,214,370	2,768,739	1,998,578	2,386,035	3,022,325	2,343,789	1,855,403	2,086,586	2,000,568
out	(9,078,855)	(7,980,325)	(9,935,008)	(9,885,778)	(10,337,868)	(7,237,347)	(5,930,161)	(6,432,788)	(4,073,511)	(8,167,801)
Sale of Capital Assets	-	-	-	-	-	-	-	363,303	-	-
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses	1,371,793	4,589,967	1,172,278	1,127,316	1,468,224	723,234	(317,093)	(1,544,648)	303,473	348,670
Fund Balance, Beginning of Year	11,683,815	13,055,608	17,645,575	18,910,419	20,694,207	22,162,431	22,885,665	22,128,418	20,583,770	20,887,243
Residual Equity Transfer Out	-	-	-	-	-	-	(179,071)	-	-	-
Prior Period Adjustment	-	-	92,566	656,472	-	-	(261,083)	-	-	-
Fund Balance, September 30	$13,055,608	$17,645,575	$18,910,419	$20,694,207	$22,162,431	$22,885,665	$22,128,418	$20,583,770	$20,887,243	$21,235,913

(1) Nine-month fiscal year ended September 30, 1996.

(2) The County of Saginaw now operates on an October through September fiscal year.

COUNTY OF SAGINAW

MISCELLANEOUS STATISTICAL DATA
(UNAUDITED)

Date of Establishment:	February 1835
Form of Government:	Elected Board of Commissioners (15) by specified districts
Area:	809 square miles
County Seat:	City of Saginaw
Townships:	(27) twenty-seven
Cities:	(3) three
Villages:	(5) five

Transportation:

Public Road Mileage	2,134
Bus Lines	2
Truck Lines	54
Rail Lines	6
Ports	30
Airports	4
Airlines	5

Recreation:

		Acres
U. S. Wildlife Refuge		8,984
State Game Area		14,665
Township Parks		598
City Parks		650
Village Parks		60
Lions Club		23
County Parks (6)		553
Beach	1	
Campground	1	
Boat Launch	2	
Trails	8 miles	
Fishing Docks	3	
Rail trails	6.55 miles open	

Police Protection:

Jail Capacity	513
Certified Officers	67
Patrol units	39
Detectives	10

COUNTY OF SAGINAW

MISCELLANEOUS STATISTICAL DATA
(UNAUDITED)

Educational Facilities – Public:		
	School Districts	13
	Elementary	44
	Middle	15
	Junior-Senior High	1
	High Schools	13
	Vocational & Special Ed.	7
Educational Facilities – Non-Public:		
	Pre-Kindergarten - 8	13
	Kindergarten - 8	3
	Kindergarten - 12	4
	High Schools	5
	Vocational	3
Colleges & Universities:		
	Central Michigan University Saginaw Center	1
	Davenport University	1
	Delta College (two year community college)	1
	Saginaw Valley State University	1
Public Libraries:		14
Financial Institutions:		**Offices**
	Amalgamated Credit Union	2
	Bank One	6
	Catholic Federal Credit Union	2
	Charter One	1
	Chemical Bank & Trust	3
	Christopher Credit Union	1
	Citizens Bank	14
	Consumers Choice Credit Union	1
	Communications Family Credit Union	1
	Community State Bank-St. Charles	5
	Credit Union Plus	1
	Family First Credit Union	1
	First Area Credit Union	1
	First Bank	2
	Flagstar Bank	1
	Frankenmuth Credit Union	1
	Freeland State Bank	1
	Independent Bank MSB	2
	Lake Huron Credit Union	1
	Montrose State Bank	1
	National City Bank	8

COUNTY OF SAGINAW

MISCELLANEOUS STATISTICAL DATA
(UNAUDITED)

Financial Institutions (continued):	**Offices**
Saginaw Automotive Empl. Fed Credit union	1
Saginaw County Employees Credit Union	1
Saginaw Medical Federal credit union	1
Saginaw Postal Federal Credit Union	1
Saginaw VA Hospital Federal Credit Union	1
Security Federal Credit Union	1
SECU Credit Union	1
Standard Federal Bank	9
Team One Credit Union	2
TCF Bank	6
Town & Country Family Credit Union	1
United Financial Credit Union	2
Valley State Employees Credit Union	1
Wanigas Federal Credit Union	2
Wolverine Bank FSB	2

Churches: 300

Synagogues: 2

Property Tax Base (2004):

Agricultural & Timber Cutover	6%
Residential	65%
Industrial & Utility	9%
Commercial	20%

Population:

Decade	**U. S. Census**	**Increase / (Decrease)**
1880	59,095	
1890	82,273	39.2%
1900	81,222	(1.3%)
1910	89,290	9.9%
1920	100,297	12.3%
1930	120,717	20.4%
1940	130,468	8.1%
1950	153,515	17.7%
1960	190,752	24.3%
1970	219,743	15.2%
1980	228,059	3.8%
1990	211,946	(7.1%)
2000	210,039	(0.9%)

COUNTY OF SAGINAW

MISCELLANEOUS STATISTICAL DATA
(UNAUDITED)

Industrial Sites:

Parks	3
Acres	679
Sites	53

Media:

Newspapers:

The Saginaw News (daily)
Birch Run-Bridgeport Herald (weekly)
Tri-County Citizen (weekly)
Frankenmuth News (weekly)
The Township Times (weekly)

Radio Stations:

WCEN-FM	94.5
WGER-FM	106.3
WHNN-FM	96.1
WILZ-FM	104.5
WIOG-FM	102.5
WKCQ-FM	98.1
WKQZ-FM	93.3
WMAX-AM	1440
WMJO-FM	97.3
WNEM-AM	1250
WSAM-AM	1400
WSGW-AM	790
WTLZ-FM	107.1
WXQL-FM	100.5
WYLZ-FM	100.9

Television Stations:

WAQP	Channel 49	Independent
WEYI	Channel 25	NBC
WJRT	Channel 12	ABC
WNEM	Channel 5	CBS
WSMH	Channel 66	FOX

Cable: Charter Communications

Telephone:

SBC
Century Telephone Co. of MI
Verizon
McLeod USA

COUNTY OF SAGINAW

MISCELLANEOUS STATISTICAL DATA
(UNAUDITED)

Utilities:	Consumers Energy - Natural gas Consumers Energy - Electricity
Natural Resources:	Lime, construction sand, gravel, oil and timber.
Museums:	Castle Museum of Saginaw County History Bridgeport Historical Village Frankenmuth Historical Museum Michigan's Own Military and Space Museum Marshall M. Fredericks Sculpture Museum Saginaw Art Museum Saginaw Valley Railroad Historical Society
Theaters-Stage:	Fischer Hall Heritage Theater – Saginaw County Event Center Pit & Balcony Community Theater Saginaw Valley State University Theater Temple Theater
Attractions:	Bronner's Christmas Wonderland, Frankenmuth Chesaning Showboat, Chesaning Children's Zoo at Celebration Square, Saginaw Frankenmuth River Place, Frankenmuth Green Point Nature Center, Saginaw Hartley Outdoor Education Center, St. Charles Historic Olde Home Shoppes, Chesaning Japanese Tea House and Cultural Center, Saginaw Junction Valley Railroad, Bridgeport Prime Outlets at Birch Run, Birch Run Westside Art Fair, Saginaw Wilderness Trails Animal Park, Frankenmuth William H. Haithco Recreation Area, Saginaw

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2004

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS - THROUGH GRANTOR'S NUMBER	FEDERAL AWARDS EXPENDED
PRIMARY GOVERNMENT:			
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
PASSED THROUGH MICHIGAN DEPARTMENT OF COMMUNITY HEALTH			
Smoking prevention	93.283	N/A	$ 14,000
Laboratory services	93.283	N/A	15,000
Bioterrorism - focus area A	93.283	N/A	84,989
Bioterrorism - focus area B	93.283	N/A	40,870
Bioterrorism - focus area E	93.283	N/A	31,114
Bioterrorism - focus area F	93.283	N/A	126,526
Bioterrorism - focus area G	93.283	N/A	16,856
Laboratory services	93.977	N/A	48,863
Family planning	93.217	N/A	189,901
Federally funded vaccines	93.268	N/A	833,502
Immunizations - IAP	93.268	N/A	96,876
Immunizations - field rep	93.268	N/A	107,301
HIV / AIDS counseling and testing	93.940	N/A	60,067
Substance abuse prevention and treatment block grant	93.959	N/A	1,223,929
B.A.S.A.R.A. substance abuse treatment	93.959	N/A	400,255
Minority health program	93.991	N/A	50,000
Local MCH	93.994	N/A	203,995
Lead abatement program	93.994	N/A	80,000
Family planning	93.994	N/A	178,713
Case management services	93.994	N/A	35,782
PASSED THROUGH HEALTH RESOURCES & SERVICES ADMINISTRATION			
Healthy start initiative	93.926	N/A	617,579
PASSED THROUGH OFFICE OF DRUG CONTROL POLICY			
SIG - Saginaw county youth protection council	93.243	N/A	104,900
PASSED THROUGH MICHIGAN FAMILY INDEPENDENCE AGENCY			
Title IVB Subpart 2 Family Presentation and Support Services	93.556	N/A	100,000
Temporary Assistance for Needy Families	93.558	N/A	6,099
Temporary Assistance for Needy Families / Healthy Families	93.558	N/A	67,560
Temporary Assistance for Needy Families / Family Nutrition	93.558	N/A	13,499
AFDC Maintenance Assistance (Federal Incentive)	93.560	N/A	297,697
IV-D Cooperative Reimbursement - Med (FOC)	93.563	N/A	111,935
IV-D Cooperative Reimbursement Grant (FOC)	93.563	N/A	2,065,940
IV-D Cooperative Reimbursement Grant (GF)	93.563	N/A	331,316
PASSED THROUGH MICHIGAN OFFICE OF AGING SERVICES AND THE REGION VII AREA AGENCY ON AGING			
Aging Cluster:			
Case Coordination and Support	93.044	N/A	72,451
Transportation	93.044	N/A	3,670
Senior Citizen's Staffing	93.044	N/A	13,330
Senior Center Operations	93.044	N/A	8,380
Outreach	93.045	N/A	5,734
Nutrition - Title IIIC-1	93.045	N/A	197,759
Nutrition - Title IIIC-2	93.045	N/A	140,271
National Family Caregiver Support Program	93.052	N/A	69,024
Supplemental funds - Title III E	93.558	N/A	18,053
Kinnet project	93.558	N/A	7,684
Health Care Financing Research	93.779	N/A	719
PASSED THROUGH MICHIGAN DEPARTMENT OF CAREER DEVELOPMENT			
Temporary Assistance for Needy Families (TANF) / Work First (Note 3)	93.558	N/A	1,909,536
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			10,001,675
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Foster Grandparent Program	94.011	N/A	251,124

(Continued)

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2004

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL AWARDS EXPENDED
PRIMARY GOVERNMENT (continued):			
U.S. DEPARTMENT OF AGRICULTURE			
PASSED THROUGH MICHIGAN OFFICE OF AGING SERVICES AND THE REGION VII AREA AGENCY ON AGING			
Nutrition - Title IIIC-1	10.550	N/A	$ 61,982
Nutrition - Title IIIC-2	10.550	N/A	102,578
PASSED THROUGH MICHIGAN DEPARTMENT OF EDUCATION			
National School Lunch-Breakfast Program - County Children's Facility	10.553	8350-41-1185	66,515
PASSED THROUGH MICHIGAN DEPARTMENT OF COMMUNITY HEALTH			
Women and Infant Care	10.557	N/A	614,885
PASSED THROUGH MICHIGAN DEPARTMENTOF CAREER DEVELOPMENT			
Food Stamps	10.561	N/A	206,690
TOTAL U.S. DEPARTMENT OF AGRICULTURE			1,052,650
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
PASSED THROUGH CITY OF SAGINAW			
Housing Self Maintenance	14.219	N/A	58,733
PASSED THROUGH THE MICHIGAN DEPARTMENT OF COMMERCE			
Community Development Block Grant	14.228	MSC-97-0540-HO	23,139
PASSED THROUGH THE MICHIGAN STRATEGIC FUND AGENCY			
Community Development Block Grant (Note 2)	14.228	CDBG #2	124,399
PASSED THROUGH THE MICHIGAN STRATEGIC FUND AGENCY			
Link Michigan Regional Telecommunications Planning Project	14.228	MSC 201075-LMRP	2,440
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			208,711
U.S. DEPARTMENT OF LABOR			
DIRECT PROGRAM			
H-1B Department of Labor Training Grant	17.261	N/A	1,457,761
PASSED THROUGH MICHIGAN DEPARTMENT OF CAREER DEVELOPMENT (Note 3)			
Work First - Supportive services	17.245	N/A	83,640
Welfare-to-Work Grants to States and Localities	17.253	N/A	631,383
Workforce Investment Act - incentive grant	17.267	N/A	17,359
Employment Services	17.207	N/A	777,642
Employment Services - MDCD	17.207	N/A	16,251
Workforce Investment Act - Capacity building professional development	17.258	N/A	6,994
Workforce Investment Act - Pre-feasibility	17.258	N/A	8,424
Workforce Investment Act - Adult	17.258	N/A	1,257,561
Workforce Investment Act - Administration	17.258	N/A	72,092
Workforce Investment Act - 15% Youth	17.258	N/A	7,584
Workforce Investment Act - Incumbant worker	17.258	N/A	28,469
Workforce Investment Act - Capacity building professional development	17.259	N/A	7,842
Workforce Investment Act - Pre-feasibility	17.259	N/A	9,445
Workforce Investment Act - Youth	17.259	N/A	1,300,233
Workforce Investment Act - Administration	17.259	N/A	80,830
Workforce Investment Act - 15% Youth	17.259	N/A	8,504
Workforce Investment Act - Incumbant worker	17.259	N/A	31,920
Workforce Investment Act - Dislocated	17.260	N/A	839,273
Workforce Investment Act - Administration	17.260	N/A	95,328
Workforce Investment Act - 15% Youth	17.260	N/A	10,029
Workforce Investment Act - Incumbant worker	17.260	N/A	37,645
Workforce Investment Act - Capacity building professional development	17.260	N/A	9,248
Workforce Investment Act - Pre-feasibility	17.260	N/A	11,139
Workforce Investment Act / NEG TAA type G	17.260	N/A	108,802
Reed Act - Work First	Note 4	N/A	3,619,858
Reed Act - SCO	Note 4	N/A	153,446
Reed Act - Accessibility	Note 4	N/A	22,401
TOTAL U.S. DEPARTMENT OF LABOR			10,711,103

(Continued)

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2004

FEDERAL GRANTOR / PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL AWARDS EXPENDED
PRIMARY GOVERNMENT (continued):			
U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY			
PASSED THROUGH MICHIGAN STATE POLICE DEPARTMENT			
Pre-disaster mitigation planning grant	83.557	N/A	$ 20,072
PASSED THROUGH MICHIGAN DEPARTMENT OF TRANSPORTATION			
Hazardous materials emergency planning	83.562	N/A	18,066
PASSED THROUGH SAGINAW COUNTY UNITED WAY			
Emergency Food and Shelter - National Program	83.523	N/A	2,766
TOTAL U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY			40,904
DEPARTMENT OF HOMELAND SECURITY			
PASSED THROUGH MICHIGAN STATE POLICE DEPARTMENT			
Emergency management performance grants	97.042	N/A	28,683
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Brownfield Pilots Cooperative Agreements	66.811	N/A	22,462
U.S. DEPARTMENT OF EDUCATION			
Twenty First Century Community Learning Centers	84.287A	N/A	2,825
U.S. DEPARTMENT OF JUSTICE			
Local Law Enforcement Block Grant	16.592	N/A	145,105
State Criminal Alien Assistance Program	16.606	N/A	12,254
PASSED THROUGH STATE COURT ADMINISTRATOR'S OFFICE			
Juvenile Accountability Incentive Block Grant	16.523	N/A	20,702
PASSED THROUGH MICHIGAN DEPARTMENT OF STATE POLICE OFFICE OF DRUG CONTROL POLICY			
State Homeland Security Grant Program	16.007	N/A	21,626
State Homeland Security Grant Program - equipment grant	16.007	N/A	11,523
State Homeland Security Grant Program - Part II Solution Area Planner	16.007	N/A	21,498
State Homeland Security Grant Program	16.007	N/A	9,506
Prosecutors Asset Forfeiture Unit	16.523	N/A	90,395
Byrne formula grant	16.579	N/A	15,000
School liason officer	16.579	N/A	28,675
Saginaw County substance abuse treatment	16.580	N/A	62,161
Bulletproof vest program	16.607	N/A	522
TOTAL U.S. DEPARTMENT OF JUSTICE			438,967
U.S. DEPARTMENT OF TRANSPORTATION			
PASSED THROUGH MICHIGAN DEPARTMENT OF TRANSPORTATION - AERONAUTICS			
Airport improvement program	20.106	B-26-0114-0701	284,390
Airport improvement program	20.106	B-26-0114-0803	14,873
PASSED THROUGH MICHIGAN DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction / Saginaw Valley Rail Trail Phase II	20.205	N/A	29,817
Urban Planning - FHWA	20.500	FHWA PL-0123-025	146,579
Urban Planning - FTA	20.500	FTA 97874	37,096
Hazardous materials emergency planning	20.703	HMEMI2018100	13
Operation ABC	20.600	N/A	35,638
S.C.A.R.E.	20.600	N/A	19,712
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			568,118
TOTAL FEDERAL FINANCIAL ASSISTANCE - PRIMARY GOVERNMENT AND BROWNFIELD COMPONENT UNIT AUTHORITY COMPONENT UNIT			$ 23,327,222

COUNTY OF SAGINAW

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2004

	FEDERAL AWARDS EXPENDED
RECONCILIATION TO FEDERAL REVENUE RECOGNIZED IN COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	
TOTAL FEDERAL FINANCIAL ASSISTANCE - PRIMARY GOVERNMENT AND DEPARTMENT OF PUBLIC WORKS COMPONENT UNIT	$ 23,327,222
ADD: FEDERAL AWARDS AUDITED IN SEPARATELY ISSUED FINANCIAL STATEMENTS: SAGINAW COUNTY ROAD COMMISSION - Component Unit	2,467,380
FEDERAL REVENUE RECOGNIZED IN COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	$ 25,794,602

NOTES:

(1) The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Saginaw and is presented on the modified accrual basis of accounting. The information presented in this schedule is presented in accordance with the requirements of OMB Circular A-133 Audits of States, Local Governments and Non Profit Organizations.

(2) 100% of this award was provided to subrecipients.

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

(4) To date, CFDA numbers have not been issued for these grants.

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

March 14, 2005

Board of Commissioners
County of Saginaw
Saginaw, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***County of Saginaw, Michigan*** as of and for the year ended September 30, 2004, and have issued our report thereon dated March 14, 2005. We did not audit the financial statements of the Road Commission Component Unit, which represents 61.7% and 90.4%, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Road Commission is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the ***County of Saginaw, Michigan's*** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our

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audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

However, we noted other matters involving the internal control over financial reporting that we have reported to management of ***County of Saginaw, Michigan*** in a separate letter dated March 14, 2005.

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

Rehmann Robson

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

March 14, 2005

Board of Commissioners
County of Saginaw
Saginaw, Michigan

Compliance

We have audited the compliance of the ***County of Saginaw, Michigan*** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2004. The ***County of Saginaw, Michigan's*** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the ***County of Saginaw, Michigan's*** management. Our responsibility is to express an opinion on the ***County of Saginaw, Michigan's*** compliance based on our audit.

The ***County of Saginaw, Michigan's*** financial statements include the operations of the Road Commission component unit, which received $2,467,380 in federal awards which is not included in the Schedule of Federal Awards for the year ended September 30, 2004. Our audit, described below, did not include the operations of the Road Commission Component Unit because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

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

In our opinion, the ***County of Saginaw, Michigan*** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2004.

Internal Control Over Compliance

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

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

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

Rehmann Robson

COUNTY OF SAGINAW

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2004

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	*Unqualified on basic financial statements*
Internal controls over financial reporting:	
Material weakness(es) identified?	_____yes ___X___no
Reportable condition(s) identified not considered to be material weaknesses?	_____ yes ___X___ none reported
Noncompliance material to financial statements noted?	_____ yes ___X___ no

Federal Awards

Internal Control over major programs:	
Material weakness(es) identified?	_____ yes ___X___ no
Reportable condition(s) identified not considered to be material weaknesses?	_____ yes ___X___ none reported
Type of auditor's report issued on compliance for major programs:	*Unqualified*
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	_____ yes ___X___ no

Identification of Major Programs:

CFDA Number(s)	**Name of Federal Program or Cluster**
17.258	WIA Adult Program
17.259	WIA Youth Activities
17.260	WIA Dislocated Workers
17.261	Employment and Training Administration Pilots, Demonstrations, and Research Projects (H-1B Technical Skills Training Grant)
93.283	Centers for Disease Control & Prevention – Investigations & Technical Assistance
93.558	Temporary Assistance to Needy Families

COUNTY OF SAGINAW

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2004

Dollar threshold used to distinguish
between Type A and Type B programs: $701,730

Auditee qualified as low-risk auditee? X yes _____ no

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

COUNTY OF SAGINAW

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2004

2003-1 Allocation of Payroll Expenditures

Grantor: U.S. Department of Health and Human Services

CFDA #: 93.283

Award Name: Centers for Disease Control & Prevention – Investigations & Technical Assistance

Condition: Office of Management and Budget Circular No. A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, requires that when employees work on multiple activities / are charged to both federally funded and non-federally funded cost centers, the distribution of their salaries or wages must be supported by personnel activity reports or a statistical sampling system that has been approved by the cognizant Federal agency.

During the year ended September 30, 2004, the County allocated payroll charges for Centers for Disease Control & Prevention – Investigations & Technical Assistance personnel to both the federally funded program and to the non-federally funded programs, which were not supported by direct timekeeping, personnel to activity reports, or other acceptable documentation as required by federal regulations. Instead, the charges were allocated to federal programs based on program budgets and management estimates. While the amounts allocated to individual programs may indeed closely approximate the actual time spent by County employees on these functions, this method of payroll allocation is not consistent with federal guidelines, and creates the risk that amounts allocated could vary substantially from actual costs incurred.

No costs were questioned in the current year as a result of this finding.

Recommendation: We recommend that the entity properly allocate salaries and wages to the aforementioned programs, based on timesheets that document the actual time incurred on each program.

Status: The County allocated salaries and wages to this federal program in 2003 / 2004 based on the results of an internal time study. The time study has not been approved by the County's Federal cognizant / State oversight agency. We recommend that the County have the time study approved by the grant award agency.

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March 14, 2005

To the Board of Commissioners
County of Saginaw
Saginaw, Michigan

In planning and performing our audit of the financial statements of the ***County of Saginaw*** for the year ended September 30, 2004, we considered the County's internal controls to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal controls.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. (A separate report dated March 14, 2005, contains our report on the County's compliance and internal controls). This letter does not affect our report dated March 14, 2005 on the financial statements of the ***County of Saginaw***.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various County personnel, and we will be pleased to discuss these comments in further detail at your convenience, or perform any additional studies of these matters, or to assist you in implementing the recommendations.

Rehmann Robson

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COUNTY OF SAGINAW

COMMENTS AND RECOMMENDATIONS

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1) Reconciliation of Inmate Trust Cash Account – ***Repeated from 2003 and 2002***

The bank account used to account for cash held on behalf of inmates detained at the County jail was not reconciled in a timely manner. Specifically, the reconciliation for the month ended September 30, 2004 was not reconciled until late in February 2005. Also, after the Sheriff Department prepares the reconciliations, they are not reviewed and the balance is not updated on the County's general ledger until year-end. A strong system of internal controls mandates that general ledger account balances be properly reconciled to subsidiary ledgers and / or other adequate supportive documentation in a timely manner.

Recommendation:

We recommend that the County implement whatever procedures are necessary to ensure that the Inmate Trust cash account is reconciled within a couple of weeks after receiving the bank statement. We also recommend that the reconciliations are reviewed by the County Treasurer's office and the general ledger balance be adjusted to reflect the reconciled balance.

Management Response:

The Sheriff's Department was temporarily diverted from completing this reconciliation, while, instead, concentrating on several critical financial issues such as monitoring and reporting on budgetary and payroll activity, compiling reports for various grant programs, and pursuing alternative cost containment and/or revenue enhancement strategies in an effort to alleviate or offset rising jail expenditures. The reconciliation was eventually completed without adversely impacting the account of any inmate. The Sheriff's Department will implement procedures to ensure that future reconciliations are completed in a timely manner as recommended.

2) Accounting for Forfeited Cash

The County occasionally seizes cash and other assets while conducting its law enforcement activities. The County has a fiduciary responsibility to maintain proper security and accounting for the seized assets until they are properly adjudicated. Cash that has been seized by the County is not accounted for on the County's general ledger accounting system rather, the cash is kept in a safe at the Sheriff's office and is accounted for only by Sheriff's department personnel. A strong system of internal control mandates that all cash held by the County is properly accounted for on the County's general ledger accounting system.

Recommendation:

We recommend that the County account for cash seized during law enforcement activities on the County's general ledger accounting system and that activity related to those assets be accounted for on a monthly basis.

Management Response:

There are a number of guidelines in place regarding seized/forfeited monies as well as court rulings and state law requirements which we are currently following.

When cash is seized as a result of a criminal investigation, that cash is tracked as follows:

1. *If on a search warrant, the money amounts are counted, confirmed, and then listed on the search warrant return which is part of court record.*

2. *If seized as part of a regular police report, the money amounts are logged in the report as evidence.*

3. *Monies seized are held in a safe in the Captain's office and logged in a ledger and witnessed. Only the Captain and Undersheriff have the combination to this safe.*

4. *Per state law, the monies seized are then held in the safe for a minimum of 20 days. A notice of intent to forfeit is served on the subject(s) the monies were seized from. The subject(s) have twenty (20) days to respond to this notice.*

   A. *Subjects(s) can choose not to respond and as a result, an order is cut from the prosecutor's office after the twenty (20) days stating the monies belong to the Saginaw County Sheriff's Office. The monies are then deposited in the adjudicated account established under guidelines set by State law.*

   B. *Subjects(s) can respond within twenty (20) days, post a $250.00 bond, and advise they are going to contest the seizure/forfeiture in civil court. The monies are then deposited in the non-adjudicated account established under guidelines set by State law until the results of the civil hearing. Civil hearing could result in monies being returned to subject(s) or ruled now belonging to the Saginaw County Sheriff's Office at which point the monies are transferred into the adjudicated account.*

   C. *Subjects(s) can respond within twenty (20) days, post a $250.00 bond advising they are going to fight seizure/forfeiture in civil court. Subject can also request in writing to prosecutor's office that all monies seized be held as evidence in the criminal case. If this takes place, the monies are held in the safe as evidence (not in an account) until the criminal case is over. Courts have ruled monies requested to be held as evidence cannot be deposited or commingled with other monies until the criminal case is over.*

I (County Undersheriff) believe the system that is in place meets the requirements under State law dealing with seizure/forfeited monies and the checks and balances we follow are more than adequate.

3) Consideration of Specific Policies Related to Petty Cash Balances

The County maintains in excess of $25,000 in petty cash and change funds at various departments. During our audit procedures, we performed counts of several petty cash and change balances and noted a high frequency of minor discrepancies between the results of the counts and petty cash balances on general ledger. We also noted that procedures related to petty cash are not consistent between County Departments. A strong system of internal control dictates that policies and procedures specific to petty cash should be documented and followed to properly maintain and account for petty cash balances.

Recommendation:

The County should consider documenting specific policies and procedures for petty cash and change fund balances. Such policies and procedures should include, but not be limited to the following items:

- A maximum amount of disbursements from petty cash in any one year
- Require the use of pre-numbered petty cash vouchers that are accounted for in a sequential manner
- Require that petty cash vouchers are approved by a department head or other responsible employee, other than the petty cash custodian
- Petty cash reimbursement checks (from the County Treasurer) are made out to the order of the custodian only (not to Cash, a position title, etc.)
- Require that the petty cash fund is periodically reconciled by someone independent of the custodian

Management Response:

Petty cash accounts are provided to certain County departments both for convenience purposes and for necessity to conduct daily County business. Departments currently maintaining petty cash accounts will be contacted regarding their need for a petty cash account and will be required to justify their need. All departments no longer needing a petty cash account will be required to deposit their petty cash with the County Treasurer. The remaining departments will be provided with written policies and procedures for the handling of petty cash.

4) Internal Control Related to Parking Meter Collections

A portion of the revenue generated by the County's Parking Fund is derived from parking meters. The County utilizes electronic meter readers and a computer software program to account for monies deposited into each parking meter. The meter readers and software also allow County personnel to print a report that identifies the number of meters read during the collection process, however current policies and procedures do not require that such a report is printed. Although the County mitigates risks related to this situation by having two people involved in the collection process, a printed report of the number of meters read would provide additional assurance that all meter collections are properly accounted for.

Recommendation:

The County should consider requiring that the aforementioned report be printed and maintained each time parking meter revenue is collected.

Management Response:

As of March 1, 2005; a Saginaw County Sheriff deputy now accompanies our parking enforcement employee during the weekly meter collection process. To enhance internal control of all meter collections and recordkeeping, The County has ordered a new software package and new equipment through Duncan Parking Technologies. The new software will print a detailed report accounting for each parking meter and all revenue that is collected. Lonny Sampson, Parking Enforcement employee, has been directed to print this report that identifies the number of meters read during the collection process. I (Director of Maintenance) will receive the report, which will be reviewed, maintained, and filed for future reference, if necessary.